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One Year Later: What We've Learned About Trump's AI Agenda

Speakers: Alondra Nelson, Edward Ongweso Jr., and Vittoria Elliot
Moderated by Brian Chen

Transcribed by Sarika Ram, Law Student, New York University School of Law

Brian Chen (00:00:10):

Welcome and good afternoon. My name is Brian Chen. I'm the policy director at Data and Society, an independent nonprofit research and policy institute studying the social implications of data, automation, and AI. I am very excited to moderate today's discussion, One Year Later: What We've Learned About Trump's AI Agenda. This has been one of the most anticipated Databites that we've hosted, and I think that's due not only to the timeliness of the conversation, but it's a credit to the expertise of our three panelists who I'll introduce. Vittoria Elliot is a reporter for Wired, where she covers platforms and power. Over the last year, she's reported extensively on the Department of Government Efficiency. Alondra Nelson is the Harold F. Linder Professor at the Institute for Advanced Study. Previously, she worked within the Biden-Harris administration as the Acting Director and Principal Deputy Director of Science and Society at the Office of Science and Technology Policy. Edward Ongweso Jr. Is a writer and editor whose work centers around tech criticism, labor, and financial reporting. He's a senior researcher at Security and Context, and he's also the co-host of the podcast, This Machine Kills, and creator of the substack, The Tech Bubble.

So first a bit of housekeeping. So we have the Zoom chat open. Please use it. Feel free to use it, but if you have an actual question that you would like our panelists to answer, please use the actual Q and A feature on Zoom. Otherwise, when we get to the audience Q and A towards the end, we might not see it. So please use the actual Zoom feature. So then we have a lot of ground to cover. So let me quickly set the stage.

Two days ago in what was a just remarkable speech at Davos, the Canadian Prime Minister Mark Carney described the world order as one of quotes rupture and not transition. He called it a world of fortresses without even the pretense of rules. And he didn't mention Trump, but he really didn't have to. I mean, we're all kind of making sense of this new world order. And in just one year, this administration has dramatically

reoriented what we think of as US power. Domestically, it has upended the machinery of the federal government. It's eroded much of the administrative state and the welfare contract while ramping up defense and immigration enforcement. Globally, the US is exerting its power in ways that can only be described at this point as sort of nakedly imperialist. And what we've seen is that technology is really at the core of these developments. I don't think I'm overstating things if I suggest that for this administration, AI has been essential to making America great again.

So what does this look like in practice? I'll only highlight three things. To cement US dominance of AI. The White House has leased out federal lands for data centers, accelerated permitting and de-risked the construction of fossil fuel infrastructure. Well before, shall we say recent adventures by the US in Venezuela and Greenland, the administration had announced plans to export American AI to foreign countries in ways that even then sort of suggested US dominated spheres of influence. And meanwhile, back in the US, some of the most basic mechanisms of social policy and foreign aid have been knee capped by DOGE. So this is the sort of environment that produces no shortage of hot takes and quick op-eds, but deeper analysis has been a bit more challenging. And that's what we're going to try to do today. We're going to try to dig beneath the surface analysis to answer, why is this happening? What is the logic driving the administration's tech agenda, and what are the nerve centers of political power that are shaping it?

So Edward, I'd like to start with you, and let's follow the money. So of the world's 10 largest companies, all but one are connected to AI. Of those, all but one are American, and of those US tech companies, their market value, if you put 'em together, it's like half the total US economy. And the level of spending is also commensurate with that level of valuation. I think last year it was spending by these AI companies in the US was on the order of some 300 billion, which is probably discounting it because we're not even getting into some of off balance sheet stuff.

You've written a theory around this that you call the Silicon Valley Consensus, where you tie together these strands of spending and building and what are the material interests that are driving all these things. And I think that whether one agrees with your conclusions or not, it's really just a helpful and really useful heuristic for understanding and mapping out the political economy of this sector. And so I'd love to ask you, can you lay out for us what is that framework? Can you describe that framework? And then what are the Trump administration's goals in relationship to this intense amount of private spending?

Edward Ongweso Jr. (00:05:16):

Yeah, thank you Brian. Really happy to be here and have this conversation also around your memo. I think that the Silicon Valley Consensus for me is an attempt to try to pull together, I think like you said, disparate threads and coalitions that might seem to be in opposition with each other. I think one example is around the time when we first started at the beginning of the year, at the beginning of last year of the administration, we were trying to make sense of DOGE. And I remember an essay from [unclear] whose work has kind of dealt with the intellectual history of right-wing movements and their attempts to get to power, was kind of looking at DOGE and talking about one of the complicating factors in assessing it was that you had three strains of political actors who had not been close to power together at the same time. Usually one of them in a monolithic form and others are junior partners. So you had a Silicon Valley, Wall Street nexus of financiers who are interested in distress debt and startup financials and venture capital namely. And they're interested in making a state that is sleek so they can realize the returns and maximize them and guarantee them. You have the sort of anti-New Deal conservatives and think tanks that are interested in shackling the state because their assumption or the prerogative is that if we can roll back social democratic reforms, then we can help capitalism revitalize itself. And so if we get rid of democracy and we get rid of labor protections and environmental protections, we will innovate solutions to problems that people are facing and we'll figure out new ways to realize our livelihoods on the marketplace or whatever. And then you have this third group, these anarcho-capitalists, right-wing accelerationists, phrenologists, race realists who are interested in shattering the state so that they can use the space that it cedes to establish governing authority that lets them have their own competing projects for decentralized role.

