

# **Ethics in Artificial Intelligence (Module 2)**

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# Contents

|          |   |           |
|----------|---|-----------|
| <b>1</b> | <b>AI in the GDPR</b>   | <b>1</b>  |
| 1.1      | Introduction . . . . .  | 1         |
| 1.1.1    | Definitions (article 4) . . . . .                               | 1         |
| 1.1.2    | Territorial scope (article 3) . . . . .                         | 2         |
| 1.2      | Data protection principles . . . . .                            | 2         |
| 1.2.1    | Lawfulness of processing (article 6) . . . . .                  | 2         |
| 1.2.2    | Transparency (article 5) . . . . .                              | 3         |
| 1.2.3    | Fairness (article 5) . . . . .                                  | 3         |
| 1.2.4    | Purpose limitation (article 5) . . . . .                        | 3         |
| 1.2.5    | Data minimization (article 5) . . . . .                         | 3         |
| 1.2.6    | Accuracy (article 5) . . . . .                                  | 3         |
| 1.2.7    | Storage limitation (article 5) . . . . .                        | 4         |
| 1.3      | Personal data (article 4.1) . . . . .                           | 4         |
| 1.3.1    | Identifiability . . . . .                                       | 4         |
| 1.3.2    | Inferred data . . . . .   | 4         |
| 1.4      | Profiling (article 4.2) . . . . .                               | 5         |
| 1.4.1    | Surveillance . . . . .  | 6         |
| 1.4.2    | Differential inference . . . . .                                | 6         |
| 1.4.3    | Discrimination . . . . .  | 6         |
| 1.5      | Consent (article 4.11) . . . . .                                | 7         |
| 1.5.1    | Conditions for consent (article 7) . . . . .                    | 7         |
| 1.6      | Data subjects' rights . . . . .                                 | 8         |
| 1.6.1    | Controllers' information duties (articles 13-14) . . . . .      | 8         |
| 1.6.2    | Right to access (article 15) . . . . .                          | 8         |
| 1.6.3    | Right to rectification . . . . .                                | 9         |
| 1.6.4    | Right to erasure (article 17) . . . . .                         | 9         |
| 1.6.5    | Right to portability (article 19) . . . . .                     | 9         |
| 1.6.6    | Right to object (article 21) . . . . .                          | 10        |
| 1.6.7    | Rights with automated decision-making (article 22) . . . . .    | 10        |
| 1.6.8    | Explainability in the GDPR (article 22, recital 71) . . . . .   | 10        |
| 1.7      | Risk-based data protection . . . . .                            | 11        |
| 1.7.1    | Data protection by design and by default (article 25) . . . . . | 11        |
| 1.7.2    | Impact assessment (articles 35-36) . . . . .                    | 11        |
| 1.7.3    | Data protection officers (article 37) . . . . .                 | 11        |
| <b>2</b> | <b>CLAUDETTE</b>  | <b>12</b> |
| 2.1      | Unfairness categories . . . . .                                 | 12        |
| 2.2      | Methodology . . . . .   | 13        |
| 2.2.1    | Base clause classifier . . . . .                                | 13        |
| 2.2.2    | Background knowledge injection . . . . .                        | 14        |
| 2.2.3    | Multilingualism . . . . .                                       | 14        |
| 2.3      | CLAUDETTE and GDPR . . . . .                                    | 15        |
| 2.4      | LLMs and privacy policies . . . . .                             | 16        |

|          |   |           |
|----------|---|-----------|
| <b>3</b> | <b>Discrimination</b>                   | <b>18</b> |
| 3.1      | Biased data . . . . .                   | 18        |
| 3.1.1    | Historical bias . . . . .               | 18        |
| 3.1.2    | Proxy variables . . . . .               | 19        |
| 3.1.3    | Biases embedded in predictors . . . . . | 19        |
| 3.1.4    | Unbalanced samples . . . . .            | 20        |
| 3.2      | Algorithm choice . . . . .              | 20        |
| 3.2.1    | Aggregation bias problem . . . . .      | 20        |
| 3.2.2    | Different base rates . . . . .          | 20        |
| <b>4</b> | <b>Autonomous vehicles</b>              | <b>24</b> |
| 4.1      | Liability . . . . .                     | 24        |
| 4.1.1    | Criminal liability . . . . .            | 24        |
| 4.1.2    | Civil liability . . . . .               | 25        |
| 4.1.3    | Administrative liability . . . . .      | 25        |
| 4.2      | Unavoidable accidents . . . . .         | 25        |
| 4.2.1    | Trolley problem . . . . .               | 25        |
| 4.2.2    | Unavoidable car collision . . . . .     | 26        |
| 4.3      | Ethical knob . . . . .                  | 27        |
| 4.3.1    | Ethical knob 1.0 . . . . .              | 27        |
| 4.3.2    | Ethical knob 2.0 . . . . .              | 27        |
| 4.3.3    | Genetic ethical knob . . . . .          | 29        |

# 1 AI in the GDPR

**Remark** (AI risks).

- Eliminate or devalue jobs.
- Lead to poverty and social exclusion, if no measures are taken.
- Concentrate economic wealth in a few big companies.
- Allow for illegal activities.
- Surveillance, pervasive data collection, and manipulation.

**Example.** Many platforms operate in a two-sided market where users are on one side and advertisers, the real source of income, are on the other.

- Public polarization and interference with democratic processes.
- Unfairness, discrimination, and inequality.
- Loss of creativity.

**Remark.** Creativity can be:

**Combinatorial** Combination of existing creativity.

**Exploratorial** Explore new solutions in a given search space.

**Remark.** In the GDPR, there are no references to artificial intelligence.

## 1.1 Introduction

### 1.1.1 Definitions (article 4)

**Personal data** Any information relating to an identified or identifiable natural person (the data subject). It excludes information that are not related to humans (e.g., natural phenomena) or that do not refer to a particular individual (e.g., information on human physiology or pathologies).

Personal data

**Natural person** Individual person (i.e., not companies, which are legal persons).

**Identifiable natural person** Person that can be identified directly or indirectly using, for instance, name, username, identifier (e.g., in pseudonymization), physical features, economic status, ...

**Remark.** The GDPR does not contain a positive definition of non-personal data. Anything that is not considered personal data is non-personal.

**Processing** Any operation performed on personal data either manually or using automated systems.

Processing

**Controller** Natural or legal person, public authority, agency, or other bodies which determines the purposes and means for processing personal data.

Controller

**Processor** Natural or legal person, public authority, agency, or other bodies that processes personal data on behalf of a controller. Processor

### 1.1.2 Territorial scope (article 3)

The GDPR applies to the processing of personal data whenever:

- The controller or processor resides in the EU, regardless of where processing physically takes place.
- The data subject (of any nationality) is in the EU, regardless of where the controller or processor resides, when the purpose is for:
  - Offering goods or services, independently of whether a payment is required.
  - Monitoring of behavior.

## 1.2 Data protection principles

### 1.2.1 Lawfulness of processing (article 6)

Processing of personal data is lawful if at least one of the following conditions applies:

Lawfulness of processing

**Consent** The data subject has given consent to process its personal data for some specific purposes.

**Necessity** Processing personal data is necessary for a certain aim. This applies when:

- Processing is necessary prior to entering a contract or for the performance of the contract itself the data subject is part of.

