Technofeudalism

Mains Syllabus: GS III - Awareness in the fields of IT, Space, Computers, robotics, nano-technology, bio-technology and issues relating to intellectual property rights.

Why in the News?

Recently, the removal of purchased contents from digital libraries across various digtal platforms like sony, google books stirred debates on technofuedalism.

What is technofeudalism?

- **Technofeudalism** – It is a digital form of feudalism that is propelled by the humongous power of tech platforms and algorithms.
- **Digital Landlords** – In the world of Techno-feudalism, corporations act as digital landlords, renting things that users once believed they owned.
- **Ownership of Digital Space** – Big Tech firms, like Amazon, Google, Facebook, and Apple, have moved beyond being mere market participants and they now act as owners of the digital spaces where most economic activities occur.
- **Terms of Service Restrictions** - While physical goods follow a 'first-sale doctrine' allowing buyers to resell, digital goods, on the contrary, are constrained by terms of service.

First sale doctrine is a legal standard that accords one the right to resell or gift physical items.

- **Physical vs Digital Ownership** - Most of these platforms work under a licensing model, meaning users 'pay for accesses and not ownership.
- **Subscription Models** - Digital ownership has branched out into subscription models that essentially want consumers to rent, renew, and repeat their engagement.
- It is being increasingly applied to products that were once bought outright, ranging from creative software to car features.
- **Recurring Revenue Model** – The subscription-based model generates revenue by charging customers a recurring fee that is processed at regular intervals.
- **Provisional Ownership** – In the technofuedal system, the ownership on digital goods is only provisional and can't be transferred or inherited.
- **Monetization of Platforms** - Tech tycoons are accumulating wealth through platform ownership and not through traditional capital investment and risk-taking.

Comparison: Feudalism vs. Technofeudalism		
Aspect	**Medieval Feudalism**	**Technofeudalism**
Resource Controlled	Land	Digital platforms, data, cloud
Ruling Class	Nobles, lords	Tech company owners, platform operators
Subjects	Serfs, peasants	Users, consumers, digital workers
Value Extraction	Agricultural labour, taxes	Data, attention, digital rents
Power Structure	Hereditary, local	Corporate, global
Autonomy	Limited by lord's rules	Limited by platform algorithms/rules

What are the impacts of technofeudalism?

- This feudalism dominates the global markets, labour, and even the private lives of people.
- **Breaking the Foundation of Capitalism** - Monopolistic dominance by tech giants is breaking the foundational structures of capitalism, such as competition, private property rights, and open access.

  In traditional capitalism, ownership and control were distributed among entrepreneurs, shareholders, and business owners.

- **Concentration of Economic Power** - Technofeudalism, in a way, centralises economic power among a handful of digital platform owners.

  Several Big Tech companies, including Apple, Microsoft, and Alphabet, have market capitalizations exceeding the GDP of many countries.

- **Controlling Human Behaviour** - Digital lords can use their platforms to control user behaviour, data flows, and even labour.
- Algorithms are used to monitor, predict, and even manipulate human behaviour.
- **Extension of Subscription** - Subscription models have entered other domains such as printers and cars beyond the digital space.
    - **Example** - Companies like HP and Brother now offer monthly plans that can deactivate cartridges if the user cancels.
- **Infringe on Customer Rights** - These practices sparked debates about consumer rights and the ethics of charging extra for accessing existing hardware capabilities.
- **Loss of Contents** - In case any of the platforms shut down, in all likelihood, one's purchases will vanish into thin air.
- By contrast, physical books and cards retain value and can be used for a lifetime.
- **Monopolistic Dominance**- Tech giant companies do not simply compete in markets and in essence, they are the markets that are dictating terms for both consumers and producers.
- **Energy Crisis** – The streaming culture of data, audio, video consumes lot of energy

than the traditional purchase model where data is kept in the local space/physical storage format (DVD/Hard drive/PDF).

What lies ahead?

- State polices needs to be crafted to meet the emerging trend of technofeudalism and balance the power among state, private and people.
- Clear policies on the ownership of digital contents is need of the hour to prevent the exploitation of users by the tech giants.
- In the realm of subscription-based model, consumer rights of the users need to be protected by appropriate state interventions.
- Educating citizens about digital rights, privacy, and the workings of digital platforms is crucial.
- Open-source and community-driven platforms offer practical pathways to challenge the dominance of tech giants by shifting power, ownership, and control back to users, developers, and local communities.

Reference

[The Indian Express | Technofuedalism]

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