

2. AI and an Assessment of the Digital Economic Revolution

Report to the National Council of the League

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"The advent of AI (Artificial Intelligence) represents the crossing of a nodal line, a new kind of robotics that is best described as machines that think autonomously. It is automation, without human involvement, on a new level... The advent of AI and its corollary, virtual digital money, has tremendous implications for the revolutionary process and the future of humanity. The precipitous decline of value and the advance and domination of speculative capital demonstrates the absolute incompatibility of AI in the hands of private property and the ruling class." (LRNA Political Resolution, 2022.)

Now, 4 years later, it is possible to describe this nodal line in more detail.

What is AI?

"Ai" is a form of digital technology that attempts to compile information and learn based on Large Language Models (LLMs). These are digital mathematical models trained to predict patterns in vast datasets of human-generated text, images and data, as scientists attempt to model human brain networks. Telecommunications and the internet are other forms of digital communications. But "Ai" is not a single thing. It does not reflect a common unified entity. It is an umbrella term for a sprawling array of loosely related technologies and platforms. Ai as Chat GPT has little in common with, say, software that banks use to evaluate loan applicants. Things that are being automated under this rubric include classification, decision-making (e.g., which resume to accept), transcription/translation and generating text and images. "The advent of AI (artificial intelligence) represents a new kind of robotics that is automation without human involvement on an even higher level. The blood- sucking private property system is replacing us with new technologies. (League Program, 2022.)

"Artificial Intelligence" is really a marketing term. Describing "Ai" as "machines that think autonomously" feeds into the idea that human intelligence is actually being replaced by tools humankind itself is creating. Using the term "pattern recognition technology" might make more sense. As we say in the League Program, it is the "blood- sucking private property system" that is "replacing us with new technologies," not the technologies themselves.

Treating "Ai" as some sentient "intelligence" becomes a form of commodity fetishism, and the worst forms of it are propaganda carried out by the corporations allowed to develop and promote these technologies in our current economic system. But the scope of the application of "Ai" to not only the US economy, but globally today, is huge.

The US and Europe are embedding Ai in every institution, partially as a response to the Pandemic which began in 2020. They intend to extend this rapidly to Africa and Latin America. Capitalism is spending hundreds of billions of dollars on this technology, even though recent research shows that Ai does not really produce much private profit so far. China is also now outsourcing Ai to users across the world in a different system. The US no longer has a monopoly on digital technology and relatively independent productive capacity has spread to most countries around the world. US capitalism does not have a monopoly on Ai. It is already out-sourced to the world.

"Ai", paired with robotics, is automating significant portions of the \$110 trillion real-world global economy. It is likewise deeply penetrating the \$1.6 quadrillion global financial speculative economy that has separated from the global productive economy.

Ai, US Power and the Compute Axis

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Since World War II, the US has restructured the global economy twice to assert US hegemony in guaranteeing corporate profits. It is now attempting to re-organize it based on implementing Ai. The first time was imposing the "dollar economy" right after the war. The second was re-organizing around the petro-dollar in the mid-1970s, where Saudi Arabia agreed to sell all petroleum in dollars. Now the dream is to re-organize US economic hegemony based on "[the compute dollar](#)".

Since the Trump regime came into power a second time, a new axis of power has emerged - the Compute Axis - that runs from Silicon Valley to the Trump MAGA Project 2025 forces, all this fueled by the huge [Gulf Arab states sovereign wealth funds](#) of some 5 trillion dollars.

At the same time, from Gaza genocide to the destruction of Iran and Lebanon, the first global Ai war has been launched. This is war directly aimed against civilians and not simply militaries. It also directly threatens the investment dreams mentioned above.

The US recognizes Ai as a global "force multiplier" that will increase its geopolitical power. The pace of Ai development is staggering, and the rollout is reckless, driven by powerful economic and geopolitical incentives. Massive economic and geopolitical pressures are driving the rapid deployment of Ai into high-stakes areas - our workplaces, financial systems, classrooms, governments, health care systems, public education and the military.

Ai in the US is produced and controlled as private property by the mega platforms, the Magnificent 7, that drive stock market profitability. Their CEOs featured prominently in the

first row of Trump's Inauguration. These platforms hide their research and keep much information from the public; they glory in being unaccountable. They are Google (YouTube), Meta (Facebook, Instagram), Amazon (Washington Post), Microsoft, Apple, Nvidia, and Tesla, plus OpenAI. They are closely allied with Palantir (data analysis), Intel (CPUs and semiconductor chips), Anduril (military software) and Disney (media), and strongly tied to Israel for surveillance tech.

