# Two futures for jobs in an AI era

## 2026 Global AI Jobs Barometer

Government and Public Sector Analysis

# Key findings

## AI is driving productivity, accelerating skills change and starting to create a redesign of entry level work

### AI is strongly linked to significant productivity gains

Since 2022 when AI use soared, companies in the sectors most exposed to AI have tripled their lead in workforce productivity growth over the least AI-exposed companies.

### Companies achieving the biggest productivity gains are boosting wages and headcount

Rather than replacing jobs at scale, leading organisations are using AI to amplify human performance and create value.

### Harnessing AI is accelerating skills transformation

Skills required for the most AI exposed jobs are changing twice as fast as in least exposed roles - a 75% increase over last year's gap.

### Redesigned entry level pathways

AI exposed junior roles are 7x more likely (than the least AI exposed junior roles) to demand traditionally senior skills like leadership and strategic thinking.

### A two-track labour market

Jobs professionalised by AI – where AI does the basic work leaving more expert tasks for people (22% of advertised jobs) - are thriving while jobs democratised by AI – where AI takes on the complex work (52% of advertised jobs) - fall behind.

**40%**

Productivity growth is 40% higher at most vs least AI exposed companies.

**52%**

The most AI exposed companies see faster headcount growth than the least AI exposed (52% vs 36%) and higher wage growth (24% vs 17%).

**2.5x**

The most AI exposed jobs are adding tasks that rely on human-intensive skills like empathy, judgment and creativity 2.5x faster - than the least AI exposed roles.

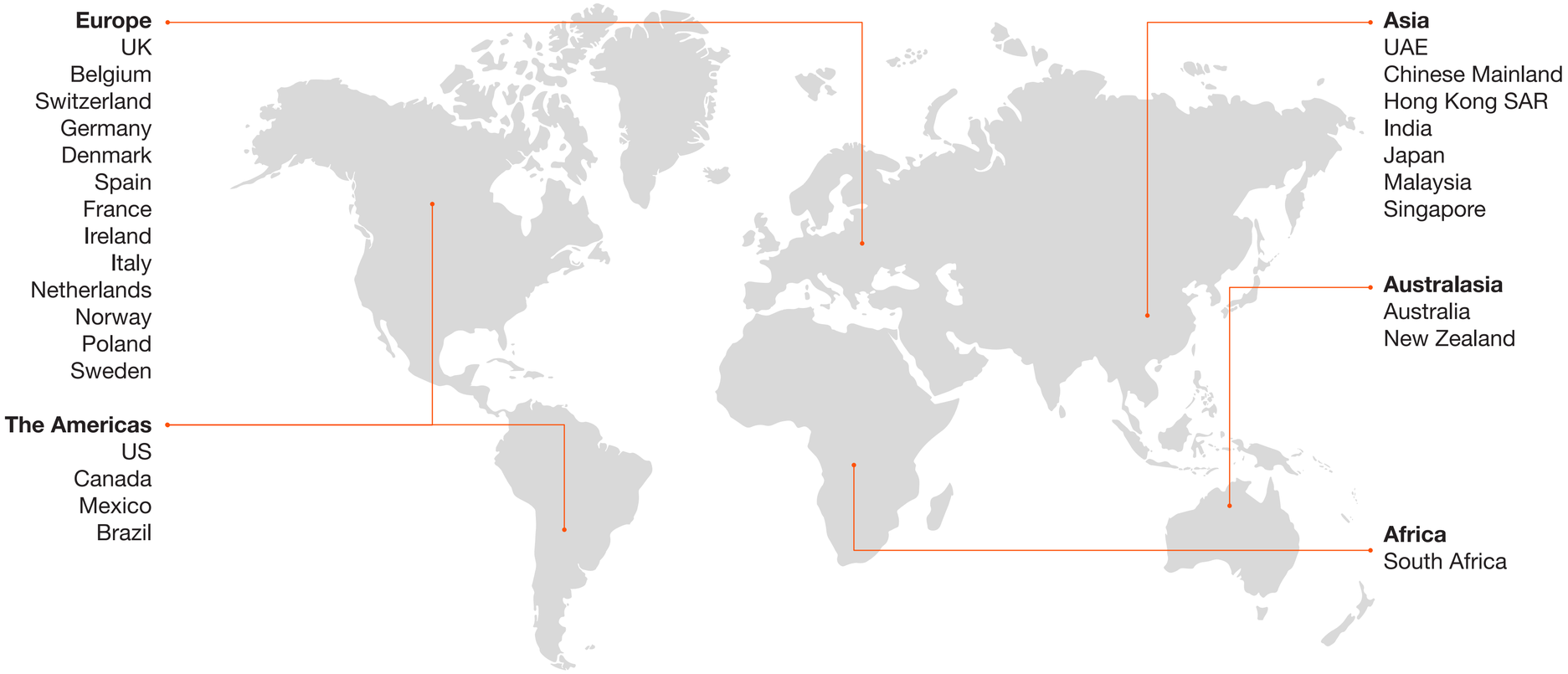
**35%**

AI-exposed 'seniorised' entry level roles are thriving with 35% growth since 2019 while other entry level roles decline in number.

