

Symposium

**The Future of Capitalism:
Neo-Feudalism?**

(Part II)

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Introduction

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The majority of the texts collected in this special issue are the result of a conference held at the University of Chicago on May 2nd, 2024, entitled “The Future of Capitalism: Neo-Feudalism?,” the idea for which arose out of discussions at the History and Theory of Capitalism Workshop, also at the University of Chicago, over the past few years.¹ In the workshop, we invite speakers to share work to advance the concept of capitalism, but of course, capitalism is a very broad, historical concept, the content of which is filled with generations of debate and analysis. At the root of such debates are distinctions drawn from theoretical and empirical analyses. Historically, these distinctions manifest as temporal tensions between continuity, change, and in the case of “neo-feudalism,” the possibility of reversion.

The “commercial capitalism” of the early modern period, for example, is quite different from the 19th century “industrial capitalism,” which is in turn different from late 20th century “financial capitalism” and the type of capitalism we observe today. More specifically, while the “capitalism” of today carries much of the

¹ We would like to thank the sponsors that made the conference possible: the History, the Sociology, and the Germanic Studies Departments; the Franke Institute for the Humanities; the Chicago Center for Contemporary Theory (3CT); the program in Law, Letters, and Society; the Parrhesia Program for Public Discourse; and the Practical Philosophy Workshop.

same, it also has some features that separate it from its predecessors. At stake in each of these distinctions is a clarification of difference in the name of internal coherence. Both coherence and difference operate at various scales and domains, but it is the concept of capitalism that has uniquely aspired for an analysis of the whole. In doing so, the concept has accepted characteristic developmental qualities to the whole, but, as the concept of neo-feudalism suggests, our present concerns not only ask how this capitalism is different from the former, but also, is this something other than capitalism altogether?

To begin with the analyses which still view our moment through the lens of “capitalism,” several adjectives have been coupled with the term to express these recent changes in the global economy: *financial* capitalism, *crony* capitalism, *platform* capitalism, *rentier* capitalism, to name a few.² Some authors whose views will be outlined below, however, argue that our current moment must force us to grapple with the possibility that the change extends to deeper strata. Growing economic inequality, slowing productivity, increasing indebtedness, expansion of monopoly power, rising primacy of tech-platforms, and the ever-expanding role of rent may provide ample reason to reach beyond the lens of capitalism. It may be the case, according to these authors, that we are witnessing the return of much older, feudal-like elements, and therefore we might be living in a period of transition between capitalism and a new social, political, and economic system: neo-feudalism.

Yanis Varoufakis, perhaps the most popular of the recent voices, states that although capitalism has appeared in different guises throughout history, it has always involved profits obtained through the market. This has been changing in recent years with the rise of tech companies like Amazon, whose operations resemble a fief more than a competitive market. Central banks’ response to the 2008 crisis

² For a critical view of the habit of modern scholars to add adjectives to the term “capitalism,” see: M. Wark, *Capital is Dead*, Verso, London and New York, 2019, p. 6; Y. Varoufakis, *Technofeudalism: What Killed Capitalism*, Melville House, London and New York, 2023.

contributed to accelerating these transformations by making central bank money – and not profits – the engine of the economy. Varoufakis uses the term “technofeudalism” to describe this state of affairs. The two pillars of capitalism – profits and markets – are no longer driving the economy, and therefore, in his view, capitalism has been replaced by a different system.³

Other authors go even further. Jodi Dean (who contributes to this issue) has argued that the analogies between our present world and the feudal world go beyond the strictly economic realm. She sees a parallel, for example, between the political decentralization of the feudal era – when feudal lords established the law in their respective jurisdictions – and the current expansion of “[p]rivate commercial interests [which] are displacing public law through confidentiality agreements, non-compete rules, compulsory arbitration and the dismantling of public-regulatory agencies.”⁴ She also sees a parallel between the pauperized countryside in feudal times and the American hinterlands of today.⁵ In a similar vein, Joel Kotkin highlights that societies are becoming more stratified and the possibility of social mobility is becoming ever smaller, just like under feudalism. He notes that this does not mean the return of vassalage

³ For a discussion of the demise of profits and markets as the main forces leading the economy, see especially chapters 3 and 4 of Varoufakis, *Technofeudalism*. Varoufakis also offers new terminology to make sense of the modern world: *cloud capital* (a type of capital that reproduces itself without wage labor) has become a key extractive power, and society is now divided into *cloudalists* (the new ruling class), *cloud proles* (the precarious wage workers employed by the cloudalists), and *cloud serfs* (those who, without monetary compensation, help cloud capital reproduce itself).

