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Original Article

Balancing AI Assistance and Privacy: Ethical and Legal Issues in the Digital Era

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Abstract

Artificial Intelligence (AI) now a day is playing a lion's role in India's digital era. Huge application of AI is very popular in every sector, such as Government and non-Governmental services, financial, medical, education. AI become popular because of very convenient, quick handling, advance thinking decision making, so it enters in every field of human being's life, which brings a serious issues like individual's privacy. AI uses a lot of personal data, which increases the risk of someone stealing or misusing information about individuals' behaviour and habits. AI nothing but a computer program now a days it becomes very popular because of quick and easy applicability of AI assistance tools. The right to privacy is not just an ordinary right; it is a fundamental right. Therefore, it is the duty of every state to protect the personal data and privacy of every individual. We cannot live without advanced technologies like AI, so we need to develop balanced and ethical laws that promote technological progress while protecting the privacy of individuals.

Keywords: *Artificial Intelligence, Privacy, Data protection, Fundamental Right, AI Assistant.*

Introduction:

Human being is a social as well as rational and having intelligent character. In day-to-day life to survive respectfully, decent and independent life, each one has some basic and inalienable right required for existence as a human. From the all-other bundle of human rights. Privacy is perhaps most difficult to define and explain, because of its applicability. Privacy always connects with bundles of other rights. The term privacy is not crystal clear and originates from the word 'Privatus'. The idea of freedom and confidentiality now becomes as old as history of human being itself. Privacy has various aspects that alter according to needs of the society. 1

Meaning of 'Privacy'

Origin of the term 'Privacy' was from the Latin word 'Privatus' which means loneliness, isolation, limitation, matter of personal information or we can say uniqueness. We didn't find acceptable definition of 'privacy' in uniform level. Generally, we can say that privacy is our personal right or drawing certain line or limitation to interfere into personal affairs. The right to privacy permits us to choose how much involvement allowed by other person in the personal affairs. It includes right to hide personnel information, communication, behavior pattern, confidential and must be protected from unauthorized access. Privacy also includes liberty to take voluntary decisions about one's own life, relationship which is the most important aspect of the privacy. Justice P. N Bhagvati has also observed, "freedom to life as well as one's confidential freedom as provided in Article 21 of the Constitution of India, privacy plays an important role in the development of individual's personality, integrity and protects dignity" 2.

What is Artificial Intelligence?

Artificial Intelligence means the function of a computer program to minimize human intelligence. (AI) is the computer's ability and machines to do task that generally needs human thinking. Anyone can wonder to think that how our phone can recognize our face, a digital app like Netflix service knows exactly which types of movies you will love next, or how can a car drive itself? The answer is artificial intelligence (AI).

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This includes something new creation from the given data, solving complicated problem quickly, understanding human feeling and making decisions. 3. Artificial Intelligence (AI) is a new branch of computer that generally concentrate on something we can say thinking ability like human by machine, and performing tasks very quickly and effortlessly by machine that normally needs the help of humans. Some of the tasks such as learning, solving hard problems very easily, understanding a new language, recognizing figures, making complex decisions, and two ways interacting with people. With the application of data, algorithms the computer can very quickly identify patterns and make predictions and decisions. For example, voice AI assistance can quickly understand spoken commands and reduce the lengthy boring writing procedure into fastest and makes enjoyable task, in the same way recommendation system can easily suggest a movie or products by analysis of individual's huge personal data. Artificial Intelligence (AI) indicates a transformative field in which the machine computer developed to perform tasks generally in the old era which often required human intelligence. Those tasks are including learning, reasoning, problem solving to understand and learn a new language, it can take a decision like humans. This superior liability of allows machine computer to work automatically or semiautomatically among various fields to evolve Artificial Intelligence as a powerful tool in many day-to-day activities like in the field of law. The essential thing of AI can easily detect in presentation to instigate human functions through algorithms and calculation hard problems quickly. 4.

