Dissent on Aadhaar

Big Data Meets Big Brother

Reetika Khera
The whats and whys

• Is there a trade-off between the right to life and right to privacy?
  • If there’s time, the dangers to the right to privacy from Aadhaar
“Remedy-in-search-of-a-disease” approach to policy making

• What kind of fraud can biometrics solve?
• What is the scale of it?
• When Biometrics Fail - Magnet
# Sources of corruption in the PDS

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<th>Source of Corruption</th>
<th>Examples</th>
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**Aadhaar: Little scope, exaggerated hope**

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How ABBA works: Fragile technologies

Aadhaar Seeding: Links Ration card number to Aadhaar database.

PoS machine: Entire process dependent upon successful working of POS.

Internet Connectivity: Verification of RC no. and biometrics rests on this.

Remote Aadhaar Servers: Biometric information collected at time of Aadhaar enrolment stored here.

Fingerprint Recognition: Authenticate identity

Source: Drèze, Jean (2016), Dark Clouds over the PDS, The Hindu
Remedy-worse-than-the-disease: From inclusion to exclusion

• The inclusion narrative

• Consequences of compulsory Aadhaar
  • Exclusion: Extra hurdles at the finishing line
  • Pain without gain – Transaction costs are up, little change in quantity fraud
  • Hunger-deaths linked to denials
  • Criminalizing an entire population because of governance failure to punish the few

• Film
Propaganda

• The World Bank story
  • World Development Report

• The government’s bogus savings figures
  • Exclusion as savings
  • Clubbing
This is just one of many subsidy programs in India that are being converted to direct transfers using digital ID, potentially saving over US$11 billion per year in government expenditures through reduced leakage and efficiency gains. Other examples of the benefits of digital ID in reducing leakages for social protection or security programs, health insurance, and pension schemes due to duplicates, “ghost” beneficiaries, and corruption are occurring in Chile, the Arab Republic of Egypt, Ghana, Indonesia, Pakistan, South Africa, and Turkey.

Notes

1. World Bank ID4D global data set (April 2015). This number includes approximately 600 million unregistered children.
2. Dahan and Gelb 2015.
4. These are potential savings based on World Bank staff projections, drawing on the findings of Muralidharan, Niehaus, and Sukhtankar (2014) and Barnwal (2015). Specifically, Muralidharan and others (2014) estimated that biometric registration, authentication, and payments led to a 10.8 percentage point reduction in the leakage of funds (the difference between the wage payment outlays reported by government officials and those reported by households) in the National Rural Employment Guarantee Scheme. Barnwal (2015) estimated the Aadhaar-based transfer policy reduced fuel purchases in the domestic fuel sector by 11–14 percent, suggesting a reduction in subsidy diversion. Extrapolating these leakage reduction rates to all government of India welfare programs—amounting to roughly $70 billion to $100 billion in government expenditures—yields savings in the range of $8 billion to $14 billion, or an average of $11 billion potential less spending. It should be noted that realizing
LOK SABHA
UNSTARRED QUESTION NO. 391
TO BE ANSWERED ON 19.07.2018

CANCELLATION OF BENEFICIARIES UNDER MGNREGS

391. DR. UDIT RAJ:

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the registration of more than 87 lac beneficiaries has been cancelled under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and if so, the details thereof;
(b) whether all these cancellations have been made as per Aadhaar based verification and if so, the details thereof; and
(c) the details of savings expected due to such cancellations?

ANSWER
MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT
(SHRI RAM KRIPAL YADAV)

(a): As per MIS (Management Information System), States/UTs have deleted 1.94 crore beneficiaries registered under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) during the FY 2017-18. The reasons are fake identity, duplicate job cards, wrong allocation, deceased, persons shifted to new family, etc.

(b): No Madam

(c): Does not arise.
Economists contribute to the confusion

• In an article titled “Balancing the costs and benefits of Aadhaar” (OK, authors don’t control the headline), after the first para dedicated to aadhaar, the authors say:

• “Over the past decade, we have studied the impact of the integration of biometric authentication into India’s flagship social programmes across several locations and programmes. Our field work has spanned Andhra Pradesh (and present-day Telangana), Chandigarh, Dadra and Nagar Haveli, Puducherry, and Jharkhand; and the National Rural Employment Guarantee Scheme (NREGS), the public distribution system (PDS) and pensions.”

• In fact, except for the Jharkhand PDS study, I don’t think any of them had Aadhaar as the central piece.

• Plus the naivete among economist and the Supreme Court judges
Aadhaar, right to privacy, and democracy

• Where is this going?

  • Digital panopticon: Corporate surveillance (Bruce Schneier/Arvind Narayanan)
  • Cathy O’Neil (Weapons of Math Destruction) and Virginia Eubanks (Automating Inequality)
  • Dangers of databasing: Kafka’s The Trial, not Big Brother (Daniel Solove)

• Subversion of democratic processes and institutions at every step
Undermining democratic process

- Parliament
  - Standing committee report of the previous government
  - Aadhaar as a Money Bill in 2016

- Supreme Court
  - Flagrant violation of Supreme Court orders issued between 2013-2015
  - Aadhaar Amendment Bill and when that failed, Aadhaar Ordinance

- UIDAI and other independent institutions
  - RBI