



CLIMATE VANGUARD

Is Capitalism Dead?



Image: Still life with skull, globe, shells, jewelry box and other objects, Pieter Claesz.



After the 2008 financial crash, political economists began to **scrutinise certain tendencies within capitalism**, including its lurch towards monopoly power over market competition and preference for rent extraction over productive profit.

Some intellectuals, like Yanis Varoufakis and Jodi Dean, have taken this thought experiment further. While Varoufakis argues that capitalism is already dead, replaced by a new system called **"technofeudalism,"** Dean claims that capitalism is dying as we transition to **"neofeudalism."**

Sources: Heron, *Emancipations* (2025); Varoufakis, *Technofeudalism* (2023); Dean, *Capital's Grave* (2025).

Image: Getty Images

What is Rent?

Rent is when a person or company extracts value from a resource that they control. This is different from surplus-value, or productive profit, which is the creation of new value from the exploitation of workers. For example, when your landlord charges you rent, they're taking a chunk of the value you create as a worker, simply because they have control over an essential asset like a house.

Backwards is Forwards

Capitalism “reverting” to some form of feudalism seems contradictory with the alleged linearity of Marxism, which contends that feudalism led to capitalism and capitalism will lead to socialism. But this “stagist” view of history is over-simplified.

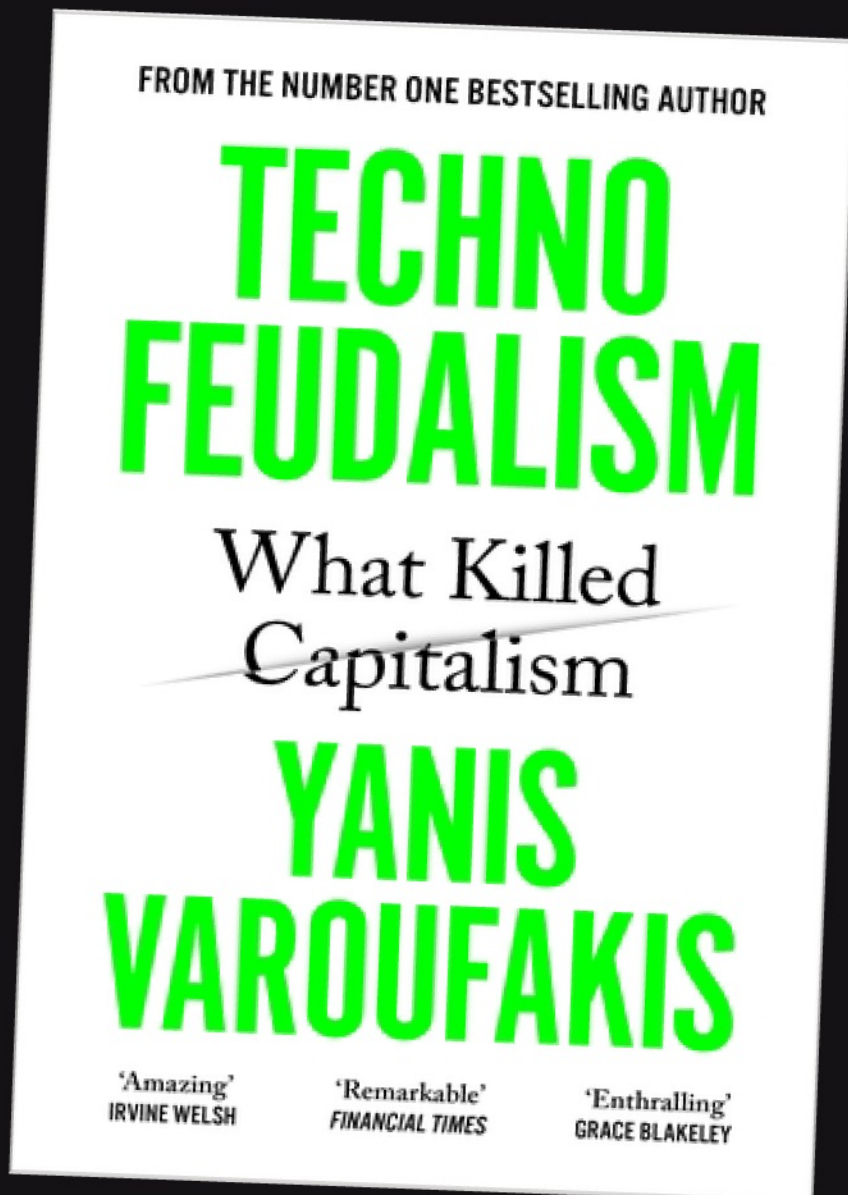
What is Feudalism?

