State of Aadhaar Blogs

Table of Contents

<table>
<thead>
<tr>
<th>S.No</th>
<th>Title</th>
<th>Page no.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Spotlight on Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>State of Aadhaar Report: Panel Discussion on Policy Implications</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>Are there duplicates in the Aadhaar database?</td>
<td>8</td>
</tr>
<tr>
<td>4</td>
<td>Q&amp;A on the State of Aadhaar Report 2017-18</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>What can other countries learn from India’s experience with Aadhaar?</td>
<td>11</td>
</tr>
<tr>
<td>6</td>
<td>Did Aadhaar really save Rs. 57,000 crores? Simply put, no.</td>
<td>13</td>
</tr>
<tr>
<td>7</td>
<td>ID Systems &amp; Privacy</td>
<td>15</td>
</tr>
<tr>
<td>8</td>
<td>5 unanswered questions on linking Aadhaar with SIM cards</td>
<td>16</td>
</tr>
</tbody>
</table>
SPOTLIGHT ON MGNREGS
SEPTEMBER 2018

The State of Aadhaar Report 2017-18 highlights key lessons regarding the use of Aadhaar for service delivery in the Public Distribution System. The survey we conducted also collected data on the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). While the survey results do not fully assess the impact of Aadhaar on MGNREGS, our results provide insight into the integration of Aadhaar within the system.

MGNREGS is a significant social protection programme of the Government of India, which aims to provide at least 100 days of guaranteed wage employment in a financial year to every rural resident who demands work.1 Last year the Government of India allocated ₹48,000 crore ($6.9 billion) to this programme.2 The programme implementation has often been criticized for problems such as exclusion errors in the muster rolls (or labour attendance registers), payment delays, payment failure, and low completion rates.3 Similar to other welfare programmes, Aadhaar was introduced to try to prevent corruption, curb leakages, and to better target beneficiaries.

For the State of Aadhaar Report 2017-18, we surveyed nearly 3,000 households in rural areas of Andhra Pradesh, Rajasthan, and West Bengal. The survey also collected data on MGNREGS across 1,379 households in the three states. Our data accompanied by administrative data from the MIS (Management Information System) portal and work done by other researchers enables a better understanding of the role of Aadhaar within MGNREGS.

The objective of better targeting MGNREGS beneficiaries using Aadhaar can be met in three ways:

Figure 1: Three uses of Aadhaar within MGNREGS

1. Seeding/linking of Aadhaar numbers to beneficiaries’ job cards, which allows for de-duplication or removal of ghost beneficiaries in the MGNREGS database. The process is intended to reduce leakages stemming from siphoning off benefits to non-existent beneficiaries.

2. Seeding of Aadhaar numbers to beneficiaries’ bank accounts, which enables the government to use Aadhaar Payment Bridge System (APBS). Within such a system, a beneficiary’s wages are meant to be transferred directly into a bank account mapped to their Aadhaar number.

3. Withdrawal of cash using Aadhaar-based biometric authentication to ensure that wages are withdrawn by the intended beneficiary. Aadhaar’s authentication ability (the third use listed in Figure 1) is currently used for disbursing benefits in cash in Andhra Pradesh.

For this blog post we examine all three of these uses and highlight areas for further research

Aadhaar Seeding

Nearly 89 percent of the active MGNREGS workers have been seeded to Aadhaar as per the MIS portal.4 We aim to answer two key questions to better understand the effectiveness of seeding:

- Benefit analysis: Did Aadhaar seeding lead to the removal of duplicates and ghost beneficiaries?
- Cost analysis: Did Aadhaar seeding lead to the exclusion of genuine beneficiaries?

While uniqueness of Aadhaar numbers can be used to remove fake/duplicate job cards from the database, its role in removing ineligible/migrated beneficiaries remains limited. A Right to Information (RTI) request filed by Jean Drèze, a Visiting Professor at the Department of Economics at Ranchi University, revealed that of the 9.4 million job cards deleted in 2016-17, only about 12.6 percent job cards were deleted because it was fake (4.0 percent) or duplicate (8.6 percent).5 The remaining 87.4 percent were deleted due to other reasons such as migration or that the individual no longer wanted a job card.

