The Extractive State: Or, Peter Thiel in Argentina

William Callison & Verónica Gago

15.10.2026 doi: 10.59704/819d8de675b1fabd

With Flávio Bolsonaro winning the first round of the Brazilian presidential election and his party securing a ruling majority in Congress, the rise of the Latin American far right continues apace. The phenomenon is not a collection of isolated data points, but a coordinated set of projects and alliances. During the campaign, for instance, Argentine president Javier Milei and venture capitalist Peter Thiel have visited the country multiple times in support of the young Bolsonaro. At his campaign launch, Milei was invited to speak and dance onstage. Earlier in May, Thiel arrived in São Paulo with 15 of his Rockbridge associates, a group of right-wing activists, intellectuals, and investors involved in artificial intelligence, defense, security, the aerospace industry, and cryptocurrencies. Much of what lies ahead for Brazil, should Bolsonaro defeat Lula in the second round, can be studied in the Argentine laboratory.

Thiel's trips to see Milei in Argentina have made international headlines. In Thiel's own words, these visits are a journey to the end of the world – a perfect spot to bunker up in the event of an Apocalypse. But Buenos Aires means more to him than the mere 12-million-dollar mansion he purchased, and which quickly became a popular place for protesters to demonstrate against "technofascism". It means, above all, an opportunity to fuse his political technology with a state that would do his bidding at levels the United States is still unwilling to. By working hand in hand with the self-declared "anarcho-libertarian" president, Javier Milei, Argentina could experiment with its legal, political and economic system to the benefit of Silicon Valley and finance capitalists, while also taking the international far-right project to new heights. As revealed by Milei's recent laws and decrees, this experiment deploys legal and technological infrastructures geared toward new and accelerating forms of extractivism.

From Backyard to Frontyard

What does this experiment represent within the broader history of the Western Hemisphere? As the so-called "backyard" of the United States during the Cold War, Latin America was neither the dream destination for foreign elites nor the most valuable frontier for foreign capital. Looking down from the US, it was primarily an arena of geopolitical jockeying against Soviet influence. Through covert operations like Operation Condor, it was also deemed shadowy enough to execute *coups d'état* that secured capitalist-friendly military dictatorships, most famously in Argentina and Chile. Today, by contrast, the south of the hemisphere is in the world's spotlight, and far-right leaders are seizing the levers of the state through the ballot box. Now an object of desire and a site of investment for the most powerful and wealthy in the world, Latin America is less the "backyard" than a frontyard of fascist and imperial experimentation.

Entering through the front door of the Casa Rosada presidential palace in Buenos Aires, Thiel embodies this shift. During his April visit, he received royal treatment from nearly every top authority, including Deregulation Minister Sturzenegger, Foreign Minister Quirno, Central Banker Bausili, Economy Minister Caputo, and Deputy Economy Minister Daza, who happens to be an Argentine-Chilean second-generation Chicago Boy. Soon after his departure, the government announced a partnership with Thiel's data-surveillance company Palantir, and the Ministry of Human Capital launched a new program called Social Digital Twin. The AI platform aims to centralize into a single database all of the state's information on pensions, health, education, employment, migration, and territory. As an experiment in public administration, Digital Twin will combine national databases with algorithmic projections, yielding trend forecasts

of social policies. It is, in other words, an allegedly autonomous policy-making machine.

"Argentina is ahead of the future," the president declared oxymoronically. While criminalizing social movements and targeting the community kitchens and care centers that sustain social reproduction, the government uses Palantir technology to cloak its most brazen cruelty. Under the guise of "digital entrepreneurship," the far-right vanguard advances in tech-bro garb.

The Extractive State

The far right's theory of the state is mutating into something like "the predictive state," or what we call "the extractive state". While warning about the threat of socialist parties and policies winning at the ballot box – another version of what he sees as the coming of the Antichrist – Thiel cites Lenin and draws counter-revolutionary lessons. Leninist accelerationism does not convince him, but it makes him ponder: What is the temporality of political change and its relationship with the mood of the majorities? Pitched against the left, Thielist accelerationism is technological and capitalist: rapid AI-driven innovation through data and resource extractivism. In Argentina he finds a place to contemplate the political equation, live and in real time.

The kind of transformation Thiel envisions would abet the expansion and legalization of state surveillance, as Amnesty Argentina has noted. And it is already coming into effect. On New Year's Day of 2026, Milei announced a decree modifying 40 articles of the National Intelligence Law (25.520) to allow an unprecedented range of actions for the secret services under the pretext of national security – a range of internal surveillance that was expressly prohibited after the military dictatorship. It was in this context that, following Palantir's deal with the Milei administration, a special session at the parliament was called due to a lack of public information on Thiel's projects within the state.

