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Who Should Own AI? An Open Letter

Recent months have seen growing calls to reconsider the ownership, taxation and regulation of AI. Suggestions of sovereign stakes in AI companies have come from both ends of the political spectrum. This note takes the form of an open letter. Who *should* own AI?

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So, Bernie Sanders and Donald Trump have found a point of agreement—that it is desirable for the public to have a stake in AI. To be fair, their agreement peters out after that point. Sanders suggests the transfer of a 50% equity stake into an American sovereign wealth fund; Trump's proposal for the US government taking stakes in AI companies seems more limited. They mirror suggestions from within the AI industry itself, e.g., from Sam Altman.[1] The Financial Times (FT) suggested taxation as an alternative route to compensate for the wealth creation and impact of AI on the economy, specifically suggesting an increase in the capital gains tax.[2]

It is interesting that these proposals are surfacing. Perhaps one shouldn't be surprised, given the parallel observations of enormous wealth creation, a looming fear about the impact of AI on jobs and a growing realization that there are also far greater risks to society and mankind from unbounded development of AI.

Twin forces make this debate about ownership of AI likely to become more intense. It is wealthier people who have benefitted more from a rise in stock prices; in parallel to this, there is the prospect for a coming increase in the power of corporations vs. labor. The US already stands out both globally and compared with its own history in terms of an unprecedented increase in the corporate profit share of gross domestic product (GDP). This is one element, albeit one with potentially ugly social consequences, of the narrative of US exceptionalism that leads us to recommend that investors maintain a strategic overweight in US equities compared with the rest of the world.

One needs to be humble in making forecasts for what the aggregate productivity gain from AI can be; we are generally cautious about such forecasts.[3] Nevertheless, whatever productivity gain does come about can either arise from enhancing the productivity of a unit of labor or from automating and replacing that unit. Forecasts for AI-driven growth tend to be coy about how much each of these aspects might be at work, and to be fair, it is hard to predict ex ante. However, the current set up, with corporations being able to decide what AI is developed and released, seems set to increase their profit share further through automation.

A high level of profit share and continued robust GDP growth are powerful underpinnings for future corporate earnings growth. However, there has to be some limit. At some point, profit share would be too high, potentially prompting an abrupt, revolutionary-like rejection of corporate power and AI. We do not know where that level lies; to date, the US electorate has declined to force the issue.

This state of affairs forms the backdrop to the suggestion that sharing the benefits of economic gains from AI more broadly could be seen as a way of counteracting what would otherwise be a setup for a significant further increase in inequality, even beyond today's already extreme levels. In theory, at some level, public ownership of AI could even reduce inequality, though it probably requires a share of public ownership at or above the level Bernie Sanders suggests, rather than the stakes suggested elsewhere.

However, while sovereign stakes in AI might seem politically expeditious, they leave unresolved other large questions raised by the power transfer implicit in AI. It would not resolve the shift in the relative power of governments vs. corporations, for example.

Corporate power has been rising vs. that of governments, particularly in the US, for decades and across multiple administrations. Look no further than the effective tax rate of US firms, which has described an almost monotonic descent. If one layers on this trend the eyebrow-raising shifts in corporate governance norms, such as the voting structure of SpaceX, then the power accrued by corporations seems unprecedented, and this is even before AI really transforms the economy. This corporate power would not be affected by public sovereign wealth ownership, unless that stake came with extra voting rights.

Governments have, in a sense, also become more powerful over recent decades, if one's metric is government expenditure as a share of GDP. One might also conclude that governments have gained power, given the way they have inserted themselves into supply chains for reasons of national security. However, in an important sense, government power rests on shaky ground. Across all the G7 nations, government debt averages 120% of GDP. Even more pertinently, the US cost of debt servicing exceeded its defense budget for the first time in 2025, a level at which Niall Ferguson suggests that a great power faces

[1] See https://cdn.openai.com/pdf/561e7512-253e-424b-9734-ef4098440601/Industrial%20Policy%20for%20the%20Intelligence%20Age.pdf

[2] *There is a simpler option for making AI pay its way: tax it properly*, Lex column FT June 9, 2026

[3] AI vs. Demographics: Or might shrinking populations not be so bad if robots are taking jobs, anyway?

constraints on that power.[4] This raises the risk that a future "buyers strike" in government bond markets rapidly reduces the fiscal space accorded to governments and the political life of politicians. There is another, more subtle, link between public debt and the relative power of governments and corporations. Our research shows that corporate profitability tends to benefit from fiscal deficits. Thus, corporations have gained power at the expense of both governments and labor. From this point of view, the suggestion to tax AI companies rather than take stakes in them might restore the power of corporations vs. governments to a more normal level historically.

