

Aadhaar Card Please...

A perception survey on Aadhaar-related services conducted with Digital Empowerment Foundation's information entrepreneurs (SoochnaPreneurs)



Aadhaar Card Please...

A perception survey on Aadhaar-related services conducted with Digital Empowerment Foundation's information entrepreneurs (SoochnaPreneurs)

Written by: Vineetha Venugopal

Aadhaar Card Please...

A perception survey on Aadhaar-related services conducted with Digital Empowerment Foundation's information entrepreneurs (SoochnaPreneurs)

Year of Publication: **2023**

Author: **Vineetha Venugopal**

Advisor: **Osama Manzar**

Editorial Assistance: **Jenny Sulfath**

Design and Layout: **Satish Kumar**

Research and Survey Ecosystem:
Digital Empowerment Foundation and its rural digital centres.

Keywords

Aadhaar, Entitlement Delivery, Community Information Resource Centres, Perception Survey

DOI No: **10.5281/zenodo.10016309**



Scan QR code
to read this report



This work is licensed under a creative commons Attribution 4.0 International License.



Published by Centre for Development Policy and Practice

Supported by:
Digital Empowerment Foundation
www.defindia.org
info@defindia.org

List of abbreviations

ATM	– Automated Teller Machine
BC	- Banking Correspondent
CIRC	– Community Information Resource Centre
CSC	- Common Service Centre
DBT	- Direct Benefit Transfer
DEF	- Digital Empowerment Foundation
KYC	- Know Your Customer
LPG	- Liquefied Petroleum Gas
MGNREGA	- Mahatma Gandhi National Rural Employment Guarantee Act
OTP	- One-Time Password
PAN	- Permanent Account Number
PDS	– Public Distribution System
PF	- Provident Fund
SC	– Supreme Court of India
SP	– SoochnaPreneur
UID	– Unique Identity
UIDAI	- Unique Identification Authority of India

List of figures and tables

Table 1: Aadhaar services provided by the SoochnaPreneur.

Table 2: Challenges faced by beneficiaries in accessing the Aadhaar-related services as perceived by the SPs.

Table 3: Those who face difficulties due to Aadhaar-based service delivery as perceived by the SPs.

Table 4: Perceived benefits due to using Aadhaar.

Table 5: Those who benefit from Aadhaar-based service delivery as perceived by the SPs.

Table 6: Services SPs have linked with Aadhaar (as individuals).

Table 7: Additional linked services in the 'other' field.

Table 8: Encountering instances of fine payment due to non-linkage of Aadhaar with documents.

Table 9: Count of participants from each state.

Preface

The Aadhaar program was launched in 2009 to provide a unique identity document to all the legal residents of India. This identity was envisaged as a 12-digit identity number linked to individual biometrics. The proponents of the program claimed that a unique identity would improve inclusion in social sector programs such as the Public Distribution System (PDS) by enabling beneficiaries to authenticate themselves through formal identity credentials. To achieve this, Unique Identification Authority of India (UIDAI) was established in 2009, and the first Unique Identity (UID) was issued to a resident in 2010.

Critics of Aadhaar have argued that the exclusion from coverage occurred mostly due to inadequate identification of poor households and stringent coverage norms. They also opined that quantity fraud (beneficiaries not receiving the proper quantity of rations) is the larger fraud committed in the PDS and that identity fraud Aadhaar sought to address was minimal¹. However, the government soon began to make Aadhaar mandatory for accessing various services, such as availing cooking gas subsidies. In 2012, Justice K.S. Puttaswamy (Retired) filed a writ petition in the Supreme Court of India (SC) against making Aadhaar mandatory to access various government services and benefits². In its interim order dated 23rd September 2013³, the SC ruled that no person should be denied public services on account of not having access to Aadhaar.

The coming years would see repeated exchanges between the SC and the government on the constitutional validity of Aadhaar. The Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 was passed in 2016 by the Parliament of India. The act proclaimed its objectives as follows:

“An Act to provide for, as a good governance, efficient, transparent, and targeted delivery of subsidies, benefits

1 Khera, R. (2017). Impact of Aadhaar on welfare programmes. *Economic and Political Weekly*, 61-70.

2 K. S. Puttaswamy v. Union of India, Writ Petition (Civil) No. 494 of 2012

3 <https://www.scobserver.in/wp-content/uploads/2021/10/1811046.pdf>

and services, the expenditure for which is incurred from the Consolidated Fund of India, [for the Consolidated Fund of the State] to individuals residing in India through assigning of unique identity numbers to such individuals and for matters connected therewith or incidental thereto⁴". With the passing of the act, UIDAI was constituted as a statutory body in July 2016.

In the intervening years, additional services were linked with Aadhaar. Civil society groups have simultaneously raised the human costs related to Aadhaar exclusions. Based on a case study of PDS in Jharkhand, Dreze et al. (2017) termed Aadhaar-based biometric authentication as 'pain without gain'⁵ as the transaction failures arising from the finger-print mismatch and lack of adequate internet connectivity led to the denial of rations to a portion of the beneficiaries. The State of Aadhaar Report 2017-18 by IDinsight, based on a survey of 2947 randomly sampled rural households spread over Rajasthan, Andhra Pradesh and West Bengal, reported that exclusion from receiving benefits due to Aadhaar-related factors remains significant⁶.

On September 26, 2018, a 4:1 majority verdict by the SC in the case of *Justice K.S. Puttaswamy (Retd) vs. Union of India* case upheld the constitutionality of the Aadhaar Act⁷. The SC also struck down the section that enabled private actors to demand Aadhaar for authentication and held that it was not mandatory to link Aadhaar with mobile numbers or bank account numbers or provide Aadhaar details for securing admission to schools. However, the Aadhaar amendment bill passed by Lok Sabha in 2019 allowed the voluntary use of Aadhaar as proof of identity for procuring new mobile connections and maintaining bank accounts⁸. This has led to a situation where banks, mobile service

4 Aadhaar Act 2016 (as amended). Retrieved from https://uidai.gov.in/images/Aadhaar_Act_2016_as_amended.pdf

5 Dreze, J., Khalid, N., Khera, R., & Somanchi, A. (2017). Aadhaar and food security in Jharkhand: Pain without gain?. *Economic and Political Weekly*, 50-59.

