

The AI Bubble

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Our collective notions of Artificial Intelligence and its perceived benefits cause additional shifts in paradigm. A form of operant conditioning begins to form where we must relearn what matters in the larger sense of work. The digital evolution of workspaces and the ways in which we master work becomes more prescient for many workers as they continually seek to upskill in a desperate attempt to remain relevant in the employment market.

Clean room. Clean mind!

Imagine a room full of clutter, junk, and superfluous items. It clutters the mind, making critical thoughts and actions difficult. The same is true for the modern worker. The mind cluttered from the increasingly split demands of tasks, responsibilities, and tools. The emergence of Artificial Intelligence has opened the precipice between the abyss of dystopia and the elation of utopia. A constant scramble to allay the fears of mass unemployment and Arnold Schwarzenegger looking Terminator robots come to wipe out the masses of humanity.

The truth is simpler than we are often led to believe. Artificial Intelligence in its current iteration possesses a bubble-like tendency of over market capitalisation for many AI firms who are yet to find a profitable way forward for the monetisation of their services. History never repeats but it does rhyme. The dotcom bubble and the collapse of global housing and stock markets during the great financial crisis are two examples that marred my generation. The first occurred at the conclusion of my high school years. The second came about just as I graduated university ready to look towards the job market.

Grants and incentives

Governments sought to inject capital through grants and other financial incentive payments for their populaces. The Eurozone stimulus packages of the time created structural damage that we are still paying the price for to this day. Another prime example was the COVID-19 Emergency payments. Required for those who genuinely were unable to attend workplaces. Rorted by those who saw an opportunity and took it. The injection of cash and stimulus payments diluted the money supply. The direct result was inflation. Put in another format: the decrease of purchasing power for the general populace. Higher prices for the same or reduced amounts of wages.

We can therefore examine the Artificial Intelligence bubble with a similar modality. Many of the AI companies with the overvalued market capitalisations have set in motion a series of events that we may not be able to avoid. Nvidia (the largest AI chipset manufacturer in the world) missed their forecasted growth and earnings. The result was the gradual meltdown of global markets.

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