

# Becoming Neo-feudal: Changing Laws of Motion on the Social Manor

Jodi Dean

*Hobart and William Smith (HWS) Colleges*

## Introduction

Writing on the eve of the Russian revolution, V.I. Lenin presented transition as the economic essence of imperialism or moribund capitalism. Characterized by the dominance of monopoly and finance capital and the territorial division of the world among the leading capitalist powers, imperialism names a period where differing modes of production coexist. Holders of capital start to act more like landlords than capitalists. For example, the bourgeoisie relies to an ever-increasing degree on the proceeds of capital exports and by “clipping coupons.”<sup>1</sup> The state becomes a rentier state and a usurer state. What we see in today’s moribund capitalism is a transition of a different type, toward something that looks more like feudalism than socialism. Capitalist laws of motion are reflexively folding in on themselves and compelling behaviors that repeat accumulation strategies typical of feudalism: rent-seeking, plunder, and political control.

I follow Ellen Meiksins Wood when she emphasizes that the specificity of the capitalist mode of production stems from how market dependence compels certain forms of behavior, namely,

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<sup>1</sup> V.I. Lenin, “Imperialism, the Highest Stage of Capitalism”, in *Selected Works*, Moscow, 1967, vol. 1, pp. 667-766, <https://www.marxists.org/archive/lenin/works/1916/imp-hsc/ch10.htm>).

“competition, accumulation, profit-maximization, and increasing labor productivity.”<sup>2</sup> The capitalist system as a whole is “uniquely driven to improve the productivity of labor by technical means.”<sup>3</sup> My claim is that the imperative of accumulation under conditions of the declining rate of profit (secular stagnation) is bringing capitalist laws of motion into contradiction with themselves, reshaping society and politics in the process. Profit, improvement, and competitive advantage no longer dictate accumulation strategies. Instead, rents, destruction, and hoarding combine with extra-economic coercion in a social formation driven by privilege and dependence. Two sets of laws are operating as capitalist laws compel non-capitalist behavior. Capitalist relations and forces of production are undergoing systemic transformation and transitioning into a different mode of production. I call this mode “neo feudal.”

To be clear, I am not saying that capitalism is dead.<sup>4</sup> I’m saying that it’s transitioning. Transition can last a very long time and the character of what is transitioned to is neither fixed nor certain. Attention to capitalism’s neo-feudalizing tendencies lets us see the direction the transition is going. I set out the argument by providing economic context for the neo-feudalization hypothesis. I then demonstrate where the critique of current ideas of technofeudalism and neo-feudalism goes wrong. I conclude by drawing out a fundamental element of neo-feudalism often overlooked in preoccupations with our billionaire tech overlords: the sector of servants.

## Economic Context

Recent work by non-Marxist as well as Marxist scholars brings out the dynamics underlying neo-feudalism. The data sets and categories of analysis differ, but they point to the same combination of

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<sup>2</sup> E. Meiksins Wood, *The Origin of Capitalism*, Verso, 2017, p. 7.

<sup>3</sup> *Ibid.*, p. 3.

<sup>4</sup> Y. Varoufakis, *Technofeudalism*, The Bodley Head, 2023; W. McKenzie, *Capital is Dead*, Verso, 2019.

intensified inequality and accumulation uncoupled from production. The most famous among these scholars is Thomas Piketty. His 2014 book *Capital in the Twenty-First Century* demonstrates that wealth inequality increases under capitalism because the rate of return on capital is higher than the rate of economic growth.<sup>5</sup> The expression “rate of return on capital” points to the rents that can be extracted from existing assets. “Rent” refers to more than the payment demanded by monopoly control over land, in other words, to what landlords make us pay. It includes the fee or payment commanded by monopoly control over any asset, for example, financial instruments, digital platforms, and intellectual property.

In the same vein, Brett Christophers presents “rentier capitalism” as a system “not just dominated by rents and rentiers but, in a much more profound sense, substantially scaffolded by and organized around the assets that generate those rents and sustain those rentiers.”<sup>6</sup> Accumulated wealth generates more accumulated wealth and pushes a reshaping of the economic system toward accumulated wealth, that is to say, to rents – taking rather than making.

