Google, Amazon start off new year with job cuts, as corporations plan to use AI to slash workforces

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Google and Amazon announced new rounds of layoffs Wednesday, continuing the jobs bloodbath last year that included tens of thousands at these tech giants and hundreds of thousands across the United States.

Google announced it was laying off hundreds of workers in its Augmented Reality division, which produces hardware such as the Google Pixel phone and Fitbit smart watches. It also announced layoffs in its personal assistant division. Amazon announced it would lay off 35 percent of the workforce at streaming platform Twitch, as well as "several hundred" employees at Prime Video and Amazon MGM Studios.

Amazon, Google and other tech giants led the way in massive job cuts last year, which included over 262,000 in the tech sector alone, according to layoffs.fyi. According to the same website, 27 tech companies have laid off over 4,500 employees in the first 11 days of 2024.

Other major tech layoffs so far this year include around 1,800 at video game engine Unity, 200 at short term rental provider Frontdesk and 170 at Discord. Language learning app Duolingo has also "offboarded" 10 percent of its translation contractor workforce, replacing them with AI-driven translation sofware.

On Thursday, the Bureau of Labor Statistics also released unemployment figures for November 2023, which found that unemployment rose that month in 214 out of 389 metropolitan areas across the United States.

Over the course of 2024, major corporations are seeking to use the latest advances in artificial intelligence and other emerging technologies to eliminate vast sections of the workforce. This includes substantial sections of white collar workers previously considered middle class. A recent report by outplacement firm Randstad RiseSmart found 90 percent of employers are planning job cuts this year.

According to another survey conducted by ResumeBuilder.com, 38 percent of business leaders believe that layoffs are likely at their companies this year, with 39 percent citing replacing workers with AI as a major reason. About half also cited anticipation of a new recession as another reason.

A *Newsweek* article reporting the survey last month carried the stark headline: "Massive Layoffs are Coming in 2024."

In fact, these layoffs are already starting. Google is reportedly planning a massive restructuring of its advertising sales unit as it incorporates AI into this side of its business. The ad sales unit currently employs 30,000 people, or around one-sixth of the company's total workforce.

SAG-AFTRA, the US actors' union, announced a contract Tuesday with an AI firm, which will pave the way for the use of artificial intelligence in video game voice acting. Replacing actors and writers with AI was a major factor in the Hollywood writers' and actors' strikes last year, before both unions crammed through sellout deals to end the strikes providing no protections against this. The new contract shows the union bureaucracy is openly assisting companies in replacing workers.

Emerging technologies are also being used to wipe out large sections of industrial jobs over the course of this year. In December, UPS announced hundreds of job cuts as it moved to eliminate daytime sort shifts in multiple facilities around the country. These jobs, currently performed by highly exploited part-timers who make up most of the company's workforce, are being replaced by new automated facilities. One new facility, the Velocity Hub in Louisville, Kentucky, can handle 350,000 packages a day with a workforce of only 200 people working alongside 3,000 robots. The company hopes to triple its use of robotics over the course of the next year.

Thousands of layoffs were also announced at the end of last year in the auto industry, where the shift to electric vehicles, which companies say require 40 percent fewer workers to produce, will be used to wipe out tens of thousands of jobs. The layoffs in each of these industries came only weeks after the United Auto Workers rammed through what union officials claimed were "historic" contracts. In reality, the deals allow for unlimited use of automation and other technologies to wipe out jobs.

Tens of thousands of jobs are also on the chopping block at the US Postal Service, under the "Delivering for America" restructuring program. Local post offices will be closed down while new centralized hub facilities continue to come online over the course of this year.

The consolidation is having a knock-on effect across the whole logistics industry. FedEx is anticipating a 50 percent reduction in its air contracts with USPS this year, placing the jobs of hundreds of freight pilots at risk, according to a report in FreightWaves.

