

# The UID Project and Welfare Schemes

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This article documents and then examines the various benefits that, it is claimed, will flow from linking the Unique Identity number with the public distribution system and the National Rural Employment Guarantee Scheme. It filters the unfounded claims, which arise from a poor understanding of how the PDS and NREGS function, from the genuine ones. On the latter, there are several demanding conditions that need to be met in order to reap marginal benefits. A hasty linking of the PDS/NREGA with the UID can be very disruptive. Therefore, other cheaper technological innovations currently in use in some parts of the country to fix existing loopholes in a less disruptive manner are explored.

The Unique Identification (UID) project is a flagship project of the United Progressive Alliance-II (UPA-II) government. The Unique Identification Authority of India's (UIDAI) ambitious plan of issuing a unique biometric-enabled number, innocuously called "Aadhaar", to every Indian resident has also begun to generate a debate on citizen-state relations, privacy, financial implications, and operational practicalities.<sup>1</sup>

What the debate has largely missed so far, however, is the credibility of the UIDAI's claims in the field of social policy, particularly the National Rural Employment Guarantee Act (NREGA) and public distribution system (PDS). A number of claims ("the project possesses the power to eliminate financial exclusion, enhance accessibility, and uplift living standards for the majority poor") have been made by the UIDAI, but have not been carefully analysed.

In this article, I filter the unfounded claims from the valid ones. The misleading claims with respect to the NREGA and PDS seem to be the result of superficial research into what ails these two programmes. Even with respect to the valid claims, such as helping with de-duplication of PDS cards, there are caveats which have not been adequately discussed so far.

Thus in Sections 1 and 2, the focus is on what the UID can and cannot do for the NREGA and PDS. In the next section, the possible fallout of a hasty imposition of UID on the NREGA/PDS is examined briefly. I also examine the scenario in which the existence of the "soft infrastructure" that the UIDAI aims to provide is important – namely, a transition from NREGA and PDS to cash transfers. The government needs to initiate an open discussion on cash transfers (if they are on the cards) rather than attempting to make a surreptitious transition to them. In the final section, I highlight some of the larger concerns

related to a project such as the UID, by drawing a few parallels between the now-abandoned United Kingdom Identity Bill and the UID project in India.

Before proceeding, it is worth recalling that being enrolled in the Aadhaar database and being given a number in itself carries no welfare benefits. Having an Aadhaar number does not eliminate the need to apply for a bank account, or a ration card or a job card (required to be eligible for work under NREGA). It can only serve as a valid form of identity in the same way that a driver's licence or passport currently do.

## 1 NREGA: Barking Up the Wrong Tree<sup>2</sup>

The UIDAI has a four-page document on NREGA. From this document, it is clear that its officials are poorly informed on issues relating to NREGA. Resulting from its poor understanding of the programme are several claims of improving efficiency in government spending. I discuss a few of these claims below: controlling corruption in NREGA, eliminating financial exclusion, preventing exclusion from government programmes due to the lack of identity proof, and so on.

One good example of the UIDAI being poorly informed is its statement regarding NREGA wage payments (Government of India 2010a: 2). The UIDAI claims that the UID will enable financial inclusion, but it seems to be unaware that wage payments through banks and post offices became mandatory in 2008. The transition to bank payments is now largely complete. A large majority of NREGA workers already have a bank (or post office) account: more than nine crore NREGA accounts (covering 83% of NREGA job cards) were opened by the end of 2009-10. This is not to say that the opening of bank accounts was a smooth process. The main hurdle was not so much the Know Your Customer (KYC) norms (as claimed by the UIDAI) but that the coverage of banks and post offices in rural areas is inadequate, the ones that exist are under-staffed, and post offices in many parts do not maintain computerised records.<sup>3</sup> Tamil Nadu is the only state that still makes cash payments, on the grounds

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that it is able to control leakages within the cash system and that cash payments help to ensure timely disbursement of wages. Field evidence suggests that there is some truth in this claim of the Tamil Nadu government (Khera and Muthiah 2010).

