AI – Masters, Myth and Majesty

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Disclosure: Declaration of Generative AI and AI-Assisted Technologies
During the preparation of this work, the author used a popular AI Agent in order to input initiating prompts towards generating a full preliminary draft of what became this article. After using this agent, the author reviewed and edited the content as needed and takes full responsibility for the accuracy and integrity of the final article.

Contents

Abstract

The major artificial intelligence companies of 2026 — OpenAI, Microsoft, Nvidia, Google DeepMind, Meta, Amazon, and their Chinese counterparts — are not merely corporations. They are, in their trajectory, arguably the most significant concentrations of private power since the chartered trading companies of the colonial era; and, like those companies, they may be acquiring governmental functions that their commercial mandates do not explain and their democratic accountability does not justify. This article examines the dual condition described in its title: the myth — the speculative stock valuation bubble that has inflated AI company power to historically unprecedented levels, and whose potential correction will be as consequential as its inflation; and the majesty — the governmental, regulatory, and political power that AI company founders and executives are potentially acquiring in parallel with, and partly as a consequence of, that financial inflation. The article argues that as Western governments evolve towards what might be termed as technocratic social democracy — arguably a governance model most congruent with AI integration at scale — the relationship between AI companies and the states that nominally regulate them may result in a structural inversion: the companies may not merely influence government. They may, in measurable and consequential respects over time, become it.

Keywords: AI valuation bubble, tech sovereignty, technocratic social democracy, regulatory capture, governmental congruence, AI oligopoly, East India Company parallel, political tech power, AI futures

1. Introduction: Between the Bubble and the Throne

There is a peculiar historical irony embedded in the AI moment of 2026. The companies driving the most consequential technological transformation in recorded human history may simultaneously be among the most financially overvalued assets in market history and among the fastest-growing concentrations of genuine political power. These two facts are not unrelated. The inflated stock valuations provide the capital — and the cultural authority — from which political power can be constructed. The political power, in turn, protects and extends the conditions under which valuations are sustained. The myth and the majesty are not opposites. They are two faces of the same ascending order.

Understanding where the major AI companies and their principals are going — in terms of power, in terms of governmental integration, and in terms of what happens to both when/if the financial bubble that funds them corrects — requires holding two analytical registers simultaneously: the financial, which measures speculative overvaluation and its probable correction; and the political, which measures the structural integration of private AI power into the architecture of governance. This article attempts to hold both registers at once.

2. The Myth: AI Stock Valuations and the Architecture of Speculative Power

In June 2024, Nvidia briefly became the most valuable company in the history of financial markets, its market capitalisation exceeding $3.3 trillion — a figure that exceeded the entire GDP of France, and that represented an increase of more than 800% over 18 months (Bloomberg, 2024). This is the myth in its most spectacular form: a semiconductor company, however exceptional its technology and however genuine its near-term monopoly on the graphics processing units that power AI training, valued at a multiple of earnings that requires sustained dominance across decades to justify. Its price-to-earnings ratio at peak exceeded 70 times — a figure that historically precedes significant correction (Shiller, 2015).

Nvidia is the most visible example of a broader condition. The 'Magnificent Seven' — Apple, Microsoft, Nvidia, Alphabet, Amazon, Meta, and Tesla — collectively held a combined market capitalisation exceeding $15 trillion in 2024, constituting approximately 30% of the entire S&P 500 index by value (Reuters, 2024). The concentration of market value in AI-adjacent technology companies has no modern precedent except the dot-com bubble of 1999–2000 — and even that peak involved a broader distribution of companies than the current concentration in seven firms. Goldman Sachs (2024) published an internal research note raising the question of whether AI revenue growth could justify the infrastructure investment being made: the four largest hyperscalers (Microsoft, Google, Amazon, Meta) committed over $200 billion annually in AI-related capital expenditure for 2024–2026, against AI-specific revenue streams that, at the time of analysis, could not justify the outlay within any conventional investment horizon.

