ALGORITHM WATCH

Annual Report 2022

Contents

Editorial

Imagine you would like to sign up to an online service and can't – for the only reason that your name is too short. Imagine you post an image on Instagram and as a result, your account is blocked with only the most meaningless piece of information about why it happened – and you're up against Facebook to unblock it again. Or, imagine you're taking a stroll in the park with your kids and all your movements are not just recorded, but also run through a computerized face recognition system to see if your faces match those stored in a database of criminals.

Sounds like a world you would not want to live in? Same here. But algorithmic discrimination by badly designed online systems have been a fact of life for years, as have been autocratic content moderation practices by large platforms with hardly any accountability. And installing automated surveillance in public places around Europe is not just a fantasy of some fringe law-and-order fanatics but a clear goal in the playbook of many police forces and government security agencies. Algorithmic injustice manifests itself in many shades in today's world.

Which is the reason AlgorithmWatch exists. In Berlin and Zurich, a diverse team of more than 25 experts work on a range of aspects of systems driven by what has become known as algorithms and "Artificial Intelligence" (a term we don't like too much because it's ill-defined and both companies and governments use it to further their own, often dubious, agendas). We fight for the protection of human rights, justice, and democracy in a world of ever-increasing digitized automation.

It is an uphill battle, but we have our wins. In 2022, the Digital Services Act became law in the EU. It forces the largest online platforms like TikTok, YouTube, Instagram, Twitter, Facebook, and others to provide more transparency towards their users, to do a lot more work identifying what risks their services pose to society, and to give civil society organizations like AlgorithmWatch access to data so that we can better check whether the companies are telling us is the truth – or rather a bunch of lies and half-truths, as has been the case so many times before. Which is the reason for us having ramped up our algorithmic accountability reporting efforts. We investigate automated systems using journalistic methods, including the creation of a 6-month fellowship. The first cohort of fellows will joined AlgorithmWatch at the beginning of 2023.

When it comes to "discrimination by algorithms", we have weighed in on the plans for a reform of the German anti-discrimination law by hosting a public event with a keynote by Ferda Ataman, the new head of the Federal Anti-Discrimination Agency, and a debate in parliament. We also developed clear demands for a revision of the law as there's the need to pay better attention to the risks of discrimination in a world of decision-making machines that too often lack necessary safeguards. In addition, we created ready-to-use guidelines and workshop material that anti-discrimination counselors can use in their daily work to better identify and address discrimination by algorithms.

Similarly overlooked and under-reported are the effects of throwing Machine Learning approaches at every problem, no matter how trivial, to be able to sell products as "AI solutions." This can come at tremendous costs because training the models usually consumes huge amounts of energy and requires tens of thousands of hours of data labeling, which is usually done by low-paid workers under precarious conditions. In our SustAIn project, we have been researching this political economy of "AI" production for years and have been trying to inform politics and the general public, with mixed results. But with the release of ChatGPT in November, the issue effectively exploded onto global center stage. We will continue our groundbreaking work on the topic by developing standards and governance proposals, to make sure that the interests of a handful of trillion Dollar companies don't trump the rights of all people to a livable planet.

All of these struggles will continue in 2023, and many more. Which is why we need your support! Please keep in touch by subscribing to one of our excellent newsletters (in English or German) or follow us on social media, so that you know when we need your data donation or your signature on a petition – or a donation that will help us finance our fight for your rights!

With kind regards

*Matthias Spielkamp and
the AlgorithmWatch team*

Milestones

January

- Stiftung Mercator starts to support AlgorithmWatch to strengthen our work: represent the public interest and gain influence in the field of digital policy and the governance of algorithms.

- A new Unding Survey starts with the goal to investigate discrimination online.

February

- AlgorithmWatch publishes policy recommendations for the establishment of public registers for automated decision-making systems used in the public sector.