**Example.** Before concluding the contract for an insurance, the insurer is allowed to process personal data to determine the premium.

**Example.** When using a delivery app, processing the address without asking anything is lawful.

- Processing is necessary for compliance with legal obligations the controller is subject to.

**Example.** Companies have to keep track of users' purchases in case of tax inspection.

- Processing is necessary to protect the vital interests of the data subject or another natural person.

**Example.** The medical record of an unconscious patient can be accessed by the hospital staff.

- Processing is necessary to perform a task carried out in the public interest.

**Example.** Processing personal data for public security is allowed.

**Legitimate interest** Processing is necessary to pursue the controller's legitimate interests, unless overridden by the interests and fundamental rights of the data subject.

**Remark.** As a rule of thumb, legitimate interests of the controller can be pursued if only a reasonably limited amount of personal data is used.

**Example.** The gym one is subscribed in can send (contextual) advertisements by email to pursue economic interests.

**Remark.** Targeted advertising is in principle prohibited. However, companies commonly pair legitimate interest with the request for consent.

### 1.2.2 Transparency (article 5)

Any information regarding data processing (e.g., privacy policy) addressed to the public or to the data subject should be concise, accessible, and easily understandable.

Transparency

### 1.2.3 Fairness (article 5)

**Informational fairness** Data subjects should be informed of the existence of data processing and profiling, and its purposes. Controllers should provide the data subject with any further information needed to ensure fairness, transparency, and accountability.

Informational  
fairness

**Substantive fairness** Controllers should implement measures to correct inaccuracies, minimize risks, and secure sensitive personal data.

Substantive fairness

### 1.2.4 Purpose limitation (article 5)

The personal data collected should be for a specified, explicit, and legitimate purpose. Further processing for incompatible purposes is not allowed, unless it is for archiving purposes in the public interest, scientific or historical research, and statistical purposes. Criteria to determine whether repurposing is compatible are:

Purpose limitation

- The distance between the new and original purpose,
- The alignment of the new purpose with the data subject's expectations, the nature of the data (e.g., if the data is related to protected categories), and their impact on the data subject's interests,
- The measures adopted by the controller to guarantee fairness and prevent risks.

**Remark.** When the data is used for compatible purposes not foreseen when the data was collected, the data subject should be informed.

**Remark.** Putting the data subject's anonymized data into the training set of a model is allowed as the trained model as-is does not directly affect them.

### 1.2.5 Data minimization (article 5)

Data collected from the data subject should be adequate, relevant, and limited with respect to the purpose it is required for.

Data minimization

**Remark.** Data minimization does not imply that additional data cannot be collected, as long as the benefits outweigh the risks.

**Remark.** Minimization is less strict for statistical purposes as they do not target specific individuals.

### 1.2.6 Accuracy (article 5)

Personal data related to an individual should be accurate and kept up to date. Inaccuracies for the purpose the data was collected for must be rectified or erased.

Accuracy

### 1.2.7 Storage limitation (article 5)

Personal data should be kept only for the time needed for its purpose. Longer storage is allowed for archiving, research, and statistical purposes.

Storage limitation

## 1.3 Personal data (article 4.1)

### 1.3.1 Identifiability

**Identifiability** Condition under which some data not explicitly linked to a person allows to still identify that person.

Identifiability

In this case, the data that allows re-identification is considered personal data.

**Remark.** The identifiability of some data depends on the current technological and sociotechnical state-of-the-art (i.e., if it takes a lot of time to re-identify, it does not count as personal data).

**Pseudonymization** Substitute data items identifying a person with pseudonyms. The link between pseudonym and real data can be traced back.

Pseudonymization

**Anonymization** Substitute data items identifying a person with (in theory) non-linkable information.

Anonymization

**Remark.** Re-identification is usually performed using statistical correlation between anonymized data and other sources.

With statistical methods, re-identified data is considered personal data as long as there is a sufficient degree of certainty.

**Example.** There are many cases of anonymized datasets that have been re-identified, for instance:

- Journalists were able to re-identify politicians based on a browsing history dataset.
- Researchers were able to re-identify anonymized medical records.
- Anonymized ratings in the Netflix price database were traced back to their authors in IMDb.

### 1.3.2 Inferred data

**Inferred personal data** New information about a data subject obtained using algorithmic models on its personal data.

Inferred personal data

**Remark.** There are two cases about inferred data presented to the European Court of Justice:

1. Related to the application for a residence permit, the Court stated that only the provided data and the final conclusion are personal data, while intermediate conclusions are not.
2. In a subsequent case, related to an exam script, the Court stated that the examiner's comments (i.e., data inferred from the data subject's exam) are to be considered personal data.

**Remark.** According to the European Data Protection Board, inferred data are considered personal data. However, some rights do not apply.

**Example.** In an exam, the comments of an examiner are inferred data. However, the data subject does not have the right to rectification (unless there is a mistake from the examiner).

**Remark.** When personal data are embedded into an AI system through training, they are not considered personal data anymore. Only when performing inference the output is again personal data.

**Right to “reasonable inference”** Right that is currently under discussion.

Right to “reasonable inference”

It is the right to have decisions affecting data subjects performed using reasonable inference systems that respect ethical and epistemic standards.

**Remark.** Data subjects should have the right to challenge the results of inference, and not only the final decision based on inferred data.

**Remark.** Inference can be unreasonable if it does not affect data subjects (e.g., for research purposes).

Reasonable inference has the following criteria:

**Acceptability** Input data for inference should be normatively acceptable for their final purpose (e.g., ethnicity cannot be used to infer whether an individual is a criminal).

**Relevance** The inferred information should be normatively acceptable for their final purpose (e.g., ethnicity cannot be inferred from the available data if the purpose is for approving a loan).

**Reliability** Input data, training data, and processing methods should be accurate and statistically reliable.

## 1.4 Profiling (article 4.2)

**Profiling** System that predicts the probability that an individual having a feature  $F_1$  also has a feature  $F_2$ .

Profiling

In the GDPR, it is defined as any form of processing of personal data of a natural person that produces legal effects (e.g., signing a contract) or significantly affects it. It includes analyses and predictions related to work, economic situation, health, interests, reliability, location, ...

According to the European Data Protection Board, profiling is the process of classifying individuals or groups into categories based on their features.

**Example** (Cambridge Analytica scandal). Case where data of US voters was used to identify undecided voters:

1. US voters were invited to take a personality/political test that was supposed to be for academic research. Participants were also required to provide access to their Facebook page in order to get a money reward for the survey.
2. Cambridge Analytica collected the participants' data on Facebook, but also accessed data of their friends.
3. The data of the participants was used to build a training set where Facebook content is used as features and questionnaire answers as the target. The model built upon this data was then used for predicting the profile of their friends.



4. The final model was used to identify voters that were more likely to change their voting behavior if targeted with personalized ads.

### 1.4.1 Surveillance

**Industrial capitalism** Economic system where entities that are not originally meant for the market are also considered as products. This includes labor, real estate, and money.

Industrial capitalism

**Surveillance capitalism** Considers human experience and behavior also as a marketable entity.

Surveillance capitalism

**Remark.** Labor, real estate, and money are mostly subject to law. However, exploitation of human experience is less regulated.

