

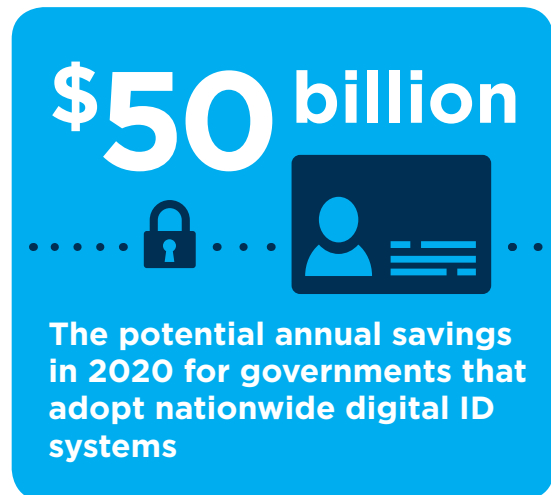
## Digital IDs for Development

### Access to Identity and Services for All

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Lack of personal official identification (ID) prevents people from fully exercising their rights and isolates them socially and economically—voting, legal action, receipt of government benefits, banking, and borrowing are all virtually closed off. The widespread lack of ID in developing countries is a critical stumbling block to national growth. Digital ID, combined with the already extensive use of mobile devices in the developing world, offers a transformative solution to the problem—a simple means for capturing personal ID that can reach far more people; and new, more efficient ways for government and business to reach and serve the population.

Robust digital ID systems can produce huge savings for citizens, government, and business, increase transparency and accountability, and drive innovation. Harnessing their power will require strong political will and leadership, foreign assistance matched with local incentives, and a supportive institutional environment. Trust in data security will be critical to achieving tangible results.



### Identity: A Fundamental Right and a Gateway to Development

Official identification (ID) is more than a convenience; it is a fundamental human right. It is indispensable for connecting residents to electoral participation, educational opportunities, financial services, health and social welfare benefits, and economic development. It gives people a chance to better communicate with and be recognized by their government while giving governments the opportunity to listen and improve the lives of their citizens.

Yet in the developing world, nearly 2 billion people lack an official ID. The problem imposes a particular

burden on poor rural women, whose lack of an ID often nullifies their legal right to divorce or exert property claims or directly receive government benefits. The expansion of digital mobile phone technology in developing countries has accelerated the emergence of digital identification and the electronic delivery of services. In sub-Saharan Africa, more than half of the population in some countries is without official ID, but more than two-thirds of residents in the region have a mobile phone subscription. Over the past few years, digital IDs have become a game-changer, overcoming the barriers to distributing official ID nationwide and opening the way to digital service delivery as a key development tool.

A digital ID can be established biometrically through a person's facial or optical characteristics or fingerprints, all of which can be verified online, in real time, using a smartphone or other connected device.

In Ghana, a new digital national ID system is using fingerprints for registration. Targeted at the entire population of more than 25 million, the system aims to better connect citizens to government and commercial services.

## Benefits for Citizens and Businesses

Full deployment of digital IDs could put a bank account within reach of the 500 million people whose lack of recognized ID excludes them from banking. For social services, a biometric ID system in India allowed the first-ever delivery of social welfare payments directly to all female beneficiaries instead of to one of their male relatives. Pakistan has used digital ID embedded in smart cards to facilitate transfers to poor women and emergency disaster relief.

Modernizing government ID systems is opening the way to the huge efficiency gains in business that come from digital transactions—so long as the data are trusted. In the G20 countries, Internet commerce could be reduced by as much as \$1 trillion per year if trust in digital ID is undermined.

## Benefits for Government

Digital ID systems yield gains in efficiency and convenience that could yield global taxpayer savings of up to \$50 billion per year by 2020. Through online transactions and other e-services, digital ID systems also can reduce the corruption and theft in paper-based systems that siphons off entitlement payments from their intended recipients.

Digital ID systems also advance government accountability and transparency. A 2010 biometric census of civil servants in Guinea-Bissau reportedly identified 4,000 nonexistent workers on the public payroll. Nigeria reported eliminating 43,000 “ghost” workers in the first phase of a pilot in 2011 that saved \$67 million. In Botswana, biometric enrollment of pensions and social grants eliminated

waste by identifying duplicate records and deceased beneficiaries.

## Harnessing the Power of Digital IDs

Countries seizing the opportunities presented by digital ID must have robust legal and technical frameworks for the protection of data and privacy. Success will depend on government instilling a climate of trust through such systems, and these in turn require strong political commitment and leadership.

A recent study estimated that in 2020 alone, two-thirds, or \$480 billion, of the potential value of digital ID in the European Union is at risk if personal data is not trusted. Moreover, government missteps in addressing trust and handling citizens' data can affect the economy as a whole, threatening revenues and efficiency gains derived from all personal data applications.

Establishing digital ID systems can be costly. An important way for governments to reduce the initial financial burden is to establish public-private partnerships that will create revenue flows and ensure sustainability.

## A Global Agenda

Recognizing the transformational potential of 21st-century ID systems for the delivery of basic services to the poor, the World Bank recently launched its Identification for Development (ID4D) agenda. The goal is “making everyone count” by “providing an identity and delivering digital ID-enabled services to all.”

The Digital ID program is a key element of the multisectoral ID4D agenda. The latter is aligned with Sustainable Development Goal 16.9, “legal identity for all, including birth registration,” by 2030. As it pursues ID4D, the World Bank will collaborate with development partners and governments to provide unified technical and financial support to low- and middle-income countries.

- For more information on this topic:  
<http://blogs.worldbank.org/ic4d/using-digital-identities-fight-poverty>  
<https://www.secureidentityalliance.org/index.php/news-events/news/311-mobile-identity-gsma-sia>

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