

DISSENT

Trump Disrupts the Valley

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October 3, 2017

Peter Thiel, the most notorious venture capitalist in the United States, angered many of his peers in the tech sector last year with his open support for Donald Trump's presidential campaign. Speaking at the Republican National Convention, Thiel identified Trump as a fellow "builder" who wasn't afraid to tell the truth about a broken American economy. Later, in the week before the election, he told journalists at the National Press Club what was already obvious to most people in the country: that Silicon Valley was a bubble. While Thiel's colleagues believed, "We're doing well, therefore our whole civilization is doing well," he said, "the truth has been more one of specific success but more general failure." To hear Thiel—an avowed enemy of democracy who hopes someday to receive blood transfusions from teenagers so he can live forever—characterize anyone as out of touch boggles the mind. But Trump's victory in November has recast Thiel as a dark prophet of the Valley, where conventional wisdom is so often repackaged as sagacious contrarianism.

In the months since the end of the Obama presidency, an era of unsurpassed political influence for the Northern California establishment, tech leaders have repeatedly spoken of the need to empathize with the losers of the postindustrial meritocracy. Concomitant with this empathetic mood are plans for expanding the role of Silicon Valley in American politics. Meanwhile, in the face of unprecedented unrest among the tech industry rank-and-file over Trump's immigration and climate change policies, Silicon Valley executives and financiers have engaged in a rapprochement with the new administration. Trump's abandonment of economic positions that threatened the dominant portions of American business—anti-monopoly, protectionism, a crackdown on tax havens—has led to a sense of relief in the upper echelons of the Valley. The barons on the Pacific want to remain in the good graces of both their liberal employees and brutish Republican politicians. For the time being, that balancing act is working. Whether people are still interested in their vision for the future is another question.

Not too long ago, Silicon Valley leaders looked at political activity with disdain. The sector was small enough to avoid the sort of regulation that larger, more labor-intensive, or more nakedly destructive industries faced. High-tech companies have long received massive federal subsidies for research, development, and production from various arms of the Department of Defense—subsidies that had strong bipartisan support, especially during the Cold War. At the local and state level, politicians eagerly competed, usually unsuccessfully, to attract tech investment through tax breaks and other incentives. The upshot was that the entrepreneurial engineering core of the tech sector, enamored of elegant technical solutions to large-scale problems and impatient with the conflictual and bureaucratic qualities of the political sphere, could expound a libertarian ethic financially underwritten by the state. That engineering ethic was complemented by the creative, utopian, and libidinally liberated spirit of the 1960s counterculture, a major influence on many Silicon Valley founding fathers. This cultural stew is what Richard Barbrook and Andy Cameron famously called the “Californian Ideology” in 1995—a seed planted on the West Coast and disseminated around the world on the wings of empire and capital.

Libertarianism is alive and well in the Valley, but most tech elites have opted for more traditional means of corporate influence. Companies like Google, which once prided itself on how little energy it expended on lobbying, have become sophisticated practitioners of the political tactics that other Fortune 500 companies have been developing since the 1970s. In 2005 Google had one lobbyist in Washington. By 2014, the *Washington Post* reported, Google was one of the biggest lobbying spenders in D.C., all while “financing sympathetic research at universities and think tanks, investing in nonprofit advocacy groups across the political spectrum and funding pro-business coalitions cast as public-interest projects.”

That shift is a predictable response to the maturation of the sector. Apple, Alphabet (Google’s parent company), Microsoft, Amazon.com, and Facebook are currently the five largest corporations in the world by market capitalization, and their growth has led to collisions with other industries over issues like net neutrality and online piracy. Smaller but rapidly growing companies like Uber and Airbnb have deployed extensive public affairs teams across the globe to beat back political opponents and the bosses and workers in the industries they want to “disrupt.” Tech corporations have joined with companies outside the sector that lobby for more visas for skilled workers, more technical education, less antitrust enforcement, and laxer corporate tax policies. They also maintain a lobbying presence to deal with persistent concerns over personal privacy and national security, and to fight one another over intellectual property claims.

