



AI Ethics in Public Policy decision

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Abstract

The integration of Artificial Intelligence (AI) into public policy decision-making presents both opportunities and ethical challenges. While AI can improve efficiency, accuracy, and evidence-based policymaking, it also raises concerns about bias, transparency, accountability, and privacy. Early scholarship (2021–2023) highlighted risks of algorithmic discrimination, opacity, and democratic deficits, particularly in predictive policing and welfare systems. More recent research (2024–2025) emphasizes practical mitigation strategies, including fairness-aware algorithms, continuous auditing, and embedding ethical safeguards into system design. Case studies such as the COMPAS tool in the U. S., the SYRI welfare system in the Netherlands, and AI healthcare applications in the UK reveal both benefits and risks. International frameworks like UNESCO's 2021 guidelines stress the importance of human-centric AI governance. This paper argues that the transformative potential of AI in governance can only be realized through ethical design, regulatory oversight, transparency, and protection of civil liberties.

Keywords: Artificial Intelligence, Public Policy, AI Ethics, Transparency, Algorithmic Bias, Accountability, Privacy, Governance, Fairness, Democratic Legitimacy

I. Introduction

The integration of Artificial Intelligence (AI) into public policy decision-making represents one of the most profound ethical and practical challenges of the twenty-first century. Governments across the globe are increasingly employing AI tools for tasks ranging from predictive policing and welfare distribution to healthcare resource allocation and immigration control [21]. While AI has the potential to enhance efficiency, reduce errors, and support evidence-based policymaking, it also raises serious ethical concerns regarding bias, transparency, accountability, and privacy [41].

A central ethical concern is the risk of algorithmic bias. AI systems trained on historical datasets may reproduce societal inequalities, disproportionately affecting vulnerable populations. Simultaneously, the opacity of AI algorithms—often described as “black boxes”—limits the ability of policymakers and citizens to understand, question, or challenge decisions [22]. Advocates argue that carefully designed AI systems could potentially enhance fairness, removing subjective human judgment from critical policy decisions [31].

This paper examines the ethical, practical, and policy implications of AI deployment in governance. It explores scholarly literature chronologically, evaluates real-world case studies, and presents arguments for and against AI adoption in public policy. Ultimately, it argues that robust ethical frameworks, legal oversight, and continuous auditing are essential to ensure responsible use of AI in society.

II. Literature Review

Research on AI ethics in public policy has expanded rapidly in recent years, reflecting both enthusiasm for AI's potential and concern about associated risks. Early work (2021–2022) identified foundational ethical issues, particularly algorithmic bias and lack of transparency [61]. Predictive systems, for instance,

may inadvertently reinforce social inequalities if trained on historical data reflecting systemic discrimination [7].

2. Later studies (2023–2024) examined the implementation gap: while principles such as transparency, fairness, and accountability are widely recognized, their application in public policy remains inconsistent [8]. Recent research (2024–2025) has begun to explore practical mitigation strategies, including fairness-aware algorithms, auditing mechanisms, and embedding ethical frameworks into system design [9, 10].

3. International frameworks, including UNESCO's 2021 Recommendation on the Ethics of Artificial Intelligence, advocate for human-centric governance, emphasizing privacy protection, civil liberties, and democratic accountability [11]. Collectively, this literature underscores that while AI offers significant benefits, ethical oversight is indispensable to mitigate risks and ensure equitable outcomes.