Robert Brenner offers a compatible explanation for the intensification of inequality – the declining rate of profit. Since the 1970s, capital’s growing difficulty in generating profit by investing in means of production and employing workers to make commodities has led to alternative accumulation strategies “through political means.” These strategies don’t involve seeking advantages that will give them a competitive edge. They aren’t about growing the economy or baking a bigger pie. They’re about taking a bigger piece.

Brenner’s analysis evokes the merger of the economic and the political characteristic of neo-feudalism. Rather than simply using political means to acquire competitive advantage in the markets, the wealthy use political means for their own direct enrichment. Firms “get privileges” (loans, loopholes, low interest rates, low liquidity requirements, and so on) and politicians get campaign contributions

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<sup>5</sup> T. Piketty, *Capital in the Twenty-First Century*, Harvard University Press, 2014.

<sup>6</sup> B. Christophers, *Rentier Capitalism*, Verso, 2020, p. xviii.

– and then positions in firms or on corporate boards whose officers will also get political appointments. The US economy is based on plunder, predation, and hoarding, as this should be clear to everyone since at least the bailouts of 2008 failed to hold big banks accountable or install measures to prevent the sort of speculation that led to the disaster in the first place.

The dynamics here are global. The delinking of capital accumulation from production is a general phenomenon in an uneven and competitive system, an imperialist system with players who are not evenly matched, who have enormous differences in strength, wealth, technology, and the capacity to violate international law with impunity. When some win, others lose. For example, China's economic growth in the first decades of the twentieth century occurred in a context of low rates of worldwide economic growth. The market share of Chinese firms increased while that of other countries – the US, Brazil, Mexico, and South Africa – declined.<sup>7</sup> Already facing deagrarianization, severe indebtedness, and weakened state capacity as a result of structural adjustment policies, countries such as Argentina, Brazil, Iraq, Nigeria, and Venezuela decomplexified their economies and resorted to exporting raw commodities, particularly natural resources like oil and gas.

Capitalism produces inequality. In an imperialist epoch, holders of capital pressure states to facilitate and protect their seizure of the social product, globally and domestically. Deeply imbricated in finance, these holders of capital hoard their assets or consume rather than invest in production. With the intensification of private equity and leveraged buyouts, much of the investment that occurs today is oriented toward conquest and destruction, the over-celebrated “disruption” of entire economic sectors. Capitalism's dynamics are neo-feudalizing, transitioning into an economic system that no longer follows capitalist laws of motion.

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<sup>7</sup> A. Benanav, “A Dissipating Glut?”, in *New Left Review*, n. 140-141, May-June 2023.

## Why Morozov is wrong

A possible objection to my argument might be: but hasn't capitalism always relied on predation and conquest? Does "neo-feudalism" add anything that we didn't already know?

Evgeny Morozov dismisses feudal references as meme-hungry intellectual laziness and as failures to understand digital capitalism.<sup>8</sup> An underlying suspicion is that the very idea of neo- or technofeudalism is covertly conservative, a sneaky way of saying that capitalism is not so bad and therefore we should do everything we can to shore it up. Cédric Durand puts this insinuation to bed: there's no covert shoring up of capitalism going on in the technofeudalism idea; if commodity production continues to drive capital accumulation, then the Marxist critique remains appropriate. If, however, accumulation depends on rents, predation, and plunder, then attention to neo-feudalizing tendencies lets us "grasp and fight the emerging forms of social domination."<sup>9</sup> My point is that both are true at the same time – periods of transition are marked by the overlap of competing forms and logics.

Morozov's critique is nevertheless useful because it pinpoints the role of "extra-economic coercion" in capital accumulation. He highlights a central question: does capitalism require violence or is capitalism an economic system with a logic irreducible to violence? Clarity on these questions is crucial for any account of neo-feudalism. We can't understand what capitalism might be changing itself into if we can't say what is distinctive about capitalism.

For Morozov, the choice is between either Brenner's and Wood's Marxist approach or Immanuel Wallerstein's world-system analysis. Marxists generally conceive feudalism as expropriation driven by extra-economic coercive or political means: lords expropriate surplus from peasants over whom they exercise juridical power. Capi-

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<sup>8</sup> E. Morozov, "Critique of Techno-feudal Reason", in *New Left Review*, n. 133-134, January-April 2022.

