

[A Review of “The Last Economy” and the AI Dilemma facing Civil](#)

[Society](#), [by](#) *Emad Mostaque*_. Book review by Donald H. Marks, physician scientist and 3rd generation veteran

Sep 22, 2025

Emad Mostaque has written a blueprint for paradise. The terrifying question is whether civil society can build it before, as he predicts, the machine devours itself.

Press enter or click to view image in full size

THE LAST ECONOMY

A Guide to the Age of Intelligent Economics

EMAD MOSTAQUE

The Harbinger Who Sees Both Shores

Mostaque writes from the bridge between worlds — a unique and terrifying vantage point. As founder of Stability AI, he has watched “the mathematics of your obsolescence being calculated” from inside the machine itself. This is not another technology pundit predicting disruption from the outside. This is a systems architect explaining why the current economic system is about to undergo what physicists call a **phase transition** — the moment when water, having been heated steadily, suddenly and irreversibly becomes steam.[\[1\]](#)

The Last Economy operates on the same fundamental insight as the great works of phase transition science: healthy systems display specific, measurable warning signals before they collapse. Mostaque identifies these **harbingers** with surgical precision — critical slowing down, variance explosion, flickering between states. If you have been feeling “that something is fundamentally wrong with the world but could not articulate what,” he writes, “now you can. It is not anxiety. It is pattern recognition”.[\[1\]](#)

The book’s central thesis is that we face not merely technology-driven redundancies, but the **final inversion** — when intelligence itself becomes abundant and non-metabolic. Unlike previous economic transitions where humans could pivot from land to labor to knowledge work, **this time there is nowhere left to retreat.**[\[1\]](#)

The Three Futures and the Default Path

Mostaque lays out three possible stable configurations with the mathematical precision of electron orbitals:[\[1\]](#)

Digital Feudalism emerges when we “change nothing” — a handful of corporations control AI, everyone else lives on Universal Basic Income, “enough to survive, not enough to matter”. This is explicitly identified as **the default trajectory**.[\[1\]](#)

The Great Fragmentation occurs when nations panic, each building isolated AI systems in a “new cold war fought with algorithms instead of atoms”.[\[1\]](#)

Human Symbiosis represents conscious evolution toward economic systems “where AI amplifies human purpose rather than replacing it”.[\[1\]](#)

The book’s most important insight is recognizing that **the first option is not a failure mode — it is where we are already heading**. The current system is working exactly as designed, processing abundance as poverty through what Mostaque calls the “Abundance Trap”.[\[1\]](#)

The Physics of the Problem: Why the Timeline Matters

Where Mostaque’s analysis becomes both brilliant and troubling is in his treatment of **time itself as a strategic resource**. The book’s subtitle references a “Thousand-Day Window” — roughly three years during which “meaningful choice” remains possible before the phase transition becomes irreversible.[\[1\]](#)

This is not technological determinism. It is thermodynamics. Just as water can remain liquid at high temperature under pressure, our economic system can persist in its current unstable state until the tipping point is reached. After that moment, “the water will become steam, no matter what you do”..
[\[1\]](#)

Research on AI development versus civil society adaptation confirms Mostaque’s timeline is, if anything, optimistic. AI capabilities are doubling every 6–12 months while institutional adaptation typically requires 45+ years. Government regulation lags technological innovation by 5–15 years, with public institutions being asked to regulate technologies they “barely have bandwidth to understand”.[\[2\]](#)[\[3\]](#)[\[4\]](#)

The Nucleation Strategy: Brilliant Theory, Problematic Practice

Mostaque’s proposed solution centers on **nucleation sites** — small, protected environments where symbiotic AI systems can develop and demonstrate viability. Like the Renaissance emerging from Florence rather than “Europe,” transformation will crystallize around specific successful examples rather than global coordination.[\[1\]](#)

The strategy is theoretically sound and historically precedent. The Scientific Revolution nucleated in small groups like the Royal Society rather than established universities. Mondragon Corporation and Buurtzorg nurses demonstrate that symbiotic human-AI organizations can work at scale.[\[1\]](#)

However, implementing this strategy faces what I call **the latency trap** — the gap between how fast change needs to happen and how fast civil society can actually adapt.