Feudalism is a mode of production where lords expropriate surplus from serfs in order to satisfy their consumption needs. Capitalism, on the other hand, is defined by the exploitation of workers and the imperative to re-invest surplus for further wealth accumulation.

First, there is no clean break between the old and the new. Although marginalised, elements of slavery, and, more prominently, feudalism, are still alive under capitalism. Second, the transition from capitalism to socialism is not guaranteed. It requires political struggle.

Absent a socialist movement that can seize upon the conditions for revolution, late-stage capitalism could be heading towards a new, more barbaric world →





Technofeudalism

Varoufakis claims that capitalism was killed by the rise of “cloud capital” – a new form of capital based on ownership of both physical (e.g. data centres) and immaterial technology (e.g. algorithms). Cloud capital creates three new dynamics

Cloud Serfs: By using the internet (e.g. uploading a photo on Instagram), people produce value for free. They’re not workers, but unwaged serfs.

Cloud Proles: Cloud technology has intensified the exploitation of the working class, like people working in Amazon warehouses or Deliveroo drivers.

Cloud Fiefs: Markets have become monopolised, with algorithms matching sellers with buyers (e.g. Amazon). To access this cloud fief, sellers of commodities (vassal capitalists) need to pay “cloud rent” to the owners of the algorithm (cloudalists).

Under technofeudalism, the old capitalist economy still generates surplus-value, but it’s now subordinated to cloud capital, which sucks value from the economy like a vampire. Let’s look at an example →

