



LITERATURE AND CAPITAL

THOMAS
DOCHERTY

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Literature and Capital

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*For George Donaldson, who knows many things,
and especially the meaning of friendship*

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Preface and Acknowledgements

This book has had a long gestation, and was growing and developing through my writings over some years without my properly noticing that it was a discrete and large-scale argument, worthy of a full monograph study. I owe the realization to friends and colleagues with whom I have discussed the contents, in various ways, over those years, and also to the many institutions that have kindly hosted me when I have presented work in progress.

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Introduction: Literal Capital

1

On 15 October 2013, the UK Coalition government privatized the Royal Mail. The erstwhile public service that had delivered letters in one form or another for centuries – at least since the ‘Postage Act’ of 9 June 1657, during the Interregnum – became the private property of shareholders. The Coalition’s sale of this public asset was a political action that, in some ways, stands as emblematic for the work of my entire argument in the present book. It was, in short, a clear exercise in capitalizing on letters.

There is something of fundamental significance in this. That significance affects us all, and not just those of us who are actively engaged in reading and writing texts that we now call ‘literary’ texts. ‘Literature’ – that specific form of writing whose significance is determined by its cultural institutionalization, especially in our educational systems – has become a valued commodity in our time. Likewise, literacy is deemed to be a desirable intellectual capability, and a nation’s rates of childhood and adult literacy in the population are often used as an index of national well-being, as well as of cultural and economic wealth.

Many people are engaged in the literary aspects of the culture industries, buying and selling books, journals, newspapers; and many are keen to profit from literature in the commercial market place. Equally, the same institutions that work to produce specific cultural and political values and norms through their endorsement of literature and of literacy can also become complicit in worsening

the condition of those who stand excluded from the values that the institutions of literature endorse. The recent history of literary studies over the last half-century is testimony to our recognition of the fact that 'literature' – as an institutionalized scheme of values – conspired, knowingly or not, in the continued oppression of so-called 'minorities'. As a consequence, we have had to work to redress the wrongs that this specific inflection of institutionalized Literature ('Eng Lit') has done to women, people of oppressed races, those with sexualities that have differed from a supposed norm of heterosexuality, those from nations and cultures that have stepped out from colonial and imperial subjection and so on.

The cultures of letters have had many kinds of interplay with various movements of capital in this. As those examples show, this is not just a question of capital in Marxist terms, nor is it related to any steady or stable conception of literature. In this book, I will be exploring how capital has been composed, constructed and construed historically. That will involve a broad trajectory in which we can consider capital in relation to the ownership of land, first of all; and here, a poetry that is itself concerned with patronage and with the dependency of writing on a near-feudal relationship with landowners is important. Next, in the emergence of modern capitalism, this relation shifts and we start to understand capital in terms of commercial transactions and labour exploitation; and, with this, there emerges an idea of some forms of writing as demarcated by the same kinds of value that we find in paper money. We see the gradual shifting of an understanding of capital as it moves, first, into finance, and then into what we now recognize as 'cultural capital'.

Such cultural capital exists and is itself produced only thanks to the various ways in which some forms of writing are institutionalized as being of significant general and public value; and it is in our institutions of education that we find this happening most insistently. It follows that we must seek to understand not just the shift from commercial capital to cultural capital, but also the conditions in which cultural capital is itself formed, through our institutions. Some of those institutions are central to the polity; and this will take us into a consideration of what we can call 'institutional capital'. At this stage, the relation of literature to the State becomes important; and, when the State takes an interest in how its institutions operate to cultivate

social and political norms, then we have a potential politicization of letters as such.

That will lead, in due course, to the ways in which a society 'manages' its capital in all forms: land ownership, commercialization, commodification, institutional power as vested in cultural capital or learning, and State power. The final turn in this trajectory is one whereby cultural capital itself moves into some fundamental evaluations – through literature and its institutions – of the managing of 'human capital': the business of capitalizing on private individuals. The fundamental issues that dominated the moment at the start of our history – that quasi-feudal structure of dependency of literature on land – returns here in modified form. What we might call 'capitalized letters' will yield us a form of human capital that witnesses the consolidation of power in land, this time shaped by globalization and servitude rather than by a medieval feudal localism. This changes everything; and capitalized letters now need to attend to the ways in which our institutionalized forms of writing and reading – that is, our forms of criticism – will shape our relation not just to the local land, but to broader ecological survival.

2

Communication – in all forms and not just in oral cultures, chirographic cultures, or in letter-writing during the age of print – is of the essence of *publicity* in its most basic form: the construction and constitution of 'that which is public'. Such public acts of communication make each individual subject a participant in shaping a public domain, and in establishing a relation that allows the individual to exist in relation with others. In normal terms, we would think of this as 'ethics' or as 'politics'.

