



Is Amazon a Hero or Monster?

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A passionate New York debate interrogates Amazon's dominance in the book market—is it delivering well-priced books efficiently, or a greedy, rapacious behemoth?

What is the true nature of Amazon.com—the online retailing colossus that, like a massive corporate python, has swallowed up the book industry virtually whole?

In terms of cognitive dissonance, it would be difficult to match Thursday night's Intelligence Squared [debate](#) on the proposition, "Amazon Is The Reader's Friend."

According to the proponents—wildly successful self-published mystery novelist [Joe Konrath](#) and Vox.com executive editor Matthew Iglesias—billionaire Jeff Bezos's 150,000-employee company, which controls a formidable 40 percent of America's book market and an even more astonishing 67 percent of the e-book business, is simply delivering quality literature at low prices with miraculous convenience and technological superiority.

But according to the opponents—best-selling legal thriller writer Scott Turow and recently defenestrated [New Republic](#) editor Franklin Foer—Amazon is a vindictive, all-powerful monopoly that is abusing its unparalleled marketing prowess in order to destroy the publishing industry and plunder and pillage the literary culture, with the inevitable result that authors and readers will become unwitting victims.

"I want to focus on the word 'friend,' " said Turow, a criminal defense attorney when not penning novels, who likened Bezos to Lex Luthor and Amazon to Darth Vader. "'Friend,' as we commonly understand the term, is someone you can rely on to treat your interests as equal to theirs...What the record demonstrates is that Amazon is nobody's friend but Amazon's. They are capitalists of a particularly ruthless breed who, in point of fact, actually turn on their business allies whenever it meets their business needs...They're beginning to do this to readers."

Before a sold-out crowd of agents, authors, publishers and readers at the Kaufman Center, a concert space on Manhattan's Upper West Side, Iglesias argued that superior Amazon products such as the Kindle e-reader, combined with the ability to download literary classics instantly and for free, give

Bezos's company the edge on a digital playing field where corporate behemoths such as Apple and Google are also competing aggressively.

"Why is Amazon so dominant?...Because they're the reader's friend," Iglesias said. "Amazon has won its market share in the best possible way—by doing a better job of offering a better service at a better price."

Konrath, who said he has received 500 rejection letters from established publishers ("every time the mailman came I had to pop a Prozac") but earned a million dollars last year selling his books directly to readers on Amazon's powerful self-publishing platform, derided the book publishing establishment as "just high-priced middlemen."

Konrath—a bushy-bearded, long-haired showman who spent much of the debate clowning and trying to rile up the audience—argued that "books are too expensive" and "the market decided that publishers weren't the reader's friend so they [Amazon] innovated...Amazon isn't perfect. But if Amazon right now was building a death machine that is fueled by the screams of puppies, it still wouldn't matter because Amazon is a friend to readers."

Foer—who conceded that "yeah, publishers suck" and that they are a frequently fearful and risk-averse oligopoly that "don't do a great job always of picking books"—said the publishing business, which after a series of mergers basically consists of five companies, is nevertheless a necessary filter for bringing worthy fiction and non-fiction to market. "I'm too lazy and I don't have the time to read the first chapters of thousands of [self-published] books," he said.

Foer argued that without traditional publishers, time-consuming and research-intensive non-fiction projects—which require substantial advances not available under the self-publishing business model—could never be completed.

"If you're writing a biography of Virginia Woolf, you're going to have to travel to England," he said, noting that the median income of self-published authors is under \$5,000 a year, while those who earn \$100,000 or more account for less than two percent of the self-publishing cohort.

What's more, Foer said Amazon has a troubling taste for vengeance. After he wrote a *New Republic* cover [story](#) titled "Amazon Must Be Stopped," an essay that was more fair and balanced than the headline suggests, the company immediately pulled its advertising from the magazine.

Turow—whose novels are published by a subsidiary of Hachette, which only recently resolved a bitter dispute with Amazon over pricing (during which Bezos's company subjected Hachette authors and readers to lengthy delivery delays)—seconded Foer's allegation.

Turow, who had been a guest at Bezos's annual Campfire session in Santa Fe, New Mexico—a luxurious gathering of artists and writers, ostensibly to promote the free exchange of ideas—was not invited again after publicly making the "[Darth Vader](#)" comparison.

“Amazon wants to put the publishers out of business. They have no interest in letting the publishers survive,” said Turow, a former president of the [Authors Guild](#). “It’s good for them if they’re gone.”

“We don’t need publishers,” Konrath retorted. “Now we can reach more readers through Amazon than I could through legacy publishing.”

At one point, Konrath chided fellow novelist Turow for protecting the publishing dinosaurs from the brave new world of Amazon out of pure self-interest.

“It bothers you because you’ve made a lot of money with these publishers,” Konrath said.

“And it bothers you because you haven’t,” Foer chimed in, by way of defending his teammate.

Iglesias, meanwhile, rejected the Turow/Foer argument that Amazon, a 20-year-old company which has yet to post a profit despite online retailing dominance, is behaving in the textbook manner of rapacious monopolies everywhere, following a strategy of under-pricing books now in order to kill off competitors and reap a huge reward later.

He said a recent 25 percent slide in Amazon’s stock price suggests Wall Street doesn’t believe that scenario either.

But Turow warned: “Anybody who believes that Amazon will use this power only in friendship has not read Lord Acton or Machiavelli.”

As usual in the Intelligence Squared series, for which this installment was the 99th debate, moderator John Donvan asked the audience to vote on which team had the more persuasive argument, punching buttons on electronic keypads installed at each seat. It turned out that the Turow/Foer team beat the Konrath/Iglesias team by a huge margin, attracting an additional 22 percent of the crowd to the anti-Amazon position, compared with a mere one percent to the pro-Amazon side.

“Amazon is watching tonight,” Foer had exhorted the audience. “You have to send a message to Amazon and say, ‘Look, be careful, guys. You’re dealing with precious cargo. We’re watching you. Don’t abuse it.’”