6 Abraham, Ronald, Elizabeth S. Bennett, Rajesh Bhusal, Shreya Dubey, Qian (Sindy) Li, Akash Pattanayak, and Neil Buddy Shah. State of Aadhaar Report 2017-18. Report. IDinsight, 2018.

7 https://main.sci.gov.in/supremecourt/2012/35071/35071_2012_Judgement_26-Sep-2018.pdf/

8 See https://uidai.gov.in/images/news/Amendment_Act_2019.pdf

providers and educational institutions often demand Aadhaar as proof of identity. For all practical purposes, Aadhaar has become essential⁹.

Currently, it is mandatory to link/provide Aadhaar to avail of the following schemes/ services.

- PAN (Permanent Account Number) card. The deadline for linking with PAN was extended many times, and the last deadline was 30 June 2023.
- Availing government subsidies and welfare schemes such as subsidies on PDS, LPG (Liquified Petroleum Gas), work via the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme, pension, provident fund, etc.
- Income tax filing

While not mandatory, the government has also pushed for linking Aadhaar to voter ID¹⁰.

While Aadhaar had its share of controversy in India, the Government of India has also been pushing towards building similar digital public infrastructures in other countries. In 2023, with India chairing G20, there is an increased push towards building similar digital public infrastructures in other countries¹¹, with the Prime Minister specifically mentioning it during his video address to the G20 digital economy ministerial meet¹².

9 <https://www.businesstoday.in/latest/trends/story/aadhaar-not-mandatory-yet-organisations-pose-it-as-a-mandatory-document-335550-2022-05-29> and see UIDAI website clarifying the voluntary nature for these uses <https://uidai.gov.in/en/my-aadhaar/about-your-aadhaar/aadhaar-myth-busters.html> retrieved on 7th September 2023.

10 <https://scroll.in/article/1031224/aadhaar-voter-id-linking-is-voluntary-says-government-but-law-leaves-little-room-to-avoid-it> retrieved on 7th September 2023.

11 World Economic Forum. (2022, September). First principles for making digital public infrastructure impactful. Retrieved from <https://www.weforum.org/agenda/2022/09/First-principles-for-making-digital-public-infrastructure-impactful/>

12 See <https://pib.gov.in/PressReleasePage.aspx?PRID=1950320>

It is in this context that Delhi-based Digital Empowerment Foundation (DEF), a pioneer in building a cadre of grassroots information entrepreneurs (SoochnaPreneur) who provide digital services and facilitate e-governance in rural areas of India, decided to examine the drawbacks and challenges of Aadhaar-based service delivery.

Through the SoochnaPreneur (SP) model, DEF-selected community members, identified for their social and entrepreneurial abilities, are trained in functional digital literacy and are then empowered to manage Community Information Resource Centres (CIRC) to provide digital services to serve their locality. Many such entrepreneurs also possess Common Service Centre (CSC) and Banking Correspondent (BC) licences, enabling them to advance India's e-governance programs. Each SP serves the local community within a 10 km radius of their location. This unique position enables them to have an in-depth view of the drawbacks and benefits of Aadhaar-based service delivery. Additionally, being embedded in the community, they are also sensitive to the needs of the community.

Thus, DEF contacted its SPs to understand their perception regarding Aadhaar-based service delivery. By gauging the perceptions of the SPs, we aim to understand the current state of implementation of Aadhaar-based services and how this implementation impacts the citizenry.

Methodology

A survey questionnaire was prepared after consultation with the coordinators of the SP program to broadly understand the following:

The challenges and benefits associated with availing of Aadhaar-based services as perceived by the SPs.

The sections of the population that benefit from Aadhaar as well as the sections of the population that experience difficulties due to Aadhaar as perceived by the SPs.

The survey also tried to capture qualitative data by providing

space for ‘other’ options, explanations, and any recommendations they may have for improving the service delivery.

The total sample size of the survey was 433. As all the questions were mandatory except those that required a qualitative entry if ‘other’ options were selected, 433 is the number of respondents for all the analysed questions. Since all the respondents are SPs with comparatively better access to connectivity, devices, and digital literacy and have either CSC registration, BC registration or both, the survey results should not be taken as representative of the population. Rather, this is a perception survey intended to understand the state of implementation as their unique position allows them to have a broader view.

The SPs accessed the survey via Google form and filled in the details with support from the district coordinators. The survey was available in two languages: English and Hindi. The data was collected over a month, from April 24, 2023, to May 22, 2023.

Data clean-up was conducted using Microsoft Excel and Python. The following activities were undertaken during the data clean-up stage:

Removed records where participants provided inconsistent answers for multiple questions.

Excluded a question regarding the use of Aadhaar as an identity document where more than 50% of the participants had provided inconsistent answers.

17.5% of the total responses were excluded after the data clean-up, leaving behind 433 from the initial 525. Data analysis and visualisation were done using Python pandas, matplotlib and statistics libraries. Microsoft Excel was also used to generate certain plots. Qualitative data (Explanations and recommendations) were coded and analysed manually.

Key Takeaways

Fingerprint mismatch remains a major issue, with nearly 60% of the SPs reporting it as a challenge faced by the beneficiaries. This majorly impacts the elderly, disabled and children. Allocation of ration, social pensions, and scholarships, irrespective of the status of authentication, was a demand raised by the respondents. Upgradation of technology was one of the suggestions provided by the SPs for better service delivery.

Delayed or missing One-Time Password (OTP) was cited as a challenge faced by beneficiaries by nearly 52% of the SPs. UIDAI attributes this to weak mobile network connectivity, making it an important concern for citizens residing in remote areas.

Rural areas still don't have adequate Aadhaar enrolment/update centres to meet the demands. The limited number of centres was marked as a challenge by nearly 29% of the SPs, and nearly 26% found the wait time at the centres to be long. These observations corroborate the Dalberg (2019) report that found that the lack of enrolment centres was a reason for non-enrolment. The need for more enrolment/update centres was highlighted by the SPs as a recommendation.

Largely, the perception is that there is less corruption with biometric checks, with nearly 62% of the SPs holding this opinion. However, 13.16% of the respondents opined that staff at the official enrolment/update centres demand bribes, making updates to the data expensive.

