



# Correspondence

## Bad Paper

### The Bursting of the Fiction Bubble

Edmond Caldwell

1.

In the early days of the current economic crisis, the Treasury Department demanded from the U.S. Congress a 700 billion-dollar bailout to buy up the “bad paper,” a term for all the junk assets owned by the banks and mortgage companies. Bad paper – the phrase was an evocative one, and the next time I found myself walking past a Barnes & Noble Bookseller, looking through the broad front windows at the stacks of unsold “bestsellers” on the display tables, I couldn’t help but imagine the CEOs of the Big Six publishing corporations scurrying to Washington D.C. to demand their own big slice of bailout pie. After all, who could have more bad paper to unload than Random House, Simon & Schuster, HarperCollins Harcourt, McGraw-Hill, the Penguin Group, and Macmillan?

In the weeks that followed, the sub-prime mortgage crisis became a credit crisis, the credit crisis a financial crisis, the financial crisis an international economic crisis – until finally the d-word loomed. Through it all, that phrase continued to ring in my mind – *bad paper, bad paper, bad paper* . . . A huge bubble of paper claims on profits whose value was not based on any tangible, productive assets, on any “really-existing” capital, had finally popped – a bubble of “fictitious capital.” Fiction again! Come to think of it, didn’t the word “credit” itself come from *credare*, the Latin for “to believe,” as if the financial system operated by asking from us the same “willing suspension of disbelief” that fiction asks of its readers? What was this sudden, weird synergy between the economy and fiction? Maybe the veils were finally being torn away from both and just as the economy was turning out to be a fiction, so contemporary fiction was turning to be – having plummeted from the airy realms of Art – a thing of squalid calculation.

The crisis caught up with the publishing companies on 3 December 2008, a day which industry observers were soon calling Black Wednesday. Under the euphemism of a “staff reduction,” heads started to roll in all divisions of Simon & Schuster, while the Random House Group announced a major “restructuring,” consolidating less-profitable imprints in a move widely seen as a prelude to downsizing some of them and liquidating others. Houghton Mifflin Harcourt announced an unprecedented “buying freeze” – a hold on acquiring new manuscripts – and laid off a slew of employees, including several big-name editors. Not too many more days passed before Macmillan followed suit with big layoffs of its own. And the squeeze was being felt all down the line, affecting the distributors and major retailers as well, with the Border’s chain – Barnes & Noble’s main competitor – hemorrhaging money and foreseeing the shuttering of many of its stores and a radical “inventory reduction.” All of these euphemisms really pointed to one thing: unloading that bad paper.

Crisis has a way of accelerating social processes already under way. People are now beginning to talk about the disappearance of the current publishing regime and its replacement by a different model, one based more, perhaps, on Publishing-on-Demand (POD) technologies and the spread of e-books and e-book readers such as Amazon’s Kindle. Whatever happens, it looks like a major change is in the offing, perhaps has even been developing – under our very noses, so to speak – for some time. As Gramsci once wrote, “The crisis consists precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear.” Given that we are in such an interregnum, what morbid symptoms can we diagnose in the field of literature?

2.

In recent decades publishing has been no different than other industries in the drive for the ever-greater monopolization, globalization, and financialization of its assets. The biggest influence on the culture industry during the whole post-1973 historical phase that we call neoliberalism has been “media consolidation.” Starting in the late 60s and early 70s, picking up steam in the 1980s, and accelerating radically in the last two decades in the climate of the Clinton-backed Telecommunications Act of 1996 and similar deregulating legislation, historically-independent publishing houses have been bought up by the same media mega-conglomerates that own all of the music companies, film studios, newspaper chains, television networks, radio stations, theater chains, and amusement parks. Thus, of the major publishers mentioned in the previous paragraphs, Simon & Schuster is owned by the CBS Corporation; the Random House Group (which includes among its divisions and imprints Ballantine, Bantam, Crown, Dell, Doubleday, Knopf, Pantheon, and Vintage Books) is owned by the German-based company Bertelsmann AG; Macmillan is owned by Holtzbrinck, and the merged Houghton Mifflin Harcourt was put together by the Ireland-based Education Media and Publishing Group after Houghton Mifflin was sold by its previous parent organization, the French multinational Vivendi. Of the other major publishers, Harper-Collins is owned by Rupert Murdoch’s News Corporation, and Penguin is owned by Pearson PLC, the biggest publishing company in the UK, Australia, New Zealand, and India (and which also owns *the Financial Times* and *the Economist*)<sup>ii</sup>.