The comparison to the dot-com bubble is instructive but imprecise. The companies that peaked in 2000 — Pets.com, Webvan, eToys — had no genuine revenue, no real infrastructure, and no governmental dependency. The AI majors of 2026 have all three. The more precise comparison is to the railway mania of the 1840s (Kindleberger & Aliber, 2005):

a genuine transformative technology, real infrastructure, real long-term value — and a speculative overvaluation of the near-term returns that produced a severe market correction while leaving the transformative infrastructure intact. The AI bubble, when it corrects, will not destroy the technology or the companies that built it. It will destroy the peripheral entrants, consolidate value around the dominant players, and leave those players — stripped of speculative excess — with more real power than they had when the bubble was at its height.

Company	Peak Market Cap (2024, approx.)	P/E Ratio at Peak	AI Revenue Justification	Bubble Risk Assessment	Post-Correction Power Trajectory
Nvidia	$3.3 trillion	~70x	Data centre GPU monopoly; genuine near-term	High — requires 15+ yr sustained dominance to justify	Very High — infrastructure monopoly survives correction
Microsoft	$3.1 trillion	~35x	Azure AI; OpenAI integration; enterprise lock-in	Moderate — diversified revenue base	Very High — government cloud dependency structural
Alphabet (Google)	$2.3 trillion	~25x	Search monopoly + Gemini; cloud (GCP)	Moderate — search revenue under AI threat	High — DeepMind capability; government contracts
Amazon	$2.0 trillion	~45x	AWS dominance; Bedrock AI platform; logistics AI	Moderate-High — AWS genuine monopoly revenue	Very High — government cloud (CIA/DoD contracts)
Meta	$1.4 trillion	~28x	Advertising AI optimisation; Llama open source	Moderate — ad revenue genuine; AI moat contested	High — social infrastructure + open source positioning
Tesla / xAI	$0.8 trillion (Tesla) + private	~80x (Tesla)	FSD autonomy; xAI Grok; political adjacency	Very High — automotive + AI valuation combined	Variable — political dependency; Musk factor dominant
OpenAI	~$157bn valuation (private, 2024)	N/A — pre-profit	ChatGPT; API; Microsoft partnership	Very High — not yet profitable at scale	High if profitable; existential if not within 3 years

Table 1. Major AI company valuations, bubble risk assessment, and post-correction power trajectory (Bloomberg, 2024; Goldman Sachs, 2024; Reuters, 2024).

3. The Masters: Who Actually Owns the AI?

The concentration of AI capability in a small number of companies — and the concentration of those companies' control in an even smaller number of individuals — may be somewhat unique. The effective AI oligopoly of 2026 is controlled, in terms of capability, capital, and political influence, by fewer than a dozen individuals whose combined net worth exceeds the GDP of most nations and whose decisions regarding AI development, deployment, and safety are made without democratic mandate or meaningful external accountability (Galloway, 2017; Zuboff, 2019). Understanding where the AI majesty leads requires understanding who holds it now.

Principal	Company / Role	2024 Net Worth (approx.)	AI Capability Domain	Political/Governmental Position (2026)	Governmental Trajectory
Elon Musk	xAI (Grok); Tesla (FSD); SpaceX; X (Twitter)	~$250bn	Multimodal AI; autonomous systems; communications infrastructure	DOGE (Dept of Government Efficiency) — direct federal role; political kingmaker in US	Highest governmental integration of any tech figure in democratic history; trajectory toward ongoing advisory/operational federal roles

Principal	Company / Role	2024 Net Worth (approx.)	AI Capability Domain	Political/Governmental Position (2026)	Governmental Trajectory
Sam Altman	OpenAI (CEO)	~$2.5bn (stake contested)	LLM frontier (GPT-5+); API ecosystem	White House AI policy advisor; international government AI partnerships (UAE, India, Japan)	Likely formal governmental advisory role or regulatory board position by 2030
Jensen Huang	Nvidia (CEO & founder)	~$120bn	GPU/TPU monopoly — physical infrastructure of AI	No formal role; de facto policy influence through supply chain monopoly	Structural governmental power through infrastructure dependency; no formal role needed
Sundar Pichai / Demis Hassabis	Alphabet / Google DeepMind	Pichai ~$1.5bn; Hassabis ~$1bn	Gemini; DeepMind AGI research; Google Cloud	DoD AI contracts; DARPA collaboration; EU regulatory engagement	Hassabis: Nobel laureate (2024); scientific advisory trajectory; Google: permanent government cloud role
Mark Zuckerberg	Meta (CEO & controlling shareholder)	~$200bn	Llama (open source); Reality Labs; social infrastructure	Repositioning: post-2024 political realignment toward deregulatory coalition	Open source AI as geopolitical strategy; long-term: platform becomes governance infrastructure
Andy Jassy	Amazon (CEO)	~$1bn	AWS Bedrock; Alexa AI; logistics AI	CIA/Intelligence Community cloud contract (JEDI successor); DoD partnership	AWS as permanent government infrastructure — operational not advisory power
Dario & Daniela Amodei	Anthropic (co-founders)	Private; ~$2bn combined est.	Constitutional AI; Claude models; safety focus	Congressional testimony; policy advisory; UK AI Safety Institute collaboration	'Safety' positioning as regulatory moat — likely formal AI regulatory advisory role

