

Last Place in the AI-First Economy

How the AI Industry Relies on
Worker Disempowerment

Alexandra Mateescu
Aiha Nguyen
Sanjay Pinto

Executive Summary

The tech industry's promise of an AI-driven economic future depends on automating jobs and displacing workers while strengthening their own power. In a speculative race to build an "AI-first" economy, corporate spending on AI is climbing to new heights. While policymakers are anticipating a future of mass job displacement and large corporations continue to accumulate power, workers face an ever more hostile political environment. Recent policymaking has centered anti-worker policies, hollowing out standard labor rights and protections and effectively re-writing the social contract for workers. At the same time, private companies are building out AI technologies in ways that further entrench inequalities in the US and globally.

But the bleakness of this vision is not a foregone conclusion. To build a different future — one that integrates AI with a worker-first approach, not only industry agendas — requires us to understand and change the structures of power, control, and ideology behind AI adoption in the workplace. We offer a framework for the institutional, political, and economic shifts that underpin AI adoption. Analysis of this change rests on four components:

- **Weaponized Efficiency** — Perhaps the most frequently touted claim of AI's benefits is its ability to increase efficiency. But efficiency is not a stable concept, and AI-driven metrics often intensify labor pressures, distort professional norms, and fail to capture work quality while cutting off workers' abilities to define the value added — or not added — by AI systems.
- **Institutional Capture** — AI adoption is attractive to both private and public employers, particularly in an environment where chronic layoffs and budget cuts are straining critical social institutions like education and healthcare. As tech companies position AI as the solution to fill these gaps, they threaten to erode and diminish services that should serve the public good.
- **Occupational Erosion** — Tech companies use AI to redefine expertise and devalue the knowledge and experience of workers, even as these technologies rely on the data generated by those workers to function. As occupations across sectors are reduced to training data, new definitions of skill are used to justify lower wages and further devalue workers.
- **Racial and Structural Inequality** — The highly disparate ways in which AI systems are implemented across workplace hierarchies exacerbate racial, gender, and class inequalities that already exist within industries, and reinforces the precarity of societally-devalued labor. Yet rather than addressing these root disparities, policy debates often bypass them in favor of calls for reskilling.

The sprint to create the so-called AI-first economy must be understood not as the logical march of progress, but as deliberate economic decisions. Those decisions risk harming entire populations of workers in ways both old and new. To build a worker-driven future — one in which AI is subject to democratic oversight — we need rigorous, timely analysis of how workers are experiencing AI's impact to support organizing, bargaining, and policy work.

Read and download the full report at datasociety.net/library/last-place-in-the-ai-first-economy.

We extend our deepest gratitude to our funders, whose generous support and unwavering commitment made this research possible. This primer was produced, in part, with support from the W.K. Kellogg Foundation and the Ford Foundation. Alexandra Mateescu is a 2024–2026 Siegel Research Fellow.