Consolidations such as these have radically altered the character of book publishing, especially in literature, taking power from the hands of editors and placing it in the marketing and publicity departments. As a process of capitalist rationalization, it is comparable to the deskilling of the craft-worker and the rise of modern management undertaken under the aegis of “efficiency” by Frederick Winslow Taylor and his odious “stopwatch men” in capitalist factories a century ago. Instead of nurturing beginning writers through a few modestly-selling titles and developing a strong backlist, publishers are now under pressure to strike it rich with bestsellers; diversity of titles has been replaced by risk-aversion and homogenization. By the same process of rationalization and consolidation, the major chain bookstores have succeeded in underselling the independents and driving them out of business. The result is suggested in the following anecdote, from editor Chad Post:

Paul Slovak, the publisher of Viking Penguin, once mentioned that he believed that at any moment in time everyone in the country is reading the same twelve books. Obviously he’s exaggerating—a bit— but it sure seems that way. The books on display at a chain store in New York City are almost identical to the ones on display in Denver, or in Peoria.

In a disgusted farewell to the profession he had served for many years, another editor, the highly-respected Ted Solotaroff, dubbed this overall system “the Literary-Industrial Complex.”

And yet throughout this period fiction has given the appearance, at least, of flourishing. By the early 1980s – when neoliberalism courtesy of Thatcher in Britain and Reagan in the U.S. was just getting under way – the “death of the novel” that had still been the topic of critical debates in the 60s was proved vastly premature by the first contemporary “fiction boom.” In the UK the boom was typified by authors such as Martin Amis, Julian Barnes, and Ian McEwan, as well as by the new influx of ‘Commonwealth’ writers such as Salman Rushdie and J.M. Coetzee. A related cultural phenomenon was the rise in prominence of the Booker Prize, which operated, then as now, as a force for the glamorization of literature (author-as-celebrity) and the normalization of neoliberal globalization. The United States experienced its own version of this boom, eagerly importing the new British and ‘Commonwealth’ authors to share space on the shelves with its homegrown “brat pack” of young literary stars like Jay McInerney, Bret Easton Ellis, and Tama Janowitz, as well as representatives of the new “dirty realist” minimalism (Raymond Carver, Ann Beattie) that had taken over the *New Yorker*. Fiction on both sides of the Atlantic had become cool, hip, and eminently marketable, and in spite of some ups and downs this trend has continued throughout the whole neoliberal



period up to its present-day crisis. In a pre-crisis 2008 report on the state of the industry, publishing's main data-gathering service, R.R. Bowker, reported that in the first years of the new millennium the output of fiction titles doubled:

There were 50,071 new fiction titles introduced in the U.S. last year, up 17% from 2006, and the number of new titles in the category in 2007 was almost twice what it was as recently as 2002. Similarly, there was a 19% rise in new literature books last year, to 9,796, which followed a 31% increase in new literature titles in 2006.

In the Bowker report, the term "fiction" encompasses all non-fiction titles, including commercial-fiction genres such as mystery, romance, science fiction, and horror alongside what the report distinguishes as "literature." In the Literary-Industrial Complex and among readers alike, this select class of books more typically goes by the name of "literary fiction," a category whose origins and function merit further investigation.

According to editor Gerald Howard, the term "literary fiction" began to be adopted by the industry "sometime in the early 1990s," its rise reflecting an ad hoc marketing rationale that he outlines in the following way:

As vague a categorical designation as "literary fiction" is, it bestowed on non-genre novels the gift or illusion of a brand, a more secure niche and identity within the expanding universe of consumer goods. As critically meaningless as a term may be that can apply to such wildly disparate works as Sue Monk Kidd's sentimental blockbuster *The Secret Life of Bees* and David Markson's radical anti-novel Wittgenstein's *Mistress*, its acceptance and use signified publishers' acquiescence to and accommodation of new marketing and retailing realities. It is both a comfort and a necessity for editors anxious to know what sort of book they are acquiring and for salespeople needing to know what sort of product they are selling.