And I think that some of these coalitions, some of these groups are present in the Silicon Valley Consensus, where you have a wide disparate group of hyperscalers, venture capitalists of fossil fuel firms and increasingly the state apparatus as you outlined in the memo, that have converged on and agree on a pretty big, seemingly nebulous project which is pursuing artificial intelligence, but more or less in the same way, which is we're going to overbuild the infrastructure, we're going to overvalue the infrastructure, we're going to overinvest in the infrastructure. And the other goal is we're not really interested in artificial general intelligence because it's going to improve GDP by five percent or because it's going to allow us to solve questions about developing certain compounds or molecules for material sciences or for pharmaceuticals. We are interested in reallocating capital to projects that are going to enrich ourselves, that are going to make more harmonious this process we have of turning speculative wealth and to real wealth into political power, into reforms, rules, regulations that make it easier to turn speculative wealth into wealth, into political power.

And that will allow us to constrain countervailing forces. And sometimes that means because we want to liberate capitalism. Sometimes that means because we want to escape. Sometimes that means because we want to again just indulge in these sort of excessive return seeking. And so I think for the Silicon Valley Consensus, the core rust is that they don't really care so much about what the technology looks like, what it comes out to in so far as what they develop can help create financial and political machinery around it that sustains itself long enough for relevant actors in the coalition to cash out and liquidate or to lock in their position as first movers so that when something eventually emerges, they'll be in great position to take advantage of that right? And I think that kind of dovetails to your question also to some of the things that you've been talking about in the memo and that one of the big things for following the money, one of the big things we see is there's a massive gap between capital expenditures spent on how we're going to build up that artificial intelligence, how we're going to do research and development on it, how we're going to actually acquire the land or what we're going to put inside of the data centers. There's a big gap between artificial intelligence, capital expenditures and the actual revenues. Since 2023, it's been something on the order of these firms are spending north of 600, 700 billion dollars to realize return. McKinsey is expecting, for example, the investment to grow and the spending to grow to 7 trillion by 2030. To realize return on that, they're going to have to be making hundreds of billions of dollars a year forever and have a membership that includes the vast majority of the population on the planet. Whereas right now there is a 500 billion dollar revenue gap. You have people like David Cahn at Sequoia, this is a venture capital, a venture capitalist through and through a general partner at the firm, someone who believes in artificial intelligence and its transformative potential, insisting that there doesn't seem to be a way in sight to plug the 500 billion revenue gap. You had Goldman Sachs just about a year and a half ago having a large report and internal discussion that was released as a memo and research report asking, okay, how are we going to, what do we actually think of the capacity for artificial intelligence to generate these revenues?

And Jim Covello, who had been director of research over there, made a storm by saying, the core problem here is that there's no trillion dollar problem that you can envision artificial intelligence solving or that has even been articulated. Whereas the comparisons that artificial intelligence is made to whether it's railroads, whether it's e-commerce, you can imagine in the early days what the problem's going to be. And there were actual roadmaps to get to realizing some sort of revenue model that makes sense. It still hasn't been discovered. You have mass adoption amongst firms that have failed to realize any sort of tangible bottom line impact and failure for profits to materialize in the firms themselves that are providing services powered by this infrastructure. And I think also just to hone in on the comparisons that were being made,

especially by Jim Covello, one thing that has sustained the Silicon Valley Consensus is a lot of insistence that one way we can delay the inevitable, which is when people are calling for their money, is insisting that this is comparable to previous technology booms.because when technology starts expensive, then it gets cheaper. And so you just need to continually scale up the investment as things get expensive so that we can bring down the cost curve. But if you actually examine what it looked like for e-commerce, for example, on day one it was cheap. It was relatively cheap, it only grew cheaper. The Internet, we think about it as expensive in the sense that it is now, but it was a relatively low cost at the day it was replaced, it was a low cost solution at the time of the day replacing more expensive incumbents. Artificial intelligence is the opposite in that it's expensive as a huge capital cost upfront, largely because of its infrastructure and the financing of it is nebulous at best where you have to build up data centers or infrastructure that is full of assets that are either performing poorly, performing poorly as financial assets because--

Brian Chen (00:13:39):

Just generally a lot of liabilities attached--

Edward Ongweso Jr. (00:13:41):

Yeah.

Brian Chen (00:13:42):

--down the whole center. I mean, want to, Vittoria, I'd love to get your thoughts on this just to flip it a little bit because Edward, you're painting this picture of sort private sector exuberance and spending and overbuilding and to sort of flip it on its head, it's sort of like the exact opposite picture if you look at the public sector last year. DOGE could not be described as overbuilding. It was the exact opposite. So I had love to invite you in Vittoria because day one, the Trump administration last year, they published an executive order that formally creates the Department of Government Efficiency. And on some level right wing attacks on government capacity aren't new. We've had the Reagan Revolution, we've had sort of supply side economics, there's nothing new about that. But with DOGE, with Elon Musk, there seemed to be this sort of level of tech, we're going to innovate this, we're going to innovate our way out of these bureaucratic inefficiencies. Vittoria, how should we understand DOGE now that it's a year later, what was it seeking to accomplish? And if you had to put a number on it, how much more efficient are we as a government?

Vittoria Elliott (00:14:58):

I don't think we're any more efficient as a government. So that number would be zero or negative. And there was a report out in the New York Times, I think in the past week or so that showed that DOGE at best did not save nearly as much money as they claimed, and in many cases probably cost the government money. So I think in general I would say that overall the government is not more efficient. So we don't need to necessarily belabor that point.