<sup>9</sup> C. Durand, "Scouting Capital's Frontiers", in *New Left Review*, n. 136, July-August 2022.

talism differs in that it is a relation of exploitation. Surplus is extracted by economic means: deprived of the means of subsistence, nominally free workers are obliged to sell their labor power for a wage to survive in a cash economy. In contrast, Wallerstein argues that capitalism also relies on extra-economic coercion, most profoundly the core's expropriation of surplus from the periphery.

Morozov sides with Wallerstein. He faults Brenner and Wood for too narrowly conceiving capitalism and argues that exploitation-centric approaches to capitalism are pushed to employ extraneous concepts like predation, dispossession, extraction, rentierism, and neo-feudalism to understand the present. Shouldn't we just expand our understanding of capitalism?

There's a problem with Morozov's argument. If capitalist exploitation is unthinkable apart from expropriation, if it is inextricable from violent taking, then the primary difference between capitalism and feudalism breaks down. By claiming this breakdown for capitalism, by viewing capitalism as an expropriation, Morozov forfeits the ability to distinguish it from feudalism.

Heaps of accumulated wealth are not capital. Taking – seizing, pillage, plunder – is not production; it's redistribution. Capital is a relation that doesn't equate brute force.<sup>10</sup> That capitalism is historically accompanied and reinforced by coercion does not make capitalist processes indistinguishable from direct and violent expropriation. One could just as easily claim the breakdown of the distinction between "capitalism and feudalism" for "feudalism": insofar as accumulation has never not involved violent expropriation, we have never been capitalists. Feudalism never ended.

To be sure, feudalism as expropriation is not the whole of the Marxist story: exploitation doesn't simply replace extra-economic coercion. It accompanies it. Capital incorporates and relies on previous economic and social forms. Morozov emphasizes that "dispossession and expropriation have been constitutive of

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<sup>10</sup> W. Clare Roberts, *Marx's Inferno: The Political Theory of Capital*, Princeton University Press, 2016, p. 207.

accumulation throughout history.”<sup>11</sup> His dissolution of the difference between feudalism and capitalism in favor of eternal expropriation fails to attend to changes in the forms of exploitation.

For Morozov, “capitalism is moving in the same direction it always has been.”<sup>12</sup> But might not movement in the same direction lead to falling off a cliff? Can’t quantity turn into quality? Although Morozov doesn’t explain what he means by capitalism’s direction, his gesture to the neo-feudalism discussion as “making the strange argument that capitalism is somehow moving in reverse” suggests that he presumes a linear, progressivist notion of history.<sup>13</sup> Conceivably, we’re already at the end of history, since capitalism is infinitely adaptable. All that will ever happen is variations on the same. What Morozov fails to consider is whether capitalism’s own dynamics can transform it into something else, something worse, something we need to identify and oppose.

### The Servant Economy

Technology writers have long used feudal metaphors to describe the impact of networked digital communication. In 2010, in the influential and prescient book *You Are Not a Gadget*, Jaron Lanier discussed newly emergent cloud computing in terms of lords and peasants.<sup>14</sup> The lords own and control platforms and data. The peasants are the rest of us who have become dependent on these platforms. We may own our instruments of labor – laptops, phones, cars – but someone else – the platform lord – is the conduit or means through which we access the market, charging a fee and collecting data about our transactions and use. Increasingly, we don’t even own these items; we finance or lease them, paying not for the item but for its use. Writing just a few years after Lanier, Bruce Schneier – a network security ex-

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<sup>11</sup> Morozov, p. 126.

<sup>12</sup> *Ibid.*, p. 126.

<sup>13</sup> *Ibid.*, p. 98.