**Surveillance state** System where the government uses surveillance, data collection, and analysis to identify problems, govern population, and deliver social services.

Surveillance state

**Example** (Chinese social credit system). System that collects data and assigns a score to citizens. The overall score governs the access to services and social opportunities.

### 1.4.2 Differential inference

**Differential inference** Make different predictions depending on the input features.

Differential inference

In the context of profiling, it leads individuals with different features to a different treatment.

**Example** (ML in healthcare). Using machine learning to predict health issues provides benefits to all data subjects. Processing data in this way is legitimate as long as appropriate measures are taken to mitigate privacy and data violation, and the overall risks are proportionate to the benefits.

**Example** (ML in insurance/recruiting). Using machine learning with health data for recruiting or determining insurance policies would worsen the situation of who is already disadvantaged. Also, having the ability of distinguishing applicants creates a competitive advantage that leads to collect as much personal data as possible.

**Distributive justice** Theory based on the allocation of resources aiming for social justice.

Distributive justice

**Example** (Price differentiation). Differentiate prices based on the economic availability of the buyer allows for a generally higher accessibility of goods. However, if certain protected features are used to determine the price instead, it would result in unfairness and exclusion.

### 1.4.3 Discrimination

There are two main opinions on AI systems:

- AI can avoid fallacies of human psychology (e.g., overconfidence, loss aversion, anchoring, confirmation bias, ...).
- AI can make mistakes and discriminate.

**Direct discrimination/Disparate treatment** When the AI system bases its prediction on protected features.

**Indirect discrimination/Disparate impact** The AI system has a disproportional impact on a protected group without a reason.

**Remark.** AI systems trained on a supervised dataset might:

- Reproduce past human judgement.
- Correlate input features to (not provided) protected features (e.g., ethnicity could be inferred based on the postal code).
- Discriminate groups with common features (e.g., the number of working hours of women are historically lower than men).
- Lead to unfairness if the data does not reflect the statistical composition of the population.

## 1.5 Consent (article 4.11)

**Consent** Agreement of the data subject that allows to process its personal data. Consent should be:

**Freely given** The data subject have the choice to give consent for profiling

| **Remark.** A common practice is the “take-or-leave” approach, which is illegal.

| **Remark.** Showing the deny button in a less noticeable style is also not considered freely given.

| **Remark.** Making the user pay the service if it does not consent to profiling is lawful.

**Specific** A single consent should be related to personal data used for a specific purpose and compatible ones.

| **Remark.** A single checkbox for lots of purposes is illegal.

**Informed** The data subject should be clearly informed of what it is consenting to.

| **Remark.** In practice, privacy policies are very vague.

**Unambiguously provided** Consent should be explicitly provided by the data subject through a statement of affirmative action.

| **Remark.** An illegal practice in many privacy policies is to state that there can be changes and continuing using the service implies an implicit acceptance of the new terms.

### 1.5.1 Conditions for consent (article 7)

Some requirements for consent are:

- The controller must be able to demonstrate that the data subject has provided its consent.
- If consent for data processing is provided in written form alongside other matters, it should be clearly distinguishable.
- The data subject have the right to easily withdraw its consent at any time. The withdrawal does not affect previously processed data.
- To consider consent for profiling freely given, it should be assessed whether the performance of a contract is conditional on consenting the processing of personal data (i.e., the “take-or-leave” approach is illegal).

Conditions for consent

- Consent is by default considered not freely given in case of imbalance between the data subject and the controller, unless it can be proved that there were no risks if the data subject refused to consent.

## 1.6 Data subjects' rights

### 1.6.1 Controllers' information duties (articles 13-14)

When personal data is collected, the controller should provide the data subject with the following information:

Controllers' information duties

- The identity of the controller, its representative (when applicable), and its contact details should be available.
- Contact details of the data officer (referee of the company that ensures that the GDPR is respected) should be available.
- Purposes and legal basis of the processing.
- Categories of data collected.
- Recipients or categories of recipients.
- Period of time or the criteria to determine how long the data is stored.
- Existence of the rights to access, rectify, transfer, and erase data.
- Possibility to lodge a complaint with supervisory authorities.
- Source where the data originate (e.g., directly, from another account).
- Existence of automated decision-making systems based on profiling.

Moreover, in case of automated decision-making, the following information should be ideally provided:

- Input data that the system takes and how different data affects the outcome.
- The target value the system is meant to compute.
- The possible consequences of the automated decision.
- The overall purpose of the system.

### 1.6.2 Right to access (article 15)

Data subjects have the right to have confirmation from the controller on whether their data has been processed and access both input and inferred personal data.

Right to access

This right is limited if it affects the rights or freedoms of others.

### 1.6.3 Right to rectification

Data subjects, depending on the case, have the right to rectify their personal data:

Right to rectification

- In the public sector, there should be procedures when allowed.
- In the private sector, right to rectification should be balanced with the respect for autonomy of private assessments and decisions.

Generally, data can be rectified when:

- The correctness can be objectively determined.
- The inferred data is probabilistic and there was either a mistake during inference or additional data can be provided to change the outcome.

### 1.6.4 Right to erasure (article 17)

Data subjects have the right to have their own personal data erased without delay from the controller when:

Right to erasure

- The data is no longer necessary for the purpose it was collected for.  
| **Example.** An e-shop cannot delete the address until the order is arrived.
- The data subject has withdrawn its consent, unless there are other legal basis.
- The data subject objects to the processing and there are no overriding legitimate interests.  
| **Example.** After cancelling from a mailing list, the email stored by the processors should be deleted.
- The data has been unlawfully processed.
- The data have to be erased for legal obligations.

| **Example.** After a period of time, archived exams have to be erased.

| **Remark.** When the controller has shared personal data with third parties and erasure of that data is requested, it has to inform the other parties.

Also, the right to erasure does not apply if:

- It is to exercise the right of freedom of expression and information.
- Compliance with legal obligations.
- For public interest in public healthcare, scientific or historical research, statistical purposes (if anonymized).
- For legal and defense claims.

### 1.6.5 Right to portability (article 19)

Data subjects, when personal data has been collected through consent, have the right to receive their data from the controller in a machine-readable format that can be transferred to another controller.

Right to portability

### 1.6.6 Right to object (article 21)

Data subjects have the right to request the termination of the processing of their data when all the following conditions are met:

Right to object

- The data subject has reasons to withdraw.
- The reason for processing is for public interest or legitimate interests.
- The controller cannot demonstrate legitimate interests for processing the data.

**Remark.** If processing is based on consent, this right does not apply as the data subject can simply withdraw its consent.

**Remark.** Right to object also applies to:

- Profiling,
- Direct marketing (in any situation),
- Research and statistical purposes, unless it is done in the public interest.

### 1.6.7 Rights with automated decision-making (article 22)

The data subject has the right to not have decisions based only on automated profiling if it produces legal effects or significant effects. Moreover, it should at least have the rights to:

Rights with automated decision-making

- Obtain human intervention.
- Express its own point of view.
- Challenge the decision.

**Remark.** A negated right is an obligation.

Exceptions are applied when:

- Data is needed to enter or perform the contract.

**Example.** It is allowed to use automated systems to process a high number of job applications.

- Authorization is given by the authorities.
- Explicit consent is given.

