UNIVERSITY OF CALIFORNIA

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Derivative Media:

The Financialization of Film, Television,

and Popular Music, 2004-2016

A dissertation submitted in partial satisfaction of the

requirements for the degree Doctor of Philosophy

in Film and Television

by

Andrew Michael deWaard

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ABSTRACT OF THE DISSERTATION

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and Popular Music, 2004-2016

by

Andrew Michael deWaard

Doctor of Philosophy in Film and Television

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Professor John T. Caldwell, Chair

This dissertation traces the entrance of the financial industries – particularly private equity firms, corporate venture capital, and institutional investors – along with their corresponding financial logic and labor, into the film, television, and music industries from 2004-2016. Financialization – the growing influence of financial markets and instruments – is premised on highly-leveraged debt, labor efficiencies, and short-term profits; this project argues that it is transforming cultural production into a highly consolidated industry with rising inequality, further decreasing the diversity and heterogeneity it could provide the public sphere. In addition to charting this historical and industrial shift, this project analyzes the corresponding textual transformation, in which cultural products behave according to financial logic, becoming sites of capital formation where references, homages, and product placements form internal economies. The concept of 'derivative media' I employ to capture this phenomenon contains a double meaning:

increasingly, the production process of popular culture ‘derives’ new content from old (sequels, adaptations, franchises, remakes, references, homages, sampling, etc.), just as the economic logic behind contemporary textuality behaves like a ‘derivative,’ a financial instrument to hedge risk. As we witnessed during the financial crash in 2007-2008, the derivative dismantles or unbundles any asset into individual attributes and trades them without trading the asset itself, in contracts such as futures, forwards, options, and swaps. This project demonstrates how cultural texts employ a similar ‘derivative’ logic, using intertextuality as a financial strategy, not just to sell products through brand integrations, but to maintain domination over the cultural sector through an interconnected referential economy. Through textual analysis and case studies, I explore the formal and interpretative implications that this financial shift has on cultural texts, arguing that popular digital media texts function as unbundled, risk-hedging derivatives through which capital accumulates in diversified cultural hedge funds operated by a handful of transnational media corporations. Utilizing a methodology combining political economy, data mining and visualization, ethnographic fieldwork, and textual analysis, this dissertation argues that financialization is a little-understood, yet profoundly transformative – and often destructive – force within the cultural industries.

The dissertation of Andrew Michael deWaard is approved.

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Vita

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Introduction

On August 4, 2015, Disney CEO Bob Iger made a seemingly innocuous admission during the entertainment conglomerate's quarterly earnings report: there had been "some subscriber losses" at ESPN, Disney's flagship sports channel.[1] ESPN was still the most profitable cable channel, but projections showed only mid-single-digit operating profit growth instead of high-single-digit growth. Iger was merely commenting on an obvious industry trend: due to advances in streaming technology and changes in consumer behaviour, cable television subscriptions had begun to sag, as many households "cut the cord" in favour of internet television options. Over the previous year, Disney had been the best performing stock on the Dow Jones Industrial Average but this earnings report proved to be far from innocuous: the backlash on Wall Street was savage.

Analysts downgraded Disney's stock, and as disappointing earnings reports came in for other entertainment companies, a massive selloff took place in the media market. In just two days, nearly $50 billion of market value was lost between Disney, Time Warner, CBS, Fox, and Comcast.[2] It was the largest two-day drop in six and a half years for the S&P 500 media index, a broad portfolio of media stocks. Shares in media companies had likely been overvalued in the preceding bull market, and there was/are legitimate concerns about declining advertising ratings and cable television subscriptions. Nevertheless, this episode is a dramatic demonstration of an oft-unacknowledged fact of the American media system and its cultural industries: they are acutely vulnerable to the whims of traders and analysts on Wall Street.

[1] Todd Spangler, "Media Stocks Continue Slide, as Netflix Shares Shoot to Record High," *Variety*, August 6, 2015.

[2] "Why Media Stocks Are Taking a Beating," *Time*, August 12, 2015.

Since the 1970s, the global economy has been reshaped by the rise of the financial industries; however, there has not been a substantial scholarly study of the effect of financialization on the media sector. This dissertation traces the entrance of institutional investors, corporate venture capital, and private equity firms, along with their corresponding financial logic and labor, into the film, television, and music industries from 2004-2016. Premised on highly-leveraged debt, labor efficiencies, and short-term profits, financialization – the growing influence of financial markets and instruments – is transforming media and cultural production into a highly consolidated industry with rising inequality, further weakening it of the diversity and heterogeneity it could provide the public sphere. In addition to charting this historical and industrial shift, I also analyze the corresponding textual transformation, in which cultural products and aesthetic texts behave according to financial logic, becoming sites of capital formation where references, homages, and product placements form and express internal economies.

The summer of 2015 also demonstrates key textual features of a popular media culture conditioned by the logic of Wall Street. In movie theaters, the seventh entry in *The Fast and the Furious* franchise, the fourth installment of *Jurassic Park*, the third of *Despicable Me* (entitled *Minions*), and the second of *Ted* all contributed to a record summer for Universal Pictures, owned by Comcast. It would become the first studio to reach $6 billion at the global box office in a single year. Disney was not far behind, with an *Avengers* sequel (the eleventh entry in the "Marvel Cinematic Universe") and the seventh *Star Wars* film breaking box office records. Of the top ten films, only two were not part of a franchise and only one wasn't derived from a pre-sold property: Pixar's *Inside Out*, the only original screenplay. Production budgets had reached the hundreds of millions, as had the corresponding global marketing blitzes, with billion-dollar

profit expectations no longer a rarity. Much bigger bets were being made on far fewer films, with the consumer value of the film's intellectual property and its merchandising potential the key financial determinant. As is Wall Street's effect writ large, what might be termed "the middle class of film" is increasingly precarious. The mega-blockbusters suck all the oxygen out of the multiplex, while the multitude of unseen independent films provide a sea of surplus labour and ideas.

On the popular music charts in the summer of 2015, hip hop continued its entrenchment as the primary pop music of America, with hits including Fetty Wap's "Trap Queen," The Weeknd's "Can't Feel My Face" and "The Hills," Wiz Khalifa's "See You Again" from the *Furious 7* soundtrack, and Drake's "Hotline Bling," a reworking of the 1972 Timmy Thomas song "Why Can't We Live Together." Even teenage pop stars like Taylor Swift and Selena Gomez were getting guest verses from rappers on their hit songs (Kendrick Lamar on "Bad Blood" and A$AP Rocky on "Good for You," respectively). Meanwhile, off the charts and in the streets, the activist movement Black Lives Matter was protesting systemic racism and police violence, with "Alright" by Kendrick Lamar its unofficial anthem, its chorus "We gon' be alright" a popular chant. In theaters, *Straight Outta Compton* dramatized the early career of seminal and controversial rap group N.W.A., transforming a story of black insurrection into a sanitized retelling of business transactions. Elsewhere, three members of the aging hip hop collective the Wu-Tang Clan released albums that summer, while popular rapper and entrepreneur Jay Z purchased the music streaming service Aspiro and rebranded it as Tidal. The last two examples will be our case studies in Chapter 4 when we consider hip hop's unique blend of derived content, intermedial repurposing, reflexive politics, and contradictory economics: the quintessential art form of a "popular culture" produced by Wall Street.

As for television, the viewing screen was now embedded into phones and tablets in addition to standard television sets, the delivery mechanism now included wifi and cellular as well as a cord, the interface was often an algorithmic carousel instead of a cable box grid or remote control, and the temporal consumption practice now included 'on-demand' and 'binging' as well as weekly appointments, but the programming largely remained the same. Despite the dramatic changes enacted by digital technologies, old forms remained firmly ensconced as the primary formats for watching serial video programming: sports, news, variety, drama, soap opera, procedural, reality, children's/family programming, and perhaps the most evergreen of television's formats, the sitcom. In the summer of 2015, the full range of sitcom's form could be seen on your variably-sized screen. Some sitcoms were oriented around contemporary topics, such as the tech world (*Silicon Valley*), cynical politics (*Veep*), and big box retail (*Superstore*). Other sitcoms were premised on identity markers, such as feminism (*Inside Amy Schumer*), an affluent black family (*Black-ish*), and a 90s-era Taiwanese family (*Fresh Off the Boat*). Generational perspectives were also common, in *Portlandia*, *Crazy Ex-Girlfriend*, and *Girls*, as were throwbacks, such as a rebooted *The Muppets* and the Norman Lear-like issue-based sitcom *The Carmichael Show*. Old classics were still going strong, with *The Simpsons* on the air for over 25 years, *Family Guy* more than 15, *It's Always Sunny in Philadelphia* over 10, and *The Big Bang Theory* at 8. On Netflix that summer was another sitcom, *Unbreakable Kimmy Schmidt* from Tina Fey, whose previous series *30 Rock* is the reflexive case study under analysis in Chapter 6.