The Aadhaar Enabled Payment System (AEPS) is appreciated in rural areas that have limited access to banking facilities. AEPS facilitated through banking correspondents is considered especially helpful to the elderly, disabled and women as it avoids the travel and queueing associated with bank visits. It is also considered beneficial to illiterate persons who often find it difficult to fill out the forms while visiting banks.

Detailed Findings

Aadhaar services provided by the SoochnaPreneurs

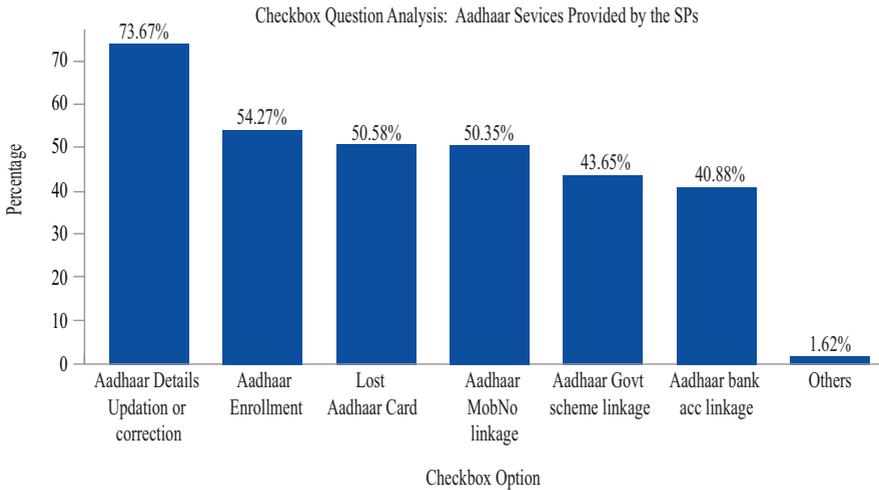


Table 1

This question aimed to understand the range of Aadhaar-related services provided by the SPs. The respondents were asked to choose all that is applicable from the options given. Of the 433 responses analysed, 319 respondents (73.67%) reported providing Aadhaar details correction/ updating as a service. 235 respondents (54.27%) provided Aadhaar enrolment as a service. Providing duplicate cards in place of lost/missing Aadhaar cards was offered by 219 respondents (50.58%), and 218 respondents (50.35%) were engaged in linking beneficiary Aadhaar numbers with their mobile numbers.

In 2017, UIDAI took the step of limiting Aadhaar enrolment to locations under state government supervision. UIDAI cited alleged difficulties in locating centres operated by private players as well as instances of overcharging by private players¹³ as reasons for this decision. However, since DEF-associated CIRCs and SPs are deeply embedded in the community, they

¹³ <https://trak.in/tags/business/2017/07/04/aadhaar-enrolment-govt-premises-only/> retrieved on 7th September 2023

were able to continue supporting the community with Aadhaar-related services. Some of the CIRC are situated in government-authorised premises such as panchayat offices. In some instances, SPs are associated with district/block level common resource centres, which are authorised Aadhaar enrolment/ update centres. There are also instances where the CIRC or SP is not authorised to undertake Aadhaar enrolment/update, but due to the goodwill generated in the community, the beneficiaries continue to reach out to them. In such cases, the SP guides them through the process and supports them in gathering the required documentation and approaching the district/block-level authorised centres. They also provide support to link Aadhaar with various government schemes and enable Know Your Customer (KYC) verification.

189 respondents (43.65%) were engaged in linking Aadhaar with different government schemes such as social pensions, scholarships, etc. Linking Aadhaar and bank accounts was offered as services by 177 respondents (40.88%). Seven respondents also added options they felt were not included in the 'other' field. This included Aadhaar-based banking transactions (4) and enabling KYC verification (3). Self-service options are available online for some of these services, such as linking Aadhaar with bank accounts, linking with various schemes, updating addresses, and KYC verification. However, due to limited digital connectivity and lack of digital literacy, many beneficiaries remain dependent on intermediaries. According to the India Inequality Report 2022 on the digital divide published by Oxfam India¹⁴, only 31% of the rural population uses the Internet compared to 67% of the urban population. Additionally, just 38% of the households in India possess digital literacy¹⁵ (Mothkoo & Mumtaz, 2021).

Challenges faced by beneficiaries in accessing the Aadhaar-related services as perceived by the

14 https://d1ns4ht6ytuzzo.cloudfront.net/oxfamdata/oxfamdatapublic/2022-12/Digital%20Divide_India%20Inequality%20Report%202022_PRINT%20with%20cropmarks.pdf?31.73PGQrpQfYrnwWeoXV3BFjhETfA_p retrieved on 7th September 2023

15 Mothkoo & Mumtaz (2021). The digital dream: Upskilling India for the future. Ideas for India. <https://www.ideasforindia.in/topics/governance/the-digital-dream-upskilling-india-for-the-future.html>

SPs.

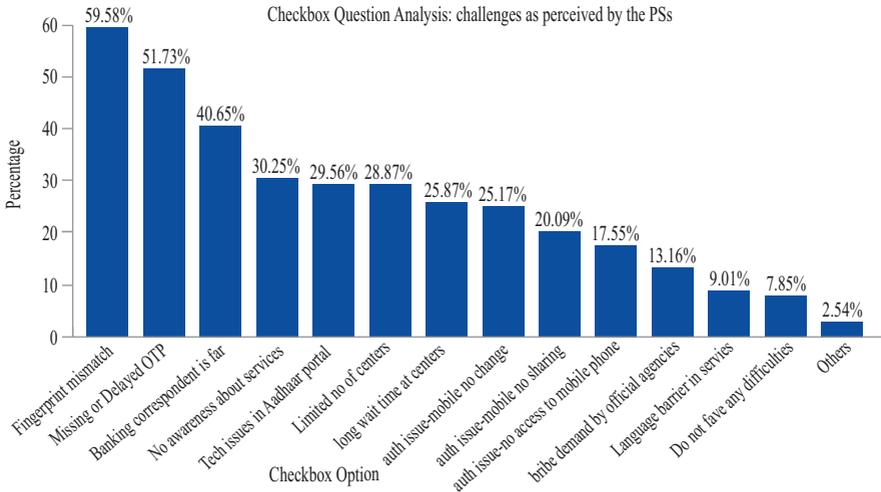


Table 2

Here also, SPs were provided a list of options derived through discussions with coordinators of the SP program and were asked to choose all applicable options. 258 respondents (nearly 60%) marked fingerprint mismatch as a challenge beneficiaries face in accessing the service. This is in line with the findings of the earlier observations (Balasubramanian et al. 2019¹⁶, Comptroller and Auditor General of India (CAG) report on the functioning of UIDAI, 2021¹⁷) indicating that fingerprint mismatch remains a pressing issue with Aadhaar-based authentication.