I think there's a couple of ways to frame DOGE. So I think when we're talking about AI, one of the big things actually when DOGE would come into agencies, there was a big push to use AI. We've seen a lot of AI companies gain government contracts quite rapidly in this administration. And obviously I don't think anyone has necessarily said this, but I think when we think about it, particularly the amount of capital these companies require, the amount of data and frankly the justification that they may need for commercial user base, right? Because there are very specific LLMs and tools that say can work on medical research to, as Ed mentioned, create compounds, discover new compounds for medicine or for science that can do specialized, for instance legal research. But the reality is that I think the most of what we're seeing with AI is this push around this sort of general use in a commercial capacity. And the reality is that I don't know that that is a long-term strategy, but if you are pushing these technologies onto the government and making the government your biggest buyer, basically mandating that, that's a great way to create a market for your product and to sustain things. So I do think we've seen this push around AI particularly because many of the people who were a part of DOGE, who were influential in the creation of DOGE, and who are close to the White House and are tied up in this industry either because they're founders of these companies, they have worked for these companies, or they have invested in these companies.

And I think when we're talking about DOGE and this language of efficiency there, as Ed mentioned, the Republican Party and the Trump administration as we see it today, is a mashup of a bunch of different right-wing coalitions that haven't always been able to play nicely with each other, but they do have some overlaps in their Venn diagram and particularly in the overlap that consists of a distrust of the administrative state, a desire around deregulation and the sort of consolidation of power within private industry I think is a lot of overlap there. So when DOGE would enter agencies, they would very frequently be given the task of cutting employees, cutting contracts, and secondarily accessing very sensitive technology systems sometimes to this purpose, but also to access data that would allow them to implement the Trump administration's agenda without the legal processes that would normally take place.

So for instance, I think USAID is a really exemplary picture of this because for instance,

it's an agency created by Congress, funded by Congress. It's legally not within the power of the executive branch to shut that down or to sequester its funding. But the reality is that DOGE was able through its access to technology systems to go in and fundamentally turn off the tap for funding, to send out mass emails requiring people to resign. And that was all done without necessarily having to go through the legal channels to eliminate a government agency. So I think the thing that DOGE realized as an efficiency was that you can use technological systems as sort of nervous system that the government runs on as a workaround for the inefficiency that is the legal process and the congressional process of rule making to execute an agenda. So in that way, I guess one could argue that they've been quite efficient.

Secondarily, when we're talking about cutting contracts and cutting staff, that's an area of overlap that say longtime right-wing bureaucrats like Russ Vote, who's now the head of the OMB and really right-wing techno libertarian thinkers like Curtis Yarvin have had a lot of overlap on, which is this idea of dismantling the administrative state. And so I think what we saw with DOGE was really the push into the really overlapping areas of the MAGA and tech right and financial right agenda as the sort of tip of the spear. And I think what's really important around DOGE is they came out of the executive office of the president. So all of this is fundamentally in service of concentrating power under the executive via the unitary executive theory of government, which says that the president is fundamentally like a CEO or a king and really gets to set the agenda on pretty much everything. And I think what DOGE did, because they were able to very quickly go into these agencies to blitz in, to grab control of sensitive data and sensitive systems, they were the tip of the spear for an agenda that we see continuing now. They really broke through the first layer of protections that are meant to keep the government from functioning like a monarchy or a private business, which is the federal bureaucracy. And a lot of these systems.

Brian Chen (00:21:06):

And I feel like when Elon Musk sort of fabulously departed from government, people said, well, that chapter's over. But as you point out very helpfully, it still continues. Alondra, I want to come to you because I mean, the thing about DOGE. DOGE was always described as this sort of like, we're going to deregulate, we're going to cut government to the bone, we're going to make it lean and efficient and all that stuff. And that's certainly true if you think of a broader ethos of the Trump administration of this Project 2025, we're going to reimagine the administrative state and really cut it down. But at least when it comes to AI and sort of technology governance, you offer a very different interpretation of things. And I want to quote, you have a great piece that came out, I want to say last week in Science Magazine and what you write is that what the

Trump administration has advanced is not the absence of AI regulation, but instead its rearrangement. So can you help us understand what you mean by that phrase, the rearrangement of AI regulation?

Alondra Nelson (00:22:14):

Yeah, thank you so much, Brian. Before I respond to that great question. I just want to say this is my third Databite. So we have been going strong for a while, and I'm really glad to be back in community and conversation with Data and Society.

Brian Chen (00:22:28):

You'll get a prize at five, Alondra..

Alondra Nelson (00:22:31):

I want a challenge coin or something. And really great to be in conversation with Vittoria and Edward, whose work I've learned so much from both of them. So here's the story that we've been getting from day one of the Trump administration about AI. We're going to deregulate, and you said at the beginning that I worked in the Biden administration. So some of this, the conversation is not only are we going to deregulate, we're going to deregulate all of the bad heavy, cumbersome laws and rules that the Biden-Harris administration put into place that was just making AI sluggish and set it free and all of that. So the story that we keep hearing is that this administration is deregulating Ai, that it's clearing away red tape, getting government out of the way. And therefore, and I'm going to put this in scare quotes, letting innovation flourish, which I would really want to question.

So obviously I think that's wrong, and it's not just because they haven't cut some rules because they have. But the point that I was trying to make in the science piece is that cutting formal rules is not the same as reducing or eliminating governance or reducing or eliminating the steering of a technology or suite of technologies or a suite of processes. And that the government, the Trump administration is really intervening in AI, I think more aggressively than we've seen any administration, at least I think in the last generation do on any policy issue, not just AI. And it's just going through channels that we don't usually call regulation. So those are usually the CFPB, the Consumer Finance Protection Bureau under Rohit Chopra was looking at whether or not people, you know companies were committing fraud with claims around AI, for example, or the FTC, which had an eye to the sort of monopoly consolidation in AI or something like the Equal Employment Opportunity Commission that was looking at among other things kind of employment discrimination using AI tools.

