



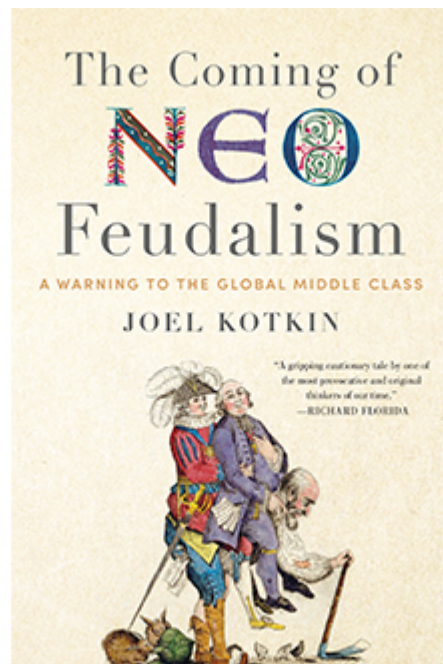
High & Mighty

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The Western world is regressing to a form of feudalism similar to that which prevailed in medieval Europe... except with updated technology and greater material abundance. The kinds of opportunities which were once the defining feature of liberal democratic nations for citizens of all economic, racial, and geographic backgrounds to enter a stable and prosperous middle-class life are being replaced by a rigid, stratified society.



The Coming of Neo-Feudalism: A Warning to the Global Middle Class
Joel Kotkin
Encounter Books, 2020, pp288

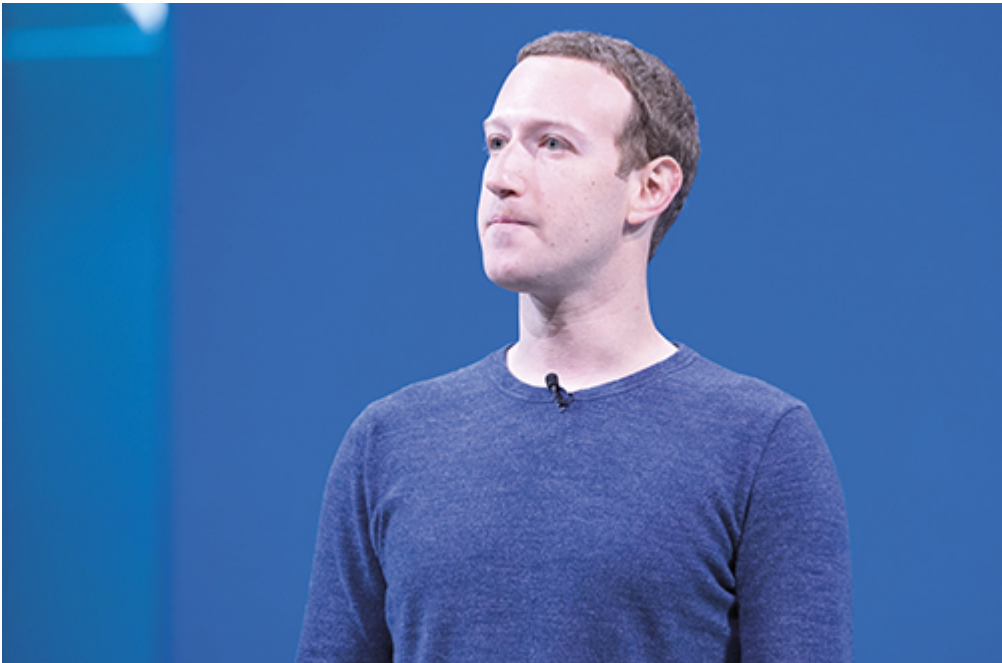
This is the bleak picture painted of Western societies by US-based demographer Joel Kotkin, who is the Presidential Fellow in Urban Futures at Chapman University in Orange, California, and Executive Director of the Houston-based Urban Reform Institute. Kotkin's most recent book brings together wide-ranging themes explored in his essays and articles, and delivers a number of penetrating insights. He shows that rates of small business creation, self-employment, youth employment, and home-ownership—once hallmarks of a flourishing nation with a strong middle class—are in structural decline across the Western world.

Liberal democracy is on the back foot.

Liberal democracy is on the back foot. And upward economic and social mobility has become the preserve of those already swimming in elite circles. The estates of the realm in pre-revolutionary France—comprised of the Catholic clergy (the First Estate), the aristocratic nobles (the Second Estate), and the peasants and the middle class, or the bourgeoisie (the Third Estate)—have in these modern times been replicated by four tiers.

The old aristocratic nobles have been replaced by wealthy oligarchs concentrated in the technology and, to a lesser degree, the financial sectors. They control the vast majority of global wealth, and also information flows through ownership of social media and traditional media platforms. Google, for example, controls nearly 90 per cent of search advertising, Facebook almost 80 per cent of mobile social traffic, and Amazon 75 per cent of US eBook sales. Google and Apple together provide more than 95 per cent of operating software for mobile devices. And

Microsoft accounts for over 80 per cent of the software running personal computers around the world.



Facebook CEO Mark Zuckerberg. Facebook controls almost 80 per cent of mobile social traffic.

Photo: Anthony Quintano

Then there is the middle class, which is split in two. The traditional middle class, or the ‘yeomanry’, consists of small business owners, minor landowners, craftspeople, and artisans, who are deeply embedded in the private economy. The other middle class, now in ascendancy, is a kind of clerisy: a group making its living largely in quasi-public institutions; notably universities, media, the non-profit world, and the upper echelons of the bureaucracy. The clerisy is essentially a class of opinion leaders who provide intellectual support to the emerging hierarchy and the oligarchies’ place at its commanding height.