All these companies are tightly connected to the Pentagon and the military budget. Last June, executives Shyam Sankar (Palantir), Andrew Bosworth (Meta), Kevin Well (OpenAI), and Bob McGrew (Thinking Machines Lab, previously OpenAI) were sworn into the U.S. Army as lieutenant colonels. Michael Obadal, executive of the AI-war manufacturing company Anduril, who is now the Under Secretary of the U.S. Army, held hundreds of thousands of dollars in Anduril stock which he refused to sell until forced to, despite the obvious conflicts of interest. Peter Thiel, co-founder of Palantir, is himself a major funder of Anduril.

Labor-Replacing Technology and the Gig Economy

"The invention of the microchip and electronic production began a process that is step by step replacing the need for human labor, a process that has been sped up by the pandemic. Digital technology, such as computers, apps, artificial intelligence, robotics, and other forms of automation, are replacing and restructuring work, slowly ending capitalism, an economic system that depends on the buying and selling of labor power. Production without labor demands that the goods produced be distributed without money. The method of production is at war with the method of distribution." (LRNA Political Resolution, 2022)

Today fascism and Ai are rising together. Ai is being used to augment the police and the military to discipline labor. It is not a coincidence that fascism and Ai are growing parallel with each other. "AI" is changing how the buying the selling of labor-power as a commodity is taking place in the "Gig Economy." Ai is being directly applied as we speak to organize a global Gig Economy. The global labor market was still structured in 2000 into regular jobs as being the best way to organize labor. This world is rapidly passing away. Under the current economic conditions, the exponential development of what we have called "laborless technology" also means the exponential development of the section of the working class displaced by the new technology.

Most AI companies are not yet profitable and admit that they don't know when or if they will be. However, the infrastructure and platform companies monetizing AI (e.g. Nvidia and Meta) are generating historic profits.

Bernie Sanders released a Senate report that states that by 2030 Ai will replace 90% of the counter jobs in America. Amazon alone intends to [replace 600,000 jobs with Ai](#). The pace of change will be unprecedented. In Tech, Ai already codes millions of lines of code a day, far

more than humans. Jobs that used to provide regular work now are organized by Ai into “tasks”, which are farmed out to individual highest bidders. It’s not about AI replacing an entire job, but about chipping away at parts of the job to make it more efficient; reducing the number of people needed in that role.

Writing in Medium about an important new MIT study, [Project Iceberg](#), Mark A. Herschberg says “[We already know tech workers are having a tough time](#). More importantly, they write ‘Analysis shows that visible AI adoption concentrated in computing and technology (2.2% of wage value, approximately \$211 billion) represents only the tip of the iceberg. Technical capability extends far below the surface through cognitive automation spanning administrative, financial, and professional services (11.7%, approximately \$1.2 trillion).’ In other words, those tech workers are the tip of the iceberg. These other professional services are what’s hidden under the water and represents a much bigger impact to the labor market.”

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The massive data centers that are projected to be built on the Arabian Peninsula will connect 4 billion people - one half of humanity - within 100 microseconds of each other. Soon digital Gig workers will bid and compete with India’s 1.66 million data professionals who already do the digital grunt work of coding, clerking and call centering. All for wages that make the official US minimum wage of a pitiful \$7.25 an hour look like treasure!

On his Substack site [The Tech Bubble](#), Edward Ongweso Jr. writes “Unveiled at the September 2023 G20 Summit in New Delhi, the [India-Middle East-Europe Corridor \(IMEC\)](#) had been initially conceived as the West’s response to China’s Belt and Road Initiative—years too late, but a response of some kind. Under the Trump administration, it has been aggressively repurposed away from a trade corridor to a digital corridor. Gulf-based energy and compute centers (where models are trained and hosted) will be linked with India’s vast pool of digital labor (where models are refined, debugged, and integrated into services). New high-capacity fiber optic cables will cement India as the AI economy’s “back office,” a role it has already had in other sectors. As (Guy) Laron puts it, “India long been seen as the world’s back office: a land of coders, clerks, and call centers” but today it is also home to 1,600 Global Capability Centers (GCCs) which employ 1.66 million professionals involved in “software engineering, data analytics, AI research, cybersecurity, and even core product development.” These GCCs are key to the West’s “digital ambitions at scale and at lower cost” and are a rapidly growing part of India’s services exports (well over a third).”

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The impact of Ai also tends to replace wage labor with unpaid labor and/or micro-labor. Again, it is not the “micro-chip” or its invention that is rapidly displacing workers, it is the private owners of the micro-chips, “Ai” and other aspects of new forms of automation within a global market system dominated by private property relations.

