

Aadhaar ID saving Indian government about \$1 billion per annum: World Bank

By PTI | 14 Jan, 2016, 01.35PM IST

Hailing India's Aadhaar digital ID, the World Bank has said the initiative is estimated to be saving the government about \$1 billion annually.

WASHINGTON: Hailing India's Aadhaar digital ID, the World Bank has said the initiative is estimated to be saving the government about \$1 billion annually by curbing corruption as it underlined that digital technologies can promote inclusion, efficiency and innovation.

"We estimate that this (Aadhaar digital ID) is saving approximately \$1 billion (Rs 650 crores) a year by reducing corruption and leakage for the Indian government. It is a help in fiscal budgeting. It is a help in providing other useful services," World Bank Chief Economist Kaushik Basu told reporters here during the release of a report on Digital Dividends.

"India's Aadhaar digital identification system has already reached close to one billion people enabling many of the poor to access services more easily and making it possible for government to deliver welfare services more easily," he said at the World Bank headquarters here.

India is on track to register its entire 1.25 billion population using its Aadhaar digital ID, the World Bank said yesterday. This, it said, would help the government to promote the inclusion of disadvantaged groups in its welfare schemes.

"Technology can be transformational. A digital identification system such as India's Aadhaar, by overcoming complex information problems, helps willing governments to promote the inclusion of disadvantaged groups," the World Bank said.

"India is on track to register its entire population using its Aadhaar digital ID," the Bank said in its new 'World Development Report 2016: Digital Dividends,' authored by Co-Directors, Deepak Mishra and Uwe Deichmann.

The report noted that digital technologies can promote inclusion, efficiency, and innovation.

"Digital technologies are transforming the worlds of business, work, and government," said Jim Yong Kim, President of the World Bank Group.

"We must continue to connect everyone and leave no one behind because the cost of lost opportunities is enormous. But for digital dividends to be widely shared among all parts of society, countries also need to improve their business climate, invest in people's education and health, and promote good governance," he said.

Basu said it is an amazing transformation that today 40 per cent of the world's population is connected by the internet.

"While these achievements are to be celebrated, this is also occasion to be mindful that we do not create a new underclass. With nearly 20 per cent of the world's population unable to read and write, the spread of digital technologies alone is unlikely to spell the end of the global knowledge divide," he said. Releasing the report 'World Development Report 2016: Digital Dividends', Basu said the digital revolution is changing the economic, political and social lives.

"It makes it possible for those seeking a service and those supplying the service to come together in moments. This is true of the Uber. Digital technology is making it possible for the government to deliver food and health services to the poor with minimal leakage," he said.

Noting that as access to the internet becomes more common, possessing a mobile phone becomes a norm, Basu said not having mobile phone becomes a new form of deprivation.

"Just as having access to the internet is empowering, not having that access in today's world when lots of other people have that access can lead to a new form of impoverishment," he observed.

Basu said the report points out that the very early advantage India had through development of biometrics identification card is helping India get digitised and is going to benefit India in a number of ways.

"One it is going to cut down cost. Huge amount of leakage that used to take place traditionally could get cut down by this," he said in response to a question.

Basu said Aadhar is going to unleash the huge potential of mobility wherein even the poorest of the poor would assured of their having access to the government welfare measures anywhere in the country.

"So, India's huge move on the digital side is likely to confer a very big amount of benefit. Again as this report points out, basic ability to read and write which from one point of view may look far removed from the digital development, but to link up to the digital advantage you need to be able to read and write. That is one of the many analogue components that the report talks about," he said.

"India which has made huge strides in the digital sector, needs to look on the analogue components so that everyone is able to get advantage from," Basu said in response to a question.

The report said that while the internet, mobile phones and other digital technologies are spreading rapidly throughout the developing world, the anticipated digital dividends of higher growth, more jobs, and better public services have fallen short of expectations and 60 per cent of the world's population remains excluded from the ever-expanding digital economy.

More than 40 per cent of adults in East Africa pay their utility bills using a mobile phone.

There are eight million entrepreneurs in China -- one-third of them women -- who use an e-commerce platform to sell goods nationally and export to 120 countries.

India has provided unique digital identification to nearly one billion people in five years, and increased access and reduced corruption in public services.

And in public health services, simple SMS messages have proven effective in reminding people living with HIV to take their lifesaving drugs, the report said.