Regrets of the Tech Bros

In a land ruled by the law of the jungle.

By Susan Ariel Aaronson and Michael Moreno

On his Inauguration Day, Donald Trump sent a message. The founders and CEOs of Apple, Amazon, Google, Meta, Open AI, and Uber, among other giant high-tech companies, sat in the front rows near the Trump family and cabinet nominees. Trump and his staff wanted to use that display of innovation, money, and power to convey that he was supported by America's most successful companies. In turn, these leaders hoped the administration would ease the regulation of data-driven technologies and the business practices (surveillance capitalism) followed by many of these giant firms.

However, some two months later, many of these tech bros may regret their unabashed support for the future Trump promised.

First, the Trump administration has created chaos and uncertainty with its vacillating economic and foreign policies. President Trump has already violated provisions of two trade agreements—the U.S.-Mexico-Canada (USMCA) free trade agreement and the World Trade Organization—with his tariffs. In addition, the Trump administration has gutted USAID and halted 83 percent of foreign aid, which many governments around the world relied on to provide basic services such as healthcare and education. His bullying rhetoric has alienated world leaders and fomented distrust of the United States and American companies.

Trump's foreign counterparts are already retaliating against his trade actions, and over time, these leaders may become less inclined to "buy American" products and services such as artificial intelligence. Canadians are already boycotting U.S. products. China is taking advantage of this situation to win friends and highlight its stability and commitment to the rule of law. But U.S. population growth is slowing and foreign countries, especially populous middle-income countries, are important growth markets for the tech giants. They need to be seen as trustworthy sources of information and data-driven services in these nations. Nonetheless, many of the tech companies are seeing slowing earnings and profits. Moreover, as manufacturers decline, their client base for cloud and AI services will shrink.

Second, Trump administration economic policies are raising the costs and decreasing the supply of key elements of the AI supply chain such as capital, labor, and data. The trade policies discussed above are likely inflationary. In turn, inflationary policies could encourage Fed governors to tighten monetary policy, raising the cost and lowering the supply of capital. The data giants will not be able to borrow as much to fund future

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investments. Meanwhile, Trump's immigration policies will make it harder to hire and train foreign talent. Students will not feel welcome in a country that deports many of its immigrants who came to the United States to find a better life. Moreover, cuts to research funding at the National Science Foundation and National Institutes of Health will make it harder for U.S. universities to attract talent and fund the next generation of researchers. Basic research funded by the U.S. government has transformed the U.S. economy for centuries. In addition, U.S. unwillingness to share public data will undermine access to U.S. data and could inspire other countries to make less of their data—government-funded and/or scientific data—available to foreign researchers. With less access to accurate, complete, and representative data sets, more expensive borrowing costs, and a smaller supply of labor, American AI development could gradually decline. American AI leadership is already challenged by the new model of DeepSeek, which produced a highly effective model using less capital, compute, and energy costs.

Third, the Trump administration is putting forward its own approach to AI focused on competitiveness. But potential deployers of AI around the world may fear that trust and safety could be sacrificed to enable innovation. In order for AI to be widely deployed, users must trust that AI will not cause them harm. Potential AI customers could thus turn away from U.S. suppliers. To some extent, this is already happening. For example, Dutch officials expressed concerns that they are creating a national security risk by relying on U.S. firms for AI infrastructure, and Australian officials expressed similar concerns.

Finally, the Trump administration has given one tech leader significant authority to reshape U.S. government institutions and processes. President Trump has endorsed his products and given that man access to a wide range of U.S. datasets—access that the other technology companies don't have. Elon Musk's access to federal decision-makers and inside information gives him an edge over competitors when they compete for AI contracts.

America's tech firms were promised a golden age for data-driven technology. But these executives may be filled with regret as they struggle to steer their firms in a land ruled by the law of the jungle. ◆

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