

AI and India's Future

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AI and India's Future: Balancing Productivity with Inclusion

Context

Artificial Intelligence (AI) is rapidly **reshaping global economies** by transforming industries, employment, and innovation. For India, the key challenge lies in ensuring that AI **enhances productivity** and **generates inclusive employment** rather than **deepening inequalities**. The way AI is integrated into the economy will decide whether it acts as a **driver of equitable prosperity** or a source of **displacement and inequality**.

AI's Potential Impact on Jobs and Economy

- According to the **ServiceNow-Pearson AI Skills Research 2025 Report**, AI could **reshape over 10.35 million jobs** and create **3 million new tech roles** in India by **2030**, positioning the country ahead of Singapore and Australia in AI transformation.
- The **International Labour Organisation (ILO) 2025 Study** highlights that jobs may **evolve with AI** rather than disappear completely. However, **low skilling levels** and a **large informal workforce** remain structural hurdles.

- **Sectoral Impacts:**

- **Agriculture:** Limited exposure to AI-driven tools.
 - **Labour-intensive services:** Contributed **55% to GDP** and **31% to employment in FY24**, but faces high vulnerability to automation.
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AI Pathways: Automation vs. Augmentation

- **Automation:**

- Replaces workers to increase efficiency.
- Raises the risk of **large-scale job losses**.

- **Augmentation:**

- Complements human effort rather than replacing it.
- **Enhances productivity** while **preserving employment**.

- **Nobel Laureate Daron Acemoglu** stresses that AI's impact is a **policy choice, not destiny**. India must consciously avoid the **automation trap** and adopt a human-centric approach.
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Policy Priorities for Inclusive AI

- **Skilling and Lifelong Learning:**

- Embed digital and AI competencies in **schools, ITIs, universities, and vocational centres**.
- Reskilling initiatives by firms like **Infosys, Tata Steel, and Siemens** provide positive examples.

- **Reducing Inequality:**

- Build **inclusive infrastructure** to ensure broad access.
- Scale up programs such as **Atal Innovation Mission, Startup India, Future Skills PRIME, and YUVAi (Youth for Unnati and Vikas with AI)**.

- **Fostering Entrepreneurship:**

- Empower **MSMEs** with **digital tools, computing access, and tailored skilling support**.

- Shift focus from unicorn-driven growth to **sustainable, employment-rich enterprises**.
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Ensuring a Competitive and Open AI Ecosystem

- Prevent monopolisation by **large, vertically integrated firms**.
 - Ensure **contestability in AI markets** through:
 - **Open APIs** that provide public access to developers.
 - **Interoperable systems** that enhance accessibility.
 - Development of **Indigenous Small Language Models (SLMs)** and **vernacular AI tools**.
 - Treat **computing, storage, and datasets as public goods** under India's **Digital Public Infrastructure (DPI)** framework.
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Way Forward

AI should be seen as a **saarathi (charioteer)**, guiding inclusive growth, rather than as a **vinashak (destroyer)** of jobs. With **right policies, strong infrastructure, and large-scale skilling**, India can make AI a **driver of equitable growth**. The decisions taken today will determine whether AI **bridges or widens India's productivity and employment gaps**.

Conclusion

India stands at a **decisive moment** in the global AI revolution. The trajectory of adoption will determine whether AI deepens **inequalities** or becomes a catalyst for **inclusive prosperity**. By focusing on **augmentation over automation**, investing in **skilling and entrepreneurship**, and ensuring **open and competitive AI ecosystems**, India can harness AI as a **transformative force for equitable and employment-rich growth**.

Source : Indian Express