

How India became Bill Gates' guinea pig: A conspiracy as recounted by the main actors

Microsoft's Bill Gates is one of the richest and most influential people on earth. He announced in 2015 that his Bill & Melinda Gates Foundation was aiming at achieving full digitalization of the payment systems of India and other populous developing countries by 2018. This "financial inclusion" program for India dates back to well before Narendra Modi came to power. It was elevated to official US policy by Executive Order in 2012, because the President saw vital US security interests are at stake.

Speaking for the Bill & Melinda Gates Foundation at the "Financial Inclusion Forum" in Washington, organized by the Treasury Department and USAID on December 1, 2015, [Bill Gates said \(min 17\)](#):

"Full digitalization of the economy may happen in developing countries faster than anywhere else. It is certainly our goal to make it happen in the next three years in the large developing countries. We have very significant efforts in Nigeria, Pakistan and India, (and) a dozen other countries, where we work with the central banks to make sure that the right kind of transaction switch is available...(min 20)...We worked directly with the central bank there (India) over the last three years and they created a new type of authorization called the payments bank, and those customers will be able to use their mobile phones to perform basic financial transactions. And 11 entities applied, including all the mobile phone providers, and were granted that payment bank status."

"Financial Inclusion" was defined by PayPal-CEO Dan Schulman in [an interview](#) during the forum as:

"Financial Inclusion is a buzz word for bringing people into the system."

The cooperation of the Gates Foundation and the Reserve Bank of India (RBI) is and has been a very tight one. [Nachiket Mor](#), a "[Yale World Fellow](#)", is head of the Gates Foundation India. He is also a [board member of the RBI](#), with responsibility for financial supervision. He chaired the RBI Committee on the Licensing of Payment Banks and a financial inclusion committee that the RBI convened in 2013.

+++Note: Since this text puts forward a conspiracy theory, I want to let the actors and their documents speak for themselves as much as possible. Where my own judgement and additional information figure in significantly, as in the following lines, it will be in italics and clearly marked. If you are skeptical, you may want to jump over those sections in italics in a first round, to not be unduly influenced in your interpretation of the quotes from the main actors and their documents.

If the cooperation of Gates Foundation and RBI had been ongoing already for three years in early December 2015, this implies a start in late 2012 or early 2013. This would be more than a year before Narendra Modi became Prime Minister of India. It would also have been almost two years, before Modi visited Barack Obama, told him about his plans to do something for financial inclusion and receive the happy message that the US was willing to help. It would have started three years before the partnership of USAID and the Indian Finance Ministry on financial inclusion was officially announced at that same forum and five years before the RBI and Narendra Modi performed the great and brutal experiment of starving the whole of India of cash for months. All this time, the Bill & Melinda Gates Foundation was quietly working closely and directly with the RBI towards Gates' declared goal of making the Indian payment system totally cashless by the end of 2018. He did so with backing and involvement of the US-government and with help of allies such as the World Economic Forum.+++

Gates' quotes stood in a context where he stressed that a government's assistance to the poor and needy should not be delivered by the "incredibly inefficient" method of providing cash or grain to the recipient.

"Digitalization helps targeting", he said, if payments are done via mobile banking. He praised Mexico ([min 18](#)), whose Finance Minister, Luis Videgaray Caso, was present, announcing:

“We are going to use government income support programs as financial inclusion tools”,

as tools to bring everybody into the system. The idea endorsed by Gates and the financial inclusion “community” at the forum was to steer poor people into participating in the digital payment system by making it a condition for receiving any or certain forms of support.

A Global ID to Track and Serve Everybody

Gates praised his Mexican co-panelist:

“Mexico has been a pioneer in this (government aid via mobile phone based payment) but now **we** are moving this into even lower income countries.”

He stressed, how useful a standardized - ideally globally standardized – biometric and digital identification system would be, as it would make it easy for payment providers and governments to identify their (prospective) customers. He told his excited audience how he has been working on that ([min 21](#)):

“It is a wonderful thing to **go in and create** a broad identification system. Again India is an interesting example of this. There, the Aadhaar system, which is a 12-digit-identification that is correlated to biometric measures, is becoming pervasive throughout the country. This will be the foundation for how **we** bring that switch to every mobile phone in India. We are expecting to use these IDs, so that when you show up for any government service, say you walk into a primary health clinic, we will be able to use this ID to bring up your health record very quickly. If you move from one part of the country to another, **you will be well tracked and served.**”

Gates mentioned that such a unified biometric ID is also being developed in Pakistan and Africa, presumably with the help of the Gates Foundation, which is working closely with the central banks of Pakistan and Nigeria. Unified IDs of the same type introduced in three of the most populous countries of the world should take the Gates Foundation quite a big step closer to his dream of a globally unified biometric ID to “track and serve” everybody on earth.

