# Governments globally shift from market spectators to active shapers in AI sector



# The Global Landscape of Public Artificial Intelligence Initiatives

As nations across the globe increasingly invest in artificial intelligence (AI), the nature of these investments is evolving, with many turning to public initiatives to bolster national competence in this critical field. The newly released paper, “The Global Rise of Public AI,” from the Vanderbilt Policy Accelerator (VPA), spearheaded by Director Ganesh Sitaraman and policy analyst Karun Parek, delves into how governments are not merely bystanders in the AI arena but are actively shaping its trajectory.

The paper identifies four primary approaches that countries are utilising in their public AI strategies: outsourced provision, networked collaboration, state-corporate fusion, and public options. Through case studies that cover a diverse range of countries—including the United Kingdom, India, Japan, Canada, and the United States—the authors illustrate the distinct strategies employed and the strategic considerations driving them. “Instead of leaving the sector's development largely to market forces, countries are actively shaping and crafting the AI sector,” note Sitaraman and Parek. This concerted effort signals a recognition of AI's role in shaping not just economies but governance and international relations as well.

Public AI initiatives serve multiple purposes: they can enhance domestic capacities for AI research, rectify market failures, and inject competition into a rapidly consolidating marketplace. As nations grapple with the duality of risks and opportunities associated with AI advancement, the discourse has shifted toward national security and self-sufficiency. The paper emphasises that the approaches adopted will have far-reaching implications for technological capabilities and economic competitiveness, cautioning that some strategies risk entrenching monopolistic structures while others may reinforce public capacities.

In a parallel context, the need for robust infrastructure to support AI development is drawing attention from industry leaders. As highlighted in recent testimony before the U.S. Senate Commerce Committee, executives from major firms such as Microsoft and OpenAI are advocating for policies that facilitate faster infrastructure development and improved access to government datasets essential for training AI models. Microsoft President Brad Smith pointed out the inadequacy of existing infrastructure to meet the escalating energy demands associated with an expanding AI landscape, suggesting that streamlining federal permitting processes is crucial to maintaining U.S. leadership in this field.

Meanwhile, OpenAI is broadening its ambitious Stargate project, aimed initially at the U.S. market, to include international outreach. The initiative seeks to provide democratic nations with access to advanced AI technologies while promoting fundamental values such as free speech and data privacy. Specific details regarding international collaborations remain forthcoming, yet OpenAI's strategy highlights the competitive dynamic between the U.S. and other global tech powers, particularly China.

Additionally, the global energy landscape plays a pivotal role in shaping public AI capacities. Saudi Arabia is positioning itself as a new AI hub by leveraging its abundant energy resources and robust investment capabilities. The Public Investment Fund (PIF) has committed to substantial investments aimed at expanding the kingdom's standing in the AI sector, which is particularly energy-intensive. This shift underscores how access to energy sources is becoming a linchpin in the global race for AI dominance.

In the United States, state-level initiatives are also gaining traction. New York Governor Kathy Hochul recently announced a $20 million investment to enhance AI research through collaboration with the University at Albany and IBM. Such state-level efforts, coupled with federal initiatives, illustrate a comprehensive approach to developing AI capabilities nationwide.

The commitment to AI safety is also rising on the global agenda. With the establishment of state-backed AI Safety Institutes in countries such as the UK and the U.S., leaders are beginning to recognise the existential risks presented by advanced AI models. An international collaboration is forming, exemplified by agreements among countries like Japan, France, and Germany, aiming to foster a network that ensures the safe development of AI technologies.

As countries around the world actively invest in and shape their AI futures, the divergent strategies they adopt will significantly impact technological innovation and geopolitical dynamics. Balancing competitive ambitions with collective safety and ethical considerations remains a pressing challenge for policymakers.

## Reference Map:

* Paragraph 1 – [[1]](https://law.vanderbilt.edu/vpa-releases-new-paper-on-the-global-rise-of-public-artificial-intelligence/), [[2]](https://www.reuters.com/business/microsoft-urge-senators-speed-permitting-ai-boost-government-data-access-2025-05-07/)
* Paragraph 2 – [[1]](https://law.vanderbilt.edu/vpa-releases-new-paper-on-the-global-rise-of-public-artificial-intelligence/), [[4]](https://www.reuters.com/world/middle-east/saudi-sovereign-wealth-fund-pitches-kingdom-ai-hub-2024-02-23/)
* Paragraph 3 – [[2]](https://www.reuters.com/business/microsoft-urge-senators-speed-permitting-ai-boost-government-data-access-2025-05-07/), [[3]](https://www.ft.com/content/060c08f6-e504-47cc-9309-80158a407046)
* Paragraph 4 – [[3]](https://www.ft.com/content/060c08f6-e504-47cc-9309-80158a407046), [[4]](https://www.reuters.com/world/middle-east/saudi-sovereign-wealth-fund-pitches-kingdom-ai-hub-2024-02-23/)
* Paragraph 5 – [[5]](https://www.governor.ny.gov/news/governor-hochul-announces-20-million-public-private-investment-advance-artificial-intelligence), [[6]](https://en.wikipedia.org/wiki/AI_Safety_Institute)
* Paragraph 6 – [[6]](https://en.wikipedia.org/wiki/AI_Safety_Institute), [[7]](https://en.wikipedia.org/wiki/European_High-Performance_Computing_Joint_Undertaking)

