Recent events in Jharkhand shed some useful light on the damage done by compulsory biometric authentication in the Public Distribution System (PDS). This is increasingly a countrywide problem. The reason is that <u>Aadhaar</u>-based biometric authentication (ABBA) is being relentlessly pushed by the Central government, with little attention to the consequences.

In Jharkhand, ABBA was first made compulsory for PDS users in Ranchi district in August 2016. By June 2017, it was mandatory in about 80 per cent of the ration shops across the state. This meant, of course, that Aadhaar itself was compulsory — no Aadhaar, no food. But making ABBA compulsory for PDS users creates two more serious hurdles for them.

First, ABBA requires Aadhaar seeding. This means that PDS users must not only have an Aadhaar number, but also get this number correctly linked to their ration card. This is far from trivial. One difficulty, among others, is that seeding often creates inconsistencies between databases — in this case, between the ration-cards database and the Aadhaar database.

For instance, names may be spelt differently in the two databases. At least some of these inconsistencies need to be resolved for successful seeding. The middle class recently discovered the hassles of Aadhaar seeding in the context of the PAN-Aadhaar linkage. The problem is much worse for underprivileged people. Many of them depend heavily on middlemen, who extract a price at every step.

There is another difficulty with Aadhaar seeding. How is it to be achieved in good time, when people have no reason to hurry? The obvious way, also used by banks and telecom companies, is to set a deadline and threaten to discontinue benefits after that. If the deadline keeps getting postponed, however, the threat may not serve the purpose.

At some point, therefore, the threat needs to be carried out. That is what happened on March 27, when the Chief Secretary of Jharkhand ordered Aadhaar-less ration cards to be cancelled. As a result, large numbers of people found themselves excluded from the PDS for no fault of their own. To add insult to injury, the Government of Jharkhand claimed that the cancelled cards were fake. But recent verification exercises in three blocks (Khunti, Mahuadanr and Manika) confirm that most of the concerned cardholders are alive and eligible. In much the same way, job cards and even pensions have been cancelled en masse in Jharkhand for the sake of achieving 100 per cent Aadhaar seeding.

The second hurdle is monthly biometric authentication at the ration shop. This requires connectivity, a functional point of sale (PoS) machine, operational servers, and of course, successful fingerprint recognition. Official statistics and independent surveys point to high failure rates in Jharkhand — perhaps 10 to 20 per cent. The victims often come from vulnerable groups, such as elderly persons and manual labourers with rough fingerprints. Even those for whom ABBA eventually works, face much inconvenience, anxiety and waste of time.

Some readers may feel that these hassles are a small price to pay for removing corruption from the PDS. There is growing evidence, however, that ABBA has revived rather than reduced PDS corruption in Jharkhand, at least for now.

The main source of PDS corruption in Jharkhand is what people there call "katauti" (cuts). This means that the PDS dealer gives them a little less than their due — say 23 kg of foodgrain per month instead of 25 kg. In a recent survey of the PDS in 32 randomly-selected villages of Jharkhand, we found that the average katauti was the same (about 7 per cent) before and after

ABBA was introduced. This is not surprising: If dealers have the power to give people less than their due, biometric authentication does not help.

Meanwhile, a new form of corruption has emerged. Whenever biometric authentication fails for some PDS users, the dealers have some leftover grain (mainly rice, in Jharkhand) at the end of the month. Predictably enough, the leftovers are routinely siphoned off.

Since transactions are now digitised, the Government of Jharkhand has a record of these leftovers. A few months ago, it decided to recover the leftovers, so to speak, by telling dealers that they should distribute from the accumulated leftovers until the gap is made up. This, however, led to chaos in the PDS, because many dealers had already sold the leftovers in the market. The problem was not just that they had nothing to distribute the next month, but also that if they did not distribute, the same situation would arise again the following month, since the recorded leftovers would remain the same.

Short of buying rice in the market to distribute in the ration shop, the only way out for corrupt dealers is to rig the digital records. This is not easy, but it can be done. In Beltoli village of Latehar district, we found out one of the methods being used for this purpose. Under the National Food Security Act, every person listed on a "priority" ration card is entitled to 5 kg of foodgrain per month.

In Beltoli, however, the dealer is telling people that this entitlement is now restricted to the names (not just the cards) that have been seeded with Aadhaar. Judging from 25 testimonies collected there this month, this practice enables the dealer to distribute just 60 per cent of the prescribed quantity while entering the full amount in the PoS machine. Further enquiries in neighbouring villages suggest that this practice is not confined to Beltoli.

We heard of other methods too, including one whereby dealers simply tell people that it is "Modi's wish" that they should undergo biometric authentication at least once without getting any rice. This enables them to record fake transactions with abandon. All this illustrates a more general point: In Jharkhand, ABBA has not reduced the power of PDS dealers, which is the real root of corruption. On the contrary, it has increased people's dependence on the local dealer, because it is the dealer who knows the rules of Aadhaar seeding and biometric authentication.

In response to the public outcry that followed recent starvation deaths in Jharkhand, the Central government has directed state governments to ensure that those for whom ABBA does not work are able to buy their PDS rations using an "exemption register". This, however, is just a band-aid solution. If further tragedies are to be avoided, the Central government should stop insisting on ABBA and let the states use more appropriate technologies for last-mile monitoring.

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