

WHY JOEL KOTKIN'S FEAR OF AMERICAN NEO-FEUDALISM IS UNFOUNDED

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Joel Kotkin, an urban geographer, demographer, and prolific futurist, argues in a new book that the United States is headed toward "neo-feudalism." The original feudalism of the Middle Ages bound most individuals into a fixed position in the social hierarchy. Kotkin sees something similar emerging in our future.

But his evidence is unconvincing.

Rather than feudalism, we are headed toward hyper-capitalism, where each person is an entrepreneur constantly selling his or her services to the highest bidder. Thus, although it's beautifully written, pleasantly brief, and full of interesting information, Kotkin's book, *The Coming of Neo-Feudalism*, fails to persuade.

THE DARK VISION OF A SUNNY MAN

Want to be afraid...really afraid?

Kotkin writes,

A poll conducted by the [Victims of] Communism Memorial Foundation in 2016 found that 44% of American millennials favored socialism while 14% chose fascism or communism. By 2024 millennials will be the country's biggest voting bloc by far.

Coming from a man whose disposition has been sunny for his entire career, and whose books and articles promote "an America where solutions trump ideology," this nugget is not good. We have always had socialists and communists in our midst, but fascism? Really?

I don't necessarily believe the poll. Other surveys of the young, admittedly from before the pandemic and current economic uncertainty, showed that they favor "economic moderation" while holding liberal social views.¹ The poll results are surprising as well as alarming.

Here's a more typical Kotkin prognostication, from 2010:



Joel Kotkin
[Source](#)

¹ Russell Dalton of UC Irvine, writing at https://www.press.umich.edu/9526877/politics_of_millennials.

...[I]f we look beyond the short-term hardship [of the Great Recession], there are many reasons to believe that America will remain ascendant well into the middle decades of this century... [O]ne important reason is people. From 2000 to 2050, the U.S. will add another 100 million to its population... putting the country on a growth track far faster than most other major nations in the world. And with that growth... will come a host of relative economic and social benefits.²

This 2010 quote exemplifies the sunny Kotkin I know and love, and whom I invited to speak at a conference I helped organize a few years back.³ His talk was received with great enthusiasm — although a few audience members, recalling the zero-population growth *zeitgeist* of their youth, were surprised to hear Kotkin tell them they should have more children.

A FEUDAL FUTURE...OR MAYBE NOT

Yet Kotkin has soured on America's future. If we are careening toward neo-feudalism, I don't want to go along for the ride. The original feudalism, in the Middle Ages, was a system of personal relationships, enforced by custom, between members of various rigidly defined and hereditary social classes. The livelihood of each person was both guaranteed and limited by their place in the feudal system. It was terrible.⁴

Kotkin sees similar power imbalances, reminiscent of feudalism, growing out of the exaggerated inequality into which our society has evolved. Our class system, such as it is, includes the super-rich captains of technology, finance, and entertainment; rank-and-file workers; and an underclass consisting of those made unemployable by that very technology.⁵ These three classes are familiar leftovers from the factory system.

However, we've also sprouted more exotic groups such as the "precarariat" — gig workers who are getting by but always at risk of destitution — and a new bourgeoisie of graduate school-educated professionals who are called funny names by pundits. If you are reading this, you probably belong to this last group, called the clerisy by Samuel Taylor Coleridge in 1830,

² AOLNews.com, March 15, 2010.

³ Institute for Quantitative Research in Finance (The Q Group), meeting in Dana Point, CA, Fall 2012.

⁴ Although feudalism has its sentimental admirers, the great French historian Fernand Braudel (1902-1985), who has studied medieval and early modern European history probably more intensively than anyone else, gets the last word. Kotkin writes, "Braudel paints the grim reality of life for European peasants [in that era as] a life of 'almost total deprivation.' Peasants had practically no furniture, often not even a table, and they sold their better food products — like wheat, eggs, poultry, and lambs — to their social superiors, contenting themselves with millet and maize supplemented by salt pork once a week."

⁵ "Such as it is": The U.S. has never really had a class system in the British sense. What Americans call "classes" are really income categories and are very fluid. They are less fluid than they used to be, but social structure is always more fluid when a country is going from poor to rich; the starting point matters. Meanwhile, immigrants, many of whom are doing spectacularly, find the U.S. much more fluid than where they came from. The length of the line of people waiting to get into a country is a surefire indicator of that country's relative desirability.

