



When AI Fails: Lessons from Real-World Bias & the EU AI Act^[1]

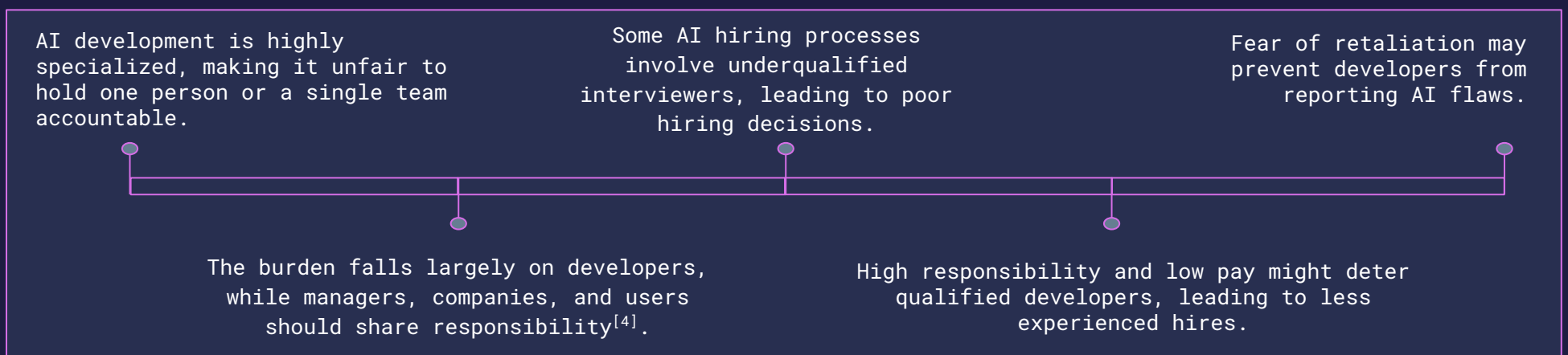
AI Challenges

- AI can introduce structural biases (e.g., algorithmic bias, inequality^[2]).
- Lack of transparency and concentration of AI control in a few companies undermine accountability.
- Example: Dutch childcare benefits scandal^[3] – 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^[3,6] 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^[5].

[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?OpenUrlRefId=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/>

[4] "Expert opinion: Regulating AI in Europe." <https://www.adalovelaceinstitute.org/report/regulating-ai-in-europe/>

[5] "Damard: AI regulations doomed to fail without whistleblower protections," The Signals Network. <https://thesignalsnetwork.org/ai-regulations-doomed-to-fail-without-whistleblower-protections/>

[6] A. and Anekanta@Consulting. "Lessons for Business Leaders from the Dutch AI Scandal - AI the Board and the EU AI Act," Anekanta@AI and Anekanta@Consulting.

<https://anekanta.co.uk/2024/11/21/lessons-for-business-leaders-from-the-dutch-ai-scandal-ai-the-board-and-the-eu-ai-act/>