The title of this dissertation encapsulates my attempt to capture this wide-ranging phenomenon, from Wall Street speculation and Hollywood studio ownership to film franchises, hip hop lyrics, and sitcom jokes. The concept of 'derivative media' I employ contains a double

meaning: increasingly, the production process of popular culture 'derives' new content from old (sequels, adaptations, franchises, remakes, references, homages, sampling, etc), just as the economic logic behind contemporary textuality behaves like a 'derivative,' a financial instrument to hedge risk. As we witnessed during the financial crash in 2007-2008, the derivative dismantles or unbundles any asset into individual attributes and trades them without trading the asset itself, in contracts such as futures, forwards, options, and swaps. This dissertation demonstrates how cultural texts employ a similar 'derivative' logic, using intertextuality as a financial strategy, not just to sell products through brand integrations, but to maintain dominance over the cultural sector through what I term an interconnected "referential economy."

Through textual analysis and case studies, I explore the formal and interpretative implications that this financial shift has on cultural texts. This project's interjection into the field of cinema and media studies is the historical and material examination of financial logic in the media sector, arguing that we need to rethink how film, television, and popular music function within contemporary capitalism. Much of the existing research into the cultural industries is limited by an outdated conception of monopoly capitalism, resulting in a perspective unequipped for today's fluid, multinational circulation of culture; an alternative perspective of finance capitalism provides greater insights into the production of cultural texts. I argue that popular digital media texts function as unbundled, risk-hedging derivatives through which capital accumulates in diversified *cultural* hedge funds operated by a handful of transnational media corporations. Utilizing a unique methodology combining political economy, data mining and visualization, ethnographic fieldwork, and textual analysis, this dissertation argues that financialization is a little-understood, yet profoundly transformative – and often destructive – force within the cultural industries.

Methodology

In order to enact a more dynamic industrial and textual analysis, my methodology integrates a multiplicity of methods and types of evidence. The tripartite methodology of this dissertation is comprised of a combination of political economic, ethnographic, and textual methods, forming an interdisciplinary perspective on cultural-economic form and production that ranges from the broad to the specific. The scholarly background of each methodological component is covered in more detail in the literature reviewed in Chapter 1, but a brief summation follows. In the parlance of cinematography, these three methods can be likened to a long shot (broad political economic analysis), a medium shot (ethnographic context), and a close-up (textual analysis). As with any good film, this methodology excels when different shot lengths are combined and juxtaposed.

In the political economic tradition, I document the history of financialization in the film, television and popular music industries using trade press, financial statements, annual reports, market reports, and organizations for industry-wide data, informed by heterodox economics, Marxist theory, and the tradition of critical political economy of media. Trade press is the primary means of accessing this historical evidence, though unlike many cultural histories that rely on *Variety*, *The Hollywood Reporter*, and *Billboard*, the big trade publications for the film, television, and music industries, this project is just as reliant on business press such as *Bloomberg Businessweek*, *Fortune*, *Forbes*, and *The Wall Street Journal*. Curiously, many of the crucial details of financialization, such as the role of investment firms, are left out of the limited Hollywood trade press and an effort has been made here to connect the dots of financial actions across many years. In addition to my coursework, I received training in economic and statistical

methods at the "History of Capitalism" workshop at Cornell, as well as the "Culture, Industry, Finance" research group, funded by the University of California Humanities Research Institute.

The second component of my methodology involves ethnography-influenced "media industries" and "production studies" methods, based on field work in the Los Angeles area. I conducted site visits and personal interviews with various professionals who work in different aspects of the film, television, and music industries, from low-level technologists to high-level executives and venture capitalists. Though these industry contacts are typically difficult to make for researchers, I have been able to employ the networking potential of my involvement with UCLA's Digital Incubation Think Tank, which studies emerging media trends for the advertising agency Havas Media, to conduct high-quality interviews. Interviews in the trade press were also of value to corroborate this kind of evidence, in terms of how content producers position themselves in the industry and how they are positioned by the industry. Being situated at UCLA's film school also provided many opportunities, such as production classes that frequently brought in guests from the industry to describe their experiences and answer questions. I was provided access to industry conferences, such as "Digital Hollywood" and "TheGrill" that proved informative, and was also fortunate enough to attend the Telluride film festival. My partner also works in the film and television industry and facilitated interview subjects and discussions. All in all, these experiences inform the background detail of this dissertation.

The third component of my methodology is textual analysis in the classical humanities tradition, but with a technological twist. Influenced by the digital humanities, I incorporate data-mining and data-visualization of cultural data such as intertextuality and economic relationships, technical skills I honed during my Digital Humanities Graduate Certificate at UCLA, a "Digital

Research Startup Partnership" with the UCLA Library, the "Digital Humanities Summer Institute" at the University of Victoria, and the "Culture Analytics" workshop convened by the Institute for Pure and Applied Mathematics at UCLA. This aspect of my methodology is the most provocative, as cinema and media studies has been reluctant to adopt digital software into its methods. My textual analysis is assisted by the use of software to digitally catalogue and visualize cultural data, harvested from online databases, such as Wikipedia, IMDb (Internet Movie Database), Discogs (a database of information on musicians and record releases), WhoSampled (a database that sources samples and references in music, primarily hip hop), and Genius (a database consisting of fan explanations and interpretations of lyrics, primarily hip hop). These crowd-sourced databases are some of the most extensive catalogues of the intertexts, references, metatexts, paratexts, and product placements that comprise derivative media. For my purposes, I catalogue and visualize this intertextuality to lend a degree of quantification to my otherwise historical, theoretical, and interpretative approach. With the assistance of digital tools, I'm able to both dig deep into solitary texts, discovering and quantifying micro-relationships, while also mapping broad, macro-cultural dynamics as a result of this wide-ranging data. To return to our cinematographic metaphor, the textual analysis is more like a zoom, tracking shot, or rack focus; it moves between a long shot and a close-up.

The case studies under examination—particularly the two primary examples that bookend each chapter—have been chosen as especially rich examples of derivative media and have been organized to demonstrate certain key principles. However, I will argue that derivative media is a prevalent culture-wide process, occurring to varying degrees across the majority of texts produced by the cultural industries. Product placements and brand/platform integrations are the most overt examples of screen synergy, but I contend that any reference or homage is a product

placement paid for in cultural capital. Whether conscious or not, connections formed between media texts serve cultural-economic purposes that often go unnoticed and undocumented.
I focus primarily on examples that exhibit a high degree of derivative media, but I will also point toward its visibility in lower degrees across a multitude of texts. The importance of large datasets is essential in order to provide a macroscopic view of a broad yet unquantified process.

This discussion of data also reveals a tension in this dissertation between breadth and depth; the scope is purposefully wide (spanning multiple media, multiple case studies, multiple methods) yet tight when it comes to specific textual analyses that utilize a quantitative, database-driven approach going beyond the detail of standard textual analysis. The tension between breadth and depth is a key strength of the dissertation: its unique methodology integrates a macroscopic industrial perspective with a microscopic textual analysis aided by digital tools. In order to define the outer, macroscopic parameters of the dissertation, I have enacted the following limitations: focusing primarily on the American context in which Wall Street has the most dramatic effect, as opposed to a wider global perspective; concentrating on the three main cultural industries (film, television, and popular music), and not considering the press, video games, and other art forms, though they are also being transformed by finance; and in choosing my case studies, selecting relatively smaller, manageable textual clusters, as opposed to large, messy, corporate franchises. These limitations should allow me to achieve a balance between macro and micro, permitting me to document a broad cultural-industrial process without losing focus on the intricacies of the case studies. Though my methodology is multidimensional and interdisciplinary, it is tightly focused on the particular concept of derivative media from the perspective of finance, industry, text, and technology.

This dissertation pursues a series of research questions. What is the history, form, and impact of the financial industry in the film, television, and popular music industries? What is the *measurable* textual and aesthetic impact of increasing conglomeration, convergence, and concentration of ownership in the cultural industries? What formal, textual, and aesthetic properties do derivative media share? How do technology and digitization of cultural texts increase the proliferation of these shared attributes? How is consumer culture facilitated and amplified by such a system of derivative media? What new technologies facilitate and amplify these processes? What are the labour issues associated with derivative media?

Chapter Summaries

Chapter 1, Literature Review, surveys the scholarship from the three core fields with which this dissertation engages. The first looks at the analysis of the cultural industries as a whole, considering both critical political economy of media as well as media industry studies. This section is concerned with the different ways cultural industries can be defined and studied, ranging from the humanistic to the economic. The second body of scholarship considers the concept of intertextuality, from its post-structuralist origin to its contemporary incarnations. The final section looks at digital media in scholarship and research, from the introduction of hypertext to the field of digital humanities. Together, the three bodies of scholarship form the foundation for my consideration of derivative media, which is inherently economic, intertextual, and digital in its formulation.