224 respondents (more than 50%) indicated delayed or not receiving OTP as a challenge faced by the beneficiaries. UIDAI, in the past, has attributed this to a lack of mobile linkage as well as weak mobile network connectivity¹⁸; the latter being a serious

16 Balasubramanian, P., Chandra, S. V., Murlidharan, A., & Tantri, P. L. (2021). Fintech For The Poor: Do Technological Failures Deter Financial Inclusion?. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3840021

17 Report of the Comptroller and Auditor General of India [Report no.24 of 2021]. On Functioning of Unique Identification Authority of India.

18 <https://twitter.com/UIDAI/status/1611312567653208066> and <https://twitter.com/UIDAI/status/1694330467451855069> retrieved on 7th September 2023.

concern in remote areas. ‘Nearest Banking correspondent was far’ was marked by 176 (40.65%) respondents. As Banking Correspondent (BC)/ *Bank Mitras* enable financial transactions via Point of Sale/ Micro ATMs, the lack of BCs in the nearby area hinders the beneficiaries from accessing Aadhaar Enabled Payment Services.

131 respondents (30.25%) marked a lack of adequate awareness among the beneficiaries about the process of availing of Aadhaar-related services as a challenge. Technical issues in the Aadhaar portal or other related systems were highlighted by 128 of the respondents (29.56%). 125 respondents (28.87%) indicated the limited availability of Aadhaar enrolment/update centres as a difficulty. The lack of nearby enrolment centres was also mentioned as a reason for non-enrolment in the State of Aadhaar 2019 Report by Dalberg¹⁹. Long waiting time at Aadhaar enrolment/update centres was perceived as a challenge by 112 respondents (25.87%). This long waiting time could be due to the limited number of authorised centres.

109 respondents (25.17%) reported authentication issues arising due to a change in mobile number as a difficulty. Authenticating issues due to multiple people sharing the same mobile number was marked as a challenge by 87 respondents (20.09%). 76 respondents (17.55%) indicated issues with authenticating due to the beneficiaries not having access to their mobile phones registered with Aadhaar as a challenge. This could also be caused by multiple family members sharing the same mobile number as common in economically weaker households. For example, according to the India Inequality Report 2022, while 61% of men-owned phones, female mobile ownership was as low as 31%.

The demand for bribes by official agencies for Aadhaar services (correction/ update) was perceived as a challenge faced by the beneficiaries of 57 respondents (13.16%). “*The Portal fee is ₹50, but those who update Aadhaar take 200-300 rupees. This is very difficult for the common man,*” commented a

19 Swetha Totapally, Petra Sonderegger, Priti Rao, Jasper Gosselt, Gaurav Gupta. 2019. State of Aadhaar Report 2019. Dalberg, p10. https://policyinsights.in/wp-content/uploads/2021/12/SoA-2019_Report.pdf

respondent. 39 respondents (9.01%) reported a language barrier among beneficiaries in accessing Aadhaar-related services. 34 respondents (7.85%) reported that they did not witness any challenges associated with Aadhaar.

Six of the respondents added additional options in the ‘other’ field. Five of them highlighted internet connectivity issues at the SoochnaPreneur centre as an issue. One respondent indicated that Aadhaar-related banking fraud was an issue, a concern that aligns with news reports about fraud²⁰ related to AEPS.

These responses indicate that despite the promise of seamless delivery of services, accessing public services through Aadhaar remains a challenge for many of the residents of India, even 13 years after the first Aadhaar ID was allocated.

Those who face difficulties due to Aadhaar-based service delivery as perceived by the SPs.

Checkbox Question Analysis: Groups facing difficulties as perceived by SPs

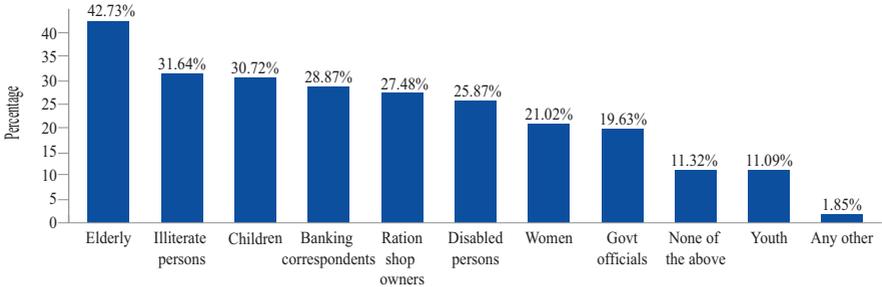


Table 3

This question was asked to identify the groups that were perceived to be at a disadvantage due to Aadhaar-based service delivery and the perceived reasons for their difficulties. As per the

20 https://www.boomlive.in/decode/cloned-fingerprints-scam-the-story-of-aadhaar-enabled-payment-system-22944?fbclid=IwAR0Mc7sn_w3Jl7GK4aJx3F4YUc6zyPZUoYq-jzJTPJ0tlXMgGRtIlfJx0PM retrieved on 7th September 2023

analysis of the explanation field, fingerprint mismatch is the main reason behind the difficulties experienced by older people. The fingerprint mismatch prevents them from withdrawing pension and availing of food ration. The responses also mentioned the difficulties experienced by disabled citizens with severe disabilities or without hands/fingers accessing the services due to fingerprint authentication. In addition to elderly and disabled persons, workers who engage in hard labour and women (due to engaging in household work) were also reported to be at risk of fingerprint mismatch. It was pointed out that if fingerprint scanning fails repeatedly, their Aadhaar Enabled Banking System is blocked for 24 hours. These persisting exclusion errors have been studied by multiple scholars who have raised the question, “Who gets excluded?” (Carswell & De Neve, 2022²¹; Hundal & Chaudhury, 2020²²)

Elderly persons who were sick also faced difficulties in accessing Aadhaar-based services as they would not be able to travel to the ration shop and authenticate themselves. Disabled persons also experienced similar difficulties. One respondent commented that corruption is still present in PDS delivery: “*Not all members have linked Aadhaar with ration card, and ration operators collect more money from such persons*”.