<sup>14</sup> J. Lanier, *You Are Not a Gadget*, Knopf, 2010.

pert – concluded a list of nefarious dealings by Facebook, Google, Apple, Microsoft, Twitter, and LinkedIn by pointing to the shift of power to IT. Its dramatic increase in power, he said, was indicative of a “digital feudalism.” Schneier warned, “If you’ve started to think of yourself as a hapless peasant in a Game of Thrones power struggle, you’re more right than you realize. These are not traditional companies, and we are not traditional customers. These are feudal lords, and we are their vassals, peasants, and serfs.”<sup>15</sup> The massive amounts of data and computing power necessary for AI are said to be stored “in the cloud.” But what is the material structure of this cloud? Servers. A few powerful tech companies own massive server farms that everyone else – companies and governments as well as individuals – pays to access. And what these servers store is us, the social substance, the general intellect, all the data that our interactions and lives generate. Really, we are the servers. Varoufakis and Durand have offered powerful arguments for why the system in which we find ourselves is best understood as technofeudal. Feudalism isn’t just a metaphor. It’s the operating system for the present.

Although often overlooked by tech writers, the neo-feudalizing tendencies of communicative capitalism show up most dramatically in the servant economy. I’m not referring here to the replacement of jobs by automation but rather its opposite: the limits of automation. Jason E. Smith draws out Marx’s analysis of the connection between industrialization and the expansion of services.<sup>16</sup> As productivity increases, requiring fewer workers, those in need of a wage to survive are thrown into sectors less amenable to automation, that is, services. Services are less amenable to automation in part because of the specific skills care work requires, skills like diapering a baby and moving an elderly person from bed. Services also resist automation because they are cheap, the last jobs available to those thrown out of every other avenue of paid employment.<sup>17</sup>

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<sup>15</sup> B. Schneier, “You Have No Control over Security on the Feudal Internet”, in *Harvard Business Review*, June 6, 2013.

<sup>16</sup> J.E. Smith, *Smart Machines and Service Work*, Reaktion Books, 2020.

<sup>17</sup> K. Marx, *Capital*, vol. 1, trans. Ben Fowkes, Penguin, 1976, p. 574.

The majority of jobs today are in services, and services count for the largest areas of expected job growth. This is true all over the world. In high income countries, 70-80 percent of employment is in services.<sup>18</sup> Most workers in Iran, Nigeria, Turkey, the Philippines, Mexico, Brazil, and South Africa are also in services. Across what David Oks and Henry Williams call “the poor world,” large percentages of workers toil in informal low-skilled service work.<sup>19</sup> An effect of simultaneous processes of deagrarianization and deindustrialization, the production of an enormous surplus labor force enables middle-class households to employ multiple servants and insurgent militias to sweep up restless foot soldiers. Lacking access to means of subsistence, people rely on debt to survive, becoming easy prey for scammers and predatory finance.

Understanding the economy of rents and services as neo-feudalizing helps us make sense of the present. It lets us recognize seemingly disparate economic and social phenomena as interrelated elements of a single tendency that extends beyond the realm of high technology. Legal theorists are documenting this tendency as a privatization of jurisprudence. Robert Kuttner and Katherine Stone argue that “Elites are pursuing something aptly described as a new form of feudalism, in which entire realms of public law, public property, due process, and citizen rights revert to unaccountable control by private business.”<sup>20</sup> Privatized arbitration agreements, platform labor, social reproduction crises, and widespread feelings of pervasive, inescapable catastrophe might seem disconnected, but together they point to the result of forty years of neoliberalism: a neo-feudal order with new lords and a sector of servants.

In the 1960s Italian theorists used the term “social factory” to describe the relationship between capital and labor in the post-war era. Today we inhabit a “social manor.” Society isn’t oriented toward the

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<sup>18</sup> A. Benanav, *Automation and the Future of Work*, Verso, 2020, p. 56.

<sup>19</sup> Oks and Williams.

<sup>20</sup> K.V. Stone, R. Kuttner, “The Rise of Neo-Feudalism”, in *American Prospect*, April 8, 2020, prospect.org.

production of workers and commodities. It's now an order of personalized services, privileges, hierarchy, and fealty. More and more of the people forced to sell their labor power to survive sell this labor as services to those looking for deliveries, drivers, cleaners, trainers, home health aides, nannies, guards, coaches, and so on. The buying and selling of services is enabled by new intermediaries, technological platforms whose owners insert themselves between service offerors and seekers, being sure to exact a fee along with the data and metadata that accompany the transaction. Our basic interactions are not our own.

