When are Algorithmic Decisions Fair, and How Should they be Regulated?

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This paper focuses on algorithmic decision-making: decision-making involving automated processing of personal or other data to develop predictive models that are used to make decisions about people. Some organizations use thousands of data points to take automated and opaque decisions: online shops can sell the same good to different consumers for different prices (price discrimination). Insurers can adjust premiums to individual consumers, or deny them insurance. The police can use algorithms to predict where crime will occur.

Algorithmic decision-making advances important goals, such as efficiency and economic growth. But algorithmic decision-making may threaten values the law aims to protect, and goals it aims to achieve. For instance, algorithmic systems can lead to incorrect or discriminatory decisions, and they are often opaque.

This paper explores how algorithmic decision-making should be regulated. More specifically, the paper focuses on the question: to respect fundamental rights, while considering the particularities of different sectors, should the law be improved because of algorithmic decision-making, and if so: how? The paper argues that the fairness of algorithmic decisions can only be assessed when all circumstances are taken into account. Some problems are different, or at least have a different weight, in different sectors.

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