**42%**

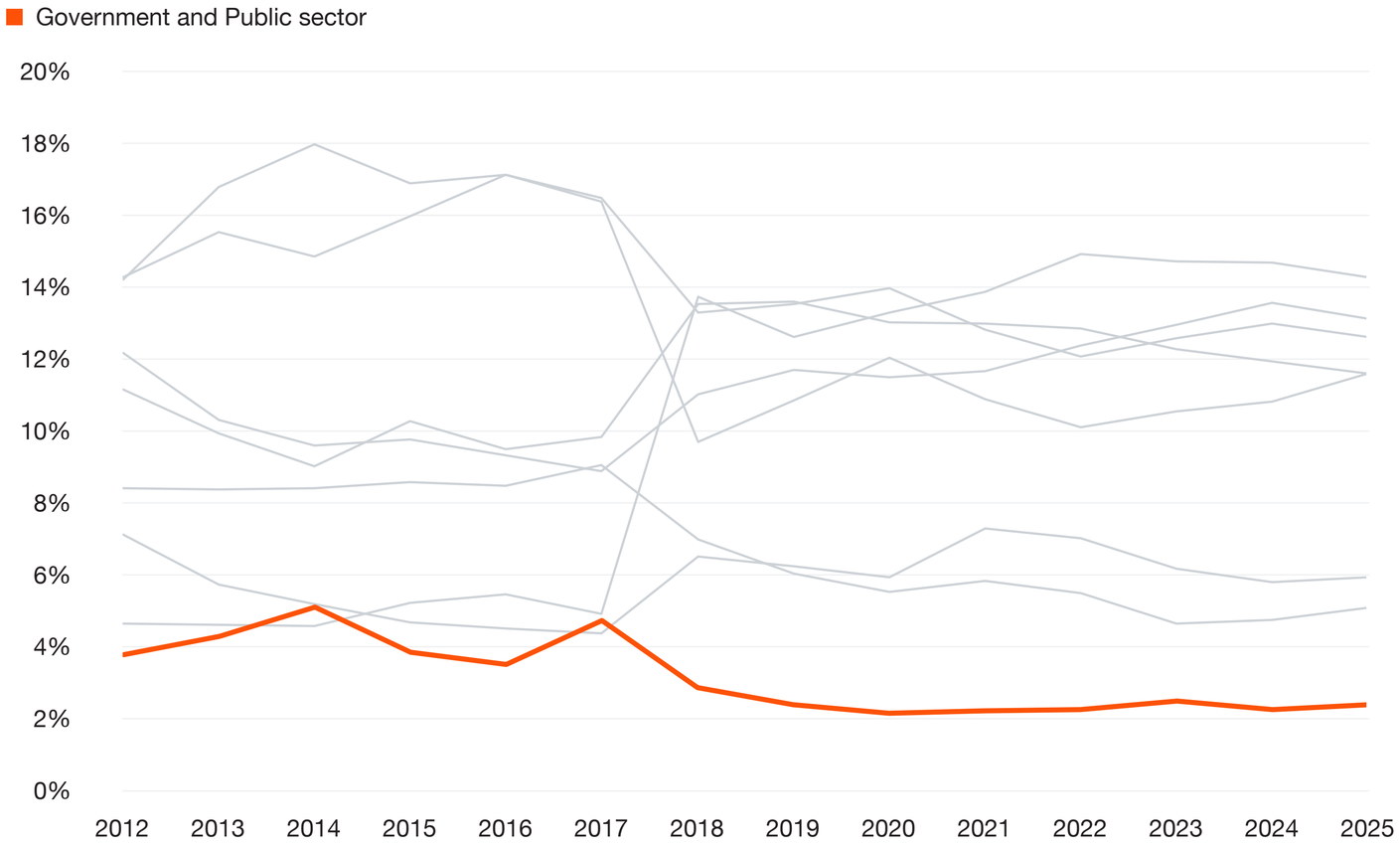
Professionalised jobs are growing twice as fast as Democratised jobs with 42% higher wage growth since 2021.

# The 2026 AI Jobs Barometer examines over one billion job ads from 6 continents to reveal how AI is affecting jobs, skills, wages, and labour productivity



# The Government and Public sector represents a small share of overall hiring demand

## Share of total job postings in the Government and Public sector, globally (%, 2012 to 2025)



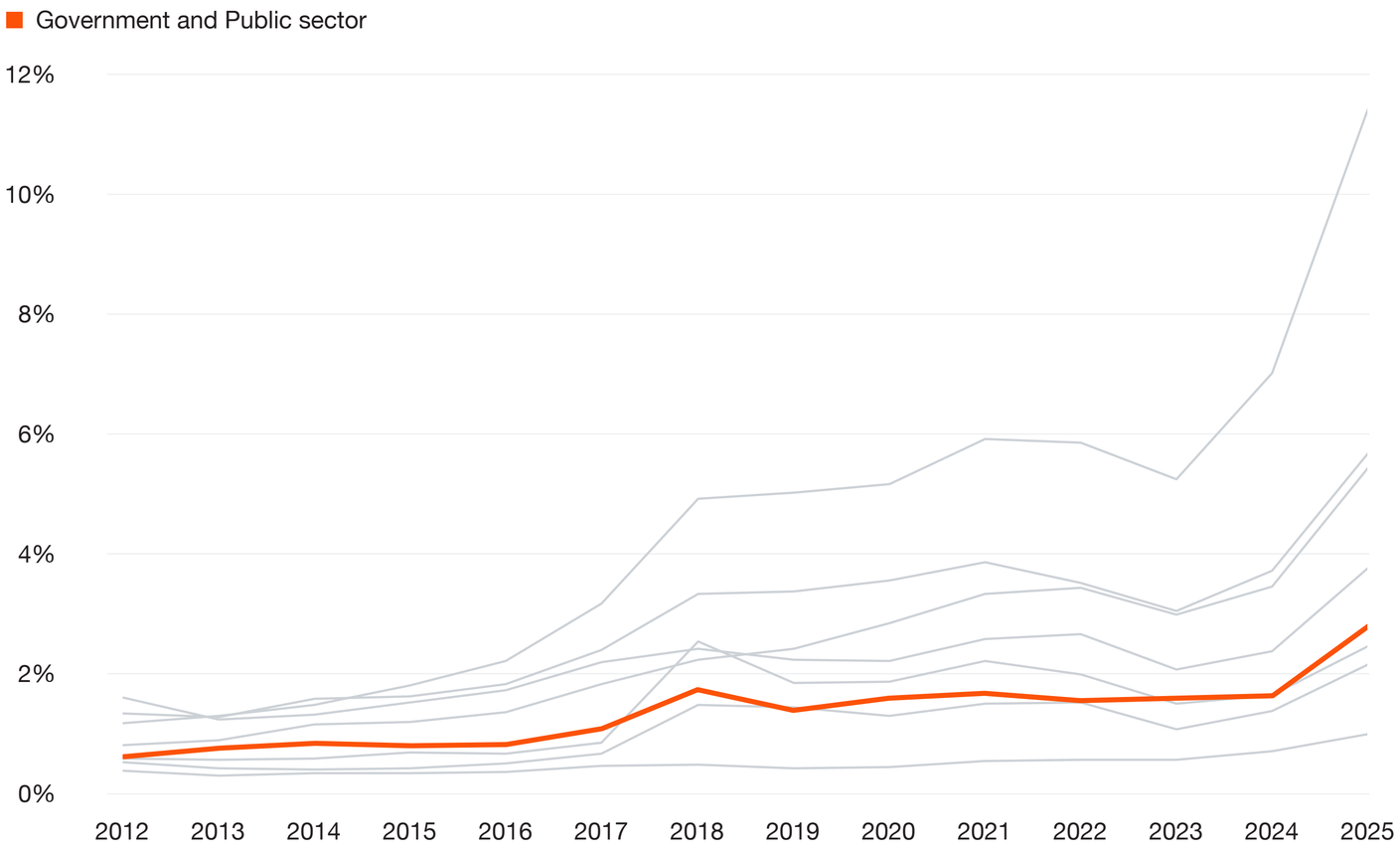

Source: PwC analysis, Lightcast data

## Findings

- In 2025, Government and Public Sector accounts for 2.4% of total job postings across the sectors analysed.
- This places it as the sector with the lowest overall demand from the key sectors analysed.