Services are a broad and heterogeneous category, spanning from the highly paid legal and financial retainers who enable asset holders to retain their class privilege to the enormous expanse of informal and low waged cleaners, childminders, cooks, and drivers. The upper portion of the service sector identifies with the ruling class, supporting the bourgeoisie, landlords, and other asset holders. The massive lower portion continues to increase. Over the next ten years, the occupation that will add the most jobs in the US is personal care aids, not health workers but aids who bathe and clean people, servants.<sup>21</sup> Many people newly pushed into service work find that their phones, bikes, cars, and homes have lost their character as personal property and been transformed into instruments of labor and means for the continued extraction of additional rents and fees. Tethered to platforms owned by others, consumer items and means of life are means for the platform owners' accumulation.

Most of us constitute a propertyless underclass only able to survive by servicing the needs of high earners. We often find ourselves caught in labor relations where we pay for the opportunity to work. Some of us enjoy the fantasy that our service is creative, that we are members of a privileged class of knowledge workers. Yet much of our work is also done for free, for the chance of pay, rarely with a

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<sup>21</sup> D. Thompson, "Why Nerds and Nurses Are Taking Over the U.S. Economy", in *Atlantic*, October 26, 2017, [theatlantic.com](http://theatlantic.com).

chance of security. Knowledge workers, like day laborers, compete for contracts – if we win, we get to work more.

Generally speaking, services tend to be a stagnant sector. Productivity growth is slow, dependent more on suppressing wages and pushing workers than on technological innovation. With the bulk of jobs consisting of low-skill, low-productivity personal services, inequality intensifies, the many locked into serving the few. Most of us are minions now, proletarianized neo-serfs tethered to the phones, apps, platforms, and personal connections we need to access basic means of subsistence. The few use their political and economic power to seize ever larger portions of the proceeds of labor, evading public law while subjecting us to their private dominion. We are exploited through the wage that is further expropriated from us via ever-increasing rents, fines, charges, and fees.

Neofeudalism thus does not designate the simple return of the feudal form of expropriation. In the so-called advanced economies, the majority of people do not have direct access to their means of reproduction. They require some kind of income that will enable them to purchase what they need to subsist – food, shelter, and means of life. Neofeudal serfs are proletarianized serfs, “free” from the land, job security, social welfare safety nets, and dependent on markets for every aspect of their lives. Although this “freedom” makes them look like the proletarians Marx described, they are integrated into laws of motion that have little to do with capital’s compulsions to maximize profit and increase labor productivity by investing in means of production.<sup>22</sup> Not only do today’s proletarianized neoserfs labor in the low-productivity services that have become predominant in deindustrialized societies, but many labor in settings where they are not employed by capitalists at all: they pay for the opportunity to sell their labor to consumers of services. If under capitalism we sell ourselves, under neo-feudalism we pay a fee to access a market where we can sell ourselves.

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<sup>22</sup> K. Marx, *Capital*, p. 280.

## Conclusion

Growth in services creates a problem for capitalism: services challenge the value form. Much of this work exceeds value; ill-suited to commodification, it fails to be confined within the terms of the capitalist circulation of value. For example, the use value of care work is immeasurable even as it rarely commands an exchange value sufficient for its own reproduction. That this work may be necessary for life but insufficient for capital accumulation is already spelling the end of capitalism: faced with growing service economies, asset holders rely on non-capitalist accumulation strategies.

The underlying tendency is neo-feudal, tending to stagnation, hoarding, predation, and destruction. So, our politics should draw out, amplify, and organize the energies of proletarianized servants by linking them with a communist project on a warming planet in an imperialist epoch. The interests of service providers are not in propping up a stagnating system where wealth is increasingly redistributed upwards through political means. On the contrary, they are in creating a system of production and reproduction in which people and the planet can thrive, a system that meets social needs by providing universal basic services.

A society in which most labor is in services is already oriented toward meeting needs, although the capitalist form prevents it from doing so. At present, as capital's own dynamics are coming under laws of motion no longer recognizably capitalist, these needs are configured within the social manor: the many serve the few. That the current capitalist economy is, like the old feudal one, oriented around the consumption needs of the lords creates specific contradictions: in the US, for example, there are shortages of nurses even as hospitals are closed. We all know the impact on housing: massive shortages in affordable apartments while a global class of asset holders buys up everything it can. Those who work from home depend on deliveries from those who don't, on those whose working conditions deprive them of access to essentials like toilets. Services are meeting the needs of those who can pay, while those of us who can't pay are denied them.

