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Technofeudalism or Technosocialism?
WeChat as Socialist Alternative to Platform Capitalism

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Abstract
The emergence of Chinese platform technology, WeChat (微信) an application that singularly incorporates functions of messaging, social media, financial services and more, marks a new development in the construction of Chinese socialism and the Chinese nation-building project. What then of the Western critiques of platform technology and their interaction with political economy: technofeudalism and platform capitalism? This article argues that these analyses which successfully critique the way Big Tech platforms have manifested as technologies for capitalist extraction in the West do not accurately account for the function of WeChat in China’s system of socialist development. Notably, both platform capitalism and technofeudalism presuppose that platform technologies emerge out of neoliberalism. Arguing that WeChat’s advancement and success is partly attributed to China’s rejection of neoliberal austerity politics and policy, this article looks to WeChat as a potential alternative to Western modes of digital capitalism.

Keywords: Technofeudalism, Platform Capitalism, WeChat, Socialism with Chinese Characteristics, Marxism, New Media

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In his recent book, Yannis Varoufakis touches upon the case study of WeChat (微信) as perhaps the most advanced technology of what he calls “technofeudalism.”¹ This article seeks to expand Varoufakis’ work, developing a technofeudalist theory of an everything app—i.e. an application or platform that combines social media, communications, and financial services.² Accepting Varoufakis’ central premise, that a new system (technofeudalism) is replacing neoliberal capitalism, this article’s analysis identifies why China has excelled at developing a functioning ‘everything app,’
while the West lags behind. Comparing the Chinese model of the everything app (WeChat) to its American counterpart (X), one can see how the “free market” style of American neoliberal capitalism is hindering the development of successful technofeudalist technologies. The new stage of capitalism or technofeudalism emerging is replacing neoliberalism by discarding foundational structures of the neoliberal order—a reduced role of the state, open borders, transnational trade, the US dollar standard. China’s mixed-market economy and political system is more conducive to the development of the technofeudalist mode, precisely because it is not attached to the neoliberal austerity politics of the West and because of the socialist state’s suppression of a traditional capitalist class. The case of the “everything app,” illuminates a new future where the state plays a central role in managing a national digital financial system, with rigid (digital) national borders, and increasing centralization on ever fewer platforms, cloud fiefs, or everything apps.

On Platform Capitalism and Technofeudalism
The two prevailing theoretical frameworks of Left-critique of the emerging Big Tech platforms are “Platform Capitalism” and Technofeudalism. Though these theories have some limited import in describing the emergence and function of a technology like WeChat in China, I intend to show that neither body of theoretical work effectively accounts for the role of the Chinese state in creating the conditions for WeChat’s creation and daily operation, nor the socialist politics guiding its application. But first, let us define these two traditions of thought, and where they may be helpful. In his book-length project on the topic Platform Capitalism, Nick Srnicek describes an emerging phenomenon in new media and its relationship to political economy. His argument goes,

with a long decline in manufacturing profitability, capitalism has turned to data as one way to maintain economic growth and vitality in the face of a sluggish production sector. In the twenty-first century, on the basis of changes in digital technologies, data have become increasingly central to firms and their relations with workers, customers and other capitalists. The platform has emerged as a new business model, capable of extracting and controlling immense amounts of data, and with this shift we have seen the rise of large monopolistic firms.

In this model, as capital seeks to recuperate the profits lost from a decline in production, they shift to a data or information model of accumulation which centers digital platform technology.

The technofeudalism argument, pioneered by Greek economist Yannis Varoufakis, takes a similar premise one step further; not only have capitalists moved away from the productive mechanism of traditional capitalism, but they have also
moved away from capitalism proper, to an entirely new mode of production predicated on this data-surplus model. For Varoufakis, “Technofeudalism is synonymous with the universalization of exploitation and with the shrinking of the value base in proportion to the rise of cloud rent’s share of all incomes.” How do we reconcile this narrative, which relies on the wholesale replacement of production (capitalism) with data-surplus extraction (technofeudalism), with a Chinese economy that, while engaging with global markets, maintains a robust manufacturing base and a mechanism of socialist development resisting this totalizing exploitation described in the technofeudalism model?

