

WARNING ON 'A.I. PRODUCTIVITY PARADOX'

PM wants report from top civil servants, says digital transformation must deliver results

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PRIME Minister Datuk Seri Anwar Ibrahim has given the chief secretary to the government and all government department heads up to one month to submit a study on the impact of artificial intelligence (AI) on public sector productivity.

He said although the government had allocated billions of ringgit for digital transformation programmes, including for AI, concerns remain over the "AI productivity paradox".

"We do not want to fall into what is known as the trough of disillusionment, where assumptions made with substantial funding for the digital transformation and AI programme,

which amounts to tens of billions of ringgit over the next five years, fail to deliver results," he said in his speech at the Prime Minister's Department' monthly assembly yesterday.

He said international studies indicate that the adoption of digital technology and AI did not automatically guarantee improved outcomes or productivity and, in some cases, might even have the opposite effect.

"Our goal in implementing digital transformation with AI is to increase productivity.

"However, past experiences

show that not all technological transitions deliver the expected results. Many major corporations have encountered the AI productivity paradox.

"Billions are spent to ensure productivity, with transparency, reduced bureaucratic red tape, and the elimination of corruption and commission practices as top priorities.

"We cannot allow AI to provide information while yielding no meaningful results.

"As such, I want the chief secretary and all government department heads to address this

issue and submit their reports within two weeks to a month. We must not repeat past mistakes," he said.

Anwar said the substantial funds spent on digital transformation should not end in failure due to weak management, lack of transparency or insufficient monitoring.

He said good governance, system integration and outcome evaluation must be prioritised to ensure the country did not repeat past errors that ultimately harmed the government and the public.