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Artificial Intelligence and Transparency Management in the Public Sector: A Comparative Legal Study on Accountability and Oversight in European and American Laws

Faisal Abdul-Hafez Al-Shawabkeh¹, Khalid Al-Jasmi²

Abstract

This paper looks into how artificial intelligence influences openness in the public sector and examines the laws in Europe and the United States relating to this issue. The European regulations focus on safeguarding individual rights and privacy, while the laws in the United States prioritize creating anti-corruption measures that hold the government accountable. Various artificial intelligence tools, such as large-scale data analysis and blockchain technology, have significant promise for enhancing transparency and supporting efficient detection and decision-making. However, these technological advancements introduce several legal challenges, making it difficult to achieve clarity regarding algorithms and to identify legal responsibilities, which complicates effective judicial oversight. The AI Act of 2024, introduced by the European Union, is among the main EU regulations as it requires transparency standards for high-risk AI systems. The United States employs various sector-specific regulations instead of a single comprehensive framework for oversight. The study concludes that artificial intelligence requires tailored legal frameworks to ensure transparency while maintaining accountability and protecting essential human rights, along with facilitating judicial oversight.

Keywords: Artificial Intelligence, Public Sector Transparency, AI Regulation, European Union, United States, Algorithmic Accountability, AI Act 2024, Legal Frameworks.

Introduction

Over the last ten years, there has been a major shift toward digital technologies in public sector organizations globally, changing how governments interact with their citizens and how they provide services and manage public resources. This change relies heavily on artificial intelligence, which carries out various tasks by analyzing large amounts of data to improve decision-making. AI has significant promise for improving transparency and fighting corruption, as well as enhancing the quality of government through ongoing monitoring, forecasting, and data-driven policy development. AI-driven chatbots assist citizens by helping them navigate services in the public sector, as government agencies increasingly use AI for automating the distribution of welfare benefits.

The method of bringing together different elements causes many discussions within the community. The main characteristics of artificial intelligence that attract government organizations are also creating significant legal and moral worries regarding how they are used. Public officials struggle to ensure accountability for algorithmic systems when they perform essential functions because these systems become independent due to authority delegation. If an

¹ Associate Professor of Public Law College of Law - Al Ain University - United Arab Emirates, Email: Faisal.shawabkeh@au.ac.ae, ORCID: <https://orcid.org/0000-0002-0086-9326>.

² Assistant Professor of Public Law, College of Law - Ajman University, Email: k.aljasmi@ajman.ac.ae



AI-driven system fails to meet legal requirements for fairness, transparency, and due process or if it makes mistakes or discriminates, what steps will be taken? It is essential to pinpoint the responsible parties and explore the legal remedies available for situations that harm individuals.

The questions surrounding the control of AI are especially important in court systems that prioritize democratic supervision, such as those found in the European Union and the United States. The rapid adoption of AI technologies is outpacing the capacity of legal systems to create matching regulations in these regions. The European Union has put forward the suggested Artificial Intelligence Act for managing AI, but there are significant flaws in enforcement, as well as issues with coordination and unclear responsibilities within their regulatory system. In the United States, AI is governed by multiple regulatory agencies at different levels, where specific industry-related issues take precedence in the overarching public policies regarding AI management.

The research looks into how using AI can make governments more open and transparent in public organizations in Europe and the United States. It also checks how these areas handle or avoid problems with supervision over decisions and accountability when using smart systems. The assessment reviews how existing legal rules for managing administration, along with data protection laws and rights in constitutions, respond to risks linked to AI in public services.

The research advances both scholarly knowledge and real-world understanding of technology by suggesting changes in organizations that create harmony between new ideas and democratic control. It highlights the urgent need for adaptable legal frameworks that incorporate moral values, allowing artificial intelligence to be managed properly while safeguarding individual rights and maintaining public confidence in this era of digital governance.

