generally) imported mainly from France. The English and American literary canons buckled under the stress as new literary and non-literary texts began to invade college classrooms, and new ways of reading sprang up on every side. Shakespeare’s *Tempest* and Milton’s *Paradise Lost* were reinterpreted in relation to postcolonial themes; a new literary and cultural history emerged, in which previously unheard or silenced voices were put into circulation; new anthologies of writings by women and people of color appeared; and previously marginal or minority authors began to crowd onto center stage.

Conservative reaction to these developments raised alarms about the erosion of standards and the loss of fundamental values. The question of the canon became central, in the US, to what were called “the culture wars,” and efforts were mounted to roll back the tide of new writers, and to reinstall the traditional canon (Bloom, 1995). Accusations of political correctness, specters of anarchy, unbridled relativism, skepticism, and nihilism filled the op-ed pages of American newspapers, and “Western civilization” was declared to be in grave danger from tenured radicals and multiculturalism. On the left, an equally vulgar reduction of canons to thinly veiled instruments of ideology and tools of domination by dead white males kept the public debate at a fairly low level. Nevertheless, there were efforts at balanced critical investigation into the nature of canons. Some feminist critics went beyond efforts to enlarge the canon, or construct rival, women-centered canons, by seeking to “disrupt the canonical economy as such” (Froula, 1984: 150) with appeals to antinomian, anti-authoritarian precedents such as gnosticism. Other critics tried to reassert the independence of literary and cultural values from politics and ideology, arguing that the “possible worlds” provided by great art help to prevent “our suspicious attitudes from becoming sufficient accounts of literary works” (Altieri, 1984: 62).

At the beginning of the C21 it seems clear that the notion of “the” canon, as an exclusive body of texts whose members are absolutely fixed, is an authoritarian fantasy that no longer exists. There are now multiple canons, and emergent hybrid formations such as “world literature” that are anything but stable or fixed. The study of canon-formation and de-formation (Guillory, 1993), however, is now an established field of critical and historical study in its own right.

**W. J. T. Mitchell**

See: **HERITAGE, POLITICAL CORRECTNESS, VALUE.**

**Capitalism**

**Capitalism** refers to a “system which favors the existence of capitalists.” A 1C19 term, it draws on earlier references (from the C17) to capital as financial ownership of, or investment in, economic enterprises (in the form of stock, shares, or money invested), denoting a distinctive form of private property. Raymond Williams suggests that “capital”
drew on more generalized meanings of “chief” or “head” (from L *caput*) (R. Williams, 1976: 51). Subsequent associations with issues of ownership, control, and power seem to confirm this. Historically, merchant capitalism – or “mercantilism” – has been used to describe the international trading systems of European cities and states developed from the C14 (Florence, Venice, the Netherlands). However, “capitalism” has been more precisely associated with the system that combined industrialized or factory production with a “free market” for the exchange of money and commodities that developed in Europe in the C19. As an economic system, capitalism has gained increasing dominance, displacing feudal and peasant economies and outlasting its apparent modern competitor (communism, sometimes known as state capitalism). Capitalism has been universalized as the “one best way,” or at least as the system to which there is no effective alternative. In the eC21, capitalism has embraced, or been embraced by, most societies, linking them in a world market system (sometimes called globalization).

Because the term was originally coined and used by critics (Marxists and socialists, especially), the friends of capitalism have tended to use other, less pejorative, terms – the free market, free enterprise, the market society, entrepreneurialism, and so on. Increasingly, however, the social and geographical dominance achieved by the capitalist system seems to have rendered the term less controversial. The critical meanings of the term are strongly associated with Marx’s investigations into the workings of the capitalist mode of production, especially in the three volumes of *Capital*, the first of which appeared in 1867. Marx’s historical materialist method made the mode of production of material life the center of studies of historical development, social structure, and political conflict.

The capitalist mode of production was distinctive in several ways, not least the role played by capital – a fluid and mobile form of property that drove the process of production. Capital changed its shape – sometimes appearing in the form of money, sometimes as the factors of production: materials, premises, machinery, and particularly labor power. A specific form of labor power was also distinctive to capitalism: workers had to enter the labor market and sell their capacity to labor in order to achieve the means of subsistence. In this respect, capitalism differed from earlier modes of production where workers had access to other means of subsistence (agriculture, or simple commodity production for use and exchange). In capitalism, workers were dependent on the wage. For Marx, this dependency was central to the way in which surplus value was produced and extracted. The workers took part in free market exchange – selling their labor (like any other commodity) for as good a price as they could gain. Once purchased, however, the labor power of the worker became the capitalist’s to exploit as intensively as he (or she) could manage.

In one of the most engaging passages from *Capital*, Marx captures the transition between free exchange in the market and exploitation in the workplace (“the hidden abode of production”):
For Marxists, all the expansive, innovative and dynamic qualities of the capitalist mode of production have their basis in this relationship between the capitalist class and the proletariat. Different phases or periods of capitalism identify how the control and direction of labor power have been organized – simple manufacture (bringing together workers in one place – the origins of the factory system) being superseded by machinofacture (subjecting labor power to the mechanized production line). Subsequently, other phases have been identified. “Imperialism” referred to the competitive domination of colonized nations by Western capitalist states as a means of securing raw material, labor, and markets. “Fordism” referred to the combination of mass production and mass consumption (most developed in C20 USA), involving a social and political compromise between capital and organized labor (in its predominantly white male character). Fordism’s crises – the failures of accumulation and profitability – have led some to talk about a shift to “post-Fordism,” marked by “flexible accumulation” strategies of investment and labor process organization developed by increasingly mobile – or transnational – capital.