Until the last half a decade or so, the tech industry tied most of its political fortunes to the Democrats. That relationship has deep roots in the changing political economy of the United States in the decades after the Second World War. In her book *Don’t Blame Us* (2014), Lily Geismer explains how highly educated suburbanites living and working around the high-tech Route 128 corridor outside Boston replaced the traditional industrial labor base of the Democratic Party in Massachusetts. Democrats in the Bay State and beyond began to adopt the “individualist, meritocratic, suburban-centered priorities of liberal, knowledge-oriented professionals” while “shift[ing] away from urban ethnics and labor unions” whose economic and political position eroded under the pressures of deindustrialization. Throughout the corporate hierarchy, people in the tech sector still identify far more with Democrats than Republicans. (Alt-right techies are an important exception to this pattern, but they appear to be a marginal contingent in a predominantly liberal industry.) They are concerned about global warming,

support LGBTQ rights, speak tolerantly about immigrants, and desire an education system that produces more “equality of opportunity.” The Valley is really only out of step with the ideals of contemporary American liberalism in the sexism that pervades the industry—a subject of (much-deserved) embarrassment for tech execs, who frequently pledge to “do better” when it comes to hiring and promoting women and dealing with sexual harassment.

This affinity between tech and the Democratic Party reached new heights under Obama. He was remarkably popular throughout Silicon Valley, and he reciprocated with numerous declarations of his admiration of the tech sector. (Last year he hinted at a possible post-presidential career in venture capital.) Meanwhile, the biggest tech companies benefited enormously from their relationship with the Obama White House. Earlier this year, Peter Thiel told Maureen Dowd of the *New York Times* that “Google had more power under Obama than Exxon had under Bush 43.” Google CEO Eric Schmidt raised money for Obama’s presidential campaign in 2008, along with many other executives in the Valley, and served as an adviser to the White House after the election. Around 250 people moved through the proverbial revolving door from Google to the White House or vice versa during the Obama years, according to reporting from the *Intercept*, and from 2009 to 2015 Google representatives visited the White House, on average, more than once a week.

The mutually beneficial relationship between Google and the Democrats is a liability in an era of Republican rule. Google’s government relations team recognized this early into the Obama administration; it began to fund conservative organizations like Heritage Action for America and to sponsor fellowships at think tanks like the Cato Institute. It hired Susan Molinari, formerly a Republican congresswoman, to head its Washington office in 2012, and cohosted a ritzy event at the Smithsonian Arts and Industries Building with the conservative *Independent Journal Review* in January for a group of mostly Republican lawmakers. While employees at tech firms overwhelmingly supported Hillary Clinton against Trump last year, the corporate PACs at Amazon, Facebook, Google, and Microsoft gave more to congressional Republicans than to Democrats in 2016. Republican legislators and fundraisers now frequently travel to the Valley to tap the enormous concentrated wealth in the region.

In his bestselling biography of Steve Jobs, Walter Isaacson recounts the story of a 2011 Silicon Valley dinner party thrown for Obama by John Doerr, a venture capitalist who has raised millions of dollars for the Democratic Party and served on the President’s Economic Recovery Advisory Board. The gathered tech elites spent the bulk of the dinner asking for favors like tax breaks and expanded training and visas for engineers. Mark Zuckerberg, over twenty years younger than the next youngest guest at Doerr’s home, voiced his frustration over Cisco CEO John Chambers’s repeated request for a tax repatriation holiday. “We should be talking about what’s important to the country,” he said to presidential adviser Valerie Jarrett. “Why is he just talking about what’s good for him?”

Zuckerberg represents a younger cohort in the Valley with political aspirations beyond requests for subsidies and deregulation. In the wake of an election in which many liberal pundits blamed Facebook for spreading misinformation that favored Trump, he has cultivated a larger public profile than ever before. He embarked on a fifty-state listening tour in 2017 after releasing a

manifesto about Facebook's global role and responsibilities. In May Zuckerberg delivered a commencement address at Harvard that sounded like his version of Obama's 2004 DNC address.

Zuckerberg has denied that he has any plans to run for office, but that hasn't stopped his supporters from starting a Super PAC called Disrupt for America, calling on him to run for president because "Mark shares . . . many of the qualities of Donald Trump that resonated with everyday Americans—a wealthy, anti-establishment outsider un beholden to special interests." It is worth noting that, while he has avoided any public interactions with Trump, he has had numerous private conversations with the president, and has sent Sheryl Sandberg, COO of Facebook, as an emissary to meetings with Trump—a move that gives Zuckerberg plausible deniability in a future Democratic campaign while keeping his company in Trump's good graces. (He has also refused to entertain requests from his employees to remove Thiel from Facebook's board of directors.)