The 1657 Act, which essentially established the Royal Mail as an official service, linked the sending of letters directly to the concerns of *economics*: trade and business. Its opening prospectus states that 'the Erecting and Setling of one General Post-Office, for the speedy Conveying, Carrying, and Re-Carrying of Letters by Post, to, and from all Places within England, Scotland, and Ireland, and into several parts beyond the Seas ... is the best means ... to maintain a

certain and constant intercourse of Trade and Commerce betwixt all the said Places, to the great benefit of the People of these Nations'.¹ This was an establishment not just of the several nations here as a unified entity, but also as an entity shaped by trade and commerce. The Act legitimizes this by making it clear that such trading and commercial activity is managed by the Post Office for the public good. The Coalition's 2013 privatization of the Royal Mail disturbs this, in that the very machinery that enables such a public domain to be realized or to have an existence is essentially disabled through an act that atomizes 'the public' into a series of discrete 'private lives'. Furthermore, it does this for reasons that are fundamentally related to the movement of capital and wealth.²

The rationale for the sell-off of this public asset that was advanced – by the then Chancellor of the Exchequer, the Conservative George Osborne, and his partner, the Liberal Democrat Vince Cable who was Business Secretary in the Coalition administration – was that the sale would raise billions that would help to pay down the UK's national debt. The fundamental – and as yet basic – opening proposition of this book is thereby made clear: there is capital to be found in letters; and the State has an interest in that fact. The questions that arise from this proposition, however, are many and complex, perhaps even more so when we institutionalize the act of writing letters into a form that we first of all call *belles lettres* – fine writing – before settling eventually on the identification of some modes of writing as 'Literature'.

The process of 'the privatization of letters' – this mechanism of communication – was one whereby, according to Vince Cable, the future of the Royal Mail would become more sustainable as an enterprise. The ideological claim was that it would be less dependent on government and public funding, because the processes of privatization would ensure the making of profit. A small percentage of the shares in the business would be handed over to the workforce, in the attempt to ensure buy-in from the existing workers by giving them an 'interest' in the business that would be different from and other than the simple fact of working for it to earn a salary. This interest would now be financialized, realized as monetary capital.

As it happened, history staged things differently. The government massively undervalued the shares. Within days they were trading at

somewhere close to 190% of their initial offer price. Poorer individual investors capitalized on this, by selling their shares to large-scale investors, mainly hedge funds and pension funds. In short, what had once been owned by all of the general public was now the private property of a small number of interested private parties and globalized corporates. The generally shared or public capital that was invested structurally in letters had been transferred into private hands, and now existed primarily as either private capital or as assets (privately or corporately owned).

Assets are not just monetary. We think of our assets as being related tightly to our property, for example. Land, housing and the like are all fundamental assets. If we own any such property, we consider it our own basic capital. Public assets are different, in that they are not owned and sequestered away by private individuals. In principle, access to them is equally distributed and shared. Public space, for example – the space or domain that you create whenever you try to communicate something to me, say – belongs to no one individual: it is actually constituted *as public* precisely through our sharing of the space in communicating with each other.

There is a third category with which we have now become familiar; and this is an asset that is ostensibly intangible, but no less real for that. We have come to call it 'cultural capital', and it is associated with learning, with literacy, with 'knowledge' in its various institutional forms, and with letters. In short, the financial capital that was initially invested in the commercial economics of the Royal Mail has now ceded place – in terms of public capital – to the cultural capital of letters in the form of literature. In all cases, however, the expectation is that investment (as in the establishment of the Royal Mail, and also in its sell-off) will lead to a return of that capital investment, enhanced by interest.

Interest is itself interesting. It suggests, at least in this context, a coincidence of curiosity and profit. It involves curiosity because letters operate as the sealed 'containers' of information that – precisely because it is tantalizingly concealed behind a seal or an envelope – we would like to see. The letter is intrinsically the site of a temptation: it stimulates desire. It involves profit because, in both writing and reading letters, something new is made or produced. That, indeed, is the fundamental premise from which Marx and Engels started their

re-thinking of the nature of human being under capital, when they opened *The German Ideology* with the observation that no matter how we might try to describe human individuals, we must start from the premise that we are 'producers'.³

Furthermore, once we start to think of some writing as being different, thanks to its institutionalization as an example of 'literature', a similar desire constitutes the critical reader. We see this typified in, for a simple example, those eighteenth-century epistolary novels of Samuel Richardson. When Richardson decided in 1739–40 to write *Pamela*, the first of his three major novels, he was a successful 51-year-old businessman, whose previous experience of writing as a profession came through his activity as a printer and publisher. The most interesting fact with respect to the present argument is that he saw the writing of his novels in financial terms, as a profession to which he could turn to make money. This, in fact, is where his two most successful novels, *Pamela* and *Clarissa*, begin.