So it is the case that the Trump administration has certainly shut down, constrained, done away with the levers of those kind of formal regulatory organizations. So what I mean by rearrangement is that this administration is steering with a pretty heavy hand AI development, AI deployment, AI research, AI geopolitics, but through a different set of tools that we don't call regulation. And on the one hand, it's just a descriptive, like I'm describing, I think a kind of policy sleight of hand. But I think the implications for democracy are really important. I think that's why I really care about this. So they're buying stakes in companies, they're becoming stakeholders and companies like Intel, we're using trade policy to control supply chains for export controls for semiconductor chips and critical and minerals in rare earths. We're restricting who can get visas, and some of these people are potentially computer scientists, AI researchers, they're deciding what research gets funded and which doesn't, including in the space of AI. And of course the Trump administration is attempting again and again, it failed in a Big Beautiful Bill, but continue to try to preempt the ability of states to sort of give shape to AI and respond to, as we know from reporting and from survey data and polling a growing, getting louder drumbeat of concern in the American public about AI use. So none of that looks like regulation in the textbook sense. So if you have an MPP or an MPA, that's not regulation, but all of that is sort of deeply shaping what's getting built by whom under what constraints. And it's a kind of pretty heavy handed AI governance that I think that's harder to see and harder to contest. So I think if you accept the deregulation story, these are the kind of stakes of it I think that are most important. You stop paying attention because you think government has stepped back, but government hasn't really stepped back.

And part of the rearrangement is not the use of the new levers, but also the government is just stepped sideways. Colleagues have already talked about this. They've stepped into boardrooms and into embassies and visa offices, the NSF regarding funding decisions. And if we're not looking there, we're not actually seeing not only that AI is being regulated, that's just a descriptive thing, but that it is being regulated in ways that are potentially consolidating of power, that are anti-democratic, that are doing things as Vittoria's really important reporting is suggested with our personal data that we haven't consented to and the like. So the kind of deregulation narrative is a bit of a mirage, and the rearrangement is a rearrangement of power. It hasn't gone away, the power over trying to shape AI and it's just been sort of shifted. And I think we really have to pay attention to this reframing and follow this rearrangement as a way of doing I think important politics intervention and intervention around AI policy.

Brian Chen (00:27:52):

Alondra, I want to dig in just really quickly on this before we move to the next question,

but as you're telling this to me, I'm like, you're preaching to the choir. Data and Society just released a policy brief about this, sort of the heavy hand of the Trump administration when it comes to AI. But I am curious, when you wrote the piece that you did in Science, I mean, what was the thing compelling you to write it? What does it matter that people actually understand the argument that you're making, that this is not deregulation? What does that understanding enable other people to see?

Alondra Nelson (00:28:27):

That's right. Yeah, that's exactly, thank you Brian for queuing that up, and your policy brief is excellent. So I commend it to people to read. These other levers and mechanisms. So it's about accountability, and it's about democracy. So if we typically think about the regulatory mechanisms, we can be critical of them. We can think they work well, they don't work well. They do typically operate through these sort of mechanisms that give us sometimes transparency, some insight to what's happening. So there may be an agency's writing rules and there's a call to the public about these rules being written. It might be the case that there's a comment period for the public, and the public can weigh in. Something might be published in the Federal Register. So I think over the last year there's been a lot of five alarm fires. And I think for me, the five alarm fire here that compelled me to write this piece is that each of these rearrangement or levers is kind of hyper reregulation that goes by another name that goes by the name deregulation, don't have accountability features built into the kind of formal way that we think about regulation.

So no public notice, there's no comment period. There's no judicial review. It's really, as Vittoria was suggesting the kind of executive authority. It's by fiat, by caprice, who decided that there should be a golden share? These decisions were made in private, the decisions are all left to executive discretion and removed through these levers because they're not formally regulatory, are removed from standard if imperfect, deeply imperfect mechanisms of democracy in the democratic process. So that for me is it's not just look at the sleight of hand. It's like if we don't pay, we're not paying attention to a real capturing and a real seizing of democracy and democratic processes that is making government-- Maybe less government is better in some instances. I think we always want accountable government. And when you have executive decision-making about policy issues that is capricious, it's completely not accountable. It's lacking in democratic oversight. And I think it's the mirage of AI deregulation, which is the title of my Science piece, is actually describing another, yet another crisis over the last year for democratic oversight and accountability.

Brian Chen (00:30:59):

Yeah, really the crisis of small D democratic politics as so much of the last year really was.

Alondra Nelson (00:31:05):

And big D.

Brian Chen (00:31:07):

Yeah. Well, let's walk our 501(c)(4) limits. I won't comment on that, but Vittoria, want to come to you and maybe you can help make sense of this disjuncture or this contradiction, which is how seriously should we take all this stuff? And I'm only sort of joking because in the sense these are extremely consequential matters. DOGE really did close offices and cancel programs and cut all kinds of aid and federal programs. And those effects were very real and devastating. And then for those who remember early 2010s, internet culture, DOGE was a meme, it was like a Shiba Inu, and then it became a meme coin that Elon Musk was into for some reason. And so much of this administration seems to delight in this spectacle of sort of gleeful trolling, this spectacle of power. And even if you turn elsewhere away from DOGE and some into more kind of purely AI strategy stuff, like Trump can talk a really good game about geopolitical competition and grand strategy, but he loves using AI for social media on Truth Social like trolling the libs. So how should we understand this? How much are policy decisions being motivated by this internet culture logic of spectacle, or is that just a distraction? How do you make sense of that?