We still find that many wealthy people come from modest circumstances, and a current trend is for the children of the bourgeois to be *downwardly* mobile for voluntary reasons. There is no landed aristocracy to speak of. That said, the cognitive elite, discussed later in this article, has become increasingly concentrated in their own communities and isolated from the other groups, as described vividly in Charles Murray's *Coming Apart* (2013).

and more recently the creative class by Richard Florida, bobos by David Brooks, and (I love this) the X people by Paul Fussell.⁶ Reflecting the polymathic economist and historian Deirdre McCloskey's influence on my thinking, I'll just call them the bourgeois. I will return to this theme later.

ARE WE HEADED TOWARD FEUDALISM, OR SOMETHING ELSE?

What is feudalism? According to the *Encyclopedia Britannica*,

[It] was characterized by the absence of public authority and the exercise [instead] by local lords of administrative and judicial functions...and the prevalence of bonds between lords and free dependents (vassals). [The bonds]...were forged by the lords' bestowal of property, called "fiefs," and by their reception of homage [i.e., a formal pledge of loyalty] from the vassals. These bonds entailed the rendering of services by vassals to their lords (military obligations, counsel, financial support) and the lords' obligation to protect and respect their vassals.

Does that sound like the United States you see in 2022 or at any time you imagine? If not, you understand what I find unsatisfying about this book. It assumes we will stay on the narrow path that Kotkin thinks we're on, which is unlikely even if he is correct about us currently being on that path. The book therefore makes a forecast which will turn out to be wrong.

If not headed toward neo-feudalism, where are we headed? Feudalism is based on fixed economic roles for the various components of society and thus fixed wealth shares. The U.S. economy is anything but fixed. The giants of the "old" telecom industry, itself dating only from the breakup of AT&T in 1984, are already gone or are shells of their former selves. The new tech titans are founders of social media and internet retailing companies — industries that weren't in anyone's wildest imagination 30 years ago.

We will have a few enduring winners, producing new Warren Buffetts, but most of today's darlings will crash back to earth and their founders will climb down the wealth rankings as quickly as Engine Charlie of General Motors did a couple of generations ago. The 1970 list of largest-cap companies, or richest men, looks completely unfamiliar now.

This wildly competitive mêlée has no chance of turning into an ossified "neo-feudal" structure. It is hyper-capitalism, not feudalism paleo or neo.

⁶ All three terms are used by David Brooks in this bit of self-flagellation: <https://www.afr.com/world/north-america/how-the-bourgeois-bohemians-broke-america-20210824-p58lch>.

NOT A GILDED AGE, BUT A GOLDEN AGE FOR THE COGNITIVE ÉLITE AND A TARNISHED SILVER AGE FOR THE REST

There is a vague resemblance between the present and future I'm describing and the capitalist milieu of the Gilded Age, but with profound differences. A few entrepreneurs in technology and finance, sometimes called “robber barons” in reference to the Gilded Age kingpins, have produced much of the wealth of the country and have been rewarded with...much of the wealth of the country.⁷ Their employees toil in infinitely better conditions — mostly comfortable offices, hospitals, and schools instead of dangerous mines, factories, and farms — and earn a rate of pay (adjusted for inflation) more than five times that of the Gilded Age midpoint year of 1885.⁸ Yet there is still a vast gulf between the two groups' standards of living, far larger than what prevailed in the egalitarian middle of the twentieth century.

To round out the contrast between feudalism and either the original Gilded Age or what I anticipate in the future, there's no “absence of public authority”! There wasn't in 1885, there isn't now and, importantly, technology is enabling public authority to grow even more powerful in the future. If the bourgeoisie existed in feudal times, it was tiny, consisting of a nascent merchant class plus the intellectuals of the church and the king's court. Today it approaches 20% of the entire population, one of the great achievements of our society. It will grow larger still.

Whatever you want to call our unequal but prosperous world, today or in the foreseeable future, it's not feudalism.

BOUNTIFUL TIMES FOR THE COGNITIVE ÉLITE

What I expect — with which Kotkin concurs in his other works but not here — is the continued growth of the *cognitive élite*, the winners of what David Freedman, writing in *The Atlantic* in 2016, called the “war on stupid people.”⁹ That's not quite fair, because the cognitive élite bears no malice (that I know of) toward the less intellectually able, but the smart are getting all the money while there just isn't that much for “stupid” people to do. This trend will continue and accelerate. Despite the valid complaints of young college graduates struggling to get a

⁷ The historian [Burton Folsom, writing for the Foundation for Economic Education](#), makes the case that the “robber barons” were not robbers but more like today's tech entrepreneurs — mostly deserving of their fortunes despite their flaws. I agree with Folsom but I won't quarrel with “barons,” because tech entrepreneurs live better than any baron of old could have imagined.