- We answer a call for input from the Office of the United Nations High Commissioner for Human Rights (OHCHR) to comment on the practical application of the United Nations Guiding Principles on Business and Human Rights to the activities of technology companies. We contribute our expertise on technology companies, as they play a crucial role in the development, implementation, and use of automated decision-making systems that affect fundamental rights.

- We initiate and publish a Joint Statement expressing our concerns about third-party stakeholder inclusion in revision process of the EU's Code of Practice on Disinformation.

March

- Our civil society coalition F5 (AlgorithmWatch, Gesellschaft für Freiheitsrechte, Open Knowledge Foundation, Reporter ohne Grenzen, Wikimedia) discusses the potential of the Digital Services Act (DSA) with members of the German parliament during a breakfast session in the German Bundestag (parliament).

- DataSkop's second data donation ends: Several thousand supporters donated their YouTube profile data via our platform DataSkop. We release a simulator to demonstrate basic principles of recommendation algorithms such as YouTube's.

- AlgorithmWatch, together with Fair Trials, European Digital Rights (EDRi), and 38 civil society organizations, launches a collective statement to call on the EU to ban predictive policing systems via the proposed Artificial Intelligence Act.

- In a joint briefing paper compiled with 11 other civil society organizations, we define key priorities for the Digital Services Act trilogues, followed by a policy paper with more detailed analysis and recommendations concerning the DSA's accountability structure.

AlgorithmWatch publishes recommendations for the evaluation of the German anti-discrimination law (Allgemeines Gleichbehandlungsgesetz, AGG), asking the new German government to account for the special risks created by algorithmic discrimination.

April

As an official observer organization, AlgorithmWatch joins negotiations on a Convention on AI at the Council of Europe kick-off.

Together with civil society partners, we analyze the two main EU parliamentary committees' draft report on the AI Act in a Joint Statement. We identify the important steps it takes – and the gaps still to be filled to protect people and our fundamental rights.

May

Christina Elmer joins AlgorithmWatch as a new member of the board.

We finalize our "Vision, Mission & Values" document with the team at our Team Retreat.

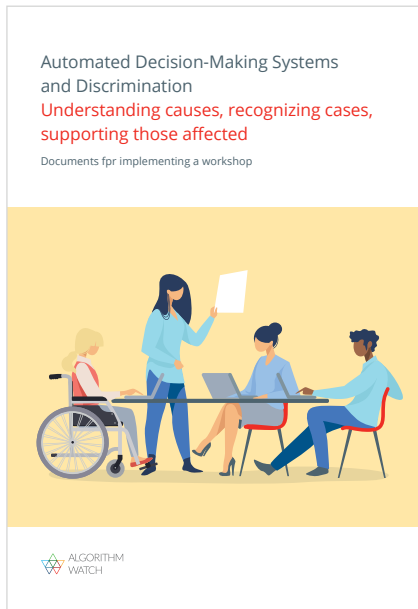The second phase of DataSkop starts, focussing on TikTok's For You Feed and its recommendation algorithm.

June

The first edition of our SustAIn magazine is published.

The agreement on the DSA includes provisions granting data access to researchers and civil society – something we have fought for for two years.

AlgorithmWatch submits a consultation response to the UN report on the right to privacy in the digital age.

- The AutoCheck guidebook "Automated Decision-Making Systems and Discrimination" is published and takes a deeper look into algorithmic discrimination.

Automated Decision-Making Systems and Discrimination
Understanding causes, recognizing cases, supporting those affected
Documents fpr implementing a workshop

July

- The Policy Brief #6 of the Digital Autonomy Hub is published. It explains why independent research analyzing platforms in the public interest is an essential component of platform accountability and why it must be ensured by establishing comprehensive data access frameworks for public interest research.

Digital Autonomy Hub
Technik souverän nutzen

POLICY BRIEF #6
Juli 2022

Wie funktionieren Online-Plattformen?

Unabhängige Forschung braucht Datenzugang

August

- We reported on Facebook's gutting of the CrowdTangle API and how this contradicts their commitments under the Code of Practice and DSA obligations.

