



# 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.

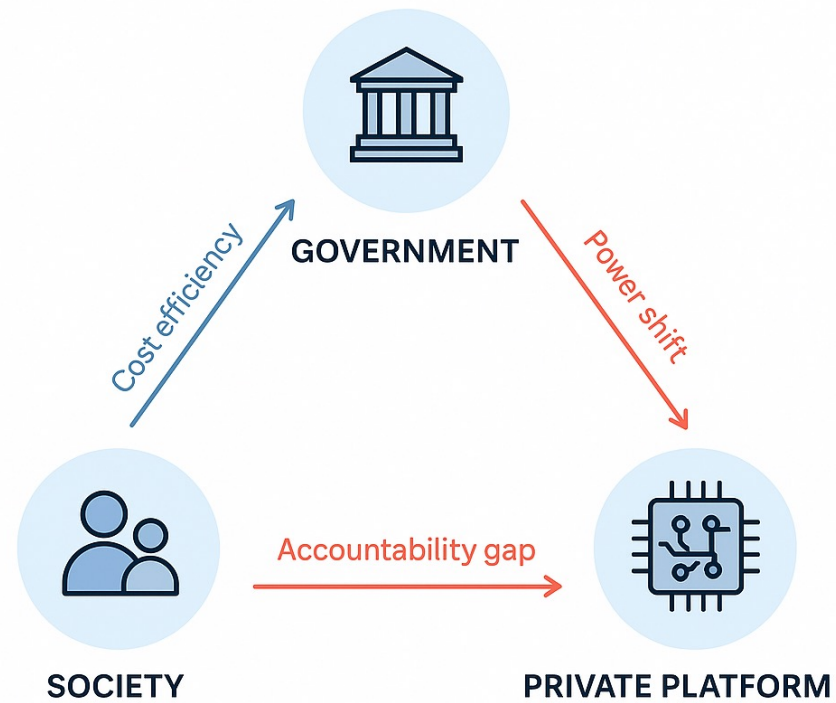
## Transaction Cost Economics

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

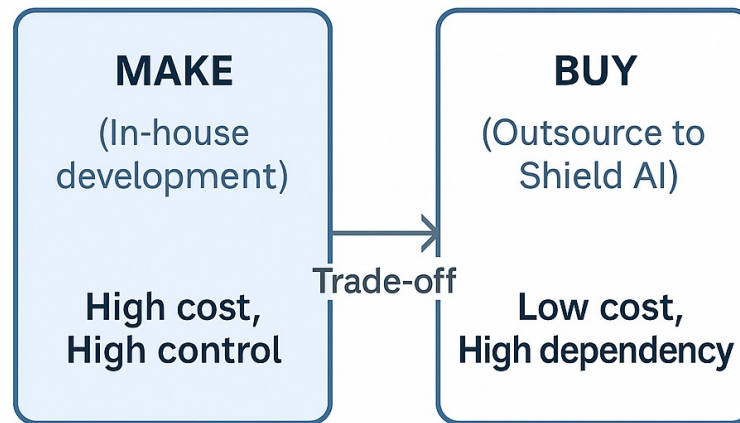
## Social & Ethical Impact

- 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.

