

Software Industry Depression

This trend is impacting the entire software industry, driven by several factors that have emerged during these difficult times.



Even though it's often said that “**great people are born in difficult times**”, this period of depression will ultimately serve as a valuable lesson for all of us. Believe me, we are now in its final stage.

Here, I will highlight three crucial factors contributing to this depression:

- The post-COVID period and its lasting economic and social effects.
- The ongoing war between Ukraine and Russia, disrupting global stability.
- The public release of general AI models, reshaping industries and societal dynamics.

What's happening on the field?

In the recent period, there has been a noticeable increase in project closures and layoffs across the software industry, more than ever before. Selling the story to employees that: “**we offer a safe job, we want you for longer here**” doesn't exist anymore. Many people, including myself, have chosen to leave their companies and explore new paths in life.

Disclaimer:

The new paths people are pursuing include freelancing, technical consultancy, creating digital content, and a growing interest in finances and investments.

There are now more online academies than ever before. I see a growing number of people who have completed courses and successfully entered the industry. However, these individuals often work for lower prices. With the support of AI tools and mentoring, they can perform their tasks effectively. Over time, their skills improve to a level comparable to engineers with bachelor's or master's degrees.

While engineers with formal degrees may still take on leadership roles, I anticipate fewer open positions for them in the future. Ongoing projects are likely to continue, but companies are increasingly focused on cost efficiency. Their priorities include:

- Paying less,
- Completing tasks in less time,
- Assigning leaders to mentor academy-trained workers,
- Meeting deadlines, often with a workforce trained through academies.

AI will act as a primary key to achieving these goals.

The second factor is the ongoing war between Ukraine and Russia. This historic conflict has profoundly impacted the industry, with fewer new projects being initiated and a noticeable decline in software investments. Investors seem to be exploring alternative ways to safeguard and grow their capital.

The third factor was COVID. It opened new doors for working but separated people. Even though we have left that period behind, some ways of working have become the norm since then.

To summarize:

The software industry depression = COVID experience + general AI + war.

How will Mankind Overcome the Software Industry Depression?

For me, the USA is a leader in innovation, technology, and software in the world. With the recent election and J.D. Trump winning, I like to stay optimistic that he will take steps to end this war. Besides, as a businessman, he could encourage investors to start investing again. Restrictions between countries might be lifted, improving the economy and the industry overall. This would mean more open positions in future.

General AI will continue to exist, but there will undoubtedly need to have limitations. I'm not sure exactly how, but AI must be controlled. If anything becomes more important than ever, it will be security engineering. Without security engineers, we are screwed.

Disclaimer:

AI usage can be valuable for tasks like software development and creating queries for databases, but even in these areas, it must be carefully monitored to prevent unintended consequences.

Being a security engineer requires experience and knowledge across multiple aspects of software. These professionals are technology-agnostic, adapting to whatever tools or systems are necessary to protect and secure the industry.

Companies must respect the employee's work. But let's ask ourselves: how was the work culture before COVID? I remember the endless jokes, even during tight deadlines or heavy workloads. We always found a way to get the job done, and it felt great.

I do respect the hybrid model of work, but companies must focus on finding a way to make a comeback to that great period. During that time, I only prospered — some colleagues became my friends, my knowledge was always up to date, and I was motivated and happier. If there was any blocker or challenge with a task, we resolved it right away.

Expectations

In the new year, I'm hopeful for a return to that great period of work. I expect companies to focus on rebuilding collaborative environments. The world must be peaceful and filled with opportunities. **Let's aim for a future where we can again thrive, connect, and overcome challenges together.**

Best,
Andrej