# However, AI hiring intensity in the Government and Public sector is rising steadily

## Share of AI jobs within the Government and Public sector, globally (%, 2012 to 2025)



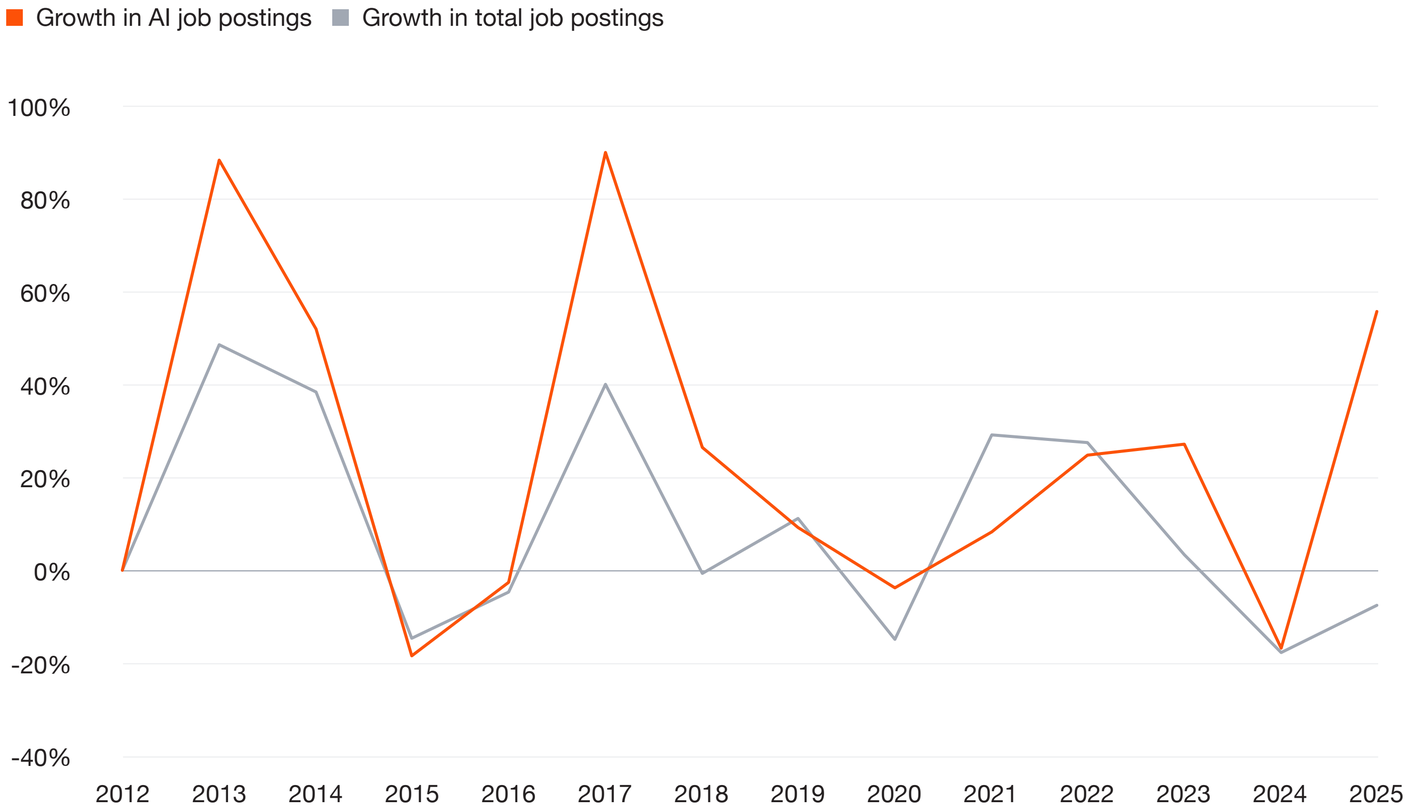

Source: PwC analysis, Lightcast data

## Findings

- In 2025, AI roles account for 2.7% of total job postings in the sector, up from 1.6% in 2024.
- This places Government and Public Sector broadly in the mid-range among less AI-exposed industries.
- The year-on-year increase suggests growing integration of AI capabilities across public services.
- However, overall AI intensity remains moderate relative to the more AI exposed sectors.