The claim of controlling corruption through the UID is made on the premise that payments are still being made in cash. In the days of cash payments of NREGA wages, the main source of embezzlement was by fudging attendance records – by either adding names of people who had not worked, or inflating the attendance of those who had worked. Payment of wages through banks and post office has made wage corruption quite difficult. However, three potential channels for siphoning off money remain open – extortion, collusion and deception.<sup>4</sup> Extortion means that when “inflated” wages are withdrawn by the labourer, the middleman turns extortionist and takes his share from him or her. Collusion means that the labourer and the middleman agree to share the inflated wages that are credited to the labourer’s account. Deception means that middlemen open and operate accounts on behalf of labourers, withdraw the inflated wages from these bank accounts, pay workers their due in cash, and pocket the difference. Biometric-enabled UID to authenticate identity can help to prevent “deception”, but is of little use in preventing collusion or extortion.

Facilitating “doorstep banking” through banking correspondents (the “BC model”) is supposed to be another benefit of the UID. At the moment, labourers often have to go long distances to withdraw their wages. Banking correspondents (intermediaries who extend banking services to remote villages) are supposed to enable disbursement of wages at their doorstep. Here again, however, there are issues of practicality and effectiveness, and we need to consider alternatives. Modernising and computerising post offices would also contribute to making banking services accessible. As a long-term measure, the government should consider an expansion of the rural banking network. Appointment of local kirana stores as banking correspondents could be a regressive step, as it would mean routing NREGA wages through the local bania (often a moneylender also).

The BC model could end up diluting the sanctity of existing banking practices.

At the end of the day, it is not clear from the UIDAI documents exactly how UID is supposed to help NREGA. There is no obvious problem of “identity fraud” in NREGA that UID is waiting to resolve. There is no evidence, for instance, of fake job cards being a major problem. An NREGA job card is not like a PDS ration card, which automatically entitles the holder to subsidised grain. To get benefits under the NREGA, the job cardholder is required to work – so a fake job card is of little use per se. Claiming benefits without working requires collusion between non-working job cardholders and implementing officials. If the two parties collude, some job cardholders can have wages credited to their bank accounts, by getting on muster rolls. UID purports to prevent this through “biometric attendance at the worksite”, but the practicality of this imaginative idea is far from clear – it could easily create more problems than it resolves. And some forms of collusion can persist even with biometric attendance at the worksite.

For the NREGA, the UID, if it works, will help to plug some minor loopholes. This does not justify the sweeping claims that are made. In Section 3, I discuss the disruption that it can cause, if the UID and NREGA are linked.

## 2 PDS: Is There a Case for the UID?

### 2.1 Improving Inclusion

Similar claims are made with respect to the PDS. For instance, the UIDAI often claims that the project will improve access to government services. UIDAI officials have said that many Indians are deprived of government benefits because they do not have the required identity proof.<sup>5</sup> This claim is based on an incorrect diagnosis of why people are excluded from government schemes.

There are two important causes for the exclusion of a large number of people from government programmes – one, poor coverage related to low allocations for these programmes and two, misclassification of people. Social welfare expenditure in the country is not adequate to provide universal benefits (Gupta 2010). In such a situation, the government has

resorted to making many social welfare schemes targeted programmes. When schemes are targeted, benefits are conditional upon being classified, say, as a below poverty line (BPL) family. The selection of BPL families is based on a census which is conceptually flawed and poorly implemented (Hirway 2003, Swaminathan and Mishra 2001, Khera 2008, Drèze and Khera 2010a).

Note that misclassification of families in the “BPL census” has little to do with identity fraud or “duplication”. Misclassification can occur when the criteria used for identification of BPL families are incorrect (e.g. in a previous BPL census, the ownership of a fan led to exclusion of families from the BPL list) or when government criteria are not adhered to (e.g. families misreport their status, or the surveyor records incorrectly).

Yet the UIDAI gives the impression that misclassification of households can be controlled (if not stopped) with the help of unique identity numbers. “The eventual nature of an Aadhaar-linked approach in PDS would depend on the particular benefits the government hopes to gain. Using Aadhaar solely for identification would enable *clear targeting of PDS beneficiaries*, the inclusion of marginal groups, and expanded coverage of the poor through the elimination of fakes and duplicates” (Government of India 2010b: 3, italics added).