These cuts are not being "caused" by automation. This is technology that, in a rational society unburdened by the profit motive, could be used to rapidly improve the quality of life, including by reducing the length of the working day with no loss in pay. They could also be used to efficiently move supplies to anywhere in the world where they are needed most, including to fight the pandemic or provide life-saving food and medical supplies to the besieged population of Gaza.

But under capitalism, these technologies, which are the product of the collective intellectual and physical labor of mankind, are privately owned and monopolized by corporate and financial oligarchs solely concerned with boosting their profits. Therefore, technological advances are used not to improve the conditions of society, but to destroy jobs and increase the exploitation of the working class.

This year's layoffs are a continuation of a sustained attack on jobs which unfolded over the last year. According to a report by Challenger, Gray & Christmas, US companies planned 721,677 jobs cuts during 2023, a 98 percent increase over 2022 and the highest since 2020, when many corporations laid off their workforces during the limited lockdowns enacted in the opening phase of the pandemic. At the same time, hiring plans declined by nearly half last year.

The largest number of cuts took place in the technology and retail industries, but over 21,000 jobs in media were also cut, a 467 percent increase.

This was the product of deliberate policy, not impersonal market forces. It was spearheaded by the decision of the Federal Reserve to raise interest rates, with the stated aim to use unemployment to combat the modest increases in wages caused by labor shortages during the ongoing pandemic.

This is a class war policy, aimed at beating back the rising growth of working class opposition, registered in the major growth of strikes during the pandemic, while freeing up resources to pay for the trillions in corporate bailouts and world war from Ukraine to the Middle East and China.

A critical role in blocking the resistance of the working class is being played by the union bureaucracy. More than half a million US workers struck last year, part of a growing wave of class struggle around the world. But these struggles were betrayed by the pro-corporate bureaucracy, which forced through sellout agreements that paved the way for an acceleration of job cutting. The result has been that wage increases for private industry unionized workers (3.8 percent) were even lower than nonunion workers (4.4 percent) between September 2022 and September 2023.

The union bureaucracy is playing the role of enforcer of "labor peace" on the homefront as Washington gears up for war. This is the meaning of the claim by President Biden, who infamously moved to ban a rail workers strike last year, to be the most "pro-labor president in American history." But the recent meeting between Teamsters President Sean O'Brien and would-be fascist dictator Donald Trump shows the union bureaucracy is not particular about with whom it maintains these corporatist relationships.

The combined impact of anti-worker monetary policy, sellouts by the union bureaucracy and direct repression by the government has had a significant effect on workers, who are suffering under huge levels of financial distress. The St. Louis Federal Reserve recently found that household debt delinquency rose significantly in 2023. This was particularly evident in credit card debt, where levels of debt distress reached their highest levels since the 2008-2009 recession.

More big economic shocks are likely over the course of 2024. At the close of last year, the Federal Reserve indicated that it was planning multiple interest rate cuts in 2024, in a sign that it considers its rate hikes to have led to sufficient levels of job losses, while also indicating concern that prolonged elevated interest rates could threaten the entire financial system, which is totally reliant on free money.

But higher than expected inflation figures in December—a report Thursday found the consumer price index increased by 0.3 percent last month—threatens the viability of that policy. The growing danger of a financial crisis will also interact explosively with the growth of war and the extreme political crisis in the United States.

Above all, the class struggle will be driven forward by the same crisis motivating the jobs bloodbath. Significant contract struggles this year include 200,000 at the US Postal Service, 115,000 railroad workers whose contract expires at the end of the year, 30,000 workers at Boeing and tens of thousands of educators in Chicago and Los Angeles.

These struggles will increasingly take the form of a rebellion against the pro-capitalist and pro-war labor bureaucracy, necessitating the expansion of the national and international network of rank-and-file committees, which fight to transfer power from the union apparatus to the workers themselves.

Above all, the attacks on jobs, together with the political crisis intensified by the president election and rapidly escalating wars will demonstrate to workers the failure of the capitalist system and the need for a revolutionary alternative.