⁴ Jodi Dean “Same As it Ever Was?”, in *New Left Review Sidecar*, May 6, 2022

⁵ J. Dean, “Neofeudalism: The End of Capitalism?”, in *Architecture and Collective Life*, ed. Penny Lewis, Lorens Holm and Sandra Costa Santos, Routledge, Abingdon and New York, 2022, pp. 42-54. For Dean, neo-feudalism has four main features: the first one is “parcellated sovereignty,” which can be seen, for example, in the way billionaires are able to avoid the law; the second is the growing social inequality which creates a new division in society analogous to that between peasants and lords in feudal times; the third is the growing spatial inequality between cities and hinterlands; finally, Dean highlights the growing feeling of insecurity and apocalyptic thinking characteristic of our times.

rituals or other elements proper of the Middle Ages, but one can surely observe the comeback of structures that were characteristic of a pre-capitalist system.⁶

It must be emphasized that this is not merely a semantic discussion, i.e. whether one prefers the term “capitalism” or the term “neo-feudalism” to describe the present political and economic moment. Rather, the choice for one term or the other has profound implications for how we understand our current times. As Dean argues, focusing on the process of neo-feudalization allows us to see, for example, that the conflict between democracy and fascism, happening on the surface, is not as key as the deeper and more fundamental economic transformations of recent decades. The concept of neo-feudalism also changes the way one examines the labor market, shattering the idea of free contract and instead placing emphasis on a coercive class structure. Finally, all this has implications, Dean argues, for the solutions one presents to current economic and social issues. For Dean, most ideas defended by the left, such as localism and tech platform proposals, actually reinforce the characteristics of neo-feudalism.⁷

On the other hand, several scholars believe that employing terms like “neo-feudalism” can be profoundly misleading, and that all the elements sometimes described as “neo-feudal” should be seen as just capitalism pure and simple. This in turn leads to an obvious question: how do we define capitalism? There is no easy answer. A more specific, and maybe more productive way of tackling the issue might be to ask: is capitalism compatible with the degree of *rent-seeking* we see in the modern economy? And here lies a key concept in the whole debate: rent. As Brett Christophers – a contributor to the previous volume – defines it, rent is “income derived from the own-

⁶ J. Kotkin, *The Coming of Neofeudalism: A Warning to the Global Middle Class*, Encounter Books, New York, 2020, p. 1. Like Varoufakis, Kotkin created his own terminology to make sense of the social transformations of the recent decades. The concentration of wealth is creating a new ruling class of oligarchs, and the social order is legitimated by opinion makers that Kotkin, drawing on Samuel Taylor Coleridge, names *clerisy*.

⁷ J. Dean, “Neofeudalism: The End of Capitalism?”.

ership, possession or control of scarce assets under conditions of limited or no competition.”⁸ We see rent everywhere in the modern economy: in digital platforms like Airbnb and Amazon, in natural resource extraction, in finance, in property rights, and of course in land. Christophers himself has a taxonomy that includes no fewer than seven types of rent, and he therefore describes our modern economy as one dominated by *rentier capitalism*, as the title of his book indicates.⁹ This is not neo-feudalism, according to Christophers: it is a type of capitalism.

It is also worth pointing out critics of the neo-feudalism concept, such as Evgeny Morozov, who argues that those who speak of neo-feudalism adopt a problematic definition of capitalism – a definition that is too limited.¹⁰ Locating the current exchange within debates over the frameworks laid out by Robert Brenner and Immanuel Wallerstein, Morozov argues that the authors who flirt with feudal themes view capitalism closer to the former, a system that necessarily generates incentives for innovation and which is also based on purely economic exploitation. However, Morozov contends that *expropriation*, surplus extraction by *extra-economic* means, has always been fundamental to capitalism, and if we take seriously the innovative capability of technology firms, we will see that they may be “engaged in normal capitalist production,” with perhaps a few notable tactics that consolidate their positions.¹¹

This whole discussion in turn leads to a series of questions. Are those elements that some describe as “(neo-)feudal” a perversion of capitalism? In other words, is capitalism being corrupted by *non-capitalist* forces? Or, on the contrary, are those “neo-feudal” traits an inevitable consequence of the development of unfettered capitalism?