⁸ The Gilded Age, so named by Mark Twain and Charles Dudley Warner, is usually defined as 1870-1900. I started my calculation with the [average wage in 1885 of a New York carpenter](#), an upper middle-skilled trade at the time, which was \$2.99 per day [p. 162 of the link]. (The investment analyst Meryl Baer, who compiled similar data, notes that “most workers did not earn that much money” [<https://bizfluent.com/info-7769323-history-american-income.html>].)

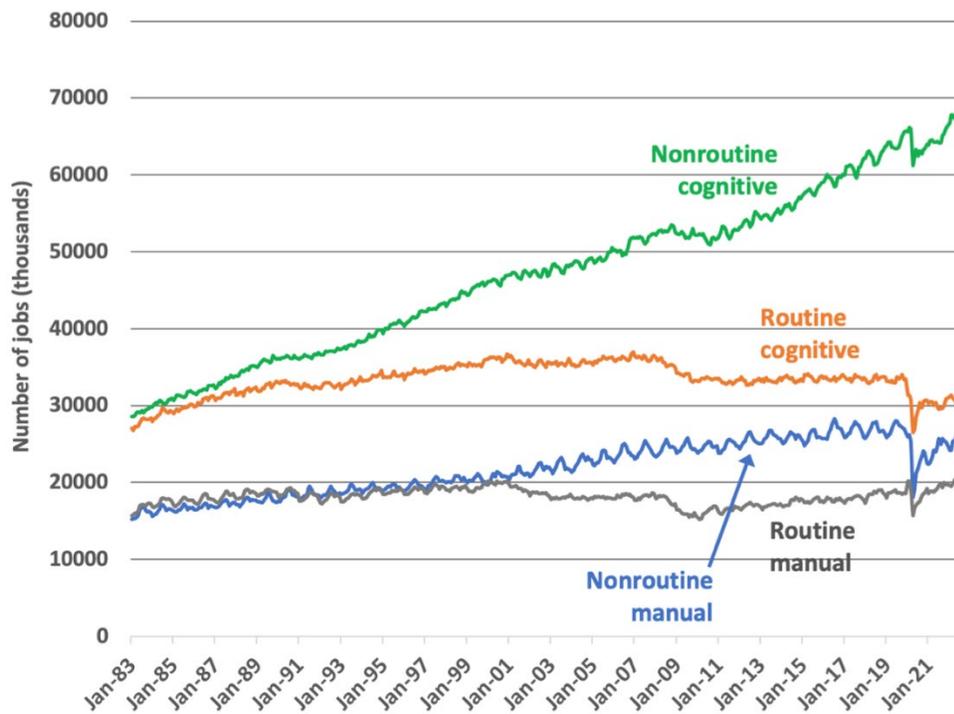
I annualized this amount, assuming a five-day week and 50-week year, to \$747 per year, and assumed that was the entire income of a family of four. A \$747 annual income inflates to \$22,963 in 2022 dollars. I compare this to the [2022 median family-of-four income in New York State](#) of \$117,706, a 5.13x “raise” in real terms. This analysis is admittedly very superficial, but it is a reasonable first cut at the question of how much the U.S. standard of living has increased over the last 137 years.

⁹ <https://www.theatlantic.com/magazine/archive/2016/07/the-war-on-stupid-people/485618/>

foothold in the economy, more and more of the future workforce will be educated and specialized and will enjoy even higher standards of living than they do today.

Consider the slice of recent history in Exhibit 1:

EXHIBIT 1 EVOLUTION OF JOB QUALITY IN THE UNITED STATES JANUARY 1983–AUGUST 2022



Source: Siegel and Sexauer (2022), using data from FRED, Federal Reserve Bank of Saint Louis.¹⁰

The data speak for themselves. The trend toward non-routine cognitive jobs is dramatic and enduring. As machines do more of our grunt work, the cognitive elite will grow and grow. Put your thinking caps on.¹¹

Why do I call the future for the other three job categories a “silver age”? Because most people, at all skill levels except the highest, lived very poorly until sometime in the last century. (Read Dickens, or Upton Sinclair’s *The Jungle*. The latter was written in your great-grandfather’s day, not that long ago.) It’s better now. There is no comparison between lower-status workers’

¹⁰ Siegel, Laurence B., and Stephen C. Sexauer. 2022. “Longer, Healthier, Happier: Why Working Longer Improves Almost Everything.” Submitted to *The Journal of Retirement*. Comment draft [here](#).

