

Minutes of the Meeting
CUTS Leadership lecture by Shri Nandan Nilekani

Date: January 24, 2013

Place: HCM RIPA, Jaipur

Background

CUTS International (CUTS) to mark its 30th anniversary organized a leadership lecture by Mr. Nandan Nilekani, Chairman of Unique Identification Authority of India. The theme of the lecture was, “The Transformatory Potential of Aadhaar - Providing Empowerment, Choice and Convenience”.

The event was chaired by Dr. V.S. Vyas, Member Economic Advisory Council to the Prime Minister, Deputy Chairman Rajasthan State Planning Board and was moderated by Mr. Pradeep Mehta, Secretary General CUTS. Also, present on the occasion were Mr. Ashok Gehlot, Chief Minister of Rajasthan and Mr. M.L. Mehta, President CUTS.

Welcome Speech by Mr. Pradeep Mehta

The discussion started with Mr. Pradeep Mehta welcoming all the dignitaries present in the meeting and congratulating everyone on the occasion of CUTS 30th Anniversary. Further, in the context of Unique Identification Numbers and newly launched Direct Benefit Transfer Scheme he mentioned that every new thing, whether policy or scheme etc., gets adopted and shows its results only gradually.

Thereafter Mr. Pradeep Mehta welcomed the audience by showing a 30 minutes documentary, showcasing 30 glorious years of CUTS. Pursuant to the documentary, Mr. Pradeep Mehta mentioned that promoting competition in entire economy has always been the most prominent part of CUTS profile/mandate/agenda.

He then shifted the discussion to subsidies being provided in India under various welfare schemes. He mentioned that the current system lacks effectiveness in terms of proper implementation of such schemes. Widespread corruption and inconsistency impedes the process of providing subsidies to the intended beneficiaries. He gave example of the widely celebrated government sponsored Public Distribution System (PDS). He highlighted that only 15% of grains and other items reach to beneficiaries under the system and rest is being distributed among the corrupt officials associated with scheme.

Additionally, he also emphasized upon the idea of allowing poor people to decide what they want to consume. He appreciated the newly launched Direct Benefit Transfer (DBT) Scheme and mentioned that it has potential to provide poor people with power of choice. He thanked and congratulated Nandan Nilekani for connecting the scheme with Unique Identity Numbers (UID) which would help in ensuring effective implementation of scheme.

Citing the example of introduction of CNG in Delhi, few years back he said that initially government faced many problems in implementing the programme due to problems such as lack of infrastructure as a barrier in smooth rollout of CNG. However, gradually and over the years the

position has improved and the government has done well in carrying out the programme and it has resulted into reduction in pollution level in entire Delhi region.

He raised concern that DBT scheme might face similar sort of problems during its early phase of implementation, therefore, it is imperative for the government to develop required infrastructure for nationwide implementation of the scheme.

The floor was then transferred to Hon'ble Chief Minister of Rajasthan, Shri Ashok Gehlot.

Shri Ashok Gehlot

Mr. Gehlot first of all congratulated CUTS for completing 30 glorious years in the field of consumer interest and rights. He also appreciated the DBT scheme and thanked Nandan Nilekani for linking it with UID. According to him, the whole concept would help government to reach the intended beneficiaries under various welfare programmes. He also assured that the Government of Rajasthan is committed for smooth implementation of UID linked DBT scheme in the entire state.

He hailed CUTS for becoming international level organisation in terms of securing consumer interest and rights. He emphasised upon the importance of right based approach for maximizing consumer interest. He also gave example of various right based government initiatives such as Right to Education, Right to information, NREGA, etc. for stimulating developmental process in the entire nation.

By way of the speech he strongly advocated for transparency in government machinery for enhancing welfare of common people through government sponsored programmes. He also emphasized upon need for achieving financial inclusion, especially in rural areas. According to him UID could play a crucial role in this regard, further ensuring the right of common people.

He was critical towards the people who are against the concept of directly providing cash in the hands of poor. He informed that Government of Rajasthan would gradually include most of the welfare schemes under DBT scheme.

Pradeep Mehta thanked Ashok Gehlot for enlightening the house with his views on DBT scheme and consumer rights. Taking the discussion forward he said that DBT scheme should not be politicized rather collective effort is required from all the stakeholders to churn out maximum benefit from the scheme. He further stressed upon the need for developing proper infrastructure before implementing schemes like DBT.

Thereafter, Mr. Pradeep Mehta invited Mr. V.S. Vyas on the podium to express his views.