The Implementation Crisis: Where Theory Meets Reality

Civil society is moving too slowly. Only 44 civil society organizations globally have developed coherent AI governance priorities. Rural populations face “significant barriers to using digital technologies”. Democratic decision-making operates on 2–4 year electoral cycles while AI capabilities evolve in 6-month cycles.[\[5\]](#)[\[6\]](#)

The expertise deficit is widening. Research shows widespread “digital illiteracy” even among educated populations. The current system advantages large corporations not through regulatory capture but through **computational capture** — they understand the technology better than the institutions meant to govern it.[\[7\]](#)[\[8\]](#)[\[5\]](#)

Trust in institutions is collapsing. In many societies, institutional trust has declined to historic lows, undermining the social capital necessary for the cooperative systems Mostaque envisions.[\[5\]](#)

Most critically, **the window for nucleation may have already closed.** While Mostaque wrote about creating demonstration sites, major AI companies have been building their own versions of Digital Feudalism. The “nucleation” is happening, but around extractive rather than symbiotic models.

The Most Likely Result: Fragmented Digital Feudalism

Given these implementation barriers, the probable outcome is neither Mostaque's optimized symbiosis nor pure Digital Feudalism, but rather a **fragmented hybrid**:

Elite Enclaves successfully implement symbiotic AI systems in wealthy cities and tech hubs, creating pockets of the world Mostaque envisions.

Corporate Quasi-States emerge as AI companies become de facto governance structures for digital infrastructure, with traditional nation-states losing economic sovereignty.

Stratified Populations split between AI-literate elites and AI-dependent masses, with increasing inequality between those who direct AI systems and those subject to them.

This fragmentation might be the best achievable outcome given the speed constraints, but it represents a partial victory rather than the comprehensive transformation the book envisions.

Where the Solutions Can Still Work

Despite these challenges, several of Mostaque's proposed interventions remain both viable and crucial:

The MIND Dashboard — measuring Material, Intelligence, Network, and Diversity capitals instead of GDP — could be implemented at municipal levels within 2–3 years. Progressive mayors already have the authority to adopt alternative metrics for budget planning.[\[1\]](#)

Nucleation sites remain possible if focused on **achievable near-term goals** rather than comprehensive transformation. Cities like Amsterdam or Austin could implement dual currency systems or municipal AI agents serving citizen needs rather than corporate extraction.

Universal Access to Intelligence could begin with AI literacy programs online and through local libraries and colleges, creating “AI cooperatives” where groups pool resources to access powerful systems.[\[1\]](#)

A New Social Contract might emerge during the impending AI-driven economic crisis in some niches, with emergency UBI funded by AI productivity gains providing the crisis catalyst for broader transformation.[\[1\]](#)

The Book’s Deepest Insight: Beyond Economics

Mostaque’s most profound contribution may be reframing the entire challenge. Traditional economic thinking asks “How do we work?” The intelligence revolution forces a more fundamental question: “Why do we exist?”[\[1\]](#)

The book argues that humans are being promoted to “the role of steering the universe’s creative impulse,” becoming “the most powerful engine of

anti-entropy this planet has ever known”. We provide wisdom, taste, and moral judgment to guide AI’s “near infinite sorting power.” We are “the conscience for the perfect demon”.[\[1\]](#)

This reframe transforms apparent obsolescence into cosmic purpose. The Arts of Being Human — Attention, Connection, Meaning, and Embodiment — become not consolation prizes but the fundamental work of conscious beings in partnership with computational intelligence.[\[1\]](#)

A Qualified Optimism

The Last Economy succeeds brilliantly as both diagnosis and blueprint. Mostaque demonstrates that current economic systems are physically unsustainable in the face of abundant intelligence. His proposed solutions are theoretically sound and offer practical starting points.

The book’s limitation is not in vision but in timeline. The transformation Mostaque outlines may require decades rather than his “Thousand-Day Window.” The nucleation strategy will likely create pockets of symbiosis within a broader context of digital feudalism, rather than comprehensive systemic change.

