# IBM to Lay Off 1,700 Employees

Original article

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International Business Machines (IBM) announced that it will be laying off approximately 1,700 employees in an effort to meet its profitability goals. Year-to-Date the value of IBM stock has increased over 17% and has an annual dividend yield of 4.86%.

IBM is planning to acquire Red Hat, a company that provides enterprises with open-source software, and the layoffs serve as a way to “evolve its business”.

The layoffs demonstrate the contradiction inherent to the capitalist mode of production, namely the private ownership over the means of production. Shareholders in IBM stock benefit from increased profitability, whereas the workers are left to suffer the consequences of losing their jobs.

The class of capitalists benefit from the mergers and acquisitions which enable them to reduce their labor costs and eliminate “redundancy” in an attempt to increase profitability.  IBM is now focusing on cloud computing and data analytics which are areas with higher potential for growth.

Only under a planned, socialist economy would the working class no longer have precarious jobs that are subject to the decisions of the capitalist class and the need for increased profitability.

Sources: 1 , 2

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