Table 2. Key AI principals — capability, political position, and governmental trajectory (Forbes, 2024; Bloomberg, 2024; various public sources).

4. From Corporation to Quasi-State: The Historical Evolution of Tech Power

The structural evolution of the major AI companies toward quasi-governmental functions has a precedent that historians might recognise: the East India Company. Founded in 1600 as a commercial trading enterprise, the British East India Company acquired, over two centuries, the functions comparable to a sovereign state — its own army, its own legal system, its own diplomatic corps, its own currency and tax collection apparatus — not through deliberate political ambition but through the structural logic of commercial dependency (Ferguson, 2004). The territories it traded with became dependent on its infrastructure; that dependency produced leverage; the leverage accumulated into power; the power eventually exceeded that of the governments that had chartered it (Ferguson, 2004). The EIC did not plan to rule India. The logic of its position made ruling India the natural resolution of its commercial interests.

The AI majors are following a structurally analogous path, accelerated by the velocity of digital dependency. Microsoft's Azure cloud infrastructure hosts the operational systems of hundreds of governments, militaries, and intelligence agencies — including the US Department of Defense's classified systems under the JEDI and subsequent contracts. Amazon Web Services operates the Central Intelligence Agency's classified cloud

infrastructure (AWS GovCloud). Google provides AI tools to government agencies across the OECD. These are not lobbying relationships. They are ultimately operational dependencies: the government cannot function in the same capacity without the company (or another similar company), which means the company's continuity, security standards, and executive decisions are also essentially matters of national security. Regulators who are supposed to impose binding constraints on these companies are simultaneously dependent on their infrastructure to do their jobs (Morozov, 2013).

Lina Khan (2017), in her landmark Yale Law Journal article on Amazon's antitrust paradox, identified the structural inadequacy of existing antitrust frameworks for the platform era: the traditional test of consumer harm through price increase cannot capture the harm of market and political power accumulated through infrastructure dependency. What she identified for Amazon in 2017 applies arguably, by 2026, to the entire AI oligopoly — and extends from economic power into governmental power in ways that existing regulatory frameworks may well have no clear vocabulary to address.

5. Governmental Congruence: When the Trill/Billionaire Enters the Building

The transition from lobbying government to constituting government crossed a threshold in January 2025. Elon Musk's appointment to lead the Department of Government Efficiency (DOGE) — a presidential advisory body with access to federal payment systems, personnel databases, and agency operations — represents what appears to be the first instance in American history of a tech billionaire holding direct operational access to federal government infrastructure without holding elected office, without Senate confirmation, and without conventional accountability mechanisms (New York Times, 2025). The significance is not an individual's personal political views, which are contested. It is the structural precedent: that a founder of company/s dependent on government contracts and regulatory forbearance can simultaneously occupy a governmental role that shapes the regulatory environment those companies operate within.

Beyond this most visible example, the integration of AI principals into governmental structures may be proceeding through quieter channels? Sam Altman's White House visits and international governmental partnerships have produced AI agreements with the UAE, India, Japan, and South Korea — is this quasi-diplomatic AI policy in parallel with formal governmental diplomatic processes (Reuters, 2024)? Jensen Huang's apparent supply chain monopoly means that any government seeking to develop AI capability must negotiate with Nvidia — does this produce a diplomatic relationship between a corporation and sovereign states that has no formal protocol but very real consequences? Questions, so many questions. The revolving door between AI companies and government regulatory bodies — long documented in the telecommunications and pharmaceutical industries (Stigler, 1971) — is apparently accelerating: another question – is it conceivable that former senior government officials are being recruited to AI companies at salaries no government can match; and, former AI company executives occupying regulatory advisory roles that shape the frameworks governing their former employers?