The Problem of the Study

The public sector is witnessing a radical transformation with the adoption of artificial intelligence technologies to enhance transparency and efficiency. However, this transformation poses significant legal and ethical challenges, the most prominent of which is the absence of a clear legislative framework regulating the use of these technologies, especially concerning ensuring accountability and oversight. How can we achieve a balance between leveraging the potential of artificial intelligence to enhance transparency and ensuring the respect and protection of individual rights from potential violations?

Here, the problem becomes particularly evident in light of the disparity between European and American legislations, and the failure of many legal systems to keep pace with rapid technological developments.

Study questions

- 1- What is the role of artificial intelligence in enhancing transparency and accountability in the public sector?
- 2- What are the legal and ethical challenges posed by the use of artificial intelligence in the public sector?
- 3- How do European and American legislations address issues of accountability and oversight for artificial intelligence systems?
- 4- What effective regulatory mechanisms can be adopted to ensure the transparency of artificial intelligence and protect fundamental rights?

5- What are the proposed solutions to bridge the gap between technological advancement and current legal frameworks?

The importance of the study

Academic significance: The study contributes to enriching the legal literature related to artificial intelligence, especially in the field of transparency and accountability in the public sector.

Practical significance: It provides valuable insights for governments and legislators to enhance current legislation or develop new ones to keep up with technological challenges.

Social importance: It highlights the importance of protecting individual rights and ensuring justice in the era of smart technologies.

The importance from a comparative perspective: It provides a comparative legal analysis between the European and American models, which helps in identifying best practices.

Study Objectives

- Analysis of the role of artificial intelligence in enhancing transparency and accountability in the public sector.
- Identifying the legal and ethical challenges associated with the use of artificial intelligence, such as the issue of liability and the lack of algorithmic transparency.
- Comparison of the European and American legislative frameworks in regulating artificial intelligence and ensuring oversight.
- Proposing regulatory mechanisms and legal solutions to enhance transparency and protect fundamental rights.
- Providing recommendations for developing flexible legislation that keeps pace with technological advancements while preserving democratic principles.

Study Terms

1- Artificial Intelligence (AI)

Artificial intelligence: These are software systems capable of performing tasks that typically require human intelligence, such as perception, decision-making, and learning (Russell & Norvig, 2021). Artificial intelligence is also defined as the ability of software to analyze data, extract information, and learn from it without direct human intervention, allowing for accurate predictions or decision-making (Goodfellow, Bengio, & Courville, 2016). It has also been defined as a branch of modern computer science that focuses on the design of models and algorithms that enable machines and computer devices to simulate human intelligent behavior in various environments (Poole, Mackworth, & Goebel, 2010).

2- Transparency

It means clarity in conveying information, specifically enabling individuals to understand how decisions are made within institutions, thereby enhancing trust and accountability (Fox, 2007). Heald (2006) defined it as an administrative and political principle that requires full disclosure of processes and data affecting the public interest, allowing for effective community oversight. It was also defined as follows: "Transparency is manifested when systems and algorithms are clear and understandable, especially in technical and governmental contexts, which enhances the

legitimacy of decisions" (Floridi et al., 2018).

3- Accountability

Accountability: It is the commitment of individuals or institutions to justify the actions or behaviors they have undertaken and bear the consequences before a regulatory body or the general public (Bovens, 2007). According to the definition by Mulgan (2000), it refers to the existence of legal and ethical mechanisms to ensure that those in power do not misuse it, including the possibility of accountability in case of error. In the digital context, the definition refers to the necessity of determining responsibility when making automatic decisions through artificial intelligence or digital systems (Wieringa, 2020).

4- The Black Box

The term "black box" refers to the internal ambiguity in how artificial intelligence systems operate, where decisions are made without the mechanism of their making being understood or interpretable (Burrell, 2016). Castelveccchi (2016) defined it as a term used to describe complex models (often in deep learning) that do not clearly show the relationship between inputs and outputs. It is also defined as one of the most prominent ethical challenges in artificial intelligence, where questions arise about the possibility of challenging machine decisions (Pasquale, 2015).

