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The Transformation to Techno- Feudalism: Key Ethical Issues for Management

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Abstract

Techno-feudalism is a newly established socio-economic system related to the transformation from capitalism into a new system dominated by technological and digital platforms. The vision underlying techno-feudalism holds that the 21st century has been superseded by a new economic system overseen by Big Tech (Harris,2022). Techno-feudalism suggests that the desires of people are manufactured and affected by machine networks, and the power to shape those desires lies in agreeing to the terms and conditions of social media platforms (Blunt,2023). It is the greatest new threat to the liberal individual (Drum,2023). The rapid development of digital technologies has attracted two main opposites: the first narrative is that it brings new transformative ways for human progress, and the second narrative highlights the unprecedented power of big technological companies on the evolution of inequality, dehumanization, and reduced data privacy (Cong,2022). This paper argues the impact of techno-feudalism and digitalization on controlling people's behavior, desires, and opinions. Exploring digital platforms and examining to what extent techno-feudalism has replaced the past dominant market known as capitalism, and analyzing how technology has affected management systems are essential in this study. This paper argues that there are various key ethical issues, including dehumanization, reduced data privacy, and the black box issue, that have occurred after the transformation into techno-feudalism, which will be emphasized in this paper.

Keywords: Techno-Feudalism, Management, Ethical Issues, Data Privacy, Black Box, Dehumanization.

1. Introduction

When considering the relationship between techno-feudalism and the key ethical issues for management, it is important to consider the definition of techno-feudalism first, as well as the advantages and disadvantages of techno-feudalism, and the key ethical issues arising from techno-feudalism. Techno feudalism is a newly coined term that has emerged from the mutation of Capitalism, describing a system in which markets, and organizational management tools are increasingly reshaped and restructured using digital platforms (Taghizade, 2025).

The advantages and disadvantages of techno feudalism are numerous and significant (Howell, 2023). Technology is often perceived as morally neutral, which may be used for good or evil (Adeney, 1994), and it is changing the way businesses create and capture value, since it has an impact on how we live, and how we work. Technologies include cloud, mobile computing, big data, machine learning, sensors, and intelligent manufacturing, advanced robotics, drones, and clean energy

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technologies. These technologies enable profound changes in the way that work is done in organizations (Cascio & Montealegre, 2016). In the information age and the increasingly networked economy, companies are required to use advanced technology to promote business growth, as well as aligning and applying advanced technologies to contribute to overall business, and organization performance (Osmanji;et al,2022).

The usage of robotics, and the spread of automation in the workplace helps workers identify, build, and manage automatic processes (Erkutlu&Chafra, 2020). It has been argued that the role of technology as a source of competitive advantage for industries is widely confirmed by government and academies (Fartash, et al., The Impact of Technology Acquisition & Exploitation on Organizational Innovation and Organization Innovation and Organizational Performance in Knowledge-Intensive Organizations, 2016). The positive impact of information and communication technology in everyday life including workplaces is related to the ability to store and manage daily schedule information through ICT gadgets (small portable electronic devices). ICT provides the facility to make contacts and maintain relationships with people and organizations around the world through e-mail, social networking websites, and cell phones, people can communicate with each other without boundaries. Another main advantage is related to information sharing, now information is just right on our fingertips, and it became easy to access any information anywhere and anytime, and this creates an environment of openness, mutual respect, as well as increases awareness around the globe. ICT gadgets helped people to find jobs easier than before (Bosamia,2013).

Organizational collaboration has been enabled as well by the development of and use of e-business technologies, then in turn organizational collaboration and information sharing are expected to improve organizational performance. The internet, web, and web based- technologies, termed as e-business technologies, have had a significant impact on managerial practices because of their interoperability and open standard settings for the transfer of data among organizations (Sanders, 2007). The integration of techno-feudalism, including artificial intelligence, in the workplace is a transformative change that is reshaping the organizations, industries, and the way businesses operate.