Vittoria Elliott (00:32:36):

I think when we were thinking about a 2016 world, we were really thinking about a flood the zone strategy. And I think in many cases that is still very alive and well. But I think the real power of the trolling stuff is that it is meant to both get a really big reaction and then to be able to downplay and make fun of that reaction when opponents take it seriously and then go ahead and do the exact thing once people sort of feel that discomfort with having taken it seriously. So Musk announced DOGE, everyone was sort of like, that's not a real thing. They talked about it being a federal advisory committee, which they don't tend to have a lot of power, and everyone sort of brushed it off saying he doesn't really know what the rules are, he doesn't really know what he's going to be doing.

And I think part of the reason that for us at Wired, we were able to really stick the landing on this story and have really been able to do this kind of work is because you have to take them seriously. Just because it's absurd doesn't mean they're going to not

try and do it. These are people who for all intents and purposes, read sci-fi and said, we should try and make that, and they may not be successful at it, but they're certainly going to spend time, energy, and money of which they have a lot to do their best. So that's still going to have an impact even if they don't realize the full potential of whatever the vision is. So that's number one. And number two, I think in terms of the information space that we're talking about here, I did an interview with the academic Don Moynihan last week, and he sort of has this term for the feedback loop between the policymaking of the administration's apparatus and people who are adjacent to it and the right wing media ecosystem that they inhabit that now primarily lives on X and other platforms adjacent to it, which is simultaneously the performative nature of it.

But these things are having real policy impacts, and I think we see this most acutely with DHS for instance. So the use of really, I would say extreme images when we're talking about their filming of immigration raids, the churning out of that footage back into the right wing media ecosystem that then gets more feedback, that calls for more of these things, that validates that they are very responsive to those voices online. And in many ways, Musk himself was a part of that. So there is very little daylight now in between the priorities of that right-wing media ecosystem and social media ecosystem and the policies of the administration, and you can see them being very mutually reinforcing and responsive to each other. And I think Minnesota is a great example. We have someone who is functionally a 23-year-old right-wing influencer spreading a video about a fraud scheme in Minnesota that has directly led to the fundamental occupation of the city by federal agents in a sense that people in the city who are veterans have described it feeling like Iraq or Afghanistan.

And so I think that we do see this feedback loop very, very quickly between the information ecosystem and the policymaking where the information ecosystem is informing the policymaking and then the policymaking is sort of made and approached with an eye towards servicing that whether that is the creation of content that reinforces that narrative through these videos or as you noted the creation of AI content that visualizes what that would look like. We've seen a lot of, for instance, DHS, again using iconic American imagery, but changing it with AI to really speak to the administration's goals and in some cases use phrases or iconography that is very popular amongst the far right that has been very popular amongst groups like the Proud Boys. So I think we do again, see the right wing media ecosystem and the policy space really fusing together and the fact that we have people who have been very successful in that space, who are now part of the administration.

Kash Patel is now the director of the FBI and really came up in that right wing podcasting space. And this is, I think, pretty unfamiliar to the US. Trump was obviously

always very responsive to Fox News. There was this sort of idea in his first administration that he was always thinking about casting. He was thinking about how someone might look on TV or how someone might fit that role, but now there seems to be more of an emphasis on how certain people can play and do play online. And I think back actually to the administration that we saw in the Philippines of Rodrigo Duterte where he actually had people who were influencers who supported his campaign as part of his administration. So I think when we're thinking about this, this is not necessarily unprecedented in the world, particularly in global politics, but it is a very unfamiliar ecosystem for the US to be operating in, particularly when policymaking in the US is sometimes prohibitively slow.

Brian Chen (00:38:37):

Yeah, I mean, I think that's a great point, Vittoria, and sometimes people like me who are in these policy spaces, we like to think that it's the bond markets that dictate this stuff or something. And increasingly, I think meme culture is just so powerful and potent. Edward, I want to change gears slightly and think about foreign policy. So late in the year last year, the Trump administration released its 2025 national security strategy, which is pretty remarkable, extraordinary document that makes these pretty dramatic claims about what interest the US has in places like Europe in the Western hemisphere. We're already seeing some of that play out in places like Venezuela. I want to ask you, Edward, how does tech figure into that American security strategy? How does this administration see AI on the geopolitical chess board?

Edward Ongweso Jr. (00:39:39):

I think like you said, in the national security strategy, it's pretty upfront in laying out that the options are, you live in an American led world of sovereign countries and free economies I think is the quote, or you have a parallel one that's influenced by countries on the other side of the world, presumably China and whatever coalition countries are behind it in its tech stack. So sovereignty is only going to be allowed for countries that are aligned with us, specifically in terms of artificial intelligence, frontiers of digital economy, and figuring out how to integrate them into our tech stack or make access to the frontier of the economy conditional on subordinating themselves to our tech stack.

Brian Chen (00:40:31):

I absolutely love the lack of irony when they say that.

