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supremacy

**AI, ChatGPT
and the race
that is changing
the world**

PARMY OLSON

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PREFACE TO THE PAPERBACK EDITION

It feels like a lifetime ago, doesn't it? That moment in late 2022, when ChatGPT exploded onto the scene and people started talking about "large language models," complex algorithms that could generate fluent prose and looked poised to displace white-collar jobs. It was the starting gun in a global race for AI supremacy, a race this book set out to explore through the lives of OpenAI co-founder Sam Altman and DeepMind co-founder Demis Hassabis.

When I first chronicled their rivalry, the main message I wanted to leave with readers was simple: be careful who you trust with AI.

Facebook's promises of "connecting the world" or Google's pledge of "organizing the world's information" had come with unintended consequences, from monopolistic behavior to harmful algorithms. I feared a similar pattern emerging in AI (and still do), even though key builders like Sam Altman and Demis Hassabis jumpstarted their work with promises to bring abundance to humanity, solve climate change and cure cancer. Actions speak louder than words, and, so far, the biggest beneficiaries of their work have been Microsoft and Google, the companies with which they aligned themselves over the years.

This book explores how both men got sucked into the gravitational pull of Big Tech and how both grappled to make sure

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their AI was used safely and responsibly. I'm probably not spoiling anything for you by saying that in the end, the money wins out.

As you read this book, you'll notice another familiar pattern emerge in the power dynamics of AI: of large technology companies entrenching their power. Hassabis's work with DeepMind helped Google remain a dominant force in web search as it rolled out AI-powered answers, while Altman's partnership with Microsoft helped that company strengthen its already dominant cloud business with new features like Copilot.

But not everything follows convention. In January 2025, about four months after *Supremacy* first published, Silicon Valley's concentration of power in AI no longer looked like a foregone conclusion. A little company from China called DeepSeek released a new model that was not only as powerful as ChatGPT, it was free and its blueprints posted to the web for anyone to copy.

DeepSeek hit Silicon Valley like an asteroid. Shares of tech giants like Nvidia dropped. Venture capitalist soothsayer Marc Andreessen called it a "Sputnik moment" for AI, and suddenly American tech giants weren't the guaranteed winners of the race for AI supremacy. China was giving it away for free.

Spurred in part by policies of the Chinese Communist Party and domestic market dynamics, tech firms in China have increasingly been open sourcing their AI models. It sounds counterintuitive for a country that has long had a nationalistic industrial policy, but Chinese tech firms learned that in the face of export controls — and limits to the AI chips they could buy from America — they could innovate more quickly when they collaborated with one another.

Now, two years after OpenAI released ChatGPT to the world, Chinese tech firms are within throwing distance of closing the AI gap with their American counterparts. DeepSeek's R1,

Alibaba's Qwen and Baidu's Ernie are among the best AI models available, and more Western software developers are using them.

In some ways, China's growing clout in AI makes the future look more uncertain than ever. The country is, after all, best known for using artificial intelligence to bolster its surveillance state, using facial recognition on the Uyghur population and implementing social credit systems to monitor and control citizen behavior.

But there are reasons to be hopeful. Markets generally work better for consumers and businesses when they are populated by lots of different players rather than dominated by a few incumbents. I argue in this book that Silicon Valley's stranglehold on the world's tech services has been bad for society: it's led to harmful monopolistic practices and kept consumers addicted to their algorithms.

The entrance of new players from China could force America's tech firms to change some of that behavior. They may be forced to innovate rather than simply acquire the competition, as Microsoft, Google and Meta have been doing for years. It could also force them to be more transparent. As you'll learn in this book, OpenAI became more secretive over the years as it competed with other proprietary models from Google and others. But DeepSeek has flipped the dynamic. Now OpenAI is for the first time preparing to release its first ever "open-weight" AI model.

These more open versions of AI aren't the answer to everything, because they're also vulnerable to misuse. Any bad actor, from a propagandist to a hacker, can use open-weight models for their own nefarious ends. But they do address a critical problem with AI that you'll learn as you read this book: secrecy. The more companies hide the inner workings of tools like ChatGPT, the harder it is for anyone to scrutinize them for problems.

Even the best chatbots today continue to hallucinate and show bias. And some humans are falling for them, emotionally. At the time of writing, Altman had promised to fix ChatGPT's "sycophant-y" problem. It was flattering users too much and agreeing with even their worst ideas. For some of AI's most vulnerable users, the personable and constantly agreeable nature of chatbots has led to unhealthy attachments.

While I believe the transformational impact of AI on the job market will be painful, I'm more concerned about the technology's psychological impact on the public. Consider how easily people became addicted to smartphones and social media. Now think about the dopamine hits that people are getting when they converse with chatbots that frame their answers with compliments and other forms of positive feedback.

The drawbacks of that aren't obvious. In May 2025, for instance, I interviewed a 23-year-old working professional in England who had become hooked on ChatGPT. He was using it to do much of his day job – writing emails, reports and other content – and then consulting it for all manner of personal decisions, from picking what clothes to wear, to what drinks to buy at the pub to help save money, to the best fabric softener on the store shelf.