Consider the opening of *Pamela*, in which Pamela sends a letter to her parents. One of the matters she reports to them relates directly to money. She tells her parents about the death of her mistress, following which Mr. B has inherited the house and estate. Seeing Pamela's anxiety about her own position, Mr. B intervenes to tell her that he will keep her on as a servant, thus assuring her of income, and he gives her four guineas and 'some silver' from his now deceased mother's pockets. Pamela tells her parents that she is sending the four guineas home to them.⁴ This in itself is 'of interest', financially. Of further interest – this time culturally and related directly to the writing of letters – she adds a postscript. In this, Pamela tells us that Mr. B has already read this letter (though presumably not the postscript). He had intervened not just financially, with the four guineas, but also in the activity of letter-writing itself. He exercised his curiosity in asking to see how she writes, asking to see her hand (the hand that he had already physically held, before all the other servants). She has to open the letter to him, in order to satisfy his curiosity and interest. This initial 'transgression' of a personal communication – his intervening in the space between Pamela and her parents – immediately serves to establish a fundamental economic relation not just between Pamela and Mr. B, but, more fundamentally, between capital and letters.

In a similar manner, Richardson also opens *Clarissa* with letters in which capital is of central interest and concern. The opening letters are not just about Lovelace and the duel that inaugurates the action, they are also about the financial position of Clarissa and her family. As in *Pamela*, that position is affected by an act of writing. In this case, the writing in question concerns the will left by Clarissa's grandfather with its determination of the inheritance of estates and capital. In the postscript to her first letter to Clarissa, Anna Howe asks for a copy, so that her Aunt Harman can assent 'to the preference given to you in that will'. That preferential treatment has driven a wedge between Clarissa and her siblings; and we hear also of her brother 'busying himself in viewing the condition of the considerable estate' that had been left to him in Scotland by his godmother.⁵

Richardson published *Pamela* from his own printing shop in 1740. He was thus able to control the marketing of the text as well as its written content. This is one of the ways in which the marketization of letters begins to intrude into the realm of what we come to identify as the literary. Mary Poovey is extremely clear on how this operates. In her account of *Genres of the Credit Economy*, she argues that in the early days of what became known institutionally as 'the English novel', one determining structural characteristic of the texts was the way in which they inhabited a specific psychological terrain. The ability 'to inspire belief in events that were, strictly speaking, neither true nor false ... was essential to the work we call *fiction*'. In this new construction of the arena of the fictional itself, as an ambiguous terrain between truth and falsehood, we find a parallel with what was happening in the early eighteenth century in financial terms as well.

Credit, after all – along with its realization in forms of credibility – is itself organized by a kind of ambiguity: it works on the assumption that money is there where in fact it is absent. The new idea of 'fiction' as a mediating ground of similar ambiguity between the true and the false is intimately related to this, for it 'was essential to the working of liberal governmentality and the credit economy in particular'. In this way, credit itself can become 'a function of print', which is to say that 'printed texts might be able to generate belief *even when* a reader could not determine whether the events they narrated were true'.⁶

We can observe a similar phenomenon in the emergence of the epistolary form in France, some two decades before Richardson

turned to the novel. Capital shapes Montesquieu's *Lettres Persanes* of 1721, especially in its satire on the figure of John Law. Law was the Scottish economist who established the 'banque générale de France' in 1716. This came about twenty years after the similar economic experiment of making a national bank in England, and Law envisaged an institution that would be even more successful than the Bank of England had been. The facts did not match the theory, however; and, in the *Lettres Persanes*, Montesquieu savaged Law's economic ideas. In letters 132, 142 and 146 especially, Usbek and Rica, Montesquieu's Persian sojourners in France, reveal to the French that Law's banque générale has depleted the economy, and left people without any capital at all. The result is the corruption that has been revealed more generally in the whole of the national culture in the rest of the letters.