September

- AlgorithmWatch testifies in an expert hearing of the Digital Committee of the German Parliament focusing on AI regulation.

- We come together for our annual Team Day in Berlin.

- AlgorithmWatch celebrates its 5th birthday with friends & the AW network.

- Within our AutoCheck project, we run a workshop for educators.

- The second plenary of the Council of Europe's Committee on AI sees several contributions and inputs by AlgorithmWatch.

October

- The DSA officially passes into law, including provisions for civil society access to data, auditing procedures, and oversight mechanisms. Our explainers on the DSA and its data access rules help raise awareness in the general public as well as among academics and other civil society organizations about the new law and the need for its effective implementation and enforcement.

- Our fellowship program on algorithmic account-ability reporting is launched.

- The Policy Brief #7 of the Digital Autonomy Hub is published. It explains the need for transparency and accountability when it comes to the sustainability costs in the training and use of AI systems.

November

- AlgorithmWatch and 26 other civil society organizations call on the German government to keep its promise from the coalition treaty and advocate for a strong ban on biometric surveillance in the negotiations on the AI Act .

- AlgorithmWatch hosts an online event to address the planned reform of the German anti-discrimination law. We explain why the reform is needed to address algorithmic harms. The online event features a keynote by Ferda Ataman, head of the German Federal Anti-Discrimination Agency, and a panel discussion with Eva Maria Andrades (head of the German Association of Independent Anti-Discrimination Counseling Centers), Armand Zorn (MEP of the Social Democratic Party), Jan-Laurin Müller (University of Bayreuth), and Ulrike Spangenberg (Bundesstiftung Gleichstellung).

- Our Auditing Algorithms project starts with support by the Alfred Landecker Foundation.

December

- AlgorithmWatch and 191 other organizations and individuals send out a strong signal to EU decision-makers. In our Joint Statement, we demand to ensure the protection of human rights of people on the move.

- We co-organize the 2nd PIAZZA conference that brings together stakeholders from public administration, academia, and civil society. We also host a workshop on how to prevent discriminatory effects when implementing ADM systems in public administration.

- We discuss necessary amendments to the AI Act draft and necessary changes in the German anti-discrimination law with German MPs at the Bundestag as part of a F5 parliamentary exchange.

- The European Council and the European Parliament adopt changes in the AI Act in line with AlgorithmWatch's demands: improving the transparency regime of the act and addressing environmental sustainability.

Our Work

Projects and Tools

"As an individual, it's hard to take action against opaque algorithms and automated decision making. When big tech holds most of the power, it needs a force to challenge how those companies shape the world of algorithms. That's why we build tools and projects to investigate those systems and join forces with their users to hold companies accountable."

ANNA LENA SCHILLER,
Head of Tech

2022 was a year of both continuous development and new growth, concerning both projects and tools. The DataSkop team, which had launched its first investigation of the YouTube recommender algorithm the year before, moved on to its second phase and chose to investigate TikTok. The much talked-about social network was not only under scrutiny for its data practices and privacy issues but also its non-transparent algorithm. Together with our project partners, we started to develop an approach to better understand how TikTok's recommendation system works.

For Unding, 2022 was a crucial year. After many efforts to grow the service, we decided to stop asking the public to file complaints about automated decisions. The participation and the engagement had not been high enough to justify an ongoing operation of the website. We instead focused on evaluating the technology behind Unding – a survey tool with chat-like features that had proven to be successful and could also be applied in other projects.

AutoCheck, a project to map the risks of discrimination in automated decision-making systems, introduced two tools: a concrete and comprehensive guide for Equality Bodies and a training course for

employees at anti-discrimination offices in Germany. All documents were designed in a way that the training could be held independently by anyone with some prior knowledge, ensuring longevity beyond the project's funding period.