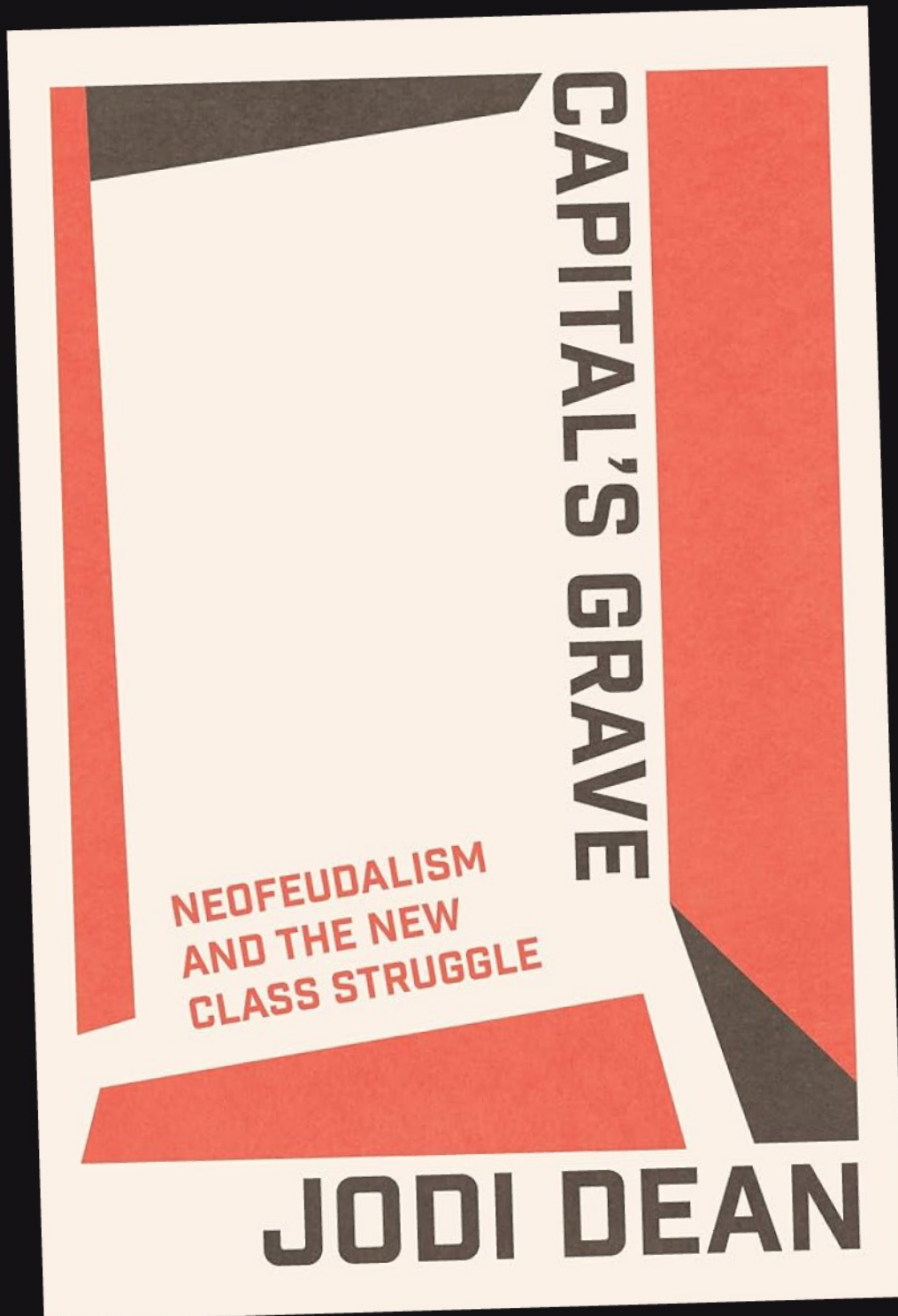


Amazon

Imagine you're shopping for a phone case on Amazon. The results you see are chosen by Amazon's algorithm, its *cloud capital*. That algorithm learns from everything you've searched, clicked, and bought before. In other words, your digital labour as a cloud serf helps build the very system that now profits from you.

You pick a phone case and order it. The seller, a *vassal capitalist*, does not receive the full value of their product because they have to pay Amazon platform fees, a form of cloud rent that flows directly to Amazon shareholders, the clou dalists.

Meanwhile, a warehouse worker, a cloud prole, rushes to pack your order under the watch of Amazon's coercive cloud-based monitoring system.



Neofeudalism

Dean, in contrast, argues that capitalism's laws of motion are folding in on themselves, transforming it into something that no longer looks like capitalism. This manifests in four ways ↗

Unlike Varoufakis, Dean is clear that capitalism still exists, but it is "becoming neofeudal." Let's look at an example →

