

**Narendra Modi: Aadhaar helped Modi government save \$9 billion: Nandan Nilekani**

WASHINGTON: The Indian government's [Aadhaar card](#) scheme, which has enrolled more than 1 billion people, has helped the exchequer save about USD 9 billion by eliminating fraud in beneficiary lists, its architect [Nandan Nilekani](#) has said here.

The system, launched by the previous UPA government, has been "enthusiastically" supported by the current government led by Prime Minister Narendra Modi, and Finance Minister Arun Jaitley, said the 62-year-old non-executive chairman of Infosys -- India's second largest software services firm.

It has really been a bipartisan thing, Nilekani said while participating in a World Bank panel discussion on Digital Economy for Development yesterday.

He said that it is easier for the developing countries to leapfrog by building a right digital infrastructure.

[Aadhaar](#) now has more than a billion people registered on its system, he said.

"It has also saved the government about USD 9 billion in fraud and wastage because by having that unique number you eliminate fakes and duplicates from your beneficiary and employee list," Nilekani said at the event on the sidelines of the annual meeting of the International Monetary Fund (IMF) and the World Bank.

"We have about half a billion people who have connected their ID directly to a bank account. The government has transferred about USD 12 billion into bank accounts electronically in real time to the world's largest cash transfer system. There are many many things like that.

"I'm a big believer that if you build the right digital infrastructure then you can leapfrog," Nilekani, the former chairman of Unique Identity Development Authority of India (UIDAI), said.

In the new world of data economy, identity authentication, frictionless payments, paperless transactions these are all very important layers of the new digital economy. That is what India has done, he said.

India is the only country in the world where a billion people can do completely paperless, cashless transactions on their mobile phones using this infrastructure which dramatically reduces costs.

"Once you bring cost down, automatically inclusion happens," Nilekani said, adding that there is a fundamental strategic way of looking at it.

Now it is very clear that date is where the action is, he said.

The infrastructure that India has created enables every individual to use his or her data for their advancement, which is fundamental. Herein an individual used data for their personal advancement, Nilekani said.

"There is a fundamental inversion happening of the way we think of data, which is unique," he said, adding that this has a lot of implications for the bank and people in public policy who have to look at what's the new rules of the game in the economy.

Responding to a question, Nilekani said the World Bank has really done a great job in internalising the concept of digital ID.

A high-level panel having representation from about 15-20 countries met at the bank yesterday to have discussions on it.

When one has this digital ID, one can authenticate oneself through a system and get the own data out, he said.

Noting that in India the Supreme Court has declared privacy as a fundamental right, he said the apex court has also laid down a framework that even when the government need to achieve a state objective then they can circumscribe some of those privacies.

"It says for national security, for prevention of crime, protection of revenue, or for social welfare," Nilekani said.

But the court said, every time the government circumscribes the privacy, it has to be a law, it has to be reasonable and it must be proportional.

Nilekani said that the question of how data use can address inequality has not been discussed enough.

"When the internet happened in the West in the last 15 years... the West was economically rich before they became data rich," he said.

But in developing countries people have become data rich before they become economically rich, Nilekani said.

"So in a society where per capita income is USD 1500 and you are data rich, the business model is how do we create an architecture where individuals and businesses are able to trade in their data to improve their lives. That is the heart of the question.

"If I as a consumer can use my data to get better loans, better education, better jobs and better skills, and if we can get a billion people to get access to that they will use data as the ladder to improve their lives," he added.

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