Illiterate people were perceived to be disadvantaged due to a lack of awareness about availing of Aadhaar-related services. They were also considered more vulnerable to banking fraud by being coerced to scan their fingerprints or access their OTP. A respondent alleged that this also makes them vulnerable to exploitation by Banking Correspondents (E-Mitra).

It was observed that children also face fingerprint mismatch as their fingerprints evolve, leading to a denial of ration when they go to the ration shop for purchases and denial of scholarships

21 Carswell, G., & De Neve, G. (2022). Transparency, exclusion and mediation: how digital and biometric technologies are transforming social protection in Tamil Nadu, India. *Oxford Development Studies*, 50(2), 126-141.

22 Hundal, H. S., & Chaudhuri, B. (2020). Digital identity and exclusion in welfare: Notes from the public distribution system in Andhra Pradesh and Karnataka. In *Proceedings of the 2020 International Conference on information and communication technologies and development*, 1-5.

in some cases. Children were also denied scholarships when multiple documents - caste certificate, Aadhaar and income certificates- did not match.

Banking correspondents and ration shop owners also experience difficulties when OTP is delayed. Technical issues with the Aadhaar portal and subsequent delays in updating data were highlighted as concerns for banking correspondents and officials.

Benefits due to using Aadhaar as perceived by the SPs.

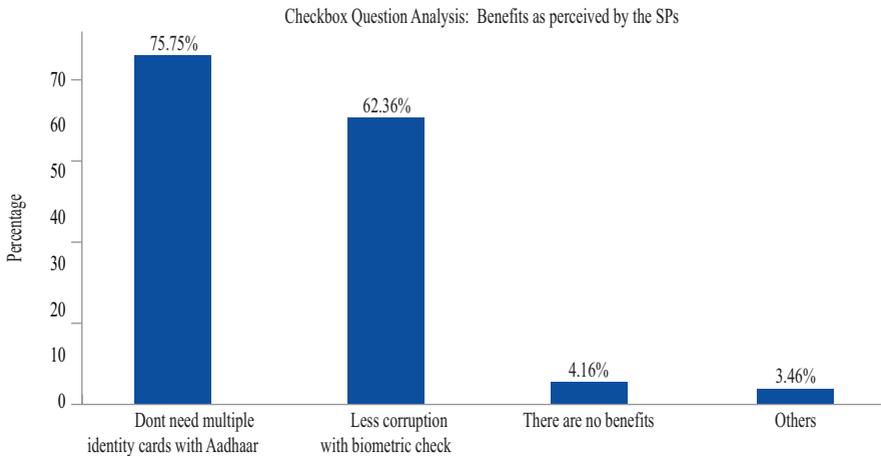


Table 4

This question was derived from the objectives of the Aadhaar Act, namely providing a unique identity to Indian residents as well as reducing corruption. 328(75.75%) of the respondents perceived not needing multiple identity cards as a benefit. This finding aligns with the 2019 study conducted by Dalberg that found that 72% of people considered having a single, universally accepted ID as the main benefit of Aadhaar²³. 270 (62.36%) of the respondents marked less corruption with biometric checks

23 Swetha Totapally, Petra Sonderegger, Priti Rao, Jasper Gosselt, Gaurav Gupta. 2019. *State of Aadhaar Report 2019*. Dalberg, p21. https://policyinsights.in/wp-content/uploads/2021/12/SoA-2019_Report.pdf

as a benefit. We tried to further explore the concept of unique identity through a follow-up question. However, that question had to be discarded as more than 50% of the respondents provided inconsistent answers.

Of the seven persons who indicated additional options in the ‘other’ field, six highlighted ‘ease of banking ‘with Aadhaar, while one respondent opined that it was profitable to SPs.

Those who benefit from Aadhaar-based service delivery as perceived by the SPs.

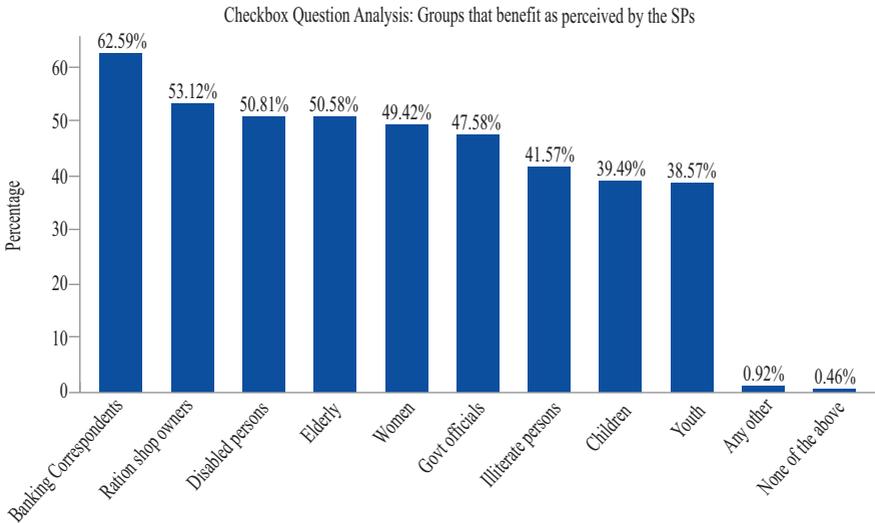


Table 5

This question was posed to understand the groups that were perceived to be benefitting most from Aadhaar-based service delivery. Most of the respondents considered banking correspondents and ration shop owners as those benefitting the most from Aadhaar. Ration shop owners were considered to be benefitting from the removal of duplicate ration takers due to Aadhaar. Banking correspondents were considered to be benefitting due to the commission earned by providing Aadhaar Enabled Payment Services.