Dr. V.S. Vyas

Dr. Vyas started by congratulating CUTS for completing successful 30 years. He said that it is rare to see a civil society organisation to expand its scope of work to such extent. He termed CUTS as a very viable organization having made interventions which are not very common. He asserted that dynamic leadership of PSM and his team has been the driving force behind development of such a great institution.

He further went on to mention that CUTS stands for openness, good governance, right of common man. Talking about UID, he stated that what Nandan Nilekani is proposing now, has been acceptable as something that will empower the common citizen. He was sure that Nandan Nilekani would be able to answer all the questions people have regarding UID and linking it with Direct Benefit Transfer scheme.

He then tried to emphasise upon the point that when we talk about Aadhaar, we mostly talk about how it will help in reducing corruption. However, there is a much better reason for the shift to Aadhaar which is that it gives the common man an identity. Today if a person has no identity, he/she would not be able to feel confident leading to development of inferior feelings. What Aadhaar does is to provide common people with an identity. It would help in legitimizing existence of people. This is a right which everyone will be able to enjoy. This is a major contribution of Aadhaar. Apart from several immediate benefits, this is one movement which will make a revolutionary change. He urged all of us to wholeheartedly join and support the entire movement. At last he thanked CUTS for organizing the event and gave his best wishes for future endeavors and welcomed Mr. Nilekani for his leadership lecture.

Presentation and the Lecture by Nandan Nilekani

Nandan Nilekani started the discussion by mentioning that he knows Pradeep Mehta for a long time and that CUTS has done a yeoman service for the past 3 decades. He thanked Pradeep Mehta for inviting him to Jaipur. Further, he also stated that Rajasthan is a great state where a great deal of pioneering work is being done.

Next was a detailed presentation on Aadhar/UID, by Nandan Nilekani. The presentation began with Nandan Nilekani dealing with the question, "What is Aadhar all about?" He highlighted the fact that we have witnessed dramatic changes in many areas of technology during the past 12 years. In 1995 India had no mobile phones and 60 million land lines but the situation has completely changed today with millions of people having mobile and internet connections. We have seen changes in the way news is being delivered to us (real time, twitter, social media revolution and its impact). Banking sector has also gone through many changes. It has transformed from branched base banking to online real time banking, mobile banking. Electronic voting machines, online rail reservations etc. are few other examples that highlight technology revolution spreading its roots in India.

Further he mentioned that there are two mandates in the Aadhaar Programme: (a) First is to provide a unique number to every resident in India and everybody enrolls only once. The uniqueness is established using biometrics- permanent lifetime number; (b) Second mandate is to provide online cost effective authentication of your identity

He informed everybody that once enrolled a 12 digit unique number would be generated for each person. 10 finger prints and impression of iris of both eyes is used to establish uniqueness of the person. De-duplication takes place on the basis of biometrics etc. and if there is any duplication, it is rejected.

Talking about the role of Aadhaar, he said that first role of UIDAI is to make sure everyone has a unique number. The online authentication would confirm that you are the person you claim to be wherever you are. He said that it is a new concept and nobody has done this anywhere in the world.

He informed the audience that 250 million Aadhaar cards have already been issued so far and plan is to cover 600 million people by the year 2014.

Talking about benefits that would accrue to people by enrolling themselves in Aadhaar, he said that a large number of people don't have a birth certificate and for them getting the UID is very empowering. People can use it to open bank account. UID can also serve as KYC, i.e. Know Your Customer. Aadhaar is a gateway for many services with reduced transaction costs.

Highlighting its usefulness in effective implementation of Direct Cash Transfer scheme, he stated that it would not be required to know a person's bank account. Payment could be made at Aadhaar number, so the Aadhaar number would serve as the direct payment address.

He further described the other important roles of Aadhaar in direct transfer of cash. Aadhaar would help in removing ghosts and duplications. Many times it has been found that beneficiaries have duplicates. Also, using the number as an address, the money is sent to the number, thus the number becomes the bank account. A micro ATM has been designed where the customer of any bank can go to a business correspondent and withdraw their money. It is a very important aspect related to Aadhaar leading to empowerment of people.

He declared that Aadhaar is better than PDS because of the interoperability and portability. UIDAI solves a number of problems, i.e. empowers people and provides identity having nation-wide mobility.

He then left the floor open for discussion and questions to be raised by the audience.

Floor Discussion

The lecture was followed by a rich intellectual interaction among the panellists and the participants. The interaction involved several questions being asked as well as various issues being highlighted by the participants.