5-Blockchain

Blockchain has been defined as a distributed and secure data structure that enables the documentation of transactions without the need for a central intermediary, thereby enhancing transparency and trust (Nakamoto, 2008). According to Tapscott & Tapscott (2016), it is described as a permanent and immutable digital ledger that records transactions in a sequential and interconnected manner across a distributed network. Additionally, blockchain technology is used in applications such as smart contracts and digital currencies, and it is characterized by its resistance to tampering (Yaga et al., 2018).

6- Privacy

Privacy is defined as the control individuals have over how their personal data is collected, used, and shared by others (Solove, 2008). Westin (1967) defined it as the right to keep personal information confidential and to protect it from tracking or unlawful use. In the context of digital environments, privacy is considered an increasing challenge that requires strong legislation and technical practices to protect users (Zuboff, 2019).

7- Comparative Law

Comparative law is defined as a field concerned with the study of different legislations across multiple countries, to understand the similarities and differences between them (Zweigert & Kötz, 1998). It is also defined as a field used to evaluate the success or failure of legal systems and to study any effective experiments or projects for developing local laws (Reimann & Zimmermann, 2006). Another definition states that the comparative law approach contributes to supporting the harmonization of laws in the context of globalization, especially in issues such as data protection and artificial intelligence (Örücü, 2007).

1. Artificial Intelligence as A Tool to Enhance Transparency in the Public Sector

The concept of transparency in public administration

Transparency is considered one of the fundamental principles of good governance, as it refers to the extent of availability of information and data to citizens and regulatory bodies (OECD, 2019) in the governmental context, where transparency relies on individuals' ability to access administrative decisions and monitor the performance of public institutions.

Transparency is considered a fundamental pillar in building trust between governments and citizens, as it refers in the legal framework to the extent to which public institutions are committed to making information available and disclosing it, ensuring the clarity of administrative decisions. Transparency is defined by the Organization for Economic Co-operation and Development (OECD, 2019) as "the accessibility of government data and decisions in a manner that allows for accountability of officials." Transparency is not limited to merely publishing information and data; it also includes the ease of understanding it and ensuring the accuracy of the published information and data, which enhances integrity and limits corruption (Transparency International, 2020).

From a legal standpoint, many countries impose legislation that requires government institutions to be transparent, such as Freedom of Information (FOI) laws that allow citizens to request official documents. For example, in the United States, the Freedom of Information Act (1966) is one of the most prominent models, while other countries like South Africa and the United Kingdom adopt similar laws to enhance public oversight (Darch & Underwood, 2019). However, some countries face challenges in actual implementation due to bureaucratic constraints or the absence of effective oversight mechanisms.

Building on the above, it is clear that transparency cannot be separated from the principle of the rule of law, as transparency and the principle of the rule of law together constitute and form a guarantee against administrative despotism and enhance democratic participation. To achieve this, practical application must be accompanied by societal awareness of the importance of oversight and the need to go beyond formal legislation.

Transparency laws in both American and European systems, here are the most important ones:

First: Transparency laws in the United States of America

1-Freedom of Information Act (FOIA)

- Law number: 5 U.S.C. 552
- Date of acknowledgment: July 4, 1966
- Description: This law requires federal agencies to disclose documents and government records upon request, unless they are protected by specific exceptions such as national security or individual privacy.
- Objective: Supporting citizens' right to access government activities and enhancing public oversight (U.S. Department of Justice, 2023).

2-Federal Funding Accountability and Transparency Act (FFATA)

- Law number: Pub. L. 109–282
- Date of acknowledgment: September 26, 2006
- Description: It requires federal government agencies to disclose how public funds, contracts,

and grants are distributed through a unified website (USAspending.gov).