### 2.2 Portability of Benefits

The UIDAI also makes a claim of “portability of benefits”, i.e. that with a UID, beneficiaries can claim their benefits wherever they are. A PDS that allows beneficiaries to draw their rations from anywhere in the country would indeed be a desirable improvement over the present system. The portability argument is perhaps the most enticing aspect of the UID programme. However, this too is not very well thought through. Though the UID is portable, benefits may not be, because the latter present operational issues that cannot be solved by the UID. The possibility of making the current form of identity authentication (i.e. the ration card) “mobile” has not been explored. A computerised database of cardholders, with holograms and/or barcodes on ration cards, could also make ration cards mobile. Smart cards or food

coupons can also serve the purpose of providing a portable identity, which can be easily authenticated anywhere.

Returning to operational issues related to portability, if benefits are portable and grain allocations to PDS outlets are based on the previous month's sales (as recommended by the UIDAI), matching supplies to an unpredictable demand becomes difficult.<sup>6</sup> Each state gets a fixed quantity of foodgrains, based on the number of ration cards from the central government. Streamlining supply to cater to a PDS that allows portability of benefits is not a simple matter. Building in portability across states is especially challenging (think of interstate migration).<sup>7</sup>

### 2.3 Bogus Cards and 'De-duplication'

Another inflated claim relates to the elimination of "bogus" cards in the PDS. There can be three types of bogus cards: (a) "ghost" cards, i.e., where cards exist in the names of non-existent or deceased persons; (b) "duplicates" where one person or household, entitled to one card, manages to get more through unfair means; and (c) "misclassified" cards, when *ineligible* persons/households claim benefits (or inclusion errors).

The main fallout of "bogus" cards where schemes are targeted (such as the PDS) is that it denies a genuine beneficiary his/her entitlements. Elimination of bogus cards can contribute to improving the efficiency of government schemes. The UID can help eliminate only the first two types of bogus cards. As discussed earlier, UID can do nothing about inclusion errors.

The question then arises, what proportion of all cards is bogus?<sup>8</sup> Reliable data on the overall proportion of bogus cards are hard to find. Yet the UIDAI claims that ghost ration cards are the main problem: "a key source of leakage identified in the PDS is subsidised food drawn from the ration shop in the names of eligible families by someone else" (Government of India 2010b: 8). Rough estimates based on newspaper reports (admittedly not the most reliable source for such data) put the proportion of fake cards in the 2-13% range (Clara 2010, IANS 2010 and Radhakrishnan 2010). In Tamil Nadu, only 2% of cards were bogus (Planning Commission 2004).

Bogus cards are indeed part of the problem, but there is not enough evidence to say that this is the main source of diversion from the PDS. This is one source of corruption, though quite likely it is not the largest source of diversion of PDS grain today (see more on this below).

Second, elimination of "ghost" and "duplicates" by biometric-enabled de-duplication requires that the Aadhaar number be compulsory (at least for that particular programme). This is best explained by Nandan Nilekani, the chairperson of UIDAI himself: "You can't make it mandatory in the first instance. Let's say a particular state decides to issue fresh ration cards from 1 May 2011. Now, they may decide to have Aadhaar numbers on all these cards. For some time, in parallel there will be the earlier cardholders who will not have Aadhaar. We can't completely eliminate duplication. But over time, as Aadhaar numbers in ration cards become nearly universal, they can then say 'from now onwards, only Aadhaar-based ration cards will be accepted'. At which point, duplication will cease to exist" (Sebastian 2010). The UIDAI will not make it compulsory to get an Aadhaar number. However, that does not stop them from encouraging various government departments to make it compulsory. There is a tension between voluntary enrolment and achieving de-duplication. Some of the implications are discussed in Section 3.

In Chhattisgarh, de-duplication has been attempted by computerising the database of ration cardholders and distributing new ration cards with holograms which make each ration card unique. The other option is the use of biometrics (say, at the stage of issuing ration cards), which the UIDAI proposes to use. Tamil Nadu keeps constant vigil on the number of ration cards to eliminate bogus cards.

### 2.4 The Last Mile Problem

A major cause of diversion from the PDS is the lack of a *functional* system of "last mile" authentication. In the current system, the movement of foodgrain is tracked till it leaves the godown for a ration shop.<sup>9</sup> Ration dealers maintain a sales register and a monthly stock register, based upon which the next month's rations are supposed to be released. However, this

monthly squaring of records is operational only in a handful of states (including Chhattisgarh, Himachal Pradesh and Tamil Nadu). In other states, dealers fudge information in these registers.