As per the latest figures released on the DBT portal, upward of ₹16,000 crore ($2.5 billion) has been saved under the MGNREGS through March 2018 due to Direct Benefit Transfers (DBT) and other governance reforms that have enabled targeting of genuine beneficiaries. Of this amount, the government's calculations estimate 10 percent of these savings can be attributed to savings on payment of wages to duplicate, non-existent, and ineligible beneficiaries.6 However, of this only a fraction can be attributed to Aadhaar itself on account of deletion of fakes and duplicates. The exact fraction remains unclear due to unavailability of data on the breakdown of the types of duplicates.

The State of Aadhaar survey 2017-18 also found that about 2 percent of the respondents with a job card stated that their name had been removed from the beneficiary list as a result of Aadhaar seeding. Extrapolating to the rural populations of the three survey states using MGNREGS MIS data, this represents about 670,000 individuals of the 32 million active workers across our three states. The survey evidence aligns with newspaper reports highlighting problems in implementation with respect to Aadhaar seeding such as deletions due to unavailability of Aadhaar number.7 This leads us to conclude that issues in seeding of Aadhaar exist and has led to exclusion of genuine MGNREGS beneficiaries at the time of implementation. It should be noted that this experience is not limited to MGNREGS.

Aadhaar Payment Bridge System

The introduction of Direct Benefit Transfers (DBTs) through the Aadhaar Payment Bridge System (APBS) has often been cited as a source of increased efficiency in the programme.8 Data collected through our survey indicates that more than 82 percent of the beneficiaries found the DBT system of receiving wages in their bank account, “easy.”9 However, in understanding the gains in efficiency by moving from NEFT to APBS, the specific benefits for Aadhaar in facilitating such payments remains unclear.

Delayed wages still remain a concern within the programme. While workers are entitled to receive payments within 15 working days from the completion of work, a 2017 study found that wage payment, on average, is delayed by 94 days after approval from the Funds Transfer Officer (FTO) in the study's ten sampled states.10 The problem of payment delays has decreased considerably from nearly 57 percent in 2016-17 to 8 percent in 2018-19 so far; however, it is uncertain whether any of this can be attributed to

9 The survey question we asked for this data point was: “Overall, how easy or difficult do you find the process of receiving your benefits directly in your bank account?” The enumerator read out all options (easy, neutral, or difficult) for this question.
Aadhaar. Other researchers in the field believe that the new Aadhaar-based system has only added more layers of issues such as rejected payments, diverted payments, and locked payments.

**Aadhaar authentication for wages in cash**

The third use for Aadhaar encompasses its biometric authentication feature for withdrawal of wages in cash. According to our survey, around 51 percent of the beneficiaries in Andhra Pradesh had used Aadhaar-based microATMs to withdraw MGNREGS wages in cash in the last nine months.

One proxy for better understanding ‘ease of use’ of this feature is authentication failure. Data from the Andhra Pradesh disbursement portal indicates that 12 percent of the beneficiaries faced authentication failure in December 2017. Whether authentication failure translated to denial of service remains unknown. Data from the State of Aadhaar survey allows us to estimate the proportion of beneficiaries who faced authentication failure and were also subsequently excluded from receiving their wages. Of those who had used microATMs in Andhra Pradesh, 2.5 percent of the beneficiaries were unable to withdraw their wages in cash.

**Conclusion**

In conclusion, seeding of Aadhaar to job cards has de-facto led to exclusion of genuine beneficiaries; little evidence exists to understand the effectiveness of DBTs using APBS to process wage payments; and biometric authentication failures at the time of cash withdrawal can create further delays for the scheme’s beneficiaries.

The implementation of the MGNREGS programme has seen gradual improvement over the years but there are still areas where the programme can be improved. The low completion rate, the high amount of unpaid and delayed compensation, and cases of exclusion still need to be addressed. However, the role for Aadhaar in mitigating these issues remains unclear.

