

A meme is spreading: capitalism is dead. We're toiling around in its carcass. Nothing appears as it seems in this zombie state of affairs. But why didn't we notice? There's confusion all over. Climate, Covid, Ukraine, Gaza. Is history accelerating, or, rather the opposite, stagnating, even regressing? In his latest book *Techno Feudalism*, Yanis Varoufakis states that the reason for this is cloud capital. "Due to the unpaid labour of cloud serfs and the cloud rents of the vassal capitalists, surplus value is syphoned off in the form of cloud rent to the cloudalists." Instead of 'Make Future Great Again' we feel we're thrown back to 1955, or rather, metaphorically speaking, into the 14<sup>th</sup> century. Technically speaking, capitalism still functions but, it has lost its vital core. What's the appeal to describe our situation as 'neo-medieval'?

The subtitle of Varoufakis' book is *What Killed Capitalism*. What does it mean to say that 'capitalism is dead' and that it was replaced by something worse, as McKenzie Wark described in *Capital is Dead*? It is darkest before dawn, as the Russian saying goes, but sunrise will take its time. To me, the notion of dead capitalism points not so much to a crisis but to the death of its spirit. Where is its *Geist*? There is no *élan vital* anymore. Death results in zero dynamics. But the current system is not yet dead, it is lame and weak, and refuses to die. As a result, it turns into a nihilist state. To put it in economic terms: labour, markets and profit still matter but are no longer driving its development. Capital has mutated, Varoufakis explains—but neither the general audience failed to notice, nor did the political economists. I would say in defence that Internet critics, activists, designers and artists have indeed been mapping the poly crises over the past decades, but their insights remained on the fringe.

Power is no longer in the hands of those who own machines but stems from cloud capital, the new digital lands. We're struggling to find the right terms for the new stage we find ourselves in. The materialist in me would focus on the chip wars and the future of computing - in particular the positions of ASML (NL), NVIDIA (USA) and TSMC (Taiwan), rather than this metaphysical entity of 'the cloud'. But let's follow Varoufakis' line of thought here: added value comes from cloud value. This is why cloud firms like Tesla and BYD will dominate the global car market in terms of added value and not Volkswagen, BMW, Mercedes Benz or Audi; the traditional machinery firms that got paralysed by the all-too-German digital anxiety and thus failed to make the crucial transformation to cloud capital.

Varoufakis is not interested in academic debates with others who presented

similar ideas about neo-feudalism. Nonetheless, it's good to mention a few here. In her 2020 essay for the [Los Angeles Review of Books](#), Jodi Dean presented a neat summary of the debate. She writes that “non-capitalist dimensions of production — expropriation, domination, and force — have become stronger to such an extent that it no longer makes sense to posit free and equal actors meeting in the labour market even as a governing fiction.”

Another contribution to this debate came from Evgene Morozov in this New Left Review 2022 essay [Critique of Techno-Feudal Reason](#). In Morozov-fashion he dismisses his opponents without making clear what exactly the political dangers are of using ‘New Middle Age’ concepts. Most of them are renegades. To me, it's not enough to accuse them of ‘feudal glamour’, ‘hype’ and ‘pop’. Morozov presumes that a rational analysis of capitalism will lead to the right form of organization and, ultimately, power. He writes that “the popularity of feudal-speak is a testament to intellectual weakness, rather than media savviness. It is as if the left's theoretical framework can no longer make sense of capitalism without mobilising the moral language of corruption and perversion.” Following Neckal, Morozov states that neoliberal modernization is thus to be read as “neither progressive nor regressive, but rather as paradoxical” (thus leading to the question what paradoxical platforms, clouds or infrastructures could be). However, this productive idea remains out there and may be unpacked elsewhere, by others. Morozov concludes that a mere economic analysis will be insufficient and will have to be paired with a political analysis of the role of the state (also in the making and further growth of Silicon Valley in the case of the USA). In short: why not stick to (too) late capitalism? Or platform capitalism, for that matter?

