

Opinion **US politics & policy**

Doge versus business

Fair competition, regulatory certainty, industry subsidies and financial security are all under attack

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Rana Foroohar 12 HOURS AGO

Business has made a Faustian bargain with Donald Trump and Elon Musk, his henchman at the so-called Department of Government Efficiency. The promises of deregulation and tax cuts are oh so appealing. In reality, business leaders have let some extremely rapacious foxes into the hen house in ways they may come to regret.

Let's put aside the negative economic effects of trade wars, immigrant round-ups and geopolitical strife, and focus only on Doge. [Much has already been said](#) about the threats to individuals' privacy, financial security, health and safety that may result from giving Musk unfettered access to the data housed within any federal agency. Far less has been made of the threats to business — excluding those owned by Musk, Trump and their immediate circle, of course. Here, there are several things I'd be worried about if I were a chief executive.

First is the unprecedented competitive advantage that Musk could gain by having access to things such as Department of Transportation safety data, Food and Drug Administration trial information, proprietary Department of Agriculture research or pre-publication information about patent applications.

If I were running an automotive company like GM or a ride-sharing corporation such as Uber, I'd be wondering if Musk was hoovering up information about the

self-driving car tests of Tesla competitors. If I were a venture capitalist, I'd wonder if he was able to see which new technologies were closest to being commercialised and how, so as to better jump ahead of potential competitors.

These are just some of the most obvious implications of having an adversary that could potentially access information companies thought they were giving only to the government.

Then, there are the longer-term competitive advantages that Musk could gain by incorporating data sets from different departments into his own artificial intelligence systems. (The White House claims he isn't doing this, but there's no proof either way.) "You could conceivably create an AI tool to predict innovation patterns, or make associations across, say, drug trials," says Suzanne Harrison, the principal of Percipience, an intellectual property consultancy. As she testified before a Senate subcommittee in 2023, patent data can be used to "visualise the emerging economic and technological battlefields" of the future.

It's unclear exactly what [Doge](#) is mining, and how data is being used. This has frustrated judges looking at the myriad lawsuits over its access that have been filed against the administration. It's hard to believe Trump's claim that Musk will recuse himself from any conflict — consider how he has targeted the Consumer Financial Protection Bureau, which was investigating X Money, the peer-to-peer payment system associated with his social media company.

But the potential negative consequences for business aren't limited to unfair information access. The gutting of various agencies and the clawback of subsidies are having a chilling effect in areas such as energy, transportation, manufacturing and housing that were supported by the Biden administration.

The green battery company Kore Power just walked away from a \$1.2bn factory project in Arizona after Trump pulled loans and grants for clean energy. Permitting processes that were difficult to begin with are likely to become more so as agency staffing is cut. Kate Gordon, the former senior adviser to the secretary of energy under Biden, now the CEO of California Forward, a sustainable energy non-profit, says she's heard from companies in areas like hydrogen, nuclear power and even rare earth mineral mining that are reconsidering investments because of worries over regulatory uncertainty.

Some of that uncertainty is being felt in Republican strongholds. As Senator Chris Coons, a Democrat from Delaware, told the FT last week, "The Doge bros are hunting red states" where much of the Biden stimulus went. "I hear [members of

hurting red states where much of the Biden stimulus went. I hear [members of Congress] saying, ‘Wait a minute — we do cancer research in Alabama, and we build cars in Tennessee.’”

There is a notable silence on these topics from Republican senators and business leaders alike. Plenty of people will say privately that they are worried about Doge’s slash-and-burn techniques. But no one wants to run afoul of Musk or Trump in public for fear of retribution (indeed, I will say that in my 33 years of journalism, I’ve never had as many sources want to speak only on background as they do now).

To be fair, some business leaders hope that Doge’s zero-based budgeting approach, which involves forcing agencies to justify themselves the way corporate departments do, will create real efficiencies. Others don’t want to fall foul of employees and consumers, half of whom may have voted for Trump. Many are simply waiting for the legal process to take its course. “Laying low is the dominant tactic right now,” says Sarah Bonk, head of Business for America, a non-profit membership group of businesses that want to make government work better.

Still, she says she has heard from members that are worried about the increasing risks associated with doing business in such an uncertain environment, and what regulatory chaos will mean. Apollo’s chief economist, Torsten Slok, last week raised the question of whether Doge-related firings and cuts could create a recession.

Unilateral private control of the federal government has never been exercised in this way, even by 19th-century robber barons. Measured against such uncertainty, business may come to rue its political bargain.

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