The need to train Ai programs requires vast amounts of human labor. Every day in school, children click onto Ai programs, based on Chromebooks and other devices that were

“generously” provided by Google, Meta etc. Every click is harvested and used to refine the programs to eliminate flaws and make them even more responsive.

When ChatGPT scraped the internet, it included [massive amounts of horrible pornography](#) in every form conceivable. They recognized that this data needed to be “cleaned”, so they outsourced the tasks for bids to Kenya, Pakistan and Venezuela among others. These workers, often paid less than \$2 an hour, commonly last about 5 months before they psychologically collapse as a result of what they are forced to see, analyze and eliminate. [Democracy Now 1/1/2026](#)

Billions of people every day click their way through platforms and social media. This form of human work is not paid at all. The "myth" of AI obscures the fact that human labor-power is still the source of value, but it is now being commodified into data or self-services through "Terms of Service" agreements rather than wage contracts. Digital and data-intensive technologies have increased the productivity of wage labor, but more importantly, they have made it easier for the ruling class to utilize wageless labor across all the major industries. The real revolution is not in the "intelligence" of the machine, but in the qualitative shift to wageless work.

The digital revolution is a qualitative transformation of the social relations of production. The digital revolution, through wageless work, is the driving force behind the economic, social, and now political revolution we are in because the compensation structure within the new social relations of production is incompatible with the capitalist superstructure, and creates an antagonism.

Therefore, we are seeing tremendous political instability and a move towards authoritarianism by most segments of the ruling class. The ruling class is utilizing every strategy it can to maintain power: white supremacy and further segmenting the working class based on race, sex, gender, citizenship, language, income, housing status, disability status, etc. This is part of a passive revolution carried out by the ruling class to protect private property and class society, even as the old capitalist wage relation is being replaced.

The ruling class protects private property and class society in general, not capitalism in general. They are testing out many options to see which strategies gain the most support from the working class. While digital technology could be configured to eliminate human poverty, this cannot happen within the current social relations of private property.

Data Centers - The most environmentally destructive and extractive technology ever

“The rulers are, step by step, taking away every right and material benefit from a growing segment of the population, from democratic rights and education to the air we breathe, water we must drink, housing, and food we need to survive.” (Political Resolution, 2022)

Everything in this report so far shows that capitalism deliberately twists and distorts the real potential of AI, as they engineer and configure it to maximize private profit against both Humanity and Nature. Under the conditions of the global market, the exponential growth of "AI" is leading to the exponential destruction of the earth.

Data centers are where cloud computing lives. There are more than 5,400 data centers in the United States, accounting for nearly 50 percent of the world's estimated 11,000-12,000 data centers. As more companies invest in artificial intelligence (AI) and incorporate it into their business models, there has been a push across the country to build even more and larger data centers for AI infrastructure. Overall global data center investment was \$250 billion in 2023 and is projected to quadruple to \$1 trillion by 2027.

"Data centers use massive amounts of water, rare earths, copper, electricity, chips and cement. They are the justification for rampant capitalism which is doubling down on extraction and the destruction of Nature around the world. In today's financialized/speculative economy, extraction is a positive in and of itself; it is investable activity."

A medium-sized data center can consume up to roughly 110 million gallons of water per year for cooling purposes, equivalent to the annual water usage of approximately 1,000 households. Together, the nation's 5,426 data centers consume billions of gallons of water annually. One report estimated that U.S. data centers consume 449 million gallons of water per day and 163.7 billion gallons annually (as of 2021). A 2016 report found that fewer than one-third of data center operators track water consumption. Water consumption is expected to continue increasing as data centers grow in number, size, and complexity."

Microsoft's \$500 million hyperscale data center built in Chicago in 2009 used 2,177 metric tons of copper, which is equivalent to about 4.8 million pounds. Until recently the largest data centers were 150-megawatt, i.e., consuming as much electricity as 122,000 American households. Now 1000 - 2000 megawatts are planned, i.e., one would use the same electricity per year as 3 ½ San Franciscos. By 2030, under current plans, data centers globally will use more energy than India, the current #3 global electricity user. This massive demand for electricity drives up domestic energy bills, and human consumers will pay for most of it.

There's currently a bill making its way through the US Senate that would allow AI data center companies to bypass federal electricity regulations by building their own energy infrastructure. Proposed by GOP Arkansas Senator Tom Cotton, the DATA Act of 2026 essentially releases the Broligarchs from the Federal Power Act and allows them to craft their own energy policies.

