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## Judgement on Netherland's Digital Identification Scheme

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### Why in News

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In a **first anywhere in the world**, a **court in the Netherlands has ruled against** a digital identification mechanism called **SyRI (System Risk Indicator)** due to **data privacy and human rights concerns**.

The Dutch Ministry of Social Affairs developed SyRI in 2014 **to weed out those who are most likely to commit fraud and receive government benefits**.

### Key Points

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- **Working of SyRI:**
  - It is based on the algorithm that analyses data ( such as taxes, land registries, employment records,etc.) provided by the government and calculates **risk scores**.
  - The calculated risk scores are sent to relevant government arms, which **stores** these on government databases for a **maximum of two years**.
  - The government, in that time period, **could open an investigation on the targeted person**.
- **Court' Ruling :**
  - The Court found using new technology to control fraud as acceptable, but it held SyRI was **invasive and violative of the privacy guarantees given by European Human Rights Law as well as the EU's General Data Protection Regulation**.
  - It called it a case of '**Algorithmic Governance**'. As the algorithm would link socio-economic parameters like poverty and immigrant statuses with fraud risk.
  - Such **opaque algorithmic decision-making** may put citizens at a disadvantage to challenge the resulting risk scores, consequently threatening democratic features of the country.
  - It also ruled that SyRI was **violative of principles of transparency and data minimisation**.

- **Dutch Government's Stand:**

- The government claimed that the new technology **prevented abuse and** acted as **only a starting point for further investigation instead of a final determination.**
- The Dutch Ministry of Social Affairs has released a statement stating it will study the ruling, not declaring a complete removal of their system.

## Significance of the Ruling

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- The ruling is an example of **how a data protection regulation can be used against government surveillance.**  
Other European tech initiatives have been stalled by the EU's General Data Protection Regulation including a **facial recognition system on students in Sweden and France.**
- The ruling sets a **strong legal precedent for other countries to follow,** as this is one of the **first times a court** anywhere has stopped the **use of digital technologies and abundant digital information by welfare authorities on human rights grounds.**
- It also demonstrates that legislative arms need to balance the usage of technology in the social security system and the protection of the rights of their citizens.

## Netherlands Court Ruling and India

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- Similar to the **Supreme Court's Aadhaar judgment setting limits on the ID's usage,** the Hague Court attempted **to balance social interest with personal privacy.** However, the Aadhaar judgment was about data collection and not regarding algorithmic decision-making.
- **India's proposed Personal Data Protection Bill (2019) also contains many loopholes** that could be potentially exploited **like the USA.**  
The usage of the **open-ended terms like 'National security' or 'reasonable'** may lead **to intrusion of the state into the private lives of citizens.**

**Source: IE**