IMPLICATIONS OF AADHAAR FOR WELFARE GOVERNANCE

INTRODUCTION

Research so far on Aadhaar's role in public services has mostly resided within the topical confines of privacy, efficiency and exclusion. There is considerable amount of literature available by both academics and policy makers on these areas. This is not so surprising since some of the most palpable effects of Aadhaar has been concerns about user privacy, cost-efficiency of the project and inaccessibility of the system due to reasons including but not limited to the pervasive digital divide in the country.

Yet a major implication of introducing Aadhaar or any digital transformation of the public services in general and one that is often obscured by the clamor of the active and sometimes polarized discourse on the more topical questions, is the challenges it brings in terms of governance and administration of welfare systems. For instance, In the case of the Public Distribution System (PDS) in India, there is extensive work on the extent of exclusion, efficiency gain and cost-benefit analysis of the Aadhaar enabled Public Distribution System (AePDS).

While the question is still not settled on whether Aadhaar and the associated digital reforms has indeed been beneficial, it is pertinent to look at the emerging and forthcoming governance impacts of Aadhaar. Governance here is understood in terms of accountability, transparency, responsiveness, rule of law, equity and inclusiveness, empowerment, and broad-based participation.

Digitalization disrupts the conventional supply chain and accountability mechanism and thereby creates a vacuum in the governance architecture of public services if necessary accompanying reforms are not carried out. Even if attempts are made to reform the existing and outmoded architecture or build a new governance architecture, in the absence of a clear and substantive change management the implications might be considerable. In the case of Aadhaar, there seems to be little effort spent in understanding this dynamic aspect of the transformation undergoing in welfare systems like PDS.

SYSTEMIC CHALLENGES

Few reasons why Aadhaar was introduced in PDS was to prevent fraud, corruption and leakages, and address both supply side and demand side inefficiencies. Demand side inefficiency is perceived to be stemming from bureaucrats, employees or contractual ration agents.

The vision of AePDS and other digital transformation is to eliminate the middlemen who are apparently considered to be the root cause of inefficiency and to reach the citizen-consumer directly through the means of digital technology, for instance biometric authentication instead of manual authentication or online stock management instead of decentralized stock management.

Direct Benefit Transfer as a solution for dealing with corruption in welfare schemes is being implemented and is advocated by many individuals and organisations as the way forward for PDS itself. The demand side inefficiencies, on the other hand, require identifying and targeting rightful beneficiaries. Biometric identity and online verification and upkeeping of sales records aims to prevent ghost beneficiaries and duplicate consumers.

The governance implication of these changes can be can multilayered. The existing or conventional PDS worked in a hierarchical structure with a patron-client relationship between the state and citizen. In this model, bureaucrats and other agents of the state worked as mediators between the citizen and the State.

Accountability and efficiency were ensured by sanctions and incentives. Most of the time these sanctions didn't work either because they weren't attractive or strict enough or the incentives were not implemented correctly.

However, these mediators played an important role in the system as end-points of information and resource flow. Even in the case of a collapsed system these mediators and the citizens built an informal or extra-judicial way to transactions. Keeping aside the question of inefficiency and leakages for now, the replacement of these actors from the system with impersonal and digital interface creates a challenge.

Questions that need to be studied: How has this change affected the beneficiaries as well as the system as a whole? What is the change in terms of the manner citizens access information and the way accountability is ensured?