Further research is required to isolate which point(s) of failure Aadhaar can address without leading to serious unintended consequences such as exclusion. For this purpose, we need more data to determine: 1) What is the extent of removal of duplicates versus unintended exclusion due to Aadhaar seeding? 2) Can the Aadhaar Based Payment System address payment delays and payment failure? And 3) Has withdrawals of Aadhaar-based payment using micro-ATMs enhanced user experience?

---

IDinsight hosted a panel discussion on June 7th on the policy implications emerging from the newly launched State of Aadhaar Report 2017-18. The event began with Ronald Abraham, Partner at IDinsight, presenting key findings from the 2,947 household survey conducted by the State of Aadhaar team. The panelists at the event included:

- Bindu Ananth, Chair, Dvara Trust
- CV Madhukar, Global Digital ID Lead, Omidyar Network
- Elizabeth Bennett, Senior Manager, IDinsight
- Reetika Khera, Professor, IIM Ahmedabad
- Sunil Jain, Managing Editor, Financial Express
- Zoheb Hossain, Counsel for UIDAI in the Supreme Court

The discussion was enriching and the themes reviewed during the course of the panel discussion can be classified into five categories:

Findings from the State of Aadhaar Report 2017-18

Mr. CV Madhukar found that the report allowed him to think of the nuances in the Aadhaar story while Mr. Hossain thought the report’s work on user perceptions was interesting, stating that: “people’s perceptions are key to how democracy works.” Ms. Ananth was encouraged to see demand side and implementation feedback for Aadhaar presented through IDinsight’s State of Aadhaar survey.

Dr. Khera, on the other hand, felt that more data on what residents of these states thought of mandatory linking and on the number of individuals who had experienced identity fraud would have been more helpful from a policy perspective. She approached the report’s takeaway on exclusion due to Aadhaar-related factors differently, interpreting it as Aadhaar adding new layers of exclusion in PDS instead of the exclusion being lower than non-Aadhaar related factors. Additionally, Mr. Jain wanted to explore reasons why Aadhaar e-KYC wasn’t working faster than traditional methods as per the report’s findings.

Role of Aadhaar in PDS
The role of Aadhaar and the exclusion it causes within the public distribution system (PDS) met with several perspectives on the panel. According to Ms. Ananth, the report documented the relationship between authentication failure and denial of PDS, which is contrary to what is supposed to happen. Mr. Hossain pointed out a notification released in February 2017 that allowed other family members to collect ration on an individual’s behalf if one was unable to do so. He called for action to correct this gap in implementation and to enforce accountability mechanisms. He further recommended future research to understand how override mechanisms are implemented at ration shops in states using Aadhaar-Based Biometric Authentication.

Dr. Khera noted that the use of Aadhaar had added to overall exclusion in PDS. She felt that the role of Aadhaar in PDS was founded on lies since Aadhaar did not have the potential to cater to the pre-existing problems in PDS.

Role of Aadhaar in FI

Ms. Ananth highlighted two aspects of the report’s findings on the role of Aadhaar in financial inclusion. First, she found the use of Aadhaar as an analog ID (showing the letter or photocopy) ironic given its initial unique selling point as a biometric ID. Second, since the Aadhaar enrolment process did not attempt to verify addresses, she opined its use as a paper ID to be inferior to other existing IDs.

Similarly, Mr. Jain found the result of the report on e-KYC not providing the perceived benefits as defying intuition. He supported further action to efficiently implement e-KYC, stating that it has the potential to transform the financial industry by lowering transaction costs.

Adding to Ms. Ananth and Mr. Jain’s remarks, Ms. Bennett encouraged further research to disentangle e-KYC results to understand its current limitations in terms of usage and realized benefits.

Aadhaar and concerns of Privacy

The panelists had varied insights on the report’s findings on concepts of privacy and mandatory linking.