Several commentaries argued and have contended that the emergence of an advanced platform-oriented marks the end of Capitalism as such, and because of the recent suggestions regarding the erosion of Capitalism. Some argues that a new mode of domination has emerged through the American and Chinese platforms, as well as some has made claims to the effect that feudal social relations are replacing those typical of Capitalism. The case that Capitalism has been superseded by techno feudalism has been Varoufakis's key periodizing claim and this basic argument was derived from the observation that corporations derive their profitability from monopoly control of digital platforms (Gilbert, 2024). Techno feudalism suggests a significant transformation within Capitalism, characterized by the privatization of public spaces and the emergence of new socio-economic control, prominent thinkers have contributed to these suggestions. However, some argue that techno feudalism should not be seen as a radical departure from capitalism but rather as a continuation of accumulative strategies within the digital space (Yan, 2024). In the contemporary digital era, monopolies have evolved beyond traditional industries to dominate the digital space, exerting a huge influence over economies, societies, as well as political and administrative systems. One of the most pressing concerns surrounding digital monopolies is their influence on governance (Taghizade, 2025).

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Therefore, it's crucial to recognize that while technology brings many benefits, it also introduces three significant ethical concerns in the workplace. Technology has not changed the issues, but it created the issues that will be emphasized (Cordeiro, 1997). This article investigates and examines the extent to which Techno-Feudalism has influenced and contributed to the emergence and evolution of significant ethical issues within public sector management.

2. Literature Review:

Techno feudalism is a game change in driving innovative solutions, serving as a valuable tool for supporting decisions, enhancing efficiency, and creating new opportunities across diverse sectors (Taylor; Francis, 2022). Several scholars and commentators have recently advanced this perspective, most notably Greek finance minister Yanis Varoufakis in his recent book "Techno feudalism: What killed Capitalism" (2024), he contends that a new mode of production is taking shape, as well as maintaining that this transformation is driven by the rise of a novel type of corporation which are the large digital platforms owned by American and Chinese companies.

In recent scholarship, Varoufakis advances a periodizing thesis that contemporary capitalism has been superseded by what he terms "techno feudalism", and his argument is built on two main central observations. First, he associates the post 2008 expansion of global platform corporations with central bank interventions. According to Varoufakis, the liquidity generated by these policies flowed through financial institutions into the technology sector. Second, he argues that the dominant source of income for these corporations is not profit in the classical capitalist sense, but rather forms of rent extraction, arising from monopolistic control over digital infrastructure (Gilbert, 2024).

Several scholars have questioned the concept of accuracy of the "techno feudalism thesis" advanced by Varoufakis. (Gilbert, 2024), for instance, offers a critical assessment of Varoufakis's claim that contemporary capitalism has been fundamentally replaced by a feudal- like digital order. Rather than viewing the rise of platform-based economies as a rupture with capitalism, Gilbert argues that these developments represent a new regime of accumulation in which capitalism continues to evolve and adapt. He suggests that the term "platform capitalism" more effectively captures the persistence of capitalist dynamics like the old monopoly formation, and competitive markets logics. Gilber's perspective challenges what he considers the exaggerated claim of techno feudalism. His critique highlights whether the rise of digital platforms signifies a radical departure from capitalist systems or represents a transformation that remains firmly within its evolving framework.

Beyond Gilbert's critique, other scholars have also questioned the notion that digital platforms represent a break from capitalism. (Yan, 2024), adopting a Marxist framework, challenges Varoufakis's techno feudalism thesis by interpreting the current developments as a form of primitive accumulation within the digital realm rather than the emergence of a new feudal system, he argues that the monopolistic control exercised by platform companies over data and digital infrastructure is understood as an intensification of traditional capitalist rather than radical change. This criticism stresses the continuity of capitalist dynamics; he cautions against the idea of overstating the novelty of the technological transformations and maintains that digital platforms operate within the core logic of capitalism.

A segment of scholarship endorses upon Varoufakis's thesis of techno feudalism; they engage with the nuances and broader implications of this shift. Stiefenhofer (2025) advances Varoufakis's techno feudalism thesis by linking the socio-economic implications aligned with the emergence of

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Artificial General Intelligence through pretending that AGI has the potential to exacerbate the concentration of economic power within a narrow of segment of digital platforms. Stiefenhofer reinforced Varoufakis conceptualization, and his contribution underscores the urgency of proactive governance and management strategies aimed at addressing the social and economic vulnerabilities.

