



THEIR VIEW

MINT CURATOR

# How artificial intelligence alters India's challenge of employment

A three-pillar strategy outlined for the country must now take into account the impact that AI may have on job availability

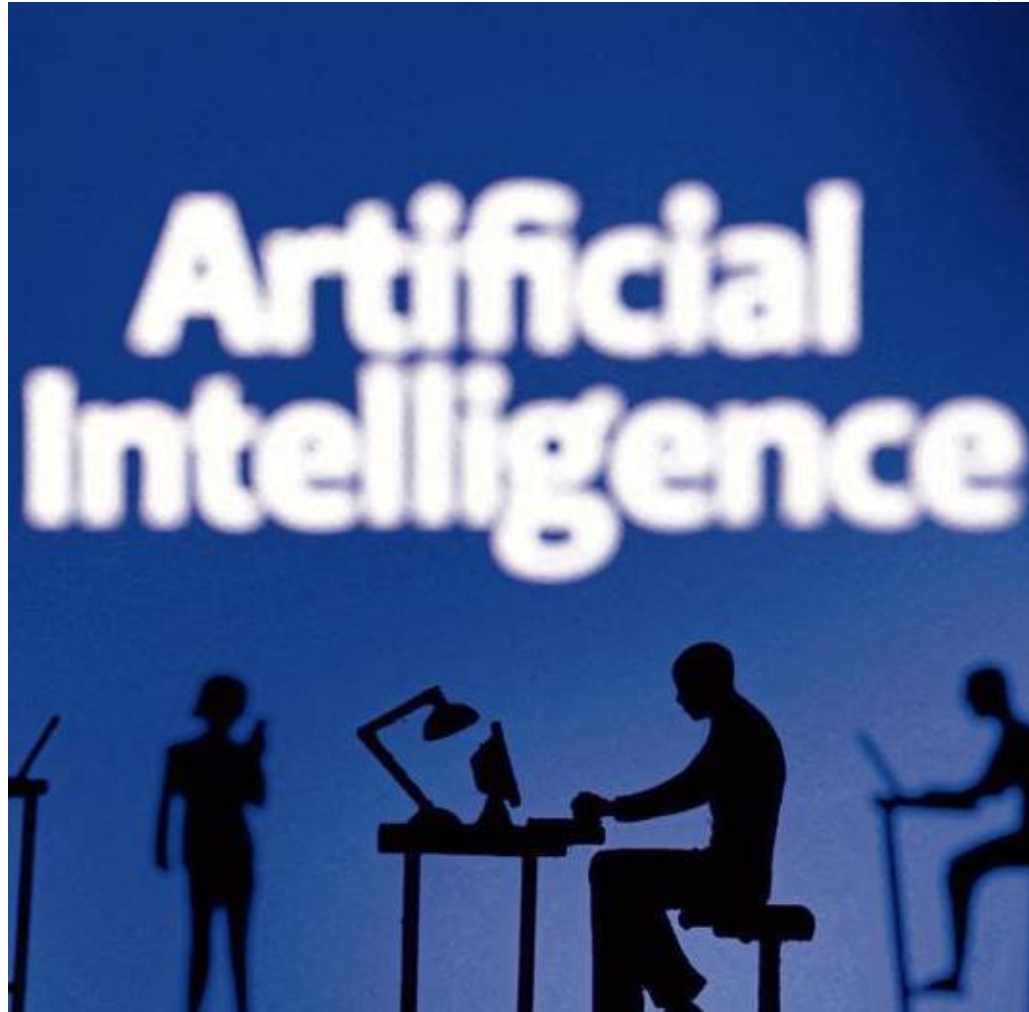


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The recent Artificial Intelligence (AI) Summit in New Delhi has brought home the remarkable pace at which AI is changing the way we live and work. The jury is still out on whether an AI-led society would be utopian or dystopian. Meanwhile, we need to reset our thinking on many issues. Around this time last year, in my presidential address to the Indian Econometric Society [*Journal of Quantitative Economics*, 2025, 23:319–331 [bit.ly/4s4McEJ](https://doi.org/10.1007/s11464-025-10000-0)], I had discussed India's growth paradox: namely, that though India has been the fastest growing major economy in the world for quite some time, the number of unemployed in the country has also been growing almost as fast. To address this employment challenge, I had outlined a strategy based on three pillars. Within just a year, I now need to revisit that strategy, not because the pillars have changed but because the content of each pillar has to be adapted to a rapidly changing employment context driven by the rising tide of AI.