Palantir not only provides AI-driven surveillance. Pitched as a weapon in "the defense of Western Civilization" by its CEO Alex Karp, it is also a war-faring firm whose technology has been used in the destruction of Gaza and the bombing of an elementary school in Minab, Iran, which killed at least 175 girls between 7 and 12 years old. Palantir is already integrated with the CIA, FBI, NSA, and also fused with the state in Israel and several European states. Now, the far right is giving it free rein within an experimental framework in Latin America. For Milei, it offers cutting-edge ways of leveraging AI, deregulation, and human capital – a new laboratory developed from the Global South.

Milei celebrated the opportunity in a Financial Times article titled "Argentina invites AI to free itself". With new technologies, he proclaimed, the country will "offer the most attractive legal and fiscal environment for the AI companies that will define the 21st [century]. Let Buenos Aires become for AI what Amsterdam was for the age of sail – the place where the legal imagination caught up with the technological moment, and the world was changed". Buenos Aires is not the capital of an empire, as Amsterdam once was. It is instead being promoted as a laboratory of "legal imagination" – an enclave for colonization by new technologies and deregulatory reforms.

Thiel is neither the main cause nor the main character in this project of state transformation. But as a tech contractor with unprecedented capacities, Palantir offers programs to the Argentine state that are "made-to-measure" for Milei's larger project. This merger and mutual dependency of tech capital and state capacity resembles the "state symbiosis" analyzed by Quinn Slobodian and Ben Tarnoff in the US case. But in applying both concepts, we would also mark a distinction. Whereas state symbiosis emphasizes the state's expansive role in funding corporate contractors and boosting technological innovation, state extraction highlights its role in organizing the legal and socio-economic infrastructure for the private and public extraction of resources, data, and value. Although "libertarian" governance would ostensibly defund state capacity, the latter concept posits an active and experimental agent of extractivism in multiple terrains.

Recoding Argentinian Law

The project of state extraction is reflected in a number of seismic reforms passed over a six-month period in Argentina – a transformative effort to recode political economy, in Katharina Pistor's sense of the word. The "Labor Modernization Law," enacted in March, extends the workday to twelve hours, reclassifies certain illnesses as "voluntary" leave, thus allowing employers to withhold wages; permits wages to be paid in cash, kind, housing, or food; prohibits workplace assemblies without employer authorization; and designates key sectors like health and education as "essential", thereby making total work stoppages illegal.

The "Glacier Law", passed in April, opens the way for billions of dollars in mining activity in glacial and periglacial zones and in high-altitude areas previously subject to environmental restrictions. It decentralizes extractive decision-making powers to provincial governments. Milei criticized the "ideological distortions and artificial obstacles that impede progress" and celebrated the end of "absurd interpretations that prohibited mining even in areas where there was nothing to protect".

The "Land Law" – short for "The Inviolability of Private Property" Law – is another major part of the legislative agenda, though one that was blocked before it reached the finish line. As it was being debated on the floor of the Senate in August, massive protests gathered in front of Congress and declared the country is "not for sale", with the bill ultimately falling short of the votes needed to pass. A month later, however, the Supreme Court unilaterally intervened to reinstate parts of the measure. Arguably the most radical of Milei's reforms, this will eliminate the 15% cap on rural land ownership by foreign entities, and facilitate the strip sale of national resources to international capital. As the *Observatorio de Tierras* revealed, it is a central piece of Deregulation Minister Sturzenegger's agenda, exemplifying the connection between finance capital, resource extractivism, and data extractivism.

A reform to the "Companies Act" – the initiative celebrated in Milei's FT article – was presented to Congress in June. The bill proposes to legally recognize "Automated Companies" (operating solely through AI and holding legal personality) as well as "Decentralized Autonomous Organizations" (governed by smart contracts and registered on blockchain). In other words, while siphoning value from the public to private capital, it intends to give AI entities and companies the same kind of legal personhood that corporations increasingly receive – and to ensure they are fully unregulated.

Legal Facilities for Extraction

Milei's government not only enables a new extractive frontier in favor of tech companies, but does so by producing a tailor-made legal-juridical framework from within the state itself. It is no longer a matter of corporations taking advantage of legal loopholes, but a form of legality crafted for foreign capital by the highest state authority.

Taken together, these laws, decrees, and reforms provide what we could call "legal facilities" for extractive plunder. "Legal facilities" can be understood as the infrastructure for a broader transformation of the state: they are key components in converting the state into an immanent terrain or "platform" for the extractive operations of capital. In other words, the state is no longer an "external" factor of the extractivist project of capital; it rather is subsumed as part of the legal technology driving it. Argentina is thus an advanced case study of how techno-digital industries are reframing the legal, and how the legal is in turn being reshaped by digital technologies.