Ms. Ananth felt that an omnibus survey is unlikely to produce high quality responses on privacy. She felt, in general, that there is no neutral framing of questions to better understand these concepts. Individuals are concerned about control over data and about fraud. However, there may not be a full understanding of the dimensions by which fraud can happen. She, therefore, encouraged a separate and more nuanced inquiry into how individuals feel about their data and its protection. Recognising privacy as a personal and abstract notion, Ms. Bennett asserted that asking questions around it is a difficult task and agreed that
further research is needed. She noted the work done by Dvara and Dalberg – in their well-received report, *Privacy on the Line* – provides a good example of how to better understand these concepts.

On the other hand, Mr. Jain stressed that concerns around privacy would exist even without Aadhaar. And asserted if Aadhaar numbers didn’t exist, one could still use an individual’s mobile number, bank data, or tax data for the purpose of profiling.

**Emerging Policy Recommendations**

Dr. Khera stated that while PDS has had numerous issues (documented in her past research), Aadhaar has only added new layers of problems—not solved any problems. As an emerging recommendation, she urged the use of other technologies (similar to those used in Tamil Nadu and Andhra Pradesh) other than Aadhaar to help beneficiaries secure their rightful entitlements.

On issues of Aadhaar and privacy, Mr. Hossain opined that concerns of profiling and linking exist without Aadhaar. However, the overarching law for Aadhaar prohibits misuse of such data. He recommends a data protection law that safeguards Aadhaar and also prohibits sharing of data.

Ms. Bennett agreed with the importance of setting up a data protection law and a grievance redressal mechanism in light of privacy concerns. She underscored the importance of having an independent data regulator, set apart from UIDAI. She felt that necessary safeguards for residents’ data must be set in place, and underscored the importance of this point in light of the fact that other countries are looking to replicate Aadhaar as a form of digital ID.

With the massive expansion in the number of bank accounts, Ms. Ananth emphasized the role for policy in allowing finance providers (small banks, fintech etc.) to benefit from this expansion, stating that bank accounts opened in the last few years were largely inactive. She further highlighted the role for the government to enable effective working of e-KYC that reduces failure rates for financial institutions.

Mr. CV Madhukar, in his closing remarks, called for more data-driven policy recommendations where Parliament committees working on Aadhaar commission independent research to further inform their work.
ARE THERE DUPLICATES IN THE AADHAAR DATABASE?
JUNE 2018

A data point that has gained attention from our recently released State of Aadhaar Report 2017-18 is the number and percentage of duplicate Aadhaar letters.

Here is a screenshot of the relevant page and footnote from our report.

The percentage of respondents who possessed more than one Aadhaar letter with a different Aadhaar number was 0.1 percent. As we reported, this number can be an underestimate because individuals who intentionally have two Aadhaar numbers will have an incentive to not openly report this.

The 0.1 percent figure (calculated using sample weights) represents three cases of duplicates in our sample of 2947 respondents. In the table below, we provide some basic information about the three individuals that have duplicate Aadhaar numbers.

<table>
<thead>
<tr>
<th>#</th>
<th>State</th>
<th>District</th>
<th>Age category</th>
<th>Gender</th>
<th>Year of enrolment of letter 1</th>
<th>Year of enrolment of letter 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Andhra Pradesh</td>
<td>Anantapur</td>
<td>40-50</td>
<td>Male</td>
<td>2011</td>
<td>N/A</td>
</tr>
<tr>
<td>2</td>
<td>Andhra Pradesh</td>
<td>Nellore</td>
<td>40-50</td>
<td>Female</td>
<td>2012</td>
<td>2015</td>
</tr>
<tr>
<td>3</td>
<td>Andhra Pradesh</td>
<td>Krishna</td>
<td>70-80</td>
<td>Male</td>
<td>2011</td>
<td>2016</td>
</tr>
</tbody>
</table>

Three insights emerge from this table:

1. **All three Aadhaars were issued in the early years of enrolment.** This may imply that earlier Aadhaars had higher data quality or process related issues.

2. **All three Aadhaars are from Andhra Pradesh.** This may imply the issue is more isolated to Andhra Pradesh. We extrapolate this figure, however, to the all-three state level including Rajasthan and
West Bengal. However, we do not have sufficient data to be sure whether this problem exists in these two states as well.

