Amazon announces 9,000 more job cuts as tech industry jobs massacre builds

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Amazon announced Monday that it is laying off another 9,000 employees, bringing to 27,000 the number of staff the company has cut since the start of the year. The layoffs represent about 8 percent of the company's global workforce. Amazon's stock fell 1.25 percent Monday following the job cut announcement.

The latest round of cuts by Amazon signal that the jobs massacre in the tech industry is continuing unabated. On March 14, Meta said it was laying off another 10,000 workers. Four months ago Meta announced the layoff of 11,000 employees, 13 percent of its workforce.

Through March 20 more than 500 tech companies have laid off nearly 140,000 workers this year. This has been the largest contraction in the tech industry since the dot-com crash, with almost every major tech company announcing cuts. Significant job cuts so far this year have come at giants Google, Microsoft, Salesforce, Twitter and IBM, who together account for nearly half of the layoffs in tech.

In a memo to employees, Amazon CEO Andy Jassy said the latest cuts would impact workers mainly at Amazon Web Services, PXT, which handles human resources, advertising and the Twitch livestreaming division. He said the final decision on which jobs would be eliminated would be determined by mid-April. Citing the current economic "uncertainty," Jassy said the company had "chosen to be more streamlined in our costs and headcount."

In typical corporate speak the letter continued, "The overriding tenet of our annual planning this year was to be leaner while doing so in a way that enables us to still invest robustly in the key long-term customer experiences that we believe can meaningfully improve customers' lives and Amazon as a whole." Needless to say this offers little comfort to workers whose lives are being upended.

The recent round of cuts will impact 2,300 Amazon workers in the Seattle, Washington, area, the company's base of operations. This month Amazon announced the closure of eight Amazon Go convenience stores. It has also suspended construction on its highly touted HQ2 project in the Washington D.C. area. Some 8,000 workers were supposed to have started work at the complex in Arlington, Virginia, this summer. Meanwhile, Amazon issued a directive last month requiring employees to be in the office at least three days a week.

Last year, layoffs impacted workers at Amazon's Alexa voice recognition activation division and then spread to those working on automated stores, drones and the consumer retail division as well as job recruiters. Cuts have so far not hit the company's warehouse division.

Jassy said the company had not announced all planned layoffs in January because management had not completed its cost assessment at that time. "Rather than rush through these assessments without the appropriate diligence," he wrote, "we chose to share these decisions as we've made them so people had the information as soon as possible."

Amazon enjoyed a boom in sales and profits during the pandemic as online shopping increased. However, last year the company saw a loss due to declining online sales revenue and because of its investment in electric startup Rivian Motors. Amazon suffered a $5.4 billion loss when the share price of the vehicle company collapsed. Amazon has contracted for 100,000 delivery vehicles from Rivian.

According to website layoffs.fyi, 67 tech companies have announced 26,910 layoffs so far in March. This follows 84,714 tech layoffs in January and 36,491 in

February.

March layoffs include:

• Better.com—3,000 layoffs.

• Xerox—800 layoffs in production, marketing and talent teams.

• Go to Group—600 job cuts following 1,300 announced late last year.

• Atlassian—500 jobs slashed as the business software maker is cutting 5 percent of its workforce.

• Thoughtworks—500 layoffs, the software consulting firm is laying off 4 percent of its global workforce.

• Sirius XM—475; 8 percent of its workforce.

• Informatica—450; 7 percent of its workforce.

• Pico Interactive—400; 20 percent of its workforce.

• Alerzo—400 job cuts, impacting full-time and part-time staff.

• Docusign—680; 10 percent of its workforce.

The latest layoffs take place amid continuing crisis in the world financial system with the takeover of Credit Suisse this weekend. This followed the collapse and takeover of Silicon Valley Bank, which further destabilized the tech industry.

The banking crisis and tech layoffs are the product of the relentless increase in interest rates by the US Federal Reserve, which has resulted in the shutting off of the easy money that had fueled growth in the tech industry. The interest rate hikes are part of a deliberate effort by the ruling class to undermine the militancy of the working class by increasing unemployment.

The layoffs in the tech industry foreshadow broader problems in the US economy. The tech and information industry accounts for 10 percent of the US economy and 8 percent of jobs, and far more counting jobs that support tech. Writing on the tech layoffs and the aftermath of the collapse of SVB the *Wall Street Journal* wrote, "The same tech industry-based economic engine that fueled the global economy on the way up—turning every invested dollar into what seemed like a buck and a half—is doing the opposite on the way down." It continued, "The unraveling of Silicon Valley Bank began when interest rates rose, the 'free money' spigot shut off, and investment in startups crashed. The result was investors and companies drawing down their accounts at the bank."

The tech sector cuts at Amazon come as the company is attempting to squeeze ever more production and profit out of its workforce in its warehouses. According to a recent report in the *Guardian*, injuries at Amazon warehouses are twice as high as at its major competitors. The US Occupational Safety and Health Administration (OSHA) issued citations against Amazon at six warehouses in January and February of this year. The citations involved unsafe working conditions, ergonomics and failure to report injuries.

On February 1, OSHA issued a statement reporting that it found multiple risk factors for musculoskeletal injuries, including high frequency of lifting, heavy weight of items, "employees awkwardly twisting, bending and extending themselves to lift items" and long hours required to complete tasks. Examination of company log books revealed that Amazon employees experienced a high incidence of musculoskeletal disorders.

However, despite the numerous irregularities, OSHA has issued minimal fines. In the case of the most recent violations, just $46,875 in total was levied against three facilities, in Aurora, Illinois; Nampa, Idaho; and Castleton, New York.