# AI hiring has rebounded sharply even as overall Public sector recruitment continues to contract

## Growth in total job postings and AI job postings for the Government and Public sector, globally (%, 2012 to 2025)



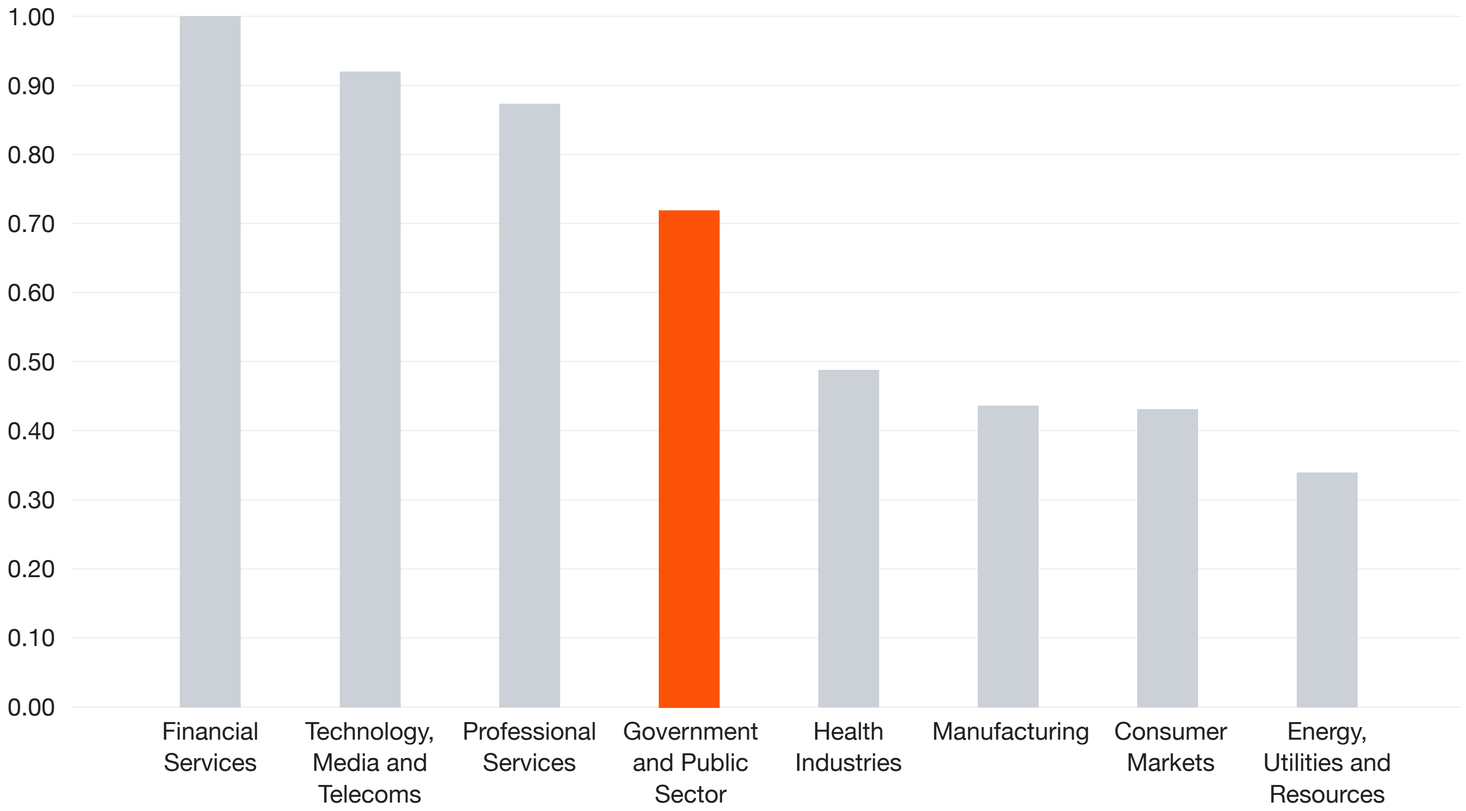

Source: PwC analysis, Lightcast data.

## Findings

- Total job postings declined by 17.7% in 2024 and a further 7.5% in 2025, indicating sustained contraction in overall hiring.
- AI roles also fell in 2024 (–16.8%) but rebounded strongly in 2025, growing by 55.7%. The divergence suggests that, despite tighter overall recruitment, AI capabilities are becoming a growing priority within the sector.
- This may point to a reallocation of hiring demand towards AI-related capabilities, although the data should not be read as direct evidence that AI roles are replacing or being funded by reductions in other roles.

# The Government and Public sector ranks among the more AI exposed sectors, aligning with strong growth in AI hiring in the last year