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## Bibliography

1. <https://law.vanderbilt.edu/vpa-releases-new-paper-on-the-global-rise-of-public-artificial-intelligence/> - Please view link - unable to able to access data
2. <https://www.reuters.com/business/microsoft-urge-senators-speed-permitting-ai-boost-government-data-access-2025-05-07/> - On May 8, 2025, AI industry leaders, including executives from Microsoft, OpenAI, CoreWeave, and AMD, are set to testify before the U.S. Senate Commerce Committee to advocate for policies that support the rapid growth of artificial intelligence. Microsoft President Brad Smith emphasized the outdated U.S. infrastructure that is insufficient for meeting the power demands driven by AI, manufacturing reshoring, and electrification. The leaders are urging lawmakers to streamline federal permitting processes for energy projects and expand access to government datasets for AI model training. OpenAI CEO Sam Altman highlighted the exponential increase in demand for computing power, chips, and energy as AI adoption grows. Similarly, CoreWeave CEO Michael Intrator noted that data centers might consume up to 12% of U.S. electricity by 2028. AMD CEO Lisa Su stressed the need for scalable, clean energy-powered data centers and broader AI integration into everyday devices. Collectively, these executives advocate for faster infrastructure development and data access to ensure U.S. leadership in AI innovation.
3. <https://www.ft.com/content/060c08f6-e504-47cc-9309-80158a407046> - OpenAI is planning to expand its $500 billion Stargate data center initiative—originally launched in the U.S.—to international locations to promote the development of "democratic artificial intelligence." Chris Lehane, OpenAI's vice president of global affairs, described the move as leveraging American AI leadership to offer an alternative to China and support democratic values such as free speech and data privacy. Though specific international plans and funding details are yet to be released, OpenAI is targeting partnerships with historic U.S. allies, with France, the UK, and Germany expressing early interest. Stargate was initially unveiled in January at the White House by CEO Sam Altman, alongside President Donald Trump, Oracle's Larry Ellison, and SoftBank CEO Masayoshi Son, with SoftBank leading U.S. funding. For international projects, OpenAI plans to partner with sovereign wealth funds, private equity, and other capital sources. The initiative, dubbed "OpenAI for countries," is intended to facilitate access to advanced U.S. AI technology and semiconductors, potentially allowing countries to move from restricted "tier two" to preferred "tier one" status under new U.S. export controls. Coordination with the U.S. government will guide overseas project implementations, which are likened to the early internet infrastructure boom.
4. <https://www.reuters.com/world/middle-east/saudi-sovereign-wealth-fund-pitches-kingdom-ai-hub-2024-02-23/> - Yasir Al-Rumayyan, the Governor of Saudi Arabia's Public Investment Fund (PIF), promoted the kingdom as a potential hub for artificial intelligence (AI) outside the United States. Speaking at an investment event in Miami, he highlighted Saudi Arabia's abundant energy resources, both fossil and renewable, and its funding capacity as key advantages for AI development. The kingdom's political support and financial commitments further enhance its positioning. AI technology requires substantial energy for data centers that train algorithms. Consequently, Saudi Arabia's dominance in energy and its vision for AI align with the increasing global demand for AI-related power. PIF plans substantial investments domestically and internationally, with a significant portion already focused on the U.S., and aims to increase its annual deployment from $40-50 billion to $70 billion by 2025-2030.
5. <https://www.governor.ny.gov/news/governor-hochul-announces-20-million-public-private-investment-advance-artificial-intelligence> - Governor Kathy Hochul announced a $20 million investment and collaboration between the University at Albany and IBM to advance artificial intelligence goals. Under the Governor’s direction, New York State is leading in AI research and development.
6. <https://en.wikipedia.org/wiki/AI_Safety_Institute> - An AI Safety Institute (AISI) is a state-backed institute aiming to evaluate and ensure the safety of the most advanced artificial intelligence (AI) models, also called frontier AI models. AI safety gained prominence in 2023, notably with public declarations about potential existential risks from AI. During the AI Safety Summit in November 2023, the United Kingdom (UK) and the United States (US) both created their own AISI. During the AI Seoul Summit in May 2024, international leaders agreed to form a network of AI Safety Institutes, comprising institutes from the UK, the US, Japan, France, Germany, Italy, Singapore, South Korea, Australia, Canada, and the European Union.
7. <https://en.wikipedia.org/wiki/European_High-Performance_Computing_Joint_Undertaking> - In December 2025, EuroHPC selected 7 locations for the construction of new data centers for artificial intelligence infrastructure. On February 11, 2025, during the AI Action Summit, the President of the European Commission, Ursula von der Leyen, announced the InvestAI initiative with a budget of €200 billion, including the announcement of a €20 billion fund for the construction of data centers, although claims questioning the scale of the promises have surfaced. The initiative was announced 3 weeks after the announcement of the Stargate project by the President of the United States. As part of the InvestAI initiative: The EU AI Champions initiative was announced, bringing together over 60 European companies that have committed to allocate €150 billion to AI investments; The EU committed to allocate €50 billion to support the initiative. The fund plans to build up to 5 large data centers, referred to as "AI gigafactories," with a minimum of 100,000 GPUs in each location.