Annual Report 2024

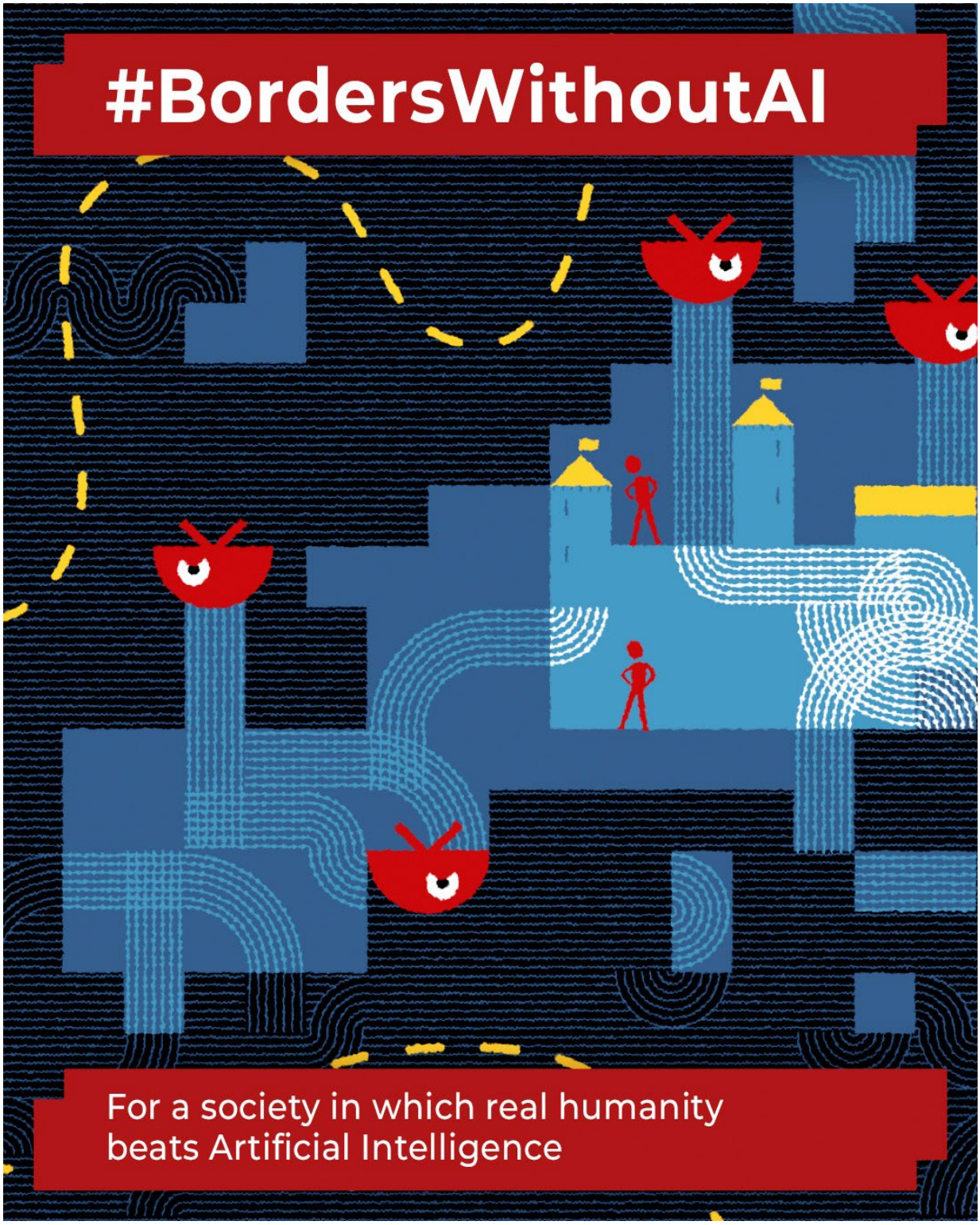

Illustration: Studio Pauke for AlgorithmWatch

ALGORITHM WATCH

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Photo: Anne Barth, re:publica 2024, CC BY 4.0

At re:publica 2024, key issues surrounding the political and societal impact of AI systems were discussed in a keynote by Matthias Spielkamp.