With SustAIn, we successfully put the much-underrepresented topic of sustainability on the map of automated decision-making. The environmental, social, and economic costs of unsustainable ADM systems urgently need to be addressed by policy makers, industry, civil society, and academia – based on evidence. With the first edition of our SustAIn magazine, we started a conversion with high hopes for the future.

Building tools and projects requires a wide set of capabilities and skills. 2022 saw us growing out network of partners, experts, and contributors, enabling us to achieve the impact we strive to have.

Policy, Advocacy & Campaigns

«2.0» – that was the term we used to describe our Policy & Advocacy work in late 2022. In other words, our work and our team has reached a new level.

ANGELA MÜLLER,
Head of Policy & Advocacy

«2.0» was not only a reference to the speed at which companies and states were deploying algorithmic systems in 2022, but also to the way in which policy makers were starting to focus on the topic. But «2.0» also refers to the nature of the challenges before us – as well as to our team's efforts in fighting them. Our relentless efforts to ensure that public interest

researchers get access to online platforms' data culminated in the agreement on the EU's Digital Services Act (DSA) which explicitly includes a data access provision.

Equally important and intense was our work on the EU's Artificial Intelligence Act (AIA). We collaborated with a group of partner civil society organizations to advocate for improving the Act to better protect people's fundamental rights. These efforts addressed both European and German decision-makers. We gave inputs at meetings of parliamentary groups and committees at both political levels.

In another European forum, the Council of Europe, we continued our efforts as an active and strong civil society voice in the negotiations on a Convention on AI where we continuously reminded the negotiating states of the intended mandate of such an international treaty: the protection of human rights, democracy, and the rule of law.

At the German federal level, we have intensified our advocacy efforts for mandatory transparency registers and impact assessments whenever algorithmic systems are used by public authorities. The evidence we gathered in our project on the sustainability of AI systems was directly transferred to the political level, and we developed concrete positions on improving the protection of people from algorithmic discrimination, focusing on the upcoming revision of the German anti-discrimination law (Allgemeines Gleichbehandlungsgesetz, AGG).

In addition, within the civil society coalition F5, we further professionalized our collaboration and our joint efforts to ensure civil society voices are heard by decision-makers when it comes to digital policies.

Next to all our advocacy efforts, we have done intense research on the use of algorithmic systems at the workplace, on how to better protect workers, and on how to ensure that they have a say.

Last but not least, as a Policy & Advocacy team, we have grown – not only in terms of people but also in terms of working together. Thereby, we are strengthening our impact to ensure that algorithmic systems benefit the many, not the few. 2.0 – to be continued.

Journalism

"Automated systems can be so opaque that journalists do not know how to even start investigating them. The AlgorithmWatch fellowship in algorithmic accountability reporting was launched to change that. The strong response we received shows that many are ready to tackle the challenge."

NICOLAS KAYSER-BRIL,
Head of Journalism

2022 was a turning point for our journalistic work, both in terms of content and distribution. Firstly, we changed the focus of our reporting. In 2020 and 2021, we published stories that showed that some automated systems were performing badly. However, their operators almost never took meaningful action. Instead, they usually hid the issue with the equivalent of a technical band-aid, leaving the cause of the wound untouched.

Continuing this reporting would mean tacitly accepting the mechanism. We almost provided free quality control to large corporations with our stories. We therefore shifted our focus towards in-depth investigations of under-reported systems, such as automated surveillance in Greece, AI in recruiting, or the use of face recognition in Ukraine, every time giving a voice to the people affected.

Freelance journalists kept pitching us stories, and we worked with several of them, for instance to uncover discriminatory insurance practices in Italy. The fellowship in algorithmic accountability reporting, which we launched in October, was the first step of a large project to help independent journalists in Europe improve their skills in investigating automated systems.

The second major change we made in 2022 concerned our publication strategy. We shifted our focus from the website to our newsletters. The Automated Society newsletters kept on growing, both in quality and reach. We now consider it the main output of our journalistic production, as it allows for building long-lasting relationships with readers.