Legal Issues: Data Protection Issue and Artificial Intelligence (AI):

Interference of (AI) and risk of violation of privacy produces challenges in every field. Now paper-based world has been changed and in this digital era no one ready to follow old boring paper-based transactions. In old times we personally visit shops to buy our selected product, but in the current situation no one is ready to visit. By taking the help of Artificial Intelligence any individual can order the desired product from home by online, that is also conveniently and in lesser price. Work from home concept is also become very popular in this advance digital age. That's why the application of Artificial Intelligence (AI) and its assistance drastically increase, which brought the serious impact on the privacy of the individual. 5 The increasing trust on the Artificial Intelligence among various sectors raised crucial factor concerning the processing of vast data of individuals. We know that Artificial Intelligence (AI) evaluate vast amount of data basically to learn pattern and to conclude on a desired result and provide quick decisions like humans, which emerge privacy questions and data protection. We required immediate control on Artificial Intelligence (AI) in the case of managing and processing of a sensitive and personal data of individual always concerning privacy risk. At this stage we required strong regulatory to protect the risk of privacy. The rapid and extensive adoption of Artificial Intelligence always raised issues of privacy and protecting privacy is the latest demand from the whole world. 6. Both Artificial Intelligence (AI) and privacy are connected with each other's like two sides of one coin, having positive as well as negative aspect. The increased use of AI may require the status quo of privacy protection to be revisited; however, it does not mean privacy will cease to exist or become irrelevant. Artificial Intelligence (AI) having the potential of collecting and complex processing sometimes may exploit personal and confidential information that can be derived and collected from huge data processing. Again, the processing huge data raised privacy issues that can become a big problem before world. The main problem with Artificial Intelligence is that AI has its own ability to use and process large amount of personal data without individual's consent. Here the problem arises, sharing the personal data without free consent is comes under the breach of personal data which is not permitted under Indian Contract Act. Example such data includes web history, cookies, social media information, location of device, even including sensitive biometric information like fingerprint, recognition of faces and retina scan. By processing and after analysis of the large amount of data AI assistance machine can learn all habits and life profile of individual and even behaviour pattern of the individual that always want of secrecy might be disclosed by AI. 7.

Privacy Risk and Application of Artificial Intelligence (AI):

In recent world we are much more dependent on digital technology and AI, young ones much more trusts on internet, they deeply connected with mobiles and internet in both by body and mind. Everyone who uses internet leaves digital footprint, whenever they visited webpages on internet by means of texting, mailing, sharing videos and playing online games says Ankit Fadia who was the speaker at an interactive seminar on cybercrime and security. At Patna. 8. Now we can understand the misuse of huge personal data in AI systems brought before us dozens of privacy risks including:

1. Personal Data Breaches
2. Problem of Free Consent
3. Relating Algorithmic Bias
4. Surveillance and Tracking by Unknown
5. Various Loss of Anonymity
6. Decision Making By AI

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Data Collection from Daily Social Media:

Personal Data Breaches:

Artificial Intelligence directly or indirectly related to the data privacy. Personal data privacy means and includes individual's control over their personal and confidential information, while doing commercial transactions how multinational companies, collects, store, handles the personal data. Data privacy is not a new phenomenon, it was available before the emerging of Artificial Intelligence (AI), but the vast growth of AI changed the concept and think about taking some effective steps to protect individual's personal data.9. In November 2025, India's Ministry of Electronics and Information Technology released the Indian Artificial Intelligence (AI) Governance Guidelines a legal framework, together with the February 2026 amendment with IT Rules for regulating AI generated content. 9.

Problem of Free Consent:

Indian Contract Act deals with free consent, any companies or AI assistance collect and handle huge data must take free consent regarding particular individual before collection and handling of personal and sensitive data, if not then serious breach of data privacy happened. The companies who gathered, store, and handling the data must take consent before handling. Since large companies' privacy laws hold that inaction suggests consent, and who don't opt out are assume to have consented. 10.

Relating Algorithmic Bias:

Under article15 of the Indian constitution which gives protection to the citizens against discrimination based various factors. The competition between recent constitutional principles and AI brings a serious questions relating to violation of fundamental rights like privacy of individuals. Australian Human Rights Commission deals with such discrimination to divide candidates between two groups and Favor some of the candidates belonging from only one category and not selecting on the merit. Similarly, Amazon's machine learning makes certain bias against women, we may find that the search engine Google make bias against black people highlighting to them by words "gorillas". An article by the Australian Human Rights Commission demonstrated with examples that if AI is trained by dividing people into two groups, and then during the selection process it may prefer candidates from a specific group rather than selecting candidates based solely on merit. 11.

