

EUROPEAN
**BIGDATA
VALUE** FORUM

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Government, governance and algorithms

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(Policy) Framing

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(Policy) Framing

El Dorado? Horrible danger?

- We desperately need a better starting point for this conversation!
- Better evidence-base
- Better framing





Challenges: reliability

Positive advancements

- Access to increasingly more (better?) data; but this is another discussion...
- Emerging tools & tests supporting developers' capacity to understand the reliability of their algorithms
- Emerging excellent algorithmic auditing tools – by gov, civil society, academia, journalists, industry...

But we need more

- Better risk assessment for algorithmic decision-making
- A false positive is not the same as a false negative.
- ...



Challenges: governance

Fantasy of the all-mighty, all-knowledgeable regulator

Acknowledge and address complexity. Not just tech, not just legal, but also societal issues, questions of value, questions of perceptions and incentives.

Checks and balances

Responsibility – for all actors



Looking for solutions

Meaningful Transparency, Accountability, Fairness

Algorithmic decision-making has both a subject and an object. Or more. What is the interplay between the two?

Algorithmic decision-making *is* both a tool for policy-making, and the object of policy intervention. Scrutiny and responsibility?

Context matters.

Algorithmic agency. A social construct, meaningful when interacting with a social system.

Challenges: government

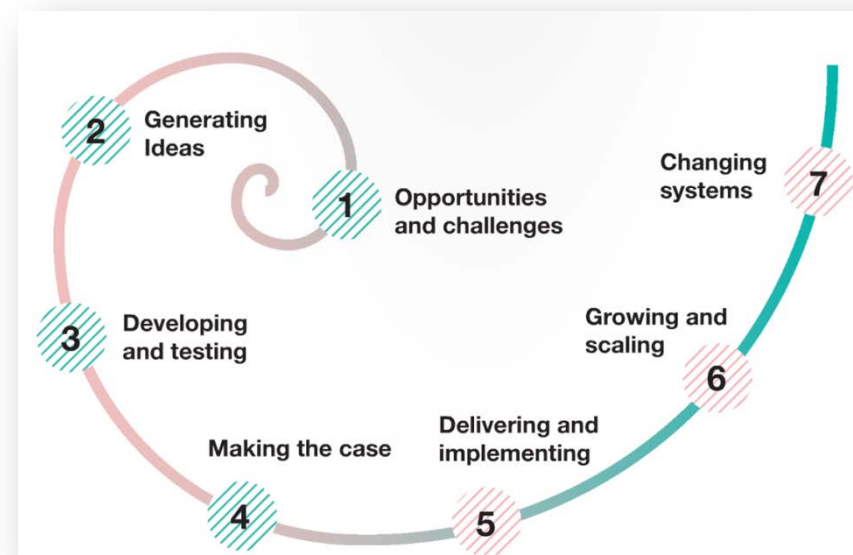
What role for government? Collection of views

Function:

- Institutional set-up with some oversight
- Trust & certification for what happens in the 'black box'
- Creating public spaces for engagement
- Supporting research and development

Capability: digital skills, technical capability, process

Tools: tech, adaptive regulation, funding, data...





Regulating algorithms: General Data Protection Regulation

Article 22

Automated individual decision-making, including profiling

1. The data subject shall have the right not to be subject to a decision based solely on automated processing, including profiling, which produces legal effects concerning him or her or similarly significantly affects him or her.
2. Paragraph 1 shall not apply if the decision:
 - (a) is necessary for entering into, or performance of, a contract between the data subject and a data controller;
 - (b) is authorised by Union or Member State law to which the controller is subject and which also lays down suitable measures to safeguard the data subject's rights and freedoms and legitimate interests; or
 - (c) is based on the data subject's explicit consent.
3. In the cases referred to in points (a) and (c) of paragraph 2, the data controller shall implement suitable measures to safeguard the data subject's rights and freedoms and legitimate interests, at least the right to obtain human intervention on the part of the controller, to express his or her point of view and to contest the decision.
4. Decisions referred to in paragraph 2 shall not be based on special categories of personal data referred to in Article 9(1), unless point (a) or (g) of Article 9(2) applies and suitable measures to safeguard the data subject's rights and freedoms and legitimate interests are in place.



Regulating algorithms: Markets in Financial Instruments Directive (MiFID II)

Article 17

Algorithmic trading

1. An investment firm that engages in algorithmic trading shall have in place effective systems and risk controls suitable to the business it operates to ensure that its trading systems are resilient and have sufficient capacity, are subject to appropriate trading thresholds and limits and prevent the sending of erroneous orders or the systems otherwise functioning in a way that may create or contribute to a disorderly market. Such a firm shall also have in place effective systems and risk controls to ensure the trading systems cannot be used for any purpose that is contrary to Regulation (EU) No 596/2014 or to the rules of a trading venue to which it is connected. The investment firm shall have in place effective business continuity arrangements to deal with any failure of its trading systems and shall ensure its systems are fully tested and properly monitored to ensure that they meet the requirements laid down in this paragraph.
2. An investment firm that engages in algorithmic trading in a Member State shall notify this to the competent authorities of its home Member State and of the trading venue at which the investment firm engages in algorithmic trading as a member or participant of the trading venue.

