Final Essay
AI & Society

Ioana Song[1]
Student number: 2730786

Vrije Universiteit Amsterdam, De Boelelaan, Amsterdam 1081 HV, NL
i.song@student.vu.nl

AI usage in decision making

Question 1

Artificial Intelligence (AI) is being widely adopted in various applications, from autonomous driving, chatbots, recommender systems to health software helping diagnose diseases and weather prediction software. With these technologies becoming so ubiquitous, there are some critical questions to be raised: Can AI be used to make objective decisions, or does it further propagate bias, inequality and misinformation?

Some argue that AI technologies can be used to improve efficiency, and minimise bias and inequality through responsible design of decision making systems. The EU AI Act was released to encourage AI innovation, while also balancing it with the need for building safeguards. It divides different uses of AI technologies into varying levels of risk, and with each level mandating increasingly more regulation. I argue that the release of this standard is a good step forward, however I reckon that it fails to address some important aspects related to the deployment process.

Firstly, AI may introduce structural biases, including algorithmic bias and inequality [2]. The paper argues that AI's opacity and concentration of control among a few companies undermine accountability, as flawed or biased algorithms disproportionately harm marginalized communities. The Dutch childcare benefits scandal [1] was one such instance when the Tax and Customs Authorities in the Netherlands used self-reinforcement algorithms to make decisions regarding childcare benefits. Algorithms were employed to detect fraud in childcare benefits claims, but disproportionately targeted ethnic minorities, leading to unjust accusations, financial ruin for thousands of families, some cases parents committing suicide, and more than a thousand children ending up in foster care due to their parents being put in poverty. As a result of the scandal, the Administration has been fined more than 3 millions euros, and some people, such as then prime-minister Mark Rutte resigned. However, later investigations uncovered that it was not the use of the algorithms alone that lead to the disaster, but rather that other systemic issues had also contributed, such as difficulty in objecting or acquiring legal help. In some cases, the parents were forced to repay the amounts if they had not kept evidence of already made repayments. The scandal highlighted the issue with relying on algorithms without adequate oversight. For this reason, I strongly believe that it is important to not only have adequate oversight, but also to evaluate the system where the AI algorithms would be used to check whether AI might not in fact further propagate inequality. Alternatively, AI could be used in such cases as [3] suggests to enhance equity and inclusivity by involving marginalized communities and ensuring that its design and implementation prioritize equity.

Secondly, systemic issues already present in our society can further propagate bias and inequality in subtle ways. If the benefits scandal [1] were to have happened after the release of the EU AI act it would have been classified as a high-risk application and thus would have needed to follow stricter rules. I believe, however that some of the issues may have still arised and that may happen again are not yet tackled by the EU AI Act. For example, some AI student graduates report that some job interviews they attended were held with incompetent hiring staff that did not adequately understand the possible applications of AI and would therefore also not have a good measure to explain the job description, let alone weigh a candidates fitness for the given position. The EU standard places more responsibility on the developer, but if, for example, a potential suitable and competent developer would be detracted from applying for a position, due to high-risk attached responsibilities and low pay, the position might end up being filed by some less experienced and more desperate candidate. This candidate, in turn, might not accurately judge which algorithm to use for a specific purpose, or whether the training data may or may not be adequate. Furthermore, even if such a candidate would notice issues with inadequate training data, or that the job they are being asked to do is not in accordance with a standard, the act does not discuss ways to mitigate a developer fearing losing their job or retaliation from the company should they

raise concerns regarding the job. Moreover, Artificial Intelligence is a vast field, that is developing at an incredibly fast-pace and even "experts" are known to be specialized to smaller subfields within AI. Even if the engineers comply with the standard and provide the information required, it would not be fair and feasible to place all responsibility on one person or a single team as more often than not developing AI involves a more complex procedure. It is for this reason that I believe that, although it is a good start, the EU AI Act has some shortcomings that might still lead to unintended consequences by failing to address potential issues indirectly related to the developing process.

To conclude, I think artificial intelligence can be used to make decisions, and the EU AI Act is one step in the right direction. However, I strongly believe there should also be more emphasis on other stages of development and deployment of AI, with more responsibility on the managers (or higher governmental offices) and users. Not only that, but also the users deploying the systems should be encouraged to use their common sense and veto decisions -even if that might contradict AI systems.

References

1. Dutch scandal serves as a warning for Europe over risks of using algorithms, https://www.politico.eu/article/dutch-scandal-serves-as-a-warning-for-europe-over-risks-of-using-algorithms/
2. How AI Threatens Democracy - ProQuest, https://www.proquest.com/docview/2884501757?OpenUrlRefId=info:xri/sid:wcdiscovery&accountid=10978&sourcetype=Scholarly%20Journals
3. Taylor, R.R., Murphy, J.W., Hoston, W.T., Senkaiahliyan, S.: Democratizing AI in public administration: Improving equity through maximum feasible participation pp. 1–10. https://doi.org/10.1007/s00146-024-02120-w, https://link.springer.com/article/10.1007/s00146-024-02120-w