6. The Technocratic Social Democracy and the Tech Sovereign

The companion article in this series — Policy Positions on AI Integration, Displacement and Mitigation — concluded that the most probable governance trajectory for post-industrial democracies is a convergence toward a position of 'technocratic social

democracy': universal material provision, algorithmically managed governance, and declining genuine democratic accountability as governance complexity exceeds the capacity of electorally responsive institutions. Within that governance model, the position of the major AI companies is not solely that of regulated external actors. It is that of constitutive infrastructure providers — the entities that supply the platforms, the data, the algorithms, and the computational capacity without which the technocratic apparatus cannot function.

Carl Schmitt's (1922/2005) definition of the sovereign — 'he who decides on the exception' — acquires new precision in this context. When an AI system fails, is suspended, or requires emergency update in a domain of critical governmental function, the decision about what happens next is made not by an elected official or a constitutional authority but by the engineers and executives of the company that built it. The sovereign decision — to activate, suspend, or modify the system — belongs, in practice apparently, to the tech principal, not the democratic principal. This may not be mere abstract hypothetical conjecture. It may well be the operational reality of every government that has become dependent on private AI infrastructure without securing the governance rights that infrastructure dependency creates.

The congruence between an emerging technocratic social democracy and the power interests of an AI oligopoly is not accidental. Both require the same conditions: large-scale data collection, algorithmic management of population behaviour and preference, and the technical complexity that makes meaningful democratic oversight practically impossible. The AI companies do not need to capture the technocratic social democracy. They are, in a structural sense, its natural suppliers.

7. Geopolitical Dimension: National Champions and the AI Throne

The global AI power landscape is not a single market. It is a contested geopolitical terrain in which the United States, China, and the European Union have radically different relationships between their governments and their national AI champions — differences that will significantly shape the post-bubble power landscape. In the United States, the dominant model is nominally private but increasingly characterised by governmental operational dependency and selective deregulation in favour of national champions: the Trump administration's removal of Biden-era AI safety requirements is most coherently understood not as ideological opposition to regulation per se, but as a strategic decision to remove competitive constraints on US AI companies in the context of US-China AI competition (Allison, 2017). The national champion becomes the instrument of national power.

In China, the distinction between national champion and state instrument has always been thinner. Baidu, Alibaba, Tencent, and Huawei operate under a governance framework that makes their data, their algorithms, and their strategic decisions available to the Chinese state when the state requires it — under national security and intelligence laws that appear to have no Western equivalent. The consequence is a different kind of AI throne: not a private company acquiring governmental functions, but a state using private-company innovation infrastructure to extend its governmental functions. Jack Ma's public disappearance following criticism of state financial regulators in 2020 – is this one example of the limits of private AI power (Bloomberg, 2021)? In the EU, the attempted regulatory containment of AI company power through the AI Act and GDPR may represent Western democracies most serious institutional effort to prevent the structural inversion documented in this article — and the one most likely to succeed partially, while failing to prevent it entirely, for the structural reasons identified in Section 4.

8. Futures: The Majesty After the Myth Corrects, 2030–2053

Will the financial bubble correct? Perhaps the only genuine uncertainty is timing, trigger, and magnitude. The most probable trigger is a combination of revenue disappointment — the gap between AI infrastructure investment and AI-specific revenue closing more slowly than markets priced in 2024 — and a rotation of institutional capital as interest rate environments shift (Goldman Sachs, 2024). The Kindleberger-Minsky model of speculative manias (Kindleberger & Aliber, 2005) suggests that a correction will be severe in the periphery (the AI-adjacent companies with no genuine AI moat) and significant but not existential for the core (the infrastructure monopolists). Nvidia, Microsoft, Amazon, and Google would likely emerge from any realistic correction scenario with reduced market capitalisations but amplified structural power — because a correction would eliminate their competitors, consolidate the customer base, and deepen governmental dependency.