In Letter 132, Rica visits a coffee-house, where he overhears the other customers discussing their finances, and lamenting the fact that they had invested in paper money instead of keeping their wealth in estates. The key letter, however, is Letter 142, again from Rica to Usbek. Rica tells of how he has himself received a letter from an unnamed correspondent. The correspondent asks Rica if he has any Persian manuscripts, and offers to buy them and also to add to the purchase a number of his own manuscripts: 'je vous le paierai tout ce que vous voudrez, et je vous donnerai par-dessus le marché quelques ouvrages de ma façon, par lesquels vous verrez que je ne suis point un membre inutile de la République des Lettres' ['I'll pay you whatever price you ask, and I'll also throw in some works of my own, from which you will see that I am not a totally useless member of the Republic of Letters'].⁷ This letter-within-a-letter, proposing a financial transaction, also envelops the first of the manuscripts that is offered by Rica's correspondent; and it is this – the 'fragment of an ancient mythologist' – that contains the satire on Law.

The basis of the satire is that Law substitutes imagination for reality. Essentially, paper money operates as an imaginary symbol of something that is more tangible and more substantial: material wealth in gold or other precious metals, and in estates. In the fragment, a Scotsman offers wealth advice to the people of Betica: 'Peuples de Bétique, voulez-vous être riches? Imaginez-vous que je le suis beaucoup, et que vous l'êtes beaucoup aussi; mettez-vous tous le matin dans l'esprit que votre fortune a doublé pendant la nuit;

levez-vous ensuite; et, si vous avez des créanciers, allez les payer de ce que vous aurez imaginé, et dites-leur d'imaginer à leur tour' [‘People of Betica, so you want to be rich? Imagine that I am very rich, and that you are very rich: get yourselves into the belief every morning that your fortune has been doubled during the night; rise, then, and if you have any creditors, go and pay them with what you’ll have imagined, and tell them to imagine in their turn’].⁸

That was written in 1721. It could equally well have been written as a satire on the financial system in 2007–8 when, as Michael Lewis and others have shown, the world’s ‘wealth’ was imaginary and built on precisely the same kind of exponential inflation of imaginary funds, as trading grew and multiplied credit-default swaps and other financial derivatives.⁹ When Usbek writes to Rhedi, in Letter 146, he asks a fundamental question about Law’s banking system: ‘Quel plus grand crime que celui que commet un ministre lorsqu’il corrompt les mœurs de toute une nation, dégrade les âmes les plus généreuses’ [‘What crime can be greater than that which a minister commits when he corrupts the morals of a whole nation, and debases the most noble spirits?’].¹⁰ This banking system, alleges Montesquieu, is one in which capital corrupts not just individuals, but the public space in which those individuals find their moral and spiritual realities. It is a corruption of the systems of communication that shape a national identity, and something that warps the relation between works of imagination (or literature) and the material conditions of life and history.

3

Arjun Appadurai has characterized the crisis of 2007–8 as ‘primarily a failure of language’, because ‘the derivative is above all a linguistic phenomenon, since it is primarily a referent to something more tangible’.¹¹ The failure of the system of finance, he argues, is actually a failure of language systems; and the key linguistic flaw is the same as that which Montesquieu satirized. The derivatives that caused the crisis were based not on the material reality of real estate (that ‘something more tangible’). Derivatives are based instead on a system of linguistic promises; and the system of linguistic promises

exponentially increases its distance from any firm ground, becoming a self-supporting quasi-autonomous system, built only on the premises of language itself. Appadurai calls it 'the monetization of promises', through which 'every link in the promissory chain was built on greater risk, as distance from the underlying asset was increased'.¹² When the value of that underlying asset fell, the whole promissory system was revealed as a pure act of imagination: people had got wealthy by imagining themselves so.

That is the shape of contemporary capital. It is not just related to language; it is also related, as I will show, to that specific mobilization of language that allows us to institutionalize letters as 'Literature' – capital L – as a source of capital itself.

This is at the core of the present book, which will address the ways in which capital intercedes in and informs the 'space of communication' that we identify as literature. I will trace a steady shift in the relation between capital and the institutions of literature (especially the educational institution of the university). Capital here moves from allowing us to see a basic relation of value to the land itself; this mutates into financial capital – money for its own sake, as it were; and then on into cultural capital before finally assuming its contemporary position in terms of the various shifts in forms of labour that we identify as human capital. At the core of all of this is the way in which literature is formed, invented, and above all institutionalized as a form of writing that sits at the core of our human being, our humanity or humanities.

The book is not about the book-trade, although that is an occasional important reference point; and nor is it an economic treatise. What I seek to do is to show the fundamental interplay in which the forms of capital shape the forms and functions of literature and of literary study. Wealth and value will be disentangled, so that we can see the many and various contradictions that their linkage involves.