Edward Ongweso Jr. (00:40:34):

Yes. Right. And they do mean it. I think sometimes I like listening to some of the discussions that some of the writers of these plans or articulators of this do because they don't really, if you were to try to ask them that, they wouldn't understand what you're asking, right? We're doing this for your own good versus they're doing it for a nefarious plan and so on. But artificial intelligence I think is going to be the way to do this because AI is not just AI as we've been talking about. It's all the infrastructure attached to it. And so this can be financing mechanisms, this can be the literal chips, this can be products that are enabled with artificial intelligence or have it grafted onto them. And it just goes back to one of the things I talk about in the Silicon Valley Consensus, which is in trying to figure out how can we replicate the success that United States had with petrodollar diplomacy where we make all oil sales priced in dollars and settled in dollars, how can we replicate that sort of success that it had in cementing power after the collapse of the gold standard with some sort of settlement on AI enabled services that are going to be dealt with priced with dollars.

And the United States is in a pretty good position to do something like that, which is part of why there's some eagerness to do it, right. We control, you know Nvidia has a GPU monopoly, we control that. We control the major hyperscalers and their cloud infrastructure. We have pretty sophisticated legal instruments that allow us to do this. We have the foreign direct product rule. This lets us prohibit sales of anything that's made with American technology anywhere, which is anything that's at this point in terms of what we're looking at for AI digital economy, because we have firms that sit at pretty much every level of the AI value supply chain, right? The Chip Security Act, which would allow us to mandate location tracking and video chips to speak to the irony you're talking about. This is the same sort of thing that we accused Huawei of doing, and now this is going to be instrumental to our infrastructure. In fact, we purgedour tech infrastructure and supply chain, oh, Huawei Tech and other Chinese tech because of the fear that they would be doing this to us.

So I think that shifting from the Trump administration sees this opportunity to figure out how can we use artificial intelligence as cover for some last grab at cementing American preeminence and American primacy, right? One proposal I looked at last year was someone at the CSIS had proposed, which was this compute dollar system, this idea that, okay, you can get chips, you can get access to algorithms, you get access to infrastructure, you can use data centers, so on and so forth, but only if you settle all AI exports or AI goods and services in dollars, and you'd have to use the stable coins for the settlement of the dollars and stable coins for the audience just being cryptocurrencies that are pegged to the US dollar with the assumption being that they have enough reserves to justify an exchange between this amount of one crypto coin

and one US dollar, and that this would provide an economic security blanket and be a sort of the carrot side of this pitch.

And the idea here being we're going to kind of position ourselves in a way where you have to use the product and you'll trade in it and you'll be willing to do it. It also enrich one of the members of our coalition, which is Silicon Valley venture capitalists, and this, as I was kind of alluding to as part of a longer act where it's looking at various points, whether it's dollar diplomacy in Latin America, where we're controlling customs, sending Marines into places, whether it's petro diplomacy with Saudi Arabia and the Gulf states trying to figure out how to provide, we give them arms and they give us the power over a good chunk of the global economy by pricing oil in dollars, and then by investing their surpluses in the treasuries, how do we instrumentalize some advantage we have to make US power as foundational bedrock for the global system?

I think the Trump administration sees the Gulf is central on this and recognizes the Gulf is central on this. I kind of sketch out what I call the Compute Axis, where we have Donald Trump runs things in a sort of transactional style and his politics and his deal making. We have Sam Altman, the guy who wants to build God out of sand, and he kind of represents a lot of financiers and also a lot of techno capitalists who are interested in figuring out where can we get more money because we're quickly running out of money in our sector to finance this overbuild and then the Gulf sovereigns and their capital through sovereign wealth funds because they're interested in figuring out how can we preserve the preeminence and the centrality we have in the global system if we diversify away from oil revenues. They've had a lot of plans that have failed, but one of the ways that they will almost certainly try to go for is pivoting towards being a place where people can part AI infrastructure because you won't have to worry about political backlash, because they're repressive authoritarian regimes. You won't have to worry about energy costs because you have pretty low energy costs due to the fact that over there it's like 10 cents a kilowatt hour, whereas here it's closer to 20 and even higher in Europe. This is a place that already exports a significant amount of energy, doesn't really use too much at home, relatively speaking, and can be the site of huge infrastructure for inference. It also sits pretty central geographically, and we'll be able to ensure low inference times between huge workloads that rely on inference. I think there's also, Trump administration has made other moves where we've been talking about the ways in which the deregulated or rolled back previous reforms or protections that were introduced in the Biden administration, but they've also retooled them, right?

They retooled what was initially going to be a belt and road response by the Biden administration in Southeast Asia and also in part of the Middle East. And instead they've made this India-Middle East-Europe corridor a way for us to have a digital route where

we'll have Gulf compute centers that are linked to India's labor pool, and that this will facilitate a little bit more privatization, a little bit more capital flows, but specifically this overbuilding, over investing, overvaluing that's going to be essential to building out AI, to getting other countries hooked onto using our AI tech stack and to trying to export as much as possible the basis for American preeminence.

Alondra Nelson (00:47:40):

Brian, if I could just add, I mean would just, Edward is so amazing at this mapping, and so I'm remiss to add anything, but I would just want to, in the space of thinking about AI over the last year where you're also quickly entering a world in which we're going to have a futures market for GPUs, that compute is going to be an asset class. And so AI is also sort of entering into the sort of even more conventional way we think about the marketplace, even as it is sort of remapping the whole kind of geo-economic map through some of the speculation and overvaluation that Edward raised.

Brian Chen (00:48:21):

And I want to go to the audience Q and A really quickly, but Alondra, I mean, one thing I want to ask you because talking about all this sort of the globalized nature of some of this stuff, even though people say globalization is dead, but clearly it's very globalized. I mean, how much are the critical minerals playing in all this stuff? AI really could be understood as foundation models, GPUs. It really is this instantiation of all these different kinds of commodities, and if one cares about competitiveness in AI, they actually do kind of care about the price and availability of tantalum, et cetera. How would you describe the Trump administration's efforts around these critical minerals supply chains?

