

Is it beneficial to regulate artificial intelligence?

Key Concepts:

Globalization: The movement of people, goods, culture, and ideas around the world. In this case, how a law in one part of the world can change things somewhere else.

Artificial Intelligence (AI): Computer systems that perform tasks normally requiring human intelligence, such as writing text, recognising faces, or generating images.

On 2 August 2026, the European Union (EU) began enforcing the majority of its Artificial Intelligence Act, the world's first major law on AI. The EU is a union of 27 countries with a shared single market and European Parliament that in some areas, like industry regulations, passes law that all member states must follow.

Three obligations will now apply to EU member states. AI Systems that interact with people must be clearly labelled that that they are AI. Content generated or edited by AI, including deepfakes, must be marked in a machine-readable way. This is often done by the AI model itself when they create something. AI used to recognise emotions or sort people by biometric features must inform those affected. Companies that break the rules face fines of up to 15 million euros or 3% of their global turnover.

The EU said the rules would "reduce deception and manipulation and help people make informed choices."

Supporters point to election misinformation, voice-cloning scams and abusive deepfakes.

Some AI companies have already responded by creating systems to follow the new law. For example, Anthropic, the company responsible for the Claude AI model has begun incorporating AI 'watermarks' that can identify its work as being AI generated.

Reactions to the law have been divided, however. More than 180 organisations signed a voluntary transparency code, and OpenAI, the company that created ChatGPT, said it had "collaborated closely with the European Commission." Business groups counter that compliance with laws like this pulls engineers away from building products, and warn that new AI models may reach Europe later than elsewhere. In July 2026, the United States opened a trade investigation into EU digital rules, arguing they unfairly target American companies.

The EU also delayed its tougher "high-risk" rules, covering AI used in hiring, schools, policing and border control, until December 2027. Digital rights groups called the delay a victory for corporate lobbying.

Because global firms rarely build separate products for each market, EU rules often spread far beyond Europe. International law professor Anu Bradford calls this the "Brussels effect."



Comprehension Questions

1. What must an AI system now do when it interacts with a person in Europe?
2. What is the maximum fine a company can face for breaking these rules?
3. Which major company has already implemented changes? What did it do?
4. Which set of rules was delayed, which areas did it cover? until when?
5. What action did the United States take in July 2026, and what reason did they give?

Thinking Questions

1. How did this law come about: what problems did the EU identify, and how are the rules meant to address them?
2. Compare the EU's reasoning with the business group criticisms. What does each side treat as the greater risk?
3. Digital rights groups called the delay "a victory for corporate lobbying." What does this mean?
4. Explain how a rule made in Europe ends up affecting a company headquartered in California.
5. Of the three transparency requirements, which will matter most in everyday life? Explain your answer.

Is it beneficial to regulate artificial intelligence?

You are going to consider three different approaches to AI regulation. One is labelling, which is the EU's approach. Another example is restriction, where some uses of AI are banned by law. The third is platform policy – where individual AI platforms regulate themselves, leaving governments uninvolved. But first, let's consider this: what makes a technology law *good*?

What makes a technology law *good*?

Now, for each option below, explain whether you think it's a good way of regulating AI use.

Labelling – AI Companies and services must disclose what is generated by AI. This does not restrict *what* can be made by AI.

Do you think this is a *good* way to regulate AI use? Explain.

Restriction – Ban specific uses of AI entirely (for example AI impersonation of real people)

Do you think this is a *good* way to regulate AI use? Explain.

Platform Policy – Leave AI generated creation unregulated. Any disclosure or labelling is left up to the individual platforms. Some social media platforms are already implementing this.

Do you think this is a *good* way to regulate AI use? Explain.

Now, let's get back to the central question from this lesson – *is it beneficial to regulate artificial intelligence?* Using examples from the activity above, explain your views on the best way forward when it comes to regulating artificial intelligence. In your response:

- Refer to the different options for regulating artificial intelligence
- Support your ideas with at least 2-3 specific examples
- Include counter-arguments – why would other methods not be the most useful or effective?

This image shows a full page of blank handwriting practice paper. It features multiple sets of horizontal lines across the entire page. Each set consists of three lines: a solid top line, a dashed middle line, and a solid bottom line. These sets are repeated vertically down the page, providing a guide for letter height and placement. The background is white, and the lines are light gray or blue. There is no text or other markings on the page.

Further Research

1. Investigate the “Brussels Effect”. What other examples are there of EU laws that have shaped laws and policies in different parts of the world?

Example 1:

EU Law:

This law’s wider effects:

Example 2:

EU Law:

This law’s wider effects:

Example 3:

EU Law:

This law’s wider effects: