

It is not about Aadhaar, it is about trust

BY INVITATION

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Occasionally an incident accidentally throws light on a whole society; the strident and polarised debate around Aadhaar shines light on the fact that India is a low-trust society and this has profound consequences for our future.

Why are so many people anxious about Aadhaar despite the assurances of the government and Nandan Nilekani, the well-respected father of Aadhaar? It's the fear of descent into an Orwellian state. In the Hollywood conspiracy thriller *Enemy of the State*, rogue elements of the American NSA use technology to falsely implicate the character played by actor Will Smith, get him fired from his job, and shut down his phone, credit cards and bank account. Overnight Will becomes a non-person on the run. In the Jason Bourne series, rogue CIA agents hunt down one of their own using ubiquitous cameras, facial recognition and analytics. All these technologies are being deployed today so it's hard to dismiss them as mere fantasy. In a country where corruption is rampant, where trust in the government — any government — is low, where predatory rogue officials abound, where institutions are routinely subverted to settle scores and where the judiciary cannot be counted on to reliably uphold the rule of law and protect citizens' rights, it is no surprise that there is so much angst around the extension of Aadhaar to scenarios well beyond its original scope.

So it all boils down to trust. In a low-trust environment how can this or any future government credibly prevent such misuse of Aadhaar or indeed of any new technology? Most technologies are dual use; GPS, genetic engineering, the internet, cellphones, drones, social media — each of these is enormously useful but can also be abused and weaponised. The answer is not to ban them. Aadhaar in particular is revolutionary in its potential to deliver essential services to the masses and it would be a tragedy if it were abandoned. The answer with such new technologies is not to throw the baby out with the bathwater, but rather to improve the climate of trust and thoughtfully regulate their use to limit the risks.

Coming back to the bigger issue of trust, the absence of trust between citizens and the state is not a new observation. Prime Minister Modi himself observed in 2014 that "The biggest need is trust. The government has been run in a way wherein it has not trusted its own citizens. I want to change this. My government will operate in a manner wherein it trusts its citizens rather than doubt them; the environment of trust can change a lot of things."

Why does trust matter? Looking at developed countries,



BIG BROTHER'S WATCHING: Movies such as 'Enemy of the State' and our anxieties about Aadhaar are based on fears of a descent into an Orwellian state

social scientist Francis Fukuyama concludes that "one of the most important lessons we can learn from an examination of economic life is that a nation's well-being and its ability to compete, is conditioned by a single, pervasive cultural characteristic: the level of trust inherent in society." Research from Harvard shows that countries with low levels of trust invariably find themselves in a downward spiral, a 'distrust trap' of greater regulation and lower economic growth. In such societies, people are more likely to shape public policy and do business in ways that benefit their own family, social class, tribe, religion. People are more likely to bribe officials and engage in frauds. They are likely to support policies that redistribute wealth in their favour rather than policies that grow the overall economic pie. Businesses in such countries are mostly family-controlled and remain small because owners do not trust professionals and centralise all decisions. This may be one reason why India has so many small businesses but so few mid-sized companies. The governance of public institutions and public-sector companies is also based on mistrust which is why they remain weak or uncompetitive. Paradoxically, as people become less trusting they tend to demand more regulation; this is particularly true for poorer people.

How can countries escape from the low-trust trap? The answer isn't obvious. The instinct to add more regulation is probably the wrong one. There is strong evidence that in prosperous times nations liberalise, increasing rights, reducing restrictions, expanding social benefits. Conversely, in stagnant times, they lean towards authoritarianism. People too become more trusting and worry less about differences of race, religion and caste when they believe that they have a brighter future. This is why growing the economy and creating more employment is imperative. Strengthening key institutions, particularly the judiciary, is crucial. An ineffective judicial system is the major contributor to India being a low-trust society. But ultimately more of us must understand that India's development challenge may be sociological even more than economic and become the change we wish to see in the world. Our progress towards a modern, democratic and prosperous society will stall unless we address the foundational issue of trust.

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