

Creating a Unique Identity Number for every resident in India

Overview

In India, an inability to prove identity is one of the biggest barriers preventing the poor from accessing benefits and subsidies. Public as well as private sector agencies across the country typically require proof of identity before providing individuals with services. But till date, there remains no nationally accepted, verified identity number that both residents and agencies can use with ease and confidence.

As a result, every time an individual tries to access a benefit or service, they must undergo a full cycle of identity verification. Different service providers also often have different requirements in the documents they demand, the forms that require filling out, and the information they collect on the individual.

Such duplication of effort and 'identity silos' increase overall costs of identification, and cause extreme inconvenience to the individual. This approach is especially unfair to India's poor and underprivileged residents, who usually lack documentation, and find it difficult to meet the costs of multiple verification processes.

There are clearly, immense benefits from a mechanism that uniquely identifies a person, and ensures instant identity verification. The need to prove identity only once will bring down transaction costs for the poor. A clear identity number would also transform the delivery of social welfare programs by making them more inclusive of communities now cut off from such benefits due to their lack of identification. It would enable the government to shift from indirect to direct benefits, and help verify whether the intended beneficiaries actually receive funds/subsidies.

A single, universal identity number will also be transformational in eliminating fraud and duplicate identities, since individuals will no longer be able to represent themselves differently to different agencies. This will result in significant savings to the state exchequer. As an example, the Ministry of Petroleum and Natural Gas can save over Rs.1200 crores a year in subsidies now reportedly lost on LPG cylinders registered under duplicate or ghost identities.

The UIDAI – evolving an approach to identity

The Government of India undertook an effort to provide a clear identity to residents first in 1993, with the issue of photo identity cards by the Election Commission. Subsequently in 2003, the Indian Government approved the Multipurpose National Identity Card (MNIC).

The Unique Identification Authority of India (UIDAI) was established in February 2009, attached to the Planning Commission. The purpose of the UIDAI is to issue a unique identification number (UID) to all Indian residents that is (a) robust enough to eliminate duplicate and fake identities, and (b) can be verified and authenticated in an easy, cost-effective way. The UIDAI's approach will keep in mind the learnings from the government's previous efforts at issuing identity.

The UIDAI will be created as a statutory body under a separate legislation to fulfill its objectives. The law will also stipulate rules, regulations, processes and protocols to be followed by different agencies partnering with the Authority in issuing and verifying unique identity numbers.

Features of the UIDAI model

The UID number will only provide identity: The UIDAI's purview will be limited to the issue of unique identification numbers linked to a person's demographic and biometric information. The UID number will only guarantee identity, not rights, benefits or entitlements.

The UID will prove identity, not citizenship: All residents in the country can be issued a unique ID. The UID is proof of identity and does not confer citizenship.

A pro-poor approach: The UIDAI envisions full enrolment of residents, with a focus on enrolling India's poor and underprivileged communities. The Registrars that the Authority plans to partner with in its first phase – the NREGA, RSBY, and PDS – will help bring large numbers of the poor and underprivileged into the UID system. The UID method of authentication will also improve service delivery for the poor.

Enrolment of residents with proper verification: Existing identity databases in India are fraught with problems of fraud and duplicate/ghost beneficiaries. To prevent this from seeping into the UIDAI database, the Authority plans to enrol residents into its database with proper verification of their demographic and biometric information. This will ensure that the data collected is clean from the start of the program.

However, much of the poor and underserved population lack identity documents, and the UID may be the first form of identification they have access to. The Authority will ensure that the Know Your Resident (KYR) standards don't become a barrier for enrolling the poor, and will devise suitable procedures to ensure their inclusion without compromising the integrity of the data.

A partnership model: The UIDAI approach leverages the existing infrastructure of government and private agencies across India. The UIDAI will be the regulatory authority managing a Central ID Data Repository (CIDR), which will issue UID numbers, update resident information, and authenticate the identity of residents as required.

In addition, the Authority will partner with agencies such as central and state departments and private sector agencies who will be 'Registrars' for the UIDAI. Registrars will process UID applications, and connect to the CIDR to de-duplicate resident information and receive UID numbers. These Registrars can either be enrollers, or will appoint agencies as enrollers, who will interface with people seeking UID numbers. The Authority will also partner with service providers for authentication.

The UIDAI will emphasize a flexible model for Registrars: The Registrars will retain significant flexibility in their processes, including issuing cards, pricing, expanding KYR (Know Your Resident) verification, collecting demographic data on residents for their specific requirements, and in authentication. The UIDAI will provide standards to enable Registrars maintain uniformity in collecting certain demographic and biometric information, and in basic KYR. These standards will be finalized by the KYR and biometric committees the Authority constitutes.

Enrolment will not be mandated: The UIDAI approach will be a demand-driven one, where the benefits and services that are linked to the UID will ensure demand for the number. This will not however, preclude governments or Registrars from mandating enrolment.