Why might this be of especial interest at the present time? My contention is that some fundamental economic relations that shape our advanced societies have changed since the financial crisis of 2007–8; and that this has had a major impact on culture and, within that, on literature and on how we evaluate those forms of languages and letters that we identify as 'literary'. The economic collapse, starting in the US housing market, reveals some fundamental political

flaws in the organization of societies, and in how we consider the value of wealth, and the cultural authority of wealth – and also what we once were taught to call ‘cultural capital’. It seems obvious that cultural capital has itself become subject to capitalization, and that it has capitulated to the market. Market fundamentalism, as Sandel and many others have argued, has contaminated areas that should have been inoculated against it.¹³ Appadurai’s ‘monetization of promises’ is in fact just one aspect of a much larger financialization of aesthetics as such. Were Keats to be writing in today’s so-called post-truth culture, it would be difficult to write that ‘beauty is truth, truth beauty’; rather, he would be struggling to work against the identification of beauty with wealth.

Literature, of course, has nearly always had some relation with money. Writers need to make a living, and only a blockhead would write for anything less, as Samuel Johnson noted. However, the inquiry in this book is more specific than this. My concern is the relation between different modes and forms of capital and the *institutions* of literature; so the main quarry here is not just specific works of literature (although these will be central to almost all of my particular arguments), but also and primarily the institutionalization of literature, especially considered as a source of wealth or less obviously material forms of capital. In our time, this implicates the institutions of education, and especially that of the university. It is in the university that literature becomes institutionalized as a phenomenon marked by cultural value. It follows that our inquiry must consider the value of literature in relation to the operations of the university in our societies. At the core of this is the relation between the university and capital. Literature is a fulcrum point in that relationship, for it brings together the value system that we associate with culture and the value system that we associate with monetary wealth.

The 2007–8 crisis starts in a question of land ownership – fundamentally in real estate. However, that becomes critical when the instruments that were used by the banks to capitalize on real estate turned out to be based instead on imaginary financial fantasy. It was the story of the American dream coming true, and revealing in that truth that it was, indeed and after all, a dream and not a reality. As with Law and the financial corruption of France as Montesquieu saw it, so also here with the banks and the corruption not just of the

United States but of the entire public sphere as a place of human interaction, communication and politics.

For Georg Simmel, money was a mechanism whose operations affected all social relations, in various ways. It permitted all sorts of transactions to take place, certainly; but it also tended to allow the abstraction of impersonal exchanges to supplant real human involvement in all social relations. The individual becomes dissociated from others, using money as a kind of virtual substitute for her or his 'real presence' in a market. I indicated above that the letter-form of the early novel constructs us in terms of desire, because of the sealed nature of letters. As Simmel has it, 'We desire objects only if they are not immediately given to us for our use and enjoyment; that is, to the extent that they resist our desire'.¹⁴ Yet this desire – given the fact of resistance as the fundamental principle of its realization – must also meet its opposite desire, precisely the desire to resist. Thus, for Simmel, the 'philosophical significance of money' lies in its ability to realize, in external if symbolic form, that way in which 'things receive their meaning through each other, and have their being determined by their mutual relations'.¹⁵ Money is the realization of the different values that we ascribe to things as we exchange them; and this applies to those things we call letters. This is as true of letters as it is of commodities; and money thus becomes 'the pure form of exchangeability'.¹⁶

The exchange of capital and of desire that constitutes the act of reading and writing letters entails the establishment of an increasing distance between real individuals and subjects, and their replacement with tools for calculation. Human interaction and communication become instrumentalized and mechanized, as an activity factored in terms of a calculation of profit and loss.

Money allows calculation to take place and to supplant other forms of direct human social engagement. The perceived benefit of this is in the predictability and thus security of the outcomes of our engagements. If I tender this fifty pounds, euros or dollars, I can be sure I will receive that shirt in return, say. However, this security and predictability are gained at the cost of the intimate social bond between individuals as human subjects: the abstract logic of transaction replaces human interaction. Obviously, this becomes even more pronounced in the credit-based business of online

transactions. Thanks to money, our relations become less human, more instrumental, and thus more open to further financialization. Should I invest in you? What will it mean for me to invest time in this activity, and so on?

We can take this back to a fundamental act of calculation that was designed to redeem humanity. Pascal's famous wager says that we should calculate a profit-loss cost-benefit analysis of our position with respect to the existence of God. For Pascal, the Jansenist who believes that humanity is corrupt because fallen, there can be no rational proof of the existence of God: it is a matter of faith. Yet that does not settle the matter, especially for the human who is endowed with reason and who has no other mode of argumentation and rhetorical persuasion. So, as he puts it, 'il faut parier' [you need to make a bet one way or another]. 'Cela n'est pas volontaire, vous êtes embarqués' [it's not a matter of choice, you're already committed]. You need to measure your interests here, he writes: 'voyons ce qui vous intéresse le moins' [let's see what will cost you the least]. He then follows with a quasi-mathematical form of economic reasoning:

Pesons le gain et la perte en prenant croix que Dieu est. Estimons ces deux cas: si vous gagnez vous gagnez tout, et si vous perdez vous ne perdez rien: gagez donc qu'il est sans hésiter.