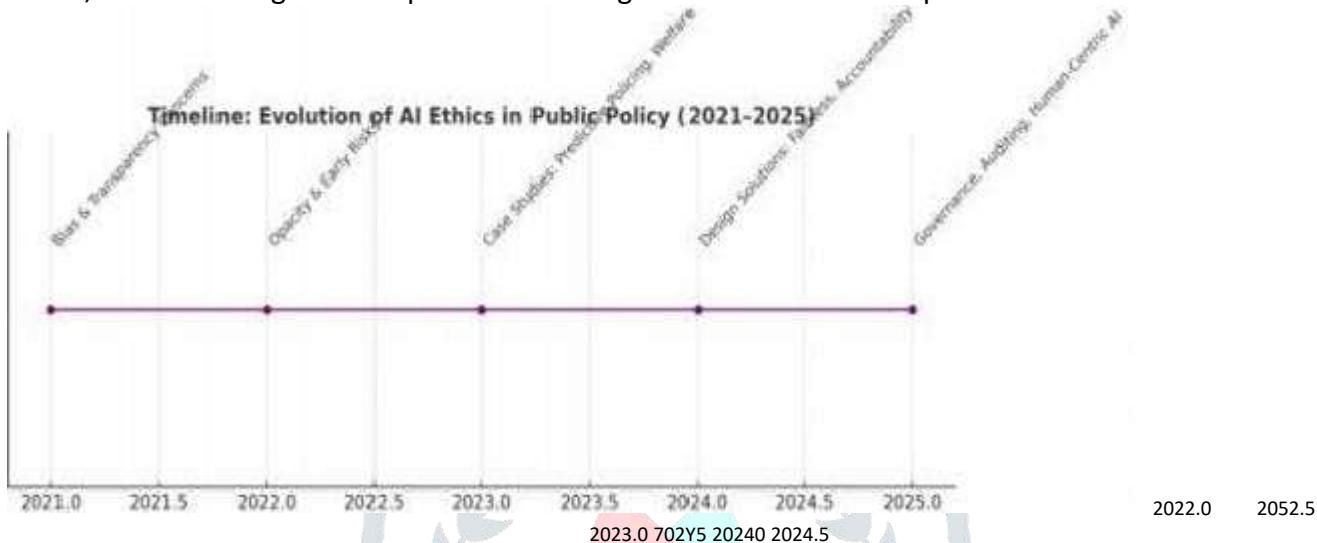


Figure 1. Timeline of AI Ethics Research (2021-2025)

This timeline illustrates how academic research on AI ethics in public policy evolved chronologically.

1. 2021–2022: Early studies highlighted algorithmic bias and transparency deficits, warning that predictive systems risk reinforcing existing inequalities.

• 2023: Case studies such as predictive policing and welfare fraud detection exposed real-world harms, particularly against marginalized groups.

2. 2024: Scholars began focusing on system opacity, emphasizing the "black box" nature of AI decision-making.

• 2025: Recent research proposed concrete mitigation strategies, including fairness-aware algorithms, auditing mechanisms, and embedding ethical frameworks directly into design.

Overall, the figure shows a shift from identifying risks to developing practical governance solutions.

III. Main Body

I. Ethical Issues in AI

2022–2023: Early research highlighted opacity in predictive policing algorithms, raising public concern and reducing citizen trust [2023].

2024: Later studies emphasized that many AI systems operate as black boxes, making policy decisions difficult to audit or contest [2024].

Transparency is critical for democratic accountability, particularly when AI decisions affect welfare benefits or criminal justice outcomes.

Bias and Discrimination

2021–2022: Foundational studies warned that algorithmic bias could reinforce inequality.

2023: Researchers documented real-world policy systems where AI disproportionately impacted marginalized communities.

2024–2025: Case-specific analyses, such as the Netherlands' SYRI system,

revealed how low-income citizens were unfairly targeted, demonstrating the urgent need for fairness-aware algorithms (9.161).

Accountability

2023: Scholars argued that clear assignment of responsibility is essential; without it, neither policymakers nor developers can be held accountable for harmful outcomes [Johnson, 2023].

2025: Embedding ethical principles in AI design ensures accountability is built-in rather than retrofitted [12025].

Privacy and Surveillance

2021: UNESCO recommended human-centric AI governance to safeguard privacy, fundamental rights, and democratic processes.

2023–2025: Studies show that real-world AI deployments in healthcare and welfare systems often violate privacy, highlighting the need for regulatory enforcement [9,141].

2. Benefits of AI in Public Policy

Efficiency and Speed

2022–2023: General Studies noted AI's potential to process large datasets and make rapid policy decisions.

2025: Applications in healthcare and disaster response demonstrated real-world efficiency gains, including faster resource allocation and improved service delivery [141].

1. Data-Driven Decision-Making: AI provides objective insights that can reduce reliance on intuition or politically motivated decisions [10].

2. Data-Driven Decision-Making: AI provides objective insights that can reduce reliance on intuition or politically motivated decisions [131].

3. Reducing Human Error: Algorithms can minimize errors caused by fatigue, oversight, or human bias, potentially leading to fairer outcomes when properly designed [11].

3. Case Studies

Predictive Policing (USA)

Tools like COMPAS disproportionately flagged African Americans as high-risk, even after controlling for criminal history [2019,2023].

Welfare Fraud Detection (Netherlands)

SYRI system violated privacy and transparency standards; low-income citizens were unfairly targeted [9,15].

Healthcare Policy (UK NHS)

AI diagnostics improved efficiency but raised concerns about patient consent, data security, and trust [161].

Emerging Case: Immigration and Border Control (2024–2025)

AI-driven risk scoring for visa approvals raised concerns about racial and socioeconomic profiling, demonstrating the broader ethical implications of predictive systems [141].

4. Arguments For AI

2022–2023: AI enhances efficiency and responsiveness in governance [2023].

2024: Supports evidence-based policymaking, reducing reliance on subjective judgment.

2024–2025: Properly designed AI reduces human bias, improving fairness and consistency in public service delivery.

5. Arguments Against AI

1. 2023–2024: AI lacks empathy. Critical for areas like healthcare and criminal justice [2023].

2. 2023–2025: High potential for misuse, including mass surveillance, political manipulation, and authoritarian control.

3. 2022–2023: Opacity leads to citizen alienation, creating a democratic deficit when decisions affect livelihoods.