Chapter 2, Derivative Media, formulates the central conception of the dissertation by first charting the broad history of financial capital, and then the particular significance of three financial sub-sectors or "actors": institutional investors, private equity firms, and corporate

venture capital. I focus on each sector's impact on the cultural industries; these financial operations have invested heavily in the media sector since 2004, bringing a financial logic at odds with the way the cultural industries have traditionally operated. The final section of this chapter describes the significance of the derivative (a financial instrument to hedge risk) and how it can be used to conceptualize the circulation of media products in a financialized cultural economy. The multiple meanings of the title "Derivative Media: The Financialization of Film, Television, and Popular Music" are visible here: derivative as both intertextual influence and financial instrument, and financialization not just of the industry, but the cultural text itself. The subsequent chapters are organized as pairs: two chapters on music, one industrial and the other textual, and then two chapters on film and television, again industrial followed by textual.

Chapter 3, The Financialization of Music, details the recent history of finance in the music industry, starting with the private equity takeover of Warner Music Group by Bain, THL, and Providence in 2004. In the intervening years, EMI, ClearChannel (now called iHeartMedia), Cumulus, and other music companies were also subjected to acquisition by private equity, resulting in massive layoffs, debt, homogenization, and profit extraction. Though piracy is often considered the determining factor for the revenue losses in the music industry during this period, I argue that financialization is the true culprit, as Wall Street plundered the vulnerable record labels and radio companies. Once streaming became the technology of choice for listening to music, a much consolidated industry was able to reassert its dominance by leveraging access to its back catalogue of recorded music in exchange for the vast majority of revenue from streaming services. Equity stakes in new technology and corporate venture capital have become key strategies of the music conglomerates, profits from which are not shared with its musicians.

Chapter 4, Derivative Music, shifts to textual analysis in order to analyze the impact this financialization has on the formal characteristics of culture produced in this era. In this chapter I argue that hip hop is the quintessential art form of the financial era because its textual properties are entrepreneurial, speculative, referential, intermedial, and derivative, in both senses of the word. Typically economic descriptors, these qualities are formal techniques of cultural texts in a financial age. I demonstrate this through a political economic analysis of hip hop's ownership structure, followed by a quantitative and visualized analysis of brand references to alcohol and automobiles within lyrics. The careers and media texts of two hip hop acts, Jay Z and the Wu-Tang Clan, are the case studies under consideration.

Chapter 5, The Financialization of Film and Television, turns to Hollywood and documents the recent history of finance in the film and television industry, starting with the private equity takeover of MGM by Providence, TPG, Sony, Comcast, and DLJ. In the intervening years, Nielsen, Univision, CAA, WME, and other film and television companies were also subjected to private equity, resulting in the same effects as in the music industry: layoffs, debt, homogenization, and profit extraction. Hollywood's two most powerful talent agencies are of particular concern in this chapter, and I argue that their new owners, the private equity firms TPG and Silver Lake, have created "shadow studios," vertically integrating financing, investment, production, distribution, talent, and data. Financialization is documented in other areas of the industry as well, including broadband delivery, "slate-financing" (investing in a series of films), "intellectual property asset portfolios" (film and television libraries), and boutique production companies who specialize in award-seeking indie and arthouse fare.

Chapter 6, Derivative Television, returns to textual analysis, analyzing the sitcom *30 Rock* as an emblematic example of a financialized cultural product. Using data visualization

techniques to catalogue the nearly three thousand references made in the series, this chapter looks at the formal and financial dimensions of the political economy of intertextuality, in which texts are constantly communicating with other texts, exchanging capital both economic and cultural. I propose the analytic method of mise-en-synergy, a schematic and quantitative approach to the vast, multi-platform, intertextual components that comprise contemporary cultural texts. The consideration of *30 Rock* with this method demonstrates that there is an economic dimension to intertextuality: all references are rendered a fungible asset, an interchangeable good that can be leveraged for exchange. Intertextuality becomes a repository of value that can be exploited through speculative action.

The **Conclusion** considers the Trump phenomenon as an unexpected example of derivative media, as well as a warning signal for the disastrous outcomes of a media system predicated on financial engineering. I then offer possible avenues of resistance to this financialization of the cultural industries. The key insight is that financial reform is media reform; popular, actionable legislative changes to taxes, capital gains, carried interest, antitrust, and executive pay could help reform the financial and corporate sector, which would have the subsequent effect of reforming the media sector. As media scholars, we need the financial literacy to comprehend and advocate for these positions, as well as the understanding that the financial world is not removed from the cultural world.

Before we turn to the literature review that undergirds this dissertation, I'd like to offer a possible framing of the subject matter at hand. From one perspective, the cultural industries are more vibrant than ever: countless creative labourers and companies working on all manner of cultural production, voraciously consumed, shared, and interacted with by the millions upon millions of viewers and fans that form communities and bring their own meaning to a rich

cultural world. But from another perspective, you can visit nearly all of the headquarters of the world's biggest media companies by merely driving down Santa Monica Boulevard and the Ventura Freeway (see Figure 2).[3] The cultural industries are more 'culture *industry*' than they ever have been since Adorno and Horkheimer coined the phrase. Inevitably there is reduction and generalization occurring when one focuses on just two streets in Los Angeles and draws wide-ranging conclusions from the decisions made by a handful of executives at an ever-consolidating number of corporate headquarters. But it gets worse. On the other side of the country, massive flows of financial capital originate at a single address: 9 West 57th St in Midtown Manhattan, at 5th Avenue, known as "9 West," the home of KKR, Apollo Management, Silver Lake Partners, Providence Equity Partners, and other private equity firms. Bain, Blackstone, and TPG have offices around the corner (see Figure 3). Since this capital circulates through Hollywood as much as it does the rest of the financialized economy, then maybe reductive reasoning and some degree of "economic determinism" is necessary for these gilded times. This is the story of one boulevard in Santa Monica, one freeway in the San Fernando Valley, one address in Manhattan, and how the cultural lifeblood of a country has been spilled on these greedy streets.

[3] The Ventura Freeway runs from the Santa Barbara/Ventura county line to Pasadena, forming the main east/west corridor in the San Fernando Valley, just north of Hollywood, where many film and television studios have relocated. It is signed as the US 101 west of the Hollywood Freeway and the SR 134 to the east.

Chapter 1. Literature Review

[N]othing produced today… can be decoded exclusively as a sign, nor solely measured as a commodity; that everything appears in the context of a general political economy in which the determining instance is neither the commodity nor culture.
Jean Baudrillard, *For a Critique of the Political Economy of the Sign*.[4]

Critical Political Economy of Media and Media Industries Studies

With such a dramatic transformation as financialization, why has it not become a significant issue or factor in media studies? One explanation might be that the effort to analyze the media industries has been torn, historically and institutionally, between cultural studies and political economy.[5] On the rare occasions that they do meet, they remain at the most immediate interface, and so the corporate processes of 'close' companies like Disney, Fox, and Universal Music are the foci, rather than the financial processes of more 'arm's-length' firms like BlackRock, Bain, TPG, and Silver Lake, which increasingly serve as the foundation upon which film, television, and popular music rests.

One crucial methodological conflict is the delimitation of the object at hand. Amidst an entertainment market focused on integrating its product across multiple revenue streams, media texts are now comprised of networks of intersecting forms and media. For media industries scholars, this development presents a problem of scope: how do we tackle the proliferating

[4] Jean Baudrillard, *For a Critique of the Political Economy of the Sign* (St. Louis, MO: Telos Press, 1981), 147-148.

[5] See Lawrence Grossberg, "Cultural studies vs. political economy: Is anybody else bored with this debate?," *Critical Studies in Mass Communication* 12.1 (1995); Oscar H. Gandy and Nicholas Garnham, "Political economy and cultural studies: Reconciliation or divorce?," *Critical Studies in Mass Communication* 12.1 (1995); Robert E. Babe, *Cultural Studies and Political Economy: Toward a New Integration* (Lanham: Lexington Books, 2009).

digital text? What are the boundaries? How do we delimit the topic of study appropriately so as to analyze it with depth yet still account for its increasingly broad interrelationships? How do the economic, technological, cultural, and textual dimensions interact? What size of map should be drawn and how detailed is the network?