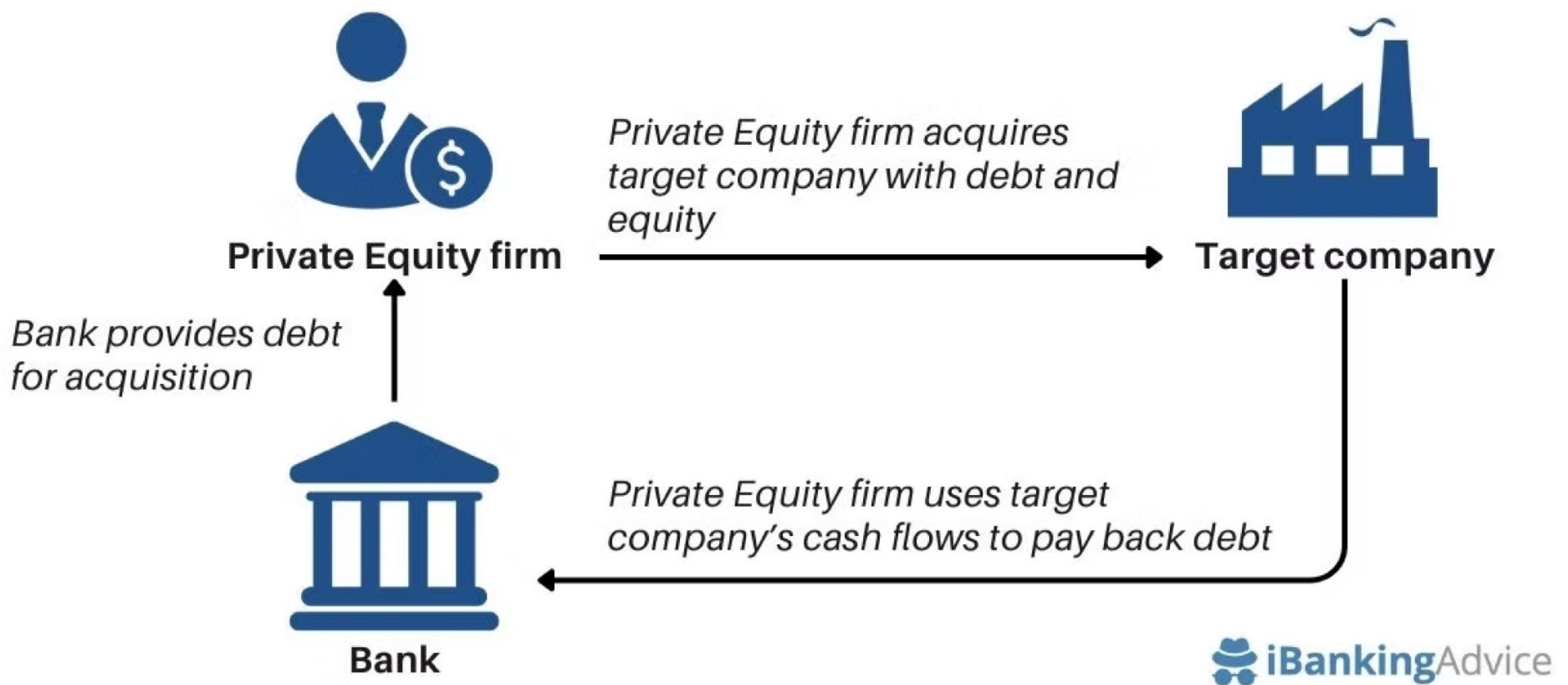
Parcellated Sovereignty:
Sovereignty is no longer exclusively held by the state. Instead, it is shared among a network of private actors that exercise political and legal power beyond the economy, like Investor-State Dispute Settlements.

New Lords and Serfs:
Billionaire overlords charge rent to a growing underclass of service workers for the opportunity to work, like Uber drivers.

Hinterlandization:
People in rural hinterlands service ever-wealthier fortress cities. Economic desolation breeds substance abuse, mental health crises, and increased risk of suicide.

Catastrophic Anxiety:
The inability to control basic social reproduction in the context of rising fascism, ecological breakdown, and global war, foments a sense of destructive helplessness.

What is a leveraged buyout (LBO)?



Private Equity

Private equity is when one company buys another using borrowed money. But instead of the debt being taken on by the buyer, it is passed on to the company being acquired.

As a result, the indebted company must cut costs (e.g. through layoffs) and divert revenue away from productive re-investment in order to service its debt and pay various fees to the private equity firm (i.e. rent). After a couple years, the private equity firm sells the now hollowed out company for a profit.



This kind of neofeudal predation has surged in post-Brexit Britain. For example, Morrisons was bought by a US private equity firm for £7 billion in 2021, of which £6.6 billion was debt. Morrisons has since been forced to sell off assets to compete with other supermarkets like Aldi.