This allows dealers to divert grain in two ways: first, cheating cardholders by underselling (e.g., he provides only 25 kg out of the 35 kg entitlement of a family) and yet make them sign for their full quota. When villagers are disempowered and forced to buy from the same dealer, with few options of being heard by higher authorities, they feel resigned to accept this smaller quantity. Second, illegal sale of PDS grain in the open market, en route to the village ration shop. Dealers then appear helpless in the village saying that they have been given less by the authorities (*pichhe se kam aya hai*).

There are several options to fix the "last mile" problem. Introducing food coupons for all entitled households is one way of dealing with this problem. In this coupon system, each household is required to deposit their coupon at the time of purchase. Dealers have to deposit these in order to get more grain released for the next month. The release of grain is tied to the number of coupons deposited back. Swiping smart cards or authenticating biometric information, at the time of purchase, can perform the same function.<sup>10</sup> Even social audits (e.g., reading out details from the daily sales register maintained by the ration dealer) can be employed to resolve last mile issues. Other cost-effective and technology savvy solutions have been employed elsewhere – e.g., in Chhattisgarh grain is delivered to the village (in easily identifiable yellow trucks), so that a dealer cannot pretend that he did not get the grain; further, when trucks leave the godowns, an SMS alert is sent to a few persons in the village (Drèze and Khera 2010b). The real problem, then, is not so much the lack of options for last mile authentication. Rather it is the lack of political will to crackdown on the corrupt. Political will has been lacking because often politicians are part of the corrupt nexus.

Compulsory biometric authentication (with or without UID) at the last mile would require us to consider cases of old or disabled or ill persons, who currently rely on neighbours or relatives to bring home

their ration. With biometric authentication, there may not be any scope of buying their rations in the proposed new system. Quite likely, the UIDAI's response would be to say that an "over-ride" facility can be built into the system for such cases. But is this really practical (e.g., if a healthy person falls ill, how quickly can the system respond to his need for the override facility) and will it not again open the door to manipulation?

Before moving to the next section, note that for de-duplication and last-mile authentication, UID is one of at least three distinct options: smart cards, biometrics and the UID. The UID needs biometrics, not the other way round. The UIDAI does not make a clear distinction between the three, thus suggesting that they are same. The relative merits and demerits – cost, technological requirements, possibility of fraud, etc – of each of these options need serious consideration. One can have biometric authentication without building an integrated database as proposed by the UIDAI. The main utility of the integrated database envisaged by the UIDAI is that it would obviate the need for scheme-by-scheme enrolment which can be expensive.<sup>11</sup> But how many schemes of the Government of India need biometrics for purposes of de-duplication and solving the "last mile" problem? In the NREGA, as explained above, neither bogus cards nor last mile authentication are major concerns.

### 3 Implications for PDS and NREGA

As noted above, de-duplication can be achieved only by making enrolment compulsory (at least for particular schemes). The UIDAI has set itself a target of covering only half of India's population in the next four years. The UIDAI is engaging many registrars to meet its targets. In its eagerness to de-duplicate, there is a danger that the UID will be made compulsory in a rushed manner. Even with an ambitious target, the project will then end up *excluding* large sections of India's population.

Hasty integration of UID with the PDS or NREGA could, in practice, go against the rhetoric on "inclusivity". In fact, a "re-engineering" of the NREGA is currently underway.<sup>12</sup> This involves the engagement of "service providers" who will be responsible for enrolling individuals for UID, and

at a later stage, involved in authentication (including at the worksite using hand-held devices) of workers.

The consequences of this sort of re-engineering are likely to be disastrous for the NREGA. Job cards issued in 2006 are due to expire next year. If, for example, the Ministry of Rural Development links the provision of new job cards to getting a UID, many workers are likely to be denied work for sometime to come.<sup>13</sup> There is a real danger that those who do not enrol will be turned away from the NREGA. We have already learnt this lesson – the hard way – when the transition to bank payments was made. Poorly equipped and understaffed banks and post offices were expected to open millions of NREGA accounts overnight. Those workers who did not have accounts began to be denied work.