3. **There is no systematic pattern of duplication with respect to age, gender, and location.** With just three cases, it is difficult to comment on trends but there appears to be no clear trend in terms of age, gender or location.

While our teams were able to verify that there were indeed two Aadhaars for the same person, this does not mean that both exist digitally as well. If so, one of the Aadhaars cannot be used for digital authentication, but can still be used in its analog form.

Given the high usage of Aadhaar in its analog form (more than 93% across all three states in our survey), the prevalence of duplicate Aadhaar letters poses a significant risk of fraud. This reinforces the need for better security features on the Aadhaar letter.

We hope our report and blog post facilitate meaningful dialogue on this subject and we welcome any questions and suggestions you may have.
Q&A ON STATE OF AADHAAR REPORT 2017-18
MAY 2018

The blog was first published on Medium here. IDinsight’s team addressed questions that the team had received on the State of Aadhaar Report 2017-18
WHAT CAN OTHER COUNTRIES LEARN FROM INDIA’S EXPERIENCE WITH AADHAAR?

APRIL 2018

The Aadhaar project, covering close to 1.2 billion residents, has often impressed many researchers and policy makers across the world. For instance, a Moroccan delegation visited India last year to study the implementation of linking (most) services with Aadhaar. The Philippines government also expressed interest in introducing an Aadhaar-like tool to target corruption in the country.

In an event hosted by Global Development Network and Pathways for Prosperity, I had the opportunity to speak on a panel entitled: ‘Including the Poor in the Digital Age’. Professor Stefan Dercon was chairing the panel and he prompted us to reflect on lessons from Aadhaar for an international audience.

Following is a brief summary of what I shared:

A universal identity platform where each person is uniquely identified is indeed an attractive option. In an ideal world, the universality and reliability of such a platform can reduce transaction costs related to establishing one’s identity or knowing someone else’s identity. However, in my opinion, this is contingent on three premises – a) having high quality and reliable identity data as part of the platform, b) promoting wide usability, where anyone who wishes to establish their identity using this platform can do so, and c) increasing accessibility so that everyone who needs to establish someone else’s identity can easily do so. Implementation of these systems must be critically analysed to see which features of such an identity system should be continued and which ones must be dropped.

Against this backdrop, we need to consider the following important lessons that emerge from India’s experience:

1. Voluntariness
While on one hand, the universality of an identity system is what makes the platform stronger, on the other, structuring the system to be voluntary on three fronts — voluntary at the time of enrolment (having the option to opt in as well as opt out); voluntary in use, where the individual defines how to use it; and voluntary in practice (not just in law) — is important.

2. Use of Biometrics
In areas where different forms of verification may be limited by state capacity, biometrics can be useful in establishing uniqueness of an individual. However, there exists mounting evidence against the use of biometrics for authenticating an individual repeatedly. Biometrics can be misused and easily stolen, they are not sufficiently reliable as made evident by the various reports on authentication failure, and biometric authentication requires a robust infrastructure such as good network connectivity and strong backend servers.
3. Robust data protection law and Independent Regulator
To complement the system’s features, it is also vital to have robust data privacy laws and a data privacy commission that helps enforce that law. The commission must be completely independent of the identity platform. At present, the Unique Identification Authority of India is the data controller as well as the regulator with respect to Aadhaar. While there is no industry that works without agencies engaging in self-regulation, there’s also no industry that works well without an independent regulator overseeing that function well.
DID AADHAAR REALLY SAVE RS. 57,000 CRORES? SIMPLY PUT, NO.
FEBRUARY 2018

In an editorial, Dr. Ajay Bhushan Pandey said, “Aadhaar has saved the government more than Rs 56,000 crore during the last three years by removing fakes and duplicates.”

There is, however, very little empirical evidence justifying this figure. When examining the breakdown of this figure, we find that in majority of cases, the government has not published how it calculated the savings numbers. The little data that is available has to be gleaned from responses to questions in Parliament or Right to Information (RTI) applications.