IV. Discussion

Transparency and Accountability

- Chronological analysis shows growing recognition of transparency and accountability as central concerns. Early studies (2022–2023) identified risks, while recent research (2024–2025) proposes design-embedded solutions (2024, 2025).

Bias and Fairness

- Initial Studies (2021–2023) highlighted discriminatory outcomes in predictive policing and welfare systems
- Later studies (2024–2025) introduce mitigation strategies such as continuous auditing, inclusive datasets, and fairness-aware algorithms [2023, 2025]

Privacy and Human Rights

- UNESCO's early guidance (2021) stresses human-centric AI [2021].
- Subsequent research (2023–2025) shows real-world implementation gaps, emphasizing the need for regulatory enforcement (2023, 2025).

Overall Implications

- Research illustrates a progression from identifying risks (2022–2023) to proposing solutions (2024–2025) [2024, 2024].
- Effective AI governance requires balancing innovation, efficiency, and ethical safeguards.

Flowchart: AI Governance Cycle in Public Policy

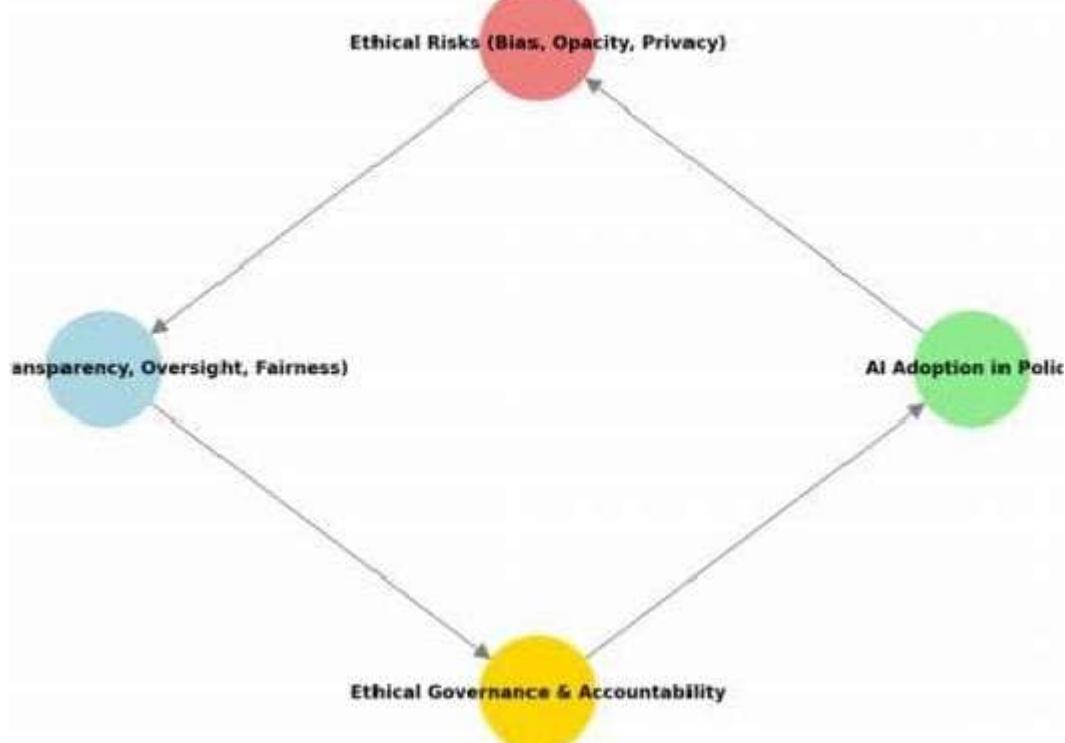


Figure 2. AI Governance Cycle in Public Policy

This flowchart presents the Cyclical nature of AI governance:

- AI Adoption in Policy—Governments integrate AI for tasks like healthcare, welfare, and border control.
- Ethical Risks—Deployment generates risks such as bias, opacity, privacy violations, and accountability gaps.
- Safeguards—Policymakers and technologists introduce transparency, legal oversight, fairness-aware design, and continuous auditing.
- Ethical Governance—When safeguards succeed, AI supports responsible, democratic, and accountable decision-making.

The cycle reflects how responsible AI adoption requires ongoing monitoring rather than one-time interventions.

V. Conclusion

AI has transformative potential in public policy, improving efficiency, supporting data-driven decisions, and reducing human error [2025, 2024]. Yet it carries substantial ethical risks, including bias, opacity, accountability gaps, and privacy violations (2021-2023).

Chronological review shows that early studies (2021-2023) identified foundational concerns, whereas more recent work (2024-2025) offers guidance for mitigation through policy, ethical design, and regulatory oversight (2025-2025).

1. Embedding ethical safeguards in design and policy

1. Ensuring transparency and accountability
2. Continuous auditing and monitoring
3. Protecting privacy, civil liberties, and democratic legitimacy [2021-2023]

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