What is Zuckerberg's political vision? The media has made the most out of his proposal for a universal basic income. Many other Silicon Valley elites have also entertained this idea; Sam Altman, president of start-up incubator Y Combinator and a vocal Trump critic who recently expressed interest in running for governor of California, cosponsored a basic income experiment in Oakland. But as Alyssa Battistoni wrote in the spring issue of *Dissent*, a UBI policy crafted by the ultra-rich could easily "serve as a vehicle for dissolving the remains of the welfare state" if it is funded through regressive taxation and cuts to existing government programs. Indeed, while Zuckerberg expressed concern about wealth inequality in his Harvard speech, he never once mentioned taxation or the expansion of public welfare programs, instead focusing on his philanthropy and "public works" that sound suspiciously like opportunities for big procurement contracts. (His philanthropy, the Chan Zuckerberg Initiative, is not a nonprofit but an LLC, meaning Zuckerberg still has complete control over the billions in Facebook shares he "donated" to it.) His charitable giving has, for the most part, been aimed at an aggressive remaking of the public education system, most notably through an initiative to get computers with proprietary Facebook software into every student's hands.

Zuckerberg's political career lies in the future; to date, Congressman Ro Khanna is the biggest success story for a true tech candidate. In 2014 he ran a failed campaign against Democratic incumbent Mike Honda, who represented a district in the San Francisco South Bay. Khanna, who served in the Obama administration's Department of Commerce before moving to a corporate law firm located in the Stanford Research Park, received massive financial backing from dozens of prominent figures in the Valley, including Thiel (Khanna is on a very short list of Democrats whose campaign the Trump advisee has supported). He also received a quarter million dollars from Texas hedge-fund billionaire John Arnold, with whom Khanna had "a long conversation about pension reform." Their money couldn't make up for Honda's backing from the Democratic Party and its traditional liberal constituencies. And Khanna, who raised more money from big donors than any congressional candidate that year save one, seemed incapable of selling himself to anyone outside his own clique. "Everyone who is seen as a person of the future has endorsed our campaign," he blithely told reporters. Honda had his own pithy response after he won the 2014 election: "This district, and our democracy, are not for sale."

By 2016 the eight-term congressman had become embroiled in an ethics scandal of his own over the misallocation of campaign funds and allowing preferential political access to big donors.

Honda lost the support of the Democratic establishment, and Khanna, like any start-up worth its salt, pivoted in a new direction following his embarrassing loss. He defeated Honda last year with over 61 percent of the vote in an election in which no Republican made it through California's open primary. In an interview with Recode after the election, he explained what he had learned from 2014:

I think part of the reason I lost is that there wasn't a sufficient sensitivity even in my own district to people who had been left behind . . . That was the big change, and I grew as a candidate and really talked about not only the benefits of technology but some of the challenges with how we get more people involved in the tech economy.

This spring Khanna became the first congressperson to join the Justice Democrats, a PAC started by Cenk Uygur of the Young Turks and Bernie Sanders campaign staffers with the goal of running Democratic primary challengers to replace every "corporate-backed" incumbent "with people who will fight for voters, not donors." In March he visited eastern Kentucky to discuss the potential for developing a local tech sector, and in June he participated on a panel at the People's Summit (an annual progressive conference tied to the Bernie Sanders campaign offshoot Our Revolution) titled "Electoral Politics: Beyond Neo-Liberalism and Trumpism." He has recently proposed a \$1 trillion expansion of the earned income tax credit funded by a financial transaction tax—a policy move he says is inspired by the recent buzz in Silicon Valley around a universal basic income, even though he is opposed to divorcing income from work.

Khanna's campaign finances cast reasonable doubt on his leftish bona fides. He received more money from the securities and investment sector than any other congressional candidate in 2016, not to mention the continued support of the same Silicon Valley executives who backed him in 2014. In emails that came to light in the Podesta leak, Steve Spinner, an Obama fundraiser who became Khanna's campaign chair, highlighted this fact in seeking Clinton's endorsement during her primary battle with Bernie Sanders. "In this cycle, Ro's tech and South Asian donors can be a source of at least \$50 million for the Democratic Party in national races," wrote Spinner. He forwarded another email where a Khanna supporter argued that "every time Honda attacks Ro's tech and South Asian supporters it has a dampening effect on fundraising for Hillary and other Dem candidates. . . . He is also attacking every billionaire that donates to Ro, many [of] whom support other Democrats as well." Khanna has told reporters that he endorsed Sanders in 2016, a claim for which there is no documentary evidence.

