India needs to find vocations least impacted by AI: CEA Nageswaran

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India needs to find vocations that will be least impacted by artificial intelligence (AI) and make it 'fashionable' for students to adopt them, in a bid to combat the disruptive impact of AI on job creation, said Chief Economic Advisor V Anantha Nageswaran on Tuesday.

"India needs to generate 8 million jobs annually, with the demographic sweet spot remaining for the next 10-15 years. China has occupied a huge strategic space in manufacturing. So we do have a formidable problem. [Then] How do we motivate students to take up jobs that will be least disruptive by AI. We need to find vocations like elder care, counselling,

plumbing etc. This is an issue to make these jobs respectable and fashionable," said Nageswaran while addressing a webinar titled 'AI and policy choices for job creation' organised by Indian Council for Research on International Economic Relations (ICRIER).

He further added that AI is going in the automation- centric direction which is going to replace labour, instead of the human -centric direction. "Productivity improvements may happen [due to AI], but who gains from it? This is a question for both developed and developing countries," he added.

Nageswaran said that, in India - the large capital intensive companies will become even more capital intensive and even less prone to hiring. "Job creation prospects will have an impact. Therefore, intra country inequality will also become a challenge," he added.

Also addressing the webinar, Nobel laureate Daron Acemoglu echoed similar views and said that AI will be disruptive for developing countries like India if it goes in the direction of automation, rather than going into human complimentary direction.

"Many of the developing countries in the world will be harmed by it because human resources - i.e middle skilled workers are still their comparative advantage. [So], a lot of pathways followed by south east Asian economies or India will be closed with true advances in AI," said Acemoglu.

Besides, listing out the positive impact of AI, Nageswaran said that it can help India in taking education to the remote corners of the country and 'reimagine' the rote learning culture in the country. It can also help in taking the health services to the remotest corners of the country as the number of health professionals are not adequate in many areas, he added.