Editorial

On August 28, 2024, something remarkable happened with Microsoft's search engine Bing and its AI chatbot Copilot. Like most algorithmic changes that tech companies make, the shift went largely unnoticed, even though it has far-reaching consequences for all of us.

On that day, Microsoft adjusted how Copilot responded to questions about the elections underway in Germany – likely after consulting with senior management at Microsoft's Redmond headquarters. What changed? Before, Copilot had answered nearly all our questions about candidates in those elections. Afterwards, it blocked over 80 percent of them. Why?

Large Language Models, the AI systems behind chatbots like ChatGPT (which powers Microsoft's Copilot), are statistical machines that cannot distinguish between true and false statements. They cannot recognize, for example, that a deceased person cannot run for office. Instead, they calculate the likelihood that a person's name will appear in an answer, producing what many call

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"hallucinations." We at AlgorithmWatch dislike this term. LLMs don't hallucinate; they simply produce false and senseless outputs. These systems cannot overcome this flaw because it's inherent to how they're built.

What companies can do – and therefore have to – is decide how to deal with this issue. They can act responsibly or irresponsibly – for example, by preventing chatbots from answering questions about aspects crucial to democracy, like elections, when they cannot guarantee accuracy. But of course, that's not what companies want to do because a chatbot that says "I'm sorry, I can't answer this" makes less users happy. And it would increase the pressure on companies to explain why their AIs can't (or won't) answer. Because they would have to admit that they can't make AI chatbots reliable.

So why did Microsoft decide to silence Copilot on election matters? We forced their hand. Google, Microsoft, and Meta keep telling people that AI systems are incredibly smart and will help us solve humanity's most pressing challenges, including the climate crisis and hunger. This nonsense goes almost unchallenged – or gets amplified by politicians who regurgitate this corporate spin. The Bing Copilot case exemplifies a broader pattern: companies often know what's going wrong but choose to ignore it – because it's better for business. They act only when pressured from the outside.

Some developments offer hope. The European Commission, which regulates these platforms, has published "Guidelines for Providers of Very Large Online Platforms and Very Large Online Search Engines on the Mitigation of Systemic Risks for Electoral Processes," to clarify its expectations. The guidelines cite our research as an example of AI-related risks that companies must address under the law.

So, pressure is mounting on these companies, and we've contributed significantly to it. This motivates us tremendously to double down on our research and advocacy work. But this isn't just one David against Goliath; it's many Goliaths that need to be fought. We must maintain the pressure. You can be part of this effort. The more members we have, the stronger our impact. If you're already a Friend of AlgorithmWatch, we extend our heartfelt thanks because you make these wins possible. And if you're not yet a member, please consider joining our community to fight this battle with us (see next page for information).

Matthias Spielkamp
Executive Director

In this spirit: United we stand, divided we fall.
Matthias

AlgorithmWatch merchandise, symbolising support for digital rights advocacy.

Photos (2): Hauke H. / AlgorithmWatch

Members of the AlgorithmWatch community show their support for digital rights and accountability in tech.

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Fundraising

Dark times for digital rights, strong “Friends of AlgorithmWatch“

This year showed that we must strengthen our networks to stand up to Big Tech! The tech industry’s rising power and the government’s abuse of technology threaten our rights, both online and offline. We must reclaim our agency and create a counterbalance to these threats.

Our community, and especially our “Friends of AlgorithmWatch,“ provide support and inspire us with confidence that we can take action against powerful tech companies and intrusive governments. In 2024, we campaigned for the fair and just use of AI and algorithms in the Bundestag and on the streets. With the help of you, our supporters, we pressured political decision-makers to regulate AI and make its use safer for everyone.