Traditional narratives of platform capitalism accept a Euro-American framework of neoliberalism as their origin of development. I argue that this teleology which extends out of Bretton Woods through neoliberalism and onward to something else (perhaps technofeudalism) is not a fitting history for the development of both platform technology and political economy more broadly in China. WeChat poses a real problem for both the critics of so-called platform capitalism and its Western proponents. Namely, WeChat is part of a regulatory network and mode of governance that completely breaks the paradigm theorists of platform capitalism take for granted. The precarity of the gig worker central to Uber and Task Rabbit, or the advertising model of accumulation at the core of the Facebook and X profit model, simply do not apply to the function of WeChat and the greater project of what one can call “socialism with Chinese characteristics.”

What then can we say of WeChat? In a sense, WeChat and its parent company, Tencent, has created the technofeudalist platform Western capitalists could only dream of—massive data collection and aggregation, a nearly complete synthesis of application use and the transactions, both social and financial of daily life—but this picture is only accurate at a glance. WeChat may have integrated modes of personal and private property and mechanisms of finance Western capitalists would envy, but it is also profoundly bound and regulated by the restrictions and impositions of the state. By integrating with local municipal infrastructure at its base level and integrating with the more expansive network of national identification, WeChat is entangled with a kind of governmentality of Western capitalists’ nightmares.

This gets us to the core of my argument, the essence of which is this: neoliberalism hinders the development of pure technofeudalism, and socialism with Chinese characteristics develops technologies that may seem technofeudalist but operate under a completely different system of political economy that resists this characterization. Western capitalists have failed to create a platform the likes of WeChat precisely because the remnants of neoliberal capitalism in the West prevent the necessary state involvement and centralization to realize it. Conversely, the Chinese mode of governance and political economy at the very core of the development of WeChat and its use-cases, suppress the capitalist class, or what Varoufakis may call “cloudalists” enough to prevent the total realization of the technofeudalist vision

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outlined by those who favor this theory of economic development.

The turn from neoliberalism to the next stage of production beyond it, at least in the case of China, is not technofeudalism per se, or even “technofeudalism with Chinese characteristics” as Varoufakis cheekily called it,8 but some form of technosocialism. WeChat reflects the core aspects of the Chinese form of political economy, a market socialism that combines limited forms of private property and capital accumulation under close government and party regulation, and a robust apparatus of central planning practices. Looking closely at WeChat, we see a technology that yes, operates under some of the tendencies of the technofeudalist mode of platformism and data collection, but also one that erects rigid national-digital borders and a general adherence to the Chinese national project of building a transitional socialist state.

**A Classical Marxist Reproach**

I suggest here a return to Marx, who was careful not to conflate a part of the means of production (machinery/technology) with the mode of production (slavery, feudalism, capitalism, technofeudalism, socialism, etc.)9 It is clear that a technology like WeChat would lend itself well to a kind of idealized form of technofeudalism, however our analysis breaks down when we begin to assert that there can be something like a technofeudalist technology. Theories of platform capitalism are sound because they emphasize how platforms are deployed and operate as mechanisms of capital accumulation and of the extraction of surplus value from workers. Firms like Uber and TaskRabbit adhere nicely to this kind of description. On the other hand, theories of technofeudalism argue that the whole mode of production has shifted, that capital is no longer the central object, and rather surplus is extracted from labor activity happening on the platform itself (i.e. data collection). Neither theory captures a totalizing platform like WeChat entangled and embedded in a state-socialist project. WeChat contains the division of labor (social relations) of technofeudalism and the technological component of platform capitalism (means of production) but the class relations of neither.

Referring to the advent of the factory system during the industrialization of Europe, Marx claims that these changes in the technological conditions of production, “alters its character. The principle of machine production, namely the division of the production process…now plays a determining role everywhere.”10 In this sense, the advent of a technology like WeChat and other platform technologies, that reconstitute the form and elaboration of the productive process, does indeed alter the character of social relations. However, Marx does not claim that the advent of these technologies alone marks a total change in the mode of production itself. To follow Marx’s analysis, is to recognize where platforms reconstitute labor formations and how new social relations are accentuated, but not to make such reckless claims as
As for platform capitalism, Marx’s account of the influence of the steam engine may be the appropriate analog.