[Let's do a cost-benefit analysis in betting that God is. Let us estimate the two possibilities: if you win, you win everything, and if you lose you lose nothing: so bet that he is without hesitation]¹⁷

This is rationalist economics; yet Jansenists believed that since human nature is essentially corrupt, reason cannot be an adequate basis for moral judgement. So the wager is not designed to persuade, in fact; rather, its point is simply to excuse or explain an already pre-existing belief – an apologia showing that, *given faith*, belief in the existence of God becomes rationally explicable. As a process of reasoning, it thus becomes irrational and tautological: given the fact of belief, one will believe. The key point, however, is that the apologia is cast in the form of an economic reason.

The contradiction lies not just in the fact that one needs to have faith in order to believe in the wager at all; rather, it lies in the fundamental contradiction between the proto-capitalist calculation

of profit-and-loss, or 'investment' in belief, set against the entirely different economy of the 'gift' of belief, or an economy of 'grace'. In his *Ecrits sur la grâce*, Pascal had already posited that our choices of action are themselves determined by the will of God that acts through us. This 'will' is either realized by us, or thwarted by us; and, if it is thwarted, then that is due to the exercise of a human will, an exercise that will mean that we have damned ourselves. That is to say: grace is something that disrupts a calculative proto-capitalist economy, for the simple reason that its source lies beyond secular life itself.

This, indeed, is part of the substance of Pascal's greatest 'literary' work, *Les Provinciales*, letters published clandestinely between 1656 and 1657. The letters are a series of satirical arguments that focus centrally on issues of grace: on whether grace is given to all people equally and on whether it is efficacious or not. It is grace that threatens the kind of economics at work in the wager. And in the *Ecrits sur la grâce*, Pascal asks fundamental questions about human will, and the freedom of individual agents to take responsibility – and reward or punishment – for their actions on earth. Grace complicates economics – the relations of 'crime and punishment', action-and-reward, 'measure for measure' – for the simple reason that it is *gratuitous*, not a 'necessary' or intrinsic condition of our human engagements with each other or with the world.

There is a fundamental contradiction in Pascal's thinking here: he argues that reason is inadequate to an understanding of God, yet he does so by means of a reasoned bet or calculation. This is also the fundamental failure and self-contradiction of capitalism itself in our times. Contemporary capitalism, especially in its neoliberal market-fundamentalist form, assumes that the ground of all human agency is the operation of the free and rational agent, making rational choices for her or his own private benefit. The benefit in question is not just always fundamentally financial, but even if it were not so, the choice would nonetheless be made on the same rationale as a choice made in terms of capitalist investment.

In all of this, we see why the arguments here are important. Capital and its discontents are fundamental to our modes of communication and, importantly, to a consideration of the institutionalization of literature – paper credit – in our time.

4

What, then, is the relation of these economic issues to the institutionalization of literature? Start from the operations of criticism. Critics, we say, 'give' a reading of a text; in our universities, teachers 'give' a lecture on a literary text. Criticism, in general, 'gives' offence (or 'offers' approbation); and sometimes such offence is 'taken' without being 'given' in the first place, especially in social settings.¹⁸ The question concerns the relation of these acts of 'giving' – these gifts – to grace, and to the economy of literature as such.

In the reading that Derrida gives of Baudelaire's *Counterfeit Money*, he points out that the gift has a tendency to undo itself, and thus it becomes extremely difficult to 'realize'. The gift is the site of 'the impossible', in a specific sense. A gift undoes itself whenever it is reciprocated; for, at that moment, it enters into an economy of exchange, of measure for measure, of debts incurred and repaid (with or without interest). Furthermore, the gift undoes itself in exactly the same way even when it is acknowledged as a gift, even when its recipient simply or minimally experiences it as a gift, because to conceptualize it as something that is thus given unconditionally, one again brings it into the domain of a specific understanding that senses the gift as that which breaks with a capitalist economy. To negate such an economy, by the giving of a gift, is also to sustain that economy precisely because that economy shapes our understanding of the gift as such.