In recent years, the field of media industry studies has been established in order to confront such questions. Unsatisfied with the reductive, homogenizing conceptions of "mass culture" and "mass communication," media industries scholarship, as defined by Jennifer Holt and Alisa Perren in *Media Industries: History, Theory, and Method*, "perceives culture and cultural production as sites of struggle, contestation, and negotiation between a broad range of stakeholders."[6] Drawing on a diverse array of disciplinary influences (sociology, anthropology, media economics, industrial analysis, political economy, cultural studies, film and television studies, and cultural policy studies), media industries scholarship aims to provide a more dynamic, complex account of a converging cultural production, as evidenced by the vast group of scholars Holt and Perren assemble in their anthology. Timothy Havens and Amanda Lotz also attempt to outline the field in *Understanding Media Industries*, developing an "industrialization of culture" framework that details the key areas and properties of the media industries, concerning mandates, conditions, and practices.[7] As a textbook directed at students, Havens and Lotz's scope is broad and comprehensive, yet pales in comparison to David Hesmondhalgh's expansive *The Cultural Industries*, now even more encompassing in its third edition.[8] Enacting a

[6] Jennifer Holt and Alisa Perren, *Media Industries: History, Theory, and Method* (Malden, MA: Wiley-Blackwell, 2009), 5.

[7] Timothy Havens and Amanda D. Lotz, *Understanding Media Industries* (New York: Oxford University Press, 2012).

[8] David Hesmondhalgh, *The Cultural Industries*, 3rd ed. (Los Angeles: Sage, 2013).

wider scope that includes the creative industries as a whole and a more global perspective, Hesmondhalgh demonstrates the far end of the media industries spectrum in its broadest conception.

In contrast to these field-spanning projects, other media industries scholars are focusing on one small piece of the terrain to examine narrower aspects of media industry production. From a mostly textual and participatory perspective, Henry Jenkins' *Convergence Culture* has become a flashpoint for popularizing the concept of transmedia storytelling, which is defined as collaborative production and consumption of media across multiple platforms – entertainment for the age of convergence.[9] Jenkins gives only cursory attention to the economic parameters of this phenomena, however, and errs on the side of celebrating these texts rather than analyzing them with much depth; to Hesmondhalgh and others, he is a "digital optimist."[10] Less charitably, to others Jenkins exhibits "a kind of new-age discourse of connectivity… a certain naïvety about the liberatory potential of new media and networks, as well as about the complex political dimensions of networking culture."[11]

Franchises have become a notable media form from which to look at transmedia and convergence more closely: Kristin Thompson's *The Frodo Franchise*[12] is an example of a singular, in-depth case study combining textual, industrial and ethnographic impulses, while Derek Johnson's *Media Franchising* takes a broader view of the phenomenon, using a series of case studies to demonstrate the history and principles of franchising and creative licensing in the

[9] Henry Jenkins, *Convergence Culture: Where Old and New Media Collide* (New York: NYU Press, 2006).

[10] Hesmondhalgh, *The Cultural Industries*, 56.

[11] Charlie Gere, "Media," *Year's Work Critical and Cultural Theory* 23.1 (2015): 286.

[12] Kristin Thompson, *The Frodo Franchise: The Lord of the Rings and Modern Hollywood* (Berkeley: University of California Press, 2007).

cultural context.[13] In *Watching with 'The Simpsons': Television, Parody, and Intertextuality*, Jonathan Gray considers the long-running series and franchise with regards to both its textuality and industrial implications, while Gray expands his scope to analyze the cross-platform media paratexts that surround such convergence products in *Show Sold Separately: Promos, Spoilers, and Other Media Paratexts*.[14] Enacting a similar case-study based approach to industrial and textual research, Jennifer Gillan incorporates an analysis of new forms of technology and internet fandom into her convergence-based *Television and New Media: Must-click TV*, while taking a more historical perspective in *Television Brandcasting: The Return of the Content-Promotion Hybrid*,[15] where she compares promotional discourse and branded entertainment from the postwar period with that of today. These analyses, and others like them, share the text-based perspective that is inherited from cultural studies and predominant in the humanities more broadly; it thus continues to hold a prevalent place in the field of media industries studies. Because of continual technological innovations and their innumerable textual implications, this perspective views synergy, convergence and transmedia as a complex, ever-increasing industrial processes.

Political economists, on the other hand, maintain a far broader view of the media landscape, primarily using the historical and economic record, and the degrees of change, concentration, and integration are a much more contested terrain. For example, Eli Noam's

[13] Derek Johnson, *Media Franchising: Creative License and Collaboration in the Culture Industries* (New York: NYU Press, 2013).

[14] Jonathan Gray, *Watching with 'The Simpsons': Television, Parody, and Intertextuality* (New York: Routledge, 2006); Jonathan Gray, *Show Sold Separately: Promos, Spoilers, and Other Media Paratexts* (New York: NYU Press, 2010).

[15] Jennifer Gillan, *Television and New Media: Must-click TV* (New York: Routledge, 2011); Jennifer Gillan, *Television Brandcasting: The Return of the Content-Promotion Hybrid* (New York: Routledge, 2015).

weighty tome *Media Ownership and Concentration in America* consists of over 400 pages of rigorous, detailed empirical research, seeking to answer whether, where, and how American media are becoming more or less concentrated.[16] The object of his research (and thus his definition of the media marketplace) is 100 separate information industries in America, broadly defined to include information technology, consumer electronics, mass media, and telecommunications, thereby equating daily newspapers with microchip manufacturers, cable TV with local phone service, and internet search engines with copper wire production. By integrating these many disparate sectors into one analysis, the results are skewed, showing an actual decrease in concentration from 1984 to 2005, which Noam claims is a result of new participants in the industry due to lower legal, technological, and economic entry barriers.

Noam admits that within the subsector of mass media (print, music, film, TV) there was a notable increase in concentration in many sectors, but that its average concentration is at a much lower level than the rest of the information sector and that it remains unconcentrated by the legal standards of the Antitrust Merger Guidelines. If a reader (or politician) were looking for quick, empirical proof that the information sector is in no danger of being overly concentrated (and could bear more deregulation), Noam's conclusion would provide it. However, a humanities-based perspective can contest these conclusions on many levels, particularly the dramatically larger impact that the news and entertainment media have than the manufacturing of copper wire. Noam's project is flawed in many other ways as well: it represents the disadvantages of a neoclassical economic perspective. This field's focus on free markets, private property, efficiency, minimizing state intervention, and consumer tastes and preferences is not an adequate approach to understanding the complexity of cultural and media industries, though its empirical

[16] Eli M. Noam, *Media Ownership and Concentration in America* (Oxford, UK: Oxford University Press, 2009).

research does offer a worthwhile background.

Noticeable within Noam's mass media analysis is the recent integration of the film, broadcast television, and cable television industries, a development that Jennifer Holt takes as her subject in *Empires of Entertainment: Media Industries and the Politics of Deregulation, 1980-1996*.[17] In this detailed history of a pivotal period of media industry change, Holt integrates legal rulings, business dealings, economic doctrines, and political legislation into one cogent chronology of how, as the subtitle of another of her publications reads, "Six Companies Ate the New Hollywood."[18] As opposed to the supposedly apolitical analysis offered by Noam, Holt pulls no punches in laying blame at the foot of the deregulatory fanaticism of the Chicago school economists and their dramatic influence in the Reagan administration. Over the sixteen years that Holt chronicles, deregulatory policies and a radical interpretation of antitrust policy transformed three mostly separate and distinct industries—film, broadcast, and cable—into one vertically/horizontally integrated and consolidated industry, which she terms 'structural convergence.' Rather than merely accept the DOJ's antitrust guidelines—as Noam does, another reason to remain skeptical of his findings—Holt interrogates the reasons for their dramatic transformation over this sixteen-year period.

As articulate and well-documented as her history may be, there are flashes of exaggeration in Holt's rhetoric. An opening salvo like "Just six conglomerates now dominate the global media marketplace"[19] minimizes much of the complexity that comprises the global media

[17] Jennifer Holt, *Empires of Entertainment: Media Industries and the Politics of Deregulation, 1980-1996* (New Brunswick, NJ: Rutgers University Press, 2011).

[18] Jennifer Holt, "The Age of the Conglomerate, Or How Six Companies Ate the New Hollywood," in *Media Ownership: Research and Regulation*, ed. Ronald E. Rice (Cresskill, NJ: Hampton Press, 2008).