This study is situated within the debate between two main theories concerning the transformations of contemporary political economy, especially the tension between traditional capitalist and emerging techno feudalism. Traditional capitalist frameworks emphasize market exchange, profit oriented, wage labor (Gane,2024). By contrast, the techno feudalism thesis argues that contemporary digital economies especially platform-based systems operate through rent extraction, data commodification, market-based exchange, and the monopolization of digital infrastructure (Yan, 2024); (Stan, 2025)

While capitalism is typically understood as an economic system in which private ownership the means of production, wage labor, and market competition drive value creation (Gilbert, 2024); (Stan, 2025), techno feudalism restructured this idea and reframed this picture. Under the umbrella of techno feudalism, large digital platforms owners extract rent from their control over data and technology infrastructure, rather than primarily through productive investment or traditional market competition (Stan, 2025); (Yan, 2024).

In summary, the literature on techno feudalism reflects an ongoing debate regarding the transformation from Capitalism towards techno feudalism. Varoufakis's position is digital platforms as the main driving shift toward rent extraction and monopolistic control, making a new social economic order. Scholars like Gilber and Yan challenge the extent of this rupture. However, other scholars supported the idea of Varoufakis. Together, these perspectives underscore the complexity of techno feudalism and the need for continued critical engagement to evaluate the ethical and economic implications that results from techno feudalism.

3. The Ethical Dimensions of Management in the Age of Emerging Techno feudalism

3.1. Data privacy

The most prevailing example resulting from the tension between ethics and digital technologies is data privacy, and the cost resulting from analyzing users' data to improve overall end-user experience of a digital platform is high and raises concerns regarding abuse of private data leading to moral dilemma (Wilkinson, Aude.23rd Biennial Conference of the International Telecommunications Society (ITS), 2021).Despite the functionality and importance of data, it is difficult to encourage businesses to protect data on their own, many organizations are unaware that the data they hold can be an access points to critical information for instance; personally identifiable information. Therefore, it is important that public and private organizations must put protection, and privacy needs to be a priority for all enterprises (Todt, Data Privacy and Protection: What Businesses Should Do, 2019). Protecting personal data is related to moral reasons, since moral reasons are used for personal data to provide direct or indirect control over access to those big data platforms by others through prevention of harm, informational inequality, informational injustice and discrimination, and encroachment on moral autonomy and dignity (Stanford Enclyopedia,2024). It is argued that the advancement of information, communication, and technology went hand in hand with the emergence of certain

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security threats to cyber security, and in modern times, cyber-attacks have become more complex. As a result, defending against the possibility of cyber-attacks is one of the most critical aspects that today's business organizations must strengthen (Fakiha,2021).

3.2. Black Box

The issue of the black box is considered one of the main ethical issues that is considered as a prominent drawback in applying technological advancements in the public sector context, specifically in transforming and relying on systems. (Bovens & Zouridis, From Street-Level to System-Level Bureaucracies: How Information and Communication Technology Is Transforming Administrative Discretion and Constitutional Control, 2002) in his paper in 2002 emphasized that involving Artificial Intelligence and technology within the public sector systems will lead to numerous ethical issues occurring; firstly, the issue of discretion in decision making as most of the decisions are automated. Secondly, the issue of accountability, the complexity in systems leads to uncertainty of which actor is accountable of what. Finally, legal issues arise as there are no formal regulations and rules that regulate the systems as it is a new shift that the public sector applies and not formally legalized in most of the country's constitution, which opens the door for transparency issues. With automation of routine decisions coupled and aligned with complex designed information architecture operating this automation, concerns regarding the trustworthiness of these systems occur. It is basically an algorithmic system of neural networks, which overall remain hidden from human comprehension, how artificial intelligence reaches its conclusions is opaque from view. The use of algorithmic seems to have a disproportional impact on poor and marginalized societies due to biases in these algorithms, the relationship between algorithm and ethical concerns is that algorithms often lead to lack of transparency (von Eschenbach, 2021).

