

3. AI Impact on Jobs and Services- Science & Technology

Union Finance Minister in her Budget Speech said a high-level 'Education to Employment and Enterprise' Standing Committee will be formed to recommend measures that focus on the services sector

Identification of High-Potential Service Sub-Sectors

Map services sub-sectors with strong potential for-

1. Employment generation
2. Productivity enhancement
3. Export competitiveness

Focus beyond traditional IT services to include-

1. Health-tech, Ed-tech, Fin-tech
2. Logistics, tourism, creative industries
3. Green services and platform-based services

Impact Assessment of Emerging Technologies on Jobs

Examine how AI, automation, robotics, cloud computing and data analytics are reshaping-

1. Job roles
2. Skill requirements
3. Nature of employment contracts

Identify-

1. Jobs at high risk of displacement
2. Jobs likely to be transformed
3. New job roles emerging due to AI adoption

Embedding AI in Education & Teacher Training

Recommend integration of AI literacy-

1. From school level onwards
2. Emphasis on computational thinking, ethics of AI, and problem-solving

Propose upgrading State Councils of Educational Research and Training (SCERTs) to-

1. Serve as nodal institutions for AI-based teacher training
2. Enable continuous professional development of teachers

Promote alignment with National Education Policy (NEP) goals of future-ready learning

Formalisation of the Informal Workforce

Propose mechanisms to make informal work-

1. Visible
2. Verifiable
3. Digitally documented

Suggested focus areas-

4. Platform workers
5. Gig and freelance workforce
6. Skilled but uncertified labour

Objective- Enhance upward mobility, social security coverage and access to skilling

Attracting Global Talent and Skilled Diaspora

Recommend policies to-

1. Attract highly skilled Indian diaspora
2. Encourage foreign talent in frontier technologies

Measures may include-

1. Simplified visa regimes
2. Research & innovation incentives
3. Global academic-industry collaboration frameworks

Rationale for Constituting the Committee

Job Losses due to Automation

AI-driven automation is triggering-

1. Workforce restructuring
2. Layoffs in routine and clerical roles

Enterprises are-

1. Reducing dependency on manual processes
2. Increasing efficiency through intelligent automation

Need for Comprehensive Sectoral Mapping

Economic Survey 2025-26 highlighted- Lack of mapping of non-white-collar, high-skill jobs.

Many such roles are-

1. Understaffed
2. Poorly recognised in labour statistics

Committee aims to uncover hidden employment potential in these sectors

Risk Mitigation of AI-Induced Disruptions

Policy intervention needed to-

1. Cushion short-term job losses
2. Facilitate smooth labour transitions
3. Prevent widening inequality due to technological divide

Impact of AI on Jobs in India

Jobs Most Vulnerable to Automation

Routine and repetitive tasks are at highest risk-

1. BPO and customer support
2. Basic clerical and data entry work
3. Assembly-line manufacturing
4. Standardised logistics operations

Squeeze on Traditional Mid-Skill Jobs

Mid-skill roles that once ensured stability are declining-

1. Supervisory clerical roles
2. Semi-technical operations

AI substitutes functions faster than workers can reskill

IT and Outsourcing Sector Transformation

AI tools increasingly handle-

1. Code generation
2. Testing and debugging
3. IT support services

Result-

1. Workforce rationalisation
2. Shift towards fewer but more specialised roles

Emerging Opportunities in the AI Era

Creation of New Job Categories

High-demand roles include-

1. AI/ML Engineers
2. Data Scientists & Analysts
3. Cloud Architects
4. Cybersecurity Specialists
5. AI Product Managers
6. Prompt Engineers

Employment and Wage Implications

These roles-

1. Command higher wages
2. Have global demand

Projections indicate- Around 4.7 million AI/tech jobs could emerge in India by 2027

Shifting Skill Demands

1. Around 38% of India's workforce may need skill transitions by 2030
2. Highest skill disruption among BRICS nations
3. Employers increasingly value-
 - a. Technology proficiency
 - b. Analytical reasoning
 - c. Adaptability and lifelong learning
4. Traditional degrees alone are no longer sufficient

Way Forward

Upskilling and Reskilling Imperatives

Large-scale skilling effort required- Over 16 million workers need reskilling by 2027

Focus areas-

1. AI, automation, data analytics
2. Digital literacy and problem-solving

Government-Industry Collaboration

Public-private partnerships essential for-

1. Curriculum design
2. Apprenticeships and internships
3. Trainer capacity building

Key Government Initiatives Supporting AI Skilling

Future Skills PRIME- Flagship programme of MeitY in partnership with NASSCOM. Focuses on 10 emerging technologies including AI

Skill India Mission- Integrates AI components into vocational and technical training

National Council for Vocational Education and Training- Developed National Programme on Artificial Intelligence (NPAI) Skilling Framework

SOAR (Skilling for AI Readiness)– Launched by MSDE

Targets–

1. School students (Classes 6–12)
2. Teacher AI literacy

Directorate General of Training

1. Collaborates with global tech firms (IBM, Microsoft, AWS, Cisco, Adobe, etc.)
2. CSR-driven skilling initiatives

Sector Skill Councils (SSCs)

1. Industry-led curriculum co-development
2. Training of Trainers (ToT)
3. Apprenticeship and internship facilitation

Conclusion

AI will transform rather than eliminate work in the long run.

While some traditional roles decline– New, high-value opportunities are expanding rapidly.

India's success depends on–

1. Timely policy reforms
2. Robust skilling ecosystem
3. Strong coordination between government, industry and education systems

A proactive approach can convert AI disruption into a demographic and economic dividend.

Source– <https://indianexpress.com/article/business/budget-2026-ai-impact-on-jobs-and-services-panel-to-look-at-the-road-ahead-10508287/>

