

Is Liberalism Dead (In All Forms)? – Part 5



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Has technofeudalism killed liberalism as well as capitalism?

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“ ... [R]eal power today resides not with the owners of traditional capital, such as machinery, buildings, railway and phone networks, industrial robots. They continue to extract profits from workers, from waged labour, but they are not in charge as they once were. As we shall see, they have become vassals in relation to a new class of feudal overlord, the owners of cloud capital. As for the rest of us, we have returned to our former status as serfs, contributing to the wealth and power of the new ruling class with our unpaid labour – in addition to the waged labour we perform, when we get the chance.” –Yanis Varoufakis, *Technofeudalism: What Killed Capitalism* (2023).

Technofeudalism Rising...

The term *technofeudalism* is circulating. What does it refer to, and has Western capitalism evolved into it as Yanis

Varoufakis thinks? And does this further the case that liberalism in all forms is dead?

Varoufakis is an economist and was Finance Minister for Greece's Syriza Party briefly in 2014. During that tenure he confronted the overlords of the EU Central Bank and IMF who had imposed crushing austerity measures on his country.

He's a man of the left. Why do I cite him? Because (1) he's put his finger on something of importance in assessing what's really going on; and (2) it isn't my fault that conservatives either haven't noticed it or don't care.

He [calls himself](#) an "erratic Marxist." His reasoning about Marxism isn't clear to me. Marx, as we saw [earlier](#), believed socialism was capitalism's natural successor: iron laws of dialectic assured this. Varoufakis clearly believes no such thing.

What he believes is that capitalism's actual successor is making capitalism look Utopian by comparison.

What was feudalism?

To understand *technofeudalism*, we have to look at *feudalism*. What was it?

It was the kind of economy that prevailed prior to the industrial revolution. If you go back enough centuries, huge tracts of arable land were owned by no one. They were settled and homesteaded. When feudalism came (12th century or thereabouts), its lords turned land into enclosures. Former homesteaders became *serfs* if they remained on land now owned by someone much more powerful than them.

As feudalism took hold, one was born *landed gentry*, i.e., in a landowning family, or a serf who tilled the land. Land was inherited, not earned, bought, or sold. It was not a commodity, with a market-based price. It would never have

occurred to a landowner to sell his land for a price. There was no social mobility. A serf had no means of “climbing the ladder” and becoming a landowner.

Serfs paid landed gentry with a portion of their produce in order to work land they didn't own. In addition came protection from the occasional war that came along. This system was relatively stable, though, for several hundred years.

After feudalism...

According to one interpretation of the industrial revolution, a few wealthy landowners built factories using new technologies. They kicked serfs off land their families had worked for generations, then “invited” them back to work in the factories for a wage. Former serfs, now industrial workers, rented places to live instead of ceding a portion of produce. Former landowners, now factory-owners, began to accumulate capital.

Thus, capitalism happened.

The new system had more social mobility. Anyone with know-how could become a capitalist, i.e. a business owner engaged in producing and then trading goods or services and accumulating capital, growing personal wealth, investing in new technology, or expanding into new territory.

This is a familiar story, so I need not elaborate, except to note that it gave rise to levels of productivity, general prosperity, and societal optimism never before seen. Becoming bourgeois was the goal of many a proletariat, and many did – to the lasting chagrin of those who became cultural Marxists, [as we saw](#).

What we've been calling the liberal order – personal liberty, democracy, rule of law, etc. – came out of this milieu. The attention focused on the affairs of *this* world, not some world

to come, created an economic and cultural environment in which secularism was more and more at home. Barely noticed outside the worlds of art and authorship was how secularization was setting us morally adrift. File this under our transition from a [Second Stage to a Third Stage of civilization](#).

What's happened to capitalism?

After capitalism?

Socialism? Nonsense!

Zbigniew Brzezinski, in *Between Two Ages: America's Role in the Technetronic Era* (1970), envisioned his own three "stages": (1) *nationalism*, which he believed invariably led to war; (2) *Marxism*, which undercut nationalism but gave rise to its own brand of totalitarianism; (3) *globalism*, which transforms the world into a single, borderless marketplace under a single global regulatory authority behind a rules-based order: the culmination of liberalism, permanently ending the danger of high-level war.

This mindset gave rise to the Trilateral Commission and its New International Economic Order.

Soon came the Internet – already being developed in the bowels of DARPA and about to emerge as a kind of digital commons, an Internet 1.0 if you will – like prefeudal era unowned land.

Incipient Big Tech corporations saw the Internet's moneymaking potential and crafted Internet 2.0, we might call it. Soon, enclosures appeared in digital space.