Howard's remarks come off as a criticism that is also, to some extent – not surprising since he still must earn his bread in the industry – an apology. On the surface, at least, the denomination "literary fiction" is intended merely to distinguish "serious" fiction from the "light" fare of genre fiction, what is often referred to with (usually false) humility as "beach reading," "airport novels," or "guilty pleasures." The latter are openly acknowledged to be commodities produced for consumption (for entertainment, escapism, distraction), whereas "literary fiction" is supposedly intended for "higher" purposes, for edification and aesthetic experience.

This is largely a mystification. "Literary fiction" is indeed a marketing category, but one with a difference: it reflects the period in which the category has come to inhabit the very thing it categorizes. It is not extrinsic—merely a framework or convenient, vague "catch-all" – but intrinsic; the "literary" is the appearance and the commodity is the essence. The rise of "literary fiction" represents the completion of the historically-uneven processes of capitalist reification in the field of literature – as was mentioned above, it is analogous to Taylor's men showing up in the editors' offices with their stopwatches and slide-rules – with the result that the relations of both producers and consumers to the product "literary fiction" are now wholly alienated, dictated by the protocols not of art but of commodity fetishism.

For its consumers, "literary fiction" designates a particular mark of what French sociologist Pierre Bourdieu terms distinction, the signification of a social identity constructed within a hierarchy of such distinctions of "taste" or "consumer choice" which correspond to the stratifications of social class. Reread from this angle, the story of literary fiction's origins appears less innocent: the significations of genre fiction (mysteries, romances, sci fi) are more plebeian or "common," those of literary fiction more upper-class or elite. Distinction is even reflected in the way fiction is now materially produced and packaged. Before the rise of "literary fiction," the pocket book-



sized paperback format was used for literary and popular titles alike. In the 1960s, say, the reader of a paperback novel on a Manhattan park bench could just as easily have been reading *A Portrait of the Artist as a Young Man* as the latest Mickey Spillane cop thriller; one would had to have seen the cover the tell which. Today, however, literary titles are produced only in the larger trade-paperback format, with attention devoted to the cover art and other signifiers of “quality”; the smaller, pocket-sized paperback – revealingly called the “mass-market” format – is now more or less the exclusive domain of the slick bestseller and genre fiction.

This status-conferring signification of distinction is both “real” and a semblance: real because invidious hierarchies of status are an objective social fact, a semblance to the large extent that “literary fiction” is after all a thoroughly middlebrow genre, above the openly commercial genres but below the canon of “classical” authors. The middlebrow nature of “literary fiction” and its status as just another commodity among commodities must be dissimulated, however, and the “literariness” of its objects ensured. These mystifying benedictions are the role of critics and reviewers, especially those who write for the more prestigious journals – it takes distinction to grant distinction, after all – such as, in the U.S., the *New Yorker* (James Wood) and *The New Republic* (Adam Kirsch), whose imprimaturs allow chosen titles to appear to have transcended “mere” marketing. High-end reviewing functions as a nominating process, in which select works of contemporary fiction are nominated into the pantheon of great or at least “major” literature for which the critics’ authoritative allusions to “classic” texts provide the context. Thus obviously banal and middling works along the lines of Claire Messud’s *The Emperor’s Children*, Ian McEwan’s *Saturday*, and Joseph O’Neill’s *Netherland*, get to share the dais with Virginia Woolf, Chekhov, and Shakespeare. When it comes to literary fiction the latent content of every critic’s jacket-blurb is really “This is not a commodity!” The system only works, however, if the critics give the appearance of being highly selective, as liable to reject as to approve, sometimes even bucking whole trends or dismissing already established reputations. Selectivity ratifies the system as a whole.