[19] Jennifer Holt, *Empires of Entertainment*, 1.

marketplace, particularly because the claim is presented without statistical proof. In Noam's judgement, this kind of 'sky is falling' rhetoric would mark Holt as a 'media pessimist,' a designation that he also applies to scholars such as Ben Bagdikian and Robert McChesney. Noam takes Bagdikian to task for claiming, in the fifth edition to his frequently cited *The Media Monopoly*, that "these six [media conglomerates] have more annual media revenues than the next twenty firms combined."[20] Technically this is true, but as Noam points out, these six firms share 26.6% of the mass media (averaging 4.4% each), the next 20 companies share 25.8%, and the remaining nearly 50% is comprised of a vast multitude; the numbers don't seem as alarming in this light.[21]

Holt, in her evocation of the same nefarious 'Big Six,' partakes in similar hyperbolic rhetoric which only dilutes her otherwise exemplary, insightful analysis. On the other hand, considering the vast power these conglomerates wield—no matter how the numbers are distributed, or, in Noam's case, dated—perhaps some strong rhetoric is in order. The flip side to this pessimism is 'media optimism,' elsewhere referred to as 'celebratory' (rather than 'critical') cultural studies, which overstates the agency consumers are afforded in the marketplace, or perpetuates wild claims of diversity on the internet, even though it is also subject to the same increasing levels of concentration (for example, four news websites receive the lion's share of users). Noam presents himself as a 'media realist' for not falling prey to either type of hyperbole; I would label him a 'media apologist' for not advocating more strongly on behalf of the public interest with his methodology, the presentation of his findings, or his rhetoric. Personally, I attempt to position myself in the middle of these conflicting perspectives, sensitive to the

[20] Eli M. Noam, *Media Ownership and Concentration in America*, 10.

[21] Ibid., 19.

liabilities of each. Neither optimistic, pessimistic, nor naive enough to believe in the possibility of being 'media realist,' I hope to bring some quantification and economics into the humanities-based media studies realm, as well as some humanistic concerns of meaning, form, and subjectivity into the social sciences-based economic realm.

To return to Holt's work, a particularly insightful observation—one perhaps only achieved with the astute attention Holt pays to legal filings and proceedings—finds media companies actually revising and/or redefining which market they belong to or how the market is legally constituted in order to avoid certain regulations. The overall tendency was to lobby to broaden the market, eventually breaking down the barriers between horizontal and vertical segments of the industry. In a fitting parallel, one of Holt's aims with her project is to broaden the industrial relations and histories that constitute the focus of the media industries field. Pointing toward similar work by Michele Hilmes, William Kunz, Frederick Wasser, and Douglas Gomery, Holt advocates for trans-media histories, particularly the integration of film, broadcast, cable, and video industries in relation to one another.

This development could be construed as another disagreement over scope, as the field of media industry studies is currently struggling with how to integrate the histories of various distinct yet related industries. Film and television seem to be a natural fit, though there remain 'purists' that would disagree. Television itself contains at least two histories, network and cable/satellite, while the internet and “over-the-top” boxes now remediate them both. Some disciplinary groupings include radio as a related industry, as the Radio-Television-Film departments at UT-Austin, Northwestern and others indicate, yet integrated written histories are still rare. The exact configuration of which industries should be integrated, and how, remains a contentious issue. Michele Hilmes' *Hollywood and Broadcasting: From Radio to Cable* is an

early work in this kind of integrated media historiography, while her recent work, *Network Nations: A Transnational History of British and American Broadcasting*,[22] adds a transnational dimension. Ross Melnick's *American Showman: Samuel 'Roxy' Rothafel and the Birth of the Entertainment Industry* is another contribution to this early history of media integration.[23]

I would posit that the popular music industry—so essential to these other four, and intimately tied to the radio industry—should also be included, and that the relationship of the digital gaming industry (already a crucial component of the Big Six companies Holt isolates) will need to be reconciled in the near future. Of course, this kind of elasticity and variability is what makes studying media industries so difficult. There are arguments to be made for many configurations, but a cultural studies perspective would most likely conclude that Noam's approach of grouping 100 information industries sectors together is far too broad, Holt's tripartite analysis appears appropriate for the particular history she is carving, and that industrial trends of convergence, consolidation and horizontal/vertical integration warrant further multi-sector, interdisciplinary analyses.

A different approach to this issue, rather than the intertwining of related media industries, is the broader reconception of how media relate to each other historically and theoretically. Bolter and Grusin's *Remediation*[24] show how 'new media' are inevitably remediations of older media, caught between the tension of immediacy and hypermediacy; Lev Manovich's *The*

[22] Michele Hilmes, *Hollywood and Broadcasting: From Radio to Cable* (Urbana: University of Illinois Press, 1990); Michele Hilmes, *Network Nations: A Transnational History of British and American Broadcasting* (New York: Routledge, 2011).

[23] Ross Melnick, *American Showman: Samuel 'Roxy' Rothafel and the Birth of the Entertainment Industry, 1908-1935* (New York: Columbia University Press, 2012).

[24] Jay David Bolter and Richard Grusin, *Remediation: Understanding New Media* (Cambridge, MA: MIT Press, 2000).

Language of New Media[25] also shows the importance of remediation, but that new media also operate under discrete new principles such as modularity, automation, and programmability. Peter Lunenfeld, in *The Secret War Between Downloading and Uploading*,[26] conceptualizes all media as having become subject to the computer, the twenty-first century's 'culture machine.' In *How We Think: Digital Media and Contemporary Technogenesis*,[27] N. Katherine Hayles makes room for all these approaches in Comparative Media Studies,[28] a rubric that explores synergies between print and digital media, while also incorporating older comparative media analyses, such as manuscript/print divisions and oral/literate cultures. This unified framework integrates multiple media regimes, highlighting different reading practices, literacies, and communities, while opening up new avenues for research.

Another such configuration is Dwayne Winseck's 'network media industries,' a slightly broader designation that is comprised of the ten largest media and internet industries, ranked by global revenue: television, internet access, newspapers, books, films, magazines, music, radio, internet advertising, and video games.[29] Together, these industries form a 'social ecology of information' that is facilitated by the telecommunication sector and the information, communication, and technology (ICT) sector. Winseck purposefully chooses the term 'social ecology' to signal both the market and nonmarket values inherent in such a system. There are

[25] Lev Manovich, *The Language of New Media* (Cambridge, MA: MIT Press, 2002).

[26] Peter Lunenfeld, *The Secret War between Downloading and Uploading: Tales of the Computer As Culture Machine* (Cambridge, Mass: MIT Press, 2011).

[27] Katherine Hayles, *How We Think: Digital Media and Contemporary Technogenesis* (Chicago: The University of Chicago Press, 2012).

[28] "Comparative Media Studies" is also the name of an influential department at MIT.

[29] Dwayne Winseck, "Introductory Essay," in *The Political Economies of Media: The Transformation of the Global Media Industries*, eds. Dwayne Winseck and Dal Y. Jin (London: Bloomsbury Academic, 2011).

social, cultural, and market economies intersecting in this configuration; hence, the title of Winseck and Dal Yong Jin's collection is *The Political Economies of Media: The Transformation of the Global Media Industries*.[30] The advantage to this construct is the way it visualizes a dynamic network in which media migrate across various distribution platforms and devices, rather than a potentially simplistic paradigm of 'convergence,' a shorthand that can be misused, erasing the complexity of network effects and specific media characteristics. The disadvantage, from my perspective, is that the eight traditional media objects in this configuration lend themselves to the kind of symbolic and textual analysis that is part of the core of cultural studies, whereas the remaining two—internet access and internet advertising—are more technical in nature (rather than symbolic) and perhaps less central to the *cultural* conversation, though still essential to the overall media sector and an increasingly significant topic of study.

The other layer to Winseck and Jin's plural formation of political economies—in addition to multiple actual economies—is the four distinct fields of *study* of political economy. Noam demonstrates the basic tenets and flaws of the (1) neoclassical approach, while Holt's 'media pessimism' can be seen to inherit the tradition of the (2) 'radical media political economy' approach. Hesmondhalgh terms this approach simply the '(Herbert) Schiller-(Robert) McChesney tradition,' whereas Winseck would further divide this designation into two separate schools of thought, the (2a) monopoly capital school—in which the focus is the concentration of power at the top of the media pyramid, as evidenced by McChesney and Holt—and the (2b) digital capitalism school, Dan Schiller being an influential proponent, which affords more weight to the dynamism and diversity of networks.

[30] Dwayne Winseck and Dal Y. Jin, eds., *The Political Economies of Media: The Transformation of the Global Media Industries* (London: Bloomsbury Academic, 2011).

Winseck and Hesmondhalgh both identify (3) 'cultural industries' as another distinct school, an approach that, compared to the radical political economy schools, allows for more complexity, contradiction, and ambivalence in the study of culture. Here, specific conditions of cultural industries, tensions between production and consumption, heterogeneity in symbolic forms, and historical variations in social relations are given a more detailed and nuanced analysis. Winseck isolates a further strain, (4) Schumpeterian institutional political economy, which derives from Joseph Schumpeter's emphasis on 'creative destruction' and technological innovation, which are seen as the motor of competition in capitalism, not price or markets. Within this tradition, the (4a) 'network political economy school' of Manuel Castells and Yochai Benkler extend Schumpeter's ideas into the role of the state and the 'digital commons,' while the (4b) 'creative industries' approach moves beyond the hierarchies of media concentration to consider mid- and micro-range studies of labour, organizations, reception, and other forms of creative expression in order to complicate the view of global media conglomerates dominating cultural production.