Think speed and scaling. In my ‘networks to platform’ understanding, the technical rationale behind hypergrowth towards market dominance lies in the ‘scale-free network’ logic. Start-ups, backed by the deep pockets of venture capital, can reach monopoly status within months, eliminating any further possibility towards techno-diversity. The key is that feudalism is a mode of production in which “the means of surplus extraction are *extra-economic*, being largely political in nature; goods are expropriated under the threat of violence.” In comparison, the surplus extraction under capitalism is economy, and I would add is increasingly abstract, and invisible. This is the problem of the term ‘vulture capitalism’,<sup>[1]</sup> an image of capitalists as birds of prey that scavenge on the decaying flesh of dead users. Vulture sounds

cruel yet potentially enlightening. However, it is stressing a violent attack of the digital oligarchs on the 'living dead' too much, that we, distressed users, do not experience as such.

Old-school capitalists have become vassals to a new class of feudal overlords, the owners of cloud capital. Instead of markets, Varoufakis prefers to talk about 'fiefdom'. Profit has been replaced by rent. He explains that rent must be paid for access to those platforms: cloud rent. The change over the past two decades from networks to platforms largely remains unmentioned here. Instead, Faroufakis uses the ICT term 'cloud', a mid-1990s deliberately unclear term. It seems to suggest that the data are 'nowhere', stored outside of any geo-political entity, out there on the ocean or some other planet. To end this confusion, a decade ago an 'infrastructural turn' took place with the mapping of undersea cables and data centres. While Varoufakis would rather not talk about machinery and buildings, this is precisely where 'the cloud' is housed. The cloud is not virtual but material.

Let's dig further into the question of why recent Marxist discussions use backward metaphors instead of looking forward. As Steve Frazer writes in a Jacobin contribution, "Today's political culture of restoration tacitly acknowledges that the future, in the way that word has customarily been used, is dead. Or if it lives on, it does so on life support."<sup>[2]</sup> Where is the 'commons-futurism' now that we need it? Instead, we are, terminologically speaking, sent back six or seven centuries ago. And why exactly to that period, and not, for instance, to 1770, when Adam Smith discovered the market and industrialization took off? What is the (secret - perhaps unconscious) appeal of the Middle Ages, if not a metaphor for stagnation, misery and decline? Is this dark image used to scare us or is it rather a framework that provides us with useful critical insights? Agreed, we live in a time of crises and conflicts that are driven by contradictory forces such as hypermodernity and primitivism, acceleration and stagnation, extraction and conservation.

The first time I came across the idea of a return of—rather than a return to—the Middle Ages, was in the mid-1980s when I read some interrelated works such as Umberto Eco's *In the Name of the Rose*, Barbara Tuchman's *A Distant Mirror: The Calamitous 14th Century*, Carlo Ginzburg's *The Cheese and the Worms* and Le Roy Ladurie's epos of the French village, *Montaillou*. The tendency was given the name 'neo-medievalism'. In my imagination, the 'new middle ages' wave built on Johan Huizinga's Dutch classic *The*

*Autumntide of the Middle Ages* from 1919, which spoke to me when I read it in my teenage years. To me, it seemed like a never-ending era of superstition, war and fragmented politics, dominated by the ideological power of the church. These works were not written to merely historize a period but utilized style to create a time mirror. What remains of this wave for me is the emphasis on ‘microhistory’ storytelling. This is exactly the style Varoufakis utilized, structuring the argument he develops inside *Techno Feudalism* inside an imaginary dialogue with his father.

In *Travels in Hyper-Reality* from 1986 the master storyteller Umberto Eco notices pop culture’s obsession with witchcraft and Celtic sagas in comic books and computer games. According to Eco, we are still living under the banner of medieval technology. “Modern languages, merchant cities, capitalistic economy are inventions of medieval society.” Eco writes that “sometimes it is not so medieval to think that the end is coming and the Antichrist, in plainclothes, is knocking at the door.” Much like today, the early 1980s was a dark, apocalyptic period, dominated by the threat of a nuclear war that would wipe out humankind. Will the Russian threat of using nuclear weapons in the Ukraine war unleash a renaissance of apocalyptic pop culture? Take [“I want to be with my baby when the bomb comes down”](#) for example; a funky US song from 1983 (available on [YouTube](#)), celebrating global nuclear destruction as an orgasmic explosion – creating a circular economy of fears as desires, desires as fear. As Eco writes, “Naturally our medieval parallel must be articulated so as not to fear symmetrically opposed images.” Social media as monastic centres? For sure there are parallels here, as both are places of power where informal information circulates inside its safe walls. And as the Chinese said, to paraphrase Eco here, “May you live in an interesting period”—not the Middle Ages, I hope.