Surveillance and Tracking by Artificial Intelligence:

AI applies various surveillance tracking devices like facial recognition, Gait analysis tool, and real time location tracking, because AI uses such types of services without taking free consent of individual. Because of such types of activities, the main issue of privacy evolved and many times it has been proved that serious violation of fundamental rights by AI surveillance tracking devices.12

Various Loss of Anonymity:

Many study made by ARXIV in the earlier year published the report in "Large Scale Online Deanonymization with LLM" shows that so many profiles hacked by attackers from the LinkedIn profiles by using the text made by individuals which they have publicly shared online. No any password, without hacking, or without any private data were involved. Using a sample of 338 profiles, AI model correctly detected 226 individuals more than 66 percent accuracy with 90 percent accuracy. 13

Decision Making By AI:

Some AI algorithms, such as deep learning neural networks, operate as complex "black boxes," making it challenging to understand how they arrive at specific decisions or predictions. This lack of transparency and explainability can hinder individuals' ability to understand and control how their personal data is being used. 14

The AI can draw an exact decision within a few seconds by analysis of huge data, many individuals are finding difficult to reach a final conclusion but AI gives us a precise decision with a few times. AI shall reach such type of decision like thinking process like a human.AI having thinking system, which really make decision in a shorter time. Human should read the huge data 3 or 4 times to understand then analyse and compare the data that is unistructural thinking, required larger amount of time, that should make a slow decision.

Data Protection Laws in India:

India's national strategy for artificial intelligence prepared by NITI Aayog has formulated the way forward to harness the power of Artificial Intelligence (AI) in various fields. Artificial Intelligence (AI) practices and efforts benefit India in addressing societal needs in areas such as healthcare, education, agriculture, smart cities and in the field of law, including smart mobility and transportation using such dynamic data. The dawn of the 21st century saw electronics becoming pervasive in almost every manufactured object in the world. There are now incredible advances in data collection, processing and in computation power. Intelligent systems can now be deployed in a variety of tasks and decision-making to enable better connectivity and enhance productivity. 15.The Constitution of India not mentioned right to privacy but Supreme Court of India recognized right to Privacy a fundament right under Article 21 of the Constitution in the case of Justice K. S. Puttaswamy (Rtd) vs Union of India, on 26 September, 2018, originally it guarantees only the right to life and personal liberty, 16. The Information Technology Act 2000 is the first legislation

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in India that covers application of electronic communication with digital data transaction. Section 43A of the IT Act 2000 deals with compensation for inappropriate discloser of personal information. 17. Indian Contract Act, 1872 contains formation and enforcement of contracts in Indian which, section 72 of the acts provides protection of the contract, again section (14) of the Contract Act deals with free consent, means anyone who obtained any personal information shall not share the data to any third party without the consent of that individual. 18.

Another most important legislation to protect digital privacy is The Right to Information Act, 2005 helps for the access of information held by public authorities. But this act excludes some information that violates privacy rights of an individual. 19. Aadhar Act 20016, includes certain provisions regarding the personal information collected for the purpose of Aadhar, to make and establishes the Unique Identification Authority of India (UIDAI). 20. The Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, These rules were issued under Section 43A of the IT Act and provide for the protection of sensitive personal data or information by body corporates. 21. India's data protection framework by setting clear duties for organizations that handle digital information and establishing strong rights for citizens to access, correct, or erase their personal data. 22.The Medical Council of India (MCI) Regulations on Professional Conduct, Ethics and Etiquette, 2002: These regulations prescribe standards of professional conduct and ethics for medical practitioners in India. 23. The Medical Council of India (MCI) Regulations on Professional Conduct, Ethics and Etiquette, 2002, these regulation binds all medical practitioners must maintain the confidentiality of patient's record and not disclose other than law. 24. The Securities and Exchange Board of India (SEBI) Regulations, 2015: The SEBI Regulations provide for the protection of personal data in the securities market in India.25. The Reserve Bank of India (RBI) Guidelines, 2016: The RBI Guidelines provide for the protection of personal data in the banking sector in India. 26.

Bridging the gap: Reconcile AI Laws Across world:

Bridging the gap is very essential in order to achieve international harmonization in AI laws, with major challenges due to different geographical laws, cultural perspectives, more economic interest and vast technology advancement. The following are some aspects for providing a pool that may be necessary in order to maintain privacy of an individual.