What gives the game away, however, is the consistently “reader friendly” nature of literary fiction itself. The defamiliarizing aesthetic radicalisms of the last century’s avant-gardes and the old modernist link between high culture and “difficulty” have both been decisively superceded; populist accessibility – what Brecht in his day derided as the “culinary” aesthetic – rules the day in “literary” as much as genre fiction. This is where our analysis must turn from the consumers of literary fiction to its producers, for the cultural rationalizations of the neoliberal period have retooled these social actors as well, a fact evidenced nowhere more strongly than in the rise, in this same period, of the Masters of Fine Arts (MFA) programs. By now it is likely that a majority of contemporary writers in the U.S. have passed through such credential-granting college and university programs, and a large proportion of these, in their turn, have taken up positions as instructors in the same programs. The official ideology of the MFA program is “writing as craft,” with the attendant cultivation of an ostensibly artisanal ethos. This, again, is mere appearance. MFA-style creative writing instruction is less like a craft apprenticeship and more like the reifying disarticulation of the labor-process (Taylorism again) that had already deskilled the craftsperson in so many other spheres of production; under the rubric of writing-as-craft, these programs transform their students into cogs in the Literary-Industrial Complex’s production line. Writing is taught by formula and rote: A story must have a clear “conflict” signaled on the first page – or better yet in the first line – in order to “hook” the reader; it must have characters with whom the reader can sympathize or at least identify; it must move towards a psychological epiphany, etc. Realism, broadly construed, is the preferred mode; not the Victorian novel per se but incorporating some of the refinements of late nineteenth- and early twentieth-century literary impressionism, chiefly the deployment of close third-person narration or “free indirect discourse.” This is the desideratum, because it ostensibly allows for the representation of consciousness and psychological and emotional interiority; it brings us as close as possible to the “deeply human.” This is nothing more than a secularized version of the outworn metaphysics of “the soul,” inviting readers to gaze narcissistically at an assurance of their own humanity. In a world such as ours, predicated on universal inhumanity, this conferred humanity can only mean



another form of “distinction.” To be human is now a privileged status.

Behind the veil of humanist ideology, “literary fiction” is just another genre among genres, written according to a comforting formula and intended for “culinary” consumption. The difference between genre fiction and literary fiction is all in the appearance of distinction, such that if *genre fiction* = *entertainment*, then *literary fiction* = *entertainment* + *status*. Works of literary fiction are therefore merely more mystified and meretricious, like those prostitutes who are paid larger sums of money not only to have sex but to pretend they enjoy it.

3.

But what happens when this genre-that-is-not-one breaks down, when its bubble bursts, as it now looks like it might? Who are they, these readers of “literary fiction” – purchasers and consumers of their own exiled, distorted humanity – and how might they be affected by its crisis?

The National Endowment for the Arts (NEA) has conducted several studies of U.S. reading habits in recent years that give a rough picture from which certain conclusions may be drawn. Their 2002 report showed that slightly less than half (46.7%) of their survey sample were readers of “literature,” which they defined as someone who reported reading at least one novel or short story, poem, or play in the past year, with 30% being “light” to “moderate” readers (1-11 books a year) and 16% “frequent” to “avid” readers (12-50 books a year). The demographic breakdown tells us that these readers are roughly evenly-distributed by age (with dips at the younger and older ends of the scale); that they are more likely to be women than men; that they are more likely to be so-called “white” than African-American or Latino, and that their number rises along with income bracket. This corresponds to the employment and education results, because these readers are also more likely to work in professional, managerial, or technical fields than in service industries, manufacturing, or manual labor, just as they are more likely to have graduated from college.

The study makes no distinction between literary fiction and openly-commercial genre fiction, although obviously more respondents are likely to be readers of the latter than of the former, perhaps even – given the proportion of “light to moderate” to “frequent to avid” readers – by quite high margins. To arrive at a demographic profile of readers of primarily literary fiction, therefore, I think it’s a reasonable to hypothesize *an intensification of the already-observable trends*. In other words we could expect literary fiction’s main audience to be even “whiter” and more likely to belong to the well-paid upper echelons of the professional-managerial class. These are also, it is interesting to observe, the very people who vote with the most regularity. As studies have shown, the people who vote are those who feel that they have the greatest stake in the system, that it represents them and their interests; those who do not vote (and do not, as it also happens, read much “literary fiction”) are those who feel “politically estranged,” i.e., they have the perception – perfectly accurate, in my view – that the system does not represent their interests.

