## Machine Learning and Economic Inequality

Maximilian Kasy

April 19, 2021

## An exciting line-up

#### Day 1

- Abigail Adams-Prassl (Economics)
- Reuben Binns (Computer Science)
- Rediet Abebe (Computer Science)
- Joshua Loftus (Statistics)
- Paul Goldsmith-Pinkham (Economics)

#### Day 2

- Pauline Kim (Law)
- Jeremy Adams-Prassl (Law)
- Salome Viljoen (Law)
- Abigail Jacobs (School of Information)
- Moustapha Cisse (Computer Science)

#### How should we evaluate the social impact of AI?

- Automated decision-making is increasingly common in consequential settings: Hiring, consumer credit, bail setting, news feed selection, pricing, ...
- Much recent work is concerned with the "fairness" of such automated decisions: "Is unequal treatment rationalizable by profit maximization?"
- In this conference, the goal is to instead discuss the impact of AI on inequalities.
- This corresponds to two conflicting normative paradigms:
  - Just deserts (e.g. Libertarianism): "Does everyone get what they deserve, based on their merit?"
  - Consequentialism (e.g. Utilitarianism, welfare economics):
    "How does this policy / algorithm impact the wellbeing of those affected?"

#### Fairness versus equality

- Fairness is about **treating** people of the same "**merit**" independently of their **group** membership.
- Equality is about the (counterfactual / causal) **consequences** of an algorithm for the distribution of **welfare** of different **people**.

Examples when they are in conflict:

- Increased surveillance / better prediction algorithms: Lead to treatments more aligned with "merit." Good for fairness, bad for equality.
- 2. Affirmative action / **compensatory interventions** for pre-existing inequalities: Bad for fairness, good for equality.

## Means of prediction and agents of change

- ML and AI are largely about optimization.
  - But who's objective function is maximized?
  - Ownership and control of data and algorithms determine who gets to pick the objective.
  - Why is most of AI dedicated to maximizing ad-clicks?
  - How could alternative ownership structures look like?
- Who is the audience for work about the social impact of AI? Who's perspective do we take?
  - Most commonly:
    - Corporations maximizing profit,
    - subject to constraints of avoiding litigation or bad press for discrimination.
  - How about addressing other stakeholders?
    - · Workers and unions,
    - government regulators and policymakers,
    - consumers and NGOs, ...

### **Conference** policies

- Talks are 40 minutes, followed by 10 minutes discussion time, and occasional breaks.
- Panel members can simply unmute themselves for questions and comments. Everyone else, please post your questions in the Q & A box, and Binta will read out your question or call on you to ask it.
- During talks, please limit yourself to clarifying questions. Reserve comments and criticisms for discussion time.
- Talks are live-streamed and recorded. They will be available for later watching on Youtube.

- Conference program: https://maxkasy.github.io/home/ML\_inequality\_conference/
- Youtube channel: https://www.youtube.com/channel/UCB3VHmtU-Acta1o0wbzWaag

# Let's get started!