Public Relations & Outreach

"The world of algorithms and AI is crowded with false narratives and fearmongering. With our PR & Outreach team's content, we help our audience be informed and participate in the debate about automated decision-making, and be empowered to take action for our fundamental rights."

MARC THÜMMLER,
Head of PR & Outreach

In 2022, we reflected the growing interest in our organization's work and in the field of algorithms and automated decision-making in our PR and com-

munication work. We established ourselves as a voice of reason and knowledge in times of false narratives and fearmongering.

Readers from a wide range of professions continuously look forward to reading the new edition of our **Automated Society newsletter** every other week. It delves into the often unknown ways automated systems affect our society and the world. Our community newsletter is dedicated to our campaigning efforts and designed to get our community involved in our work.

Automated Society Newsletter-Growth

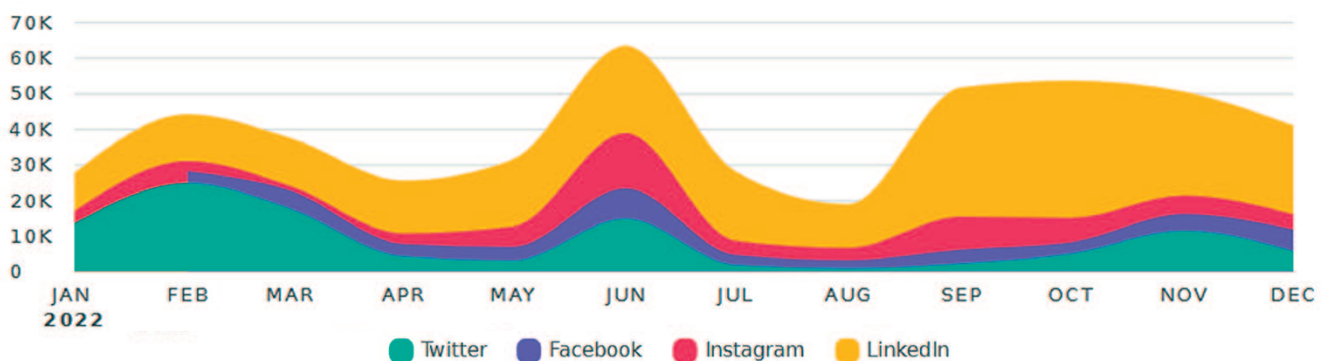■ Newsletter English ■ Newsletter German
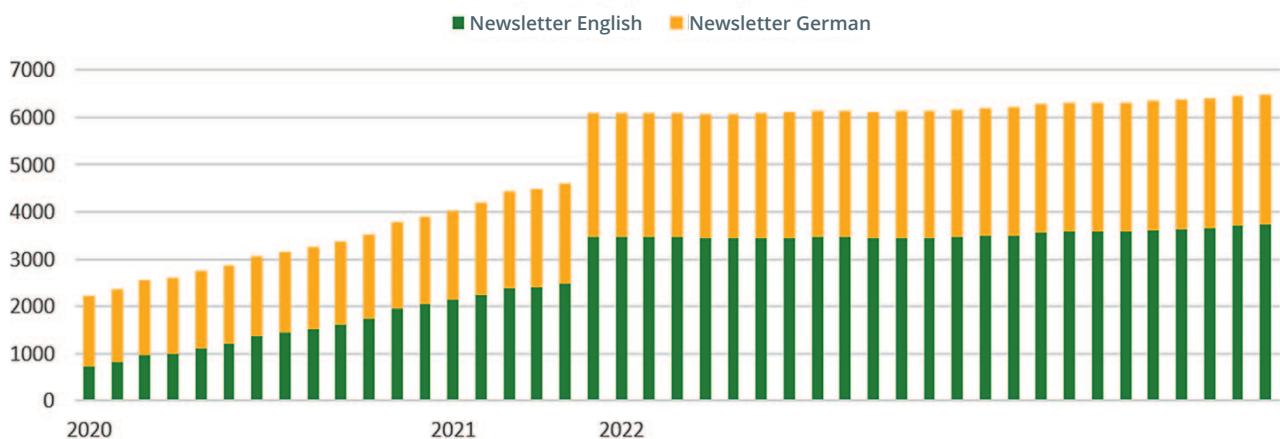
Our **social media channels** continued to grow significantly and became our most important outlet to connect with the general public. Instagram has grown in importance as a channel that provides a great reach, especially for campaigns and outreach. LinkedIn has gained in importance as a platform for a professional audience and decision-makers from politics, science, academia, business, and civil society which is especially relevant for our policy and advocacy work. Twitter continues to be the n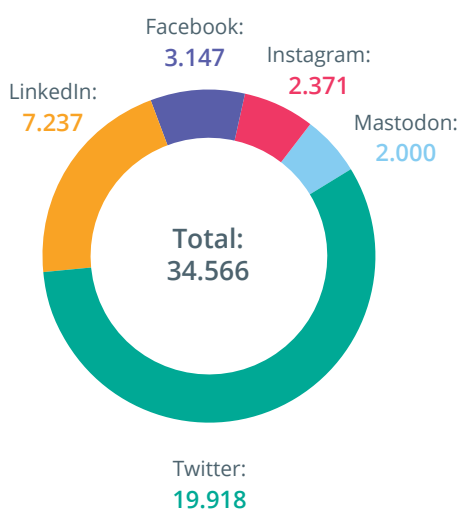etwork where we reach our largest audience. Due to the platform's development, we started a new channel on Mastodon and have seen great success so far in connecting with important stakeholders.