“Literary fiction” functions, therefore, as a humanist apologetics to keep a certain sector of the population – the professional-managerial class – on board with galloping inhumanity. Of course they must be watered and fed, but they also must be kept ideologically engaged rather than “estranged.” It doesn’t matter if they watch CNN or FOX, it doesn’t matter if they vote Democratic or Republican, as long as they keep watching the news and subscribing to popular magazines, as long as they keep going to book club, as long as they keep going to the polls – in other words as long as they keep believing in and cherishing their profoundly human consciousnesses, which exist, if nowhere else, on their bookshelves. Literary fiction and its humanist ideology are intended to give the culture of imperialism a human face. If that face now has a bit of color in it, in the form of President Obama, so much the better – he is the perfect corollary for “literary fiction” in the realm of politics, and he might indeed be able to serve his purpose of prolonging imperialism’s death-agony. That system must be legitimized as it hurtles to destruction and drags the entire globe with it, and “literary fiction” has a privileged role in this legitimizing task. You need look no farther than the pages of *The New Republic* and *the New Yorker* themselves: advocacy of “free” characters and their precious interiorities in the “cultural” back pages, and advocacy of bombs away in the Middle East and



bulldozers to bury Palestinians in the front pages. “Interiority” for some, nullity for the rest.

But to the extent that literary fiction suffers, legitimization must also suffer. The bursting of the fiction bubble might therefore serve as one constituent, however modest, of a full-blown crisis of legitimacy. Such a crisis could sap the confidence of the professional-managerial layer that is a necessary part of the ruling class’s power bloc and weaken its identification with the system. Naturally we cannot expect a radical transformation of the social order to come from this privileged and ultimately parasitic social layer, but their *demoralization and disorganization*, at least, could be an important ingredient in opening up possibilities for others better situated to take the initiative. As V.I. Lenin once wrote, “For a revolution to take place, it is not usually sufficient for the ‘lower classes not to want’ to live in the old way; it is also necessary that ‘the upper classes should be unable’ to live in the old way.” Such a citation should not, however, open the door to spellbound veneration of the past. Let us to put away our nostalgias, whether for the novel circa 1910 or the revolution circa 1917. We must wrest our future from the current conjuncture, in the now.

#### End Notes :

- <sup>i</sup> Tom Engelhardt, “Reading in the Age of Depression,” *The Nation* (18 December 2008); <http://www.thenation.com/doc/20090105/engelhardt>.
- <sup>ii</sup> See, for example, “Who Owns the Media?” at [freepress.net](http://freepress.net).
- <sup>iii</sup> Chad W. Post, “Publishing Models, Translations, and the Financial Collapse (Part 3)” 19 November 2008, *Three Percent Weblog*. <http://www.rochester.edu/College/translation/threeppercent/index.php?id=1433>
- <sup>iv</sup> Ted Solotaroff, “The Literary-Industrial Complex,” *The New Republic*, 8 June 1987, p. 28.
- <sup>v</sup> <http://www.bowker.com/index.php/press-releases/526?task=view>
- <sup>vi</sup> Gerald Howard, “Publishing” in “American Writing Today: A Symposium,” n+1, 4 (Spring 2006): 96-97.
- <sup>vii</sup> Pierre Bourdieu, *Distinction: A Social Critique of the Judgment of Taste*. Trans. Richard Nice. Cambridge MA: Harvard UP, 1984.
- <sup>viii</sup> <http://www.nea.gov/research/ReadingAtRisk.pdf>. The 2002 study, *Reading at Risk*, showed a decline in reading from the 1992 and 1982 NEA studies, while a more recent 2008 survey found that reading had risen across all categories, although still not to 1992 levels. My interest here however is not in the absolute numbers but in the demographic breakdown of those who read fiction versus those who do not, which, except for a rise in reading among youth, has stayed relatively the same from study to study.
- <sup>ix</sup> “Who Votes, Who Doesn’t, and Why,” a 2006 Pew Research Center survey; <http://people-press.org/report/292/who-votes-who-doesnt-and-why>.
- <sup>x</sup> Lenin, “The Collapse of the Second International”, *Collected Works*, vol.21, pp.213-14.

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**Correspondence**, as the current members think about it is a political group, using “political” in a very broad sense so as to include all issues, questions and answers that influence our lives. Our ideas and working principles are best described as anti-hegemonic. We run a political magazine, also called **Correspondence**, of which we have produced one issue, and are working on others.

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