Moving on to the PDS, one of the proposals mooted by the UIDAI is that PDS dealers buy their grain from the open market at the market price but supply it to PDS beneficiaries at a subsidised price fixed by the government. When a beneficiary buys his/her ration, she/he would be required to give the UID number and be authenticated biometrically. Once this is done, the dealer would be reimbursed the difference between the market price and the subsidised price with a small commission (Government of India 2010b: pp 4-5 and p 13). It is expected that since the difference between the market price and the sale price is reimbursed only when the dealer sells to the intended beneficiary, it will ensure that the dealer does not sell on the black market.

Interestingly, the origin of this new model for the PDS can be traced to a study commissioned by the India office of the World Bank (Ahasan et al 2008). The consultants (from a software vending company called Cal2Cal) prepared a report where the use of smart cards and biometrics as well as purchase of grain from the market was proposed (Cal2Cal 2008). This proposal was modified slightly by the Planning Commission – instead of dealers buying from the open market at market price, in the Planning Commission proposal the dealers are to be supplied by the Food Corporation of India.<sup>14</sup>

Such a proposal, involving a major overhaul of the current system, would

need to be discussed and tested on a pilot basis. Possible abuse needs to be explored and debated in a transparent manner. For instance, informal field visits to Chandigarh to study smart cards revealed that dealers keep the swiping machine inside the shop, and buyers have no way of verifying what is being punched into the machine. This suggests that even the smart card requires adequate safeguards (e.g., using automated receipts, voice-overs, etc) against "deception". In some circumstances smart cards could even facilitate fraud, e.g., because people do not understand the whole technology (unlike entries in ration cards).

If the benefits of the UID project to two major existing social welfare programmes (NREGA and PDS) are marginal and uncertain, why is the government rushing ahead with it? In fact, the UID project with biometric authentication is very well suited for a particular type of welfare scheme, namely, cash transfers. Nandan Nilekani's *Imagining India* refers to such a proposal: "An IT-enabled, accessible national ID system would be nothing less than revolutionary in how we distribute state benefits and welfare handouts" (Nilekani 2008: 372); "The state could instead transfer benefits directly in the form of cash to bank accounts of eligible citizens, based on their income returns or assets" (ibid: 374). Planning Commission documents have also floated this idea.<sup>15</sup> Cash transfers as a welfare measure are very different from both the NREGA and PDS. If it is the intention of the government to transition to cash transfers, then the government must be transparent about this proposal and allow a public discussion of it.<sup>16</sup>

### 4 LSE Identity Project Report

A project such as the UID raises a range of concerns.<sup>17</sup> Though these are not the subject of this article, it is worth flagging these issues for the interested reader. These concerns have been comprehensively documented by the London School of Economics and Political Science Identity Project report (henceforth LSE 2005). Though not entirely comparable, there are several parallels between the UK Identity Bill and UIDAI.<sup>18</sup>

First, the now-scrapped UK Identity Bill (UK-ID) was envisioned as a project for "combating terrorism, reducing crime and

illegal working, reducing fraud and strengthening national security".<sup>19</sup> The UID project also has its origins in a national security project (as admitted by the chairman of the UIDAI himself).<sup>20</sup> Since the formation of the UIDAI, it has been projected as an initiative to promote social inclusion.<sup>21</sup>

Second, in both cases there seems to have been a tendency to make unfounded claims. For instance, as discussed earlier, the UIDAI claims that millions of Indians are without any identity which is the cause of them being excluded from the government's schemes. In the case of the UK-ID, the LSE (2005) report states "Many of the claims made about the prevalence of identity fraud are without foundation" (p 9). Similarly, in both countries, the concerned authorities seem to have overplayed the incidence of "identity fraud" (or, in the Indian context and UIDAI's jargon, the need for "de-duplication") in the social sector.<sup>22</sup>

Third, both projects have raised legal concerns, e.g., the LSE (2005) report brought up the question of compromise or conflict with other laws (Disability Discrimination Act, Race Relations Act, Data Protection Act to name a few). Further, the report states "The legislation places requirements on individuals and organisations that are substantial and wide-ranging, and yet no indication has been given relating to how liability would be established, who would assess that liability, or who would police it" (LSE 2005: 13). On the other hand, the draft NIDAI Bill (which was placed on the UIDAI's website) had similar clauses, whereby individuals had responsibilities but with little obligation on the authority.<sup>23</sup> On the question of oversight too there are similar concerns in both projects (LSE 2005: 13, Drèze 2010 and Krishnaswamy 2010).