Curiously, Winseck includes John Caldwell's *Production Culture*[31] in this categorization, seemingly because of its attention to below-the-line workers, but a closer analysis reveals that Caldwell's approach is also cognizant of the media hierarchy and the broader concerns of radical political economy, attuned to the ambivalence and tensions revealed by the cultural industries approach, and attentive to the networked imperatives of the digital capitalism and network political economy schools. In short, he provides an integrative approach that broaches the concerns and perspectives of political economy with issues and methodologies drawn from

[31] John T. Caldwell, *Production Culture: Industrial Reflexivity and Critical Practice in Film and Television* (Durham, NC: Duke University Press, 2008).

cultural studies.

It is worth noting that not a single one of these authors working in the political economy of media analyzes an actual *text* in his or her work, ostensibly the very thing that their industrial and economic studies concern. Were the product they were applying their economic models to a standard commodity, this would not be such an affront, but as richly symbolic and utterly variable material, attention to the qualities of the text is essential. In "Critical Industrial Practice Branding, Repurposing, and the Migratory Patterns of Industrial Texts," an integral part of how Caldwell effectively captures the nuances of a deregulated, multi-platformed media environment is the treatment of how textual production, and the textual analysis *by industry*, both behave as corporate strategies, as forms of capital in media professional communities, and as a means of rationalization in an era of institutional instability.[32] *Dragnet*'s stylistic pedagogy, NBC's anxiety-assuaging rebranding efforts, and industry knowledge-mediating local news tie-ins are all examples of *critical textual practices* and *critical industrial practices* that provide valuable insight into how the issues of political economy—conglomeration, deregulation, repurposing, globalization—are negotiated in production and labour practices; their actual embodiment in the text opens an opportunity for integration between cultural studies and political economy.

Another insightful example of this integration in Caldwell's work is "Convergence Television: Aggregating Form and Repurposing Content in the Culture of Conglomeration", which explores the controversy over racial diversity on the broadcast networks in 1999.[33] Caldwell traces a short history of media concentration in the television sector, explaining how

[32] John T. Caldwell, "Critical Industrial Practice Branding, Repurposing, and the Migratory Patterns of Industrial Texts," *Television & New Media* 7.2 (2006): 99–134.

[33] John T. Caldwell, "Convergence Television: Aggregating Form and Repurposing Content in the Culture of Conglomeration," in *Television After TV: Essays on a Medium in Transition*, eds. Lynn Spigel and Jan Olsson (Durham, NC: Duke University Press, 2004).

the three-network oligopoly fell to a host of electronic media competitors in the early 1980s, only to reaggregate again into four giant multinational media corporations by the year 2000. Now vertically re-integrated conglomerates with stables of niche channels, these companies mastered the performance of diversity and public service through genre and tiering: 'black-block' programming was 'ghettoized' to smaller networks and channels, also owned by the conglomerate. Vertical re-integration provided the apparatus for resegregation, a caste system hidden in the plain sight of a multichannel landscape.

One final example of Caldwell's integrative approach is his work on 'second-shift aesthetics,'[34] which correlates economic shifts (broadcasting to narrowcasting, economies of scale to economies of scope) with the 'textual dispersal' of content and the control of user 'migration' across brand/conglomerate boundaries, though Caldwell also historicizes these convergence initiatives in the context of long-standing industry practices. Following an episode of *Homicide* that encouraged its viewers to continue the program's 'investigation' on its website, where video, audio, and games extended the narrative, Caldwell likens this example of convergence to the way the television industry now tracks, monitors, and attempts to shape the 'flow' of television *users*, rather than programs, as in the past. These ancillary and digital sites are part of the vast new profusion of digital content that conglomerates require for repurposing needs; the very fact that the term 'content' has become a catch-all phrase for the new digital text "underscores the centrality of repurposing in industrial practice."[35] These three examples of Caldwell's approach are just brief, concrete case studies within a much broader, integrative project. The ethnographic dimension to Caldwell's work is another successful deployment of

[34] John T. Caldwell, "Second-shift Media Aesthetics: Programming, Interactivity, and User Flows," in *New Media: Theories and Practices of Digitextuality*, eds. Anna Everett and John T. Caldwell (New York: Routledge, 2003).

[35] Ibid., 49.

interdisciplinary practice, adding another layer to his integrated approach, and in conjunction with his textual and industrial scope represents the most direct influence in my methodology. The opportunity presented is clear: textual analysis integrated into broader economic concerns adds a concrete material dimension that is typically missing from political economy and attends to an over-arching power dynamic that is often missing from cultural studies.

As we seek to continue integrating political economy and cultural studies in the future, it is worth looking to the past and reconsidering the reason for the division in the first place. Robert Babe's illuminating history, *Cultural Studies and Political Economy: Toward a New Integration*,[36] presents convincing evidence that political economy of media and cultural studies were fully integrated in their formative years. Babe isolates Theodor Adorno and Harold Innis as the founders of political economy studies of media, each of whom adopted materialist, dialectical positions with regards to the mutual interaction and dependency among culture, economy, and polity/policy. Likewise, Raymond Williams, Richard Hoggart, and the other inaugurators of British cultural studies weaved their analyses of culture with the broader context of industry, democracy, class, and art.

It is Babe's contention that the blame for the rift resides with post-structuralism's impact on cultural studies, causing a privileging of language and interpretation over material reality. He suggests that cultural studies unburden itself of post-structuralist principles, which would unmask the fact that political economy and cultural studies were and remain integrated, premised as they are on the synthesis of cultural, political, and economic matters. Simply discarding post-structuralism seems like throwing out the baby with the bathwater; even if some of its

[36] Robert E. Babe, *Cultural Studies and Political Economy: Toward a New Integration* (Lanham, MD: Lexington Books, 2009).

philosophical implications might be suspect, there is no denying that post-structuralism has provided valuable insights into the nature of language and textuality. I would suggest, rather, that institutional demands for specialization and the disciplinary "silo effect" (critical political economy of media is often settled in the social sciences, cultural studies in the humanities) might be the primary contribution to the ongoing rift. Regardless, the opportunities for (re)integration are not only apparent, but necessary. The insights of both political economy and cultural studies are required to examine the current, complex system of contemporary cultural production. Only with the stable foundation of two firmly planted legs – political economy and cultural studies – can media studies scholars stand on the shoulders of disciplinary giants.

From Text to Work to Textwork: Intertextuality

One of the central claims of this study is that the complex array of reference and influence that comprises a cultural object's intertextuality has come to embody an economic character. In fact, as we will see in later chapters, these intertextual features come to resemble an internal stock market, or derivative market, that allows multinational corporations to trade and price value within and across their products. Thus, it is worth returning to the history of intertextuality in order to look for traces of the economic.[37]

Julia Kristeva originally coined the term *intertextualité* in 1967, and much of the engagement with the term today still centers around her particular brand of intertextuality established within the *Tel Quel* post-structuralist scene in late 1960s Paris, to which we will

[37] Elements of this section appear in an earlier form in Andrew deWaard, "The Museum: Textworks, Cultural Economy, and Polytextual Dispersion," Master's Thesis, University of British Columbia, 2009.

return below.[38] It is worth noting at the outset, however, that intertextuality – in its many, inevitably ambiguous and neologistic iterations – is a concept or notion that has been evoked, explicitly or not, whenever there has been discourse about 'texts.' Whether that discourse was centered around alternative terms (influence, imitation, allusion, quotation, adaptation, etc.), or engaged with the term intertextuality itself but with a different interpretation, it is essential to bear in mind that "intertextuality," like any philosophical or theoretical enterprise, has its own histories and contexts, and crucially, depends on the context within which it is being invoked. It is by no means a fixed theory or practice and will mean something much different in the context of finance.

Plato and Aristotle's work on 'imitation' may be regarded as the first historical antecedent for a theory of intertextuality, and de Saussure's work on linguistics and semiology a significant foundation, but it is Russian literary theorist Mikhail Bakhtin who provides the radical insight, in his various works during the 1920s,[39] that language is primarily predicated upon social context and social specificity – a consideration missed in both formalism and Saussurean linguistics. According to Bakhtin, "Each word tastes of the context and contexts in which it has lived its socially charged life; all words and forms are populated by intentions."[40] *Utterance* is a key term, a word which encapsulates the historical and social significance of specific linguistic interactions. "Not only the meaning of the utterance," writes Bakhtin/Medvedev, "but also the

[38] Julia Kristeva, *Desire in Language: A Semiotic Approach to Literature and Art*, trans. Thomas Gora, Alice Jardine and Leon S. Roudiez, ed. Leon S. Roudiez (New York: Columbia University Press, 1980), 66.

[39] What precisely constitutes Bakhtin's oeuvre is still debated, particularly the disputed authorial claims of Medvedev and Volosinov. Following Graham Allen (2000), I will refer to the contested works as Bakhtin/Medvedev and Bakhtin/Volosinov.