Algorithmic Awareness Building Project

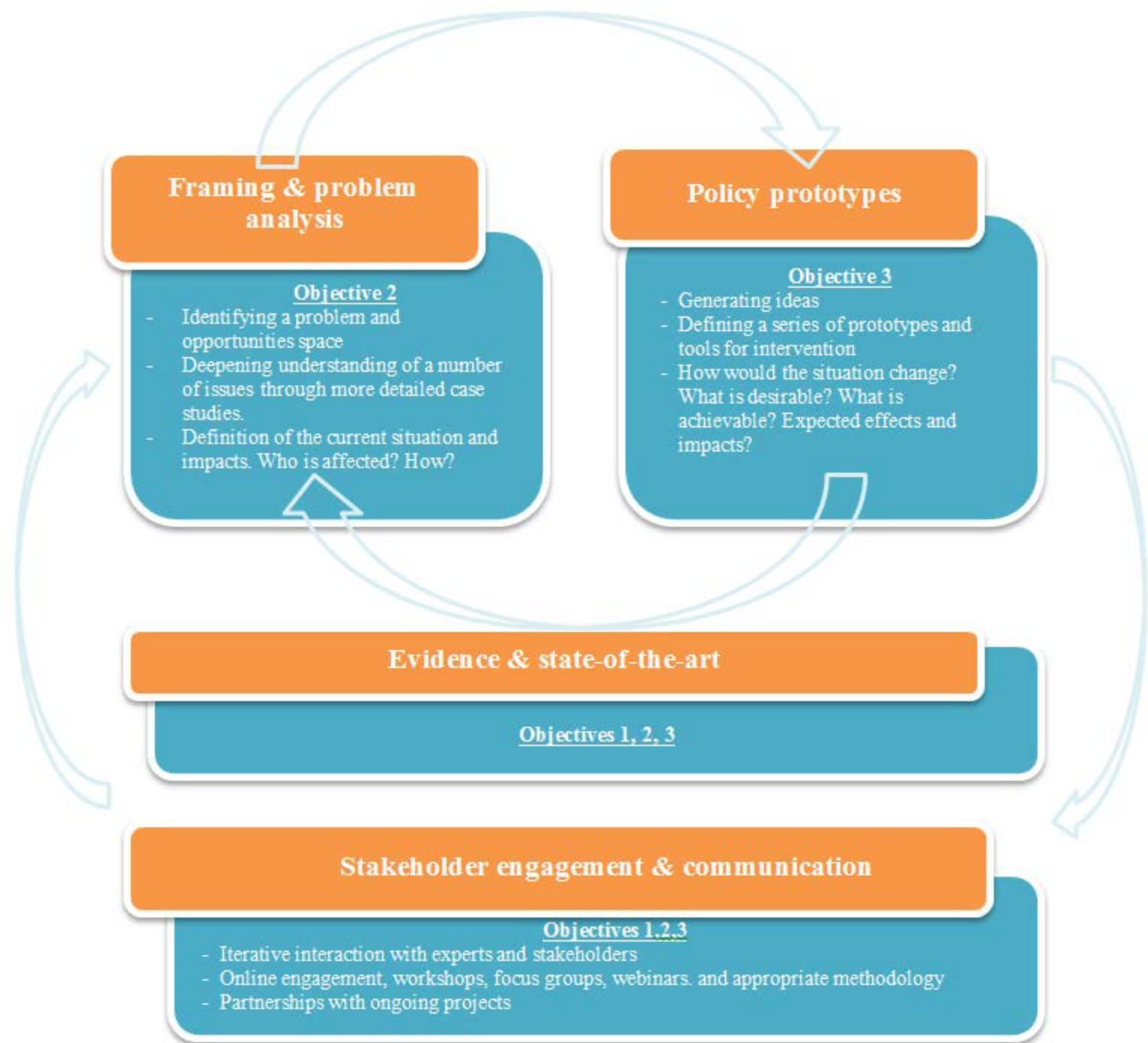


Project objectives

1. Contribute to a wider, shared understanding of the role of algorithms in the context of online platforms, while raising public awareness and debate of emerging issues.
2. Identify and delineate the types of problems and emerging issues raised by the use of algorithms, and establish an initial, scientific evidence-base for these problems.
3. Design or prototype solutions for a selection of problems, including policy options, technical solutions and private sector and civil society-driven actions.

Algorithmic Awareness Building

- Project about to be launched... any moment now!
- Most of the engagement opportunities planned over 2018
- Let's stay in touch!



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The background of the slide is a dark, almost black, space filled with a complex, organic pattern of thin, light blue lines. These lines are intertwined and flow across the frame, creating a sense of movement and connectivity. Scattered throughout this network are numerous small, bright blue dots, which appear to be nodes or data points within the structure. The overall effect is reminiscent of a neural network, a data visualization, or a complex web of information.

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THANK YOU