### 1.6.8 Explainability in the GDPR (article 22, recital 71)

It is not clear whether the GDPR considers the right to explanation an obligation of the controller. Due to the fact that recital 71 mentions the right to an explanation while article 22 does not, there are two possible interpretations:

Explainability in the GDPR

- Explanation is not legally enforceable, but it is recommended.
- As article 22 contains the qualifier “at least”, explanation is legally required when possible.

**Remark.** Development of explanation techniques can be split into two main areas:

**Computer science** Provide understandable models from black-box systems. Techniques

in this field are usually intended for other experts and assume full access to the model. Example of methods are:

**Model explanation** Model the black-box system using an interpretable model.

**Model inspection** Analyze properties of the black-box model on different inputs.

**Outcome explanation** Extract the reason that lead to a particular outcome.

**Social science** Provide explanations understandable for the end-user. Example of approaches are:

**Contrastive explanation** Specify which input values made the difference (related to model inspection).

**Selective explanation** Focus on factors that are more relevant to human judgement.

**Causal explanation** Focus on the causes rather than statistical correlations.

**Social explanation** Tailor the explanation based on the individual's comprehension capability.

## 1.7 Risk-based data protection

**Risk-based legislation** Measures with the goal of actively preventing risks.

Risk-based  
legislation

### 1.7.1 Data protection by design and by default (article 25)

The controller must, both while designing and deploying the processing system, implement technical and organizational measures to respect data protection principles. It must also ensure that only the necessary data is processed for each purpose.

Data protection by  
design and by  
default

### 1.7.2 Impact assessment (articles 35-36)

Controllers must preventively perform impact assessment to processing systems that are likely to have high risks in terms of rights and freedoms of the data subjects. If the risk is high, the controller must consult the supervisory authority (i.e., national data protection authority) which will provide its written advice.

Data protection  
impact assessment

### 1.7.3 Data protection officers (article 37)

Controllers must appoint a data protection officer to ensure compliance with the GDPR if processing requires continuous monitoring on data subjects, involves large scale sensitive data, or concerns criminal convictions.

Data protection  
officers

## 2 CLAUDETTE

**CLAUDETTE** Clause detector (CLAUDETTE) is a system to classify clauses in terms of services or privacy policies as: **CLAUDETTE**

- CLEARLY FAIR,
- POTENTIALLY UNFAIR,
- CLEARLY UNFAIR.

**Unfair contractual term (directive 93/13 art 3.1)** A contractual term, that was not individually negotiated, is considered unfair if it causes a significant unbalance in the parties' rights and obligations. **Unfair contractual term**

### 2.1 Unfairness categories

**Consent by using clause** A clause is classified as: **Consent by using clause**

- POTENTIALLY UNFAIR, if it states that the consumer accepts the terms of service by simply using the service.

**Privacy included** A clause is classified as: **Privacy included**

- POTENTIALLY UNFAIR, if it states that the consumer consents to the privacy policy by simply using the service.

**Unilateral change** A clause is classified as: **Unilateral change**

- POTENTIALLY UNFAIR, if the provider can unilaterally modify the terms of service or the service.

**Jurisdiction clause** A clause is classified as: **Jurisdiction clause**

- CLEARLY FAIR, if consumers have the right to raise disputes in their place of residence.
- CLEARLY UNFAIR, if it only allows judicial proceedings in a different city or country.

**Choice of law** A clause is classified as: **Choice of law**

- CLEARLY FAIR, if the law of the consumer's country of residence is applied in case of disputes.
- POTENTIALLY UNFAIR, in any other case.

**Arbitration clause** A clause is classified as: **Arbitration clause**

- CLEARLY FAIR, if arbitration is optional before going to court.
- CLEARLY UNFAIR, if arbitration should take place in a country different from the consumer's residence or should be based on the arbiter's discretion (and not by law).

- POTENTIALLY UNFAIR, in any other case.

**Limitation of liability** A clause is classified as:

Limitation of liability

- CLEARLY FAIR, if the provider may be liable.
- POTENTIALLY UNFAIR, if the provider is never liable unless obliged by law.
- CLEARLY UNFAIR, if the provider is never liable (intentional damage included).

**Unilateral termination** A clause is classified as:

Unilateral termination

- POTENTIALLY UNFAIR, if the provider has the right to suspend or terminate the service and the reasons are specified.
- CLEARLY UNFAIR, if the provider can suspend or terminate the service for any reason.

**Content removal** A clause is classified as:

Content removal

- POTENTIALLY UNFAIR, if the provider can delete or modify the user's content and the reasons are specified.
- CLEARLY UNFAIR, if the provider can delete or modify the user's content for any reason and without notice.

## 2.2 Methodology

**Training data** Manually annotated terms of service.

**Tasks** Two tasks are solved:

**Detection** Binary classification problem aimed at determining whether a sentence contains a potentially unfair clause.

**Sentence classification** Classification problem of determining the category of the unfair clause.

**Experimental setup** Leave-one-out where one document is used as test set and the remaining as train ( $\frac{4}{5}$ ) and validation ( $\frac{1}{5}$ ) set.

**Metrics** Precision, recall, F1.

### 2.2.1 Base clause classifier

Experimented methods were:

- Bag-of-words,
- Tree kernels,
- CNN,
- SVM,
- ...



### 2.2.2 Background knowledge injection

**Memory-augmented neural network** Model that, given a query, retrieves some knowledge from the memory and combines them to produce the prediction.

Memory-augmented  
neural network

In CLAUDETTE, the knowledge base is composed of all the possible rationales for which a clause can be unfair. The workflow is the following:

1. The clause is used to query the knowledge base using a similarity score and the most relevant rationale is extracted.
2. The rationale is combined with the query.
3. Repeat the extraction step until the similarity score is too low.
4. Make the prediction and provide the rationales used as explanation.

**Example** (Knowledge base for liability exclusion). Rationales are divided into six class of clauses:

- Kind of damage,
- Standard of care,
- Cause,
- Causal link,
- Liability theory,
- Compensation amount.

### 2.2.3 Multilingualism

**Training data** Same terms of service of the original CLAUDETTE corpus selected according to the following criteria:

- The ToS is available in the target language,
- There is a correspondence in terms of version or publication date between the documents in the two languages,
- There are structure similarities between the documents in the two languages.

**Approaches** Different strategies have been experimented with:

**Novel corpus for target language** Retrain CLAUDETTE from scratch with newly annotated data in the target language.

Novel corpus for  
target language

**Semi-automated creation of corpus through projection** Method that works as follows:

Semi-automated  
creation of corpus  
through projection

1. Use machine translation to translate the annotated English document in the target language while projecting the unfair clauses.
2. Match the machine translated document with the original document in the target language and project the unfair clauses (through human annotation).
3. Train CLAUDETTE from scratch.

**Training set translation** Translate the original document to the target language and train CLAUDETTE from scratch.

Training set  
translation

| **Remark.** This method does not require human annotation.

**Machine translation of queries** Method that works as follows:

Machine translation  
of queries

1. Translate the document from the target language to English.
2. Feed the translated document to CLAUDETTE.
3. Translate the English document back to the target language.

| **Remark.** This method does not require retraining.