## PwC AI industry exposure by sector (2026)



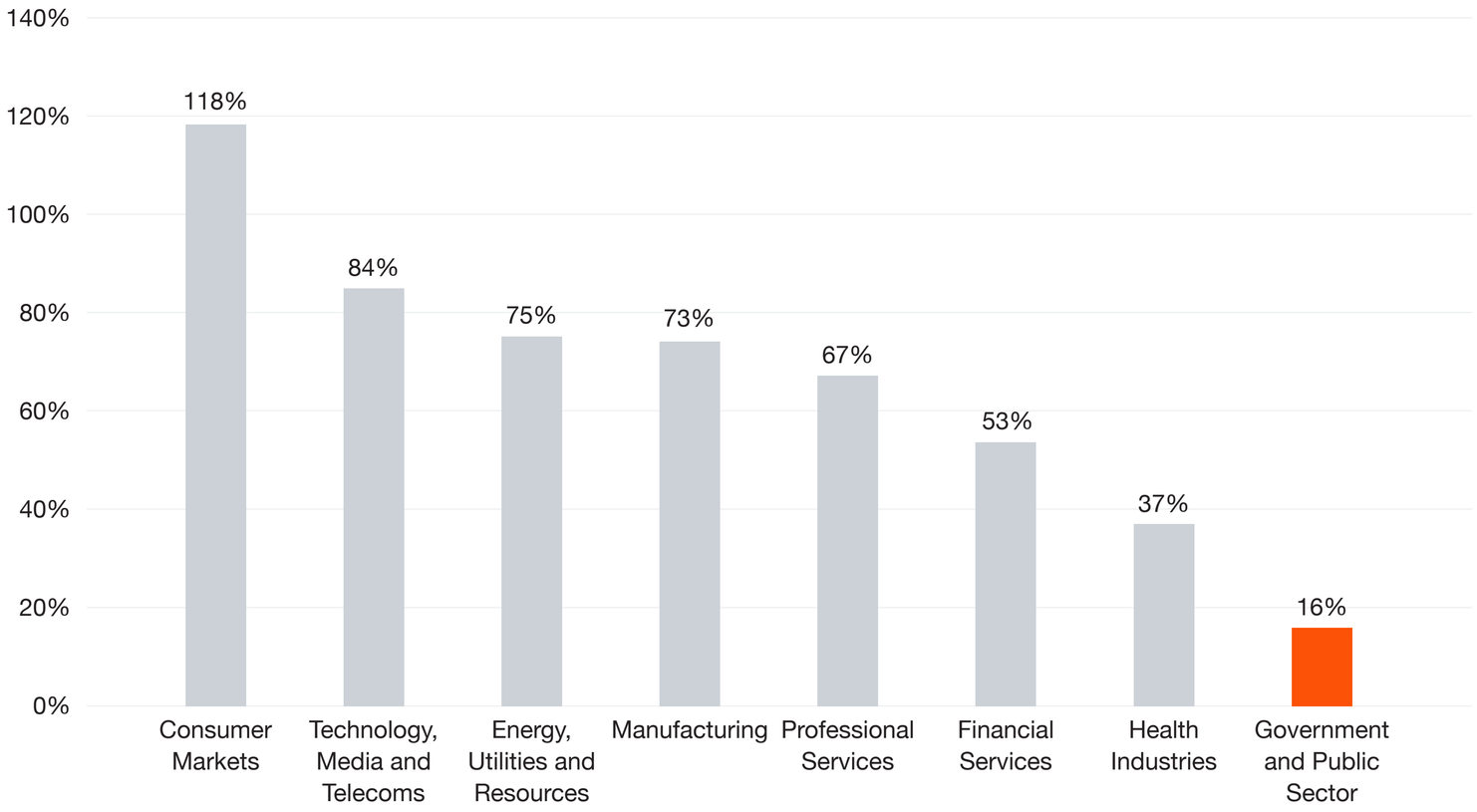

Source: PwC analysis, Lightcast data

## Findings

- The sector ranks fourth on our AI Industry Exposure Index, indicating a relatively high share of roles with tasks that can be supported or augmented by AI.
- The comparatively high exposure aligns with the sharp rebound in AI hiring observed in 2025.
- Together, this suggests that even amid overall hiring restraint, the sector has meaningful scope to expand AI integration across administrative, analytical and service-delivery functions.

# AI enabled roles in Government and Public Sector command a modest but positive wage premium, consistent with early-stage adoption

## Average wage premium for AI related skills by sector, globally (%, 2025)



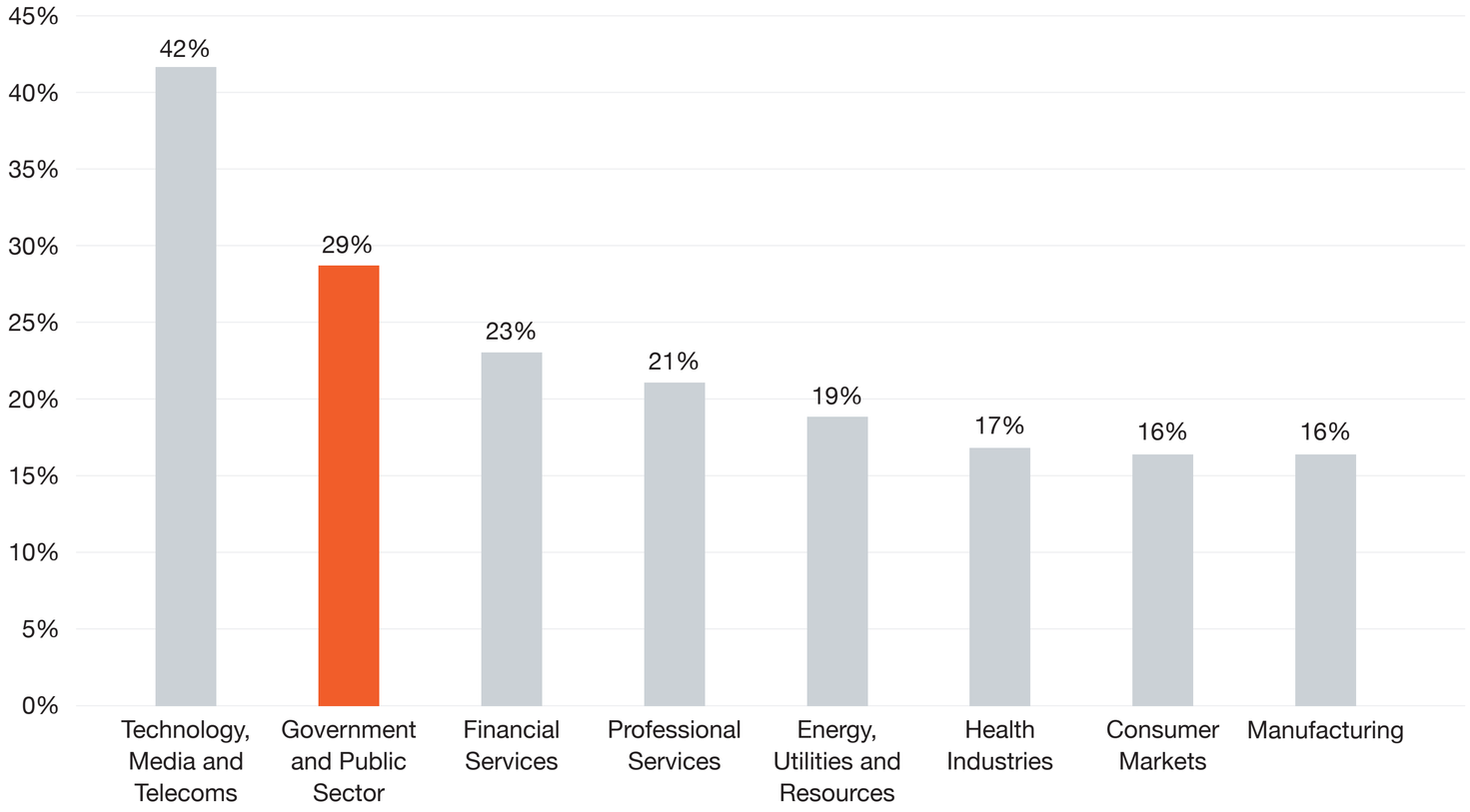

Source: PwC analysis, Lightcast data
Notes: (i) To calculate wage premiums, we split job postings within a sector by AI and non-AI jobs. From here we estimate the wage premium (difference) within the sector for wages in the AI group compared to the non-AI group. This analysis is not a growth rate but rather a snapshot of a given year. Note that only the eight PwC aligned sectors are shown in the visual.

### Findings

- In 2025, AI-enabled employees in Government and Public Sector earn a wage premium of 16% relative to non-AI roles.
- While positive, this premium is lower than in more AI-intensive sectors.
- However, the relatively modest uplift indicates that the value of AI adoption is yet to fully materialise into compensation for AI enabled labour.
- The presence of a premium also reinforces that AI capabilities are valued, consistent with the sector's moderate level of AI exposure and growing momentum.