This industrial revolution, which advances naturally and spontaneously, is also helped on artificially by the extension of the Factory Acts to all industries in which women, young persons and children are employed. The compulsory regulation of the working day, as regards to its length, pauses, beginning and end, the introduction of the relay system for children, the exclusion from the factory of all children under a certain age, etc., necessitate on the one hand more machinery and the substitution of steam as a motive power in the place of muscles. On the other hand, in order to make up for the loss of time, an expansion occurs of the means of production used in common, of the furnaces, buildings, etc., in one word, a greater concentration of the means of production and a corresponding increase in the number of workers conglomerated in one place.¹¹

The advent of platforms, and the digitization of the economy, like the advent of the steam engine and industrial revolution, inaugurates a new industrial and social milieu for labor. In the West, where neoliberal capitalism is the predominant mode of production, this accumulation of labor on increasingly few platforms alters the social form of labor toward data collection and advertising and condenses the capital and wealth of a shrinking group of capitalists with ownership in the Big Tech sector. However, this is not the story of WeChat in China, as neoliberal capitalism is not the dominant mode of production. The digitization of the Chinese economy emerges out of a different set of concerns and motivations from the West that ultimately structure themselves around the enrichment of the whole society and the construction of socialism in the 21st century.

**Chinese Neoliberalism?**

Theorists providing a more detailed account of China’s digital development and technological modernization equate these phenomena to “neoliberalism” or Chinese “state capitalism.”¹² Where the historical outline of how this political tendency of modernization initiated by reformer Deng Xiaoping¹³ and the rapid innovation of digital technologies and platforms, accurately accounts for how and why something like WeChat came to bear, this right-wing misappropriation and misreading of the Chinese national project is not only reactionary, but factually inaccurate. China’s development is markedly not neoliberal, and as I have tried to show, WeChat is evidence of this. In addition, the charge of state capitalism is an ultra-left analysis which applies equally to Lenin’s New Economic Plan (NEP) as it does the
combination of central planning and limited market activity in China.\textsuperscript{14} Despite the reactionary miscalculations which label the Chinese economy “neoliberal” or “state capitalist,” these analyses from Chinese critics of WeChat capture an important aspect of China’s national planning that may provide a window into how and why China’s digital development has so exceeded Western peers.

Rather than engage in a full-scale critique of the many claims against Chinese socialism, or the potential of the socialist character of a market economy, let us use the example of WeChat as evidence itself against the narrative of Chinese neoliberalism. Notably, the techno-nationalist character of Chinese digitalization resists the key promises of neoliberalism which seek to globalize production and make labor transnational. Additionally, the WeChat infrastructure incorporates state-owned infrastructural elements as a central feature of its operation, contrasting the neoliberal model of privatization and the independence of financial institutions from state regulation. The emergence of WeChat and its success in China is evidence of the precise nature in which China is not like the neoliberal economies of the West, where the lack of state involvement and central planning in the economy prevents advanced platform technologies like WeChat from developing.

**Digital Identity Infrastructure and the Biopolitical Critique**

The state entanglement of China and its digital technology apparatus stems from the national program referred to as the “whole-of-nation” system (举国体制).\textsuperscript{15} In the case of WeChat this system is elaborated in the integration of the platform with public services and infrastructure, and most notably the digital identity infrastructure.\textsuperscript{16} To access the full capabilities of WeChat, Chinese nationals must verify their national ID with Tencent, as well as their financial identity (i.e. banking information). These are features that are inaccessible to non-Chinese nationals and partially reinforce the digital borders I have referenced. The criticism of China’s movement towards the rapid development of digital technologies and their interrelation to an expansive state digital infrastructure stems from an invocation of the Foucauldian theory of governmentality.\textsuperscript{17} While it is true that the expansion of this data infrastructure and its embeddedness with digital identity does have implications for the kind of population management Foucault critiqued, these critics are guilty of moralizing this analysis in a way that is likely unproductive at best, and highly reactionary at worst. Much like the Marxian theory of technology which refrains from making any moral judgement on advancements in technology themselves, but rather frames the question of technology within the discourse of the mode of production, governmentality is a universal quality of the state with no inherent moral negativity. We may choose to criticize an unjust application of power, be it sovereign or biopower,\textsuperscript{18} or with kinds of predatory surveillance, but it is dangerous for the Left to develop a general allergy to power and authority.
Critics of China's digital-governmentality that the centrality and scope of WeChat's application and use-case amplifies, refer to the Chinese political orientation towards digital technology as "cyber-sovereignty," invoking the biopolitical discourse. This term is not categorically false, that is, the CCP stance toward the regulation of digital activity, including speech, positions the state as the sovereign of the polity. These critics fail to acknowledge the centrality of a sovereign in the digital space outside of China and in the West. Notably, the capitalists and security state interfering with the so-called "free flow" of information and ideas. Within the context of the Chinese political and social system, "scrutiny on the Internet" as it is euphemistically described by party leaders, runs the risk of mass censorship and other regrettable consequences of the power of the state. Conversely, the Chinese model of "public scrutiny" in the digital space, is not contrasted in Western spaces with freedom, but with private scrutiny. Where Western platform users are not subject to digital identity verification, suppression of online speech and economic exploitation via data-harvesting are centrally operative in platform capitalism in the West.

