

How workers can fight the wave of AI layoffs

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Mass layoffs are spreading across the global economy, as corporations move to destroy jobs, drive down wages and declare millions of workers redundant as a result of the introduction of AI technologies.

On May 7, tech security company Cloudflare announced layoffs for 20 percent of its workforce. The 1,100 affected workers were told by email that their roles had no future in what CEO Matthew Prince called “the agentic AI era.”

The company’s internet security services and Content Delivery Network plays a central role in the architecture of the internet, servicing more than one-fifth of all websites. Cloudflare claims it is used by 35 percent of all Fortune 500 companies and has numerous contracts with the US Department of Defense and intelligence agencies. In February, it was announced as one of the contractors for the Missile Defense Agency’s \$151 billion SHIELD program, part of Trump’s “Golden Dome” program.

The layoff announcements landed on the same day the company reported its highest-ever quarterly revenue—\$639.8 million, up 34 percent year over year. When an analyst asked why such deep cuts were necessary after a record quarter, Prince replied: “Just because you’re fit doesn’t mean you can’t get fitter.”

The announcement is the latest in a wave of mass layoffs sweeping the global economy, in which artificial intelligence has become the ruling class’s most powerful new instrument for destroying jobs and driving down the cost of labor.

This is a global war on the working class, which must be answered with a globally coordinated campaign in defense of jobs. The central issue is to take control of powerful new technologies out of the hands of the corporate oligarchy. The International Workers Alliance of Rank-and-File Committees encourages, and is organizing, mass resistance to the accelerating jobs massacre.

According to the outplacement firm Challenger, Gray & Christmas, American employers have announced more than 300,000 job cuts in the first four months of 2026. The technology sector (85,411 jobs) ranked first, more than double the second place transportation sector (33,479). For the second consecutive month, AI was cited as the primary reason for layoffs.

According to the Bureau of Labor Statistics’ latest figures, the “information” sector has seen 16 consecutive months of job

losses, shedding 342,000 jobs or 11 percent from its peak in November 2022.

By and large, the tech firms slashing jobs are not only profitable, but play central roles in the AI boom. Facebook’s parent Meta is eliminating 8,000 positions while canceling 6,000 open roles. It also plans to spend \$145 billion in capital investment this year, overwhelmingly directed at AI infrastructure. Microsoft launched the first voluntary buyout program in its 51-year history, targeting up to 8,750 workers. Oracle is eliminating up to 30,000 employees—including, workers told *Time* magazine, people who had spent their final months training the AI systems that then rendered them redundant.

The stock market is rewarding major layoff announcements, particularly when it is tied to AI restructuring, ushering in what the *Wall Street Journal* is calling the “era of the mega-layoff.”

While the tech industry combines booming profits with mass layoffs, the ruling class is also using bankruptcies as a time-tested means of destroying jobs overnight. This was the case with Spirit Airlines, which collapsed overnight last week, leaving 17,000 workers unemployed. The immediate trigger was the doubling of fuel prices due to the war against Iran. The White House refused to bail Spirit out in order to accelerate the next round of mergers and consolidations in the airline industry.

Mass layoffs are also underway in other sectors where AI is a less immediate factor. In logistics, UPS has eliminated or targeted 68,000 positions through automated mega-hubs; it has recently announced 26 more facility closures for later this year. In auto, Volkswagen is aiming for 50,000 cuts by 2030, Renault is cutting 15 to 20 percent of its engineering workforce and US automakers are laying off thousands.

Nevertheless, AI is playing an absolutely central role in the overall mass layoff plans of the ruling class. At Block, the financial technology company that owns Cash App and Square, CEO Jack Dorsey is cutting 40 percent of the entire company, declaring: “Within the next year, I believe the majority of companies will reach the same conclusion.”

Anthropic CEO Dario Amodei predicts AI will write essentially all software code within a year. Sundar Pichai, CEO of Google parent Alphabet, says three-quarters of Google’s new code is already AI-written. Investor Vinod Khosla forecasts that by 2030, “80 percent of all jobs will be capable of

being done by an AI.”

AI itself is not the problem. It is an extraordinary technology with the capacity to eliminate drudgery and vastly improve productivity, to reduce the working day to a theoretical minimum while vastly accelerating the potential for human learning.

The critical question is who controls this technology. It must be freed from the shackles of private ownership. The development and training of AI systems is social labor in the fullest sense of the word, and its benefits must be available to all.

They were built from the accumulated labor, knowledge and creative output of millions of workers—the code written by software engineers, the conversations handled by customer service agents, the analyses produced by researchers and data scientists.

AI also fatally undermines the foundations of the capitalist system itself. When Khosla predicts that the amount of necessary labor could be reduced by 80 percent within a few years, or when tech executives speak of AI-generated “abundance,” they are describing, without understanding it, a state of affairs in which capitalism is hopelessly obsolete.

In reality, the potential of this technology can never be realized under capitalism, because capitalism must restrict, distort and weaponize it to survive. In place of abundance, it produces mass unemployment. In place of liberation from drudgery, it produces intensification of drudgery for those who remain. In place of human development, it produces a generation declared redundant by systems built from their own knowledge.

Meanwhile, control over the new technology, and the resources and supply chains needed to develop it, has become an increasingly central factor in the growth of imperialist war—today against Iran and Russia, tomorrow against China.

A progressive response to this offensive is possible only through a frontal assault by the working class on the unchallenged “right” of capitalist property itself. Those on the pseudo-left who respond by demanding that AI be regulated, halted altogether, or subjected to union-management boards are diverting from the central issue of class, and in many cases directing opposition into a reactionary attack on technological progress itself.

The old union bureaucracies are incapable of mounting this fight—even if they wanted to, which they do not—because of their complete integration with management on the basis of support for capitalism and nationalism.

Their response to the mass layoffs has been almost total, and in fact, guilty silence. In the auto industry, the United Auto Workers said nothing about the thousands of layoffs over the last two and a half years. Last week, it canceled a strike vote at the Sterling Heights Assembly Plant at the last second. In Australia, the national union federation has signed a formal agreement with Microsoft—under which union officials will be

trained, by Microsoft, in how to present AI-driven restructuring to workers as beneficial, and will lobby alongside Microsoft against any regulatory interference with AI deployment in the workplace.

A mass, worldwide working class movement requires new forms of organization: rank-and-file committees, built independently of the existing apparatus, capable of preparing and coordinating action without seeking permission from bureaucracies whose interests lie elsewhere. The International Workers Alliance of Rank-and-File Committees is advocating for and building these organizations on a world scale, with active committees in industries all over the world.

The central demands of such a movement must be:

- Not a single layoff due to artificial intelligence! If AI genuinely increases productivity, then the gains belong to the workers who produced them. The workweek must be shortened proportionally, with no loss in pay.

- Workers’ control over the introduction of new technology. Workers must have full information, genuine veto power and real control over how productivity gains are allocated.

- Good-paying, fulfilling jobs for all workers already laid off for any reason, including Spirit workers and the hundreds of thousands laid off in the tech sector.

- Expropriation of the major technology corporations, banks and financial institutions, and their transformation into publicly owned utilities under the democratic control of the working class, including democratic control and ownership of AI technologies.

The fight against layoffs and “AI restructuring” cannot be waged plant by plant or country by country. The corporations operate globally, shift work across borders, and use nationalism to pit worker against worker. The only answer is the international unity of the working class—linking workers in tech, logistics, manufacturing, education and every sector into a common struggle.

What stands between the working class and a future in which technology serves human development rather than destroys livelihoods is not a technical problem but a social and political one: the private ownership of the means of production. That is what must be overcome.



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