

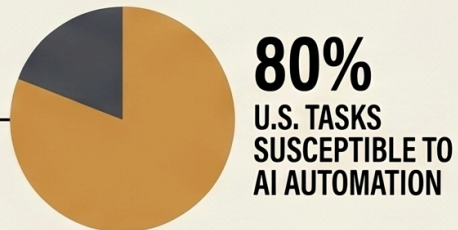
# THE COMPETITIVE TRAP: WHY RATIONAL AI AUTOMATION LEADS TO MARKET FAILURE

## THE ANATOMY OF THE COMPETITIVE TRAP

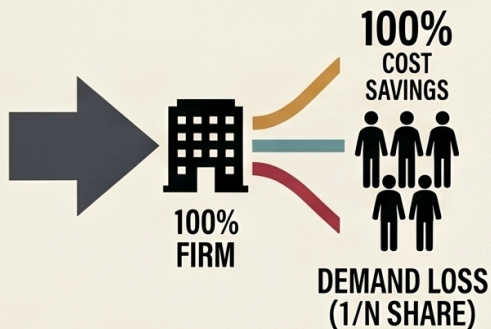


## THE 2025 AI DISPLACEMENT WAVE

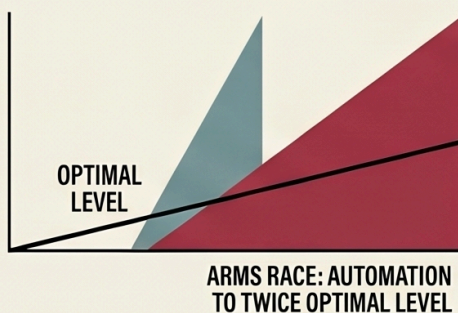
**100,000+**  
TECH LAYOFFS IN 2025



## THE '1/N' DEMAND EXTERNALITY



## THE OVER-AUTOMATION WEDGE



## RAPID AI-DRIVEN DISPLACEMENT EVIDENCE

BLOCK INC.	5,000 WORKERS (50% OF STAFF)	FULL-ROLE OBSOLESCENCE
SALESFORCE	4,000 AGENTS	AGENTIC AI SYSTEMS
COGNITION	1:5 PRODUCTIVITY MULTIPLIER	'DEVIN' AUTONOMOUS ENGINEER

## STRATEGIC & POLICY RESPONSES



### RETRAINING FOR 'CAPABILITY SECURITY'

SHIFT TO MAINTAINING HIGH INCOME-REPLACEMENT RATES FOR DISPLACED WORKERS, PRESERVING MARKET DEMAND.



### SECTORAL COLLECTIVE BARGAINING

INDUSTRY CONSORTIA PREVENT A 'RACE TO THE BOTTOM' BY ESTABLISHING UNIFORM STANDARDS FOR SEVERANCE AND RETRAINING.



### PIGOUVIAN AUTOMATION TAXES

POLICY INTERVENTIONS TARGETING PER-TASK AUTOMATION MARGIN TO CORRECT INCENTIVES AND FUND CONTINUOUS LEARNING ECOSYSTEMS.