In regards to our press and public relations work, we continued to expand our presence and are seen as a key voice in international media such as newspapers, online outlets, documentaries, and on the radio. Our work and our projects were featured and referenced on prime-time German television on multiple occasions.
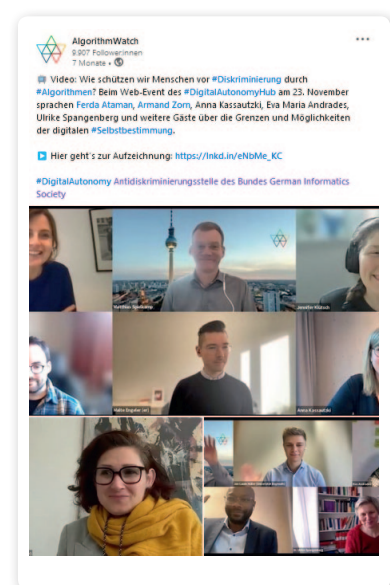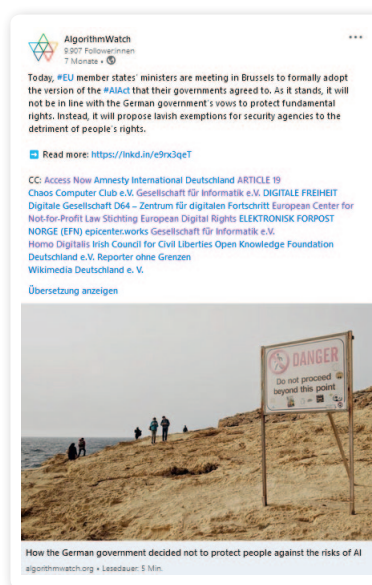
Impressions 2022

Followers end of 2022

Facebook: **3.147**
Instagram: **2.371**
LinkedIn: **7.237**
Mastodon: **2.000**
Total: **34.566**
Twitter: **19.918**