# Higher AI exposure in Government and Public Sector is reflected in a relatively strong growth in productivity

## Growth rate in productivity by sector, globally (%, 2018-2025)



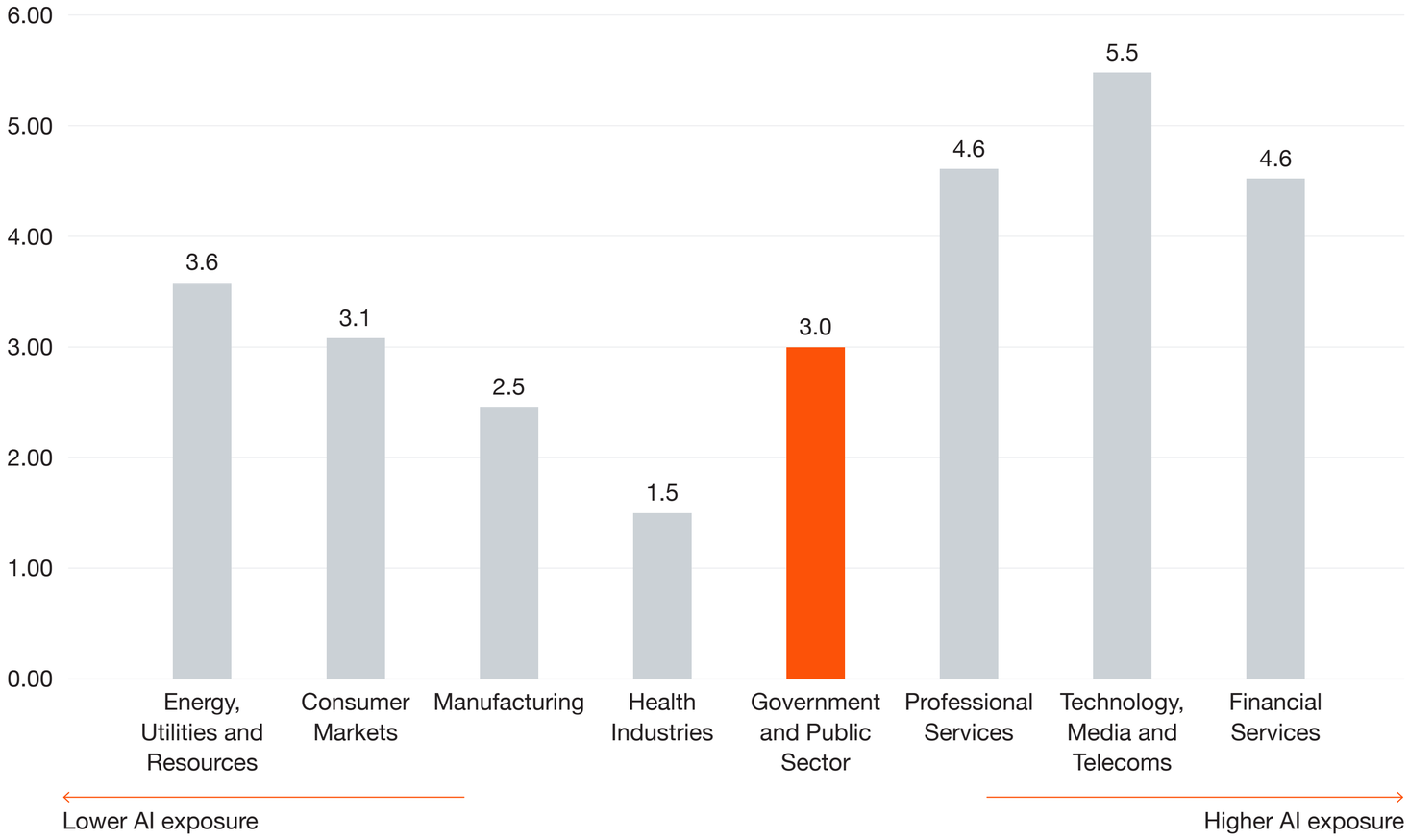

Source: PwC analysis, ORBIS data
Notes: Productivity is measured by turnover per employee using ORBIS data. We compute the growth rate in productivity between 2018 and 2024/25 at company level and aggregate up to sector level. Includes company data from all countries in the 2026 AIJB scope. 2025 data is used for companies where available, otherwise we default to 2024 data. Sectors are mapped from two-digit 2022 NAICS to the closest match(es) amongst the eight key PwC sectors. See productivity analysis appendix for all data cleaning filters applied.

### Findings

- Government and Public Sector records productivity growth of 29%, the second highest across sectors.
- This aligns with its relatively high AI exposure, suggesting greater scope for efficiency gains through AI adoption.
- Overall, the findings indicate that AI integration in the sector is associated with strong improvements in output per employee relative to other sectors.
- Caveat: This should be interpreted as a broad productivity proxy rather than a direct measure of AI impact, as public sector productivity is difficult to measure and may also reflect wider digitisation, workforce mix, headcount effects and broader efficiency programmes.