On the surface, this was all working out great. His work improved, he looked better in his clothes and he managed to balance his budget for the first time. But he also experienced an emptiness he couldn't put his finger on, and he no longer trusted his own ideas. He couldn't take pride in his work and his confidence sunk.

He wasn't alone. One study at the time showed that young people in the office were more likely to become dependent on AI tools, in part because they were still developing their internal compass. OpenAI's own research in March 2025 showed that while most ChatGPT users had a healthy relationship with the

tech, a subset showed signs of "emotional dependence" and "problematic usage," according to a randomized control trial it conducted on 981 participants.

AI's growing dependency problem may become linked to how tech firms earn their money. At the time of writing, the business model for chatbots was subscription-based. Businesses who want to plug ChatGPT into their systems pay OpenAI for their usage, while consumers pay a fixed fee. By making money directly from users, tech companies are incentivised to focus on making decent products that people want to pay for. It's a healthy business model. Under the ad model, which fuels the social media industry and much of the web, companies are motivated to design apps that collect your data to sell to advertisers and make them as addictive as possible. Not so healthy.

Will AI services start moving towards ads? Some in Silicon Valley believe they will. Consider that once upon a time, PC manufacturers like Dell were paid to make Google the default search engine on Windows computers, a deal that was so lucrative that it sometimes exceeded what PC makers earned from the Windows license itself. The reason is simple: online ads are one of the most successful business models of all time. Google's parent company Alphabet built a \$1.7 trillion company almost entirely on selling ads, and Facebook did the same to become an enterprise worth \$1.5 trillion. The scale of global revenue from online ads is staggering. Perhaps the question should be, why *wouldn't* AI firms sell ads?

If and when they do, expect to enter a strange new chapter of the so-called Attention Economy, where chatbots seamlessly blend promotional content directly into their answers, and where requests for travel recommendations or even medical questions lead to commercially biased answers. In this new frontier for persuasion, you might never realize you are being influenced.

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Further down the line, the same could go for ideological content. The worldviews of AI's creators from China, Silicon Valley or elsewhere could emphasize certain perspectives and downplay others so that gradually and with small, cumulative shifts, users find their opinions being shaped. That would be a new form of supremacy never seen before in history.

To prevent that future from arising in the first place, we should push for greater transparency in AI development, and more regulatory oversight from governments who've recently prioritized racing ahead on AI rather than ensuring it is safe. Altman and Hassabis struggled to put that necessary supervision in place, but with the rise of new competitors globally, they might not be at the steering wheel for long. The market for AI looks healthier, but the future for the rest of us looks all the more uncertain.

Parmy Olson
May 2025

PROLOGUE

After picking up this book and reading these first few words, you might be wondering if a human wrote them.

That's OK. I'm not offended.

Two years ago, that thought would not have even crossed your mind. But today, machines are generating articles, books, illustrations, and computer code that seem indistinguishable from the content created by people. Remember the "novel-writing machine" in the dystopian future of George Orwell's *1984* and his "versificator" that wrote popular music? Those things exist now, and the change happened so fast that it's given the public whiplash, leaving us wondering whether today's office workers will have jobs in the next year or two. Millions of white-collar professionals suddenly look vulnerable. Talented young illustrators are wondering if they should bother going to art school.

What's remarkable is how quickly this has all come to pass. In the fifteen years that I've written about the technology industry, I've never seen a field move as quickly as artificial intelligence has in just the last two years. The release of ChatGPT in November 2022 sparked a race to create a whole new kind of AI that didn't just process information but *generated* it. Back then, AI tools could produce wonky images of dogs. Now they are churning out photorealistic pictures of Donald Trump, whose pores and skin

texture look so lifelike they're almost impossible to distinguish as fake.

Many AI builders say this technology promises a path to utopia. Others say it could bring about the collapse of our civilization. In reality, the science fiction scenarios have distracted us from the more insidious ways AI is threatening to harm society by perpetuating racism, threatening entire creative industries, and more.

Behind this invisible force are companies that have grabbed control of AI's development and raced to make it more powerful. Driven by an insatiable hunger to grow, they've cut corners and misled the public about their products, putting themselves on course to become highly questionable stewards of AI.

No other organizations in history have amassed so much power or touched so many people as today's tech giants. Google conducts web searches for 90 percent of Earth's internet users, and Microsoft software is used by 70 percent of humans with a computer. But neither company is satisfied. Microsoft wants to grab a chunk of Google's \$150 billion search business, and Google wants Microsoft's \$110 billion cloud business. To fight their war, each company has grabbed the ideas of others—which is why, when you boil everything down, our AI future has been written by just two men: Sam Altman and Demis Hassabis.

One is a scrawny but placid entrepreneur in his late thirties who wears sneakers to the office. The other is a former chess champion in his late forties who is obsessed with games. Both are fiercely intelligent, charming leaders who sketched out visions of omnipotent AI so inspiring that people followed them with cult-like devotion. Both got here because they were obsessed with winning. Altman was the reason the world got ChatGPT. Hassabis was the reason we got it so quickly. Their journey has not only defined today's race but also the challenges coming our way, including a daunting struggle to steer AI's ethical future when it is under the control of industry giants.