Still, Khanna has endorsed bolder, more redistributive policies in the wake of the election than he ever would have in previous years. He appears to recognize the weakness of mainstream liberal politics after Trump "[blew] up the status quo." He wants "to shape big ideas, big thinking, for the Democratic Party, for the country," as he told David Axelrod in May. But he seems to be caught between the priorities of his donors and his instincts that something drastic is required to challenge the Republican Party. He still compares Silicon Valley to "Florence, or Athens," and speaks about transitioning from "an industrial to a digital age." In practice, that transition amounts to little more than tax giveaways for skills training and more attempts to lure high-tech companies to poor rural areas and deindustrialized cities. The last few decades have seen many such initiatives, and their results have been underwhelming.

Khanna has rebranded himself as the progressive vanguard for the most advanced sector of American capital, but many of the people who backed his campaign have found opportunities to work with Trump. Tim Cook, Jeff Bezos, Elon Musk, Larry Page, and Eric Schmidt, among

others, attended a December tech summit at Trump Tower, at which the president-elect told the gathered executives, “Anything we can do to help this go on and really be there for you, you’ll call my people, you’ll call me, it doesn’t make any difference.” In response to criticisms from Apple employees over his decision to attend the meeting, Cook wrote, “Personally, I’ve never found being on the sideline a successful place to be. . . . [You] don’t change things by just yelling.” At another gathering of tech CEOs in June at the White House, a number of Silicon Valley companies made deals for government procurement contracts. John Doerr, that venture capitalist who feted Obama in 2011, asked the president to release government healthcare data to the private sector. “If you set the data free, the entrepreneurs can do the rest,” he told Trump.

Trump has many vocal critics in the Valley, including venture capitalists and executives at smaller start-ups. But over and over again, the leaders of major companies that have a significant material stake in maintaining good relationships with Republicans in Congress and the White House have made excuses for working with Trump. Michael Beckerman, head of the major Silicon Valley lobbying outfit the Internet Association, told reporters late in June, “There are certainly areas where our employees and CEOs have disagreed and haven’t been shy about it, but it shouldn’t stop us from engaging with the process. . . . There are a lot of economic issues where there will be agreement, and there should be a seat for us at the table.”

That Beckerman and his clients have to justify themselves at all is a sign of the remarkable number and variety of protests over Trump policies by tech workers since November. Trump’s executive orders effectively banning Muslims from entering the United States and his withdrawal from the Paris climate agreement have led to more political agitation among tech workers than anything else in the history of Silicon Valley. Travis Kalanick, the recently ousted CEO and founder of Uber, left Trump’s economic advisory council under employee pressure, and Tesla’s Elon Musk, after dithering for months, did the same when Trump pulled the United States out of the international climate change accords. Employees have signed statements refusing to cooperate with any attempt to create a government database to track Muslims, and thousands have turned out for rallies around the Bay Area to protest Trump’s immigration policies.

The heads of the big companies have signaled their support for employee actions in a number of ways, such as issuing legal briefs condemning immigration bans and even offering paid leave to workers who want to protest or engage in other political activities. Google cofounder and president Sergey Brin, who emigrated from the Soviet Union at age six, attended protests in January at the San Francisco International Airport. At a company-endorsed rally at Google’s Mountain View campus, Brin delivered a speech in which he said he was “glad to see that energy here today and around the world to know that people are fighting for what’s right out there.” But immediately afterward, Brin told the crowd “we need to be smart” about protesting, and continue to engage with Republican politicians. “Some of us might even adopt Pence 2017 bumper stickers,” he said. “I guess it’s important to frame this debate as not being liberal versus Republican and so forth.”

This is what the “resistance” of Silicon Valley billionaires sounds like. The continued smooth operation of major tech companies requires that executives engage in liberal posturing while collaborating with politicians that most of their employees detest. This sort of hypocrisy is so

banal as to be almost above comment—except that some tech employees are taking notice as well. Tech Solidarity, an anti-Trump network started by Maciej Cegłowski, has conducted semi-secret meetings throughout the country (so as to protect the anonymity of tech workers) in an effort to foster “collective action by employees” to oppose the acquiescence of tech firms to Trump’s agenda. Cegłowski sees the distance between the politics of the tech rank-and-file and the heads of the big Silicon Valley companies as a wedge that could lead eventually to labor organizing throughout the sector. The Tech Workers Coalition, a labor-oriented community organization founded in 2015, shares that goal. “The discussions people have been having about a tech workers union have been really exciting,” said Kristen Sheets, a tech employee and organizer with the TWC, in an interview with *Logic*, a new magazine focused on political issues connected with the tech sector.