## 2.3 CLAUDETTE and GDPR

**CLAUDETTE for GDPR compliance** To integrate CLAUDETTE as a tool to check GDPR compliance, three dimensions, each containing different categories (ranked with three levels of achievement), are checked:

**Comprehensiveness of information** Whether the policy contains all the information required by articles 13 and 14 of the GDPR.

Comprehensiveness  
of information

Categories of this dimension comprises:

- Contact information of the controller,
- Contact information of the data protection officer,
- Purpose and legal bases for processing,
- Category of personal data processed,
- ...

**Substantive compliance** Whether the policy processes personal data complying with the GDPR.

Substantive  
compliance

Categories of this dimension comprises:

- Processing of sensitive data,
- Processing of children's data,
- Consent by using, take-or-leave,
- Transfer to third parties or countries,
- Policy change (e.g., if the data subject is notified),
- Licensing data,
- Advertising.

**Clarity of expression** Whether the policy is precise and understandable (i.e., transparent).

Clarity of expression

Categories of this dimension comprises:

- Conditional terms: the performance of an action is dependent on a variable trigger.

| **Remark.** Typical language qualifiers to identify this category are: depending, as necessary, as appropriate, as needed, otherwise reasonably, sometimes, from time to time, ...

| **Example.** “We also may share your information if we believe, in our sole discretion, that such disclosure is necessary ...”

- Generalization: terms to abstract practices with an unclear context.

**Remark.** Typical language qualifiers to identify this category are: generally, mostly, widely, general, commonly, usually, normally, typically, largely, often, primarily, among other things, ...

**Example.** “We typically or generally collect information ... When you use an Application on a Device, we will collect and use information about you in generally similar ways and for similar purposes as when you use the TripAdvisor website.”

- Modality: terms that ambiguously refer to the possibility of actions or events.

**Remark.** Typical language qualifiers to identify this category are: may, might, could, would, possible, possibly, ...

Note that these qualifiers have two possible meanings: possibility and permission. This category only deals with possibility.

**Example.** “We may use your personal data to develop new services.”

- Non-specific numeric quantifiers: terms that are ambiguous in terms of actual measure.

**Remark.** Typical language qualifiers to identify this category are: certain, numerous, some, most, many, various, including (but not limited to), variety, ...

**Example.** “...we may collect a variety of information, including your name, mailing address, phone number, email address, ...”

## 2.4 LLMs and privacy policies

**Remark.** The GDPR requires two competing properties for privacy policies:

**Comprehensiveness** The policy should contain all the relevant information.

**Comprehensibility** The policy should be easily understandable.

**Comprehensive policy from LLMs** Formulate privacy policies for comprehensiveness and let LLMs extract the relevant information.

A template for a comprehensive policy could include:

- Categories of personal data collected,
- Purpose each category of data is processed for,
- Legal basis for processing each category,
- Storage period or deletion criteria,
- Recipients or categories of recipients the data is shared with, their role, the purpose of sharing, and the legal basis.

**Experimental setup** The following questions were defined to assess a privacy policy:

1. What data does the company process about me?
2. For what purposes does the company use my email address?
3. Who does the company share my geolocation with?
4. What types of data are processed on the basis of consent, and for what purposes?

5. What data does the company share with Facebook?
6. Does the company share my data with insurers?
7. What categories of data does the company collect about me automatically?
8. How can I contact the company if I want to exercise my rights?
9. How long does the company keep my delivery address?

Three scenarios were considered:

- Human evaluation of the questions on existing privacy policies,
- LLMs to answer the questions on ideal mock policies (with human evaluation).
- LLMs to answer the questions on real policies (with human evaluation).

Results show that:

- LLMs have high performance on the mock policies.
- LLMs and humans struggle to answer the questions on real privacy policies.

## 3 Discrimination

**Disparate treatment** The outcome of an algorithm is based on protected features.

Disparate treatment

**Disparate impact** The outcome of an algorithm that uses neutral features is disproportionate against certain groups without an acceptable reason.

Disparate impact

### 3.1 Biased data

#### 3.1.1 Historical bias

**Historical bias** System trained on intrinsically biased data will reproduce the same biased behavior.

Historical bias

**Remark.** Data can be biased because it comes from past human judgement or by the hierarchies of the society (e.g., systems working on marginalized languages will most likely have lower performance compared to a widespread language).

**Example** (Amazon AI recruiting tool). Tool that Amazon used in the past to review job applications. It was heavily biased towards male applicants and, even with the gender removed, it was able to infer it from the other features.

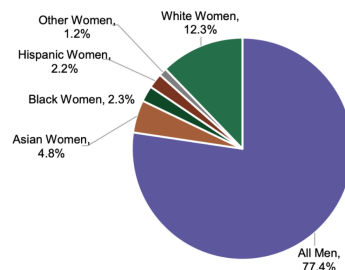


Figure 3.1: Tech companies workforce in the US

**Example** (UK AI visa and asylum system). System used by the UK government to assess visa and asylum applications. It was found that:

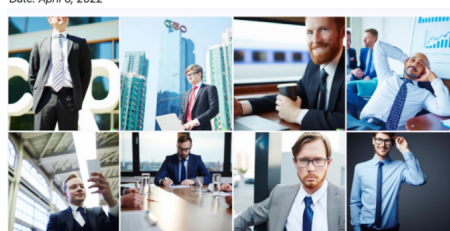
- The system ranked applications based on nationality.
- Applicants from certain countries were automatically flagged as high risk.

**Example** (Generative AI). Prompting Stable Diffusion to generate the image of a **ceo** and a **nurse** highlights the gender and ethnicity bias of the training data.

Prompt: nurse;  
Date: April 6, 2022



Prompt: ceo;  
Date: April 6, 2022



Also, other systems (e.g., Gemini) included constraints to favor diversity resulting in unexpected results.

### From Black Nazis to female Popes and American Indian Vikings: How AI went 'woke'

As Google comes under fire after its Gemini bot exhibited bias, how can new technology avoid these errors?



In the context of language models, some systems implement a refusal mechanism to prevent a biased response. However:

- Using a different prompt on the same topic might bypass the filter.
- Refusal might be applied unequally depending on demographics or domain.

### 3.1.2 Proxy variables

**Proxy variable** Neutral feature that is connected to a protected one resulting in a disparate impact on a certain group.

Proxy variable

**Example** (Disaster relief allocation system). A system that predicts which communities need assistance based on past insurance claims is biased as it is a proxy for socioeconomic conditions: low-income communities often have lower insurance coverage and therefore will be disadvantaged by this system.

**Example** (Optum healthcare algorithm). System used in US hospitals to predict which patients would benefit from additional resources. It was trained on historical data and it was found out that it was using the past healthcare cost data as a proxy to assess medical needs.

Due to historical disparity in accessing healthcare, this would cause a disparate impact on minorities that were unable to afford healthcare.

**Example** (Hurricane Katrina and racial disparities). Due to historical racial segregation, the neighborhoods of many US cities can be divided by ethnicity. When Hurricane Katrina hit New Orleans, it mainly damaged the side of the city mostly lived by low-income communities. However, the evacuation plans assumed the availability of private vehicles and shelters were mostly built in the wealthier areas. Also, federal aid arrived quicker for wealthier communities and many low-income residences were never rebuilt.

An AI system trained on these data would reproduce the same behavior using the area one lives as a proxy.

