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### Topics

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MENU

Topics > Digital > Artificial intelligence > Artificial intelligence: threats and opportunities

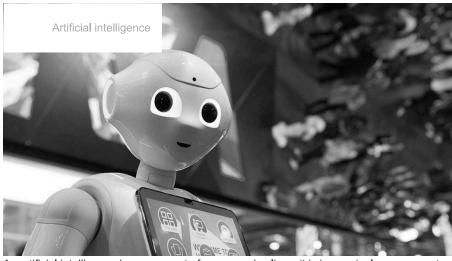
## Artificial intelligence: threats and opportunities

Artificial intelligence (AI) affects our lives more and more. Learn about the opportunities and threats for security, democracy, businesses and jobs.

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As artificial intelligence becomes part of our everyday lives, it is increasingly necessary to regulate it.

Europe's growth and wealth are closely connected to how it will make use of data and connected technologies. Al can make a big difference to our lives – for better or worse.

That is why, in June 2024, the EU adopted the Artificial Intelligence Act, the world's first comprehensive legislation on the subject, to make sure that AI systems used in the EU are safe and uphold fundamental rights.

Below are some key opportunities and threats connected to future applications of AI and how the AI Act aims to tackle them.

#### Read more about what artificial intelligence is and how it is used

## 181 zettabytes

# Estimated volume of data to be generated in the world in 2025 (one zettabyte is a thousand billion gigabytes)

Source [2

#### Advantages of Al

EU countries are already strong in digital industry and business-to-business applications. With a high-quality digital infrastructure and a regulatory framework that protects privacy and freedom of speech, the EU could become a global leader in the data economy and its applications.

#### Benefits of Al for people

Al could help **people** with improved health care, safer cars and other transport systems, tailored, cheaper and longer-lasting products and services. It can also facilitate access to information, education and training.

Al can also make workplace safer as robots can be used for dangerous parts of jobs, and open new job positions as Al-driven industries grow and change.

## 33%

Percentage of internet users in the EU in 2024 reported that they had done an online course or used online learning material in the 3 months prior to the survey

Source [2

#### Opportunities of artificial intelligence for businesses

For **businesses**, Al can enable the development of a new generation of products and services, including in sectors where European companies already have strong positions: green and circular economy, machinery, farming, healthcare, fashion, tourism. It can boost sales, improve machine maintenance, increase production output and quality, improve customer service, as well as save energy.

#### Al opportunities in public services

Al used in **public services** can reduce costs and offer new possibilities in public transport, education, energy and waste management and could also improve the sustainability of products. In this way Al could contribute to achieving the goals of the EU Green Deal.

#### Strengthening democracy

Democracy could be made stronger by using data-based scrutiny, preventing <u>disinformation and cyber attacks</u> and ensuring access to quality information . Al could also support diversity and openness, for example by mitigating the possibility of prejudice in hiring decisions and using analytical data instead.

#### AI, security and safety

Al is predicted to be used more in **crime prevention and the criminal justice system**, as massive data sets could be processed faster, prisoner flight risks assessed more accurately, crime or even terrorist attacks prevented. It is already used by online platforms to detect and react to unlawful and inappropriate online behaviour.

In **military matters**, Al could be used for defence and attack strategies in hacking and phishing or to target key systems in cyberwarfare.

#### Threats and challenges of Al

The increasing reliance on Al systems also poses potential risks.

#### Underuse and overuse of Al

Underuse of AI is considered as a major threat: missed opportunities for the EU could mean poor implementation of major programmes, such as the EU Green Deal, losing competitive advantage towards other parts of the world, economic stagnation and poorer possibilities for people. Underuse could derive from public and business' mistrust in AI, poor infrastructure, lack of initiative, low investments, or, since AI's machine learning is dependent on data, from fragmented digital markets.

Overuse can also be problematic: investing in Al applications that prove not to be useful or applying Al to tasks for which it is not suited, for example using it to explain complex societal issues.

The AI Act aims to tackle both of these dangers. It aims to foster trustworthy AI in Europe both for citizens and businesses, addresses the risks posed by AI and seeks to position Europe as a leading force in this area.

#### Liability: who is responsible for damage caused by AI?

An important challenge is to determine who is responsible for damage caused by an Al-operated device or service: in an accident involving a self-driving car. Should the damage be covered by the owner, the car manufacturer or the programmer?

If the producer was absolutely free of accountability, there might be no incentive to provide good product or service and it could damage people's trust in the technology; but regulations could also be too strict and stifle innovation.

#### Threats of AI to fundamental rights and democracy

The results that AI produces depend on how it is designed and what data it uses. Both design and data can be intentionally or unintentionally biased. For example, some important aspects of an issue might not be programmed into the algorithm or might be programmed to reflect and replicate structural biases. In addition, the use of numbers to represent complex social reality could make the AI seem factual and precise when it isn't. This is sometimes referred to as mathwashing.

If not done properly, AI could lead to decisions influenced by data on ethnicity, sex, age when hiring or firing, offering loans, or even in criminal proceedings.

Al could severely affect the right to privacy and data protection. It can be for example used in face recognition equipment or for online tracking and profiling of individuals. In addition, Al enables merging pieces of information a person has given into new data, which can lead to results the person would not expect.

It can also present a threat to democracy; Al has already been blamed for creating online echo chambers based on a person's previous online behaviour, displaying only content a person would like, instead of creating an environment for pluralistic, equally accessible and inclusive public debate. It can even be used to create extremely realistic fake video, audio and images, known as deepfakes, which can present financial risks, harm reputation, and challenge decision making. All of this could lead to separation and polarisation in the public sphere and manipulate elections.

Al could also play a role in harming freedom of assembly and protest as it could track and profile individuals linked to certain beliefs or actions.

To prevent bias, the AI Act requires that the data sets used to train AI are as complete and free of errors as possible. It also regulates the use of certain AI applications that may threaten citizens' rights for example, the use of biometric identification systems by law enforcement is prohibited except in some narrowly-defined cases.

The Al Act also introduced a requirement that artificially created or manipulated images, audio or video content, i.e. deep fakes, should be clearly and visibly labelled as such.

#### Al impact on jobs

Use of AI in the workplace is expected to result in the elimination of a large number of jobs. Though AI is also expected to create and make better jobs, education and training will have a crucial role in preventing long-term unemployment and ensure a skilled workforce.

#### Competition

Amassing information could also lead to distortion of competition as companies with more information could gain an advantage and effectively eliminate competitors.

#### Safety and security risks

Al applications that are in physical contact with humans or integrated into the human body could pose safety risks as they may be poorly designed, misused or hacked. Poorly regulated use of Al in weapons could lead to loss of human control over dangerous weapons.

#### Transparency challenges

Imbalances of access to information could be exploited. For example, based on a person's online behaviour or other data and without their knowledge, an online vendor can use AI to predict someone is willing to pay, or a political campaign can adapt their message. Another transparency issue is that sometimes it can be unclear to people whether they are interacting with AI or a person.

The Al Act tackles these challenges by regulating the use of Al to prevent manipulating human behaviour, deception or exploiting people's vulnerabilities.

Read more about how MEPs want to shape data legislation to boost innovation and ensure safety

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Parliament's Think Tank

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Artificial intelligence: how does it work, why does it matter and what can

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Opportunities of artificial intelligence

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