After 1989, history-making was back on the agenda and ‘medievalism’ became a forgotten metaphor. But not for long. The globalist renaissance faced its first setback with the 2000 dotcom crash and 9/11, which turned into a permanent slump after the 2008 financial crisis—the moment the author himself entered the world stage as Greek finance minister. Ever since the rise of Orbán, Modi, Putin, Wilders, LePen and countless other right-wing populist politicians, the *Digital Dark Age* is not merely a hip topic of the post-internet art circles. Backwards acceleration seems to be a compelling motive that is in contraction with the ‘tired’ feeling of being in a slum in which one is not able to move in the first place—neither forwards nor backwards. This is a fertile cultural ground for medieval metaphors to come

into place.

Slavoj Žižek writes: “We are condemned to domination—the Master is the constitutive ingredient of the very symbolic order, so attempts to overcome domination only new figures of the Master.”<sup>[3]</sup> The core idea here is the way the medieval Master-Slave dynamic is upgraded to today’s condition. In the 21<sup>st</sup> century’s cyber regime, the slave is no longer a colonial commodity but a neo-liberal data-producing subject that is confined inside a mirror world of personalized choices. The exploitation of the slave is mainly psychological, leading to exhaustion and depression as there is no end in sight and no way out. The question here then would be how contemporary master-slave relations work if there is no direct physical or psychological violence involved. Is social media use a form of voluntary, free slavery?

The dream of the Middle Age that Eco speaks of is a barbaric one - in this case, a nightmare about never-ending exploitation. Mild and abstract but still cruel. For Varoufakis, the medieval trope is one of a stable yet depressed economic order, characterized by extreme inequality and a depletion of anything social, public and communal. What in past was called a ‘walled garden’ turned out to be a confinement, a ghetto that lives off the fear of cyberattacks and the collective protection, offered by the fiefdom aka Google, Microsoft, Meta or Amazon.

Users no longer believe in the grandeur of the digital period they inhabit. Liberal ideas of empowerment, freedom and ‘rights’ have been dropped in favour of security, surveillance and extraction. “Technology is used to empower people and make their lives better. Now it only does that for its owners. For everyone else, it lowers the quality of life. This is not the fault of technology. The fault lies with its founders, investors, policymakers and journalists. They are failing us,” ‘Zucked’ author Roger McNamee recently wrote on X/Twitter. In techno-feudalism, the Middle Ages precisely does not feature as a pre-text. It is not a backdrop or dress-up opportunity for role-playing fans. Instead, it is a warning that social relations are freeze-dried, that mental misery is on the rise and that living standards are dropping.

Two centuries ago Karl Polanyi’s *Great Transformation* may have happened: the Western world moved on from feudalism to capitalism. But in the meanwhile it also lost its spirit, refusing to be replaced by something ‘better’. With economic crises turning ‘poly crises’ and becoming endemic, there is a tumbling belief in ‘progress’. The leading motive is ‘disruption

without a cause', lacking any 'problem-solving capacity'. The passage is blocked. Instead of *haute finance*, there is techno-libertarian venture capital that aims to bring down both the states and classic corporations. On top of a conservative neo-liberal backlash ironic post-modernism and the real existing exodus of industries such as coal mining, steel and textiles, the question of regression (into what?) is on the table. How will the autumn of capitalism play out?

Around the mid-2010s the Western liberal order faced a series of 'setbacks' such as Islamist terrorist attacks, military disasters in Irak, Syria and Afghanistan, the rise of the extreme-right, Brexit, Trump and the Russian invasion of Ukraine in 2014, that would echo for at least another decade. A significant theorization of this was brought together in a German publication called *The Great Regression*, published in 2017 in both German and English. Whereas the analysis of the 15 contributors (including Zizek) was primarily intellectual-political-cultural, the political-economy foundation was missing here (as did the platform-internet angle). This is the gap Farouvakis fixed, six years later.