[40] Mikhail Bakhtin, *The Dialogic Imagination: Four Essays*, ed. Michael Holquist (Austin, TX: University of Texas Press, 1981), 293.

very fact of its performance is of historical and social significance, as, in general, is the fact of its realization in the here and now, in given circumstances, at a certain historical moment, under the conditions of the given social situation."[41] Arguing against the study of language exclusively from an abstract viewpoint, as de Saussure had advocated, Bakhtin identifies language's "ceaseless flow of becoming"[42] – its reliance and response to previous utterances and to patterns of meaning and context. For Bakhtin/Volosinov, language is a reciprocal relationship: "word is a two-sided act."[43] This ability of language to contain multiple voices – one's own as well as others – Bakhtin labels *heteroglossia*, a term which explicitly lends primacy to context over text. The significance for a theory of intertextuality arrives here, in the result of ascribing language its plurality and social specificity, and what would amount to Bakhtin's central contribution to literary theory: dialogism.

For Bakhtin, all language – and therefore all thought – is dialogic: a continual, dynamic, and relational process of dialogue. Language and thought exist only in response to what has already been said, and in anticipation of what will be said in the future. Indeed, language seeks out further response: "The word in living conversation is directly, blatantly, oriented toward a future answer-word: it provokes an answer, anticipates it and structures itself in the answer's direction."[44] Everything means and is understood as part of a greater whole; continual communication and constant interaction between meanings constitutes the epistemological mode

[41] Mikhail Bakhtin and P. N. Medvedev, *The Formal Method in Literary Scholarship: A Critical Introduction to Sociological Poetics*, trans. Albert J. Wehrle (Baltimore: Johns Hopkins University Press, 1978), 120.

[42] Graham Allen, *Intertextuality* (London: Routledge, 2000), 18.

[43] Mikhail Bakhtin and V. N. Volosinov, *Marxism and the Philosophy of Language*, trans. L. Matejka and I. R. Titunik (Cambridge, Mass: Harvard University Press, 1986), 86.

[44] Mikhail Bakhtin, *The Dialogic Imagination: Four Essays*, 280.

of our linguistic world. Often using Dostoevsky as an example, Bakhtin finds that the novel – and the polyphonic novel especially – presents a truly dialogic "*double-voiced discourse*."[45] Because "[d]iversity of voices and heteroglossia enter the novel and organize themselves within it into a structured artistic system,"[46] the novel is "a phenomenon multiform in style and variform in speech and voice," confronting the reader "with several heterogeneous stylistic unities, often located on different linguistic levels and subject to different stylistic controls."[47] Rather than an objective, authorial voice (as in the epic poem, for example), the novel employs a polyphonic world of varying and competing voices, personalities, languages, discourses, and worldviews. Even within a single voice, utterance, or word does this polyphony and heteroglossia arise. The result gestures toward a definition for intertextuality: "the language of a novel is the system of its 'languages.'"[48]

The plethora of foundational concepts Bakhtin developed for the theory of intertextuality – including dialogism, heterglossia, polyphony, double-voiced discourse, social text, hybridization, and re-accentuation – would remain largely ignored until Julia Kristeva introduced them to the French intellectual scene in the 1960s. Roland Barthes would aid her in this refinement and expansion of Bakhtinian thought, and the translations of their work into English in the decades following would allow the subsequent proliferation of intertextual theory in its many structuralist, post-structuralist, and postmodernist incarnations. Along with her popularization of the term intertextuality, Kristeva also transformed Bakhtin's ideas, a result of

[45] Ibid., 324.

[46] Ibid., 300.

[47] Ibid., 261.

[48] Ibid., 262.

her unique Marxist-psychoanalytic perspective and her politically-motivated attack on the stabilization of language. Reacting to what she and the *Tel Quel* group saw as the commodification of knowledge and language – "communication is *merchandise*," according to Barthes[49] – Kristeva would establish *semianalysis*, a new mode of semiotics which stressed the text as a site of constant production, rather than mere product. It was not just the text that was 'in process,' but also the subject, the author, the reader, and the critic that contributed to this process of continual production: "the new semiotic models then turn to the *social text*, to those social practices of which 'literature' is only one unvalorized variant, in order to conceive of them as so many ongoing transformations and/or productions."[50] The text, then, is a *practice* and a *productivity*; it should be viewed as "a compilation of cultural textuality."[51] To Kristeva, as it was to Bakhtin before her, the text is a site of constant struggle.

Of particular interest for our purposes is Kristeva's concrete spatialization of this textual struggle, further refining the parameters of intersection. Converting Bakhtin's two axes of the word's status – *dialogue* and *ambivalence* – into a horizontal and vertical axis, Kristeva aims to define "the spatial conception of language's poetic operation… the three dimensions of textual space where various semic sets and poetic sequences function."[52] The three dimensions or coordinates of dialogue she identifies are writing subject, addressee, and exterior texts, which interact *horizontally* (the textual word belongs to both writing subject and addressee) and *vertically* (the textual word oscillates within its social context). The result is that "horizontal axis

[49] Roland Barthes, *The Rustle of Language* (New York: Hill and Wang, 1986), 170.

[50] Julia Kristeva, *The Kristeva Reader*, ed. Toril Moi (Oxford: Blackwell, 1986), 87.

[51] Allen, *Intertextuality*, 36.

[52] Kristeva, *Desire in Language*, 65.

(subject-addresse) and vertical axis (text-context) coincide, bringing to light an important fact: each word is an intersection of words where at least one other word can be read."[53] This spatial intersection leads to Kristeva's much-quoted 'definition' of intertextuality: "any text is constructed as a mosaic of quotations; any text is the absorption and transformation of another. The notion of *intertextuality* replaces that of intersubjectivity, and poetic language is read as at least *double*."[54] Kristeva uses this spatialization of the word to theorize semiotic relationships of language and psychoanalytic fissures in subjectivity, but we can pause here, at the spatial conception of language, to expand upon the conception of intertextuality.

For Kristeva, as it was for Bakhtin before her, intertextuality is a literary phenomenon. Dostoyevsky is Bakhtin's primary inspiration for heteroglossia, while Joyce, Proust, and Kafka mark the beginning of self-consciously intertextual literature for Kristeva. As engrossed in written language as they were, unfortunately neither of them would explicitly apply their ideas to musical or visual language. Once intertextuality is considered inherent to every artistic medium, as it surely is, then the possibility for intertextual relationships opens up not just between texts of a single medium, but among *all* mediums. It is, after all, just as easy to consciously or unconsciously reference a painting or a piece of music as it is literature. Inter*mediality*, then, expands the possible contents of the mosaic to include the multitude of artistic mediums. A further distinction can be made between *internal* intertextuality (a quotation within a text of another text of the same medium) and intermediality (a quotation within a text of another text of a different medium: a cinematic scene featuring a jukebox, for example), and *external* intermediality (the relation between transmedial texts). Branded entertainment products, and

[53] Ibid., 66.

[54] Ibid., 66.

franchises in particular, typically utilize all three of these forms of intertextuality/intermediality, forming a network of textual relations, not just a meeting point.

Even before this contemporary expansion toward intermediality, however, Barthes finds much more complexity within the text itself. Traditionally, the *text* was closely tied to manuscript studies and stood for the completed, stabilizing, material version of a literary *work*. Barthes reverses this dichotomy in an effort to challenge the stabilizing logic of Saussurean linguistics and structuralism, as well as the subservient position of writing to speech. Returning to the etymological root of the word text – a tissue, a woven fabric – Barthes opens up the explosive and disruptive force of writing, as well as its playfulness and infinitude, by exploring "…what might be called the *stereographic plurality* of its weave of signifiers… The reader of the Text may be compared to someone at a loose end."[55] Not merely plural in the sense of having many meanings, the text achieves "the very plural of meaning."[56] Subsequently, for Barthes, *work* now indicates the material book, capable of meaning, closure, and interpretation, while *text* designates the radical play of the signifier, the pluralist explosion that places onus on the Reader rather than the Author.

Necessarily connected to a theory of intertextuality, the text is seen as a product of a larger system at play; *product*, *system*, and *play* entail double meanings in this context. "The work is a fragment of substance, occupying a part of the spaces of books (in a library for example)," according to Barthes, while "the Text is a methodological field."[57] In using the term field, Barthes is indicating a spatial dimension to this configuration of the text, a physicality and

[55] Roland Barthes, *Image, Music, Text* (New York: Hill and Wang, 1977), 159 (emphasis in original).

[56] Ibid., 159.

[57] Ibid., 156-7.

materiality that differentiates text from work: "the work can be seen (in bookshops, in catalogues, in exam syllabuses), the text is a process of demonstration, is spoken according to certain rules (or against certain rules); the work can be held in the hand, the text is held in language."[58] Language here evokes a larger *system*, one in which the *play* of the written word is an active *production*. The intertextual system of the text operates in constant process between its various elements; we might consider applying such an approach to the very distinction between text and work.

