

How Techno-Libertarians Fell in Love with Big Government

di Quinn Slobodian

In recent years, Silicon Valley's titans, many of whom previously advocated "exiting" the United States, have been queuing to attach themselves, remora-like, to the federal government. Their supposedly principled opposition to the state vanishes as soon as the state becomes a major client.

CAMBRIDGE – The multimillionaire tech investor Balaji Srinivasan made his name as an anti-government crusader in 2013, when he gave a [talk](#) about Silicon Valley's "ultimate exit" from the United States – what he called the "Microsoft of nations." Perhaps most memorably, Srinivasan described America's "Paper Belt" – Washington with laws and regulation, Boston with higher education, Los Angeles with entertainment, and New York City with ads and publishing – as the modern-day Rust Belt.

In his view, Silicon Valley was usurping all four cities, previously the centers of power in postwar America, by outpacing regulation, scorning academic prestige, introducing streaming services, and reinventing direct-to-consumer marketing. In the years that followed, Srinivasan doubled down on his techno-libertarian message. He gave prolix speeches about his contempt for government and was combative with his foes, often waxing lyrical about a "[network state](#)" or a new kind of polity where all decisions were made through ownership, consent, and contract.

Then, in early 2017, Srinivasan [deleted](#) his Twitter history. Where had he gone? It turns out that the federal government had come knocking at his door, seeking his expertise. The newly elected president, Donald Trump, had tapped Srinivasan's friend and fellow libertarian, tech investor Peter Thiel, to help assemble his cabinet, and Srinivasan was [under consideration](#) to lead the Food and Drug Administration. Years'

worth of strident anti-government pronouncements vanished the moment Srinivasan had a shot at old-fashioned political power.

This was far from an isolated incident. In fact, such hypocrisy is the new norm. In recent years, techno-libertarians have been queuing to attach themselves, remora-like, to the US government. What's happening? Is it simply disingenuousness, or does it reflect some deeper rationale?

The answer has become increasingly clear: leading Silicon Valley techno-libertarians are against the state only insofar as it is not enriching them personally. When faced with the prospect of the government becoming a major client, once-principled opposition to state power dissipates.

One can see this transformation in Thiel himself. In 2009, he [declared](#) that “the great task for libertarians is to find an escape from politics in all its forms.” But by 2016, Thiel was fully engaged in partisan politics, [speaking](#) at the Republican National Convention. In the intervening years, Palantir, the data-analytics firm that he co-founded, has [grown into a behemoth](#), benefiting from huge government contracts. It now draws nearly [half](#) its revenue from the public purse.

Another example is Marc Andreessen, a founder of the leading Silicon Valley venture-capital firm Andreessen Horowitz (known as a16z), where Srinivasan was briefly a partner. In October 2023, Andreessen wrote “[The Techno-Optimist Manifesto](#),” a much-discussed screed praising the Promethean power of free markets and entrepreneurial technologists. “Government” did not appear once in the 5,000-word text, while the only two mentions of the “state” positioned it as the enemy.

But the state is Andreessen's bread and butter. It paid for the land-grant university where he helped develop the first internet browser. And, as [Bloomberg reports](#), a16z is a familiar face in Washington these days and spends significantly more on lobbying than other venture funds to push its “American Dynamism” initiative, which consists of backing firms that chase government defense, energy, and logistics contracts.

The internal logic of this shift can be explained by one of Thiel's pieces of public writing, which are now few and far between. In 2020, he wrote a [new preface](#) to James Dale Davidson and William Rees-Mogg's 1999 book, *The Sovereign Individual*:

Mastering the Transition to the Information Age, which envisions the possibility of escape from the state, complete with cyber-currencies and the abandonment of conventional citizenship. Thiel identified two developments that the authors failed to account for: the rise of China and advances in artificial intelligence.

In the Silicon Valley of the 1990s, it was possible to suppress the fact that government funding was behind the biggest breakthroughs, and instead to cultivate the myth of the self-made genius. But the meteoric rise of China in the new millennium suggested that another ingredient was necessary for tech supremacy: a state that was willing to deliver reams of personal information about its citizens. Tesla CEO Elon Musk, like Thiel, was supposedly once opposed to forms of mass surveillance – a position he has since reversed, given his recent trip to China to secure [precisely that sort of data](#).

While Tesla's stock valuation has been sliding, Musk can still rely on the more robust elements of his portfolio: SpaceX, now the primary launcher of US satellites, and Starlink, its satellite internet service that is currently underpinning Ukraine's war effort. These ventures, though, are more a reflection of the traditional military-industrial complex than a radical rethink of the relationship between a gifted cognitive elite and the state, as imagined in *The Sovereign Individual*.

Talk of Silicon Valley's exit from the US was always free-riding by another name, and now it is beginning to reach its ultimate, unvarnished form. Maybe techno-libertarians need a more accurate, if less glamorous, label. After all, they're not forging a mysterious world beyond politics on the far edge of the continent or in the world's oceans, let alone on distant planets, nor are they necessarily accelerating a descent into techno-feudalism. In fact, they're nothing more than *techno-contractors*, submitting the next invoice to the Paper Belt.