Most of the questions were relating to people's difficulty in understanding the concept of Aadhaar, such as the mode of changing the address, mode of identifying a particular person from a family who will be given the goods especially in PDS system, non-receipt of Aadhaar card, use of Aadhaar card as proof of identity in India, status of children vis-à-vis Aadhaar card, procedure to be followed in the event of loss of Aadhaar card, etc. Mr. Nilekani provided satisfactory answers to most of the questions giving detailed information.

Upon the question of changing the address and other information for the purpose of Aadhaar, he explained that updation centers and online portals for the same are going to be initiated soon. He also explained that the eligible person to receive the foods, etc. under PDS scheme or any other scheme will be decided by the scheme and the same will not be identified by UIDAI. He informed the audience that Aadhaar may be used as a proof of identification at various places such as banks, driving licenses, etc., however, the same is again subject to the discretion of the assessing authority giving the banking services or granting the driving license. He clarified that if the banks refuse to accept Aadhaar as a proof of identification, the user may approach the bank ombudsman. On the questions of children being eligible to apply for Aadhaar, Nilekani clarified that even children/infant

can enroll for Aadhaar attached to mother and later when their biometrics develop they can be given an independent Aadhaar card.

As per Mr. Nilekani, Aadhaar is platform which also provides digital/online proof of identity. It is upto a particular government department or any other organization to accept it as an identity proof for their purpose. In this respect, upon being asked if Aadhaar covers the Indian court system also, he stated that Aadhaar is just a proof of identification and if the Indian courts or even the election commission want, they may accept it.

There was also a confusion regarding Aadhaar being a proof of citizenship or a proof of residency. In this respect Mr. Nilekani firmly expressed that Aadhaar is just a unique number given to residents of India which may serve as a proof of identity at various places. It is not a proof of citizenship at all which comes under the purview of Citizenship Act, 1955. A person who is resident of India can apply for the unique identification number, which will include even the diplomats. He also informed that the government of India can from time to time come out with a list of people who can apply for Aadhaar. He also clarified that since Aadhaar is not a proof of citizenship, even a refugee who is residing in India can apply for Aadhaar and they will not be classified as citizens under the Citizenship Act, 1955.

Questions were also raised on the issue of lack of awareness among the masses about the usage of Aadhaar card. While answering such questions, he seemed hopeful that more awareness programmes will be held in future and with time people will understand the purpose and applicability of Aadhaar card with its increased use. Mr. Nilekani also requested Mr. Malhotra to increase the accessibility and awareness about Aadhaar in Rajasthan.

People were also puzzled about the procedure that is followed while dealing with Business Correspondences (BCs). Mr. Nilekani explained the entire process again to the audience as explained in his presentation earlier.

Srikant, a journalist from The Times of India, asked Mr. Nilekani, if it was a political decision to bring the scheme before bringing the machinery for implementation of the scheme in picture. Srikant said that it is like putting the cart before the horse. There are no or very less BCs present in remote villages right now. This situation is creating a difficulty in withdrawing money in remote villages. Abhishek from the DNA also seemed apprehensive about relying too much on the BCs who are depository of the entire cash. In response to both the questions, Mr. Nilekani responded that absence of BCs at the time of introduction of the scheme is like a chicken and egg situation. A BC will not start a business if there is no flow of money. Also, he stated that the UID scheme has thoughtfully made a provision of a network of BCs and not a single BC for a particular location in the country. This will make sure that BCs do not become a bottleneck in implementation of the scheme. A network of BCs will ensure check on any malpractices by any one BCs since people will always have the option to shift to another BC.

Upon being asked about the confidentiality of the data/personal information available with the private agencies who have been given the contract to collect the information on behalf of the government, Nilekani responded that the data that is available with the private agencies is in an encrypted format and can only be decoded by the special and advanced techniques available with the government of India. Therefore, security according to him is not an issue. However, answering to another question he acceded that hacking of the data may be a risk.

While responding to other questions, he informed the audience that electronic KYC for banking purpose is soon going to be implemented under the scheme and that Aadhaar payment bridge may start within the next 6 months.

Vote of Thanks

Finally, a vote of thanks was delivered by Mr. M.L. Mehta. He extended his gratitude towards CUTS for organizing the event and thanked Nandan Nilekani and Ashok Gehlot for sharing their views on DBT and UID. He termed DBT scheme as the game changer in terms of enhancing human welfare in the country and said that we need to be patient for harvesting long term benefits of the scheme.