The first pillar I had outlined, the short-term one, was the need to deploy 'industrial policy' for the non-agricultural sector to help accelerate the growth of employment-intensive industries in addition to high-tech industries and services. The latter add a lot to GDP but relatively little to employment. In comparison, just six employment-intensive sectors account for as much as two-thirds of all employment outside agriculture: construction, trade, land transportation, processing of food and beverages, apparel manufacturing, hotels and restaurants. Most jobs in these sectors require a low level of skills. The corresponding level of productivity and remuneration is also low, but their low skill requirement matches the skill profile of the bulk of India's labour force, which cannot be changed overnight. Accelerating the growth of these sectors will quickly expand the scale of employment and livelihoods, however modestly, in the short run; this will buy India time to appropriately skill the labour force and prepare it for higher productivity and better-paid jobs in the medium to long term.

Given the emerging labour market impact of AI, it is possible that these employment-intensive sectors will grow faster even without the prop of 'industrial policy.' At the recent AI Summit in New Delhi, Kristalina Georgieva, managing director of the International Monetary Fund (IMF), made some very important observations. The IMF, she noted, is finding that AI will affect—not necessarily eliminate—40% of jobs globally. More interesting is its finding that demand for very high-skill jobs and that for low-skill jobs is actually increasing with the impact of AI, while demand for entry-level skilled jobs in the middle is disappearing. Human labour is being displaced by AI in these tasks. Why demand



should be rising for mass consumption products when income inequality is increasing is not clear. But if true, then in the Indian context, this would imply that demand for goods and services delivered by the employment-intensive sectors cited above would accelerate. That's the good news.

The bad news is that, by the same token, the second pillar of my suggested employment strategy will be much more challenging. I had proposed a skilling strategy called University Technical Education (UTC). This is an alternative to the conventional path of secondary education which could replace the current dysfunctional vocational education programme. UTC would be a private sector-led, self-financing programme. It would combine STEM-oriented classroom education with intensive shopfloor training in operational plants of corporate partners. Students graduating from this alternative higher secondary education programme could go on to higher education if they so desired or opt for employment. In the latter case, their UTC graduation combined with shopfloor training would better position them for jobs than conventional higher secondary graduates. The UTC programme, along with a significantly reformed higher education system, could prepare India's workforce for the 21st century.

The broad structure of this second pillar would remain intact despite AI. But the content of the STEM-oriented courses would have to prepare students not for entry-level jobs but higher skills

for use in roles where they would have to prompt AI models to perform elementary tasks. The same would apply to on-the-job training on the shopfloor. But AI models are evolving so rapidly that today's training in their use could become obsolete tomorrow. The UTC courses would therefore need to be designed in collaboration with experts from AI companies who can see in which direction AI models are headed. Fortunately for us, the fact that so many corporate leaders of Indian origin are embedded in leading global tech companies places

India exceptionally well to move down this path. The development of India's own foundational models like Sarvam is excellent news and should help the country prepare its workforce even better for the future.

My third pillar was raising productivity in agriculture. No matter how the employment outlook outside farming might improve, agriculture will continue to be a major sector of employment for years to come. However, productivity is abysmally low in agriculture. I had earlier discussed standard approaches to ramping up productivity. However, applica-

tion of AI could radically transform traditional farming—from water and land management to selection of seeds and crops, production techniques, post-harvest technologies in storage and transportation, etc. This AI revolution in agriculture, not unlike the ongoing revolutions in biotech, medicine and other sciences, could raise labour productivity in ways unimagined so far.

*These are the author's personal views.*

QUICK READ

The first pillar of deploying 'industrial policy' can still work as a short-term measure to multiply jobs and buy us time to prepare our workforce for a challenging future.

