



Meet the anti-gay, sexist, celebrity “genius”: Why Peter Thiel is grossly overrated

Fortune magazine says PayPal's co-founder is America's leading public intellectual. Come again?

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Is wealthy Silicon Valley venture capitalist and PayPal co-founder Peter Thiel a world-class intellectual — one of the great geniuses of our time? This is what journalist Roger Parloff claims, in [a puff piece in Fortune](#) that sets a new standard in sycophancy:

A gifted rhetorician and provocateur with a bottomless pocketbook, Thiel has drawn upon his wide-ranging and idiosyncratic readings in philosophy, history, economics, anthropology, and culture to become perhaps America’s leading public intellectual today, assuming a mantle once held by the likes of Thorstein Veblen or Norman Mailer.

The Norman Mailer-Peter Thiel comparison may be apt. Norman Mailer was a shameless publicity hound who should have stuck to what he was good at — writing fiction.

But is Fortune correct that Peter Thiel can be compared to the early 20th-century American economist and social thinker Thorstein Veblen? Let’s compare the intellectual achievements of Thorstein Veblen and Peter Thiel.

Thorstein Veblen (1857-1929) was a brilliant satirical observer of modern capitalist society responsible for many coinages that have entered the English lexicon, like “the higher learning,” “the leisure class” and “conspicuous consumption.”

Like Thorstein Veblen, Peter Thiel knows something about coinages. He co-founded PayPal.

Thorstein Veblen and Peter Thiel have both been critics of American higher education. In “The Higher Learning in America”(1918), Veblen claimed that American higher education had been warped by the insistence of wealthy regents and their sycophants in the press and public that colleges and universities be run like businesses.

What are Peter Thiel’s contributions to debates about higher education in the U.S.? Here is the one, according to Fortune:

In 1995 he and Sacks published a book called *The Diversity Myth*, in which they argued that in the campus context, “those persons complaining about oppression are generally not the ones to have experienced it firsthand.” In one disturbing passage they come to the defense of a law

student friend who in 1992 had shouted an antigay slur outside the cottage of a gay resident fellow as a protest against campus speech codes. The authors argue that the law student's near-universal execration afterward, official and unofficial, was disproportionate to his offense.

Thiel's contributions to American higher education go beyond defending students who shout anti-gay slurs on campus. Here is another of Thiel's ideas about education, according to the Fortune profile:

Thiel's most infamous charitable project has probably been his 20 Under 20 program, which provides gifted students between the ages of 18 and 20 with \$100,000 to launch their own startups. ... Former Harvard president Larry Summers called the program "the single most misdirected philanthropy in this decade," according to TechCrunch, while Slate Group chairman Jacob Weisberg wrote in *Newsweek*, "Thiel fellows will have the opportunity to emulate their sponsor by halting their intellectual development around the onset of adulthood, maintaining a narrow-minded focus on getting rich as young as possible and thereby avoid the siren lure of helping others or pursuing knowledge for its own sake."

Thorstein Veblen's contributions to scholarship included political sociology as well as economics. In "Imperial Germany and the Industrial Revolution" (1915), Veblen argued that the combination of authoritarian and militarist traditions and modern industrialism in Germany and Japan would make them dangerous powers — an analysis borne out in World War II, following Veblen's death in 1929.

Peter Thiel, like Thorstein Veblen, has contributed to political theory. In a 2009 essay for the libertarian Cato Institute's Cato Unbound, Thiel argued that [allowing women to vote had resulted in disaster](#):

Since 1920, the vast increase in welfare beneficiaries and the extension of the franchise to women — two constituencies that are notoriously tough for libertarians — have rendered the notion of 'capitalist democracy' into an oxymoron.

You have to give Thiel credit for pushing the intellectual envelope. I don't know of anybody else who argues that lady suffragettes of the Model T Ford era doomed democratic capitalism to be replaced by totalitarian collectivism. Mainstream scholars in universities and think tanks have yet to wrestle with Thiel's controversial thesis that modern countries are dying from bloated welfare states because women are allowed to vote. Perhaps he is ahead of his time.

The man whom Fortune calls "America's leading public intellectual today" also has heterodox thoughts about the nature of political sovereignty. In his capacity as a "public intellectual," as well as his capacity as a deep-pockets donor, Thiel has supported the "seastead" movement. Tired of losing elections to "statists" like Democrats and Republicans, libertarian "seasteaders" hope to renounce their U.S. citizenship and found their own sovereign, libertarian-only micro-states, to be built on repurposed oil derricks in international waters.

Now why didn't Thorstein Veblen think of that?

What has the genius crowned by Fortune as “America’s leading public intellectual” been thinking lately?