- Objective: To facilitate tracking government spending and its affiliated institutions and to achieve public oversight over them (Office of Management and Budget, 2008).

3-Whistleblower Protection Act

- Law number: Pub. L. 101–12

- Date of acknowledgment: April 10, 1989

- Description: Provides legal protection for government employees who report mismanagement, corruption, or any illegal activity.

- Objective: Enhancing internal transparency and combating administrative corruption (Devine, 1995).

Secondly: Transparency laws in the European Union

1-The European Regulation on Access to Documents of the Union Institutions (Regulation (EC) No 1049/2001)

- Date of acknowledgment: May 30, 2001

- Description: This regulation grants European citizens the right to access documents of the European Parliament, the Council, and the European Commission.

- Objective: Ensuring institutional transparency and promoting and integrating democratic participation of individuals and civil and private institutions (European Parliament and Council, 2001).

2-General Data Protection Regulation (GDPR)

- Law number: Regulation (EU) 2016/679

- Date of ratification: April 27, 2016 - and implementation began on May 25, 2018

- Description: Companies and institutions are required to clearly disclose how personal data is used, in accordance with the principle of informational transparency.

- Objective: To protect privacy in all forms of digital transactions and to enhance individuals' trust in digital transactions (Voigt & Von dem Bussche, 2017).

3-Transparency in the regulatory frameworks for government aid

- Reference: Article 6 of Regulation (EU) 2015/1589

- Date of acknowledgment: July 13, 2015

- Description: Member states are required to disclose all types of government aid provided, including details of beneficiaries and financial values.

- Objective: To prevent distortion of competition in the European Single Market (European Commission, 2015).

A comparative analysis of the similarities and differences between transparency laws in the United States and the European Union, based on the previously mentioned laws:

The similarities between the American and European models

1-The right to access information

-Both the United States and the European Union grant individuals the legal right to access government documents.

-In America, this is done through FOIA (5 U.S.C. § 552).

-In Europe, through Regulation (EC) No 1049/2001

-Both systems acknowledge that transparency is a prerequisite for democracy and public accountability.

2.Disclosure of Public Spending

-The United States, through the FFATA Act, is required to disclose grant and government funding contracts.

-The European Union requires member states to disclose government aid based on Regulation (EU) 2015/1589.

3.Transparency in Personal Data

-Both systems place great importance on protecting personal data, with a requirement to disclose how it is used.

-The GDPR in the European Union is considered the most detailed, but it intersects with American legal trends such as privacy protection rules in certain sectors like HIPAA or CCPA in California.

The fundamental differences between transparency laws in the United States and the European Union

1- The philosophical foundation

-Transparency in the European system is built on the principle of protecting fundamental rights, especially the right to privacy and informational transparency (GDPR).

- In contrast, transparency in the American system focuses on public oversight and limiting the power of the executive branch (FOIA FFATA).

2- Legal obligation and mechanisms

-EU laws are considered unified and binding for member states, and they are enforced by the European Commission and the supreme courts.

-American laws are enforced at the federal level, but each state also has its own laws that may differ in terms of strictness and scope.

3-Organization versus flexibility

-The European Union tends to have precise and detailed regulations in its laws (for example: Articles 12-14 of the GDPR mandate transparency at all stages of data processing).

-American laws are often left to the interpretation of judicial or executive agencies, which gives them greater flexibility but leads to inconsistencies in application.

4- Protection of whistleblowers

-The Whistleblower Protection Act in America provides strong legal protection for whistleblowers reporting corruption within government institutions.

-The European Union did not issue a unified directive for whistleblower protection until 2019 (Directive (EU) 2019/1937), and its implementation remains uneven among member states.

Summary of the analysis process results

-Transparency in Europe is often linked to individual rights, while in America it is linked to the principle of governmental accountability.

-The European system provides greater protection regarding data, while the American system is stronger in mechanisms for reporting corruption.

-The use of technology such as artificial intelligence or blockchain in either system must undergo a dual legal evaluation that takes these differences into account.