The second pillar of technical education needs to be modified in accordance with changes wrought by AI and the third of agricultural productivity could count on AI for support.

# Can middle powers break the global deadlock on AI safety?

Declarations at summits are not enough. The world needs action



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Middle powers mustn't wait for Washington or Beijing to act.

Last week's AI Impact Summit ended the way these gatherings routinely do. This time with a 'New Delhi Declaration,' a non-binding hymn to cooperation and the hope that "AI could be made to serve humanity." It's the sort of empty language that dozens of countries and international organizations can sign up to without changing a thing.

The most revealing statement came from the industry. Hours before the declaration, OpenAI CEO Sam Altman offered a bit of moral arithmetic in an interview with the *Indian Express*. "People talk about how much energy it takes to train an AI model," he said, "but it also takes a lot of energy to train a human. It takes, like, 20 years of life, and all of the food you eat during that time before you get smart." Altman likely meant it as a quip. It landed, however, as a sobering reminder that the people steering the AI race are starting to talk about raising children the way they talk about training machines. So much for human-centred AI.

New Delhi should have been a turning point for middle powers, from India and Brazil to Canada. Instead, it showcased the deadlock that has come to define global AI governance. AI superpowers won't meaningfully restrain themselves, AI companies won't elect to slow down and everyone else is signing empty statements while being propelled by a fear of missing out.

The drift is apparent in the meetings themselves. The first at Bletchley Park in 2023 was branded as an AI 'Safety' summit. That was dropped from the title in Seoul's 'AI Summit.' The theme then shifted to 'Action' in Paris and 'Impact' in New Delhi. The word that started the series has been edited out. India this year got frontier firms to sign to broad commitments to study the impact of AI, but even these are voluntary.

Middle powers, meanwhile, can't wait for Washington or Beijing to take the reins. This year alone, American tech giants are expected to collectively invest some \$650 billion in AI. Such astronomical spending accelerates deployment, but it also distorts incentives away from safety and towards recouping a return. And with so much of the US economy now riding the tech boom, the White House has little appetite for rules that might slow it down.

China has its own safety labs and voluntary commitments from companies. But the government leaves scant room for plurality of opinions or public debate about risk—especially if it collides with President Xi Jinping's ambition to lead the world in technology. Safety leadership is unlikely to emerge from Washington or Beijing.

At the same time, the harms are already piling up. Women and girls are digitally undressed, cyber attackers exploit new tools at scale and reports link teen suicides with the use of chatbots. AI systems are becoming exponentially more powerful and the rush for agents only encourages humans to cede more power to machines, raising fears of more existential risks.

In that geopolitical race, hopes for meaningful US-China collaboration on safety are increasingly a fantasy. As was hinted at in Davos, each side can use the other's acceleration as an alibi for why they can't slow down even if they want to. It's why middle powers matter more than ever. India hosted this year's gathering explicitly to position itself as a bridge between the rest of the world and the US-China rivalry.

During a side event on safety, computer scientist and 'AI Godfather' Yoshua Bengio said that it's ultimately up to these governments to unite and break the superpower deadlock before AI concentrates power. Courting favour from Washington or Beijing in a bid to get ahead is a self-defeating strategy that cements dependence, not sovereignty—let alone safety.

A middle-power coalition needn't beat the US or China on frontier AI. It just needs to make access to markets of billions, as well as their schools, hospitals, courts and power grids, conditional on measurable safety commitments. They can start with near-term essentials: disclosures of the data that goes into these tools and the energy use needed for training and running models. Mandate standardized, independent safety evaluations before deployment in sensitive domains like policing or politics. Insist on incident reporting and public transparency around model failures and risks.

The easiest thing policymakers can do right now, Bengio warned, is listen to the voices that make them feel good—which overwhelmingly belong to those selling the technology. But organized backlash is growing, uniting people across identities and political lines. "Governments won't do anything until the general population wakes up," he said.