Enter Varoufakis's observations. In this space, we operate on platforms we don't own but have created accounts. Some of us start small businesses (e.g., on eBay, or Amazon), or try to monetize video content (on, e.g., YouTube owned by Google). Baked into our accounts are agreements to pay the platform a percentage of whatever we make: a percentage decided by its

owners, not us.

A variant on this theme is the *independent contractor*, e.g., the Uber or Lyft driver, using one of those platforms, paid by the “gig” while the corporation extracts its percentage.

A third possibility is the *subscription model* ... which Microsoft embraced last decade and is the reason you don't *own* your Office software anymore. You don't buy a *package* in a computer store as you did back in the '90s. You rent it instead, paying Microsoft an annual fee to use *their* software. Bill Gates doubtless figured out that the corporation made more money from this model than if they sold copies you could install from *floppy disks*.

Which, you may have noticed, have also disappeared.

Finally, there's the *membership model*. LinkedIn would be an example. You can set up a free account, but as I discovered from using the platform a few years back, if you don't obtain a paid account (back then it was around \$50/mo. – which adds up!) you're limited in what you can do on the site.

This exemplifies the infamous *nudge*. Platforms can't *force* users to do anything. But they *can* ratchet up inconveniences resulting from not doing what the owners want ... under the idea that when pain of noncompliance gets high enough, you'll comply.

Varoufakis argues that this is not capitalism but technofeudalism.

We've seen a gradual structural move back to a fundamentally feudal system in which Big Tech overlords, owners of *cloud capital*, have replaced landed gentry. And if we till the soil of its platforms for a fee, we're *cloud serfs*. The people who work for low pay in, e.g., an Amazon distribution center, monitored every minute? *Cloud proles*.

Technofeudalism and mind control.

Under capitalism, ideally at least, consumers choose, however much corporations use nudges to incentivize desirable forms of mass consumer behavior. Arguably, technofeudalism reduces choice.

Traditional capital manufactured goods, like the corporation Henry Ford built manufacturing cars. Cloud capital – digital space – does not *do* anything beyond producing how-to videos and undertaking platform maintenance. Instead, it modifies human behavior in ways that leave previous corporate nudges in the dust.

The key is understanding its algorithms, which are now AI-empowered.

Our choices on a platform such as Amazon “train” the algorithms to show us “what we want.” The platform then tries to sell it to us directly, bypassing traditional markets.

We sustain the platform “voluntarily” with our free labor: *content creation* (articles, rants, reviews, ratings, videos, photos, etc.).

Varoufakis outlines five steps toward technofeudal mind control by cloud capital:

(1) The system captures our *attention*. It is sometimes said, we now live in an attention economy. In setting up an account and making choices, we tell cloud capital’s algorithms our preferences.

(2) These manufacture *desires* ... which we’ve “told” the algorithms to show us, which we otherwise wouldn’t have seen, and which will maximize the probability of matches that will generate the highest rent the digital landed gentry can extract through *cloud rent*: the fee extracted. Cloud capital owns the algorithm, of course. Because of how the algorithm

operates on us individually, if *you* search for, let's say, binoculars, on Amazon or eBay, you could see something quite different from what *I'd* see if I did the same search. This is very unlike the two of us walking through a physical store in which obviously we'd see the same things.

(3) The platform then *sells* to us directly, outside traditional markets, what will satiate the desires it has manufactured in us.

(4) It drives *cheap labor* in what remains of physical work spaces: cloud proles.

(5) It elicits *free labor* from us, the "creator class" who provide all the content: cloud serfs.

Varoufakis calls the owners of cloud capital not capitalists but *cloudalists* who have become billionaires from this system.

Is this a control grid? What do you think?!

Another way of explaining our interactions with algorithms on Big Tech platforms is that they've set up a feedback loop. You tell the algorithm what you like and it feeds you content based on what you've told it. It then trains you to like what it offers without your being fully aware of it. If you buy, you give it more information and it makes more offers. And so on.

The more you engage with these platforms, the more mind-controlled and behavior-modified you are.

Technofeudalism and social control.

This may all seem super-convenient: *but I can make money using cloud capital sitting in my pajamas in my bedroom!* you might be thinking.

The marketing scheme: *work for yourself! Be your own boss! Set your own hours! Make as much money as you can! Do the work,*

and the sky's the limit!

I've seen dozens of such hustles, created by hustlers with how-to-do-it courses they are selling or building online communities around (charging monthly fees):

You, too, can make a million dollars a year writing! Learn how I did it! Just \$490!

