



ILLUSTRATION: SHYAM

● DIGITAL DAWN

India's ID system is reshaping ties between state and citizens

As long as they have a mobile signal

IT TAKES A little over 90 seconds. At the government-subsidised ration shop in Sargasan, a village in Gujarat, Chandana Prajapati places her thumb on a fingerprint scanner. A list of the staples she and her family are entitled to this month appears on the shopkeeper's computer: 10kg of rice, 25kg of wheat, some cooking oil, salt and sugar. The 55-year-old housewife has no cash nor credit card, but no matter. By tapping in an identifying number and presenting her thumb one more time, Mrs Prajapati authorises a payment of ₹271 (\$4.20) straight from her bank account. It is technical wizardry worthy of Stockholm or New York; yet outside buffaloes graze, a pot of water is coming to the boil on a pile of firewood and children scamper between mud-brick houses.

Like most Indians, Mrs Prajapati would have struggled to identify herself to the authorities a few years ago, let alone to a faraway bank. But 99% of adults are now enrolled in Aadhaar, a scheme which has amassed the fingerprints and iris scans of over 1.1 billion people since 2010. With her authorisation, any government body or private business can check whether her fingerprints or irises match those recorded against her unique 12-digit identifying number in its database. When it comes to identification, India has unexpectedly leapfrogged every country with the possible exception of Estonia, a tiddler with a penchant for innovation.

Being visible to the state is assumed in rich countries, if only because the taxman insists on it. But India had no equivalent of a Social Security number, and less than half of all births are registered. Only a small minority are required to pay income taxes. Plenty of those entitled to government services, meanwhile, have not received them, because they have not been identified as eligible or because middlemen have stolen

their share. At the same time, the benefits rolls are filled with fake beneficiaries, created by those seeking to palm undeserved rations of fertiliser, food or some other subsidised good.

Ghosts vs the machine

Linking ration cards to an Aadhaar number, and thus to the biometric data tied to it, means a single person cannot have more than one and ghosts can have none. The original pitch to politicians—the scheme was adopted by the previous government, but has been embraced by Narendra Modi, the prime minister—was that Aadhaar would help make welfare more efficient. The potential gains are huge. One official estimate suggests that “leakage” in subsidy payments meant that only 27% of the money ended up in the right hands: not so much a leaky bucket as a sieve.

Over 400,000 ghost children were struck off school rolls in just three states after schools were required to match their pupils to Aadhaar numbers to keep receiving state funds. By weeding out false claims, authorities say they have saved \$8 billion in two-and-a-half years; the annual central-government budget for subsidies is about \$40 billion. That may be an exaggeration, and critics say there are other ways to improve the administration of subsidies. But the savings clearly outstrip the roughly \$1 billion cost of deploying Aadhaar.

Changing the mechanics of how a benefit is received is often just as important as the benefit itself. Development experts like the fact that, at least in the theory, a villager can gain access to a subsidy in a distant city. This removes a big barrier to internal migration. A project to purge electoral lists found 800,000 fictitious voters in Punjab, a state of 30 million. The authorities suspect that 30% of driving licences are fake, many of them duplicates to help drivers evade bans—a ruse that would be impossible if all licences were linked to Aadhaar.

Indeed, the improvements in accuracy and efficiency are so enormous that the government now wants to use Aadhaar more broadly than originally advertised. Recent edicts propose to make it compulsory for everything from booking train tickets to owning a mobile phone. If implemented, these new uses would put paid to the notion that enrolling in Aadhaar is voluntary, which was the promise of its backers—led by Nandan Nilekani, an IT grandee who used to chair the agency that set up Aadhaar. This in a country with no overt privacy laws, let alone a tradition of handling sensitive data competently (many ministries' websites contain spreadsheets teeming with Indians' personal data).

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But Aadhaar is a poor way to build up an Orwellian panopticon, Nilekani argues, given the wealth of information already available from telephone records, GPS data, bank statements and the like. A bigger problem may be the impracticalities of the system. Unlike reading an ID card, checking someone's identity through Aadhaar requires an internet connection and, often, electricity. Ration-shop owners in out-of-the-way places are known to march their customers to the top of a hill, roof or tree—wherever a phone signal can be found—to check their identity. Even then, samples seem to show that roughly a third of authentications come back negative, an extraordinarily high failure rate for a technology that people rely on for necessities. The chafed fingers of manual labourers often cause problems, for example.

Those high failure rates are just the beginning of troubles linked to Aadhaar's many new uses, says Ajay Bhushan Pandey, the head of the agency overseeing the scheme. Devices that scan irises (which offer more reliable readings) are becoming cheaper and should become the norm, he says. Already the Aadhaar database is being tapped 20 million times a day, 20 times the rate of a year and a half ago. That thrills cheerleaders as much as it alarms critics.