



ONE  
IN A

**BILLION**

Imagine being asked to set up a biometric ID  
for every person in India. **NANDAN NILEKANI** tells Brunswick's  
**KHOZEM MERCHANT** how he rose to that challenge



even hundred and sixty million people have been registered – a billion is on the horizon,” says Nandan Nilekani, scarcely flinching at the number of people in India who have been assigned a unique biometric identity. For scale alone, there is nothing to compare anywhere in the world.

Nilekani is not new to scale. He mastered the discipline of mass replication of services based on a core technology at Infosys. He co-founded the company with Narayana Murthy and five others in Bangalore three decades ago and transformed it into a global leader in back-end information systems management for Wall Street banks and industry in developed economies.

Along the way, he earned himself a name and a fortune. The first brought admirers and – after writing a best-seller that imagined ways technology could reboot India – a government invitation to launch a digital identity program for all residents. The second allowed him to join a growing list of billionaires worldwide who are taking on society’s challenges of an awesome magnitude of risk and scale.

India’s identity program, known as *Aadhaar*, has surprised both well-wishers and critics with the swiftness of its adoption since it was launched in 2010. The project addresses India’s lack of a universal, portable ID. Aadhaar assigns a 12-digit ID to any resident, giving them access to government services across India’s 29 states. Regulations can differ state to state, making the administrative case alone for a universal, validated ID compelling. But the task is enormous and granular in a nation where most citizens lack any formal identification, such as a passport.

ID for the ID-less quickly ran up to about 600 million registrations by March 2014, when Nilekani quit as chairman of Aadhaar’s governing authority to run for office in India’s general election from his home city of Bangalore. He lost, and in the government change Aadhaar, a punching-bag for the pugilist opposition BJP, looked like a loser too.

But the ID program survived. Not only was it already embedded in the labyrinth of public services, but it complemented the new administration’s deepening reliance on technology-based governance.

**Our display font, Painter Kafeel, is named for the Indian street artist who created it. The project HandpaintedType preserves and digitizes the dying art of roadside sign typography and supports the artists involved**

[www.handpaintedtype.com](http://www.handpaintedtype.com)

## Nilekani understands the need for persuasive communications.

“We had to keep the messaging simple and minimal,” he says

Prime Minister Narendra Modi’s new government supported Aadhaar, allocating more funds as well as grudging political capital to the initiative.

Aadhaar itself is built on two big ideas, best understood by one statistic: 600 million of the 1.2 billion population live close to or below the official poverty line in India. First, digital ID widens social and economic inclusion, letting in those left out by giving them access to government payments, food handouts and other services. Second, it curtails the siphoning of billions of rupees, stolen using ghost names or lost by other egregious leakages, amounting to an estimated 10 percent to 40 percent of total welfare outflows. This waste has distorted a burgeoning pyramid of welfare payments, and federal finances.

Inevitably, Aadhaar has drawn fire. Besides the partisan critics, the blogosphere has lampooned it for registrations of Indian gods and rare flowers. Even so, the new system will erase millions of fictitious names, from heaven or earth, and channel welfare payments more securely to those with proven needs – and proven identities. “I was brought in to put energy behind these ideas,” says Nilekani. That energy stands to contribute to a transformation in public services.

**AS A TECHNOLOGIST**, though, Nilekani – who remains an informal ambassador for Aadhaar – wants the system to do more. Aadhaar, which means “foundation” in Hindi, is an open platform for which apps can be designed offering different services such as banking, education and health. An early innovation, welcomed by millions frustrated by red tape and its associated sloth, is an app that tracks bureaucrats’ attendance at work. The inventor was a bureaucrat, Ram Sewak Sharma, who would go on to play a central role in the creation of Aadhaar itself.

In this way, Aadhaar can grow organically and quickly as need demands, like the internet or GPS, both of which ballooned as private industry took

advantage of the open-platform technology shared by US national defense industries.

Aadhaar is equally transformational for Indian financial services. Direct cash transfer to Aadhaar-registered bank accounts is a huge benefit, as it encourages banking in a country where about 40 percent of Indian households are unbanked – around a half billion people, according to the Indian central bank. Linking the unbanked to the formal economy will enable them to save securely, and banks will cheer because Aadhaar will help them know their customers. The hope is that this will also ease banks' historical aversion toward lending to the rural poor.

With Aadhaar's political future assured, India's restless start-up community is also stirring around the project, nudging it closer to Nilekani's concept of the database as a "platform of innovation." In January, hundreds of techies descended on Bangalore for a mass hackathon to develop apps for Aadhaar, organized by Silicon Valley technology investor Vinod Khosla, with \$1 million thrown in by a Seattle-based venture fund.



Aadhaar's hurdles run beyond technology. The big one involves how to sell Aadhaar to a public skeptical of grandiose promises by a government still struggling to, say, manage the fallout from heavy rains. Aadhaar is also criticized for its accumulation of personal data, though this means more to metropolitan civil activists than to the rural poor.

A big asset in tackling these issues was Nilekani himself, a technology aristocrat but representing a community of self-made businessmen, revered and trusted by most Indians for succeeding without government help. Nilekani insists data privacy is not being compromised because Aadhaar obtains only basic information such as date of birth. The disclosure of data to a third party, such as the developer of an education app that bolts on to the database, is the prerogative of the individual citizen.

"This is not big brother," he says. "Aadhaar is just an ID system that stores identities – any data beyond that sits in the application of the app service provider – that's why we call it a federated structure."

Marketing Aadhaar required a communications approach to match the best in India. Advertising gurus



such as Santosh Desai, leader of one of India's top retail brands, came on board. Nilekani understands the need for persuasive communications. "We had to keep the messaging simple and minimal," he says. A self-evident truth, you might say, until you consider that India has 22 official languages, dozens of dialects, an entrenched caste system and multiple faiths. It is the most heterogeneous of societies and has defeated the marketing campaigns of some of the biggest consumer goods companies in the world. Any approach had to be especially nuanced.

As if that were not enough, Aadhaar has had to target multiple stakeholders – government agencies, NGOs because of their proximity to local communities, and a long chain of functionaries and officials. Mimicking a private company product roll-out risked appearing too eager to appeal to consumers and eroding political support. Too official, and the project risked being seen as just another government program. With a billion registrations in sight, Aadhaar may just have struck the right balance.



## NANDAN NILEKANI

In 2014, Nandan Nilekani won *The Economist* Social and Economic Innovation Award for his leadership of *Aadhaar*. Prior to the project, Nilekani was Co-Chairman of the Board of Directors of Infosys, which he co-founded in 1981. He also co-founded India's National Association of Software and Service Companies and is President of the governing body of India's leading independent economic research group, the National Council of Applied Economic Research. In 2006, he received the *Padma Bhushan*, one of India's highest civilian honors, and was named Businessman of the Year by *Forbes Asia*. *Time* magazine listed him as one of the 100 most influential people in the world in 2006 and 2009.

**KHOZEM MERCHANT**, formerly President of Pearson India and previously *Financial Times* correspondent in Mumbai, is a Brunswick Partner, leading the firm's India practice.