



# When AI Fails: Lessons from Real-World Bias & the EU AI Act<sup>[1]</sup>

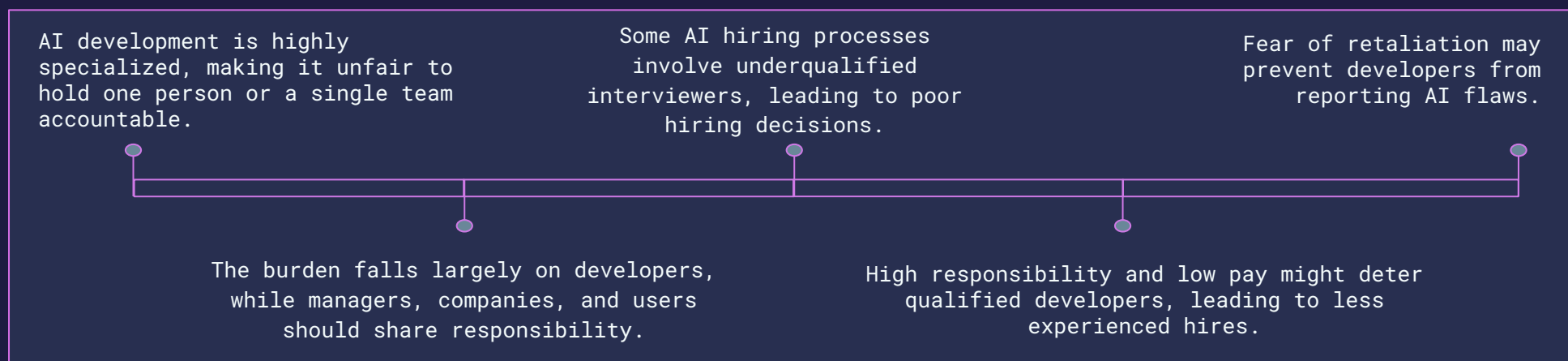
## AI Challenges

- AI can introduce structural biases (e.g., algorithmic bias, inequality<sup>[2]</sup>).
- Lack of transparency and concentration of AI control in a few companies undermine accountability.
- Example: Dutch childcare benefits scandal<sup>[3]</sup> – flawed AI decision-making disproportionately harmed marginalized communities.



## Impact of the EU AI Act

- If the EU AI Act had been in place, the benefits scandal<sup>[3]</sup> would have been classified as a high-risk application, requiring stricter oversight.
- However, the Act does not fully address potential pitfalls in AI governance and accountability.



## Recommendations for improvement

- Broaden responsibility beyond developers to include managers, regulatory bodies, and users.
- Strengthen whistleblower protections for AI developers to report issues without fear.

[1] "High-level summary of the AI Act | EU Artificial Intelligence Act." <https://artificialintelligenceact.eu/high-level-summary/>

[2] "How AI Threatens Democracy - ProQuest." <https://www.proquest.com/docview/2884501757?OpenUriRefId=info:xri/sid:wcdiscovery&accountid=10978&sourcetype=Scholarly%20Journals>

[3] "Dutch scandal serves as a warning for Europe over risks of using algorithms," POLITICO. <https://www.politico.eu/article/dutch-scandal-serves-as-a-warning-for-europe-over-risks-of-using-algorithms/>