# While relatively AI exposed, the sector's pace of skills transformation remains moderate

## Net skill change by AI exposure for key sectors, 2019-2025, globally



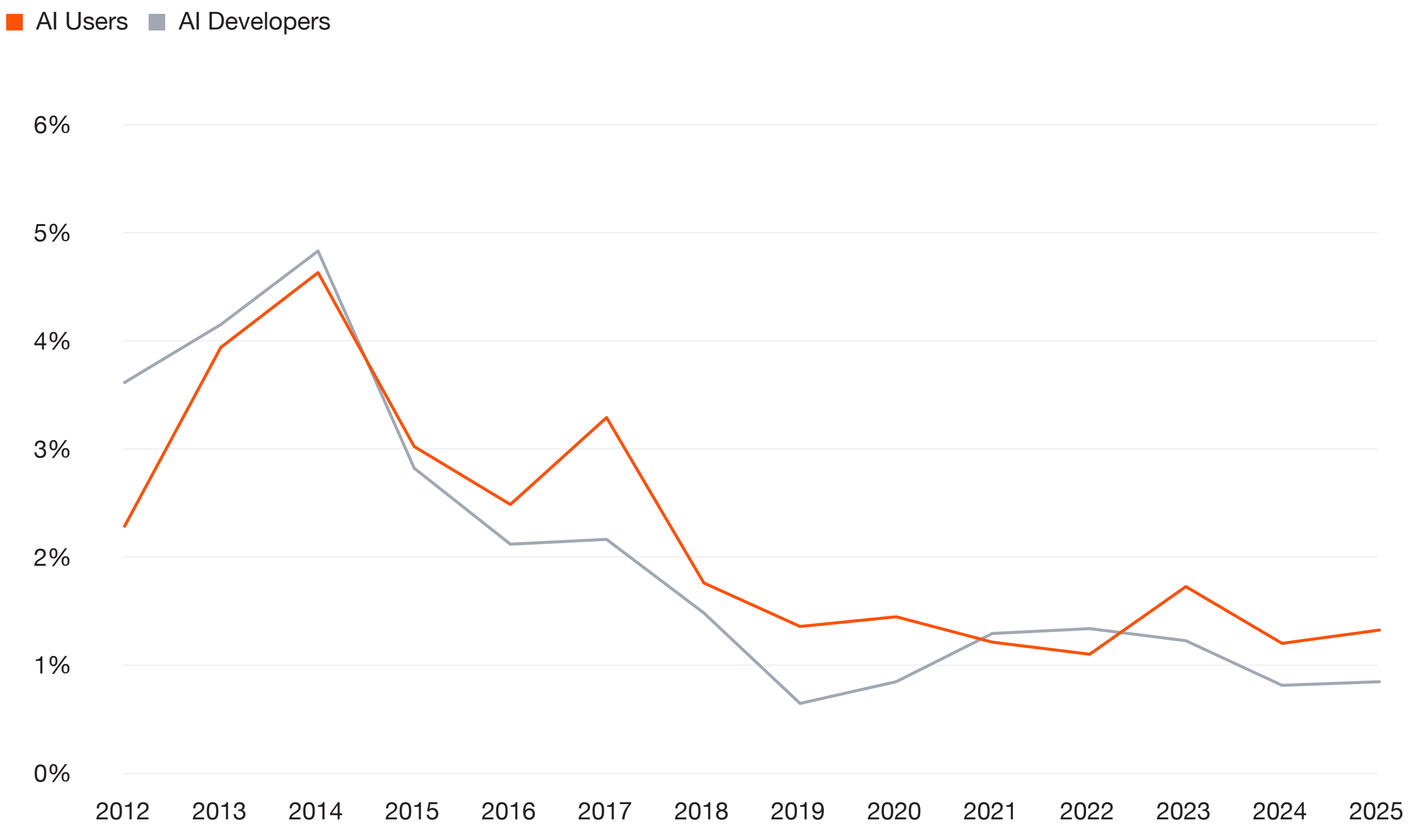

Source: PwC analysis, Lightcast data
Notes: Net skill change is calculated as the aggregation of the percentage point difference between 2019 and 2025 of the share of a skill making up an occupation.

### Findings

- Despite ranking fourth on AI exposure, Government and Public Sector sits in the mid-range for net skills change between 2019 and 2025.
- Skills evolution in the sector appears more gradual, potentially reflecting institutional constraints, longer implementation cycles and structured workforce frameworks.

# Globally, the sector's share of AI skill demand remains modest

## Share of global skill mentions for the Government and Public sector, by user category (%, 2012 - 2025)



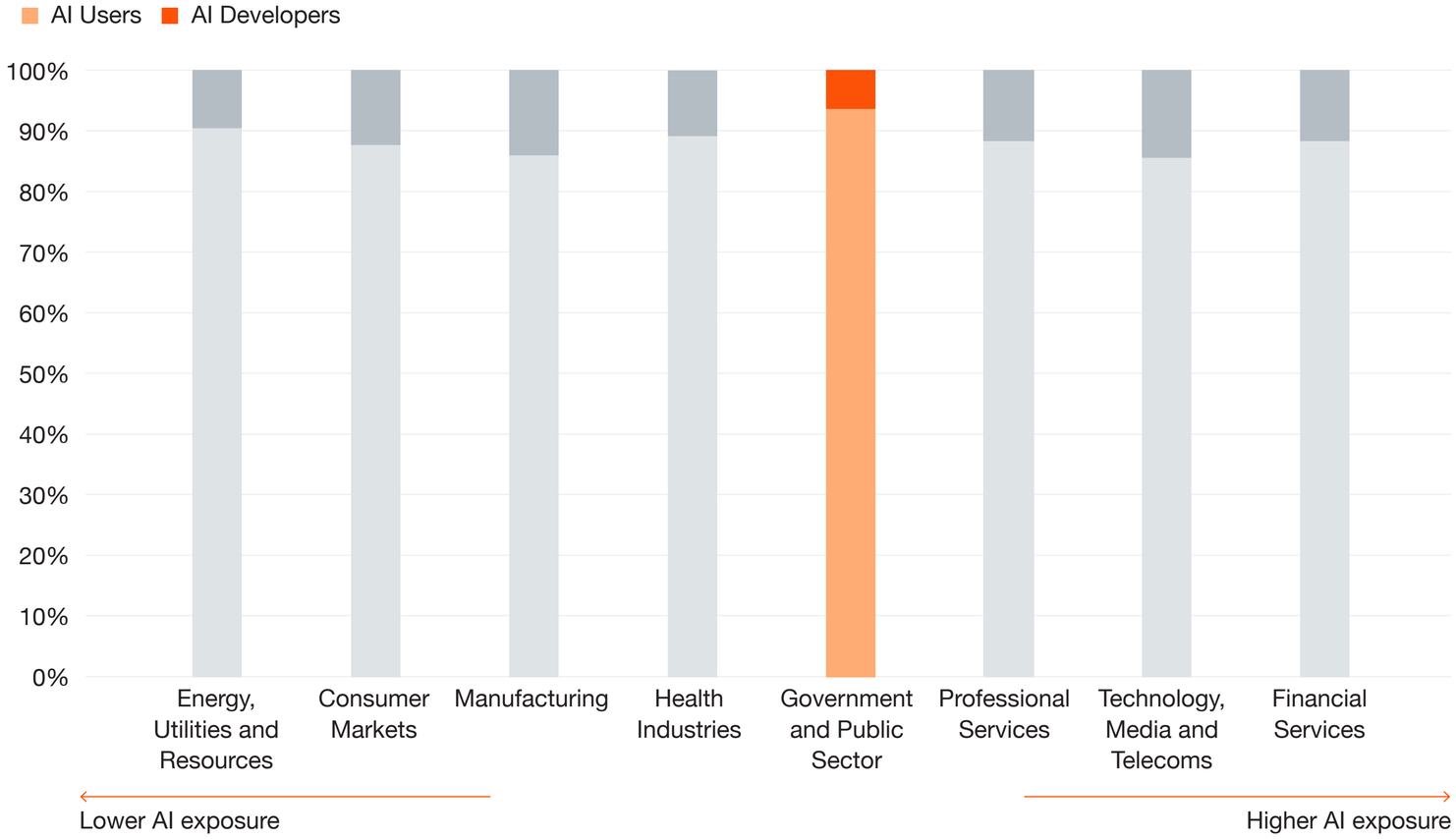

Source: PwC analysis, Lightcast data

## Findings

- In 2025, the Government and Public sector accounts for 1.4% of global AI users (applied AI and basic literacy) skill mentions and 0.9% of AI developer capability mentions (advanced AI development).
- These shares have remained relatively stable in recent year between the 1-2% range, capturing a small share of total AI skill mentions.