The constant striving of capitalist innovation – a distinctively Marxist emphasis – reflected the effort needed to extract surplus value from the labor process and to overcome the contradictions and antagonisms inherent in the class relations of the capitalist mode of production. This explains why, from the Marxist perspective, capitalism is essentially a system of class conflict and one where class interest and identities are formed and forged in the social relations of production. Other struggles, divisions, and conflicts are secondary to, or derive from, this primary antagonism. Capital must constantly strive to subjugate labor: labor must constantly strive to resist the powers of capital. Others have identified different elements as the central features of capitalism. For some, it has been the entrepreneurial spirit of risk-taking that distinguishes capitalism from other economic systems, which, in turn, legitimates the rewards (profits) that can accrue from being enterprising (Gilder, 1981). Here a stress is laid on deregulation to enable the fullest flowering of enterprise. For some, it has been the market as a co-ordinating institution that has provided the key dynamic, generating individual enterprise and social openness (Hayek, 1944). In this view, the market underwrites a social and political individualism that forms a basis for resisting collectivist or totalitarian forms of rule. In contrast, Polanyi (2001) argued that to function effectively, markets needed to be socially “embedded,” and that “free markets” are an impossible, and socially dangerous, vision.
Not surprisingly, there are long-standing arguments about the relationships between capitalism as an economic system and forms of social and political arrangement. Most commentators have seen capitalism as a liberating force – breaking up “traditional” societies and political systems. Marx emphasized the progressive force of capitalism, and the capitalist class, in challenging the old order of feudalism and promoting universalist conceptions of individual liberty against absolutist and monarchical states. Advocates of capitalism continue to stress this “liberating” potential, seeing the spread of market freedoms (alongside free markets) as contributing to the fall of Eastern European socialism, the “opening up” of the Chinese economy (officially known as “socialism with capitalist characteristics”), the development of the Asian Tiger economies, and so on. It is the promise of globalization that entry into the capitalist system modernizes societies as well as creating wealth. This includes an expectation that capitalism has a strong association, or affinity, with liberal democracy as a political system. Indeed, some Marxists argued that (bourgeois) democracy formed the best possible shell for capitalism as it institutionalized and regulated class conflict in ways that enabled continuing capital accumulation.

The evidence is a little more ambiguous. The modernizations effected by capitalism tend to be concentrated in the market realm – turning labor power into a commodity by destroying other means of subsistence; creating an array of market choices in commodities and services; and dismantling “non-productive” or “non-profitable” forms of economic and social activity. Sometimes, such changes are associated with the liberalization or democratization of other social institutions (the family, religion, and so on), but not inevitably. There are arguments that the spread of “liberalizing” capitalism has driven the revival of other “traditions” (particularly of religion and ethnicity). Similarly, there are questions about whether capitalism needs democratic political systems. Capitalism seems to have coexisted, more or less happily, with a variety of political systems: racially structured states (South Africa), totalitarian regimes (Indonesia), military juntas (Chile), fascist states (Germany), systems of slavery (Britain, the USA), as well as liberal democracies. For some, the dynamics of globalization have raised questions about whether capitalism needs nation states at all.

These issues have also been important for arguments about the relationship between capitalism and welfare states. For much of the C20, there appeared to be some connection between levels of capitalist development and the provision of welfare by the state. This connection was by no means automatic: welfare was one of the sites of political conflict between organized labor and capital in the context of democratic political systems. Welfare, as the British politician Lloyd George once said, “is the ransom property must pay” for continued security. In the period following World War II, the industrialized capitalist economies of North America and Europe created developed welfare states as part of social and political accommodations with labor (and other social groups), which stabilized the conditions of capital accumulation (part of the Fordist period). However, by
the end of the C20, the same countries were “reforming” their welfare systems – reducing costs, making welfare more conditional, and re- emphasizing labor market incentives (“welfare-to-work” or “workfare”). Once again, those who support the idea that capitalism as an economic system is inevitably linked to particular types of social or political arrangement need to consider the very diverse and changeable forms of cohabitation.

Capitalism has continued to be an expansive and dynamic system despite the recurrent hopes of critics that events will sound its “death knell” (or that the proletariat will prove to be its “grave diggers”). It has shown a capacity to create new markets, by creating new products or services that produce new demand (international travel, digital technologies, etc.) or by integrating new societies into existing markets (the shift of tobacco consumption to the south and east, for example, when demand declined in the north and west). It has remained technologically innovatory, for example, in new communication technologies (which served as both new commodities and new means of production, distribution, and exchange); and in the subjection of nature to new biotechnologies. It has proved equally flexible in searching out and subjecting new labor forces to the demands of production, willing to bear the costs of geographical mobility in the quest for labor forces that are inexperienced, un-unionized, and unprotected. Flexibility and cheapness are highly valued characteristics of labor power. In the process, deindustrialization in North American and European economies has accompanied the transfer of production processes to South America and Asia.

Perhaps capitalism is essentially contradictory. It combines a restless geographical expansion with the capacity to make everywhere become more of the same. It produces wealth in a variety of forms, while deepening inequalities within and between societies. It celebrates individualism while exercising autocratic powers over labor forces within the enterprise. It champions freedom for all, but as Anatole France remarked, this is the freedom for rich and poor alike to sleep under the bridges of Paris. It depends upon human creativity and innovation while its markets aim at the lowest common denominator to maximize sales. It promises fulfillment while delivering disappointment and despair. It claims its subjection to the rule of law while treating bribery, corruption, and fraud as everyday business practices. Capitalism may be the “only game in town,” but it is a mechanism for producing and reproducing winners and losers. Small wonder, then, that it continues to create critics and opponents even as it is proclaimed as the universal, the necessary, the natural, and the best way of organizing human society.

John Clarke

See: CLASS, COLONIALISM, COMMODITY, ECONOMY, GLOBALIZATION, MARKET, SOCIALISM, WELFARE.