



EDITORIAL

The Automation Question: Jobs, Productivity and the Future of Work

The World Bank says only 4.5 percent of jobs in developing countries face immediate generative-AI automation risk, versus 14.2 percent in rich ones. That sounds like good news until you notice which Pakistani jobs sit inside the 4.5 percent: the entry-level, educated, formal-sector roles the country was counting on to absorb its next generation of graduates.

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By **D Rabia Siddiqui** | Editorial Desk Paktech today | Published: October 2026

✉ rabia.siddiqui@gmail.com | Position: Associate Professor of Labour Economics

Introduction

In August 2026, the World Bank's World Development Report on the promise of artificial intelligence named Pakistan among the economies in the Middle East, North Africa, Afghanistan and Pakistan region most exposed to AI-driven disruption, citing high youth unemployment, limited private-sector job creation, and a shortage of quality formal employment. The report's headline figure sounds reassuring: only 4.5 percent of existing jobs in low- and middle-income countries face immediate automation risk from generative AI, against 14.2 percent in high-income economies. The reason is structural. Developing economies have more jobs built around physical labour, in-person service, and informal work, and roughly 72 percent of Pakistani workers are informally employed. Those jobs are hard to automate. They are also not the jobs a growing share of Pakistani graduates are trained for.

That is the part of the automation debate Pakistan has been slow to confront. The usual framing asks whether machines will take jobs from the factory floor or the farm. The more pressing question is what happens to the educated, formal-sector, entry-level work that Pakistan's universities, freelancing platforms, and software exporters have spent two decades building a pipeline into. The World Bank warns that economies where high-skilled services have become a key source of employment growth may see greater displacement as AI takes over cognitive tasks once handled by educated workers, and that in the long run AI could cut off economic mobility by eliminating the middle-class jobs that make it possible. For a country adding hundreds of thousands of graduates to the labour market every year, that is not an abstract risk.

"The jobs safest from automation are the ones Pakistan's graduates are not being trained for. The jobs they are being trained for are the ones the machines are learning first."

Who Is Actually Exposed

Research on AI exposure across developing economies has found a consistent and somewhat counterintuitive pattern: informality sharply reduces measured exposure, while the risk concentrates among



women, younger workers, educated workers, and formal-sector employees. Pakistan fits that pattern uncomfortably well. Clerical and administrative roles, where women have found some of their few formal entry points into the labour force, are among the most automatable occupations anywhere. Entry-level programming, customer support, content writing, and data processing, the bread and butter of the freelancing and BPO sectors this magazine has covered, are exactly the tasks generative AI performs best. A Business Recorder editorial this August made the economic logic plain: the cost of using AI is now low enough that the labour-cost advantage Pakistan has long sold to the world is shrinking.

The scale mismatch compounds the problem. The World Bank notes that the five largest American AI hyperscalers will spend roughly \$775 billion on capital expenditure this year, almost double Pakistan's entire nominal GDP of about \$408 billion. Pakistan is not choosing whether to adopt tools built by firms with budgets that dwarf its economy. It is choosing how to adapt to them. The same report also warns of a squeeze on remittances and IT exports, the two foreign-exchange lifelines most directly tied to the labour-cost advantage that AI is eroding. A model of development based on selling cheap skilled hours to the world is, quite literally, competing against a machine whose hours are getting cheaper every quarter.

Productivity Without Jobs Is Not Development

Pakistan's economy has a long-standing productivity problem, and automation is routinely pitched as the cure. It can be, but only if productivity gains translate into growth that creates work elsewhere. In a labour market that already struggles to generate enough quality formal jobs, a productivity gain that simply lets a firm do the same work with fewer people is not a national win. It is a transfer from workers to owners. The honest framing of the automation question is therefore not whether Pakistan should automate. Competitors will, and firms that refuse will lose business to those that do. The question is who captures the gains, and whether anything in the current policy mix routes them back into new jobs, new skills, and new firms.

There is an upside, and it deserves equal weight. The World Bank is explicit that developing countries can use AI to boost growth and improve services if they invest in the foundations first: reliable power, connectivity, data, and skills. A rural clinic that can triage patients with an AI assistant, a small exporter that can write product listings in five languages, a farmer who can read a weather and soil advisory in Punjabi or Sindhi: these are real gains, and they favour exactly the workers and firms the labour-cost model never reached. The same tools that threaten the junior programmer can multiply what a small business owner in Faisalabad or Multan is able to do. Which of those two futures arrives depends far more on policy choices than on the technology itself.

What's Next?

Three priorities follow from the evidence. First, education has to shift from credentials toward the things machines do poorly: judgement, communication, domain expertise, and the ability to direct and check AI output rather than merely produce it. This magazine has argued elsewhere that curriculum reform is useless without faculty capable of delivering it, and that applies doubly here. Second, social protection needs to catch up with a labour market where informal and platform work is the norm, since a worker displaced from a freelancing platform has no severance, no insurance, and no employer to retrain them. Third, the National AI Policy's promise of a million trained AI professionals should be matched by an explicit plan for the workers whose tasks that same technology will absorb, not just those who will build it.

Every previous wave of automation eventually created more work than it destroyed, but not automatically, not evenly, and not on a timetable that was kind to the people in the middle of the transition. Pakistan does not have the fiscal cushion to simply wait and see. The World Bank's warning is, at its core, an invitation: the displacement risk is still low enough that there is time to prepare, and the foundations for benefiting from AI are



still ones a determined country can build. The automation question is not a prediction about machines. It is a test of whether Pakistan's institutions can plan for the future of work before it arrives, rather than apologising to a generation of graduates after it has.

About the Author

Dr. Rabia Siddiqui is an Associate Professor of Labour Economics in Islamabad, where her research focuses on technological change, youth employment, and informal labour markets in South Asia. She can be reached at rabia.siddiqui@gmail.com.