The fight for more just and rights-respecting use of AI must continue, and therefore, we must grow our support network! Rather than tech companies and governments decide the future of AI and algorithms without proper oversight, we must ensure technology benefits everyone. As a supporting member of AlgorithmWatch, you join our community and demonstrate your commitment to human rights in the digital space.

In German: https://algorithmwatch.org/de/foerdermitglied
In English: https://algorithmwatch.org/en/supporting-member

Stella Heine
Junior Fundraising Managerin

Lea Wolff
Junior Fundraising Managerin

Year in Press and Social Media

In 2024, we reached more people than ever before with our message. We secured nearly 200 press mentions across print, online, radio, and TV – solidifying our position as the go-to experts journalists consult on AI and algorithms.

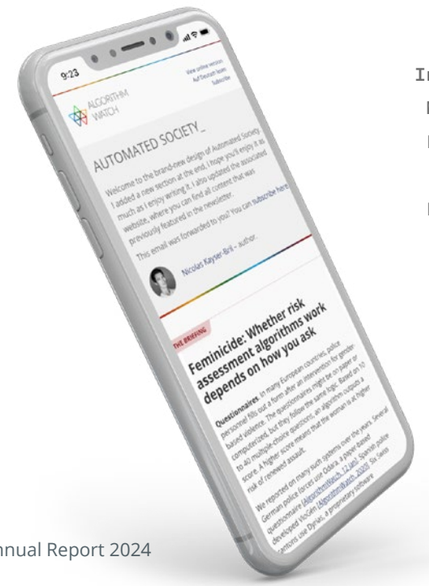
To amplify this impact, we built a full Communications & Campaigns team. This allowed us to reach new audiences across multiple channels with targeted, compelling content.

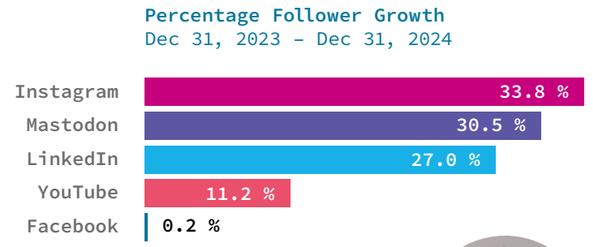
Experts from politics, media and science discuss the role of AI in elections at AlgorithmWatch's first in-person public debate.

We launched our first in-person public debate on Large Language Models and state elections, bringing together experts from politics, media and science. The strong turnout demonstrated people's hunger for informed discussion about AI's role in democracy – and we're delivering it.

Our social media presence also grew significantly. We increased our following on nearly every platform, with Instagram showing over 30 percent growth as we successfully reached beyond tech insiders. We expanded our presence on LinkedIn and Mastodon, and launched on Bluesky. We also invested heavily in video content, making complex AI issues accessible to broader audiences.

By experimenting with timely social media formats – tying current AI developments to our fundraising appeals – we've found new ways to connect our research to the conversations people are already having. The result? AlgorithmWatch's voice now reaches farther and wider than ever.





AlgorithmWatch articles reached wide audiences across online and social media platforms in 2024.

Nina Galla
Head of Communications & Campaigns

The podcast "False Positives", part of AlgorithmWatch's journalism work on automated decision-making.

Journalism

The journalism team, which consists of Nicolas Kayser-Bril and Naiara Bellio, continued to work on two main tracks.

First, we organized two new rounds of the Fellowship in Algorithmic Accountability Reporting, which we started in 2023. We gave eight journalists from Germany, France, Spain, Poland, Finland, Turkey, and Switzerland the opportunity to dive deep into AI-related topics. They received coaching support and a €7,200 stipend and reported on a wide range of issues, including the effects of streaming platforms' algorithms on musicians and algorithmic management in courts of law. One fellow organized a crowdsourced investigation of automated vending machines in Basel to understand how the distributor chose what to sell in each neighborhood.

The 2024 fellowship culminated in a collaborative project among several fellows, AlgorithmWatch and Agence France-Presse, the EU's largest news agency. Together, we investigated how financial services rely on automation and how this can impact consumers, for instance by automatically closing their bank accounts. The findings were published in El País in Spain and in a podcast series aired in French, English, and German.