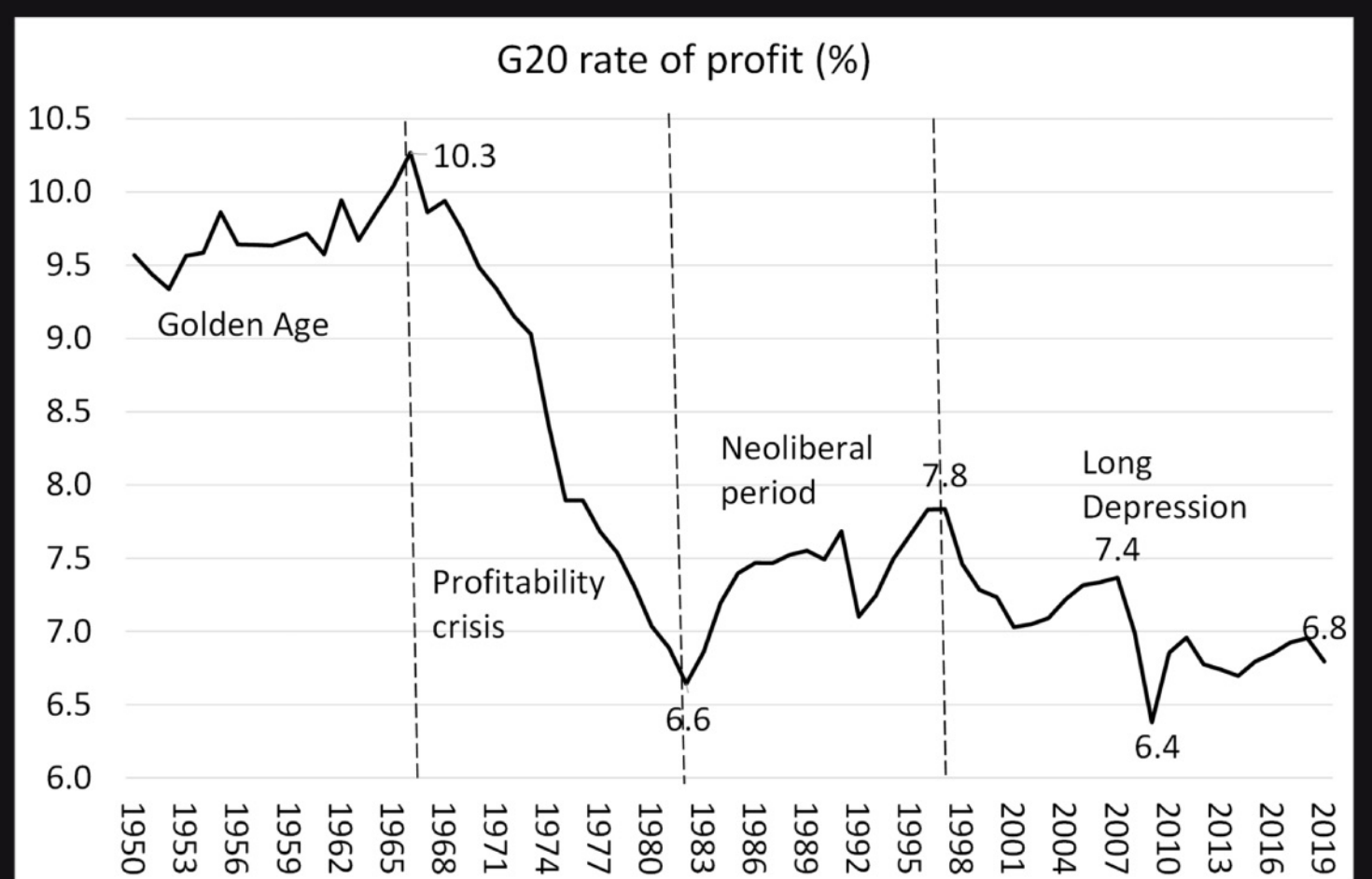
In the US, there are now more private equity firms (19,000) than there are McDonalds (14,000).

Tendency or Transition?

Varoufakis and Dean both illustrate the prominence of rent-seeking in contemporary capitalism, especially through technological means. But contrary to Varoufakis, **we argue that this does not mark a departure from capitalism**, or as Dean suggests, an inevitable exit – at least for now.

Rather, rent-seeking is a tendency within capitalism, which is *intensifying* as capital bumps up against social and ecological limits to further productive accumulation. This is made clear by the

multi-decade decline in the rate of profit in advanced economies, indicating a general crisis of profitability.



Under these conditions, factions of capital, like tech and private equity, are focusing more on plundering value from existing sources rather than creating new ones, which could yield a low return.

In many ways, the rentierism of contemporary capitalism is the culmination of what Lenin made note of in the 20th century, namely the tendency for advanced economies to shift away from productive investment towards finance capital.

Today, almost every aspect of our lives are financialised, from education to housing and retirement, a process that has dovetailed with rampant de-industrialisation. If this tendency continues, *it is possible* that the quantitative accumulation of rent-seeking will lead to a qualitative shift in the system itself.

We must continue to study this motion, just as we need to politically intervene in the unfolding of history. We must not be passive observers, but agents of revolutionary change.