The UIDAI will issue a number, not a card: The Authority's role is limited to issuing the number. This number may be printed on the document/card that is issued by the Registrar.

The number will not contain intelligence: Loading intelligence into identity numbers makes them susceptible to fraud and theft. The UID will be a random number.

The Authority will only collect basic information on the resident: The UIDAI may seek the following demographic and biometric information in order to issue a UID number:

- Name
- Date of birth
- Place of birth
- Gender
- Father's name¹
- Father's UID number (optional for adult residents)
- Mother's name
- Mother's UID number (optional for adult residents)
- Address (Permanent and Present)
- Expiry date
- Photograph
- Finger prints

¹ Individuals with both parents deceased can provide a Guardian's name and UID number.

Process to ensure no duplicates: Registrars will send the applicant's data to the CIDR for deduplication. The CIDR will perform a search on key demographic fields and on the biometrics for each new enrolment, to ensure that no duplicates exist.

The incentives in the UID system are aligned towards a self-cleaning mechanism. The existing patchwork of multiple databases in India gives individuals the incentive to provide different personal information to different agencies. Since de-duplication in the UID system ensures that residents have only one chance to be in the database, individuals will provide accurate data. This incentive will become especially powerful as benefits and entitlements are linked to the UID.

Online authentication: The Authority will offer a strong form of online authentication, where agencies can compare demographic and biometric information of the resident with the record stored in the central database. The Authority will support Registrars and agencies in adopting the UID authentication process, and will help define the infrastructure and processes they need.

The UIDAI will not share resident data: The Authority envisions a balance between 'privacy and purpose' when it comes to the information it collects on residents. The agencies may store the information of residents they enrol if they are authorized to do so, but they will not have access to the information in the UID database. The UIDAI will answer requests to authenticate identity only through a 'Yes' or 'No' response. The Authority will also enter

into contracts with Registrars to ensure the confidentiality of information they collect and store.

Technology will undergird the UIDAI system: Technology systems will have a major role across the UIDAI infrastructure. The UID database will be stored on a central server. Enrolment of the resident will be computerized, and information exchange between Registrars and the CIDR will be over a network. Authentication of the resident will be online. The Authority will also put systems in place for the security and safety of information.

Benefits

For residents: The UID will become the single source of identity verification. Once residents enrol, they can use the number multiple times – they would be spared the hassle of repeatedly providing supporting identity documents each time they wish to access services such as obtaining a bank account, passport, driving license, and so on.

By providing a clear proof of identity, the UID will also facilitate entry for poor and underprivileged residents into the formal banking system, and the opportunity to avail services provided by the government and the private sector. The UID will also give migrants mobility of identity.

For Registrars and enrollers: The UIDAI will only enrol residents after de-duplicating records. This will help Registrars clean out duplicates from their databases, enabling significant efficiencies and cost savings. For Registrars focused on cost, the UIDAI's verification processes will ensure lower KYR costs. For Registrars focused on social goals, a reliable identification number will enable them to broaden their reach into groups that till now, have been difficult to authenticate. The strong authentication that the UID number offers will improve services, leading to better resident satisfaction.

For Governments: Eliminating duplication under various schemes is expected to save the government exchequer upwards of Rs. 20,000 crores a year. It will also provide governments with accurate data on residents, enable direct benefit programs, and allow government departments to coordinate investments and share information.

Revenue model

By providing identity authentication, the UIDAI will be taking on a process that costs agencies and service providers hundreds of crores every year. The Authority will charge a fee for its authentication services, which will offset its long-term costs. Registrars and service providers will also be able to charge for the cards they issue residents with the UID number. Such pricing will be within UIDAI guidelines.

Timelines

The UIDAI will start issuing UIDs in 12-18 months, and the Authority plans to cover 600 million people within 4 years from the start of the project. This can be accelerated if more Registrars partner with the Authority for both enrolment and authentication. The adoption of UIDs is expected to gain momentum with time, as the number establishes itself as the most accepted identity proof in the country.

Conclusion

India will be the first country to implement a biometric-based unique ID system for its residents on such a large scale. The UID will serve as a universal proof of identity, allowing residents to prove their credentials anywhere in the country. It will give the government a clear view of India's population, enabling it to target and deliver services effectively, achieve greater returns on social investments, and track money and resource flows across the country.

The timing of this initiative is encouraging – the creation of the UIDAI coincides with growing social investment in India, a shift in focus to direct benefits, and with the spread of IT and mobile phones, which has made the public receptive to technology-based solutions. The UIDAI is committed to making this project a success. An initiative of this magnitude will also require the active participation of central, state and local governments, as well as public and private sector agencies across the country. With their support, the project will help realize a larger vision of inclusion and development for India.