The 2024 fellowship also produced the report "Weaponizing Financial Systems: Erdoğan's Transnational Repression to Muzzle Dissidents Abroad" about the financial exclusion of Turkish political refugees in Europe. The European Banking Authority referenced the report. Second, the journalism team reported on current events related to the automation of society in Europe. Our newsletter, "The Automated Society," grew from 7,500 to 8,300 subscribers. We also developed innovative reporting techniques. For instance, we generated and analyzed thousands of AI-generated pictures from Midjourney, DALL-E, and Stable Diffusion to examine where and how each model failed.

Journalists and researchers discuss algorithmic accountability during a Fellowship event in 2024.

We shared our findings with the wider journalistic community at the DataHarvest conference in Mechelen, Belgium, where we coordinated the AI track and invited our fellows. Nicolas co-delivered the inaugural keynote, and Naiara gave several talks, including "How to Use LLMs for Investigative Journalism." Together, we connected with peers and helped shape algorithmic accountability reporting for the coming year.

Nicolas Kayser-Bril
Head of Journalism

Tech Research

We established the Tech Research Team in summer 2024, formalizing our use of expert research – both internal and external.

Our most substantial research project in 2024 examined Large Language Models (LLMs) responses during elections in Saxony, Thuringia, and Brandenburg. This vastly expanded our 2023 election research. We analyzed LLMs from OpenAI, Microsoft, and Google, using 817 prompts across 14 topics – ranging from voting dates to candidate positions – to collect 598,717 responses.

Panel discussion at the Digital Summit 2024 on systemic risks and accountability in AI systems.

We found that many inaccuracies from our 2023 research persisted across most LLMs. Companies also created substantial obstacles to data access and accuracy, despite our efforts to address these problems. Microsoft proved an important exception. More effective data sharing with the company allowed us to drastically support Copilot's ability to block election-related queries in late August (see graph below and Editorial).

On Sept. 12, we held a panel debate featuring Maximilian Funke-Kaiser (member of the Bundestag, of the FDP Party), Christina Elmer, professor of digital journalism and data journalism at Technical University Dortmund, Jonas Fegert, senior expert at the FZI Research Center for Information Technology, and AlgorithmWatch Executive Director Matthias Spielkamp. Anna Biselli, editor-in-chief of netzpolitik.org, moderated the discussion.

We also investigated Meta's EU Parliament election dashboard, identifying severe issues that we reported to the EU Commission. Additionally, we tested new data access rules under the Digital Services Act. This work included a high-profile data access request – possibly the world's first under the Digital Services Act – to Microsoft and Google for LLM usage data. The Bundestag Digital Committee discussed our request at a hearing, and media outlets including Süddeutsche Zeitung, Tagesspiegel, and DIE ZEIT covered it. Our research informed several position papers, including "The '5E's Framework' for Expert Engagement," "Researching Systemic Risks Under the Digital Services Act", a paper on our crowdsourced "risk repository" mechanism, and "A Dual Track Approach to Systemic Risks."

