

Defense Platforms and Their Broader Economic, Societal, and Sustainability Impact

Case: Shield AI

TTM4165 – Digital Economy & Platforms

INTRODUCTION

Who is Shield AI?

- Founded 2015; develops AI-powered autonomy platform (Hivemind).
- Partners with U.S. Department of Defense and allies.

Problem Statement:

- *How do private defense platforms reshape the balance between innovation, dependency, and democratic accountability?*

Theoretical Frameworks

Sustainability

- Builds digital infrastructure (SDG 9).
- Raises accountability issues (SDG 16).
- Needs responsible innovation (SDG 12).

Disruptive Innovation

- Software replaces traditional defense hardware.
- Creates agility but also vendor lock-in.

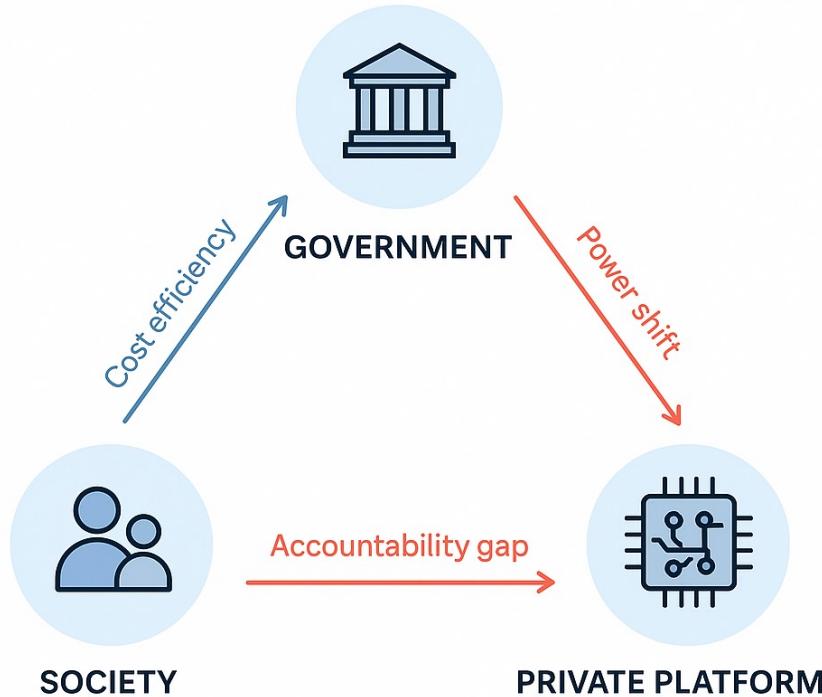
Transaction Cost Economics

- Governments “buy” autonomy for cost & speed.
- Long-term dependency increases transaction risk.

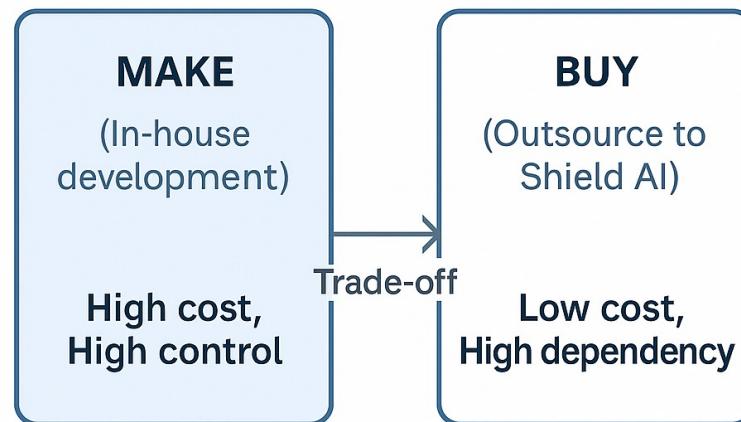
Social & Ethical Impact

- Governments “buy” autonomy for cost & speed.
- Long-term dependency increases transaction risk.

THE PLATFORM POWER TRIANGLE



MAKE VS BUY



KEY INSIGHTS / FINDINGS

- ✓ **Efficiency & Innovation:** Faster modernization through AI autonomy.
- ⚠ **Dependency & Lock-In:** Strategic vulnerability grows with vendor reliance.
- ⚖️ **Ethical Ambiguity:** Human accountability becomes blurred.
- 🏛️ **Need for Governance:** Transparency, oversight, and open standards required.