The Trump Regime released Pax Silica in December 2025, its plan in for seizing the rare earths of the globe, as well as all critical extractive resources. In it, the Government recognizes that the US cannot sustain this leap in data centers. Therefore it plans to assist the Arabian Peninsula in building even larger data centers. The Trump Regime recognizes the US electrical grid cannot handle such a massive increase in electricity. Nevertheless, there are

quick profits to be made, so these are prioritized over community safety and environmental protection.

Virginia currently houses the most data centers in the United States, specifically in Ashburn, Virginia's "Data Center Valley." Texas is becoming a key state for data centers, and cities in Arizona, Illinois, Ohio, Georgia, California, Michigan and Oregon are [other strong contenders](#) for data center hubs because of lower costs and high connectivity to other places (like California's connectivity to Asia with undersea cables through the Pacific, or Chicago's technological connection to both the East and West coasts).

A recent study [published](#) by MediaJustice shows that communities in the South are disproportionately affected by rising electricity prices, with rural farming communities and communities of color impacted the most.

Elon Musk's xAI operates a massive, fast-tracked data center in Memphis, Tennessee, housing the "Colossus" supercomputer for training Grok AI models. Opened in 2024, the site, in the African-American community, uses illegal, unauthorized, high-emission gas turbines for power, raising major air quality concerns.

On December 18th, the House of Representatives passed a bill backed by Microsoft, Micron, and OpenAI to fast-track data centers. The bill significantly reduces the number of environmental and financial factors that can be considered in permitting processes. It's simple. These communities are becoming the South Carolina Marine Camp Lejeunes of a new age: the new toxic waste dumps in the belly of the beast used to power the war machine.

No part of this is sustainable – not the AI speculative economy, not unending extraction, nor the war economy Ai is so closely tied to. These AI and tech companies are war profiteers. The new Cold War on China drives this. The genocide in Palestine drives this. The war on Venezuela, Latin America, and the Caribbean drives this. The war on urban and rural farming communities and communities of color in the US drives this.

The global economy is the environment within which all technologies are being developed. This objective infrastructure today depends on the rampant destruction of the environment and global ecosystems. It has produced ever-increasing climate disaster as a result of forcing a rupture between humanity and Nature.

The social and productive relations of private property twist, distort, mutate and fetter all technologies. These relations are fundamentally the social relations between people. Under the class relations of private property, "AI" will [never](#) produce the real abundance that humanity needs to sustain life on earth in productive ways. Although the principles of sustainable production have been well understood for some time, these principles have been systematically ignored by the need to make maximum profit. Humanity achieved the ability to produce globally the necessities of human life years ago, before Ai. This "primitive" level of

abundance came at the expense of the destruction of Nature, the climate and the ecology. Not all technologies should be applied simply because they are discovered. When there is the possibility of harm from implementing a technology, conclusive evidence as to its effects must be discovered before it is used. [This is the Precautionary Principle.](#)

There is much to do to heal humanity and Nature with all the surplus economic product produced globally every year. Then we can say we have produced abundance that is in balance with Nature.

How can Revolutionaries approach the question of "Ai" today?

"The bourgeois mode of production is the last antagonistic form of the social process of production - antagonistic not in the sense of individual antagonism but of an antagonism that emanates from the individuals' social conditions of existence - but the productive forces developing within bourgeois society create also the material conditions for a solution of this antagonism. The prehistory of human society accordingly closes with this social formation." Marx, **A Critique of Political Economy.**

We are in the earliest phases of this technology. Historically, it takes about 20-30 years for humanity to figure out how to properly design, configure, engineer, develop and apply each new transformative technology. The process is objective and is still emerging, rising and developing. New generations will see and know much more than we can today.

For revolutionaries today, there are really two issues here. The first is how human society can use Ai to improve science, human life and heal the planet. Ai has the potential to aid in using the totality of human knowledge to guarantee sustainable abundance.

The second is how can revolutionaries use Ai to engage in the political struggle to overthrow private property. Throughout the digital revolution, it has been increasingly clear that this level of human technology BEGS to be shared freely and to be de-commodified. This is key to its revolutionary nature, and is a powerful tool of politicization in struggle.

A Key example: Assessing the Meaning and Potential of Universal Basic Income

As the pain of permanent Tech/Ai layoffs grows, and as jobs are subdivided into "tasks" for formerly secure engineers to bid on, acronyms like UBI (Universal Basic Income) are getting into the news daily. Sixteen states and Washington DC currently have pilot programs to provide various forms of Universal Basic Income or Guaranteed Annual Income to folks in the working class, in addition to various tax-related programs like Negative Income Tax and the Earned Income Tax Credit (EITC). Some require documented work, some are unconditional. Famous people as disparate as Thomas Paine, Mark Zuckerberg, Milton Friedman, and now Sam Altman promote it with the most flowery, humanistic, caring language.