If this is so, then the kind of grace that I discussed above also becomes a manifestation of 'the impossible'. Yet, at the same time, how can literature – as literature – be something that is caught up in such a capitalist economy? We might buy a book, certainly; but do we thus also buy 'literature'? Is it not the case that part of the point of the institutionalization of letters is itself an attempt to circumvent the idea that literature and the literary are commodities? There must be a politics to this, just as there is always a politics to the gift in Derrida, a politics that becomes clear when he turns to his second volume on the gifting of time, *The Gift of Death*, which opens with a consideration of Jan Patočka in 'Secrets of European Democracy'.

'Politics excludes the mystical', writes Derrida,¹⁹ yet it surely includes the demand for a specific 'responsibility'. In this, there is a

clear intrinsic link between the political and the critical, given that any critical engagement is, at least at a basic level, informed by a 'response' to a situation, a predicament or a text. Given that such a response is itself always situated, the response itself also calls for a response in turn. Furthermore, the institutionalization of some writing specifically as 'literary' is itself an act of criticism; and it takes place always within an institution that makes the act of critique valid, comprehensible and valuable. That is to say: critical responsibility is the condition of the legitimization of literature, of instituting letters as literature. Critical responsibility must therefore also lie at the very core of those institutions that legislate for literature: schools and universities.

The political dimension of this is related to capital, and to how an institution capitalizes on its institutionalization of literature. For Derrida, 'it takes very little to envisage an inevitable passage from the *democratic* (in the Greek sense) to the *totalitarian*'.²⁰ This turns us to the other dimension of the present study, as we seek to understand the conditions of culture and of cultural capital.

Matthew Arnold famously sets culture against wealth. He sees, in 1869, England, a country where the broad consensus holds the view that England is 'great', because of its wealth, especially in the form of natural resources, such as coal. Culture, he says, asks us instead the question 'what is greatness?' In doing so, it calls such financial wealth, such capital, into question, inviting us to consider 'love, interest and admiration'. 'Interest' is being considered, paradoxically, in terms precisely of 'disinterest'. It is an interest that is specific to culture, and that does not demand financial return. Indeed, 'culture begets a dissatisfaction which is of the highest possible value in stemming the common tide of men's thoughts in a wealthy and industrial community'. In doing this, the 'investment' is in the unpredictability of a future, and culture 'saves the future ... from being vulgarised, even if it cannot save the present'.²¹

The rhetoric here is telling. On one hand, Arnold sees the positive in culture in its rejection of the idea that all value, including that of a national identity, is wrapped up in monetary or resource-based wealth. At the same time, he dreads vulgarity. He would be fully aware of the etymology here: he dreads the 'common people', the *vulgus*. Arnold was certainly aware of social class; but he tried to transcend its divisions by proposing an entirely new class, the class

of those who are neither barbarians, nor philistines, nor populace. This is that class of 'aliens', as he calls them, 'people who are mainly led, not by their class spirit, but by a general *humane* spirit, by the love of human perfection'.²² Aliens like this exist in all classes, for Arnold; and, if there is to be hope for the future, it lies in these. These aliens, however, have a system of value that is utterly independent of financial capital. Their interest is in cultural capital.

This is as much as to say that, for Arnold, there is a kind of democracy available to the future, and one that is not based on the commonplaces of the vulgar (or what we might today call 'populism'). It is an amalgam of an aristocracy (of manners) and democracy (of shared manners). It is exactly what Bourdieu will much later identify as 'the aristocracy of culture' in his 1979 study of taste, *Distinction*.²³

E. M. Forster follows in a similar vein to that sustaining Arnold's argument. In 1944, Forster wrote an essay on the tercentenary of Milton's *Areopagitica*. There, he contrasts the utilitarian language of governmental politics with the value of uncensored literature. He argues that the rationing of paper has led to the prioritization of 'officialese' over literature. The economic condition of a country at war has led to a mode of censorship, and a determination of what counts as our fundamental values. These are decidedly not literary values, if in situations of economic difficulty we relegate literature and prefer the political and cultural authority – the status – of government documents over those that figure and celebrate the literary.

Orwell had also written on the tercentenary and, like Forster, also wrote against censorship. So, when Forster comes to write about Orwell, it is not surprising that he finds much to commend. He especially commends the link that Orwell makes between literature and liberty. For Orwell, 'Liberty ... is connected with prose, and bureaucrats who want to destroy liberty tend to write and speak badly, and to use pompous or woolly or portmanteau phrases in which their true meaning or any meaning disappears'. Forster goes on to point out that many critics attack 'officialese', but that Orwell is 'unique in being immensely serious' in his connecting of 'good prose with liberty'.²⁴

Forster is also noted for his famous claim that his own political priorities are not given to beliefs, but to persons. A culture that rests on the generalities of 'belief' is one that will put politics before personal

relationships. As with Simmel on money, the personal becomes distanced from reality in such a culture; and essentially, economic investment and exchange supplants personal relationships. A money culture, which Forster refers to as an 'efficiency-regime', is one that displaces human and humane trust and co-operation onto the system of money and of political efficacy.