Disabled persons, the elderly and women are perceived as benefitting more among social groups. Some respondents offered a rationale for their perception in the space provided for explanation. Multiple respondents pointed out that elderly, women and disabled persons benefit from Aadhaar-based banking transactions provided by Banking correspondents (*E-Mitra*), removing the need to visit the nearest bank to withdraw money for pension. Thus, they can withdraw money from their homes or the nearest service centre. Illiterate persons were also reported as benefitting from Aadhaar as it removed the need to fill out forms to withdraw money from the banks. These findings are in line with the reports by the Press Information Bureau that in April 2023 alone, more than 200.6 million banking transactions were made possible through AEPS and the network of micro-ATMs²⁴.

The responses also indicated the inaccessibility of banks in rural communities. Some of the words used in relation to banks were ‘queue’, ‘crowd’, ‘far away’, ‘uncomfortable’, ‘mistreatment’ and ‘fear’, with ‘queue’ being a frequent description. A respondent had the following to say regarding the ease of banking with Aadhaar: *“If an illiterate person visits the bank to withdraw money, then he has to take the help of other people to fill the voucher. Now, he can take his Aadhaar card and approach the E-Mitra and easily withdraw money”*.

Other perceived benefits of Aadhaar were reduced corruption from targeted delivery, unique identity and easy verification for availing government schemes, and elimination of duplicate ration card holders and duplicate ration takers. Direct Benefit Transfer (DBT) was also highlighted as a benefit by some of the respondents. Ease of banking, reduced corruption, and unique identity were also among the responses listed in Table 4. While four respondents marked any other in the checkbox, they did not follow this up with an explanation in the space provided for explanation.

²⁴ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1926374>

Services linked with Aadhaar according to the SPs.

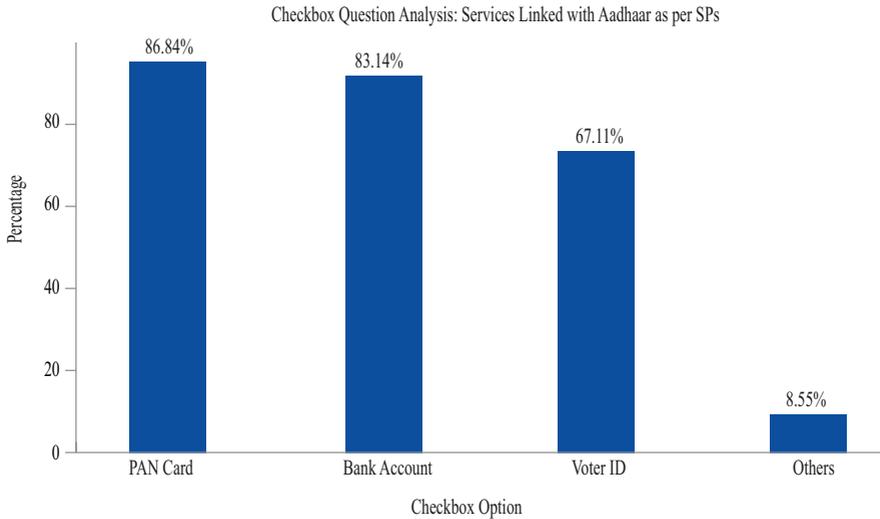


Table 6

376 respondents (86.84%) reported that, according to them, beneficiaries link their Aadhaar card with their PAN card while 360 respondents (83.14%) reported that beneficiaries also link their Aadhaar card with their bank account. 291 respondents (67.21%) reported that beneficiaries link their voter ID with Aadhaar as well. These checkbox options were indicated as the most commonly linked services among beneficiaries by coordinators of the SP project who were familiar with Aadhaar-based service delivery.

Of these, PAN card linkage is mandatory for all, while bank account linkage is required for availing government subsidies/benefits and voter ID linkage is optional. This question saw many responses (37) in the 'other' field. As such, these responses were plotted separately.

Additional linked services in the ‘other’ field

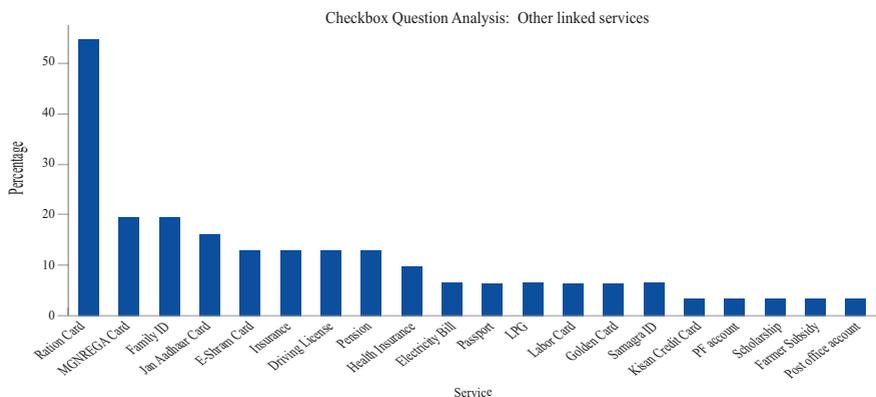


Table 7

As per the perception of the 8.55 % of SPs who indicated other services in addition to the three provided options, the highest number of Aadhaar cards were linked with ration cards, followed by Family ID²⁵, MGNREGA card, Jan Aadhaar card²⁶ and E-Shram²⁷ card. Other linked services include life insurance, driving licence, pension, LPG, health insurance, labour card²⁸, passport, golden card²⁹, Samagra ID³⁰, Kisan credit card³¹, electricity billing, Provident Fund account, scholarship, farmer subsidy and post office account.

This wide range of documents covers most aspects of citizen interaction with the state, indicating the wide prevalence

²⁵ The family ID identifies families in India. Eg. *Parivar Pehchan Patra* implemented in the state of Haryana.

²⁶ Jan Aadhaar is an identity card launched to unify the service delivery ecosystem by the state of Rajasthan.

²⁷ *E-Shram card is the identity card for the unorganized sector workers.*

²⁸ Card issued to labourers.

²⁹ Ayushman Bharat golden card linked to the health insurance scheme Ayushman Bharat Yojana.

³⁰ An identity card launched by Madya Pradesh to streamline welfare service delivery within the state.