There are two possibilities here; UBI will either be a tool to control unruly workers increasingly unable to survive in today's economy, or it will point the way toward a society in which all humans are fully able to survive and flourish, to develop to their fullest potential, and to contribute that potential to the global community.

Every version of UBI proposed by the ruling class is structured so that a system which has *never* made effective use of the collective energies and varied brilliance of the human species except to enrich a tiny minority, can make even less use of those qualities. It's like permanent, global unemployment insurance, designed to make poverty acceptable. At its best, UBI can make it possible for people to work for unsustainably low wages, supplemented by their UBI. Further, even this is not true; despite their public statements, "They are racing to automate their own work forces to stay ahead of the competition, with little regard for the impact on workers." (NYT 1/25/2019, "The Hidden Automation Agenda of the Davos Elite"). They are driven to it by their own law; reduce labor cost - it's their primary variable expense.

The myth is that the ruling class cares about, and wants to provide for the working class; that humanity and the planet can survive continued extractive ravaging by the market/commodity system; that the ruling class actually is capable of continuing to lead society.

In the United States, no matter how we dress up UBI, this is what it means in any system of private property is a mechanism to control - not to unleash - the energies and creativity of the working class.

Eager proponents of UBI among the super-rich will not likely agree to fund a truly good and sustainable UBI program that fulfills humanity's needs; their entire aim is to bribe our class with a little bit, to avoid losing it all. The key for them is property rights; the right to control their property, to buy and sell it, and to control prices, including the price they pay for our labor power. That is what the class struggle to implement Universal Basic Income will revolve around.

Briefly, the current rapid deployment of Ai/LLM technologies accelerates the qualitative transformation, thus providing unique opportunities for education, agitation, and organizing. Engaging in UBI debates, we can unpack and expose UBI proposals as a pernicious means of control of our class by the ruling class masquerading as humanitarian benefactors - *and* we can advance "our" UBI - actually a communist economy, "everything for everyone" - as a program to ensure that the basic human needs of people and the planet are protected and promoted. This is our opportunity to expose the ways that the institution of private property--the bone marrow of capitalism--is preserved under ruling class UBI proposals, and contrast that with a UBI by and for our class.

Conclusions:

“While the productivity of digital technology makes shared well-being possible for all humanity, the private property system is driving workers into destitution and often homelessness and speeds up the extraction that is destroying the earth. The rapidly accelerating extinction event we experience today has created a race between revolution and annihilation.” (League Program, 2022.)

Private Property dictates development based on the immediate needs of private property and private profit. These forms are already in play. Capitalism currently configures Ai to...

- Increase private profits above anything else
- Force privatized Ai into everything
- Augment the US war machine
- Support the rise of fascism
- Take over the nerve center of government and the state with DOGE & Palantir
- Redesign the global economy as a Gig economy
- Define the future for humanity while ignoring negative social results
- Move fast and break things in order to surf the chaos and impose a new society
- Develop a totally extractive economy
- Devalue human beings and over-value technology
- Replace human labor in as many jobs as possible
- Replace knowledge workers
- Write the bulk of new software
- Maximize human surveillance
- Seize and control all personal and public information
- Seize all forms of data
- Privatize the social process of knowledge creation
- Make decisions about Ai in secret
- Augment privatized intellectual property such as patents and software
- Monetize our attention
- Commodify everything
- Create an addictive Ai system
- Deliberately dumb people down
- Keep people locked into screens and increase human isolation.

Alternative Communist Configuration:

The negative social consequences are vast. But this technology can be easily designed for positive consequences. Ai could be configured to:

- Manage things and not people
- Coordinate and develop global social economic production
- Replace the “hidden hand of the market” in society and markets in general
- Guarantee the equal distribution of social products to all

- Eliminate human poverty completely
- Heal the environment by supporting local and global efforts to repair the ecology
- Support life-long learning for all
- Create a system of quality health care for all
- Develop a broad public system of knowledge creation that we all share
- Make science a tool of the public
- Augment human communication, cooperation and collaboration
- Make it easy to individually and collectively develop higher order cognitive skills
- Build in systems of increasing (not decreasing) returns
- Empower each individual to fully develop their potential in any and every direction

“Ai” and all technologies must be owned by the public together. Private property in these technologies, human society and Nature can and must be abolished! Given the potential of Ai that we only glimpse in this moment, Ai has the potential to aid in using the totality of human knowledge to guarantee sustainable abundance - “From each according to their ability; to each according to their needs.” People will determine the future, not technology. It is up to all of us as revolutionaries to guarantee the true potential of Ai.