Applications of artificial intelligence in enhancing transparency

Artificial intelligence has become an effective tool for improving transparency through:

- Big data analysis: Enabling governments to analyze vast amounts of data to detect corruption or inefficiency (Wirtz et al., 2020).

In the era of the digital revolution, governments are facing enormous amounts of data that are difficult to process using traditional methods. Here comes the role of artificial intelligence as a vital tool for analyzing this big data, enhancing transparency, combating corruption, and improving decision-making.

AI technologies, such as Machine Learning and Natural Language Processing (NLP), enable the efficient examination of government datasets. For example, AI algorithms can detect abnormal patterns in public spending, such as sudden fluctuations in government procurement prices, indicating the possibility of financial irregularities (Wirtz et al., 2020). These technologies are also used to automatically review government contracts, reducing human errors and limiting manipulation.

One of the most successful experiments in this field was conducted by Transparency International, which used artificial intelligence analytics to detect corruption in public projects by comparing financial data with actual execution records (OECD, 2021). Additionally, some governments have developed smart platforms that allow citizens to track government spending in real-time, thereby enhancing trust between the state and society.

With these advantages, there remain challenges related to data quality and algorithm neutrality. If the input data is incomplete or biased, the results may lead to incorrect decisions (Zuboff, 2019). Therefore, governments need to ensure data accuracy and adopt strict ethical standards in the design of artificial intelligence systems.

Accordingly, artificial intelligence remains a promising tool for enhancing transparency through big data analysis, but its success depends on a legal and technical framework that preserves integrity and ensures accountability.

- Blockchain systems: Documenting government transactions securely and transparently reduces manipulation (Kshetri, 2022).

Blockchain systems have become one of the most prominent technological tools relied upon by

artificial intelligence to enhance transparency in the public sector, particularly in government transactions and the management of official records. Blockchain is characterized by its ability to document data in a decentralized and secure manner, reducing the risks of manipulation or corruption (Kshetri, 2022). However, the use of this technology raises legal questions about its compatibility with current legislation, especially in the fields of data protection and administrative accountability.

Legally, blockchain provides an immutable ledger, making it an ideal tool for tracking and auditing government decisions. For example, it can be used in electronic voting or property registration to ensure the integrity of the processes (Zheng et al., 2020). But the biggest challenge lies in finding a legislative framework that ensures transparency without sacrificing privacy, especially in light of regulations like the General Data Protection Regulation (GDPR) in the European Union, which imposes restrictions on permanent data storage (European Parliament, 2016).

Governments face the task of developing flexible laws that keep pace with technological advancements, while ensuring that blockchain systems are subject to judicial oversight. Without a clear legal framework, these technologies could transform from tools of transparency into instruments of unaccountable mass surveillance (De Filippi & Wright, 2018).

- Legislative robots: Assisting parliaments in analyzing proposed legislation and assessing its impact on transparency (Sourdin, 2021).

In light of the rapid technological developments, legislative robots have emerged as one of the most important applications of artificial intelligence in enhancing government transparency. These robots are defined as intelligent systems capable of analyzing legal texts, comparing legislations, and even proposing legislative amendments based on objective criteria (Sourdin, 2021). From a legal perspective, this technology offers significant opportunities to improve the quality of legislation and ensure its adherence to the principles of transparency and accountability.

One of the most prominent benefits of legislative robots is their ability to instantly detect legal contradictions, thereby reducing legislative errors that may arise from human factors (Walters, 2023). These systems are also used to analyze the impact of legislation before its approval, allowing parliaments and governments to assess the potential effects on transparency and the public interest. For example, Estonia has used artificial intelligence systems to review draft laws and identify gaps that could lead to corruption (OECD, 2022).