Delhi's traffic gridlocks last week became a metaphor for the global AI safety debate: We keep convening, everyone is trying to get ahead and nothing moves. Declarations don't protect, rules do. ©BLOOMBERG

MY VIEW | PEN DRIVE

# Frequent school bomb threats hold a mirror to society

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In the past few days, nearly every alternate day has brought news of bomb-threat emails sent to one or more schools in Delhi. The script is wearisomely familiar. An email lands in multiple school inboxes—often routed through encrypted servers, sometimes crudely drafted with digital trails left behind. So far, all have proven to be hoaxes. Yet, there has been no let up and the invisible damage they cause continues.

After winter air pollution, which now routinely suspends on-campus classes, these anonymous threats have become the city's other disruptor of education. Each episode may end without physical harm, but the true cost cannot be measured only in cancelled classes, postponed exams or police deployment. It alters society's idea of safety and a child's sense of normalcy.

Schools are among the first public institutions that children learn to trust. Young minds internalize a quiet assurance: that adults are in control, routines are reliable

and that tomorrow will look much like today. Stability is part of the promise. When bomb threats recur, they chip away at it. The classroom becomes a site of interruption, not just learning. The damage is subtle, but it accumulates. It would be convenient to frame this purely as a law-and-order problem: anonymous actors exploiting digital anonymity, investigators struggling to trace IP addresses across jurisdictions, encrypted servers masking identities.

But repeat hoaxes say something also about the moral climate of a society. In a culture increasingly mediated by screens—where provocation, virality and spectacle are rewarded—the line between prank and harm blurs. The sender may never see the frightened faces of children or the distress of parents, but they see the reaction through media. In behavioural terms, this feedback loop is powerful for disruptors.

There is an uncomfortable possibility that some of these threats may originate from students trying to delay exams. Even if such cases are rare, the mere plausibility should give us pause. In hyper-competitive educational environments, where exam results carry disproportionate weight and fear of failure is rarely discussed openly,

schooling can become synonymous with anxiety. When academic pressure eclipses emotional resilience, disruption—however misguided—can seem like an escape. If that is the case, the issue is not only criminality; it is also culture. An educational system that prioritizes performance over well-being risks tempting evasion. The solution, then, cannot be limited to policing alone. It must include reflection on how we define success, handle failure and how openly we address stress within our schools.

Child psychology offers further insights. Research shows that repeated exposure to perceived danger—even if no harm occurs—can elevate baseline anxiety in children. It can affect concentration, disturb sleep and weaken a child's sense of control. The threat may be declared false, but the physiological response is real. For children already carrying invisible burdens, each

disruption compounds unease. The harm is rarely dramatic. It is incremental.

Beyond that lies a broader social concern: the normalization of ambient insecurity. Cities adapt to air pollution by purchasing air purifiers. They adapt to traffic congestion by leaving home earlier. When they begin to adapt to bomb threats by adjusting school calendars and refining evacuation protocols, a deeper erosion may be underway. The belief that certain spaces are always safe begins to weaken.

Enforcement must be credible, investigations swift and transparent. Perpetrators need punishment that deters hoax calls. But society must also confront the cultural currents that make such acts conceivable. Digital citizenship cannot be reduced to warnings about passwords and privacy settings. It must include conversations on consequences, empathy and civic responsibility. Schools have a responsi-

bility beyond conducting drills. After each incident, children deserve age-appropriate explanations and reassurance. Mental health support should not be an afterthought. Counsellors and trained teachers have an essential role to play in this.

India recently concluded an AI impact summit that celebrated technology and innovation. Such events are meaningful, but they ring hollow if tech sophistication cannot be harnessed to address disruptions like hoax threats. Advanced analytics, inter-agency coordination and better cyber-forensics should make tracing and deterring such acts easier. Technology must serve public trust, not merely national prestige.

Ultimately, recurrent school bomb threats are a social challenge more than a security one. Why do these happen at all? Are our institutions—legal, educational and moral—strong enough to absorb shocks without normalizing them?

As children are remarkably adaptive, they may adapt to such disruptions. The more pressing question is why they should. The responsibility lies with adults—with institutions, educators and governments—to ensure that schools remain anchors of stability in an uncertain world.