For Favour of Publication

Patna, 30 July. A special lecture was organized by IGC and ADRI on "Biometric Authentication and Social Programs: Evidence from 8 years of research across India" delivered by Prof. Sandip Sukhtankar, Professor of Economics, University of Virginia and Lead Academic, IGC India.

Hailed by its proponents as a "game changer" for governance at its launch nine years ago, the Supreme Court is now considering whether it should be "game over" for Aadhaar. As with many contentious policy debates, each side has its preferred narrative: Supporters claim that linking Aadhaar with social programs has helped to reduce leakage and improve targeting of benefits. Detractors argue that savings are minimal and that such linking has increased the exclusion of genuine beneficiaries; for instance, through failures to read the fingerprints of elderly recipients or manual laborers or through power and connectivity failures that prevent authentication. Theoretically, both arguments are plausible, which makes this essentially an empirical question.

Over the past decade, Prof Sandip Sukhtankar has studied the impact of the integration of biometric authentication into India's flagship social programs across several locations and programs. His field work has spanned Andhra Pradesh (and present-day Telangana), Chandigarh, Dadra and Nagar Haveli, Puducherry, and Jharkhand; and NREGS, PDS, and Pensions. Altogether, his team have conducted over 40,000 detailed, in-person surveys of program beneficiaries, in random samples that are representative of the respective populations of program beneficiaries.

His research has revealed three main insights that should inform both policy and the Supreme Court. First, results depend enormously on the details of context, including the program in question, the specific design of the authentication process, the level and nature of pre-existing fraud, and state-level implementation capacity. In Jharkhand on the other hand, we found essentially no ghost PDS beneficiaries on the roster (perhaps reflecting the "cleaning up" of the beneficiary database that accompanied NFSA implementation). Instead, most leakage here was not through identify fraud, but quantity fraud, where legitimate beneficiaries were given only a fraction of their entitlement. Unsurprisingly, we find that Aadhaar-backed authentication has had no measurable effect on this form of corruption.

Second, it is important to distinguish between the decision to link (or "seed") Aadhaar accounts to program records (which may help to clean up beneficiary databases) and the decision to make Aadhaar mandatory for authenticating every transaction (which may raise the risk of exclusion error). In Andhra Pradesh beneficiaries were encouraged and given multiple opportunities to obtain biometric IDs, but override mechanisms were left in place ensuring they could continue to receive payments even if they had not. This may be

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one reason why we found little evidence of exclusion, and widespread popular support for the reform: over 90% of beneficiaries preferred the new payment system to the old. In Jharkhand on the other hand Aadhaar was made fully mandatory at least in a subset of "online" ration shops, and the response was much more mixed, with only 53% of beneficiaries preferring the new system.

Finally, there is a disconnect between the metrics of success currently available to the government and the measures that matter to beneficiaries. For example, our study of the DBT pilots in the PDS in Chandigarh, Puducherry, and Dadra and Nagar Haveli found that over 20% of beneficiaries reported not receiving the cash despite government records showing "disbursement" to nearly 100% of beneficiaries, simply because many beneficiaries were not aware that disbursements had been made or how to access them.

In light of these findings, neither a simple "yes" nor "no" to the question of mandatory Aadhaar is warranted. The approach that works best will inevitably vary across place and program. Given this, the optimal approach for the Court may be to avoid blanket proclamations one way or the other, and instead provide guidelines for the government to follow to ensure that the most vulnerable beneficiaries are protected during attempts to reduce leakage through the use of Aadhaar-linked service delivery.

The fundamental problem for service delivery in India is not Aadhaar or no Aadhaar – but the lack of systematic focus on the beneficiary experience. Aadhaar is a tool with the potential to both reduce leakages and improve service delivery. But using this tool to improve the beneficiary experience (as opposed to hindering it) requires continuous effort and democratic oversight. Court guidelines to governments to emphasize the beneficiary experience and independently measure and report it can make an important contribution in this regard.

Dr. Shaibal Gupta, Member Secretary, ADRI and Bihar Lead, IGC gave the inaugural address and Sri Arvind Chaudhary, Principal Secretary, Department of Rural Development, Government of Bihar presided over the session. Prof. Prabhat P Ghosh, Director, ADRI proposed the vote of thanks.

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