However, there remain legal challenges, the most prominent of which is the issue of accountability; in the event that legislative robots make mistakes, it is difficult to determine the legally responsible party (Citron & Pasquale, 2021). The adoption of these systems also requires ensuring neutrality and objectivity, especially if the algorithms are developed by private entities that may have conflicting interests.

In conclusion, legislative robots can be an effective tool for enhancing transparency, but their success depends on establishing legal regulations governing their design and implementation, while ensuring they are subject to human oversight.

However, these technologies require legal regulations to ensure they operate within a framework that respects individual rights and ensures accountability.

The Legal Framework for Holding Artificial Intelligence Accountable in the Public Sector

Legal Accountability for Artificial Intelligence Systems

Holding intelligent systems accountable requires identifying the entity responsible for their decisions, especially in the event of errors or violations. Here, the issue of the "Black Box" in artificial intelligence algorithms emerges, where it is difficult to trace how decisions are made (Zuboff, 2019).

In the European Union, the AI Act 2024 attempted to address this issue by imposing algorithmic transparency requirements, especially in the public sector (European Commission, 2024). In contrast, many developing countries lack similar legislation, increasing the risks of irresponsible use.

The use of artificial intelligence (AI) in the public sector is witnessing a notable increase, which imposes serious legal challenges regarding how to hold these systems accountable under the law. Accountability is a fundamental element of good governance, but the complex nature of artificial intelligence raises questions about determining who is responsible for its decisions, especially when these decisions lead to harm or violations (European Commission, 2024).

One of the main challenges lies in "algorithmic opacity," where it is difficult to understand how intelligent systems arrive at their decisions, hindering judicial and administrative oversight (Zuboff, 2019). In this regard, some countries, such as those in the European Union, have attempted to address this issue through legislation that requires government entities to provide clear explanations for AI decisions, as stipulated by the "European AI Act" (AI Act 2024).

On the other hand, many legal systems remain unprepared to keep up with these changes, as they lack specialized regulatory mechanisms capable of evaluating algorithm performance (Citron & Pasquale, 2021). Therefore, legal experts propose the necessity of establishing independent regulatory bodies that review artificial intelligence systems and determine responsibility in case of errors, whether technical or administrative (UK AI Authority, 2023).

Building on the above, we find that ensuring accountability for artificial intelligence in the public sector requires the development of precise legal frameworks that enhance transparency and clearly define responsibilities, while maintaining a balance between technological innovation and the protection of fundamental rights.

The Main Legal Challenges

The use of artificial intelligence (AI) in the public sector presents tremendous opportunities to enhance transparency and improve accountability, but it simultaneously faces serious legal challenges. Among the most prominent challenges facing legislators are:

Absence of clear standards: This issue is manifested in the lack of permanent legal definitions for artificial intelligence, as the absence of clear legal standards is one of the most prominent challenges facing the regulation of AI. Many legal systems lack precise and internationally agreed-upon definitions of the concept of artificial intelligence and its applications. This legislative ambiguity leads to significant difficulties in determining legal liability when damages occur due to AI systems, and it also hinders the establishment of effective regulatory controls (Cath et al., 2018).

The European Union has made significant efforts to address this issue by creating and implementing the "AI Act 2024," which provided a comprehensive definition that includes any

system developed to make independent decisions based on specific data (European Commission, 2024). However, this definition remains general and does not cover all the complex technical aspects, leaving room for varying legal interpretations.

As for the United States, there is currently no unified federal legislation regulating artificial intelligence. Instead, some states, such as California, are content with enacting partial laws that focus on specific areas such as privacy and algorithmic discrimination (Cal. Civ. Code 1798.140, 2023). In contrast, countries like China are showing a stricter approach through regulations that require companies to be transparent in their use of artificial intelligence, but they also lack detailed definitions (China's AI Regulations, 2023).

Therefore, the lack of clarity in legal standards increases the risks of uncontrolled use of artificial intelligence, necessitating the development of a comprehensive international legislative framework that precisely defines concepts and fairly distributes responsibilities.