*+++In India the Aadhaar-cards with this biometric identification number are being made “pervasive throughout the country by lawbreaking government entities. They are [very often made a requirement](#) for receiving all sorts of government support, despite a 2015 [ruling of the Indian Constitutional Court](#) saying that Aadhaar-cards cannot be made mandatory. Many Indians do not have an Aadhaar card and have problems with personal identification and are turned away, not receiving food aid or other forms of support. The number is being [linked with accounts for mobile banking](#) with the biometric information used for authorization of transactions. The [potential for abuse is enormous](#), as biometric identifiers of other people can very easily be appropriated and abused, e.g. by those who receive payments or by middlemen, handing out support. There does not seem to be any plan for how to deal with people whose biometric identifiers have been stolen. It is as if your banking PIN has been hacked and you cannot change it, and whenever you open a new account, you have to use this PIN. Figuring in the powerful alliance there is around Bill Gates and his goal of a global unified identification number to be used for **all** payments, it is not too surprising that a developing country’s Constitutional Court’s opinion cannot be allowed to stand in the way.+++*

The Gates Foundation in Service of the US-Government

In 2012, the Gates Foundation and USAID formed the “Better Than Cash Alliance”, together with the Omidyar Network (PayPal), Citi, Visa, MasterCard and the like. In the same year, President Obama issued an [executive](#)

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[order installing the “President’s Global Development Council”](#) (GDC) at USAID, which he tasked with advising him on how to increase American power by means of development policy. The document starts with the unusually frank statement of purpose:

“To help **protect national security and further American economic, (..) and strategic interests in the world**, it is the policy of the Federal Government to promote and elevate **development as a core pillar of American power** and chart a course for development, diplomacy, and defense to reinforce and complement one another. As stated in the 2010 National Security Strategy and the Presidential Policy Directive on Global Development, the successful pursuit of development is essential to advancing our national security objectives.”

A representative of the Gates Foundation was invited into this council, together with a number of venture capital and other big international investment firms and a few development experts, [as voting members](#). Senior representatives of the Departments of State and Defense were ordered to take part in the meetings as non-voting members. Also, in line with the security focus, the advice of the council, which was active until 2016, was to be transmitted through the National Security Staff.

As the President most certainly did not expect otherwise – given the members of this development council that he chose – the GDC came up with a push for “financial inclusion”. The President was advised to make this a top priority for the US development work, and that he should reallocate aid-money in favor of the financial inclusion effort, to be conducted in partnership with and mostly by the private sector. It also recommended that the US government use its significant influence on the World Bank and on the G20 to get them to issue and pursue ambitious financial inclusion agendas.

The executive order named enhancing cooperation with the private sector and with foreign governments as two of the core-purposes of the GDC. In line with this, the partnership of USAID and the Indian government to foster financial inclusion, which was announced at the 2015 financial inclusion summit, not only included the Gates Foundation, but also a plethora of commercial companies interested in doing business with the financially excluded, e.g. Visa, MasterCard, Vodafone, Citi.

+++We learn, thus, that the start of the direct cooperation of the Gates Foundation with the Reserve Bank of India on digital payments coincides with the work of the Gates Foundation in the President’s Global Development Council, which was to promote cooperation with foreign governments and the private sector with a view to US defense and commercial interests.+++

Bill Gates gave an example of the link between worldwide digitalization of payments (via the large US payment companies) and US security interests in his speech in 2015. Talking about the problem that overly strict rules for payment providers might do the opposite of the intended ([min 23](#)):

“If financial flows go into a digital system that the US is not connected to, it becomes much harder to find those transactions that you want to be aware of or you want to block.”

+++This gives some color to his other remarks on how people can be served and tracked if there is a Unified Identification Number and how mobile payments are more traceable than older systems. The intended actor behind this tracking and blocking clearly is meant to involve institutions headquartered in Langley, Virginia and Fort Meade, Maryland. It is also clear by now that the US security apparatus together with Silicon Valley has the technical means to perform this.+++

A recent example of what payments the US might want to track and block abroad was a case in Canada, that [made it into the news](#), because it affected the media. A Canadian community newspaper wanted to enter a feel-good story about a family of Syrian refugees in an awards competition and sent a fee to the organizer of the

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competition. As the purpose of the payment it gave the name of the article, which included the word Syrians. This prompted **PayPal** to freeze the account of the media organization and to send a letter stating: "You may be buying or selling goods or services that are regulated or prohibited by the U.S. government," This was an intra-Canadian payment, mind you. The note also requested a "complete and detailed explanation of the transaction" and said that "We would like to learn more about your business and/or some of your recent transactions."