³¹ Credit cards issued to farmers by Indian public sector banks.

of Aadhaar. Of these, linkage with MGNREGA has been particularly criticised by scholars and activists who alleged that rather than increasing transparency, Aadhaar linkage has left the workers in uncertainty about the status of payment and increased the number of rejected payments³². The linkage with the Jan Aadhaar card, Family ID and Samagra indicates that various state governments have also begun to link their social welfare programs with Aadhaar. Of these, Aadhaar linkage is mandatory for Jan Aadhaar card and Family ID (*Parivar Pehchan Patra*)³³.

Encountering instances of fine payment due to non-linkage of Aadhaar with documents (e.g., Aadhaar with PAN)

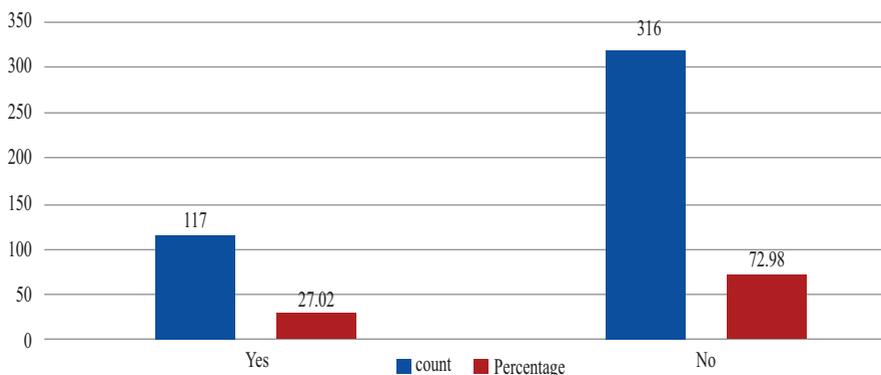


Table 8

The Finance Act of 2017 inserted a new section 139AA, which stated that every person eligible to obtain an Aadhaar number will quote it in the application for PAN and in the income return, and failure to do so will result in PAN becoming invalid³⁴. Those

32 <https://www.thenewsminute.com/andhra-pradesh/aadhaar-based-mgnrega-payment-causing-delays-wages-non-disbursal-178064>, retrieved on 7th September 2023

33 See <https://www.janaadhaar.rajasthan.gov.in/content/dam/doi/assets/janaadhaar/PDF/English%20FAQ.pdf> and https://meraparivar.haryana.gov.in/PPP_FAQ%20Document12jan21.pdf retrieved on 7th September 2023

34 <https://incometaxindia.gov.in/Acts/Finance%20Acts/2017/10212000000064612.htm>, retrieved on 7th September 2023

with existing PANs were directed to link PAN with Aadhaar. However, the SC, in a judgement, stayed the cancellation of the PANs of those without Aadhaar while upholding the constitutionality of section 139AA³⁵. Subsequently, PAN was extended from December 31, 2017, to March 31, 2018, and later March 31, 2019. In the judgement dated 26th September 2018 in the Puttaswamy case, SC held that the Aadhaar-PAN linkage is legal and valid. This was further iterated in an SC judgement dated 6th February 2019 on an appeal filed by the centre against the Delhi High Court's decision to allow two petitioners to file income tax returns without linking Aadhaar³⁶. In the case of *Bandish Saurabh Soparkar v. Union of India* 2020³⁷, the Gujarat High Court provided relief against the cancellation of PAN for not linking with Aadhaar. This led to the deadline being extended to 31 March 2021. This was later extended to 31 March 2022, 31 March 2023 and finally, 30 June 2023. The fine required to make the PAN operative again was 500 after 1st March 2022 and Rs.1000 INR after 30th June 2023. This question was asked to understand the prevalence of fine payment, considering the potential confusion generated due to many extensions of deadlines and multiple judgements.

The majority (316 respondents, 72.98%) did not encounter any instances of payment of fine for non-linkage with other documents. However, 117 respondents ((27.02%) reported having encountered instances of payment of fines due to not linking Aadhaar with PAN. While an opposition leader had written to the Prime Minister requesting him to waive the fine, considering the limited internet connectivity in rural areas and subsequent vulnerability to fraud³⁸, more research is required to ascertain the impact of this fine in rural India.

35 https://incometaxindia.gov.in/Lists/Press%20Releases/Attachments/633/PressRelease_Supreme-Court-judgement-Aadhar-Pan-linkage-12-6-2017.pdf

36 <https://thewire.in/government/linking-aadhaar-with-pan-mandatory-for-filing-it-returns-in-2019-supreme-court> retrieved on 7th September 2023

37 Civil Application (For Direction) No. 1 of 2019 in Special Civil Application No. 17329 of 2017, order dated December 27, 2019.

38 <https://www.outlookindia.com/national/aadhaar-pan-linking-extend-deadline-by-6-months-and-remove-fee-congress-leader-adhir-writes-to-pm-news-271948> retrieved on 7th September 2023

Recommendations provided by the respondents.

The last question of the survey sought recommendations from the SPs to improve Aadhaar-based service delivery. The respondents recommended that fingerprint technology must be upgraded to eliminate issues with fingerprint scanning. Multiple respondents demanded that the number of Aadhaar service centres must be increased. Most of the respondents strongly felt that everyone should receive ration and other essential benefits such as elderly pensions, scholarships, and pensions irrespective of authentication status. Alternate arrangements should be made for those who face difficulties with fingerprint authentication, including elderly, sick and disabled persons who can't travel to ration shops for authentication. There was also a suggestion regarding the implementation of mobile message updates for ration delivery. The SPs recommended that beneficiaries should be updated about their quota of ration and status of availing. Another suggestion concerned reducing the delay in updates as it can lead to denial of services in the meantime. It was also demanded that there must be Aadhaar redressal centres at local levels to address the grievances.

Another recommendation is related to the curbing of bribes. It was pointed out that Aadhaar centre operators charge extra for updating. This concern is in line with the findings given in Table 2, where 13.16% of the respondents reported that staff at official Aadhaar enrolment/ update centres demand bribes.

Limitations of the survey

The participant profile according to the state they are residing and working is plotted below.