The issue of legal liability for decisions made by intelligent systems, where it is difficult to determine the responsible party in case of errors, especially with the complexity of algorithms and the "black box" nature surrounding their operation (Zuboff, 2019). The decisions issued by intelligent systems raise profound legal issues, particularly regarding determining liability when damages occur. While these decisions are made automatically based on complex algorithms, it is challenging to trace how the system arrived at a particular outcome due to the "black box" nature surrounding its operation (Zuboff, 2019). This technical ambiguity presents a significant challenge for legislators and the judiciary in determining the responsible party: is it the developing company, the end user, or can the system itself be held accountable?

In the European Union, the AI Act 2024 attempted to address this issue by requiring developers to provide sufficient transparency in high-risk algorithms, holding them accountable for non-compliance (European Commission, 2024). Traditional civil and criminal legal frameworks continue to make decisions regarding artificial intelligence although these legal structures might not fit the unique characteristics of AI (Cath et al., 2018).

The United States follows a relaxed strategy by updating Privacy Act (1974) and White House AI Management Principles (2022) rather than creating a particular legislative framework thus generating ambiguities during implementation (White House, 2022).

Building on the aforementioned points, the greatest challenge lies in the current legislation's inability to address issues such as legal liability for artificial intelligence decisions or the protection of data and information under automated recognition systems (Citron & Pasquale, 2021). To ensure the benefits of artificial intelligence are harnessed without sacrificing fundamental rights, countries must develop flexible legal frameworks and legislation based on international standards, such as those proposed by the Organization for Economic Co-operation and Development (OECD, 2019).

Judicial oversight difficulty: Most judicial bodies and courts lack the tools and technical expertise necessary to examine algorithms or analyze and evaluate AI decisions, which threatens to increase ambiguity and difficulty in legal accountability (Citron & Pasquale, 2021). AI technology is becoming more prevalent in public sector work because authorities evaluate it as an effective method for enhancing transparency and improving accountability. Big data analysis through automated decision-making systems established by governments reduces corruption while increasing service efficiency according to Wirtz et al. (2020). Because courts do not possess technical resources for analyzing intricate algorithms, they encounter problems when

trying to oversee AI decisions (Citron & Pasquale, 2021).

The AI Act 2024 from the EU seeks to address this matter via specific requirements meant for high-risk systems together with demands for governmental explanations of algorithmic processes (European Commission, 2024). The United States follows a flexible regulatory method by accepting voluntary guidelines that are demonstrated through the American AI Strategy (2023) while maintaining inconsistent oversight across different industries according to White House (2023). Artificial intelligence provides substantial opportunities to increase transparency yet its success depends on both specialized regulatory frameworks and improved legislative and technical expertise collaborations to connect emerging technology with existing law.

The Methods Used to Supervise Artificial Intelligence Within the Public Sector Framework

The Role of Independent Regulatory Bodies

Research shows that dedicated AI tracking bodies are needed to serve as an example of UK AI Authority (2023). The administrative judiciary has the power to evaluate intelligent system decisions.

Artificial intelligence (AI) has undergone a fundamental shift into public service utilization to make organizations more transparent while increasing their accountability functions. The implementation of effective monitoring systems for these technologies proves to be a legal difficulty because nations maintain distinct regulatory standards.

Through the AI Act 2024 European Commission (2024) established that high-risk systems must have clear decision explanations as a requirement for governmental entities. The General Data Protection Regulation (GDPR) guides regulatory bodies in France and Germany among other European nations as both countries monitor data management through specialized oversight groups as per CNIL (2023).

Each state in the United States operates under its own independent artificial intelligence regulation system because the country lacks national regulatory guidelines. California enacted the California Consumer Privacy Act (CCPA) to curb facial recognition use in public agencies (CCPA, 2020) although the U.S. federal government depends on AI Bill of Rights (AI Bill of Rights, 2022) which remains underenforced according to White House (2022).

