»» Empowering the poor while increasing administrative efficiency: the double benefit of electronic identity systems

One Pager 1

Over 1.5 billion people in developing countries have no official proof of identity, which often bars them from accessing public services and exercising their civil rights. The sustainability agenda therefore set out the target of every person in the world having a legal identity by 2030 (SDG 16.9). Technological progress puts this target within reach.

Digitisation of the registration system holds enormous efficiency potential

e-identity systems, i.e. proof of identity in a digital form like, smartcards and scanners for fingerprints or the iris of the human eye. They offer huge advantages over the traditional, paper-based systems of proving a person's identity. They can be created quickly, easily and cost-effectively and are difficult to manipulate. Thanks to the option of being able to store and request digital data from a single central database, multiple entries are avoided and the number of errors made in data entry, management and export is reduced. At the same time, official documents such as birth certificates can be prepared in digital form at a considerably faster speed. e-identity systems are the key components in the digitisation of public registration systems and will therefore make a significant contribution towards increasing the efficiency of public administration.

e-identity systems offer huge benefits to the citizens

The widespread availability of mobile communication technology and the ability to access information from central databases allows for payments, applications and confirmations to be instructed, verified and processed almost in real time. Examples of key fields of application include:

- *Democratic elections and political participation:* The ability to clearly identify and register those entitled to vote increases the transparency of the voting process and makes electoral fraud difficult. Using an electronic ID will allow many disadvantaged people to exercise their right to vote for the first time.

- *Access to social services:* e-identity systems will allow the poor to better assert their entitlement to social services (e.g. basic health services, basic education, state transfer benefits).

- *Access to financial services:* Electronic means of identification will also make it easier for the poor to access financial services. From the perspective of credit institutions, the authorisation of payment transactions will become significantly easier and the inter-institutional central recording of track records in credit registers will simplify the process of assessing creditworthiness, which will make it easier to access additional financial services (current accounts, insurance, loans etc.).

- *Better corruption control:* By being able to quickly and comprehensively check whether individuals are entitled to benefits using central databases, misuse is prevented or at least considerably easier to identify. Within public administration, so-called "ghost employees" and family members who continue to draw pensions in the name of pensioners who are long dead, for example, can be quickly identified through automatic checks of staff directories, population registers and lists of payment recipients.

Another factor that should not be disregarded is the psychological effect. Upon receiving an electronic ID, disadvantaged people will for the first time be in possession of a document that demonstrates that they are a full citizen of a country.

Challenges of a nation-wide implementation

The basic prerequisite of e-identity systems is an adequate legal and regulatory framework, which ensures the availability and provision of personal data and protection against data misuse in equal measure. In authoritarian systems, this particularly refers to the prevention of surveillance and manipulation.

In order to realise the full potential of e-identity systems, this will also require the widespread availability and compatibility of necessary IT equipment (e.g. hardware, software, scanners) as well as access to up to date and reliable Internet connections in administrative facilities – outside of urban centres too. In many cases, adjustments of administrative processes as well as user training sessions are also required.

e-identity systems with modern IT and biometric technology applications will represent something of a novelty for many developing countries. In some cases, citizens will regard these systems with scepticism. The technical and administrative implementation should therefore be accompanied by information campaigns and user training, with the aim of generating the necessary level of acceptance and user confidence within the population.

Conclusion: e-identity systems make an efficient contribution towards reducing inequality

By supporting the introduction of e-identity systems in developing countries, international development cooperation is not only able to make an important contribution towards increasing efficiency in the public sector; it also contributes to empower the disadvantaged. ∎