Hassabis risked scientific ridicule when he established DeepMind, the first company in the world intent on building AI that was as smart as a human being. He wanted to make scientific discoveries about the origins of life, the nature of reality, and cures for disease. "Solve intelligence, and then solve everything else," he said.

A few years later, Altman started OpenAI to try to build the same thing but with a greater focus on bringing economic abundance to humanity, increasing material wealth, and helping "us all live better lives," he tells me. "This can be the greatest tool humans have yet created, and let each of us do things far outside the realm of the possible."

Their plans were more ambitious than even the craziest Silicon Valley visionaries. They planned to build AI that was so powerful it could transform society and make the fields of economics and finance obsolete. And Altman and Hassabis alone would be the purveyors of its gifts.

In their quest to build what could become humankind's last invention, both men grappled with how such transformative technology should be controlled. At first they believed that tech monoliths like Google and Microsoft shouldn't steer it outright, because they prioritized profit over humanity's well-being. So for years and on opposite sides of the Atlantic Ocean, they both fumbled in the dark for novel ways to structure their research labs to protect AI and make benevolence its priority. They promised to be AI's careful custodians.

But both also wanted to be first. To build the most powerful software in history, they needed money and computing power, and their best source was Silicon Valley. Over time, both Altman and Hassabis decided they needed the tech giants after all. As their efforts to create superintelligent AI became more successful and as strange new ideologies buffeted them from different directions, they compromised their noble goals. They handed over control to

companies who rushed to sell AI tools to the public with virtually no oversight from regulators, and with far-reaching consequences.

The concentration of power in AI would lead to reduced competition and herald new intrusions into private life and new forms of racial and gender prejudice. Already today, if you ask a popular AI tool to generate images of women, it'll make them sexy and scantily clad; ask it for photorealistic CEOs, and it'll generate images of white men; ask for a criminal, and it will often generate images of Black men. Such tools are being woven into our media feeds, smartphones, and justice systems, without due care for how they might shape public opinion.

The pair's journey was not all that different from one two centuries ago, when two entrepreneurs named Thomas Edison and George Westinghouse went to war. Each had pursued a dream of creating a dominant system for delivering electricity to millions of consumers. Both were inventors-turned-entrepreneurs, and both understood that their technology would one day power the modern world. The question was this: Whose version of the technology would come out on top? In the end, Westinghouse's more efficient electrical standard became the most popular in the world. But he didn't win the so-called War of the Currents. General Electric did.

As corporate interests pushed Altman and Hassabis to unleash bigger and more powerful models, it was the tech titans who came out as the winners, only this time the race was to replicate our own intelligence. Now the world has been thrown into a tailspin. Generative AI promises to make people more productive and bring more useful information to our fingertips through tools like ChatGPT. But every innovation has a price to pay. Businesses and governments are adjusting to a new reality where the distinction between real and "AI-generated" is a crapshoot. Companies are throwing money at AI software to help displace their employees and boost profit margins. And a new breed of personal AI devices

that can conduct an unimaginable new level of personal surveillance is cropping up.

The second half of this book lays out those risks, but first I'll explain how we got here, and how the visions of two innovators who tried to build AI for good were eventually ground down by the forces of monopoly. Their story is one of idealism but also one of naivety and ego, and of how it can be virtually impossible to keep an ethical code in the bubbles of Big Tech and Silicon Valley. Altman and Hassabis tied themselves into knots over the stewardship of AI, knowing that the world needed to manage the technology responsibly if we were to stop it from causing irreversible harm. But they couldn't forge AI with godlike power without the resources of the world's largest tech firms. With the goal of enhancing human life, they would end up empowering those companies, leaving humanity's welfare and future caught in a battle for corporate supremacy. This was how it happened.

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ACT I

THE DREAM

CHAPTER I

High School Hero

Sam Altman knew he ought to keep his mouth shut. In the conservative stronghold of St. Louis, Missouri, people didn't talk about whether they were gay or straight. While the rest of America was coming to grips with gay rights, Altman's midwestern hometown was lagging in the early 2000s and still made it a crime to sleep with someone of the same gender. Teenagers like him who had an inkling they were gay tended to find safety in silence. Altman was different. He had to speak up, not because he wanted people to know everything about him, but because talking about it would become a mission.

Altman was that one kid in high school who seemed to magically transcend the labels that others tried to slap on him. He was as bright as any geek, charismatic as any jock. In his English literature assignments, he'd emulate the challenging prose of Faulkner, and in math, he breezed through calculus. Then he'd jump into the pool to bark orders to his water polo team, which he captained, or head home to coordinate video games with his friends for hours on end. At the dinner table with his younger brothers, Max and Jack, he'd geek out about space travel and rocket ships, and then when they played a board game, like Samurai, Sam would declare himself the leader. In this and many other situations, he liked to take charge.

Altman grew up in a middle-class Jewish family, his mother,