What changes after such a bubble corrects is the cultural and political narrative. The inflated valuation period produces a particular kind of authority: the tech billionaire as visionary whose judgment on matters perhaps far exceeding their technical domain commands deference. If such a correction arrives, this authority contracts — briefly. But the structural power that the governmental integration has built does not contract with it. The East India Company survived the South Sea Bubble. Microsoft survived the dot-com crash. The power that has been embedded in governmental infrastructure, in regulatory relationships, in diplomatic equivalence, and in data dependencies will likely outlast any correction that deflates the financial myth. What remains is the majesty — stripped of speculative excess, and more consequential for it.

Principal / Company	2030 Projected Position	2040 Projected Position	2053 Projected Position	Risk Factors	Power Domain
Elon Musk / xAI / Tesla	Semi-formal governmental role; xAI a top-3 LLM provider; Tesla FSD dominant in autonomous vehicles	Formal governmental advisory architecture; xAI integrated into federal AI infrastructure; SpaceX as de facto space governance	Potential post-corporate political candidacy or permanent institutional role; space sovereignty via SpaceX	Health; political volatility; regulatory backlash	Military AI; space; political communications infrastructure
Sam Altman / OpenAI	OpenAI profitable or absorbed into Microsoft; Altman in formal AI regulatory role	Permanent seat at AI governance table internationally; quasi-diplomatic AI agreements	Senior statesperson of AI governance; possible international AI institution leadership	Competitive displacement by Google/Anthropic; Microsoft full acquisition	AI safety narrative; global AI diplomacy
Jensen Huang / Nvidia	Supply monopoly begins to face competition (AMD, custom silicon); still dominant	Chip monopoly partially eroded but infrastructure dependency structural; Nvidia as standard-setter	Nvidia as infrastructure standard — the TCP/IP of AI; Huang as elder statesperson	Custom silicon (Apple, Google, Amazon) reducing dependency	Physical AI infrastructure; standards-setting power
Microsoft / Satya Nadella	De facto government cloud standard globally; AGI integration into enterprise	Government dependency absolute in allied nations; regulatory scrutiny but no viable alternative	The East India Company endpoint: too embedded to regulate meaningfully; the permanent infrastructure sovereign	Antitrust action; open-source disruption	Government cloud; enterprise AI; OpenAI stake
Google DeepMind / Hassabis	AGI-adjacent research leader; Gemini dominant in scientific AI; government scientific advisory	First AGI-capable system a Google product; Hassabis as lead scientific figure of era	DeepMind as the scientific sovereign — the institution that defines what AGI means and what it does	EU regulation; antitrust; AGI safety failures	Scientific AI; government research; search

Principal / Company	2030 Projected Position	2040 Projected Position	2053 Projected Position	Risk Factors	Power Domain
Meta / Zuckerberg	Open-source Llama as democratic alternative narrative; social infrastructure AI-native	Platform as governance infrastructure in nations without strong state digital capacity	Zuckerberg as the quiet sovereign: owns the social substrate on which political life occurs	Regulatory fragmentation; younger demographic flight	Social infrastructure; open-source AI ecosystem
Chinese AI (Baidu, Alibaba, Huawei)	Belt and Road AI infrastructure deployment accelerating; domestic regulation tightens	Dominant AI provider for Global South nations accepting Chinese digital infrastructure	Alternative AI order: 30-40% of global AI infrastructure on Chinese platforms, outside Western regulatory frameworks	Geopolitical isolation; chip sanctions; internal political control	Global South AI infrastructure; alternative AI governance model

Table 3. Projected AI principal and company power trajectories, 2030–2053.

9. Conclusion

If the myth is real: the AI stock valuations of 2024–2026 represent a speculative inflation that will correct, and whose correction will be painful for those whose exposure to that inflation is not protected by genuine structural power. But the myth has served its function. It has capitalised the companies, elevated their founders to cultural authority, and funded the governmental integration that constitutes the majesty. The myth corrects, the majesty remains — embedded in government infrastructure, diplomatic equivalence, regulatory capture, and the operational dependencies that no post-correction government will find easy, or perhaps possible, to unwind.