⁸ B. Christophers, *Rentier Capitalism: Who Owns the Economy, and Who Pays for It?*, Verso, London and New York, 2022, p. xxiv.

⁹ While Christophers primarily derives his conclusions from an empirical analysis focusing on the UK economy, he suggests that the pattern applies more broadly.

¹⁰ E. Morozov, “Critique of techno-feudal reason”, in *New Left Review*, 133, 2022, pp. 89-126.

¹¹ *Ibid.*, p. 120.

One could debate all those issues endlessly. The key point for us is not so much whether one adopts the term “neo-feudalism” or not. It is a provocative concept. The point is that this concept encourages us to reflect upon the major transformations of the global economy in the past few decades. Therefore, our conference was not organized with the goal of embracing or rejecting the concept of neo-feudalism. Rather, we intended to explore the contemporary economy, the prospects for the future, and to *debate* whether the term “neo-feudalism” adequately describes our present situation or not.

We open the volume with Hanna Gadbois’s text, which delves into the perception of temporality under different socio-economic regimes. Gadbois shows that under feudalism, time was characterized by a sense of stasis and predictability and was perceived as “a long present.” Work followed natural cycles, such as the seasons of the year, and was oriented around specific tasks. Modernity radically changed perceptions of temporality: history was conceptualized as progress, with a sense of linearity replacing the cyclicity of the feudal era. The spread of industry and urbanization, as well as the popularization of the pocket watch, all contributed to giving ordinary life a new feeling of urgency and speed. Crucially, time replaced tasks as the basis on which work was oriented (and compensated). Time became money: it became a precious asset, as an object of thrift which should not be wasted. The article delves into Soviet history to provide revealing examples of how State authorities attempted to inculcate that new notion of time into Soviet workers. The article then returns to the contemporary period, in which faith in progress has given way to pessimistic views of the future, whether in economic or ecological terms. In addition, the advent of social media, with immediate and never-ending content, has blurred our understanding of chronology and location in time and space. Gadbois argues that we thus live in a period in which the perception of temporality blends feudal and modern elements. While we continue to feel the acceleration of modernity, our conceptualizations of the future are closer to feudalism, i.e., they are based on either a view of the future as a site of stasis, no different from the

present, or on an eschatological perception of the future as the site of disaster and catastrophe. If other contributions to this volume emphasize that the contemporary economy is a mix of (neo)feudal and modern/capitalist elements, Gadbois goes further: our very culture and perception of time are exhibiting characteristics from both a feudal and a modern mindset.

Adam Rensch's contribution asks whether U.S. higher education is already neo-feudal. Without the keystone of social mobility, the higher education ethos of meritocracy and professional excellence now rings hollow, serving only to rationalize and reinforce economic inequality rather than offer a path out. The present crisis in the U.S. higher education has revealed further key features of the transformation. Whether because of the "demographic cliff" or the "demand cliff," fewer students are enrolling in higher education institutions. But the effects of this shift are not shared equally. The two-year colleges and four-year public universities, those more likely to be attended by low-income students, suffer more from diminishing enrollment while their elite university counterparts have not only become more competitive but also more lucrative, both for their students and for their endowments. Added to this is a general increase of student loan debt. If today's higher education is an institutional sorting mechanism safely producing its own ideological cover thereby naturalizing the position of the ruling class, it is perhaps more appropriate that we call this a form of class reinforcement with a neo-feudal character?

Following those first texts are contributions that turn more directly to the conceptualization of our present moment. Jodi Dean, who has been one of the main advocates of the concept of neo-feudalism, writes a contribution in which she reaffirms her thesis that capitalism is undergoing structural changes that are paving the way for a new social, political, and economic system.¹² In doing so, she

¹² J. Dean's text appeared as the keynote address at the Lauren Berlant 3CT Graduate Student Conference entitled "Capitalism and its Outside: Profit, Expansion, and the Necessary Excess," which took place at the University of Chicago on May 10th-11th, 2024, and was organized by Arwa Awan and Hadeel Badarni.

