

Why is AI so Contentious?

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A contentious technology

AI is heralded as a technology with enormous potential contributions to growth — some models predict GDP could double, or more (Beraja-Talamas 2026; Jones 2026).

Yet the technology is far from uniformly lauded:

US adults
≈ 50%

more concerned than excited; 10% more
excited — halved in five years (Pew 2025)

UK adults
47%

view LLMs as concerning; 63% also view them
as beneficial (Ada Lovelace & Turing 2025)

Lawsuits, regulation, worker resistance, a papal encyclical — why is AI so contentious?

What are people concerned about?

OpenAI's own assessment is a good start, for what it contains and for what it omits:

*"While we strongly believe that AI's benefits will far outweigh its challenges, we are clear-eyed about the risks — of **jobs and entire industries being disrupted**; bad actors misusing the technology; **misaligned systems evading human control**; ...; and **power and wealth becoming more concentrated**." — "Industrial Policy for the Intelligence Age" (2026)*

Economic

displaced workers,
concentrated wealth
familiar (industrial revolution)

Existential

misuse, weapons,
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What the quote **omits** — **how the technology was built**. The developers' insight: words, creations are **training data**. Initially, take online content. Increasingly, take people's expertise...

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Moral

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new

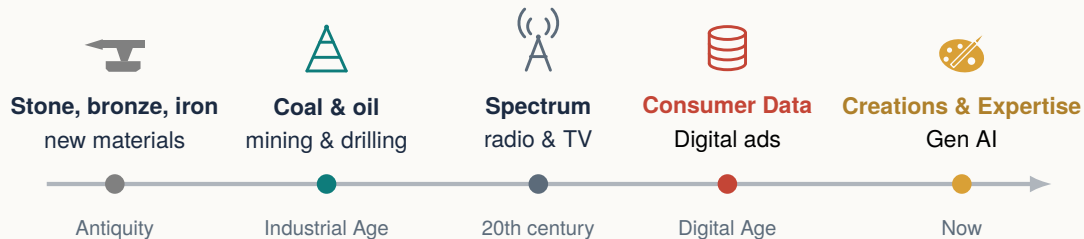
We will argue that this appropriation had an **economic logic** (Beraja & Yuchtman 2026).

It has raised a third, **moral** concern, with no clear counterpart in earlier technologies

⇒ helps explain why AI is so contentious and the conflict so visceral.

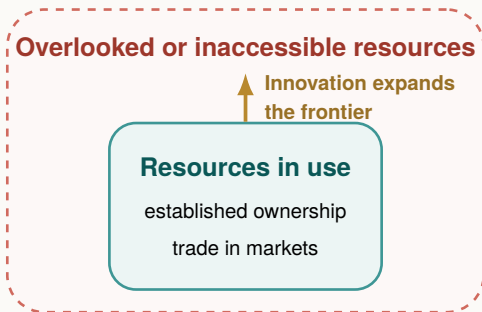
Economic logic: Innovations that expand the resource frontier

We see this process — **innovation intertwined with appropriation** — as the latest instance in a long history of innovations that expanded the frontier of resources available for economic use (Beraja & Yuchtman 2026)



Poorly defined property rights outside the frontier

A distinctive feature of resources outside the frontier is that **property rights** — who owns them and how they can be used — are typically **poorly defined**.



Resources outside the frontier:

- ▶ Had been overlooked or inaccessible prior to innovations that revealed their value or brought them within reach
- ↓
- ▶ Not worthwhile or possible to establish ownership and specify rights over many potential uses. Demsetz (1974)
- ▶ No market, no established price

Appropriation and conflict at the resource frontier

In important historical cases, innovators **appropriated** resources outside the frontier in anticipation of **extraordinary rents** — triggering **conflicts** with counterparties.

Case	New Resource & Appropriation	Conflict & Rights formation
● Generative AI	Firms scraped and used online text under “fair use”	Lawsuits by publishers & authors. (Anthropic settled \$1.5B; OpenAI pending)
● Digital ads	Platforms collected, aggregated, and monetized user data	Privacy regulation; disputes over data ownership
● Radio	Early broadcasters occupied frequencies freely	Interference → licensing after Radio Act of 1927
● Crude oil	Prospectors drained reservoirs crossing properties	Litigation → the “rule of capture”

A moral concern, a visceral conflict

So, innovations that brought into use resources with poorly defined rights have often been intertwined with appropriation and conflict...

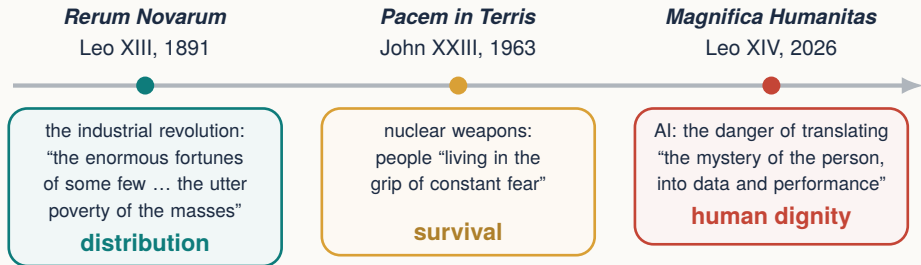
But past conflicts were mostly about *revenue streams and legal rights*. AI has raised moral concerns about **human dignity**, in a much more **visceral** language.

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Tellingly, the 2026 encyclical is about neither distribution nor survival: “technological progress continues alongside covert or overt violations of **human dignity**.” (§ 56)



Why is the conflict so visceral?

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Why is that? Because of the **nature of the resource** taken:

- ▶ Land, oil, spectrum where “things” that could always be taken; creativity and expertise are what people make and know — to many, **who they are**.
- ▶ And this was not copying: a pirated book is still *that author's* book. LLMs **absorbed** millions of works, no trace of who made what, and learned to **do what the makers do**.
- ▶ What was taken was **the authorship of what one has made** — and with it the belief that to write, to draw, and to know were things only a human could do.

That is what people mean by a “violation of human dignity,” **even where no law was broken**.

AI's original sin

A taking of this kind, following a breakthrough of this magnitude, is AI's “original sin.” We choose the term with care.

In Genesis, the first transgression was the taking of the fruit of the tree of knowledge. It was perceived as a profound violation; yet the knowledge it brought made everything that followed possible.

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But it was humans who were aggrieved.

Where does this leave us? A stake and recognition, not compensation

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Maybe a good place to start is this Sam Altman's quote:

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We think he is right. An ownership stake **recognizes** humans' role in creating AI:

- ▶ Much like a teacher who basks in the success of her students: **recognition** of our contribution
- ▶ An **ownership stake** would restore our relationship with our own creative work — now untraceable, embodied in the weights of LLMs (cf. restorative justice)