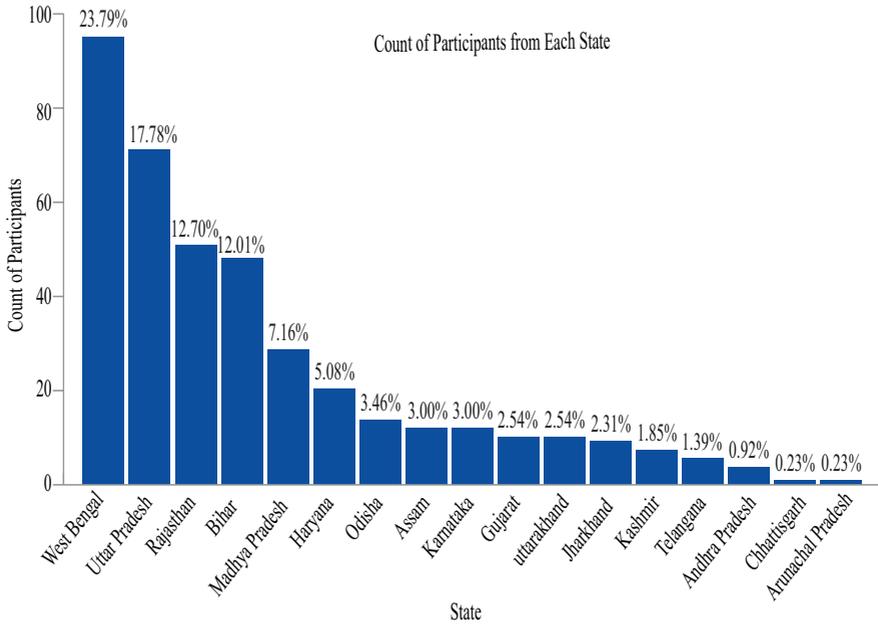


Table 9

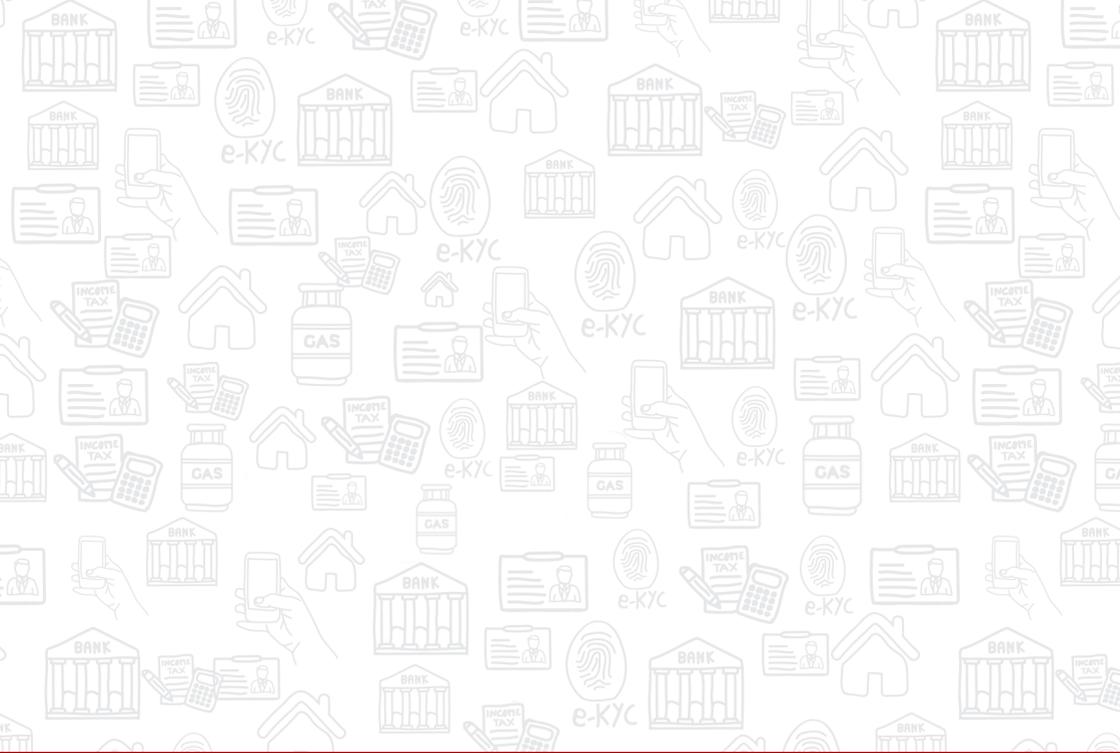
Most participants (23.79%) are from West Bengal, followed by Uttar Pradesh and Rajasthan. The lowest number of participants are from Arunachal Pradesh and Chhattisgarh (.23%). Since the distribution of participants is non-uniform and skewed, the state was not considered a factor of analysis. This is a limitation of the survey as state-specific regulations, policies and implementations can affect service delivery and experiences of citizens.

The survey was administered via Google Forms, which can be less effective than in-person administration. Additionally, the survey was limited in exploring the concept of unique identity in-depth. The survey also did not explore the socio-economic profile of the participants, which has the potential to shape their perspectives. The survey also did not explore perceptions

regarding the experiences of transgender individuals or homeless persons. Finally, this survey indicates the perception of SPs who generate income via providing Aadhaar-related services to the public, and it could have influenced their opinions.

Conclusion

Even 13 years after the first Aadhaar ID was allocated, residents of India continue to face difficulties in accessing Aadhaar-based services. Issues with biometric identification disproportionately affect the elderly, children, and disabled persons. Residents of areas with limited mobile connectivity are also at risk of authentication failures due to delayed or missing OTP. However, Aadhaar Enabled Payment Services facilitated via Banking Correspondents have become an unexpected boon considering the limited access to banks and ATMs in rural and remote areas. Largely, while Aadhaar seems to foster financial inclusion, it is doubtful how much it fosters social protection inclusion and its stated aim, especially for the most marginalised citizens.



Aadhaar Card Please...

A perception survey on Aadhaar-related services conducted with Digital Empowerment Foundation's information entrepreneurs (SoochnaPreneurs)



Scan QR code to read this report



Digital Empowerment Foundation

🌐 www.defindia.org ✉ info@defindia.org

