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From Capitalism to Techno-Feudalism: How Digital Capital Reshapes Power

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> A speaker traces the historical shift from feudal land-based power to capitalist machine ownership, and argues that digital platforms like Amazon and Spotify represent a new economic system—techno-feudalism—where control over data and behavior modification, not physical production, is the source of power.

SAŽETAK

This talk examines how the nature of capital and economic power has fundamentally transformed over the past 15 years. The speaker begins by contrasting feudalism, where power derived from land ownership and the collection of ground rent from communities, with capitalism, where power shifted to ownership of machines and the profit they generate. He then argues that capital itself—machinery and means of production—has existed for thousands of years, but its form has evolved. Today, capital extends beyond physical tools like tractors to include networked digital infrastructure: data centers, cell towers, fiber optic cables, and cloud computing systems owned by tech giants. The speaker uses Amazon's Alexa and other platforms as case studies, demonstrating how digital machines function not as servants to users but as portals to vast cloud capital owned by billionaires like Jeff Bezos. Through constant interaction and data collection, these systems learn user behavior and preferences, enabling them to modify behavior—recommending products with remarkable accuracy. The speaker argues this represents a fundamental break from capitalism: the source of power is no longer ownership of machines that produce goods, but ownership of systems that modify human behavior. When users purchase an item recommended by Amazon, Bezos captures a significant portion of the sale without producing the item. This new form of capital—a "produced means of behavior modification"—signals the emergence of techno-feudalism, a system distinct from capitalism.

KLJUČNE PORUKE

> Under feudalism, power came from land ownership and the collection of ground rent from communities; under capitalism, power shifted to ownership of machines and the profits they generate.

> Capital has existed for 10,000–20,000 years in various forms—from physical tools like plows and tractors to networked digital infrastructure including data centers, fiber optic cables, and cloud computing systems.

> Digital platforms like Amazon and Spotify function as portals to cloud capital owned by tech billionaires, not as neutral marketplaces or servants to users.

> Through continuous data collection and interaction, digital machines learn user behavior and preferences, enabling them to modify future purchasing and consumption decisions with high accuracy.

> Amazon's business model exemplifies the shift: when users buy a recommended product, Bezos captures approximately 40% of the sale price without producing the item, extracting value from behavior modification rather than production.

> The source of power in this emerging system is no longer ownership of machines that produce goods, but ownership of systems that predict and shape human behavior.

> This new form of capital—a 'produced means of behavior modification'—represents a departure from capitalism and the emergence of a system the speaker terms 'techno-feudalism.'

ČLANAK

The Historical Shift from Land to Machines

Something quite remarkable has happened to capital in the last 15 years. Under feudalism, all power sprang from land ownership. Power was one thing: if you had property, if you had land, you also owned, essentially, the communities that lived on that land. You had the political power to send the sheriff in and collect, at the end of the harvest, your share—your ground rent. That's feudalism. With capitalism, the source of power shifted from ownership of land to ownership of machines. When we talk about capitalism, we mean a system where power comes from owning the machines that allow you to retain a residual after you've paid off your workers. What you retain is the profit, and that profit is the source of all power under capitalism.

What Is Capital?

Capital pre-existed capitalism by 10,000 to 20,000 years. What is capital? It's machinery—things we produce, not because we want them, but only to produce something else. A hammer, a plow, a tractor are all produced means of production. But today, capital is not just these physical tools. It's also what lives in devices like this one, and in the cell towers that allow for this to be networked with Google, Meta, and Amazon. It's in the optic fiber cables that are crisscrossing the Earth. When people say, "I will upload something to the cloud," the cloud is a metaphor for machinery that is all over the face of the Earth, deep inside our oceans. It's all machinery.

The Nature of Digital Capital

So why is this different from capitalism? Consider a machine like Amazon's Alexa. That machine behaves as if it is your servant, but it isn't. It's a portal to the cloud capital that belongs to Jeff Bezos. What happens is this: the machine receives all your instructions and questions, and because it is networked with all the rest of the machinery I described before, it gets to know you. At some point it starts giving you advice. I don't know about you, but when Spotify suggests music for me to listen to, I always like it. Whereas when my best friends recommend music to me, I usually don't like it. The machine knows me better. Same with Amazon—Amazon has never recommended to me a book which I didn't enjoy reading.

Behavior Modification as Capital

Through this dialectical process, when I type in "electric bicycle" and it comes up with a list of three or four suggestions saying "These will be good for you," I will buy it. But I won't buy it from a marketplace. I will just click. Think about it: Jeff Bezos collects 40% of the price you pay for the electric bicycle. He hasn't produced the electric bicycle. He takes it from the capitalist who produces the electric bicycle. So now we have a new form of capital that is not a produced means of production, but a produced means of behavior modification. That is no longer capitalism. Welcome to techno-feudalism.

#Economic systems: feudalism, capitalism, and techno-feudalism

#Digital capital and cloud infrastructure #Data collection and behavior modification

#Tech monopolies and platform economies #Power and ownership in the digital age

#Amazon, Spotify, and algorithmic recommendation systems