3.3. Dehumanization

One of the main concerns regarding digitalization and techno-feudalism is related to the substitution of human labor in the workplace with algorithms, robots, and machines. A technological revolution pressures workers to adapt new skills to match with the organization's jobs requirements, which may be financially and psychologically expensive, and it also impacts negatively on existing pre-unskilled workers. The process of digitalization has already led to a shift in the demand for certain job roles, which requires individuals to acquire new skills. Performance-related positive expectations come with strains between organizations and their stakeholders. However, it becomes hard to relate to the organization when it seems algorithm driven and dehumanized. Like the technological revolution, a managerial revolution known as Taylorism has become a cornerstone of modern industrial management due to its relationship with standardization and optimization of work processes, as well as efficiency and productivity. It is a system of scientific management that suggests post humanism, viewed as a framework, and it is not a means to surpass the human but strategy to strip of its human qualities. During the process of digitalization, digital technologies were empowered, which results in the presence of non-human agents (Czakon & Meyer, 2024).

After highlighting the key ethical issues of technology in organizations' performance, organizations and different companies need to be educated and aware that some or most of the data they hold is critical and needs to be protected. They need to understand what data they have and identify what should be prioritized. Regardless of all the positive aspects mentioned above, data privacy, black box, and dehumanization as ethical issues should be priorities for every business to

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ensure an effective and suitable strategic action when strategic issues occur (Todt, Data Privacy and Protection: What Businesses Should Do, 2019).

4. Research Questions

1- Has Technology consistently been accompanied by moral and ethical concerns?
2- In what ways has Techno-Feudalism contributed to the replacement of human labor in the marketplace using robots and machines, and how has this influenced employee's behavior and desires?
3- What are the implications of implementing the Black Box for data transfer within the public sector?
4- How does techno feudalism affect data privacy in the workplace?

5. Research Methodology

This paper aims to examine how the transition toward techno feudalism has given rise to critical considerations within the field of management, particularly within the context of the public sector, through the adoption of a qualitative approach to gain an in-depth insight regarding the negative and positive impact it provides for management. A structured in person interview consisting of the same set of research questions was conducted with seven employees from the Digital, Financial, and Artificial Intelligence Unit at Ministry of Youth and Sports.

The Digital and Financial Inclusion unit was established in 2022, in addition to artificial intelligence added to its scope in 2025. The unit focuses on employees and volunteers' performance through the development of their knowledge regarding how to effectively use technology, leveraging its positive impacts while avoiding negative consequences. The unit involves experts' delivery intensive trainings sessions to qualify and raise awareness among participants on how to use technology within the unit's activities.

6. Findings

The interviews revealed that most of the interviewees agreed on the positive impact of technology within their unit through mentioning that "The benefits of technology are significant, a key goal for the unit's members is to develop a robot that will be powered by the unit's database and will facilitate the interaction with private and public sectors. Another important aspect of using technology is developing this robot is to raise awareness in informal settlements regarding how to effectively use technology, while considering geographic diversity and cultural differences to ensure that awareness messages reach all communities effectively and appropriately. For instance, if the unit collaborates with the World Health Organization, the robot will provide them with all relevant information about the unit, including health data, and provide them with the unit's services that can benefit health related fields.

On the other hand, interviewee one mentioned that "Technology has never been isolated from the ethical and moral issues related to human labor. It has always been at the center of discussions about justice, dignity, and human rights in the workplace, and these concerns remain strong with every new advancement. Technology has significantly contributed to the replacement of human labor with robots and machines, especially in routine tasks, which has affected the behavior and desires of employees by increasing anxiety, motivating skill development, and changing work culture. It has also improved decision-making and data transfer in the public sector, enhancing transparency,

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efficiency, and innovation in the delivery of public services. Technology has significantly contributed to the replacement of human labor with robots and machines, especially in routine tasks, which has affected the behavior and desires of employees by increasing anxiety, motivating skill development, and changing work culture. It has also improved decision-making and data transfer in the public sector, enhancing transparency, efficiency, and innovation in the delivery of public services. The reliance on black box systems for data transmission and decision-making in the public sector leads to significant challenges regarding transparency, privacy, fairness, and legal risks. To mitigate these repercussions, transparency should be enhanced, and strict data governance policies must be implemented".

