

Why Blackstone Cofounder Steve Schwarzman Donated \$188 Million To Support The Humanities And AI Ethics

Blackstone cofounder Stephen Schwarzman is no stranger to big gestures. In 2013, he gave \$100 million to start Schwarzman Scholars, a Rhodes-like scholarship that partners with Beijing's Tsinghua University. Two years later, he pledged \$150 million to his alma mater Yale to create a cultural and student life center, and last October he announced a \$350 million pledge to MIT for a new college of computing. On Wednesday, he announced another landmark gift—a \$188 million donation to Oxford University in the U.K. for a humanities hub—at a time when many bemoan the decline of the liberal arts.

“Our education system all started with the humanities, and that needs to be strengthened,” says Schwarzman, who studied culture and behavior (an interdisciplinary social science major) at Yale and sees the benefits of a liberal arts education at his \$512 billion (assets) firm. “You’re taught to think a certain way, which is sort of multi-matrix type of thinking. When things change, you instantly move, re-sort what’s important, use your logic, and that enables you to adapt to the real world,” Schwarzman says. “If you went around the table at our management committee, we all had the same background... we all were trained for that level of ambiguity, change, commitment.”

So the New York billionaire naturally took an interest when Oxford vice chancellor Louise Richardson went to him with a proposal in December 2017. The historic university has taught the humanities for nearly 1,000 years, but its various art faculties are disparate and spread out. Oxford has been working on a center that would bring together the humanities departments and foster interdisciplinary research, with performance spaces that could host plays and festivals.

“My response was, this didn’t seem ambitious enough,” Schwarzman recalls, who thought the venues were too small. Richardson replied that they had bigger dreams but scaled back their plans due to concerns regarding fundraising. “If this makes sense doing at all, it should be done perfectly,” says Schwarzman, who asked Richardson to go back to the drawing board and work on a plan that would be perfect for the university’s needs.

Meanwhile, Schwarzman was meeting with Chinese tech leaders to raise money for his Schwarzman Scholars, which led to introductions to young entrepreneurs who made it big with artificial intelligence startups. During one trip, the private equity magnate spent 90 minutes with Alibaba founder Jack Ma while their bus en route to a meeting was stuck in the notorious Beijing traffic. “It’s going to be astonishing,” Ma told Schwarzman of the effects of AI. “There’s a lot of bad stuff that could happen, like huge unemployment as you replace people with machines.”

Back home, Schwarzman brought up AI with tech titans he knew and eventually mentioned it to MIT President Rafael Reif, who he met through Schwarzman Scholars. “I discussed with him the risk element, and the fact that the U.S. was falling behind, just because we haven’t invested enough money compared to China,” says Schwarzman. “It’s not just AI. There are other technologies that have big security issues. Quantum [computing], for example, has the ability to break all encryption. Imagine a world where somebody can destroy your banking system, and destroy your electric grid and take control of your nuclear codes. This whole computer science revolution has a lot of issues.”

“How does the U.S. get more competitive?” Schwarzman asked Reif. Their conversations eventually led to MIT committing \$1 billion towards a new college of computing, an interdisciplinary hub that will focus on AI, computing and data science, as well as policy research related to the implementation of future technologies. Schwarzman pledged \$350 million towards the cause; the college, announced last October, is slated to open this September.

With discussions still ongoing with Oxford, Schwarzman proposed the university leverage its world leading humanities departments to study the ethics of AI. “Ultimately, AI ethics and workforce management issues are going to be determined by what’s allowed to happen,” says Schwarzman. “I went to a conference, and there was an AI computer making paintings, and there’s going to be AI music. So figuring out what’s important to be human, because it’s going to be challenged. If you know that, then you know how to regulate the introduction of AI.”

While Oxford was initially hesitant, they grew to embrace the idea. As a part of the new Schwarzman Centre—funded by the Blackstone CEO’s latest gift—an AI ethics institute will be created and housed in the department of philosophy. The center, which will bring all humanities departments under one roof, will also have a 500-seat concert hall and a 250-seat auditorium.

“What I hope to achieve, be a part of this dialogue, to try and help the system regulate itself so innocent people who’re just living their lives don’t end up disadvantaged. If you start dislocating people, and your tax revenues go down, your social costs go up, your voting patterns change. ... You could endanger the underpinnings of liberal democracies,” says Schwarzman. “Most governments laws and regulations get created after there’s a problem. They’re for the most part responsive to crisis. You know this crisis is guaranteed, so the important thing is to just not have the crisis happen.”

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