At the bottom sits a growing class of property-less serfs, who are mostly below the age of 35, are unlikely to own a home or a car, or even their own music, movies, or other form of entertainment, which they stream rather than buy. They are likely to be in precarious employment, working as contractors in the ‘gig’ economy. Prospects of upward movement to the traditional middle class are dismal.

The oligarchy and clerisy do not always agree, just as the old nobility and Catholic clergy of medieval Europe did not. But Kotkin argues they have broadly similar and reinforcing political, social, cultural, and economic views. Socially, today’s clerisy are supportive of identity politics, multiculturalism, and so-called social justice progressive ideology. They both supported, and continue to support, for example, the Black Lives Matter group and the New York Times’ *1619 Project*, which—in their own words—aims to “reframe the country’s history by placing the



consequences of slavery and the contributions of black Americans at the very centre of [the United States’] national narrative”.

Economically, they favour mass and unlimited migration, radical climate change agendas and environmental regulation, and unfettered globalisation. Importantly, these prescriptions are all diametrically opposed to the interest of the yeomanry middle class and the new working-class serfs. Mass migration, globalisation, and environmental regulation has created blue-collar jobs and suppressed working-class wages. Identity politics and multiculturalism have replaced traditional values around freedom of speech, equality before the law, and the rule of law with a divisive zero-sum ideology based on race, gender, and ethnicity.

In terms of politics, the oligarchy and the clerisy favour what Kotkin calls “oligarchical socialism”, which entails the kind of managerial technology that they themselves excel at, along with some form of a Universal Basic Income (UBI), and free public healthcare and education. Yet a UBI—giving all citizens a flat, no-strings-attached monthly payment—is really a form of sit-down money which robs yeomanry of their dignity and their agency.

In other writings, Kotkin argues COVID-19 lockdown measures are likely to accelerate the coming of our neo-feudal future—a trend all too evident in Australia. As Institute of Public Affairs Research Fellow Cian Hussey demonstrates in his essay in this edition of the *IPA Review*, small businesses have been disproportionately impacted, while well-capitalised big businesses have grown or at least held steady. Industries concentrated with young workers, such as hospitality, have been hit hardest through travel restrictions and forgone tourism. And the yeomanry class, embedded in the private economy, have incurred that vast majority of job losses while those in the clerisy have not only been protected, but in many ways have actively benefitted from the lockdowns.

The COVID-19 lockdown is accelerating the coming of our neo-feudal future.



Joel Kotkin: COVID-19 lockdown measures are likely to accelerate the coming of our neo-feudal future.

In Australia, for example, some 570,000 jobs have been destroyed in the private sector since March, while more than 20,000 jobs have been created in the public sector. And in the June quarter alone, total wages paid to private sector workers plummeted by \$5.9 billion, but increased in the public sector by \$768 million. In some ways, the lockdown measures could be described as an aggressive form of asset-stripping. The clerisy have imposed rules which have the effect of transferring gargantuan quantities of wealth and power from the already precarious yeomanry and working-class serfs to the oligarchs and the clerisy themselves. To make matters worse, the clerisy decides when the yeomanry can go back to work. Perhaps more than any other writer or thinker, Kotkin has astutely identified and named the fundamental challenge of our times, which is “neo-feudalism”. But one limitation of Kotkin’s analysis is offering little by way of solutions. At a general level, Kotkin argues the key to resisting neo-feudalism is through the “same kind of people who brought the first version [of feudalism] to an end”, which is a “numerous and politically vigorous class of town dwellers”, in the words of sociologist Barrington Moore, who Kotkin quotes with approval.

These people own some property: at least their own house, and their own business, and build communities around the needs of their families. It is, in other words, a prosperous and confident yeomanry. This is true enough. Some version of an asset-owning or stakeholder democracy where regular citizens have a stake in themselves through work, their communities through home ownership, the economy through business creation, and their own and the nation’s future through family formation, is central to a stable democratic society with upward social and economic mobility (see also my article, *Uphold Values, Rebuild Wealth*, in the Winter 2020 *IPA Review*).

The challenge is one of political economy. How, in a practical sense, given the forces that appear



allied against the middle, can we move from neo-feudalism to asset-owning democracy? Kotkin doesn't say. Perhaps, though, in a meta sense the path forward lies in what Kotkin and many other intellectual and cultural leaders practice, which is to be active participants in the political, cultural, and social realignment taking place across the Western world.

In a nutshell, the realignment refers to the shift of traditional working and middle-class citizens from left to right-leaning parties, as the former have become captured by agendas of the oligarchy and clerisy around climate change, identity politics, and mass migration—all hostile to the interests of the working class. Trump and Brexit are just two recent manifestations of this realignment. In the 2019 Federal election here in Australia, workers, home-owners, and religious Australians all swung toward to Coalition and away from Labor, who spent the bulk of the election campaign attacking the resources, mining, and manufacturing sectors, and promised to raise taxes.

How can we move from neo-feudalism to asset-owning democracy?

Kotkin himself, and this book in particular, are embodiments of the realignment as those of the old left seek a new political and philosophical home.

In the acknowledgments Kotkin thanks Julius Krein—editor of *American Affairs* which, while unfair to call pro-Trump, is a national-populist journal which has featured Kotkin's analysis. So too has the *American Mind*, which is a subsidiary of the *Claremont Review of Books*, the most prestigious right-leaning journal in the US and possibly the only such intellectual and cultural centre to be firmly behind Trump politically, and supportive of the broader realignment taking place. Such an intellectual cross-pollination would have been unthinkable 10 years ago, let alone 30. But now it is par for the course.

First, we must name the problem. Then we can solve it. And in "Neo-feudalism" Kotkin, perhaps more than any other writer, has named it. The solution is for those concerned about Kotkin's portrayal of our future to be active participants in the realignment.