The biopolitical nature of China's digital identity infrastructure, which WeChat utilizes is not something to dismiss out of hand, lest we fall into the orientalist trap of ascribing an inherent malevolence to the Chinese mode of governance, or the route of Orwell, uncritically rejecting so-called "authoritarianism." Rather than moralize the emergence of WeChat, and its accompanying apparatus of digital infrastructure and Chinese Communist Party policy as biopolitical governmentality (bad), let us engage with this form of governmentality as an alternative to the governmentality of the West. The digital sphere of communication in the West is not free from surveillance, biopolitics, and modes of data-governmentality. All these features are present, but operating in inefficiency, decentralization, and un(der)regulation. This is to say, the mode of governmentality operative on platforms like X (Twitter) also involve data collection, surveillance and the like, but lack the centralization and efficiency of the Chinese state. Does this make them better, or less harmful? Of course not, while the state may not always have good intentions, under socialist principles, as is the case in China, the state has a responsibility to improve the conditions and status of the working class. Conversely, a platform like X is controlled chiefly by the South African capitalist Elon Musk and is loyal only to the espoused liberal principles of "free speech" as they are selectively applied by X's content moderation team.

Digital Development and Infrastructuralization
According to China's "14th Five Year Plan for National Informatization,"

Accelerating digitized development and building a digital China are inherent requirements for meeting the changed circumstances of a new development phase, grasping the opportunities of the information rev-
olution, building new advantages for national competition, and accelerating the creation of a modern Socialist country; they are strategic steps in implementing new development ideas and promoting high-quality development; and they are a necessary road to promote building a new development structure and building a modern economic system.\(^{21}\)

WeChat, will necessarily play a major role in propagating the digitization of China, as the predominant platform for both China’s citizens’ daily use and the platform-of-choice for the New Media Matrix for Government Affairs which hosts a vast network of platformized official government bureaucratic accounts (政务号).\(^{22}\) Unlike the models of technofeudalism or platform capitalism which stress the role of capitalists or cloudalists in extracting value and accumulating wealth from users’ data, the model and apparatus of which WeChat is a part can be better understood as operative of socialist nation-building, which incorporates elements of central planning and market activity. When we approach WeChat from the perspective of Chinese state goals and economic development, sometimes referred to as China’s Great Road (中国大路),\(^{23}\) WeChat becomes evidently dissimilar from Western big tech platforms in societal function. From a user interface (UI) perspective one can understand WeChat as an advanced form of what already exists in Western social media platforms, but as political economists the operation of these platforms in their mode of production and their relation to the state are blaringly divergent.

WeChat, and the national model of digital technology infrastructuralization in China stresses three main features: platform protectionism, government control and (semi)nationalization.\(^{24}\) We can attribute WeChat’s success to these three pillars; three pillars that Western Big Tech capitalists will fight to prevent. WeChat, and in particular its financial services component, WeChat pay, runs counter to the basic principles of neoliberalism (global trade, deregulation, etc.) WeChat prioritizes national markets; “platforms are likely to make trade-offs with state authorities...in exchange for being allowed to continue to operate in the national market.”\(^{25}\) In addition to the prioritization of domestic markets resisting globalization, WeChat plays an essential role in a functional political nationalism. “WeChat increasingly resembles a public utility, through its active collaboration with Chinese authorities in the development of public services (e.g. ID cards, city administration, etc.),” and “Tencent chairman Ma Huateng serves as a deputy on the National People’s Congress, and his company hosts Communist Party committees in its offices.”\(^{26}\) I suggest we view this integration of the Chinese political project and the digital media environment of WeChat, not as the Chinese government and CCP paternalistically hamstringing digital industry and the personal freedom of users. Rather, by incorporating WeChat’s development into the broader political and economic project of modern Chinese nation-building, China implements Marxist–Leninist ideology, rejecting the model of Western liberal–democracy that let’s capitalists ex-
tort the masses and direct technological development to their own benefit.

