

# Democratize AI: How the AI Tide Can Lift More Boats

Sean Randolph – February 20, 2025

Chinese AI startup DeepSeek and its R1 large language model caused a stir with its open-source product and low development cost. The news sent AI-related stocks plunging and raised questions about venture investment in the sector. Even San Francisco landlords worried that the AI startups filling their spaces might evaporate.

The alarm may be overdone. Time will tell what its real impact will be, but AI technology is still new. Breakthroughs like R1 that use less energy, lower costs and can be easily accessed will contribute to AI's spread. Ultimately that's good for the region.

Billion-dollar investments in AI companies and bills to rein them in get a lot of attention. Less time is spent discussing AI's benefits as the technology spreads. While the issues surrounding AI's governance are real, supporting and accelerating the use of AI in the business world has far broader upside.

Here's a good example of what we're already seeing. A study by MIT shows how the use of an AI tool by a randomized group of 1,000 materials scientists made their research into new materials much more productive, accelerating discoveries and increasing patent filings by 20%. That tool cost far less than a general-purpose chatbot because it was specifically designed for their needs and required far less time and data to build.

Similar examples abound in the medical field, where biomedical startups are using AI to predict how patients respond to cancer treatments. Other programs are using AI to map proteins that might speed new therapies for autism. AI is even monitoring the health of beehives, which are necessary for pollination. And across the board it is helping companies and workers speed routine tasks.

These benefits go far beyond the growth of well-funded AI companies. AI is quickly becoming, like the internet, a general-purpose tool. If you have it and can use it you'll probably be more productive than if you don't.

Process-oriented jobs like basic coding, back-office functions and human resources might shrink. But other jobs will be created. Applications will require human oversight and people with the right skills will command a salary premium.

Many AI-assisted positions won't require advanced degrees, instead allowing for on-the-job training. Entrepreneurs can solve problems and launch companies faster. This points to the importance of spreading the development of AI skills as widely as possible and democratizing access to AI tools. This is already happening through a partnership between the State of California and Nvidia to train 100,000 students, faculty, developers and data scientists in AI skills. California's community college system is a partner. A similar partnership was recently announced between leading technology companies and the California State University system.

AI is leading the Bay Area's economic recovery. To keep this going and ensure that AI benefits the entire workforce policymakers need to balance regulation and innovation. Overregulation could slow adoption and limit access, while smart policy can expand opportunity.

Gov. Gavin Newsom was right last year to veto SB 1047, a bill that would have imposed European-style regulation on large language models, potentially stifling the sector's growth. A risk-based focus on how AI is used would be better. Now, however, the new California Consumer Privacy Protection Agency is trying to become an AI regulator, imposing intrusive rules that could be unnecessary roadblocks to progress, while lacking either a mandate or expertise.

The debate over innovation and regulation will continue but the stakes are clear. AI is more than just a technology: it's a tool that can accelerate discovery, enhance productivity, and create new opportunities for technologists, workers and entrepreneurs alike. The future of AI leadership in the Bay Area and California depends on maintaining an environment that enables innovation. The governor needs to hold that line.

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