### 3.1.3 Biases embedded in predictors

**Bias embedded in predictors** A system that uses favorable features that only a certain group has.

Bias embedded in predictors

**Example** (House allocation in Los Angeles). VI-SPDAT is a system used in Los Angeles to distribute housing resources to homeless. As it relied on self-reported information, it was favoring those with higher literacy levels.

### 3.1.4 Unbalanced samples

**Unbalanced samples** The dataset does not reflect the statistical composition of the population.

Unbalanced samples

**Example.** Due to the lack of data of certain groups, a system to predict diseases will be more inaccurate towards minorities.

## 3.2 Algorithm choice

### 3.2.1 Aggregation bias problem

**Aggregation bias problem** System that has good results overall but with poor performance for specific groups.

Aggregation bias problem

**Example.** A system to predict the distribution of humanitarian aid trained on past successful data can present aggregation bias due to geographical data as a large part of the training data will most likely come from well established urban areas.

### 3.2.2 Different base rates

**Base rate/prior probability** Proportion of samples belonging to a certain class.

Base rate/prior probability

**Example (COMPAS system).** COMPAS is a system used by US courts to determine the risk of recidivism (high, medium, low).

**Loomis case** E. Loomis was a defendant that according to COMPAS had a high risk of recidivism and was sentenced to 6 years in prison. The decision was appealed by Loomis as COMPAS has the following issues:

- Its functioning is unknown,
- Its validity cannot be verified,
- It discriminates on gender and ethnicity,
- Statistical predictions violate the right to individualized decisions.

The Supreme Court of Wisconsin rejected the argument and stated that:

- Statistical algorithms do not violate the right to individualized decisions as they are used to enhance a judge's evaluation,
- Gender is necessary to achieve statistical accuracy,
- Judges should be informed about the possibility of racial discrimination by COMPAS.

**ProPublica and Northpointe studies** ProPublica, a non-profit organization, published a study on the accuracy and fairness of COMPAS by comparing the predicted recidivism rates of 11 757 defendants and the actual rates between 2013 and 2014. Results found out that:

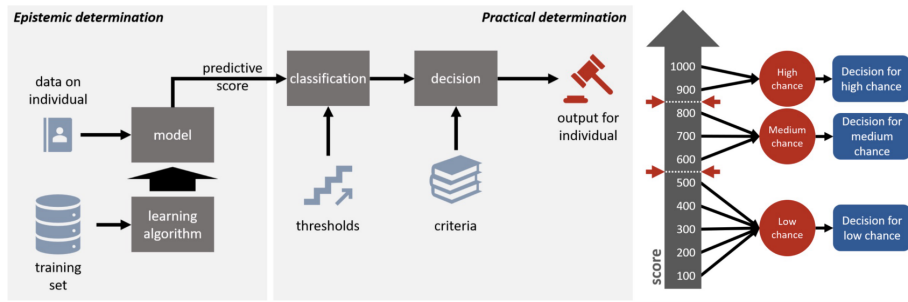
- The overall accuracy is moderate-low (61.2%),
- Black defendants were more likely labeled with a high level of risk, leading to a higher probability of high risk misclassification (45% blacks vs 23% whites).
- White defendants were more likely labeled with a low level of risk, leading to a higher probability of low risk misclassification (48% blacks vs 28% whites).

Northpointe, the software house of COMPAS, stated that ProPublic made several statistical and technical errors as:

- The accuracy of COMPAS is higher than human judgement.
- The general recidivism risk scale is equally accurate for blacks and whites,
- COMPAS is compliant with the principle of fairness and does not implement racial discrimination.

**Remark** (Decision workflow). A decision system can be represented in three steps:

1. Assign a predictive score (i.e., compute likelihood). In this step, unfairness can be caused by using protected features, biased data, a proxy, ...
2. Classify the score based on some thresholds. In this step, unfairness can be caused by the choice of the threshold.
3. Make the decision. In this step, unfairness can be caused by how the value is used.



**SAPMOC case** SAPMOC is a toy example that predicts recidivism only based on whether the defendant has a previous criminal record. Assume that:

- 80% of previous offenders recidivate and the remaining do not.
- 20% of first time offenders recidivate and the remaining do not.
- The training data is composed of 3000 defendants divided into 1500 blues (1000 previous offenders) and 1500 greens (500 previous offenders).

Therefore, the real aggregated outcomes are:

|                      | Has record | No record  |
|----------------------|------------|------------|
| <b>Recidivism</b>    | 1200 (80%) | 300 (20%)  |
| <b>No recidivism</b> | 300 (20%)  | 1200 (80%) |

Assume that SAPMOC's predictions are:

|                      | Has record | No record |
|----------------------|------------|-----------|
| <b>Recidivism</b>    | 1500       | 0         |
| <b>No recidivism</b> | 0          | 1500      |

|               | Pos. | TP  | FP  | Neg. | TN  | FN  |
|---------------|------|-----|-----|------|-----|-----|
| <b>Blues</b>  | 1000 | 800 | 200 | 500  | 400 | 100 |
| <b>Greens</b> | 500  | 400 | 100 | 1000 | 800 | 200 |

The base rates are then computed as:

|               | Base rate <sub>pos</sub>  | Base rate <sub>neg</sub>  |
|---------------|---------------------------|---------------------------|
| <b>Blues</b>  | $\frac{900}{1500} = 60\%$ | $\frac{600}{1500} = 40\%$ |
| <b>Greens</b> | $\frac{600}{1500} = 40\%$ | $\frac{900}{1500} = 60\%$ |

Note that the overall accuracy is the same for each group:



|        | Accuracy $\frac{TP+TN}{TP+FN+FP+TN}$ |
|--------|--------------------------------------|
| Blues  | 80%                                  |
| Greens | 80%                                  |

**Fairness criteria** The main fairness criteria are the following:

**Statistical parity** Each group should have an equal proportion of positive and negative predictions.

Statistical parity

**Example (SAPMOC).** SAPMOC does not satisfy statistical parity:

|        | Predicted pos. $\frac{TP+FP}{TP+FN+FP+TN}$ | Predicted neg. $\frac{TN+FN}{FN+FN+FP+TN}$ |
|--------|--|--|
| Blues  | 67%  | 33%  |
| Greens | 33%  | 67%  |

**Equality of opportunity/true positive rate** The members sharing the same features between different groups should be treated equally (i.e., same recall).

Equality of opportunity/true positive rate

**Example (SAPMOC).** SAPMOC does not satisfy equality of opportunity:

|        | Recall pos. $\frac{TP}{TP+FN}$ | Recall neg. $\frac{TN}{TN+FP}$ |
|--------|--------------------------------|--------------------------------|
| Blues  | 89%                            | 67%                            |
| Greens | 67%                            | 89%                            |

**Calibration** The proportion of correct predictions should be equal for each class within each group (i.e., same precision).

Calibration

**Example (SAPMOC).** SAPMOC satisfies calibration:

|        | Precision pos. $\frac{TP}{TP+FP}$ | Precision neg. $\frac{TN}{TN+FN}$ |
|--------|-----------------------------------|-----------------------------------|
| Blues  | 80%                               | 80%                               |
| Greens | 80%                               | 80%                               |

**Conditional use error/false rate** The proportion of incorrect predictions should be equal for each class within each group.