Breakout Labs shines a spotlight on a contrarian contention Thiel has been advancing in essays, talks, and debates since about 2008, which has come to be known as the “tech stagnation thesis.” Thiel contends that the amazing advances we have seen in computer science and communications have masked ominously disappointing progress in energy, transportation, biotech, disease prevention, and space travel. That slowdown, he maintains, accounts for the near stagnation in real incomes and wages we have experienced since 1973, and for widening inequality in wealth distribution.

It may very well be true that the rate of technological innovation has slowed down. But is this an observation for which Peter Thiel should be given any credit? Is Fortune correct that this idea has “come to be known” as the “tech stagnation thesis” only since Peter Thiel began musing about it?

According to Fortune, Thiel arrived at this “contrarian contention ... about 2008.” That’s odd. The thesis that the most recent wave of tech innovation was slowing, or would soon slow, was discussed in the 1990s by Neo-Schumpeterians like Carlota Perez, and more recently by economists Robert J. Gordon, Michael Mandel and Tyler Cowen, among many others. Cowen, himself a latecomer to the debate, wrote a book on the topic, “The Great Stagnation,” that was widely discussed. I have attended numerous discussions about this subject among experts, at which nobody mentioned Peter Thiel or alluded to the “Thiel tech stagnation thesis.” Nor to my knowledge have Thiel’s thoughts on this subject been cited anywhere in the extensive scholarly literature.

Perhaps in 2020 some billionaire app inventor or widget maker will start wondering whether the economy is suffering from “secular stagnation,” nearly a decade after Larry Summers started a worldwide debate on the subject among economic experts. And perhaps that vain plutocrat will find a business-press reporter as obliging as Roger Parloff to portray, as a startling original insight, the tycoon’s “new contrarian contention: secular stagnation!”

Fortune predicts that Thiel’s fame as a public intellectual will be increased even further (*more* than Veblen’s and Mailer’s?) by his newest book, co-authored by a Stanford law student (did Veblen and Mailer have “co-authors?”):

Later this month Thiel’s fame will probably balloon further when he publishes *Zero to One: Notes on Startups, or How to Build the Future*. The title refers to the distinction Thiel draws between transformative, “vertical” change—going from zero to one—and incremental, “horizontal” change—going from one to n. “If you take one typewriter and build 100, you have made horizontal progress,” he explains in the book’s first chapter. “If you have a typewriter and build a word processor, you have made vertical progress.”

Horizontal change: zero to one. Vertical change: one to n. This is an observation worthy of Chauncey Gardener in Jerzy Kosinski’s “Being There.”

The most comical portion of Roger Parloff's inadvertently funny profile of Peter Thiel is the attempt to redefine "public intellectual" to include people like Thiel who found companies like PayPal:

[PayPal co-founder Reid] Hoffman had aspired to become a public intellectual, by writing books and essays as a philosophy professor, but now he was tweaking his plan. "I realized," he says in an interview, "that if you generalized what a public intellectual does to [creating] media objects"—i.e., not just books and essays—"then one could possibly create software companies that had public intellectual impact." These would have "the strength of commercial models," he explains, and therefore also have the advantage of letting one "play the economic thing"—i.e., make money.

So public intellectuals aren't necessarily insightful, wide-ranging thinkers who spend their days researching and pondering and have important things to teach their fellow citizens. They can also be creators of "media objects" including "software companies that had public intellectual impact." And who needs to go to the trouble of authoring (not "co-authoring") books and essays when you can "play the economic thing" — i.e., make money" and be treated by Fortune as an intellectual?

Peter Thiel wouldn't be on any publication's list of leading "public intellectuals" if he were a failed investor who worked in obscurity at a law firm or investment bank and, in his spare time, wrote defenses of anti-gay slurs and denunciations of female suffrage and endorsements of seasteading for the libertarian intellectual ghetto. But we live in a decadent age in which worship of celebrities has all but demolished the standards for expertise that used to confine the audience for the opinions of billionaires and movie stars and sports stars to their unfortunate flunkies and suffering relatives. [The Huffington Post just hired an NFL football player](#) who, until he recently recanted, publicized 9/11 truther conspiracy theories as a "national security correspondent." Here are some representative tweets:

"NO WAY 9/11 was carried out by 'dying' Bin Laden, 19 men who couldn't fly a damn kite. STILL have NO EVIDENCE Osama was connected, like Iraq," he tweeted on July 20, 2009.

"Grrrrrrrrrrrr @ ppl who actually believe a plane hit the pentagon on 9/11 ... hole woulda been ASTRONOMICALLY bigger, God bless lost lives," he added.

So perhaps I am being unfair to Peter Thiel. If Donte Stallworth is a national security expert, then Peter Thiel is a leading public intellectual.