Best performing Posts

Finances

Income Statement in Euros *		
REVENUES	**01.01. – 31.12.2022**	**01.01. – 31.12.2021**
Revenues	12.363,60	27.382,64
Revenues grants	1.118.777,59	1.075.051,73
Revenues donations	59.542,15	8.219,50
Revenues other	17.033,00	36.966,58
PERSONNEL EXPENSES		
Wages and salaries	774.926,40	720.788,04
Social security / thereof for pensions: € 0,00 (2021: € 0,00)	142.067,59	136.297,92
Depreciation	10.548,51	8.344,28
Other	273.548,92	268.775,46
RESULTS		
Result after taxes	**10.363,24**	**13.414,75**
Other taxes	0	1.418,77
Total annual net	**10.363,24**	**11.995,98**

* You can find previous financial reports of AlgorithmWatch and more information on governance and transparency on our website: https://algorithmwatch.org/en/transparency

Contact

AW AlgorithmWatch gGmbH
Linienstraße 13
10178 Berlin
Germany

✉ **Mail**
info@algorithmwatch.org

📞 **Phone**
+ 49 (0) 30 99 40 49 000

t **Twitter**
twitter.com/algorithmwatch

f **Facebook**
facebook.com/algorithmwatch

in **LinkedIn**
linkedin.com/company/
algorithmwatch/

📷 **Instagram**
instagram.com/algorithmwatch/

m **Mastodon**
mastodon.social/@algorithmwatch

▶ **YouTube**
youtube.com/@algorithmwatch

Organization & Team

"We had ambitious goals in 2022 and successfully achieved them, which makes me proud. The professionalization of our internal processes and structures kept us quite busy. We already overcame major challenges and found courageous answers for pressing questions – and all that despite the fact that we are still a rather young organization."

KRISTINA HÜBNER,
Head of Operations

In 2022, AlgorithmWatch not only finalized a "Vision, Mission & Values" statement with feedback from everyone in the team. We also intensively discussed a Code of Conduct that is now guiding us in how we work together as a team, and with our partners. The entire team came together at our annual retreat and the big birthday party in September where we celebrated 5 years of AlgorithmWatch, our work, and our successes with our friends and our network.

We reshaped and adjusted our IT infrastructure and implemented new internal tools and processes to smooth internal operations. Such changes always surface questions beyond the technical and administrative aspects but also bring the different teams together: We discussed topics around working culture, organizational development, and the shared values in our team. We also identified priorities and next steps, including the development of a salary structure and a benefits model that match our diverse team. A reoccurring part of our work in 2022 was the recruiting of new team members which proved to be an opportunity for us to reflect necessary principles and decision-making in the recruiting process. Now, our organization is ready for the next transformational steps.

Financial compliance

Our organization's financial report 2022 was audited by Martina Schmidt – Wirtschaftsprüfung GmbH, Certified Public Accountant, Dipl.-Kffr. (FH) Martina Schmidt, Barbarossastraße 39, 10779 Berlin

Thank you!

All of this would not have been possible without the support from our growing number of regular donors and one-time contributors. Thank you for being there in these exciting times, we hope you'll keep in touch with us!

Support our work with your donation!

Your donation will help **fund more research and advocacy efforts for a better regulation of algorithmic systems and their operators.** You help support our team and the development of our research platforms like Unding and Dataskop.

We are grateful for any contribution, no matter the amount. Recurring donations are ideal, because they can ensure a long-term planning and financial independence. You can **donate through our online form** (algorithmwatch.org/en/donate) or **transfer money directly** to our account.

Donation account:

Account holder: **AW AlgorithmWatch gGmbH**
IBAN: **DE64430609671197654301**
BIC: **GENODEM1GLS**
Reference: **Donation AW AlgorithmWatch gGmbH**

Legal

This report refers to the activities of the non-profit organization AW AlgorithmWatch gGmbH in the year 2022.
© AlgorithmWatch 2023 – all content licensed under Attribution 4.0 International (CC BY 4.0)
https://creativecommons.org/licenses/by/4.0/
Registered Charity in Germany
Registered at district court Amtsgericht Berlin Charlottenburg
Registration number: HRB 186522 B