1. **Problem of vast national and regional priorities and application of AI:**

Different nations of course required different priorities based on various political values, economic targets as well as social need. For example, the EU gives importance to privacy plus human rights, which make hard and strict laws on AI, like GDPR, while the US always gives importance to something new evolution and freedom in the market.

2. **Incompatible Data Protection Standards with AI Assistance:**

Country's strict regulations provide strict burdens on guidelines to use data which affects privacy. But some big countries like China many times using less restrictive data as compare to EU laws. These types of problem create obstacles in bringing uniformity laws in whole. Various states' data protection laws constraint data sharing and cooperation, which are very basic in rapid evolution of AI assistance.

3. **Absence of Universal Ethical Standards:**

AI ethics addresses standards of fairness and required transparency and accountability across the world cultures. Some country protects individual's privacy rather than extra profit and success. For example, China's approach may prioritize state control and security, while western country's majorly concentrate on individual autonomy and privacy. 27

4. **Fluctuating levels of Technological Development:**

Countries with progressive AI policy and capabilities like US, China European nations face different regulatory requirements than those yet increasing AI relating infrastructure. Developing and under developed countries may give vast importance to rapid AI adoption to develop speedy economic growth

5. **Market Competition in Economic World:**

Any nation should take AI as an aspect of vast economic growth and global competition. Many companies prevent international regulations and standards. They recognize in hindering their AI industries or favoring competitors. We can say that some of the countries may be lowering their AI related standards to bring tremendous tech investments.

6. **International Collaboration of Enforcement Mechanism:**

Despite the harmonization of rules and regulations applicability of AI relating laws are becoming a major issue in the world, and coming as an important issue and a challenge in the world. Again, to enforce these laws are very problematic because of various national legal systems, because of lack of uniformity. In this region we need support and cooperation of states.

7. **Jurisdictional Issues in Liability and Accountability:**

As we know that AI system comes under cyber law which needs to solve jurisdictional issues, whenever system violates some states' regulations or harm occurs to the individual like privacy and financial issues. For example, an AI

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based financial device used whole world, globally causes losses in one country due to biases evolved in another country. Which generates issues relating to liabilities and accountabilities?

8. Difficulties in Adopting Regulations to Rapid Technology Change:

AI technology supports very fast and easy method in the field of legislative process; hence this it becomes very popular in each and every field in today's world. Rules and regulations relating to AI assisted tools quickly become outdated because of sudden and fast advance technological development. Enforcement in the field of this region frequently needs to trust on regional state laws and its legal system. Which demands a great cooperation among the state, it's another issue. It's a difficult task to develop uniform enforceability regulation, in the field of quick developing AI field to harmonized whole world.

Conclusion and suggestions:

Because Problem of vast national and regional priorities and application of AI the impact of above difficulties, it's very challenging as well as difficult to make universal international standards and each sovereign country not ready to compromise on the rules and regulations which basically affects individual's privacy. Again, Incompatible Data Protection Standards with AI Assistance globally when we apply then the problem of conflict of laws arises. To solve this, we eagerly want a strong cooperation among the various sovereign state, in the creation of universal applicability of AI laws. As we know the AI ethics wants standard of fairness and accountability which demands simple laws across the whole world, in this field so many countries adopt different view, some country gives security of the state more important than privacy of an individuals, such types of problems can be removed by bringing informality in AI laws and regulations. Fluctuating levels of technology development this he problem can be reduced by providing funds in digital infrastructure, affordable internet, technology education, AI training, research and development, and international technology-sharing programs. Governments should also establish responsible AI regulations that encourage innovation while protecting people from privacy violations, discrimination, and misuse of technology.

The large companies capture market by the help of large capital, these large companies make it very difficult for small companies to compete. This important problem can be solved from balancing innovation with the cost of innovation with fair competition. The government can regulate destructive misuse of AI, prevents monopolistic pattern by providing and the same time protecting to small business which is appropriate for both the large companies and small industries and can be beneficial to both. AI assistance operates relating national boundaries, and we know among different nation laws the laws are not same. This issue raises the problem of smooth functioning of AI laws enforcement, which evolve the problem of regulatory gaps and conflicting rules and accountability issues. This issue can be sorted out by full cooperation among the state's rules and regulation in the field of AI laws. The main solution is to establish clear jurisdiction, compatible laws, international cooperation, and effective enforcement mechanisms. Countries should work together so that AI companies cannot avoid responsibility simply because their technology operates across national borders.

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