But perhaps that is enough. Perhaps the goal is not to prevent all aspects of Digital Feudalism, but to create viable alternatives that demonstrate better possibilities. Perhaps the real intent is not universal symbiosis by 2028, but ensuring that when the next crisis creates an opening for change, the blueprints are ready.

The Last Economy provides those blueprints. The question now is whether civil society can adapt fast enough to matter.

The clock is indeed running. The water is beginning to boil. But Mostaque has shown us how to build the crystals that might seed a different kind of future. For anyone who can see the harbingers in our current moment, this book is essential reading. Not because it predicts paradise, but because it provides the architecture for building it.

The economic life expectancy of human beings is indeed shrinking. But human consciousness — the final scarcity in the context of abundant intelligence — may be humanity's most valuable export to the universe. **The Last Economy** is the first serious attempt to calculate what that exchange rate might look like.

1. [The-Last-Economy.pdf](#)

2.

<https://www.undp.org/asia-pacific/blog/why-ai-public-sector-must-be-shaped-not-just-deployed>

3. <https://actuary.org/article/the-pacing-problem-unplugged-part-1/>

4.

<https://www.mercatus.org/economic-insights/expert-commentary/pacing-problem-and-future-technology-regulation>

5. <https://thefuturesociety.org/cso-ai-governance-priorities/>
6. <https://pmc.ncbi.nlm.nih.gov/articles/PMC11373358/>
7. <https://www.elsevier.es/en-revista-journal-innovation-knowledge-376-articulo-overcoming-barriers-seizing-opportunities-in-S2444569X24001616>
8. <https://www.linkedin.com/pulse/power-people-future-ai-why-civil-society-must-lead-valdez-frsa-hsl9c>
9. <https://podcastnotes.org/infinite-loops/the-future-of-ai-with-emad-mostaque-infinite-loops-with-jim-oshaughnessy-ep-128/>
10. <https://criticaltransitions.wordpress.com/2016/07/10/book-review-phase-transitions/>
11. <https://onlinelibrary.wiley.com/journal/14680289>
12. https://wandb.ai/wandb_fc/gradient-dissent/reports/Emad-Mostaque-Stable-Diffusion-Stability-AI-and-What-s-Next--VmlldzoyOTQ0ODk3
13. <https://www.jasss.org/15/1/reviews/5.html>

14. <https://academic.oup.com/restud>
15. <https://www.linkedin.com/pulse/emad-mostaque-impact-theory-future-jobs-a-i-narrative-control-byrne-h8bac>
16. <https://www.goodreads.com/book/show/28762606-the-phase-transition>
17. <https://www.sciencedirect.com/journal/european-economic-review/publish/guide-for-authors>
18. https://www.reddit.com/r/singularity/comments/1brxkq4/why_is_emad_mostaque_not_the_poster_boy_for_the/
19. <https://book-mojo.com/2016/12/28/review-by-trish-the-phase-transition-rise-of-the-grey-order-1-by-ryan-okerlund/>
20. <https://www.aeaweb.org/journals/aer/accepted-article-guidelines>
21. https://www.reddit.com/r/singularity/comments/1ijca9k/emad_mostaque_ai_is_better_than_any_indian/

22.

https://academic.oup.com/book/8876/book-pdf/53437348/9780191035531_web.pdf

23. <https://www.theyaleeconomicreview.com/static?id=Submit>

24. <https://emad.posthaven.com>

25.

https://publish.obsidian.md/meline/_2+🌟+_2++Memory+Echoes/NOD/📖+Emad+Mostaque's+On+AI+-Bias,+Open+Source,+Elo,+Healthcare

26.

https://www.reddit.com/r/StableDiffusion/comments/zv3y9g/emad_mostaque_ceo_and_founder_of_stability_ai/

27.

<https://jasonsanford.substack.com/p/genre-grapevine-on-what-ai-generated>

28.

<https://www.palgrave.com/it/journal/41308/authors/presentation-formatting>

29. Wharton's great contrarian says AI adoption isn't an easy way to cut headcount: 'The key thing ... is just how much work is involved in doing it.'

By Nick Lichtenberg, Business Editor, January 10, 2026.