

Power and Prediction



The Disruptive Economics of
Artificial Intelligence

AJAY
AGRAWAL

JOSHUA
GANS

AVI
GOLDFARB

HARVARD BUSINESS REVIEW PRESS
BOSTON, MASSACHUSETTS

CONTENTS

Preface: Success from Away?	ix
-----------------------------	----

PART ONE

The Between Times

1. A Parable of Three Entrepreneurs	3
2. AI's System Future	13
3. AI Is Prediction Technology	25

PART TWO

Rules

4. To Decide or Not to Decide	41
5. Hidden Uncertainty	53
6. Rules Are Glue	63

PART THREE

Systems

7. Glued versus Oiled Systems	75
8. The System Mindset	85
9. The Greatest System of All	97

PART FOUR

Power

- | | |
|-----------------------------|-----|
| 10. Disruption and Power | 107 |
| 11. Do Machines Have Power? | 119 |
| 12. Accumulating Power | 129 |

PART FIVE

How AI Disrupts

- | | |
|--------------------------------|-----|
| 13. A Great Decoupling | 143 |
| 14. Thinking Probabilistically | 155 |
| 15. The New Judges | 167 |

PART SIX

Envisaging New Systems

- | | |
|--------------------------------|-----|
| 16. Designing Reliable Systems | 183 |
| 17. The Blank Slate | 197 |
| 18. Anticipating System Change | 211 |
| Epilogue: AI Bias and Systems | 225 |
| Notes | 237 |
| Index | 255 |
| Acknowledgments | 265 |
| About the Authors | 267 |