Ending the domination of the asset-holders and tech lords, eliminating the very existence of a class of owners, is crucial for the flourishing of people and the planet. Service workers are the vanguard of this struggle. Over the past decade, doctors, nurses, teachers, librarians, warehouse workers, trash collectors, transportation workers, baristas, adjunct professors, graduate students, and domestic workers have been leading the class struggle all over the world.<sup>23</sup> In the fall of 2023, daycare workers in Ireland, baggage handlers in Italy, hotel workers in Los Angeles, and nurses across six US states were just some of those in services carrying out labor strikes.<sup>24</sup> There is a practical material reality behind recognizing service workers as a new leading force in the class struggle. Services are a sector where employment and labor actions are increasing.

Communists should place the provision of universal basic services (UBS) at the core of our vision for the postcapitalist future (alongside planning and the abolition of private property).<sup>25</sup> Reindustrializing is not a serious option: the environmental costs for such a strategy on a global scale are far too high. A more viable path comes from services.<sup>26</sup> Education, transportation, and health care are widely recognized as services government is expected to provide. Some degree of public cultural support and provision – libraries,

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<sup>23</sup> B. O'Donovan-Iland, *Domestic Workers in India Are Demanding Justice*, Institute of Development Studies, August 16, 2023, [ids.ac.uk](https://ids.ac.uk); N. Karmini, "Indonesian Protesters Begin Hunger Strike as Bill to Protect Domestic Workers Stalls in Parliament", in *AP News*, August 14, 2023, [apnews.com](https://apnews.com); R. Bernal, "Domestic Workers Are Organizing for Better Working Conditions Nationwide", in *Hill*, July 9, 2023, [thehill.com](https://thehill.com).

<sup>24</sup> S. Horgan, "'Horrorifying to Hear What Childcare Workers Are Dealing With': Cork Councillor Concern over Impact of Practitioners Strike", in *Echo Live*, September 13, 2023, [echolive.ie](https://echolive.ie); G. Legorano, "Italy's Airport Baggage Handlers Set to Take 24-Hour Strike on Friday", in *Anadolu Agency*, September 27, 2023, [aa.com.tr](https://aa.com.tr); S. Hussain, "After Three Months of Rolling Strikes, Second L.A. Hotel Reaches Tentative Agreement with Union", in *Los Angeles Times*, September 29, 2023, [latimes.com](https://latimes.com); K. Gibson, "Kaiser Permanente Workers Launch Massive Strike over Staffing and Pay", in *CBS News*, October 4, 2023, [cbsnews.com](https://cbsnews.com).

<sup>25</sup> For an introduction to UBS, see A. Coote, A. Percy, *The Case for Universal Basic Services*, Polity, 2020.

<sup>26</sup> D. Riley, "Drowning in Deposits", in *Sidecar*, April 4, 2023, [newleftreview.org](https://newleftreview.org).

museums, and the arts – as well as state protection of natural resources in the form of greenspaces, parks, waterways, wetlands, and nature preserves are also typical public services. That people have a right to expect these basic public services is an unsurprising, familiar idea, despite decades of cuts and austerity. This familiarity is part of the power of UBS as a central component of a communist future: we already know we want it.

Securing the conditions for social reproduction on a warming planet through UBS should be the political horizon for working class struggle today. Given the heterogeneity of the service sector, it wouldn't be accurate to say that this is the spontaneous orientation of all service workers, although the emergence of an ever-growing discourse on care is worth noting. Rather, this political orientation must be brought in from the outside, as Lenin so scandalously said. A party of organizers, the communist party, can use this orientation to link and intensify the struggles. Instead of being servants in the social manor, service workers – including those who do informal and unpaid labor – can be hailed as the collective force ushering in the possibility of an economy based on meeting needs. Just as their work ruptures capitalist value, so can their politics push the revolutionary transformation of society in a communist direction.