engages with Evgeny Morozov's critique of the neo-feudal thesis. By asserting that capitalism has always involved predation, violence, and extra-economic surplus appropriation (and that therefore we are not witnessing a transition away from capitalism), Morozov runs the risk of erasing the differences between feudalism and capitalism. Even though capitalism might well be reinforced by violence, capital is not synonymous with violence. Provocatively, Dean argues that if Morozov's argument is taken to its final consequences, it leads us to conclude that we have never been truly capitalist, but rather that we have always remained feudal. Dean follows her rebuttal with an examination of the "servant economy." With deindustrialization and the further expansion of technology into more and more areas, workers are being pushed into low-skill, low-wage jobs in a more difficult to automate service sector. Productivity increase in these jobs is extremely low, leading to a high degree of polarization between the small group of well-paid service sector workers – for example, "the highly paid legal and financial retainers" – and the mass of underpaid and precarious workers, many of whom are dependent on the platforms controlled by techlords. Dean's contribution does not limit itself to a diagnosis of the current situation, however: it also puts forth ways out of it. The paper highlights the importance of service sector workers in the struggle against neofeudalism and discusses a communist alternative to our present woes, an alternative in which universal basic services would be central.

Michael Hudson's contribution positions the present neo-feudalism debate within the much deeper history of rent. The present "feudal" dynamics identified by the concept of neo-feudalism, he argues, are best understood by first returning to rent's medieval counterpart. Rather than something completely novel, today's rent forms one moment within the continued development identified by classical political economists who positioned rent extraction ("mere redistribution") against industrial production. From this perspective, capitalism has always been opposed to rent, though the form of rent has since changed. The paper begins by first outlining the relationship between the medieval papacy and imperialism to argue that

the feudal form of rent was constituted by claims to tax extraction which operated upon an exchange between popes and kings. Medieval warlords provided pledges of fealty as well as the armies tasked with extending the territorial reach of the pope in exchange for sanctification of their mission. The territorial expansion and the lands appropriated produced revenues for Rome. This dynamic intensified with the introduction of sovereign debt, eventually favoring parliamentary, fiscal states who were able to pledge their entire income to pay war debts. Industrial capitalism emerged at a time when the banking and financial system had come to be based on government interest-bearing debt as its backing but sought to free itself from other forms of rent and from interest that was not paid as part of the production process – what Marx called “usury banking.” To minimize the cost of labor, industrial capitalists needed to displace the landlord class and monopoly rents central to this feudal dynamic. Yet today rent is the single major expense for wage earners, and this time, it is not the landlord class that reaps the benefits but the banks issuing mortgages and sustaining the political “privilege of creating credit-money on their keyboards.” The paper concludes with an outline of today’s “rentier financial capitalism” seen most acutely through an account of the 20th century United States, dollarized debt, and military power sustaining rentier legal privileges.

Daniel Burnfin offers a reply to critics of the neo-feudalism thesis by repositioning the current debate beyond the categories and concepts of *Capital Volume 1* to further include *Capital Volume 3* and the conceptual extensions found in the work of Michael Hudson. For too long, debates focused upon the concepts of rent and value that purportedly built from Marx have relied too heavily on the first volume of *Capital*. As Burnfin points out, Michael Hudson has spent much of his career showing why *Volume 3* – and more specifically Marx’s thesis on financialization, the distinction between productive labor and unproductive rent-extraction – is necessary for understanding our current moment. Critics of the neo-feudal thesis ironically accuse the other side of misreading Marx in an attempt to show how capitalism is the same commodity producing system as it ever

was, but to this Burnfin replies: what commodity? Commodities are “use-values produced for profit, for sale to others on the market, which definitively transfers ownership of them from the seller to the buyer, so the new owner could re-sell it to someone else.” From this perspective, firms like Google, Spotify, and Amazon may not be as “productive” as some assume. With an expanded understanding of the aggregate production process and the distinction between production and rent, maybe it’s worth asking, Burnfin concludes, whether capitalism is developing exactly as Marx expected. This special volume concludes with a review by Daniel Burnfin and Ashima Mittal of three major books which have been recently published on the topic of neo-feudalism.

In titling our conference “The Future of Capitalism: Neo-Feudalism?,” we approach the concept of neo-feudalism as an open debate in relation to the history of capitalism. As the articles of this issue highlight, the relationship between continuity and, as we stated, reversion, is more complicated than any simple formulation. So, is the future of capitalism, indeed, neo-feudalism?