This is the double-edged "experiment" that attracts Thiel. On the one hand, it allows him to raise the stakes by scaling his project from special economic zones like *Próspera* to nation-states themselves (in this case, the second largest in Latin America). On the other hand, he can play an active role in the production of legal infrastructure that conforms to the requirements of platform and surveillance capitalism.

For Marxists inquiring into capital's "hidden abode" in the realm of production, this points to emergent forms of exploitation and value extraction. For the framework is geared toward extracting from informalized and invisibilized labor, private user data

(behavior, health, and citizenship information), and the natural resources capital appropriates without acknowledging or remunerating. Put another way: While many theorists look "below" and "behind" the sphere of money circulation for hidden arenas of production, today the topographic image could be reformatted for new extractive frontiers advanced by digital technologies. At once increasingly invisible and increasingly dependent on energy extraction of lithium and critical minerals, these technologies seek to capture all forms of human interaction and knowledge into data, accumulated into massive reservoirs for algorithmic processing, prediction, and value generation. This double dimension – the seemingly abstract digital dependence on bodies, territories, and resources – generates an ever-growing need for forms of extraction that conceal such dependencies.

This project is exemplified by the RIGI – short for *Régimen de Incentivo para Grandes Inversiones* (Large Investment Incentive Regime) – and the administration's ongoing attempt to sell off Patagonia to foreign capital. Introduced by Milei and Deregulation Minister Sturzenegger, the RIGI includes the successfully passed Glacier Law and the only partly successful Land Law. The scheme has already had transformative effects in Vaca Muerta, a roughly 9-million-acre part of Patagonia representing the second-largest unconventional shale gas reserve in the world. In August 2026, the Thiel Macro fund reported its first formal investment in acquiring 1% of Vista Energy (the largest oil exporter in Argentina) for 76 million US dollars. This investment represents a bet on the country in general, and on a privileged sector in the recent reforms in particular. Vista is involved in developing the VMOS pipeline and port, both considered key infrastructure for expanding crude oil export capacity, and set to become operational in 2027.

The RIGI deepens the country's extractivist matrix while at the same time being oriented toward the requirements of large technology corporations. As Luciana Ghiotto has argued, it generates "a regime that transcends the traditional frameworks of international investment law". In addition to financial measures like tax benefits and unrestricted foreign exchange freedom, the RIGI creates a "Unified Command for Productive Security" that deploys federal security forces to protect private business ventures. This militarization of the territory directly serves corporate interests. Once again, we observe a transformation that combines three elements: militarization, extractivism and financialization.

A New Promised Land

These processes have taken center stage, both internationally and in Brazil. At the UN General Assembly, Lula denounced the "millionaire industry of betting apps that turns addiction into profit", which is "destroying millions of homes" by driving families into devastating levels of debt. The speech followed his ban of online gambling ahead of the presidential election, which Bolsonaro called "electoral fraud" since it was Lula's government that first regulated online gambling a few years prior. Despite his U-turn, Lula's critique aptly connects far-right propaganda with the forms of financialization from below facilitated and fostered by these platforms. Demonstrating how digital infrastructure has become a major site of political struggle, Meta then banned Lula's page on Facebook, only to reverse its decision a day later.

In his own speech to the UN, Milei addressed the "caste of fatally arrogant parasites disguised as well-meaning bureaucrats" and reiterated that his whole country is up for sale, from the energy sector and food production to mineral resources and data for artificial intelligence. Afterwards, he praised Netanyahu and declared that "Argentina is the new promised land." Thiel is in agreement, of course. In his second visit to the presidential palace, Thiel revealingly asked Milei: "How is this sustainable over time?" Months later, Thiel doubled down on his bet that Milei can remake state and society. Just before accepting the Axel Springer award in Berlin, he appeared on the podcast of Mathias Döpfner, the CEO of the German media group. During the interview, Thiel pontificated:

> *"The question remains open as to whether Milei will be successful in reversing Argentina's situation, whether he will be reelected within a year. I still believe he will be, because people understand*

that this is something so existential that it cannot be reversed."

With the Israeli model and Palantir technology at the front of their minds, Milei and Thiel see the extractive state itself as a "new promised land."

ABOUT THE AUTHORS

William Callison
William Callison is an Assistant Professor of Political Science at Hunter College (City University of New York), co-editor of Mutant Neoliberalism, and co-author, with the Zetkin Collective, of The Great Driving Right Show.
Verónica Gago
Verónica Gago is a Researcher at the National Scientific and Technical Research Council (CONICET) in Argentina, a feminist organizer, and author of Neoliberalism from Below and Feminist International.

SUGGESTED CITATION

Callison, William; Gago, Verónica: The Extractive State: Or, Peter Thiel in Argentina, Verfassungsblog, 15.10.2026, doi: 10.59704/819d8de675b1fabd.

Licensed under CC BY-SA 4.0.

Langzeitarchiviert bei IntRechtDok unter: doi.org/10.17176/20261015-143815-0.