

PRESS RELEASE

NIPFP Study finds large returns from Aadhaar project



A research team from the National Institute of Public Finance and Policy presented the cost-benefit analysis of the Aadhaar programme to the Deputy Chairman, Planning Commission today. The study finds that substantial benefits would accrue to the government by integrating Aadhaar with schemes such as PDS, MNREGS, fertilizer and LPG subsidies as well as certain housing, education and health programmes. After taking into account all the costs, and making modest assumptions about leakages, the study finds that the Aadhaar project would yield an internal rate of return of 52.85 percent to the Government.

The Twelfth Plan document as approved by the Cabinet aims at financial inclusion by providing Aadhaar linked banking services to all desirous households and progressively moving to ‘cash transfers’ for major subsidies and beneficiary payment programme.

The NIPFP study argues that if we were to add more programmes and expand the scope of the analysis, and also include the intangible benefits, the likely returns will be higher. Full details of the calculations have been released by NIPFP at the URL <http://goo.gl/JzwaV> on the web, so that other scholars and policy analysts can modify some assumptions and explore alternative outcomes. The full study is also available at the Planning Commission website at the link http://www.planningcommission.gov.in/reports/rep_uid_cba_paper.pdf