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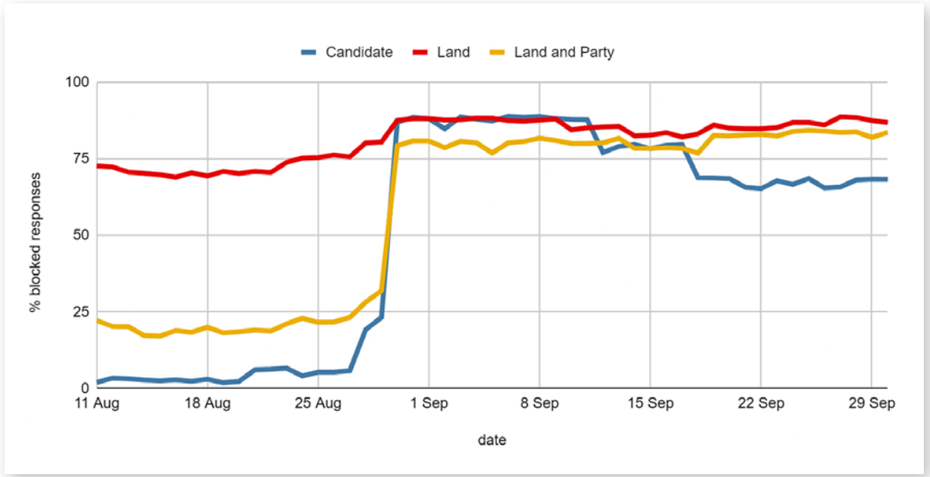
We were invited to present our work at several expert forums, including the second UNESCO Global Forum on the Ethics of AI and twice at the European Centre for Algorithmic Transparency, a branch of the EU Joint Research Centre. In Brussels, we co-led a roundtable session on assessing systemic risks at the Centre for Democracy and Technology Europe & Open Government Partnership Civil Society Roundtable. We also developed hypothetical "risk cases" for discussions between civil society organizations and representatives from very large online services at the Global Network Initiative "European Rights & Risks: Stakeholder Engagement Forum." In addition, we organized panels presenting our work at the CPDP (Computers, Privacy and Data Protection) conference in Brussels and re:publica in Berlin.

Parliamentary breakfast on digital governance and data access.

In 2025, the Tech Research Team will expand its scope to include topics such as credit scoring and nudification apps, while also strengthening our ability to draw on high-quality external research and translate it into impact.

Oliver Marsh
Head of Tech Research



Percentage of requests blocked by Copilot per variable

Image: AlgorithmWatch / The SustAIn Project

Cover of the report "Taking (policy) action to enhance the sustainability of AI systems", published as part of The SustAIn Project.

Policy

From Facial Recognition to Fortress Europe: Our Fight for Digital Rights in 2024

2024 was a year of intensive political work at both the national and EU levels. We participated in critical policy debates, submitted expert statements, and testified before Parliament. We continuously engaged with policymakers in the Bundestag, government ministries, international forums and public debates to ensure that technology serves fundamental rights rather than undermines them. Key achievements included:

Facial Recognition: Drawing a Red Line Against Biometric Surveillance

In May, we testified as expert witnesses before the German Bundestag's Digital Committee. Our message was clear: Germany must implement a full ban of remote biometric identification in public spaces – no exceptions. These AI-based identification technologies fundamentally erode our democratic rights by placing everyone under permanent surveillance and suspicion.

When the federal government introduced its so-called "security package" in the fall, we joined the German Reclaim Your Face coalition in opposing these measures. We explained to policymakers that the proposed surveillance powers violate EU law, the German constitution, and basic data protection rules. In a detailed written statement for the public hearing in September, we outlined why these plans must be withdrawn.

Platform Regulation: The Digital Services Act Comes to Germany

The Digital Services Act (DSA) establishes new rules for how platforms like Facebook, TikTok, and YouTube must address illegal content and systemic risks. Germany passed its national implementation law in 2024. We submitted a comprehensive statement on the government's draft law, which established Germany's Digital Services Coordinator (DSC), the DSA's national oversight authority, and defined enforcement mechanisms. Our recommendations focused on ensuring the oversight authority has sufficient independence, resources, and legal powers to enforce the regulations and protect user rights.

Digital Policy with a Compass

In April 2024, we joined the F5 alliance in presenting demands for public-interest digital policy at the first official conference of Germany's 16 state-level digital ministers. The F5 alliance includes AlgorithmWatch, Reporters Without Borders Germany, Open Knowledge Foundation Germany, the Society for Civil Rights (GFF), and Wikimedia Germany. Our demands included more transparency for AI systems, a mandatory public AI registry, and democratic oversight – basic prerequisites for a digital society that serves everyone.

The Automated Fortress Europe

Our investigative research on AI-powered border surveillance reached a broad audience in 2024. We documented how public funds finance digital border surveillance technologies even as nearly 30,000 people have died attempting to cross the Mediterranean Sea over the past decade. When "ZDF Magazin Royale" featured our research, it exposed this overlooked use of AI to millions of viewers and sparked widespread public debate.