# Within Government and Public Sector, AI hiring is concentrated most heavily on applied roles, with only a limited specialist developer layer

## Shares of AI User and AI Developer job postings of all AI related roles, Government and Public Sector, 2025, globally (%)



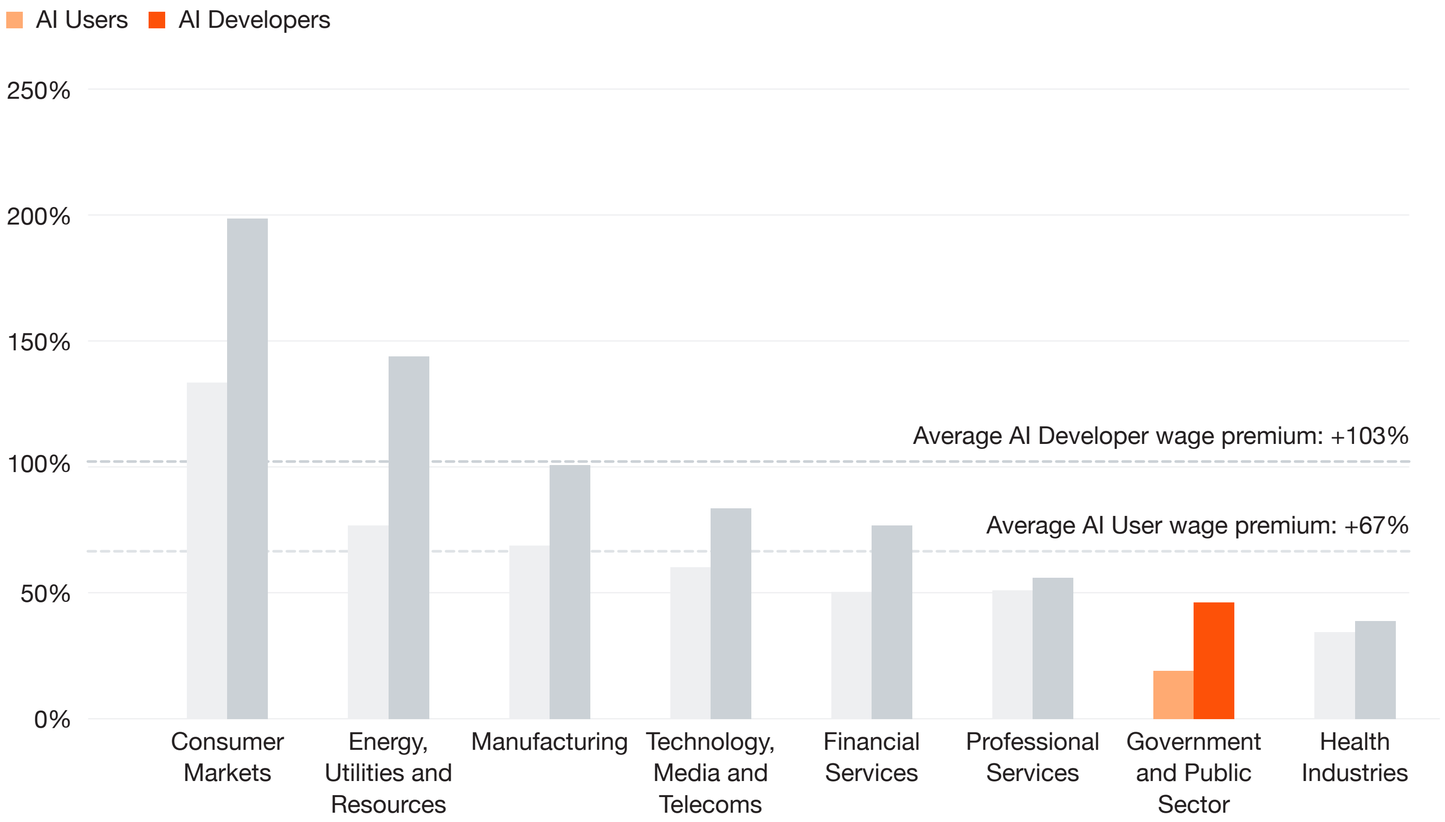

Source: PwC analysis, Lightcast data
Notes: We only include the countries for which data is available from 2012 in our sample.

## Findings

- In 2025, AI user roles account for 94% of AI related job postings in Government and Public Sector, compared with 6% for AI developer roles. This shows that demand is focused overwhelmingly on applying AI within public service and administrative functions rather than on specialist build roles.
- That mix fits a sector where the near term priority is likely to be adoption, deployment and use of AI tools across existing workflows, rather than large scale in house development of bespoke AI systems. The comparatively small developer share suggests technical build activity is more selective and concentrated in specific functions or programmes.
- This applied-skills skew may also reflect structural features of the sector, including procurement-led delivery models and a greater tendency to adopt vendor-enabled AI capabilities rather than build bespoke systems fully in-house.

# Despite representing a smaller share of hiring, developer roles in the Government Sector still command the stronger wage premium

## AI User and AI Developer wage premiums, Government and Public Sector, globally, 2025 (%)




Source: PwC analysis, Lightcast data
Notes: We only include the countries for which data is available from 2012 in our sample. To calculate wage premiums, we split job postings within a sector by AI and non-AI jobs. From here we estimate the wage premium (difference) within the sector for wages in the AI group compared to the non-AI group. This analysis is not a growth rate but rather a snapshot of a given year. Note that only the eight PwC aligned sectors are shown in the visual.

## Findings

- In 2025, AI user roles in Government and Public Sector carry a wage premium of +20%, while AI developer roles carry a premium of +47% relative to non AI roles in the sector. This indicates that although most AI hiring is concentrated in user roles, the market still places a higher premium on advanced technical AI capability.
- Both premiums sit well below the overall cross sector averages, suggesting that AI skills are valued less highly in Government and Public Sector than in most other sectors. This is consistent with a sector where AI adoption and specialist technical demand remain more limited, and where pay structures are typically less geared towards competing aggressively for scarce digital talent.
- **Caveat**: These premiums are measured within Government and Public Sector, comparing AI-related roles with non-AI roles in the same sector. They should not be interpreted as a direct comparison with AI salaries in the other sectors.

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