Alongside taxation, the other way to address the size of the current mega caps is to regulate them more stringently, for example via antitrust mechanisms. Some argue that the nature of AI as a technology changes the role of antitrust policy. However, there have been calls to do this given AI's potentially transformative nature; examples include the latest papal encyclical[5] and thoughtful commentary from Martin Wolf in the FT.[6]

So, why not just regulate the mega cap companies and potentially break them up? The reluctance to do so could reflect the degree of regulatory capture that has already taken place. Another possible factor limiting regulation is that the large AI firms now appear to be an integral part of national security and, in the context of the new cold war between the US and China, perhaps very large national champions in AI are a necessary price to pay for a bigger strategic prize. Niall Ferguson, in a recent essay,[7] suggests that there is indeed a link to national security and a need for a détente between the US and China to reduce the pressure of breakneck competition between them as a way to reduce "mafia-like" behavior of the largest companies.

An interesting question is: If AI companies did have significant public stakes, would that potentially preclude effective regulation? Perhaps a regulator would pull its punches if there was a direct hit to the public purse, or even more delicate, to holdings on behalf of all individuals? One can imagine AI companies potentially welcoming public stakes if this were the result.

We have no idea how to opine on whether the very large companies are needed for national security, but there is a case that they change the economic system in ways that are not seemingly helpful for the long run. The emergence of very large companies that display what looks like rent-seeking behavior is not really commensurate with the archetypal model of a well-functioning level of competition that was supposedly the bedrock of US post-war growth. How important is having a vibrant process of competition between companies and a vibrant public equity market to long-term strategic growth and the functioning of a capitalist economy? We suspect that the answer is "very," but the effects can only be felt slowly over time.

Moreover, the concentration levels and decisions of companies to stay private for much longer has already fundamentally changed the status of the public equity market, which has already been declining in size (as measured by the number of listed shares). The de-equitization of recent decades is a kind of latent levering up of the system, alongside the very public levering up of the public balance sheet.

All this prompts a normative question: Who *should* own the growth from AI? Acemoglu taught us[8] that a new technology by itself does not determine the distribution of who benefits. Instead, that determination is a function of the social and political milieu that the technology arrives in. The extractive nature of AI in terms of energy use, raw materials and the pillaging of data for training, not to mention the impact on the global environment and the potential epistemological shift for all mankind, suggests a different ownership basis—the global commons. There would seem to be a morally defendable case for a commons-like ownership, though we realize that such a suggestion would never fly.

We are not going to answer the normative question; it is for politicians to come up with a response. But what about the consequences for investors?

Well, in the meantime returns have been great! Who would dare mess that up? Not only have presumably politically connected people done well from the rise in stock prices, but more importantly, the pension system has significantly benefitted. Our constant worry when we consider questions of portfolio design and strategic asset allocation is that the prognosis for cross-

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[4] See Ferguson, N (2025): Ferguson's Law: Debt Service, Military Spending, and the Fiscal Limits of Power available at https://www.hoover.org/research/fergusons-law-debt-service-military-spending-and-fiscal-limits-power

[5] Pope Leo: Magnifica Humanitas (2026)

[6] See *Why the world must agree to regulate AI*, FT June 10, 2026

[7] https://hoover-s3-website.s3.us-west-2.amazonaws.com/s3fs-public/research/docs/HAHWGWorkingPaper-202601-AIandGlobalSecurity-Updated.pdf

[8] Acemoglu and Johnson (2023) Power and Progress

asset returns is for a failure to be a sufficient defense of purchasing power in a higher-inflation world. With this as a backdrop, one can see the temptation to appeal to sovereign stakes rather than to aggressively regulate.

Moreover, while overseas governments may rile at their impotence in the face of large US companies and are only now starting to really consider their dependence on US tech, international investors have recycled savings into US equities at an unprecedented rate—to tremendous effect. A hit to the US market would be incredibly harmful to international pension savings.

Having said that, the taking of sovereign stakes would likely perpetuate what we see as a greater fragility of markets, what we recently described as the dystopian symbiosis of passive investment in cap-weighted indices and the emergence of giant platform companies.[9] Our investment conclusion from this is that a strategic positive view on equities is still the best generator of long-run real returns in a world of higher equilibrium inflation, and that overweighting the US within that is the most defendable position. However, at the same time, there is complacency about the level of volatility that investors should expect; this has been suppressed by inflows and will not always appear so benign.

The wealth creation of AI companies and their impact on society and the market means that the question of who should own this growth will reverberate for years to come. Letting AI drive a further increase in wealth inequality is not a path to any kind of social equilibrium and is profoundly dangerous. So, expect to hear more suggestions for how the ownership of AI should evolve.

[9] The Dystopian Symbiosis: Passive Investing and Platform Capitalism

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