PayPal and the Paypal-related Omidyar Network have been a long standing ally of Bill Gates in pushing for "bringing the people into the system" via the **Better Than Cash Alliance** and a variety of other such groups.

+++A more serious instance of such tracking and blocking was the case of Wikileaks. It sufficed for the US Government to send an informal request to a handful of US payment service providers and the nasty organization was cut off from receiving any donations for an extended time and thrown into serious financial difficulty. Other examples are foreign companies and their employees, which have been blacklisted by the US government for deals with countries on the shit-list of the US, which were perfectly legal in their home countries. The technical term for this is extraterritorial law enforcement.+++

The security nexus has been further underlined only a few days ago by the fact that Bill Gates and the German government's Minister for Economic Cooperation chose the Munich Security Conference to sign a [Memorandum of Understanding](#) on cooperation in development assistance and promotion of financial inclusion. In line with the statement of purpose of the US-President's Executive Order establishing the GDC, the press statement of the Ministry read (my translation): "Development policy is the best policy for peace" substituting peace for the more blunt American wording "US security interests" and US power.

Still further, the security nexus is underlined by the fact that, in relation to the biometric identification theme that loomed so large at the financial inclusion summit, the US Governments is holding "[Global ID Summits](#)", which are very heavily dominated on the official side by the Department of Defense, the Military, Homeland Security and the like and on the industry side by the expected (mostly US based) companies working on biometric identification, defense and IT.

The President's Global Development Council had recommended [in its report](#) that:

"The United States Government should use its role in the G20 and with the World Bank to bring together existing financial inclusion forums to better define the specifics of a global public and private sector plan to achieve universal financial access within the next decade."

The German government which is chairing the G20 this year conveniently happens to see this the same way. Upon signing the cooperation agreement with Gates' Foundation, Germany's Minister for Economic Cooperation, [Gerd Müller, stressed](#) that financial inclusion will be a key topic at the upcoming G20 meetings in Germany.

Privacy Within THE System

On the panel at the Financial Inclusion Forum, Bill Gates and the other panelists were asked what they think about people's privacy concerns. Gates' remarks on tracking and serving and tracking and blocking made his answer unsurprising, but still interesting. He said ([min 38](#)) that:

"in many countries people are more willing to give up privacy in relation to the government than is the case in

the US. I think we are not the model of how things will look.”

His co-panelist, Jamie Dimon of JP Morgan Chase struck a slightly different note when he said ([min 38](#)) that “We have huge amounts of data. We are working with the Gates Foundation on how to use them.”

Similarly, in a [recent report](#) on the digitalization of the Indian payment system, Boston Consulting Group and Google urged payment providers to “Mine customer data to build additional revenue streams.” They promise that mining customer data will help them to manipulate consumers into buying more. “Payments will drive consumption – and not the other way around.” On the steering board of the study were Visa and Vodafone (M-Pesa).

Governments also have a very keen interest in gathering all the payments data of their citizens they can get. These days, the government of Kenya, Bill Gates' poster-child for financial inclusion, is [trying to force mobile phone providers](#) to give them the opportunity to monitor all phone calls and mobile payments. They are telling the phone companies to let a contracted (private) company hook up to all routers.

+++ Kenya is a country that, in line with Gates' remarks, has no data protection laws to speak of, making digitalization much easier. The contractor or the phone provider might want to do anything with this data themselves, before it even finds its way to the government. The Kenyan Communication Authority itself, which would get and store this sensitive data, has recently been hacked and millions of data sets were stolen. There is no indication that people have had a say in any of this or agreed to the idea of sharing their data. There is simply no data-protecting alternative available for them.+++

Gates and the World Economic Forum

Microsoft is one of the 100 leading global companies, who are [Strategic Partners](#) of the highly influential billionaires' club World Economic Forum (WEF). The strategic partners are paying the most and are “each providing essential leadership to support the Forum's mission of **improving the state of the world.**”

*+++The degree of truthfulness of WEF statements can be gauged by the next sentence, which says that “only the most recognized corporations with demonstrated track records of good governance are invited to join this group.” However, it includes many of the most sued corporations of the world, which recently have had to pay billions in fines for fraudulently taking people's homes away, for selling securities they knew were nearly worthless, for manipulating markets for their own gain, for money laundering, supporting tax fraud and many, many other offenses. They include Deutsche Bank and Citi. A recent popular book in Germany asked in the title: “Is Deutsche Bank a criminal organization?”. When these corporations with their tremendous governance, go on a mission of “**improving the state of the world**” one should definitely ask **for whom?**+++*