¹¹ When *The Economist* ran a much earlier (2014) version of this chart, they gave it a one-word title: “Think.”

living standards, even in the fairly recent past, with their living standards today. The silver is a little tarnished, but it's a silver age for the common man.¹²

However, positional goods (being better off than your neighbor) are important too. This is deeply embedded in our DNA. No one wants to be consigned permanently to a proletarian class because of their immutable characteristics, even if they are eating well and living in air-conditioned quarters, surrounded by modern appliances and online stimulation. They want to be valued. They want respect and appreciation as well as better pay. They also crave upward mobility and job security.

Some of this inequality is the result of technological change and we're just going to have to live with it. But overall standards of living will continue to rise, and the tide has fortunately turned in favor of higher wages and greater respect for labor. We are not creating a serf class.

The marriage of capitalism with liberal democracy, placing the sovereignty of the individual at its core, will win the competition among systems of social organization because it makes people rich. As I write this, people in Russia, China, and Iran are agitating for the economic and humanistic freedoms that we have but that many of us take for granted.

Sooner or later, they will get them. We had better not let ours disappear.

I now touch on a couple of specific issues raised by Kotkin.

NO BOURGEOIS, NO DEMOCRACY?

Kotkin's thinking draws on that of the social historian Barrington Moore, Jr., who is known for the aphorism, "No bourgeois – no democracy."¹³ *The Coming of Neo-Feudalism* features this quote conspicuously. What are Moore and Kotkin talking about?

Moore, a controversial figure often described as a Marxist, argued that all successful democracies have been created and stewarded by the middle and upper-middle classes, not the proletariat from whom Marx claimed to draw support. He was exactly right. To avoid becoming mob rule, democracy requires informed voters and even better-informed elected officials, drawn from a population that is accomplished enough to have earned at least modest prosperity and respectability. The alternative is Venezuela or Argentina, the world's first formerly developed countries.¹⁴

¹² Unfortunately, I am not writing in German, where *mensch* means human being, as in the rights of man or Darwin's descent of man. *Mann* means a male. I apologize for any offense taken by female human beings — but you should blame the Anglo-Saxons of old, not me. In German and some other languages there is no such confusion.

¹³ Moore, Barrington, Jr. 1966 [1993]. *The Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World*. Boston: Beacon Press, 1993. Moore, a Harvard professor, lived from 1913 to 2005.

¹⁴ In 1950, Venezuela was the fourth richest country in the world (<https://www.weforum.org/agenda/2017/09/venezuela-was-once-twelve-times-richer-than-china-what-happened>). Recently many Venezuelans have faced starvation. Argentina is better off, but its status in the world economy has plunged almost continuously for a century.

Deirdre McCloskey, about whom I have written [previously here](#), agrees and lays out her case in exquisite detail. Her *Bourgeois Trilogy*, a three-volume masterwork detailing the role of the middle class in building the good society, argues that if everyone were bourgeois, most of our social problems — not just those caused by poverty, but those due to deteriorating personal and community values — would disappear. That is not about to happen, but it is an ideal to work toward.

As noted earlier, the bourgeois in the United States are a larger share of the population than in any other society in human history. This is a good thing. Although human variation assures that we won't make everyone bourgeois, we should at least provide a stepladder to the bourgeoisie that anyone can use or not use according to their preference and ability. Our sprawling state university and community college system is testimony to the fact that we're already trying.

THE “GATED” CITY

Kotkin's area of greatest expertise is urban geography, so it's here that we'd expect his best insights.¹⁵ He observes that our great cities have become what he calls “gated” — more economically segregated — even as relations among racial groups have improved. In addition, always a contrarian, Kotkin builds on his long-standing skepticism about gentrification. He argues, instead, that expansion of the urban footprint — what many call sprawl — is beneficial because it lowers prices and gives people of ordinary means a decent place to live. These are reasonable thoughts, even if they push hard against the current wisdom, which favors Europe's compact cities (surrounded by green space) as well as the small number of “European” cities in the United States.

But, using Chicago as a case study, Kotkin does not get the human geography of that city quite right. He relies on the widely repeated observation by Pete Saunders, an urban planner who is black and lives in Chicago, that his city (where I also live) is one-third San Francisco and two-thirds Detroit.¹⁶ That's shorthand for one-third playground for the affluent and two-thirds impoverished ghetto.¹⁷

Saunders's comment is outdated at best. Chicago is one-third San Francisco, one-third Detroit, and one-third East Los Angeles, where Hispanic newcomers have transformed once-sleepy factory neighborhoods (essentially all white) into lively, if in places a little tatty, *barrios*. The

¹⁵ Full disclosure: my first (undergraduate) degree is also in urban geography, hence my close attention to and admiration of Kotkin over the years.