Edward Ongweso Jr. (00:49:13):

Too little too late. That's what I would describe. I think that there's been a bit of a scramble Hail Mary for different methods, right? Because I think the realization that, so there's two parts, right? Where if the United States--

Brian Chen (00:49:31):

Oh, Ed, whatever. Sorry. Sorry. I was hoping to grab Alondra.

Edward Ongweso Jr. (00:49:34):

Oh, sorry. Yeah, my fault.

Brian Chen (00:49:36):

Yeah, go for it.

Alondra Nelson (00:49:37):

But I want to hear what you have to say, so come back. But I mean, look, I think that Trump mean, this was true of the Biden administration's true of the Trump administration, that people want to talk about AI as being at a kind of epiphenomenal level, but it's actually very clear that political actors in the United States are clear about the material foundations of AI and very clear about the stakes of that. And so critical minerals and rare earths are really important in part because of the competitive nature of it, that the administration, and this is where I think it might be have been where Edward was going with the too little too late, recognizes that China has a kind of stranglehold on 90% of cobalt processing and refining 60% of rare earth processing. And what do you do about that when you need these to do this, as Edward was describing, this sort of hyperbuild of this AI ecosystem and everything that sits around it.

And so some of the levers that I talked about that are give the lie to deregulation, tariffs, export controls, different kinds of bilateral deals are an attempt to sort work around or through this. I think Chinese stranglehold on some of the sort of node of rare and critical minerals. I would also say, and this goes back to the conversation that you and Ed were having, Brian, when we think about the stack, I think critical minerals is also a really important place for us to think about the sort of, and I think I try to think about as the full AI stack. So we're being told that there's an American AI stack that's clouds and GPUs that needs to be sold through the world and is something like a form of capital or an asset. But of course all of that relies on data centers, energy, critical mineral, rare earth mining, the work and the labor of lots of people, creating pollution in places like Tennessee in Boxtown, the Black community in Memphis in which they're kind of burning these gas turbines to create this energy.

So there's this whole kind of ecosystem that is the full tech or social stack and critical minerals is part of that, not just as a kind of asset or commodity that's important for how we need to expand the market and making chips not to mention the EVs. And we can talk about that and what's happening or not happening with electrification, but also because of all of the physical labor, people's labor, natural resources that go into it. We also, if you've been tracking, I mean some of the conversation about Ukraine, certainly the conversation about Greenland and American national security parlance. In the summer, the president signed a kind of minerals agreement between with Rwanda and

the Democratic Republic of Congo that was supposed to be about mediating conflicts between those countries, but was really a critical minerals deal in benefit in large part to the US.

And so critical minerals, it stands in for not just the minerals itself, it really stands in for this bigger, fuller stack. And I think if we're looking for in a policy in a political space like AI, that feels so disempowering precisely because of some of the capital billionaire, very powerful figures that Vittoria was describing in our conversation, have such a role to play. I think thinking about that full stack I think shows us where there are places where you might intervene. And I think we're seeing really incredible and brave attempts in local communities to intervene around the level of natural resources in the global South and here in the United States in places like Northern Virginia and places like New Jersey around data centers and the price of electricity. So the kind of critical minerals that taken in a full stack purview, I think allows more spaces for intervention and for I think people to feel enabled about their ability to understand the materiality of AI much with a shout out to Kate Crawford for her work on that and show us where there are places for intervention and negotiation.

Brian Chen (00:54:10):

That's a great point to maybe dig in on, Alondra, because I'm looking at the audience Q and A and there's a bunch, I'm going to group a bunch of these together. There's a few questions where people are asking more or less, what have you seen in the last year, or what should people understand about these forms of resistance or activism? Maybe what have you seen that's inspired you over the last year? Yeah, I'll just open that up for anyone. Oh, no one's been inspired? There's been nothing. None of the data center fights have been inspiring?

Alondra Nelson (00:54:52):

I've mentioned the data center fight, so I won't go back to those. But the data center fights are also changing the broader political debate. I mean, if you followed the election, the gubernatorial election in New Jersey, I mean, that was part of the conversation that Mikey Cheryl had to have a position on data centers and had to have a position on AI. And so I think we have moved in the last year. So I would say one of an upside is that we've moved in the last year from AGI, OMG, I can't possibly have anything to say about AI because it's like Skynet robots, and what do I know? I'm just a local person in my house to people really getting the stakes of what it means to do this overbuild that Edward's talking about and what the stakes are for even just their electricity bill for the pollution.

So I think that's important, but I would also take us back two and a half years to the writer's strike and the SGA and writer strikes around AI and around contracts about the use of AI in that work. And again, there was a kind of, at a moment when we were talking about AI in a very ethereal way, I think those kinds of labor struggles around that full understanding, that full aperture of that full stack. You could also think about the Amazon workers. So I think that as we began to sort of put a sociopolitical stack or sociotechnical stack together that they provide on-ramps for people to, I think, intervene, get engaged, et cetera.

Brian Chen (00:56:32):

Edward, I see you're off mute. Did you want to come in?