Additionally, second candidate marked that "Inaccurate data entry into the robot poses a problem, because young people have not fully benefited from the workshops designed to prepare them from dealing with artificial intelligence and the development of the unit's robot which indicates the importance of monitoring and evaluating to ensure the achievement of the unit's goals". Other challenges include a lack of enthusiasm to learn among some target groups. Furthermore, hacking risks pose a threat of data and systems which necessitate strict measures to protect private information".

Moreover, during the sixth interview, the candidate cited "Technology has significant concerns, especially since the time of the first industrial revolution, as workers began to see that they were being replaced by automatic operating machinery. Workers became certain that they could be replaced at any moment and that they would lose their jobs at any time. When there was a shift from workers to machines, difficult tasks became easily manageable and were repeated daily, which increased production capacity. There has been significant progress in data analysis and by adopting tracking and control systems, factories have implemented resource planning and automated delivery systems, which raised concern among employees. The black box has become a very complex system that operates in a way that is not easily understood or is hidden in a way that makes it difficult to identify who is responsible for errors. It also provides results and recommendations that no one knows how they were derived. However, there are positive aspects such as rapid service and improvement of resources if data is entered with complete transparency.

The findings from interviews revealed a parallel consensus regarding both the advantages and drawbacks of the proposed technological integration. On the one hand, interviewees expressed strong agreement on the potential positive impact of developing robot powered by the unit's database. This system was viewed as a valuable tool for enhancing interactions between the public and private sectors. On the other hand, there was a significant concern, particularly in relation to moral and ethical concerns surrounding the displacement of human labor. Respondents acknowledged that technological advancements have increasingly led to the replacement of human workers with automated systems and robots. Additionally, the use of black box algorithms presents substantial challenges, including a lack of transparency, threats to privacy, and fairness concerns. This led to a growing sense of insecurity among workers, who recognize the real possibility of being replaced easily.

Interviewees acknowledged that while technology enhances decision making, data transfer, and public service delivery efficiency, it also contributed to job insecurity, employee anxiety, and changing workplace culture. The black box issue algorithms making opaque decisions was

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consistently flagged as a source of transparency and legal risks. Overall, the interviews illustrated a balanced view: optimism about the transformative potential of AI tools and robots in improving services and outreach, alongside deep concerns about ethics, labor, transparency, and data protection.

7. Discussion and Conclusions

This paper sets out to examine the relationship between techno feudalism and key ethical issues for management within the public sector. It has been clearly demonstrated in this research that data privacy is a major ethical issue in the digital age, as the use of personal data to enhance user experience often leads to concerns about misuse. Black box is also a major ethical issue in applying advanced technologies in the public sector including the loss of human discretion, ambiguity in accountability, and absence of legal frameworks which increase lack of transparency. Additionally, the replacement of human labor by machines, algorithms, and robots, is another critical ethical challenge. The interviews strongly validated the three core ethical concerns identified in the theoretical part as they are real and pressing challenges within the practical experience of the unit, they were consistently mentioned by the interviewees as a daily concern affecting both strategic planning and operational performance.

Firstly, the ethical threat posed by black box systems was not only acknowledged but described in vivid detail, they expressed their concern regarding the opacity of algorithmic decision making, which limits the ability to track how outcomes are generated and who is accountable when errors occur. Secondly the concern about data privacy and protection was raised through several ways; inaccurate data entry, the lack of proper training in data handling, and the increased threat of cyberattacks were cited as real weaknesses. This aligns with (Todt, Data Privacy and Protection: What Businesses Should Do, 2019) argument that many organizations are unaware of the sensitivity of the data they manage, making them vulnerable to both external and internal threats. Lastly, dehumanization and labor displacement have led to heightened worker anxiety, concerns about job security, and significant changes in workplace behavior and employee identity. This mirrors what was discussed as a core feature of techno-feudalism, where technological advancements subtly erode human roles and dignity in the name of productivity.

Therefore, public sector institutions must take urgent steps to embed ethical considerations into every stage of digital development. This includes developing clear data governance policies, ensuring transparency in automated systems, and protecting the human dimension of work. The recognition of these ethical issues by those directly involved in implementation demonstrates that they are not only theoretical constructions, but tangible realities requiring immediate strategic attention.

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