Conditional use error/false rate

**Example (SAPMOC).** SAPMOC satisfies conditional use error/:

|        | False rate pos. $\frac{FP}{TP+FP}$ | False rate neg. $\frac{FN}{TN+FN}$ |
|--------|------------------------------------|------------------------------------|
| Blues  | 20%                                | 20%                                |
| Greens | 20%                                | 20%                                |

**Treatment equality** The error ratio of positive and negative predictions should be equal across all groups.

Treatment equality

**Example (SAPMOC).** SAPMOC does not satisfy treatment equality:

|        | Error pos. $\frac{FP}{FN}$ | Error neg. $\frac{FN}{FP}$ |
|--------|----------------------------|----------------------------|
| Blues  | 200%                       | 50%                        |
| Greens | 50%                        | 200%                       |

**Remark.** There are many other fairness criteria that are correlated to those above.

**Remark.** There is a conflict between individual and group fairness so that not all criteria can be satisfied at once.

## Handling different base rates

**Do nothing** Accept that different groups are actually associated to different probabilities.

Do nothing

**Modify the threshold for everyone** Raise (or decrease) the threshold to diminish the favorable classification for everyone (affecting more the groups with a higher base rate).

Modify the threshold for everyone

**Change the decision for everyone** Adopt alternative measures based on the classification results or use different thresholds depending on the group.

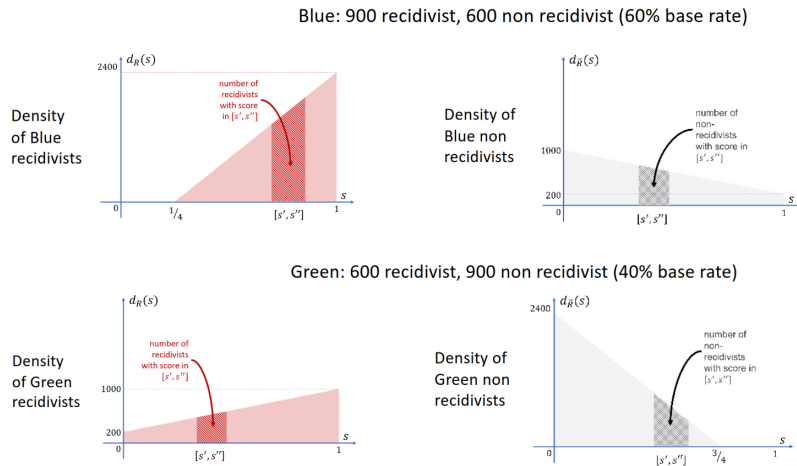
Change the decision for everyone

**Remark.** Using different thresholds might still lead to discrimination. It makes sense in cases that require an affirmative action to increase diversity.

**Example (SAPMOC II).** SAPMOC extended to multiple features and an output in  $[0, 1]$ . It is possible to represent the relationship between the output score and the likelihood of recidivism as densities:

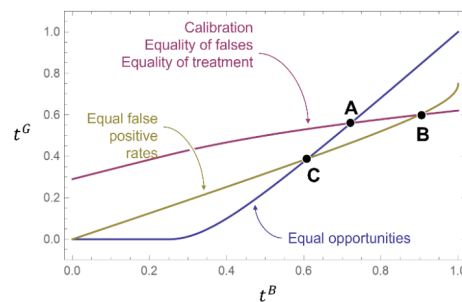
**Recidivism density** Function of the score such that the area under the curve between  $[s', s'']$  is the number of recidivists associated to a score in that interval.

**Non-recidivism density** Function of the score such that the area under the curve between  $[s', s'']$  is the number of non-recidivists associated to a score in that interval.



If the same threshold is applied for both groups, SAPMOC II respects the same fairness criteria of SAPMOC.

**Theorem 3.2.1.** With different base rates, it is impossible to achieve all fairness criteria through thresholding.



## 4 Autonomous vehicles

**Autonomous vehicle** Unmanned vehicle that senses the environment and navigates without human input. Autonomous vehicle

**Level of automation taxonomy (LoAT)** Describes the four steps for action decision, each with different levels of automation: Level of automation taxonomy (LoAT)

1. Information acquisition,
2. Information analysis,
3. Decision and action selection,
4. Action implementation.

| **Remark.** An intermediate level of automation is the most subject to accidents.

**Autonomous vehicles taxonomy** Autonomy for vehicles ranked on six levels: Autonomous vehicles taxonomy

0. Traditional car,
1. Hands-on autonomy: driver and automated system share the controls (e.g., parking assistance).
2. Hands-off autonomy: the driver must be prepared to intervene.
3. Eyes-off autonomy: the driver's attention is not required in some cases.
4. Mind-off autonomy: the driver's attention is not required.
5. No steering wheel autonomy: no human intervention is possible.

| **Remark.** The current legislation still requires a steering wheel.

### 4.1 Liability

**Liability** State under which an individual is legally responsible for something related to a harmful event and it is subject to a sanction or damage compensation. Liability

#### 4.1.1 Criminal liability

**Criminal liability** Related to a crime and punished with a fine or detention. It can be related to a natural or legal person. Criminal liability

It presupposes an act or omission that violates the criminal law. There are two conditions:

**Actus reus** The material element of the crime (an act or an omission).

**Mens rea** The subjective element of the crime, the mental state of the perpetrator (e.g., intention, negligence, ...).

### 4.1.2 Civil liability

**Civil liability** Presupposes a tort or a breach of contract and involves the obligation to repair. Civil liability

**Fault liability** Breach a duty intentionally or negligently.

#### Special cases

**Product liability** In the case of autonomous vehicles, technology counts as a product and the manufacturer is considered the producer. The conditions to be applicable are:

- The technology is defective:
  - By design
  - Manufacturing defect
  - Warning defect (e.g., missing or unclear instructions)
- The technology causes damage.

**Enterprise liability**

**Vicarious liability**

**Remark.** Liability with autonomous vehicle can be distributed as follows:

- With high automation, the manufacturer is more liable,
- With medium automation, manufacturer and driver share liability,
- With low automation, the driver is more liable.

### 4.1.3 Administrative liability

**Administrative liability** Related to the violation of administrative rules or regulations.

Administrative liability

## 4.2 Unavoidable accidents

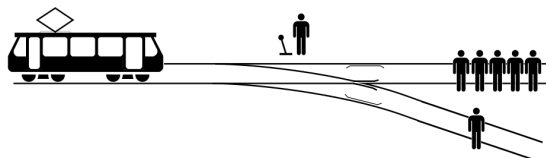
**Unavoidable accidents** Ethical dilemmas that question how a system should handle certain scenarios.

### 4.2.1 Trolley problem

**Trolley problem** A trolley is headed towards a path where it will kill five people. If a lever is pulled, the trolley will be diverted and kill one person.

Trolley problem

The dilemma is whether to do nothing and kill five people or pull the lever and kill one.



**Trolley problem (fat person)** Variation of the trolley problem where the trolley goes towards a single path that it will kill some people and can be stopped by pushing a fat person on the track.

Trolley problem (fat person)

This scenario tests whether a direct physical involvement affecting someone not in danger changes the morality in the decision.