Furthermore, while the government attributes these savings to Aadhaar, DBTs, and other initiatives, the specific breakdown is not provided. This lack of granularity has been exploited to associate the savings figure to whichever initiative one is discussing. Often the entire estimate of Rs. 57,000 crores has been attributed to Aadhaar, like Dr. Pandey did in his editorial, despite the government’s own records showcasing other factors.

In the table below, we show a break-up of the figures by scheme and by year, and the current status of evidence. For half of the amount, there is no evidence provided on how the estimate was arrived at. For the other half, there is incomplete data. Neither is there any data on what is the specific contribution of Aadhaar. See box below for what we learn from the partial evidence that is available.

Table 1: Breakup of Aadhaar savings estimate and the (lack of) evidence backing it

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Year</th>
<th>Savings estimate (in INR crores)</th>
<th>Evidence for total savings estimate?</th>
<th>Evidence on contribution of Aadhaar?</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAHAL</td>
<td>2014-15</td>
<td>14,672</td>
<td>Partial</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2015-16</td>
<td>6,912</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2016-17</td>
<td>8,185 *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PDS</td>
<td>2016-17</td>
<td>14,000 ^</td>
<td>Partial</td>
<td>Partial</td>
</tr>
<tr>
<td>MGNREGS</td>
<td>2014-15</td>
<td>3000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2015-16</td>
<td>4,633</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2016-17</td>
<td>4,108 *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSAP</td>
<td>2015-16</td>
<td>249 ^</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2016-17</td>
<td>150 *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>2015-16</td>
<td>1,120 ^</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2016-17</td>
<td>1,120 ^</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Savings</strong></td>
<td><strong>57,029</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Calculated using total upto 2016-17
^ upto 2015-16 / 2016-17

Legend
Partial
Not provided

Sources: Parliamentary questions, RTIs, and DBT portal

To try and correct for this, we apply very conservative assumptions to calculate the potential contribution of Aadhaar in the total saving estimate. We estimate that around Rs. 6,000 crores is likely to be the upper limit of the savings that is attributable to Aadhaar. Since our assumptions are conservative, the actual savings amount is likely to be significantly lower.

We had to resort to four assumptions to calculate our guesstimate of the upper limit of savings due to Aadhaar.

1. Wherever information is provided, we learn that the government claims that the savings is based on the deletion of fake, duplicate, or ineligible beneficiaries, in addition to other reasons. We assume that similar reasoning applies to other schemes where such information is not provided.
2. From two separate government sources (see box below), we glean what is the proportion of beneficiaries deleted that are fake or duplicate – the only two factors for which Aadhaar can be used. We use the higher of these proportions as a proxy for schemes where there is no data.
3. Since we are calculating the upper limit, we also assume that all the fake and duplicate eliminations are due to Aadhaar. In reality, however, many of the fakes and duplicates are also deleted without the use of Aadhaar (as evidenced through government documents).

4. Finally, we assume that all the fakes/duplicates deleted are genuine. There exists journalistic evidence that many of the names deleted from the system on account of being a fake or duplicate are in fact genuine beneficiaries. Naturally deletion of genuine beneficiaries cannot be counted as a “saving.”

It is of course unfortunate that we have to resort to guesstimates but this pertains to a larger issue that there isn’t enough data to correctly measure the impact of one of the most significant governance interventions of this decade. While our team and other researchers will strive to fill these gaps in data by filing RTIs, we also call upon the central and state governments to release more data that enables a clear, specific, and counterfactual-based measurement of the impact of Aadhaar, and other governance initiatives.

**Box 1: Partial lessons from the partial data**

**LPG-PAHAL**

More than half of the Rs. 57,000 crore savings estimate is under the PAHAL scheme, which has initiated DBTs to provide the LPG subsidy. Details of the calculations are only available for 2014-15. The calculation uses an aggressive assumption that each of the deleted beneficiaries would have bought the maximum of 12 cylinders per year. This is an over-estimate. In fact, the Comptroller Auditor General (CAG) debunked this assumption when the Ministry of Petroleum used it for another savings estimate. The CAG preferred to use the national average of 6.27 cylinders (in 2014-15) instead. We also used this assumption for calculating the upper limit of Aadhaar’s contribution to the savings estimate.