Transparency note:

We used Anthropic's Claude AI to assist in drafting this section, synthesizing materials available from our website. In line with AlgorithmWatch's policy on the use of generative AI, we publish the following transparency note. Please refer to https://algorithmwatch.org/en/generative-ai-guideline/ for more information on our generative AI guideline.

Proportionality: We considered this a proportionate use as the output was content that we created ourselves and only rearranged in a different format, so using AI freed up time for staff to do other more productive and creative tasks.

Quality assurance: The section was reviewed by the head of the policy team, the executive director and the editor of the report. As we had created the content, assuring its accuracy and alignment with our goals was straightforward.

Security: All inputs were already publicly available.

Kilian Vieth-Ditlmann
Head of Policy

Finances

Income Statement in Euro[1]	01.01.–31.12 2024	01.01.–31.12 2023
REVENUES	**3.775,00**	**21.061,74**
Grants[2]	1.804.684,76	1.757.391,81
Donations[2, 3]	91.613,76	0,00
Other Operating Income	154.122,16	26.709,81
Total Revenues	**2.054.195,68**	**1.805.163,36**
EXPENSES FROM BENEFIT COMMITMENTS TO THIRD PARTIES		
Forwarding of Funds Scholarships	168.262,96 86.419,50	84.438,46 39.600,00
Total Expenses (Benefit Commitments)	**254.682,46**	**124.038,46**
Cost of Purchased Services	110.163,65	96.661,90
STAFF COSTS		
Wages and Salaries Social Security, Pensions and Other Benefit Costs. Including Pension: 1.842,29 (2022: 340,69)	869.418,31 177.958,75	846.951,29 175.720,93
Total Staff costs	**1.047.377,06**	**1.022.672,22**
Depreciation written off tangible and intangible fixed assets	5.083,59	9.811,96
Other Operating Charges	314.244,48	308.522,92
Interest Revenue	18.013,61	0,00
PROFIT	**340.658,05**	**243.455,90**

[1] The layout and numbering of the complete financial statements are aligned with the English version of the audited annual financial statement 2024 by Martina Schmidt – Wirtschaftsprüfung GmbH, Certified Public Accountant, Dipl.-Kffr. (FH) Martina Schmidt, Barbarossastraße 39, 10779 Berlin. To find previous financial reports of AlgorithmWatch and more information on governance and transparency, please visit our website: https://algorithmwatch.org/en/transparency

[2] These two figures are based on the German version of the audited annual financial statement 2024, as it better reflects the nature of the organizations transparency needs.

[3] In the fiscal year 2023, we received approximately €42,000 in donations. In accordance with the accounting guidelines of the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland, IDW), these donations were recognized as a non-recurring item "donations not yet dispensed" (Sonderposten aus noch nicht verbrauchten Spendenmitteln). The donations received in the fiscal years 2023 and 2024 were fully expended in 2024 in accordance with their intended purpose.

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Team retreat 2024: Taking time to reflect, set priorities and strengthen collaboration.

A Big Thank You

Without our community, our work would not be possible. That's why we want to thank you all for making this work happen! If you're not yet a supporter of AlgorithmWatch, we invite you to join us anytime. For as little as €5 a month, you can become a "Friend of AlgorithmWatch." This contribution supports AlgorithmWatch's work to ensure that algorithms and AI strengthen democracy and sustainability rather than weaken them. We keep our supporting members informed with updates about the latest developments and upcoming AlgorithmWatch events. As a thank you, all supporting members receive an exclusive welcome package.

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.** We are grateful for any contribution, no matter the amount. Recurring donations can ensure long-term planning and financial independence. You can donate through our online forms (German / English) or transfer money directly to our account.

Donation account

Account holder: **AW AlgorithmWatch gGmbH**
IBAN: **DE64 4306 0967 1197 6543 01**
BIC: **GENODEM1GLS**

Legal

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