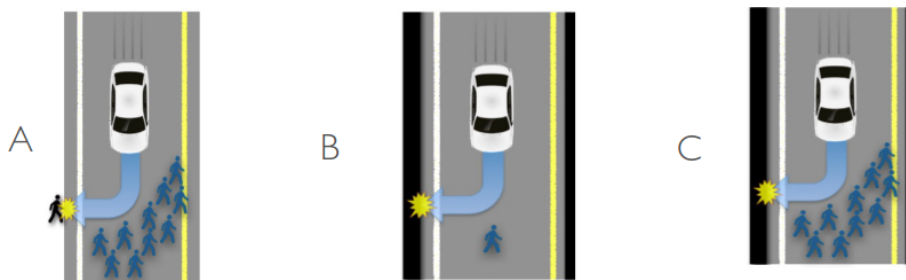
#### 4.2.2 Unavoidable car collision

**Unavoidable car collision** A human-driven or self-driving car with brakes failure is headed towards one or more pedestrians. The question is whether the car should stay on course or swerve.

Self-driving car collision

Consider the following scenarios:

- (A) The car can either kill many pedestrians crossing the street or a single person on the side of the road.
- (B) The car can either kill a single pedestrian crossing the street or hit a wall killing its passengers.
- (C) The car can either kill many pedestrians crossing the street or hit a wall killing its passengers.



**Human-driven car collision** Unavoidable car collision with a human driver.

Human-driven car collision  
State-of-necessity

**State-of-necessity** Under the law, one is not criminally liable if:

- There is an unavoidable danger of serious bodily harm to the offender (or others) not voluntarily caused by the offender.
- The fact committed by the offender is proportionate to the danger.

| **Remark.** The offender is still civilly liable (i.e., must compensate the damage).

In the three scenarios, the legal outcomes are:

- (A) As the driver is not in danger, it should swerve to minimize losses as otherwise it would be considered an omission in saving many lives.
- (B) The driver can invoke the state-of-necessity and hit the pedestrian.
- (C) The driver can invoke the state-of-necessity and hit the pedestrians.

**Self-programmed car collision** Unavoidable car collision with a car pre-programmed by the manufacturer.

Self-programmed car collision

In this case, who programmed the car cannot invoke the state-of-necessity and the legal outcomes are:

- (A) The legally justifiable action should be the one that causes the least damage (i.e., the car should be programmed to kill the lowest number of lives).
- (B) Both choices are ambiguous.
- (C) The legally justifiable action should be the one that causes the least damage.

**Remark.** Experiments show that people prefer impartial autonomous vehicles (i.e., minimize loss) for others and one that favors the passengers for themselves.

## 4.3 Ethical knob

### 4.3.1 Ethical knob 1.0

**Ethical knob 1.0** Imaginary tool that allows the passenger to select a level of morality: Ethical knob 1.0

**Altruist** Preference is given to others.

**Impartial** Equal importance is given to passengers and others (i.e., minimize loss).

**Egoist** Preference is given to passengers.

**Remark.** Liability is the same as for the human-driven car, but there is no distinction between active and omissive behavior.

The legal outcomes for the car collision scenarios are:

- (A) The passenger is not in danger, therefore the autonomous vehicle with the knob in any setting should minimize losses.
- (B) The car will follow the knob setting and the state-of-necessity is applicable. In case of impartiality, the choice can be predefined or randomized.
- (C) The car will follow the knob setting and the state-of-necessity is applicable.

### 4.3.2 Ethical knob 2.0

**Ethical knob 2.0** Ethical knob that allows the passenger to set the proportional importance of the passengers to the importance of others. In addition, the car can determine the probability of causing harm. The decision is based on the disutility computed as follows: Ethical knob 2.0

$$\text{disutility} = \text{importance} \cdot \text{probability\_of\_harm}$$

**Example.** Consider a case where:

- The passenger is 60% important and has 10% of probability to be harmed,
- The pedestrian is 40% important and has 100% of probability to be harmed.

The disutilities are:

$$\begin{aligned}\text{disutility}(\text{passenger}) &= 60\% \cdot 10\% = 6\% \\ \text{disutility}(\text{pedestrian}) &= 40\% \cdot 100\% = 40\%\end{aligned}$$

The autonomous vehicle will put the passenger at risk.

**Example.** Consider a case where:

- The passenger is 95% important and has 10% of probability to be harmed,
- The pedestrian is 5% important and has 100% of probability to be harmed.

The disutilities are:

$$\begin{aligned}\text{disutility}(\text{passenger}) &= 95\% \cdot 10\% = 9.5\% \\ \text{disutility}(\text{pedestrian}) &= 5\% \cdot 100\% = 5\%\end{aligned}$$

The autonomous vehicle will put the pedestrian at risk.

**Remark.** In case of more people involved, the total disutility can be scaled by the number of lives involved and normalized.

**Remark** (Rawls’s difference principle). Rawls’s difference principle is an alternative approach to utilitarianism that aims at minimizing the loss of the most disfavored individual.

Rawls’s difference principle

**Example.** Consider a scenario with one pedestrian  $c_1$  crossing the road and three others  $k_1, k_2, k_3$  on the side of the street, all with the same importance  $l$ .

Assume that the disutilities are:

| Proceed forward                 | Swerve                          |
|---------------------------------|---------------------------------|
| $\text{disutility}(c_1) = 0.9l$ | $\text{disutility}(c_1) = 0.0l$ |
| $\text{disutility}(k_1) = 0.0l$ | $\text{disutility}(k_1) = 0.6l$ |
| $\text{disutility}(k_2) = 0.0l$ | $\text{disutility}(k_2) = 0.6l$ |
| $\text{disutility}(k_3) = 0.0l$ | $\text{disutility}(k_3) = 0.6l$ |

An autonomous vehicle based on Rawls’s difference will choose to swerve and hit the three pedestrians on the side of the road.

**Remark.** If everyone chooses an egoistic approach, it would lead to a “tragedy of the commons” scenario where individuals deplete a shared resource causing more harm (in this case resulting in more pedestrian casualties).

**Public good game** Game where subjects choose how many of their private tokens to put in a public pot. The content of the pot is multiplied by a certain factor and represents the public good payoff that is distributed equally to every subject.

In the case of autonomous vehicles, the public good can represent road or population safety. An agent-based simulation can be performed to assess different possible scenarios:

- Initialize the knob of each agent randomly and update them according to past experience.
- Consider as tokens the level of altruism.
- Define a cost for individualist choices.
- Aim to find the value of the knob that maximizes both individual and collective payoff.

Results show that:

- A low cost for individualist actions rapidly converges to egoism.
- A medium cost for individualist actions slowly convergences to egoism.
- A high cost for individualist actions converges to altruism.

### 4.3.3 Genetic ethical knob

**Genetic ethical knob** Ethical knob that reflects the autonomous vehicle’s assessment of the relative importance of passengers and others. Genetic ethical knob

Experimentally, this is implemented using a neural network to predict the level of the knob and a genetic algorithm to find the best configuration. The fitness function  $f(p_i)$  for agent  $p_i$  is defined as:

$$f(p_i) = \Delta u(p_i) + \text{reward}(p_i)$$

where  $\Delta u(p_i)$  is the difference between the utility of the choice and the expected utility of the alternative choices, and  $\text{reward}(p_i)$  is based on the action taken by the average individual.

The goal of the experiment is to find an ideal threshold between egoism and altruism.