



## Safeguarding Aadhaar Data

**For Prelims:** CAG, UIDAI, Aadhaar Act 2016

**For Mains:** Aadhaar and related issue, Government Policies & Interventions

### Why in News?

Recently, [Unique Identification Authority of India \(UIDAI\)](#) first issued a warning to the public not to share a photocopy of their Aadhaar with any organisation, and then withdrew the warning over worries that it was open to “misinterpretation”.

### What is the Unique Identification Authority of India?

- **Statutory Authority:** The UIDAI is a **statutory authority established** on 12<sup>th</sup> July 2016 by the Government of India under the jurisdiction of the Ministry of Electronics and Information Technology, following the provisions of the [Aadhaar Act 2016](#).
  - The UIDAI was **initially set up by the Government of India in January 2009**, as an attached office under the aegis of the [Planning Commission](#).
- **Mandate:** The UIDAI is **mandated to assign a 12-digit unique identification (UID)** number (Aadhaar) to all the residents of India.
  - As of 31<sup>st</sup> October 2021, **UIDAI had issued 131.68 crore Aadhaar numbers**.

### What was the Initial Warning from UIDAI?

- The UIDAI warned the **“general public not to share photocopy of one’s Aadhaar** with any organisation, because it can be misused”.
  - Rather, it **recommended using “a masked Aadhaar**, which displays only the last four digits of the Aadhaar number,”.
- It also **asked the public to avoid using public computers** to download their e-Aadhaar.
  - In that case, they were reminded to **“permanently delete” any downloaded copies of the same**.
- Only those organisations that have obtained a **User License from the UIDAI can use Aadhaar to establish the identity of a person**.
  - Moreover, hotels and movie theatres are not allowed to collect or maintain copies of the Aadhaar cards, due to the Aadhaar Act.

### What are the Concerns related to Aadhaar?

- **Misuse of Aadhaar Data:**
  - Many private entities in the country **insist on an Aadhaar card, and users often share the details**.

- There's no clarity on how these entities keep these data private and secure.
- More recently with [Covid-19](#) testing, many would have noticed that most labs insist on Aadhaar card data, including a photocopy.
  - It should be noted that it is **not mandatory to share this for getting a Covid-19 test done.**
- **Excessive Imposition:**
  - In 2018, the Supreme Court ruled that **Aadhaar authentication can be made mandatory only for benefits paid from the [Consolidated Fund of India](#)** and that alternative means of identity verification must always be provided when Aadhaar fails.
    - Children were exempt but **aadhaar continues to be routinely demanded from children for basic rights** such as anganwadi services or school enrolment.
- **Arbitrary exclusions:**
  - Central and state governments have made **routine use of the “ultimatum method”** to enforce the linkage of welfare benefits with Aadhaar.
  - In this method, **benefits are simply withdrawn or suspended if the recipients fail to comply with the linkage instructions** in good time, such as failing to link their job card, ration card or bank account with Aadhaar.
- **Fraud-prone Aadhaar-enabled Payment System (AePS):**
  - AePS is a **facility that enables someone who has an Aadhaar-linked account to withdraw money** from it anywhere in India through biometric authentication with a “business correspondent” – a kind of mini-ATM.
    - There have been **rampant abuses of this facility by corrupt business correspondents.**

## Which Issue has Recently Arisen?

- The [Comptroller and Auditor General \(CAG\)](#) of India, has **pulled up the Unique Identification Authority of India (UIDAI)** over a range of issues related to the issuance of Aadhaar cards.
- In 2018, the **Supreme Court had struck down [Section 57 of the Aadhaar Act.](#)**
  - Section 57 of the Aadhaar Act essentially allowed private entities to collect citizens' Aadhaar details. While reading down the provision, the top court had called it “unconstitutional”.
  - Later, the [Aadhaar and Other Laws \(Amendment\) Ordinance, 2019](#) was issued which allowed banks and telecom operators to collect Aadhaar details as a proof of identity.

## What is the Significance of Aadhaar?

- **Promoting Transparency and Good Governance:** Aadhaar number is **verifiable in an online, cost-effective way.**
  - It is **unique and robust enough to eliminate duplicates** and fake identities and thus used as a basis/primary identifier to roll out several Government welfare schemes thereby promoting transparency and good governance.
- **Helping Bottom of the Pyramid:** Aadhaar has given **identity to a large number of people who did not have any identity earlier.**
  - It has been used in a range of services and has helped in bringing **financial inclusion, broadband and telecom services, [direct benefit transfers](#)** to the bank account of citizens in a transparent manner.
- **Neutral:** Aadhaar number is **devoid of any intelligence** and does not profile people based on caste, religion, income, health and geography.
  - The Aadhaar number is a **proof of identity**, however, it does not confer any right of citizenship or domicile in respect of an Aadhaar number holder.
- **People-Centric Governance:** Aadhaar is a **strategic policy tool for social and financial inclusion**, public sector delivery reforms, managing fiscal budgets, increasing convenience and promoting hassle-free people-centric governance.
- **Permanent Financial Address:** Aadhaar can be **used as a permanent Financial Address and facilitates financial inclusion** of the underprivileged and weaker sections of the society and is therefore a tool of distributive justice and equality.
  - Thus, the Aadhaar identity platform is one of the key pillars of **'[Digital India](#)'**.

## Way Forward

- **Abide by the Supreme Court Ruling:**
  - The government **must abide by and enforce Supreme Court directions**, including (1) restriction of mandatory Aadhaar to permissible purposes, (2) provision of an alternative whenever Aadhaar authentication fails, (3) unconditional exemption for children.
- **Ensure Benefits to Needy not Withdrawn:**
  - Benefits should never be withdrawn or suspended without (1) advance disclosure of the names that are likely to be deleted along with reason for proposed deletion, (2) issuing a show cause notice to those concerned and giving them an opportunity (with ample time) to respond or appeal, (3) ex-post disclosure of all cases of deletion, with date and reason.
- **Stronger Safeguards Needed:**
  - The [National Payments Corporation of India \(NPCI\)](#) must urgently put in place stronger safeguards against the vulnerabilities of Aadhaar-enabled Payment Systems and better grievance redressal facilities.

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

### Q. Consider the following statements: (2018)

1. Aadhaar card can be used as a proof of citizenship or domicile.
2. Once issued, Aadhaar number cannot be deactivated or omitted by the Issuing Authority.

### Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

**Ans: (d)**

**Exp:**

- The Aadhaar platform helps service providers authenticate identity of residents electronically, in a safe and quick manner, making service delivery more cost effective and efficient. According to the Gol and UIDAI, **Aadhaar is not proof of citizenship.**
- However, UIDAI has also published a set of contingencies when the Aadhaar issued by it is liable for rejection. An Aadhaar with mixed or anomalous biometric information or multiple names in a single name (like Urf or Alias) can be deactivated. **Aadhaar can also get deactivated upon non-usage of the same for three consecutive years.**

**Source: IE**