¹⁶ The relevant Saunders article is at <https://urbanreforminstitute.org/wp-content/uploads/2019/01/Toward-More-Equitable-Urban-Growth.pdf>.

¹⁷ While San Francisco is *priced* as an affluent playground, the quality of life has decayed beyond belief due to homelessness, drug addiction, and open-air drug trafficking. Chicago has less of this because of the forbidding weather. “Safe” San Francisco now has more property crimes per capita (but not murders) than “dangerous” Chicago...not that Chicago is the boomtown that it was a few years back. The headquarters of *three* large, high-paying corporations — Boeing, Caterpillar, and the Citadel hedge fund — have left or are leaving. Boeing is, of course, the biggest loss because it is the dominant company in the world in its industry.

Hispanic population of Chicago now surpasses that of blacks and is upwardly mobile, albeit from a low level, supporting Kotkin's view that immigration conveys large benefits.

All our cities have vibrant immigrant neighborhoods built and run around family capital and hard work. These ambitious families are taking advantage of opportunities for economic improvement that the U.S. uniquely provides. The "gated" city is way too broad a generalization and doesn't match up to the dynamic nature of everyday life in the U.S.

One last thought about Kotkin's urban analysis: while the middle class is in trouble within the city limits of Chicago and other "global cities" and has shrunk nationally, it is mostly thriving in the suburbs and particularly in smaller, cheaper cities. This isn't exactly a secret. Kotkin would have found less of a trend toward feudalism if he had looked at Salt Lake City, Columbus, and Nashville instead of New York, Los Angeles, and Chicago.

IS KOTKIN'S PERSPECTIVE LIBERAL OR CONSERVATIVE?

Yes, it is.

Readers can be forgiven for finding Kotkin's political stances puzzling. He's an eclectic centrist who left the Democratic Party after decades of loyal support, alleging that his former party has abandoned working people and instead taken up the causes of identity politics and anti-growth.¹⁸ Over the last decade or so, Kotkin has taken positions on the center-right that infuriate so-called progressives. Most notably, he is "pro-choice on urban development,"¹⁹ disdaining the bicycle-and-latte crowd that would have us all live like residents of Amsterdam (for our own good) and favoring urban sprawl when and where that is what people want.

Kotkin has been courted by the pro-business, growth-oriented right, and he now writes for several publications associated with that tendency. But he is also shunned by those on the right who loathe his pro-immigration stance and various other liberal positions.

Jonathan Swift said that you can tell a genius by "the dunces...all [being] in confederacy against him."²⁰ Modernizing Swift's wisecrack, when the wing nuts on both sides of the political spectrum are arrayed against you, you must be doing something right. Kotkin is.

CONCLUSION

There is much to admire about Kotkin. He writes about compelling topics. He follows nobody's party line. His deep knowledge of urban history and geography, and his small-L libertarianism,

¹⁸ <https://www.dailynews.com/2016/07/29/what-happened-to-my-party-joel-kotkin/>

¹⁹ The "pro-choice" quote is actually from Kotkin's long-time collaborator, Wendell Cox.

²⁰ Swift, Jonathan. 1706. "Thoughts on Various Subjects, Moral and Diverting," Famously quoted in, and used to craft the title of, John Kennedy Toole's *A Confederacy of Dunces* (ca. 1962 [posthumous, 1980]), which is included in many lists of the greatest novels of all time.

give him a generous view of population growth and urban development that is a refreshing change from the hectoring tone of much of today's opinion writing.²¹

Yet there is something deeply unsatisfying about Kotkin reaching back to the 12th century to find a metaphor for the kind of society that he fears we are turning into. We will not become a feudal or neo-feudal society.

Thus, *The Coming of Neo-Feudalism* is his weakest effort so far. I do not recommend the book. It is a better use of your time to read his other works, many of which are superb. I am particularly fond of Kotkin's much earlier *The City: A Global History* and *Tribes*, modern classics that nudged pop sociology in the direction of real science and serious analysis.

But if I'm wrong and feudalism is coming back, don't buy stocks — buy indulgences.

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²¹ Not that unlimited population growth is desirable or even physically possible. Kotkin draws a bright line between developed economies, for which he believes population growth is mostly beneficial, and poor countries that need to curtail their population growth (and in many cases are finally doing so).