Forster takes a different view of responsibility. The human realization of responsibility – a fundamental ethics – depends on our willingness to place our trust in persons, who will nonetheless often let us down. However, all this means is that we must graciously extend yet more trust, because 'reliability is not a matter of contract – that is the main difference between the world of personal relationships and the world of business relationships. It is a matter for the heart, which signs no documents'.²⁵ It is this that lies behind his celebrated proposal that 'I hate the idea of causes, and if I had to choose between betraying my country and betraying my friend, I hope I should have the guts to betray my country'. It is extremely important that, although some will find this shocking, Forster claims a source for it that is of the essence of cultural capital, the *literary* source of Dante's *Inferno*.²⁶

Once more here, we have a 'gracious' literary culture set against the value of the capitalist efficiency-regimes that run the State. Forster's claim is that 'Love and loyalty to an individual can run counter to the claims of the State. When they do – down with the State, say I, which means that the State would down me'.²⁷ Here, too, is the further overlap with Orwell, who in *Nineteen Eighty-Four* sets the personal relation of Winston and Julia against the demands of the political and totalitarian State, the State that sees every element of personal life – and of culture and letters – as being reducible to a political status. In Forster, these considerations lead to a concept of democracy whose characteristic is that it 'does not divide its citizens into the bosses and the bossed – as an efficiency-regime tends to do'.²⁸

5

Forster offers two cheers for democracy, 'one because it admits variety and two because it permits criticism'. In permitting variety and criticism, it provides also the grounds on which literature, as

institutionally valued writing, is constituted. The only capital involved in this, for Forster (as for his predecessor Arnold), is cultural and human, based in what he calls (after Swinburne's 'Hertha') 'Love the Beloved Republic'. Forster replicates Arnold's class of aliens, but has fewer qualms about describing them as an aristocracy. 'I believe in aristocracy', he writes; but immediately he nuances this stance, meaning it is 'not an aristocracy of power, based upon rank and influence, but an aristocracy of the sensitive, the considerate and the plucky. Its members are to be found in all nations and classes, and all through the ages, and there is a secret understanding between them when they meet. They represent the true human condition'.²⁹ The political problem, for Arnold, was to make the best self of the alien class prevail; for Forster, it is a tragedy that 'no device has been found by which these private decencies can be transmitted to public affairs'.³⁰

If literature does indeed condition and constitute 'the public', then we will see how important literature is to this politics, a politics that does not rest on the priorities of financial capital or monetary wealth, but on the institutionalization of literature as the very space of the possibility of human exchange and of human sociability. Forster knows, realistically, that material history is unforgiving and that 'all society rests upon force'. However, the progress of history is not simply the same as the progress of force, as there are intervals – spaces, moments, instances – when force is not to the fore. In those moments, we get creativity, he claims, and 'I want them to be as frequent and as lengthy as possible, and I call them "civilization"'.³¹

Culture, we might now say, is something that happens; and, therefore (pace Williams) it is only ever extraordinary, never ordinary. It is not a commodity, and insofar as it takes the form of a substantive 'event', it cannot therefore be for sale in a market: it is not one stable entity, but is instead a process. We might now describe politics as the duty that we have to keep force or mere physical violence (the expression of a political will by crude and brute power) in check; and literary culture – the culture of letters – is one of the key mechanisms by which we can do this. This is the capital that is vested in letters.

I close this introduction by adverting to a letter that is marked by restraint, provisionality, and the uncertainties given by any text that

can be properly characterized as 'literary'. Forster claims that 'The more highly public life is organized the lower does its morality sink'. A political philosopher, such as Hannah Arendt, might well endorse such a view. Forster acknowledges that for some, redemption from such immorality and corruption lies in Christianity. The more clear-sighted would agree with him when he writes: 'I think that such influence as it [Christianity] retains in modern society is due to the money behind it'.³² That would be a monetization of faith itself, and thus also a contradiction in terms if faith is understood to be inimical to capitalization. 'Believers', like Pascal, 'have Faith, with a large F. My faith', writes Forster 'has a very small one',³³ one that is therefore 'non-capitalized'. Essentially, it becomes trust, and a trust that is not based on calculation.

Trust – especially in its fundamental forms as credibility and credit – is where we will now begin the detailed study of how letters are capitalized, or of *Literature and Capital*.