Very little of this sort of thing works. Otherwise there'd be far fewer writers who don't dare give up their day jobs! There may be good money in designing such courses, though, for those who couldn't care less about ethics!

There are people earning substantial livings on Big Tech platforms such as YouTube. They pay rent to be there and earn what they can. With millions of people paying cloud rent, the platform owners – the technofeudal landed gentry – get insanely rich!

But there are serious downsides!

Algorithms are utterly impersonal forces designed to benefit the owner, not the user. It's totally automated and can be programmed to scan for specific words, phrases, what-have-you.

Said something it deems racist? Antisemitic? Otherwise politically incorrect?

Do it once, you might get a digital warning. Do it again? Account suspended! You're gone!

If there's an appeal process, it's Kafkaesque!

Since you're an independent contractor, not an employee, labor laws are irrelevant; if the algorithm "wants" you gone, you're gone.

I know of numerous people who have been in "Facebook jail," they call it, or had accounts deleted from YouTube or

elsewhere.

If you're banned from a platform and it dominates that digital marketing space, your means of earning a living has been destroyed.

I don't know about you, gentle reader, but I don't trust a power like that! Not when I don't have any defenses against it!

The digital world is expanding, moreover, with the Internet-of-things. AI-driven algorithms are everywhere and threatening to invade our use of household appliances which we may also be forced to rent in the dystopia to come when we own nothing, have no privacy, but are happy with all the conveniences – while our “carbon footprint” is being measured and if we overuse anything, eat the wrong things, etc., we may be sent a digital warning if we're lucky and cut off if we're not.

Can't you just refuse to use these platforms?

That's not realistic. They are as ubiquitous as electricity. How much can you accomplish today without them? The plain truth is, if you're in business and not online, which means interacting with Google, Microsoft, etc. – Amazon, if you're a writer – *you don't exist*. Or might as well not exist, since you're invisible.

Don't like the existing platforms? Set up your own!

That's just stupid! You don't have the resources, anything close to what you'd need to compete effectively with Google, or Amazon, or Microsoft, or LinkedIn. You would spend a lifetime accumulating them or take out loans that would indebt you to someone affiliated with the power system and you'd be cut off if you challenged that system.

Efforts to compete with Microsoft have been very limited. Few people know what Linux is or are motivated to obtain it. For

while nearly everything is programmed to run on Windows, a lot of things won't run on Linux.

And to my knowledge the only online bookstore of any size that has survived the Amazon era is Barnes & Noble. (There are a few highly specialized small bookstores with private clienteles, but if you weren't a known quantity to that clientele, I wouldn't bank on that.)

So like original feudalism, there's little mobility under technofeudalism, which also draws from neoliberal self-help pseudo-psychology telling you that your place in the system has resulted entirely from your own choices. To this mindset, *structural* limitations imposed by a system simply aren't real.

Technofeudalism is not a "conspiracy" prediction. Technofeudalism is *now*!

Even most job applications are submitted online after creating an account. No one I know of sends manuscripts through "snail mail" anymore (terms like that one should make us think about how cloud capital has changed our vocabulary).

So what's the problem?

Again, though, I hear objections. *Don't you have conveniences, especially communications, that once, long ago, weren't dreamt of outside science fiction? Such as being able to use an app like Zoom to communicate in real time to people on different continents?*

Just recently I accessed an airline website to check on flight information and prices. Next thing I knew, "my" browser was showing me ads for flights – to the destination I'd chosen, and with accompanying discounts!

That these platforms "know" what we're using them to do, and at that level of detail, is disconcerting – or should be. But this is how Big Tech manipulates us. There is no outcry, no

Smash Technofeudalism movements on the left like there are *Smash Capitalism* ones. This suggests that most people don't mind being manipulated if they're fed convenience. They don't mind that the more they use a platform, the more dependent on it they become!

It's easy to see what an abundance of research now indicates, which is that cyberspace communications which are often anonymous amplify the most extreme voices in any political discussion. We're siloed into echo chambers. This explains the societal divisions we now see, as well as some of the irrational beliefs floating around out there (there are flat-earth channels on YouTube): believers form online communities of the likeminded whose premises are never challenged, because the algorithm—giving them what they'd told it they like—never sends them anything that challenges their beliefs. If you join such a community hoping to present a “fresh” perspective, you'll get ridiculed or meet with so hostile a reaction that you leave the group voluntarily or are kicked out if you persist.

Escaping technofeudalism?

Varoufakis's suggested “solution” for all this is weak. It's his book's major drawback.

