

The AI that Silicon Valley fears: how DeepSeek democratised innovation

Chandran Nair | 23 February 2025

It has been over a month since the launch of [DeepSeek](#) AI sent shock waves through the global tech and investor landscape, reverberating far beyond the confines of Silicon Valley. This wasn't solely about algorithms or data; it was a bold statement of innovation, a challenge to the entrenched dominance of Silicon Valley, and a mirror held up to the hypocrisy of zero-sum Western capitalism.

Why? Because DeepSeek's defining feature wasn't a groundbreaking technological advancement – it was the willingness to make it open source. It shattered the myth that capitalism only thrives when ideas are privatised for individual gain, often at great expense to public good. It defied the notion that creations can remain sovereign to their inventors, which ignores the reality that all innovation builds on the work of others.

This was a rare victory for the nascent shoots of a post-predatory capitalism that prioritises global public goods over profit maximisation – a model that remains anathema to Silicon Valley.

DeepSeek is a gesture of goodwill, and in that sense a deep provocation. It is also a symbol of what happens when bullies hard-wired with a sense of exceptionalism and privilege are confronted by a competitor that refuses to be intimidated or sidelined.



deepseek

The Chinese company's open-source model proves that innovation thrives on sharing, not Western Big Tech's hypocritical monopolisation.

The myth of 'tech for good'

Predictably, DeepSeek's debut was met with a barrage of accusations. Western critics claimed it had evaded export controls, stolen intellectual property from OpenAI, exaggerated its capabilities, and was inherently flawed due to its Chinese origins. Others dismissed it as inferior because of its built-in censorship mechanisms. Some countries have even [called for bans](#) under the pretext of security concerns.

But these accusations, if not entirely baseless, do reek of hypocrisy. The same critics who denounce China for allegedly bypassing export controls often turn a blind eye when Western companies do the same for their own interests. The claim that DeepSeek "stole" intellectual property [from OpenAI](#) conveniently ignores the fact that OpenAI itself trained its own models on vast swathes of the internet without regard for intellectual-property rights – a practice now under legal scrutiny.

As for censorship, let's not pretend Silicon Valley's platforms are neutral arbiters of truth. They, too, are shaped by political and corporate agendas. If DeepSeek was a US start-up built with limited resources, it would have been celebrated as a shining example of American ingenuity and capitalism. Instead, because it was Chinese and open source, it was dismissed as suspect rather than heralded as a breakthrough for global public good. The racist undertones are hard to ignore.

This insecurity reflects Silicon Valley's struggle to adapt to a world in which it no longer monopolises innovation. The US tech sector has become addicted to excessive start-up capital, chasing the next unicorn or astronomical return. This culture of overfunding has normalised a dependency on financial engineering rather than fostering genuine, resourceful innovation.



This reaction exposed what many in the industry already know: the notion of "tech for good" has long been a facade, masking a ruthless zero-sum mentality that prizes dominance over collaboration.

Beneath the rhetoric of transforming the world for the better lies Silicon Valley's true priority: amassing power, wealth and geopolitical influence. The staggering fortunes of tech moguls and investors exposes an industry that more often drives inequality and the consolidation of power, not solving global challenges.

By contrast, China's model of innovation operates within a fundamentally distinct paradigm. Its approach emphasises state-led industrial planning and long-term societal objectives. This is particularly evident in sectors such as AI, [semiconductors](#) and green energy, where firms are encouraged to align their growth with national-development goals rather than short-term shareholder returns.

Take [Huawei](#) and chipmaker [SMIC](#), for example. These companies thrive not because of speculative funding cycles but due to sustained investments in research and development, supply chain resilience and national security. Tech leaders like Ren Zhengfei of Huawei exemplify a framework that balances societal obligations with commercial ambitions.

Government programmes like [Made in China 2025](#) and AI-development initiatives show how public-private cooperation can foster innovation as a guided effort, prioritising long-term progress over market whims. The DeepSeek story further debunks the myth that Chinese tech is entirely state-controlled or funded. If anything, Chinese authorities were seemingly caught off guard by its meteoric rise.

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Rewriting the rules

Amid the cacophony of Western criticism, more measured voices – such as academics and independent analysts – have noted that DeepSeek’s true innovation lies in its openness. Unlike its Western competitors, DeepSeek is open-source, affordable and widely accessible. While platforms like ChatGPT are ostensibly “free to use”, they are not “free to modify” or “free to inspect”. Their source code remains proprietary, locked behind corporate walls.

Had DeepSeek originated in Silicon Valley, it would likely have been monetised to the hilt, accessible only to those who could afford it. Instead, its open-source model democratised AI, driven not so much by any one technological breakthrough but by the human desire to share. This, more than anything else, unsettled a market rooted in the belief that profits need to be maximised by protecting intellectual property, even when public goods are at stake.

DeepSeek’s launch wiped out hundreds of billions of dollars in market capitalisation from overvalued US tech giants. Investors panicked, realising they had been sold an illusion of innovation by companies more focused on shareholder returns than transformative breakthroughs. The US tech industry’s dominance is propped up by speculative markets, where firms prioritise short-term gains through stock buy-backs and monopolistic practices, often shielding themselves via political lobbying and government protection from a sympathetic administration.

China’s model, while not without challenges, emphasises strategic investment and industrial planning, reducing the pressure to prioritise quarterly earnings over real advancements. This divergence highlights the weaknesses of a financialised economy that equates innovation with stock performance rather than societal progress.



DeepSeek’s success also highlights a timeless truth: sanctions do not stifle innovation – they fuel it. Necessity, after all, is “the mother of invention”. When faced with restrictions, nations and companies often respond with ingenuity and determination.

Take Huawei, which, after being cut off from Google services and key chip suppliers in 2019, accelerated the development of HarmonyOS and domestic chip production. By 2022, SMIC had achieved 7nm chip production despite US restrictions – an achievement many believed was years away. Similarly, blacklisted Chinese AI firms like SenseTime continued to thrive, launching cutting-edge models and securing domestic funding.

The US government's efforts to curb China's technological rise have largely backfired, pushing the country to invest in self-reliance and reducing its dependence on Western technology.

DeepSeek's launch is more than a technological milestone – it's a thunderous declaration that Western tech hegemony is no longer unassailable. It opens the door for the global majority – regions like India, Africa, Latin America, and the Middle East – to take centre stage in innovation.

This moment is a rallying cry for those who dare to think beyond scarcity, to collaborate, and to build a world where technology serves humanity rather than the narrow interests of a privileged few.



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