Stuck in liberal conservatism, combined with an exhausting inclusion of an ever-growing corpus of capitalist rites and popular expectations of how to live a modern life, daily life has become a corset of choices without choice. There's not just a crisis, followed by a recovery. The question the editors of *The Great Regression* ask is whether "we are witnessing a worldwide rejection of liberal democracy and its replacement by populist authoritarianism?" In his opening essay, Arjun Appadurai speaks of 'democracy fatigue'. While this at first be qualified as a malaise, a 'zero growth' stagnation, in the next stage this starts to feel like a move backwards. What manifested itself as a lack of progress, later on reveals itself as a loss, a decline without end.

Spirit—or the lack of it—in this context does not refer to hard work and progress as Max Weber described it back in 1905. There is the late 1990s globalist neo-liberal spirit, so well described by Boltanski and Chiapello, but not much is left of it. What is 'the spirit of the platform' anyway? It is pure optimisation. The platform is the unseen. It would rather not like to be noticed. It is not its design or sexiness, even though smooth interfaces, 'user-friendly' design and speed matter. What counts here is the social presence, the feeling that others are also virtually present there. It is not just you and the software. This is the social 'stickiness' we all fell victim to.

Another ‘medieval’ term Varoufakis is using is the fief. A well-known, and much-despised example in the digital art and design world of a ‘cloud fief’ would be Adobe’s subscription-based software platform Creative Cloud (known for PDF and Indesign). While in the past the buyer would download the Creative Suite and be able to use it for an unlimited amount of time, being able to work offline, these days the ‘cloud fiefs’.

“In a properly Leninist way, Varoufakis sees that the object of our critical analysis (capitalism) has changed, and we must change with it. Otherwise, we will just be helping capitalism revitalize itself in a new form,” Slavoj Žižek notices.<sup>[4]</sup> We are confronted with the depressing message that the world will have to choose between the US and Chinese cloud finance as Europe willingly missed the boat, again, as was previously the case with search engines, social media and AI. Varoufakis calls upon us, “cloud serfs,” to stop “putting so much time and energy into building up someone else’s cloud capital.” He describes this process as part of the “shrinking of the global value base,” due to the extreme concentration of surplus in the hands of few and extreme inequality for the rest.

In addition to Varoufakis’ grand economic vistas, it is important to keep on focusing on the *real* existing ‘platform feudalism’. In his 2024 *Governable Spaces* about the democratic design of online life, Nathan Schneider talks about ‘implicit feudalism’. He’s using the term “metaphorically to describe communities, each subject to a power structure that is absolute and unalterable by those who lack specific permissions.”<sup>[5]</sup> For many like Schneider and me who have taken the rise of platforms seriously, it is not necessarily a default condition. It is feudalism by design, causing unnecessary limits on possibilities. Possibilities for community governance are constrained. The online world is ruled by self-appointed ‘benevolent dictators’. Yet, this is not merely a story of submission. There is an element of habit here, “a familiar way of doing things, along with the technical debt from past designs, around which business models have grown.” Over time social media affordances deteriorated. Implicit feudalism strengthens the admins’ authority, using ‘dark pattern’ techniques. This is what we could call subconscious feudalism: it is a lock-in effect users are remarkably fast accustomed to, losing the capacity to depart. In the end, we all learnt to accept Robert Michels’ iron laws of oligarchy. How were these oligarchs at the time of Michels removed again? They were not. We still do not know how to get rid of them. And this is why we’re thrown back.

Yanis Varoufakis, *Techno Feudalism, What Killed Capitalism*, Penguin Random House UK, London, 2023.

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[1] Title of a 2024 book by Grace Blakely, <https://www.simonandschuster.com/books/Vulture-Capitalism/Grace-Blakeley/9781982180850> on “corporate crimes, backdoor bailouts and the death of freedom.”

[2] <https://jacobin.com/2024/03/left-politics-future-history-capitalism-progress>.

[3] Slavoj Zizek, *Less Than Nothing*, Verso, London, 2012, p. 19.

[4] <https://www.project-syndicate.org/commentary/lenin-principled-pragmatism-fidelity-to-cause-requires-changing-position-by-slavoj-zizek-2024-02>.

[5] Nathan Schneider, *Governable Spaces*, University of California Press, Oakland, 2024, p. 18.