The centralization level among these two models stands as the fundamental distinction between them. European governments use binding laws and independent regulators but in America only decentralized management systems exist that emphasize innovation above strict regulation.

Proposed Solutions to Enhance Transparency

A fundamental change has emerged in worldwide government administrative systems during the current decade because artificial intelligence serves as a vital instrument for improving public sector transparency and accountability. Implementing these modern technologies raises legal and ethical obstacles as they need to meet current legislative requirements.

Every nation operates with varying methods toward this situation. European regulatory frameworks work toward comprehensive oversight in protecting fundamental rights but the United States maintains a flexible system which combines innovation with legal regulation.

The Existent Potential for Artificial Intelligence to Improve Both Transparency and Accountability Standards Improving Transparency Through Open Data Government

institutions now depend on artificial intelligence systems to examine big data before releasing it in a transparent manner. The detection of government corruption and the management of public expenditure use AI algorithms (Wirtz et al., 2020). Sweden implements OpenAI to study international development aid and deliver information on fund movements with transparency (OECD, 2022).

Enhancing Accountability Through Secure Documentation

Through blockchain technology the government can create records which cannot be altered by unauthorized sources. KSI Blockchain operates in Estonia as a system which protects government transactions and safeguards data from modification while shielding information from falsification (Kshetri, 2022). By creating this system officials become accountable to prevent cases of fraud and corruption.

For improved transparency in artificial intelligence applications the following solutions should be applied.

The following strategy should be adopted to achieve both innovation and legal protection balance:

Government Entities Must Disseminate Their Algorithm Codes

To the public domain the development of trust with intelligent systems demands the disclosure of source codes to both the public domain and regulatory bodies as well as the broader general audience. Public bodies operating in France must conform to the (Digital Republic Act 2016) which demands they disclose their administrative algorithm codes (Citron & Pasquale, 2021).

To Build Public Visibility of Ai Decisions

The recording of data should be established the documentation of intelligent system decisions needs to follow standard procedures which allow judicial examination of those records. Public services in Ontario received an AI decision record system from the provincial government of Canada (Government of Ontario, 2021).

Incorporating Human Rights Principles into Design

Machine systems need to comply with human rights standards as outlined in the United Nations Guiding Principles on Business and Human Rights (2023). The European AI Act (AI Act 2024) demands organizations to conduct assessments about human and fundamental rights consequences before launching intelligent systems (European Commission, 2024).

An analysis between European and American methods of controlling artificial intelligence systems exists.

The European model: emphasizing protection and transparency

The European approach is generally characterized by its strictness in regulating artificial intelligence, with the AI Act 2024 focusing on:

-The prohibition of risky system applications especially criminal prediction software serves as one of the fundamental recommendations.

- Public organizations should display clear information about their algorithms and their operation.
- An independent oversight body should regulate intelligent systems as per European Parliament (2024).

The American Model: Flexibility and Innovation First

The US policymakers implement an open policy approach because no complete federal AI legislation exists at this time. The state of California has introduced laws that govern facial recognition technology through the California Consumer Privacy Act which became effective in 2020. The White House published principles about managing artificial intelligence but they lack legal enforcement status (White House, 2022).

Points of convergence and divergence

- The two models agree that smart systems need complete clarity throughout their operational procedures.
- The two models differ in their legal approach where the EU depends on binding laws yet the USA depends on voluntary guidelines.

Conclusion

A successful implementation of artificial intelligence as a public sector transparency enabler requires comprehensive legal frameworks to establish functionality. European strictness maintains legal protection while Americans adopt flexibility for innovation since their model exists. The adoption of laws must correspond with present-day technological developments yet maintain both human rights protection and democratic principles.

The success of artificial intelligence to increase public sector transparency depends on implementing strong legal frameworks that provide both oversight and accountability. Public legislation needs to evolve to match technological evolution while protecting personal rights together with principles of justice.

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