Edward Ongweso Jr. (00:56:35):

I mean, yeah, I think just to echo that, I think it's been good that we are getting artificial intelligence and this overbuild in front and center because this also exposes some other points of the ecosystem that have been harder to mobilize people against, but also do need to be addressed if we're interested in building, if we're interested in pursuing social justice, if we're interested in building a better world. Venture capital, I think, this is a situation where venture capital is overly leveraged, overly exposed, and that there needs to be a success amongst some of these firms to recoup the losses either by liquidity events like OpenAI IPO or Anthropic IPO or a continual perpetual overvaluation, so that there can be exits that then allow them to enrich one another to keep up the political lobbying efforts. And so part of my hope is in curtailing the overbuild, there's a chance to confront the industry, even though we lost a really big opportunity in 2023, right, with Silicon Valley Bank when they got their bailout right.

There's still a chance here in robbing them of this sort of massive cash cow where they're going to be offloading and externalizing as much of the cost as possible to the public to reverse or block some of the things that I was talking about at the beginning, where they're interested in shackling the state, interested in making the state sleek and solely focused on realizing returns or preventing it from pursuing social democratic reforms, or from allowing them to build these sort of company towns and network states and little St. James where they can develop their own authoritarian regimes in private.

Brian Chen (00:58:36):

Yeah, I mean, not for nothing. The word of the year last year was slop. There is increasingly a lot of popular resentment over this stuff.

Vittoria Elliott (00:58:44):

Yeah, I think I was going to say actually, I think the thing that has been most encouraging is how clear it is that people do not like the products that AI are delivering to them. The massive outcry at how bad the last season of Stranger Things was, sorry, everyone if you haven't seen it yet. And then the documentary and the internet just blowing up, realizing that the writers had ChatGPT open on their computers and the screenshots of the documentary, the idea that we are being told that AI is going to replace government, and it's going to art, and it's going to replace you at your job. And that again and again and again, it demonstrates itself to be something that people regularly actually don't like. And I think this sense of people withdrawing from certain offline spaces and platforms, that the hunger to get away from these things to not feel like they are, that everything they interact with is cheap and hollow.

I actually think is, it's not an organized movement, but I think the global social sense that something is wrong and I don't want this, and I'm willing to possibly experience friction in my life to not deal with this anymore, to not have to interact with this, I think is a big change. Because so much of the past 10, 15 years has been sort of the frictionlessness of technology encouraging people to stay in loops that have otherwise been satisfying, even if they felt surveillancey or imperfect. And I think we're getting to the point where the cost and benefit that even regular consumers are feeling around this is starting to tip.

Brian Chen (01:00:33):

So with apologies for the many great queue of questions that have come in, we're just going to do one more question from the audience and then we'll wrap up. But I think this is a good one to end on. So we're talking about AI infrastructure that's overbuilt, overvalued. Maybe people are getting tired of it as we're talking about. What is the conclusion of this AI drive, this bubble, the bursting of the bubble, what does a potential collapse look like? And I think more importantly, the question might be, is there a possible off ramp before we reach that point?

Vittoria Elliott (01:01:14):

I'll be the first to say, I don't know, and I don't want to take up too much time because I feel like Alondra and Edward have thought a lot more about this than I have. But I think my biggest concern is sort of the strategy for these companies to exit via the state. The idea that they will become increasingly intertwined with the US government as both Edward and Alondra also noted that foreign policy is increasingly becoming tech policy.

So that is one way that I could see that happening, but I'm happy to hear their thoughts.

Alondra Nelson (01:01:52):

I would say that there's so much other, Edward really mapped it out. There's so much other kind of valuation and stuff happening. So on the one hand, we do have this kind of self-eating machine that I think is very risky, but we're doing all sorts of other things like potentially having futures and GPUs and creating different asset classes. And so I actually don't know if there's an on-ramp because the on-ramps I think that we would think about for the market are about a economic system that we thought we understood. And I think there's just so much that's new that's being put into play, and also so much greed and so much money at stake that it feels like the old rules certainly don't apply. Nobody's abiding by them. And I would be hard pressed to say that. I mean, certainly I think that we are right to imagine that in some capacity the US taxpayer is going to be left holding the bag for this. I think there's been some AI Now did a really nice report on this. Edward's work is I think, very clear and good on this, but I don't know that that means collapse. I don't know that that means that people are still not taking away big bags of money and that this kind of bizarre new ecosystem doesn't continue just to have this dynamism.

Edward Ongweso Jr. (01:03:15):

Sorry, Brian, would you be able to ask the question again?

Brian Chen (01:03:21):

Do you see any potential off-ramps to preemptively make the US economy less contingent on this impending AI bubble if it doesn't de-burst?

Edward Ongweso Jr. (01:03:35):

Yeah, I mean, I think it's hard because, and your memo also points to this, and so much of what's happening right now is that to make this work, you need durable infrastructure and institutions, which are also simultaneously being waged war on. And so it may actually end up being that this bubble and the speculative enterprise at the end of it is the only thing that holds up otherwise careening or decaying edifice. I hope not because I think a center thing in my writings, I really do think Silicon Valley and a lot of these sectors connected to it represent probably the greatest threat to democracy and to human civilization in many ways. And that's whether they cause a collapse through this bubble or that's whether they succeed and there isn't a collapse. And instead provide an example of how you can do development. You can do innovation without democratic

input. So I don't know. I hope that the way that we get forward is confronting and eviscerating these financiers and capitalists, but barring that, I don't really know if **there's a good ending.**

Brian Chen (01:05:04):

Well, that was as good as an answer really, that we could try to do. That brings us to the end of this Databites. I want to give a huge thanks to our brilliant panelists for a very exciting conversation today. Thanks to everyone online for tuning in. To learn more about Data and Society, you can subscribe to our weekly newsletter as well as following us on Blue Sky. Thank you for joining us everyone, and take care.