



AI Data Centres and the New Social Legitimacy Test

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Artificial Intelligence has become the defining technological race of our generation. Nations are competing to attract investment, technology companies are racing to build ever-larger data centres, and governments are celebrating the economic opportunities AI promises to create.

Yet beneath the excitement lies a growing challenge that has little to do with technology itself.

It is a challenge of **social legitimacy**.

Across the United States, opposition to hyperscale AI data centres is growing. Communities are questioning the enormous demands these facilities place on electricity grids, freshwater resources and local infrastructure. New York has recently imposed a temporary moratorium on new large-scale AI data centres while regulators review their wider impacts. Other states are introducing legislation requiring greater transparency, environmental safeguards and stronger community engagement before approving future developments.

What is emerging is not simply resistance to technology.

It is resistance to decisions that communities believe *have been made without adequately considering the people who will live with the consequences*.

This distinction matters.

Too often, governments and corporations approach major infrastructure projects through an economic lens. Investment figures are announced. Jobs are projected. GDP forecasts are celebrated.

These are important considerations.

But they do not automatically create public acceptance.

My **Social Legitimacy Framework** distinguishes between regulatory approval and societal acceptance. An organisation may obtain every required license and comply fully with the law, yet still lose the confidence of the communities affected by its decisions.

That is precisely the challenge confronting AI infrastructure today.

Data centres are becoming essential infrastructure for the digital economy. However, they are also among the world's most resource-intensive facilities. They consume vast amounts of electricity while many rely heavily on freshwater for cooling. In regions already experiencing water stress or strained electricity grids, communities inevitably ask difficult questions.

Who benefits?

Who bears the costs?

Who assumes the risks?

These are not environmental questions alone.



They are **social legitimacy** questions.

When governments answer these questions inadequately, public trust begins to erode. Opposition grows. Political pressure increases. Regulatory intervention follows.

We are already witnessing this sequence unfold.

The implications become even more significant when we examine developing countries.

Many lower and middle-income nations continue to struggle with electricity reliability, water security and infrastructure investment. Yet these same countries are increasingly being encouraged to host AI infrastructure because land may be cheaper, regulatory processes faster and incentives more attractive.

From a purely commercial perspective, this may appear logical.

From a **social legitimacy** perspective, it raises far more profound questions.

If local communities continue to experience intermittent electricity while AI facilities receive guaranteed power, perceptions of inequality will inevitably emerge.

If residents face water shortages while industrial cooling systems consume significant volumes of freshwater, questions about fairness become unavoidable.

If local populations experience few meaningful economic benefits beyond construction employment, support for future projects will diminish regardless of their technical success.

This illustrates an important principle within the **Social Legitimacy Framework**.

Legitimacy is not created by investment alone.

It is created when stakeholders believe that benefits, burdens and decision-making processes are fair.

The future success of AI infrastructure will therefore depend not only upon engineering excellence but also upon governance excellence.

Technology companies must move beyond compliance towards genuine partnership with communities.

Governments must evaluate proposals not only on projected investment but also on long-term societal outcomes.

Communities must become participants in decisions rather than passive recipients of them.

The AI revolution is not simply testing our technological capability.

It is testing our governance.

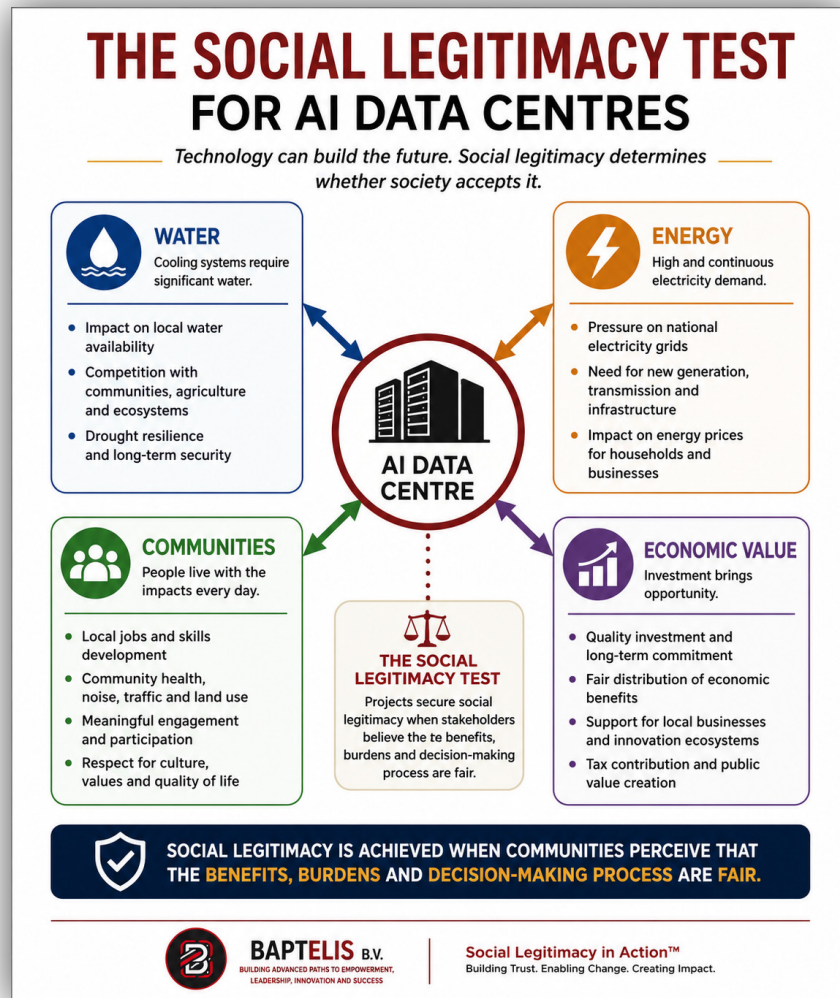
History repeatedly demonstrates that societies rarely reject innovation itself. They reject innovation when they believe its benefits are unevenly distributed, its costs unfairly imposed and their voices excluded from the decision-making process.

The debate surrounding AI data centres is therefore much larger than water or electricity.

It represents one of the first global tests of whether AI can secure the social legitimacy necessary to sustain its extraordinary promise. Ultimately, the future of AI will depend not only on technological innovation, but on whether *societies believe that innovation serves the public good*.

Technology may transform economies.

* *It is social legitimacy that gives society the confidence to embrace that transformation.*





THE PROBLEM ISN'T ESG.

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