Fourth, the LSE (2005) report questions the project on technological (especially related to the scale of the project) and financial grounds. The LSE (2005) report is also quite circumspect on the question of biometrics (pp 169-86). Two other reports suggest that the science of biometrics is not quite as exact as is commonly believed.<sup>24</sup> These reports further question the scalability of such an exercise.<sup>25</sup>

Finally, and most surprisingly, in India no serious discussion of the cost of the UID project has taken place. Despite several

demands for a cost-benefit analysis, there is no such report so far. Interestingly, one of the main justifications for scrapping the identity project in the UK was its cost.

### Concluding Remarks

The UID is projected as a "revolutionary" initiative, with unprecedented gains in efficiency and transparency. In this paper, I argued that several claims are unfounded or exaggerated and reflect a superficial understanding of the problems afflicting the implementation of NREGA and the PDS. As discussed earlier, there is little that the UID can do to improve implementation of NREGA. In the PDS, there are two problems to which the UID can contribute: last mile authentication and elimination of bogus cards.

An important caveat to bear in mind is that the UID can contribute to, but is not necessary for, resolving these problems. The UID is one of several technological innovations that is possible. What is not mentioned in the UIDAI's documents is that many of the proposed technological inputs can be implemented *without* a costly UID. Other options are available (e.g., the use of food coupons or smart cards for last mile authentication). These options may well be cheaper, less disruptive, and more people-friendly (e.g., easier to understand), and have the additional advantage of having been tested on some scale in some parts of the country. The tendency to conflate all technology measures with UID creates the impression that it is a necessary condition for reform.

Needless to say, technology can contribute to improving the efficiency of these programmes, and is often welcome. Examples of cost-effective technology that enhances transparency and empowers people are readily available – e.g., computerisation of PDS operations in Chhattisgarh and Tamil Nadu, sms-based alert systems, and so on. Further, other measures for transparency cannot be discounted simply because they do not involve technological inputs. For instance, in Rajasthan, "transparency walls" listing all job cards issued, along with days of employment in a particular financial year allow people to monitor NREGA expenditure just as much as the on-line MIS. However, even technology has its limits. One issue related to this that has not been discussed adequately is

the feasibility of maintaining an updated database of close to one billion people.

Finally, the possible disruption that the transition to a UID-enabled system can cause must be faced squarely by the government. The UID's contribution to plugging leakages is likely to be marginal in the case of the PDS, and even less in NREGA. However, these marginal benefits can be realised only by making a wholesale migration to a new, complex and untested system. In the process, there is a real danger that the UID will end up hurting the very people it seeks to help.

It is time to go beyond the hyped benefits of UID and to recognise that, if it succeeds, the benefits in NREGA and PDS will be quite modest. If the UID project is to pave the way for cash transfers, the government needs to state this upfront and allow public debate on the issue.

### NOTES

- 1 On these issues see Debroy (2010), Drèze (2010), Gupta (2010), Maringanti (2009), Ramanathan (2010a, 2010b and 2010c), Ramkumar (2010), Sharma (2010) and Shukla (2010).
- 2 This part of the paper elaborates the discussion in an earlier article. See Khera (2010).
- 3 See Adhikari and Bhatia (2009) for details on the problems, advantages and labourer's perceptions of the transition to bank/post office payments.
- 4 On the issue of corruption and the transition to bank and post office payment of NREGA wages, see Siddharth and Vanaik (2008), Dreze and Khera (2008), and Adhikari and Bhatia (2010).
- 5 "There are 75 million homeless people in the country and a lot of nomadic people – all of them don't have an ID. We think UID will enhance their access to public services" (Chairperson Nandan Nilekani in *Indian Express* 2009).
- 6 Intriguingly, the portability claim is repeated in at least four places in their paper on the PDS.
- 7 Since these claims have begun to be debunked, the UIDAI has responded by qualifying its statements. For instance in a recent *Tehelka* interview, the problem of "no identity" was referred to as a problem of "no mobile identity" (Vats 2010b).
- 8 The third category, i.e., inclusion errors (or misclassified cards), is known to be quite large. Since UID cannot fix that, I focus on duplicates and ghosts here.
- 9 Tamil Nadu has actually computerised operations so that it is possible to get real time stocks in each ration shop in the state. (Personal communication, M V S Moni, managing director, Tamil Nadu Civil Supplies Corporation.)
- 10 In these scenario, it is still possible for the dealer to "extort" grain after the coupon is deposited, or the card is swiped, or biometrics are authenticated. Yet it would mark an improvement in those areas where dealers can get away by saying that the grain has not reached him.
- 11 Inter-operability is another claimed benefit, but this benefits the government, not the claimant.
- 12 The Ministry of Rural Development has put out a Rs 2,162 crore tender for this purpose. See documents available online at [http://nrega.nic.in/circular/eoi\\_concept.htm](http://nrega.nic.in/circular/eoi_concept.htm)
- 13 In this scenario, the UID becomes mandatory de facto – this is what "demand-driven" UID will translate into. The likelihood of labourers being explained