Conclusion

For socialists, and (critical) supporters of the Chinese path of national economic development, WeChat provides an opportunity to study closely the possibility of an advanced platform technology free from many of the insidious trappings we identify in American Big Tech platforms. Perhaps missing from the rich discourses of technofeudalism and platform capitalism, which correctly provide incisive critiques of developments in Western political economy, the Chinese alternative is a happy complicating factor in this otherwise pessimistic image. As an extension of China’s long-term project of the “four modernizations” WeChat is in part evidence of the success of socialist nation-building, of lifting millions out of poverty.\(^{27}\) Of course, WeChat is only one small mechanism in this project which began years before the successful revolution in 1949, but an accurate account of WeChat situates the technological advancement within a greater social and political project that first sought to industrialize a feudal nation of workers, soldiers, and peasants, and now seeks to expound on that legacy by building the world’s most advanced digital economy.

As for the critiques laid at the feet of WeChat, Tencent and the PRC economic model, there is no doubt workers in China have endured hardship throughout this industrialization and now digitalization phase of development. American workers too, have suffered the effects of de-industrialization, as Global North capitalists moved manufacturing to the Global South. Varoufakis refers to this exchange between East and West in Technofeudalism as a “dark deal,” in which workers in both regions experience “different miseries, [under the] same recycling process.”\(^{28}\) Without effacing the very real struggles of the Chinese working class, and of the marginalization of China’s workers, this macroeconomic analysis, glossing quickly between the radically different economic and political systems with overarching negativity loses sight of the core principles of Chinese political economy. The “dark deal” narrative ignores the real interests and benefits Chinese workers enjoy because of the PRC’s measured participation in global markets. WeChat emphasizes the precise ways in which Chinese WeChat users are not subject to the same exploitation as the users of American Big Tech platforms. Under a socialist model of development, WeChat users are not the cloud-serfs of the West, nor is the primary mode of accumulation coming at the extraction of cloud-rents. Varoufakis’ theory of “technofeudalism with Chinese characteristics,” to which he only dedicates a few pages,\(^{29}\) only holds to bear in total ignorance of Chinese political and economic aspirations, socialism, and its historical and political contingencies.

Notes
3 Varoufakis 2023
5 Srnicek 2019, 11.
6 Varoufakis 2023, Appendix 1.
10 Marx, Fowkes, and Fernbach 1981, 590.
14 “A sort of ‘restoration’ in terms of theoretical and ideological thought took place after the introduction of the NEP, and the concept of the transitional period once again gained status, replacing socialism. In theoretical terms, socialism was removed one step further from being attained as well.”(Krausz 2015, 337). This statement represents the classical critique of the NEP and so-called market socialism, however, as (Ross 2021) shows the Chinese “opening up” ushered-in by Deng Xiaoping, can be seen as an advance toward socialist development rather than an explicit step away from socialism towards “transition.”
15 Wang 2023, 2.
16 Wang 2023, 2.
18 In the case of WeChat we are dealing with a biopolitical power structure. See, Michel Foucault. 2003. " society must be defended": lectures at the collège de france, 1975–1976. Vol. 1. Macmillan.
20 Xi Jinping (习近平) quoted in Plantin and De Seta 2019.
21 Johanna Costigan and Graham Webster, eds. 2022. 14th five-year plan for national informatization. Translated by Rogier Creemers et al. Stanford Cyber Policy Center Freeman Spogli Institute, DigiChina (January 24, 2022): 1–60, 5.
22 Wang 2023, 4.
23 Ross 2021.
24 Plantin and De Seta 2019, 269.
25 Plantin and De Seta 2019, 269.
26 Plantin and De Seta 2019, 269.
28 Varoufakis 2023, 152.

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