Exporting AADHAR

What is the issue?

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The enthusiasm with which government agencies and businesses have embraced Aadhaar should prompt India's foreign policy planners to deploy it abroad.

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Aadhar in Foreign Policy:

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- Executed properly, Aadhaar could become a central pillar of India's "neighbourhood first" policy, culminating in the creation of a unique digital South Asian identity.
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- A single, region-wide platform to authenticate residents of South Asia could integrate its markets, bring communities closer and allow governments to offer a wider range of governance services.
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- The demand for identity-driven governance in South Asia is indisputable, and Aadhaar could be Indian foreign policy's biggest asset to promote economic and political convergence in the region.
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What is the need of digital identity in abroad?

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- South Asian governments, long content to gather data through traditional means such as censuses, are struggling to capture dynamic trends in their population.
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- Current databases shine no light on urban mobility, data consumption patterns, or quality of life, because these are metrics that need integrated data sets and powerful analytical tools.
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- To capture "multi-dimensional" data, India's neighbours have moved towards digital identity schemes.
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- The need for unique IDs is also acute because post-conflict societies in South Asia have not fully rehabilitated excluded minorities or former combatants.
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- In comparison to politically fraught changes — for instance, the 13th Amendment to the Sri Lankan Constitution for the devolution of powers, or federalist reforms in Nepal — digital identity schemes are easier to implement, can strengthen local governments and support the financial inclusion of marginalised sections.
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Whether the neighbours have their own system?

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- Already, South Asian economies are in varying stages of conceiving or implementing their own "national identity" schemes.
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- Pakistan has the National Database and Registration Authority (NADRA), that for two decades has collected biometric information.
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- In 2013, NADRA even won an international contract to create Sri Lanka's digital national identity scheme, but that project appears to have stalled.
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- Nepal, meanwhile, intends to roll out biometrics-driven "national ID cards" to its citizens soon.
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- The Election Commission in Bangladesh began issuing such cards last year.
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Where does India can help?

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- Beyond collecting biometric data, however, South Asian governments have

not been able to create digital ID-enabled applications.
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- This is what Aadhaar has mastered, making it a very valuable foreign policy export. Its open application programming interface (API) layers — known as "India Stack" — set Aadhaar apart from other biometric ID programmes.
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- India Stack APIs, which include the Unified Payment Interface (UPI) and Aadhaar e-KYC, allow applications to be built atop them (for example, the Bharat Interface for Money or BHIM app) and enable identity-driven transactions.
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- Such platforms will be invaluable to an economy working to integrate its communities.
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- In Bangladesh, digital IDs could track loans made by multiple microfinance institutions to the same borrower and help check rural debt.
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What are the Strategic benefits?

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- The digital networks for much of South Asia are likely to be supplied by Chinese companies over the next decade.
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- Telecom pipes and towers built by China will carry the Internet to the user, but innovation in Asia's digital economies will happen at the top — the "app layer".
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- Aadhaar-like platforms catalyse innovation by tailoring Big Data for governments and businesses alike.
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- The political and economic leverage India will accrue as a result of enabling such entrepreneurship will surpass fixed investments by China.
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- There is another strategic reason for India to export the Aadhaar platform.
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- Once a critical mass of Aadhaar-enabled applications has been created, interoperability standards for the digital ecosystem will be determined by the Unique ID programme.
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- App developers, handheld manufacturers, and even Internet Service Providers will have to work around Aadhaar's encryption standards and data

protection guidelines.

- Such a scenario will be India's best response to concerns that China will pump its infrastructure, and — in the words of Foreign Secretary S. Jaishankar — "hard wire" the norms of governance in the region.

Source: The Hindu