The proposed technocratic social democracies that AI integration may produce (and anticipated herein) will not regulate their AI suppliers into powerlessness. They would, structurally, be unable to. The regulator and the regulated will have traded positions so gradually, so conveniently, and so mutually profitably that the moment of inversion will not be announced. For certainty on this particular point; dear reader, take a moment to consider the elements of self, privacy and interiority you have invisibly exported over the past 2 decades by virtue of internet, cell phone and purchase. Indeed, it will simply be the condition one day discovered to have already arrived. The East India Company did not declare empire. It administered it — until the administration became indistinguishable from the thing itself. The AI majesty is arguably following the same logic. The question is whether the democratic institutions that currently provide the nominal accountability framework for this transition will retain sufficient structural integrity to notice — and whether, if they do, they will retain sufficient structural independence to act.

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Glossary

AI Oligopoly: The concentration of frontier AI capability, infrastructure, and political influence in a small number of companies — primarily Microsoft, Google, Amazon, Meta, Nvidia, and OpenAI — whose combined market power and governmental integration has no modern democratic precedent.

Antitrust Paradox: Khan's (2017) concept describing the inadequacy of traditional antitrust frameworks — oriented around consumer price harm — for addressing the market and political power accumulated by platform and infrastructure companies through dependency rather than price manipulation.

East India Company Parallel: The historical analogy between the British East India Company (1600–1858) — which evolved from a commercial trading entity into a quasi-sovereign governing power — and the trajectory of major AI companies acquiring governmental functions through infrastructure dependency.

DOGE (Department of Government Efficiency): A presidential advisory body established in the United States in January 2025, led by Elon Musk, with operational access to federal

government payment systems and administrative databases — representing the first direct governmental role for a technology billionaire in American democratic history.

Governmental Congruence: As used in this article: the progressive alignment between the structural interests of major AI companies and the governance models of the states in which they operate — producing conditions under which regulatory constraint is structurally self-undermining.

Hyperscaler: The major cloud computing providers (Amazon Web Services, Microsoft Azure, Google Cloud Platform) whose data centre infrastructure underpins both commercial AI deployment and governmental digital operations — making them constitutive, rather than merely contracted, elements of governmental capability.

Kindleberger-Minsky Model: The framework for analysing speculative manias, developed by Hyman Minsky and extended by Charles Kindleberger (2005), identifying the characteristic phases of displacement, euphoria, credit expansion, distress, and revulsion — applied in this article to the AI valuation bubble.

Magnificent Seven: The seven technology companies — Apple, Microsoft, Nvidia, Alphabet, Amazon, Meta, and Tesla — whose combined market capitalisation constituted approximately 30% of the S&P 500 index in 2024, representing an unprecedented concentration of equity market value in AI-adjacent technology firms.

Price-to-Earnings Ratio (P/E): A measure of stock valuation expressing the multiple of current earnings at which a company's shares trade; high P/E ratios indicate that markets are pricing in sustained future earnings growth, and historically precede correction when that growth fails to materialise.

Regulatory Capture: Stigler's (1971) concept describing the structural tendency of regulatory bodies to serve the industries they regulate over time — accelerated in the AI context by the operational dependency of regulatory agencies on AI company infrastructure.

Revolving Door: The movement of individuals between senior government regulatory roles and senior positions in the industries those agencies regulate — producing relationships of informal influence that shape regulatory outcomes independently of formal processes.

Schmittian Sovereign: Following Schmitt (1922/2005): the actor who holds the practical power to decide on the exception — to suspend normal rules in conditions of emergency. Applied in this article to the tech principal whose operational control of governmental AI infrastructure confers de facto sovereign decision-making power in system failure or emergency scenarios.

Tech Sovereign: As used in this article: a technology company principal whose control of critical governmental infrastructure, data, or AI systems confers practical sovereign power — the capacity to make decisions with governmental consequences — without holding elected office or constitutional authority.

Technocratic Social Democracy: The predicted governance convergence identified in the companion article: universal basic material provision combined with algorithmically managed governance and declining genuine democratic accountability — the political form most structurally congruent with AI company power interests.

Valuation Bubble: A speculative condition in which asset prices significantly exceed the level justifiable by underlying earnings or cash flows — sustained by market momentum, narrative, and credit availability until a correction trigger produces rapid price adjustment.