As Sheets admits, a serious union drive (or even the formation of a politically active professional organization) among white-collar employees at major Silicon Valley companies is “a long way off.” Anti-union ideology runs deep in the Valley, and the labor market for engineers and programmers is so tight that most tech workers don’t see the need for institutionalized collective action in order to meet their immediate needs. But she argues that “this election has caused a lot of people in tech who were pretty complacent to think differently about how the system works and whom it works for,” and even to question the “conflation in popular media between the tech worker and the tech executive.”

If some tech workers are growing more critical of their bosses and venture capitalists, they are also beginning to pay more attention to the far more precarious “invisible workforce” of the tech sector. Maria Noel Fernandez, who directs Silicon Valley Rising—an outfit focused on organizing the “janitors, food service workers, maintenance workers, security guards, and shuttle bus drivers who help build and sustain the tech economy,” thousands of whom have unionized in recent years—is hopeful for a growing alliance between service workers and so-called core employees. In another interview with *Logic*, she argued that as “these programmers and engineers become more politically active, we’re seeing a greater willingness to support organizing efforts and encourage the industry to improve standards.” A tech workforce that identifies more with the service workers at their companies than the people who occupy executive offices has never seemed more likely than in the current political moment.

Like other wealthy liberal businesspeople across the country, tech oligarchs fear losing their privileged place in the national Democratic Party. Last year Bernie Sanders told billionaires he didn’t want their vote. The tech elite took his advice and sided early in the Democratic primary with Clinton, but many of their employees leaned toward Sanders. Opposition to Trump has mobilized tech workers, like many other people around the United States, in ways that seem to point to a liberal-left alliance that would mend the substantial political divisions exposed by the Democratic presidential primary. But one can imagine another scenario in which disgust at their bosses’ willingness to make deals with the Trump administration and anger over the blatant exploitation of the marginalized subcontractors who are struggling to survive in Silicon Valley causes a widening rift between the oligarchs and the employees.

The rise of Silicon Valley as a major political power broker is about far more than Silicon Valley itself. Zuckerberg and his clique are counting on the relative popularity of the tech economy among Americans to pave the way to political success. High-tech has come in on top of polls

about public confidence in various sectors of the American economy in recent years. While the optimistic prognosticators of the New Economy—who outlived both the dot-com crash of 2000 and the financial crisis of 2008—seem somewhat deflated by Trump’s victory, they still presume to possess all the answers to the country’s economic woes. Ted Livingston, CEO of the mobile messaging app Kik, told a reporter at Recode, “I hope when we look back, this is the moment where we really got serious about having the conversation. . . . We need to figure this out for the rest of society.” Yet according to at least one poll conducted last year, young Americans are far more likely to distrust Silicon Valley than older respondents, having even less confidence in the economic benefits of the tech sector than in banking. It seems that the intrusion of social media, mobile technology, and app-based marketplaces in the everyday experiences of so-called digital natives has not bowed them before the tech establishment.

In the 1980s, Abbie Hoffman engaged in a series of “Yippie versus Yuppie” debates with his erstwhile comrade Jerry Rubin, an antiwar militant turned entrepreneur. Rubin, an early investor in Apple, told Hoffman that their generation’s revolution had run its course, had accomplished all that it could, and now it was time to grow up and take power. He believed that, soon enough, the baby boomers would have a president of their own. (He arrived in the Oval Office in 1993.)

Zuckerberg and his cohort are now positioning themselves to take up the mantle for a new generation of politically alienated American youth. But the current wave of radicalism has not yet crested and “grown up,” however prematurely Zuckerberg’s \$70 billion fortune has aged him. In his Harvard commencement speech, he told the graduates, “I’m not here to give you the standard commencement about finding your purpose. We’re millennials. We’ll try to do that instinctively. . . . The challenge for our generation is creating a world where everyone has a sense of purpose.” Zuckerberg called on them to “define a new social contract for our generation,” one that reflected the entrepreneurial spirit that has supposedly enraptured millennials. There is no doubt that youth, and not only in the United States, feel deeply the inadequacy of the contemporary political establishment, and are eager for leaders to break through the neoliberal impasse. But Zuckerberg is not the best among us, and his cooked-over politics is not the name of our desire.