Further, the CAG reported that the number of beneficiaries deleted included bogus and ineligible persons. While Aadhaar can potentially be used to weed out “bogus” persons, it cannot be used to determine eligibility (as it does not collect socioeconomic data). This clearly indicates that the specific contribution of Aadhaar is likely to be lower than the reported figure.

**PDS**

Under the Public Distribution System (PDS), the savings figure of Rs. 14,000 crores is attributed to the deletion of 2.33 crore ration cards and better targeting of beneficiaries. Other reasons include digitization and migration. Again, since Aadhaar cannot have a role in improving targeting or detecting migration, its specific contribution is lower than the total estimate. In the State of Aadhaar Report 2016-17, we write that “by 2014, the total number of duplicates eliminated in PDS was 12 million, of which about 2 million were removed using Aadhaar.” This points to Aadhaar’s contribution being around 16.7%. In our calculation, we use this proportion (highest of all estimates) to proxy for other schemes where such data is not available (except for MGNREGA, see below).

Also useful to note that the data available on ration cards deleted is inconsistent. In 2016, while answering separate questions in the Rajya Sabha and the Lok Sabha, the Minister in-charge of Public Distribution provided vastly different data on this metric.

**MGNREGA**

In the savings breakdown, there is no explanation in the public domain for the numbers under the Mahatma Gandhi National Rural Employment Guarantee Scheme. However, data from an RTI filed by Jean Drèze provides a break up of the various reasons for which job cards were deleted in 2016-17. Only about 12.6% of the deleted job cards were due to fakes or duplicates, the factors that Aadhaar can help weed out. Migration and other reasons explained the remaining 87.4% of deletions. These figures too reveal that the specific contribution of Aadhaar in the total savings figure for MGNREGS is far below the total savings estimate.
We, at State of Aadhaar quickly assessed 5 privacy concerns associated with Aadhaar and analysed them with respect to the Aadhaar Act of 2016, the UIDAI in practice and other ID systems in India (Passport and Voter IDs).

We find that Aadhaar meets some privacy principles but not others. Similarly, voter IDs and Passport meet some but not all. Privacy issues are not isolated to Aadhaar.

Three steps are required to ensure data privacy concerns from #Aadhaar & other ID systems are addressed:
1. A privacy law
2. An independent and competent regulator
3. Regular audits to assess implementation of law and data security
5 UNANSWERED QUESTIONS ON LINKING AADHAAR WITH SIM CARDS
OCTOBER 2017

The Department of Telecommunications (DoT) issued a circular on 23 Mar 2017 instructing mobile operators to re-verify all existing customers using Aadhaar e-KYC. This was based on a Supreme Court order issued on 6 Feb 2017. The deadline is a year from the Court’s order: 6 Feb 2018.

A petition challenging the DoT circular will be heard in court in the coming weeks.

We dug around and are confused about a few things. Here are 5 of our top questions. Does anyone have the answers?

1. Is there a verification process for those without an Aadhaar given that Aadhaar is voluntary and saturation isn’t 100%?

2. What happens in case of a genuine individual facing an authentication failure because one’s fingerprints have worn out or other technical issues?

3. The SC’s order and the DoT’s circular are only for existing. An older DoT circular (16 Aug 2016) says that Aadhaar e-KYC is optional for new subscribers. Isn’t it incompatible to make e-KYC mandatory for existing subscribers but optional for new subscribers?

4. The SC’s order is ambiguous on whether it applies to pre-paid users or also includes post-paid users (see paragraph 4 vs. 5). How and why did the DoT interpret it as applicable for all users?

5. On 11 Aug 2015, the SC issued an order that Aadhaar only be used for PDS, LPG, etc. Isn’t the SC order on re-verification of mobile users in direct contradiction then?

Sources: Notifications dated 6 Aug 2016 and 23 Mar 2017, Department of Telecommunications; Supreme Court orders dated 6 Feb 2017 and 11 Aug 2015