



Peter Thiel bet on Trump, but the tech titan still comes out a winner

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If Washington is Hollywood for ugly people, maybe Silicon Valley is Washington for nerds. But that doesn't mean that iconoclastic venture capitalist Peter Thiel is going to be blacklisted for having backed the presumptive "yuge" loser in this year's presidential election.

Thiel's support of Donald Trump and the speech Thiel gave at the Republican National Convention certainly rip the "libertarian" sticker from the West Coast investor — in its place, he might consider a "contrarian" tattoo.

But Thiel has violated no norm so strong that his money and ideas won't continue to hold sway in the tech-business community and derivatively in the world of politics and ideology.

The big winners from Thiel's bet on the wrong horse appear to be Ellen Pao and her organization, Project Include. They won outsized coverage of their decision to separate from start-up incubator Y Combinator because Peter Thiel is a partner there.

Project Include may lose access to some new business leaders, but the move has raised the profile of the relatively unknown organization, and that may enhance its ability to carry out the thankless and difficult job of promoting "diversity and inclusion solutions" in the tech industry.

But that doesn't signal the beginning of the end for Thiel. He still has money, access to good investment opportunities, and big ideas. That trio will keep Thiel relevant and important.

The business world may be more wedded to the "Great Man theory" than the study of history is. There was a time when historians simply tracked the personalities at the center of decisive historical events — and, yes, their idea of "great" was generally only men.

Silicon Valley is nothing if not self-absorbed and star-struck. But the better view is Herbert Spencer's: the people whose stories we follow are products of social conditions and circumstances that are well beyond the control of any individual.

Attracted though we are to their names, Steve Jobs is nothing without the transistor, and Mark Zuckerberg doesn't exist without TCP/IP (the protocol for the Internet). Peter Thiel matters because he helped knit together some important technologies in founding PayPal and funding Facebook. He might do something similar again.

That is not to say these big names "didn't build that," or that they must "pay forward" their profits, as President Obama and Senator Elizabeth Warren (D-Mass.) argued during the 2014 election cycle. The life-enhancing products of innovative businesses are the forward "pay," going directly to consumers. It isn't channeled through government.

What makes Silicon Valley so interesting to Washington, though, is not potential taxes, but proximity to the socio-political "operating system." The Internet is still generating new and fascinating ways for people to connect, often in disregard and defiance of political jurisdictions and government control.

In small ways, the Internet community has threatened to disrupt the practice of politics — the SOPA/PIPA protests against intellectual property legislation in 2011-12 provide a taste. The prevalence of Twitter in the 2016 campaign is a signal of what is to come. But the government has yet to see the kind of "disruption" that has occurred in other industries. Political risk-watchers in Washington, D.C., will continue to keep a sharp eye on potential developments coming from Thiel and Silicon Valley, so they will both remain important.

Thiel actually failed to produce the basic societal change he sought when he created PayPal. "The ability to move money fluidly and the erosion of the nation-state are closely related," Thiel said in 2001, according to a *Wired* magazine article.

The PayPal of today falls well within nation-state boundaries and rules, Facebook is no challenge to the existing order, and Thiel's company Palantir is a government contractor. Thiel has taken far less interest in Bitcoin than one would expect, even though it may be the culmination of a monetary dream he and his colleagues harbored fifteen years ago.

Nothing about Peter Thiel's temporary alignment with Donald Trump is going to change his relevance in the Valley. He may be a foil for some opportunistic PR from a group like Project Include, but his offense in backing retrograde candidate Trump has little relation to what makes the Valley tick. That is, again, access to money, investments, and big ideas.

Republican governor Pete Wilson turned California and the Bay Area solidly blue when he staked and lost his political career on the anti-immigrant Proposition 187 in 1994. But Silicon Valley is not so "PC" a place that it will turn away Peter Thiel's big money and connections because he backed a demagogue.

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