To go back to owning our choices and our minds individually, he says, we have to own cloud capital collectively. Creating a cloud capital commons akin to what Internet 1.0 was.

A kind of techno-socialism, in other words.

Given the money and power of tech oligarchs like Elon Musk, Jeff Bezos, Mark Zuckerberg and all the rest, I wouldn't hold my breath. These folks haven't surrounded Trump for no reason at all. Nor did Musk buy Twitter on a whim. As a technocrat he understands the power involved in owning a platform like that and turning it into an online slugfest.

What most Trump-supporting conservatives don't get is that *government is not in the driver seat!* If it ever was.

Nor do libertarians and voluntaryists.

Do I need to point out that *none* of this is liberal in any sense of that term I've discussed? Does this show that liberalism really is dead, therefore – in all forms – and that technofeudalism, run by technocrats and overlords of cloud capital (they're one and the same) have pounded the final nails into its coffin?

Has technofeudalism killed liberalism? A plan.

I have no immediate resolution to this. I have no magic wands, incantations, elixirs. I can only recommend adjustments you can make in your personal life and tell others about. Movements do get started that way.

Freedom didn't come about overnight, wasn't diminished and mostly destroyed overnight, and won't be recovered overnight. If it's recovered at all.

Here's a sketch of a plan for dealing with technofeudalism and its algorithmic control grid.

First, recognize the possibility that a lot of your choices made online – where to go, what to buy, what to say – are probably no longer your own. Recognizing that *you have been manipulated* is the first step towards escaping manipulation.

Second, realize that *politics is not a solution*, not in our present environment, because cloud capital has the political class bought and paid for: look at the relationship between Trump and Musk. Peter Thiel (another Silicon Valley technocrat) has schooled J.D. Vance.

Third, decide to focus on what you can control, in accordance with the wise counsel of Stoic philosophers such as Epictetus and Marcus Aurelius whom I've discussed [previously](#). You may

not be able to get off these platforms, but *can* control what you use them to do. This may mean making some uncomfortable lifestyle changes, perhaps becoming more of a minimalist. Reading a book instead of watching a video (e.g.). The structure of technofeudalism is such that it depends on your participation in it. The less you need its platforms, the less it owns and controls you.

Fourth, recognize the role of the materialist worldview in underwriting the kind of political- economic culture in which technofeudalism is at home: furthering Gekkoism ("greed is good"), and seeing people as objects, useful if their information can be monetized. In contrast:

Fifth, see persons as created in God's image and therefore having intrinsic value. Treat them as such, even the "lowliest" of us. Even Kant, a secular philosopher, formulated as a moral principle the idea that we should treat all persons as ends in themselves and never exclusively as a means to our own ends.

On a larger scale, *sixth* – and this brings us full circle – realize that the only viable form of liberalism we've seen is on the order of Bastiat's in *The Law*. Modified for today to accommodate changes Bastiat couldn't have foreseen. This outlook, which infuses a Christian worldview into political economy, could underwrite political liberty, economic freedom, the rule of law, limited government, and subsidiarity (this is the idea that social problems should be solved at the most local level possible, moving to the regional and then to the national only if they are intractable at the local level). Incorporate into this the Stoic outlook which reminds us that we control not external events, or what those in power do, but the contents of our minds and the direction of our actions.

I'm not saying we should *return* to this. In this day and age, we probably need to *discover* it. These principles we should hold onto, develop further, and communicate to anyone willing

to listen.

Parts [1](#), [2](#), [3](#), [4](#).

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Steven Yates is a (recovering) ex-academic with a PhD in Philosophy. He taught for more than 15 years total at several universities in the Southeastern U.S. He authored three books, more than 20 articles, numerous book reviews, and review essays in academic journals and anthologies. Refused tenure and unable to obtain full-time academic employment (and with an increasing number of very fundamental philosophical essays refused publication in journals), he turned to alternative platforms and heretical notions, including about academia itself.

In 2012 he moved to Chile. He married a Chilean national in 2014. Among his discoveries in South America: the problems of the U.S. are problems everywhere, because human nature is the same everywhere. The problems are problems of Western civilization as a whole.

As to whether he'll *stay* in Chile ... stay tuned!

He has a Patreon.com page. Donate [here](#) and become a Patron if you benefit from his work and believe it merits being sustained financially.

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His philosophical work *What Should Philosophy Do? A Theory* (2021) can be obtained [here](#) or [here](#).

His paranormal horror novel *The Shadow Over Sarnath* (2023) can be gotten [here](#).

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