- that enrolment is voluntary seem somewhat slim especially in poorly governed parts of the country.
- 14 See Planning Commission (2010a and 2010b). Note again that even this model does not necessitate the use of a UID type database. It only needs biometrics or smart cards.
- 15 See Mehrotra (2010). Several have made this suggestion, e.g., "I venture to say that Aadhaar will enable us to put in place a well-functioning social safety net for our citizens by unifying all subsidies into cash-based transfers" (Kelkar 2010).
- 16 While no public statement has been made on transitioning to cash transfers in lieu of "in kind" food transfers (such as PDS grains or mid-day meals), the government has announced the setting up of a committee, headed by Nilekani, to explore cash transfers instead of kerosene, LPG gas and fertilisers. According to newspaper reports, the basis for these cash transfers is a "successful" pilot on smart cards being conducted in a few ration shops of Haryana (on the smart card pilots, see Narayan 2011a and 2011b). The current strategy seems to be to befuddle readers by using "direct cash transfers", "conditional cash transfers", "smart cards", "UID", "biometrics" interchangeably to create the impression that these are the same or similar.
- 17 In a sense, the UID project seems like a 21st century incarnation of the 20th century projects studied by James Scott (1998) in "Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed", where he highlights "four conditions common to all planning disasters: administrative ordering of nature and society by the state; a 'high-modernist ideology' that places confidence in the ability of science to improve every aspect of human life; a willingness to use authoritarian state power to effect large-scale interventions; and a prostrate civil society that cannot effectively resist such plans."
- 18 "To give the United Kingdom as an example in relation to India is disingenuous. The stated goal of that scheme was surveillance and immigration control. They already have a number, which they started in 1953. Their ID card was a very different project. So let us not extrapolate randomly. The fact is that most countries have a number" (Nilekani in Vats 2010b).
- 19 "The Identity Cards Bill outlines an identity system that has eight components: the *National Identity Register*, a *National Identity Registration Number*, the collection of a range of Biometrics such as fingerprints, the *National Identity Card*, provision for *administrative convergence* in the private and public sectors, establishment of *legal obligations* to disclose personal data, *cross notification requirements*, and the creation of *new crimes and penalties* to enforce compliance with the legislation" (LSE 2005: 21).
- 20 In response to the question "Isn't the main purpose security?", Nilekani said "You are right, the government in 2003 did modify the Citizenship Act to create the National Citizenship Register, which is now the National Population Register but that's primarily an initiative by the Registrar General of India. This government took an initiative to have a unique ID for developmental purposes. UIDAI came out of that initiative." See *Indian Express* (2009).
- 21 One headline even touts it as the world's largest social inclusion initiative (Knowledge@Wharton 2010). However, as noted earlier, the unique number itself carries no welfare benefits.
- 22 "Benefit fraud through false identity is relatively rare and we believe the cost of introducing an identity card in the benefits environment would far outweigh any savings that could be made" (LSE 2005: 10).
- 23 "Under the proposed National Identification Authority of India Bill ('NIDAI Bill'), if someone finds that her 'identity information' is wrong, she is supposed to 'request the authority' to correct it, upon which the Authority 'may, if it is satisfied, make such alteration as may be required'. There is a legal obligation to alert the Authority, but no right to correction!" (Drèze 2010).

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## ATREE INVITES APPLICATIONS FOR INTERDISCIPLINARY PHD PROGRAMME IN CONSERVATION SCIENCE AND SUSTAINABILITY STUDIES

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