Given his wealth and his personal engagement, Bill Gates is probably one of the most influential members, an influence he seems to have used to enlist this club of the biggest international companies in the campaign to digitalize payments, which is so important for the economic and security interests of the US, as per the President's Executive Order and the recommendations of his Global Development Council. Other big drivers of and profiteers of “financial inclusion” and global tracking are also key members of the World Economic Forum, e.g. Citi, Visa, MasterCard, Google, McKinsey, Boston Consulting Group.+++

The WEF has a program called [Disruptive Innovation in Financial Services](#), supported by the Bill & Melinda Gates Foundation. This “long-term, multi-stakeholder” program “will seek to define the role of financial institutions in the creation and operation of a **global standard for digital identity.**”

This is work that intersects with the military- and security-apparatus-driven Global ID Summits of the US government and the financial inclusion via biometric identification drive, which can also be traced back to the US

government.

The WEF also has a project called “Promoting Global Financial Inclusion” aimed at “accelerating financial inclusion through public-private collaboration at national, regional, and global levels”. Strategic partners of the WEF forum contributed to the effort, particularly with regards to India, e.g. by drawing up studies that praised the benefits of financial inclusion for customers and governments (Google, Boston Consulting Group) or for the financial sector and tech companies (McKinsey). The **Chairperson of the IT Industry at the World Economic Forum** in Davos 2015 and 2016 [Natarajan Chandrasekaran](#) is on the board of the Reserve Bank of India, thus being in a very privileged position for helping to achieve the goals of the WEF for India.

Financial Inclusion and the War on Cash

Dan Schulmann, CEO of PayPal, had a prominent role at the 2015 financial inclusion summit, where he talked mostly about getting the poor out of poverty and the difference between making a profit and profiteering. Omidyar Network, a PayPal-related foundation, is a key member of the various financial inclusion and Better Than Cash lobby groups and PayPal is a Strategic WEF Partner.

Asked in an interview about the need and the cost of having a physical presence in the countries where he is trying to do business with the poor he said:

“The world is quickly moving digital and we are a leader in that, but there is still a ways to go. Until it goes fully digital, there will be a need to have a way to transfer money from the digital form into a cash form.”

which he regards as a costly nuisance, adding:

“The major competitor we have is **cash**. Right now, 85 percent of the world’s transactions are done in cash. That **is really what we are trying to attack right now.**”

Queen Máxima of the Netherlands, the UN’s Special Advocate for Inclusive Finance for Development, said on a panel with Jack Lew ([min 31](#)):

“**The enemy is cash**”,

adding that this was a quote from Lew’s predecessor as Treasury Secretary (**Tim Geithner**).

The third person who said it on that day was Strive Masiyiwa, Chairman and Founder of Econet, a large African Mobile Phone company with a payment platform ([min 52](#)):

“**Our major competitor is cash. Cash is what we seek to eliminate.**”

*+++ The omnipresent desire of the "financial inclusion" community to eliminate cash, and be it by coercion, is a clear case, where the interests of the poor diverge from the interests of the payment providers. The poor will always do better if they get more and better options, e.g. if they get access to attractive mobile payment methods (which are not overpaid and not packed with hidden fees and bundled with unnecessary services). However, if the option of using cash – a very accessible, reliable and cheap technology for them - is taken away from them, as happened in India and on a smaller scale in other countries like Nigeria, they will be worse off. The payment providers however, will benefit. Since it helps their business and furthers the security interests of the US, the various groups and panels advocating "financial inclusion" support **financial exclusion** of poor people by*

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preventing them from using their preferred and often only means of payment. They were all very happy and excited when the RBI (with the Gates-Foundation-Director on their board) and Narendra Modi declared most circulating cash in India void, financially effectively excluded large sections of the population from financial and most forms of economic exchange, very often sentencing them to hunger and misery for weeks and months or forcing them to sell their land and livestock to survive. It does not matter to the self-declared good-doers, as long as lots of merchants and semi-rural, semi-poor people are brought into THE system. +++

Related articles (latest first):

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[More evidence of early US involvement in Indian demonetisation](#)

[A well-kept open secret: Washington is behind India's brutal experiment of abolishing most cash](#)
[Anti-cash warrior Summers finally discloses his enormous conflicts of interest](#)

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About the author: Dr. Norbert Haering is a German business journalist and blogger. His best-selling book on "Abolishing cash and the consequences" was published in 2016 by Bastei-Luebbe (in German). [More ...](#)