Whereas Barthes would have us denote work as merely the material, stabilizing opposite to the plural, unstabilizing text, it is more appropriate – particularly considering the type of explicitly intertextual and intermedial work so prominently produced by the corporate cultural industries – to look at what I will designate as the "textwork." Conflating the two terms is not meant as a simple dialectical process of synthesis between text and work, signalling a concrete new product/term. Rather, the textwork is a continual, dialogical process enacted between the text and the work, the result of which will be shown to give alternate meanings to the original terms, now modified, expanded, and rendered appropriately paradoxical. Most importantly, the textwork portmanteau has the fortunate benefit of bearing a phonetic similarity to *network*, the structure of which the textwork is predicated upon.

We can delineate the textwork as three two-sided elements occurring all at once: *text*, in both its Barthesian destabilizing, literary incarnation and its broader semiotic designation as a sign; *work*, in its embodiment of both the Barthesian monologic, stabilizing piece of literature (an artifact), as well as its economic meaning as human labour and production; and *network*, in its gesture toward complex, interrelated connection, but also its partitioning capability of

[58] Ibid., 157.

redefining concrete – albeit fragmented and disjointed – new textual limitations. We might envision the textwork as a six-sided die; it consists of six uniquely differentiated elements, any of which may appear at the forefront during a roll of the dice. Nevertheless, they are all of one interrelated game, one cohesive system of intertextual and intermedial relation. In the following, the six elements of the textwork will be outlined, in turn: both dimensions of the text, both dimensions of the work, and both dimensions of the network.

First, we have *text* in the Barthesian incarnation that he has defined in contrary relation to the work, as discussed above. A continual contemplation throughout his oeuvre, the theory of the text looms large in much of Barthes' work, but most notably *S/Z*, *The Pleasure of the Text*, "From Work to Text," and "The Death of the Author." Perhaps his most famous work, as well as a core tenet of intertextual theory, "The Death of the Author" reveals the capitalist ideology inherent in the Romantic, naturalist ideal of the Author. Barthes attacks the classical notion of filiation, this over-investment in "the 'person' of the author," specifically the idea that "the *explanation* of a work is always sought in the man or woman who produced it, as if it were... the voice of a single person, the *author* 'confiding' in us."[59] In order to tear down this 'Author-God,' as well as the monological *work* that he or she fosters, Barthes presents the *scriptor*, "born simultaneously with the text."[60] The word scriptor is mentioned again only once, for Barthes' real focus is the text that unleashes the Reader; the polemic charge of the essay is encapsulated in its final proclamation: "the birth of the reader must be at the cost of the death of the Author."[61]

Also in 1968, Foucault published a similar challenge to the status of the author, "What is

[59] Ibid., 146 (emphasis in original).

[60] Ibid., 145.

[61] Ibid., 148.

an Author?," and the two would begin a debate that continues to this day.[62] For our purposes, however, we can concentrate on what Barthes gives birth to, rather than what he proclaims dead:

> We know now that a text is not a line of words releasing a single 'theological' meaning (the 'message' of the Author-God) but a multi-dimensional space in which a variety of writings, none of them original, blend and clash. The text is a tissue of quotations drawn from the innumerable centres of culture.[63]

Whenever Barthes is talking about *text*, he is talking about intertextuality, and vice versa. Picking up where Kristeva-via-Bakhtin left off, there is no discourse concerning the text without the admission of radical dispersal and regeneration:

> *Text* means *Tissue*; but whereas hitherto we have always taken this tissue as a product, a ready-made veil, behind which lies, more or less hidden, meaning (truth), we are now emphasizing, in the tissue, the generative idea that the text is made, is worked out in a perpetual interweaving; lost in this tissue – this texture – the subject unmakes himself, like a spider dissolving in the constructive secretions of its web.[64]

Again we witness a spatial configuration; in this case, the metaphor of the web, which has taken on a very literal meaning since the advent of networked information communication technology.

In opposition to Barthes' conception of the text is its ever-broadening generalized usage of the term within literary theory and, subsequently, within cultural studies. Analogous to the expanding conception of what constitutes 'art,' the 'text' as a unit of study has extended well beyond the traditional Western canon of literature. The text first expanded to include popular fiction, film, and television and other forms of mass culture; now it is not uncommon to see the term utilized for advertising, video games, fashion, comic books, and so on. Moving beyond 'art,'

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[62] Michel Foucault, "What is an Author?," *Language, Counter-Memory, Practice: Selected Essays and Interviews* (Ithaca, NY: Cornell University Press, 1968/1977).

[63] Barthes, *Image, Music, Text*, 146.

[64] Roland Barthes, *The Pleasure of the Text* (New York: Hill and Wang, 1975), 64.

however defined, the 'text' as defined by cultural studies can also comprise any artefact of culture, thereby including events, such as a film festival or subcultural practice, as well as objects. On one hand, then, we have the text as a specific form of ground-breaking literature as advocated by Barthes; on the other, we have the cultural studies version that is purposefully broad-ranging and openly applicable.

These two competing definitions of the term text may appear at odds with each other at first glance, but juxtaposing the two definitions demonstrates how each term necessarily informs the other. It is a simple step to retroactively apply the cultural studies version of text back onto Barthes: as we have seen, literature is no longer the vanguard of textual theory, so it is no stretch to consider the possibility of a comic book or a video game possessing these same pluralist and dialogic qualities that Barthes attributes to the then-modern novel. But what about projecting the Barthesian text forward into the contemporary function of the text? In many ways, the manner of text isolated by Barthes, while innovative and rare at the time, is what now constitutes the popular and the mainstream. Do the cultural industries not wish to produce exactly such an open-ended plurality with its products? From a profit perspective, does the Barthesian text, with its web of creation and collaboration by both author and reader, not allow for multiple revenue streams and expanded consumption? A result of synergy and corporate integration, the Barthesian text, rather than work, is what constitutes the vast majority of our mass culture. As such, the broad-ranging cultural studies definition of text is merely the narrow Barthesian text of literature applied en masse. With corporate sponsorship, the text is our cultural product of choice.

The next two conflated elements of the textwork are *work*, in both its Barthesian literary form and its more general evocation of labour and process. As discussed above, Barthes places

the text in opposition to the work, decrying its security and stability for its monologic, and in fact, ideological, implications. While I would claim that this type of monologic product is on the decline, as the synergistic cultural industries have seized upon the potentially profitable functions of the text, I would maintain that the work, as conceived by Barthes, still rears its stabilizing head in a variety of ways. An inevitable result of continual dispersal and diffusion in an instable information age, the urge to reaffirm the value of the monologic work is strong. A fetishization of the material product is one such effort; for instance, the cultural value of the physical printed word, the vinyl record, and the Blu-ray collection escalates in a rapidly digitizing world. Authenticity and scarcity become consumer priorities, and the fetishized work – the 'real' art – is re-elevated.

The continued elevation of the author functions in a similar way. Despite Barthes and Foucault's attacks, the status of the author is in no danger of being displaced. If anything, the 'author-function' has only increased in significance. We see it perhaps most prominently as a strategy of 'cutting through' the plethora of cultural works to which we are confronted. In an age of nearly limitless cultural production, ascribing lasting importance to a single name is a succinct strategy of management and marketing. It is also perhaps the simplest tactic of canonization; 'raising' the cultural importance of previously denied art forms such as comic books and video games has been accomplished in large part through the exaltation of distinguished figures like Art Spiegelman, author of the seminal graphic novel *Maus*, and Will Wright, lead developer of innovative video games such as *SimCity*, *Sims*, and *Spore*.

On a broader scale, we might see the 'celebrity-function' operating in a similar fashion. Especially as celebrity figures effortlessly move between various forms and mediums, celebrity is used by audiences as an anchor from which to orient their cultural consumption around. The

result of such an author-focused strategy – an anchor in the intertextual ether – utilized by critics and audiences to different degrees, is to re-enshrine the status of the work. "To give a text an Author," Barthes reminds us, "is to impose a limit on that text, to furnish it with a final signified, to close the writing."[65] Paradoxically (fittingly, of course), the radical plurality of the text can be seen to facilitate its opposite outcome: too much plurality requires the Author and the work to 'make sense' of increasing cultural complexity.

Another dimension to this re-exaltation of the work is academia itself. Often resorting to ever-narrowing specialization in the face of increasing complexity, many disciplines in the arts continue to rely on canonization, no matter the alternating configurations. In a counter-intuitive turn if there ever was one, the same issue of interrelated complexity that begs for wider perspectives is instead used to justify its opposite: the *need* for specialization. Because there is a glut of information available for even the tiniest or rarest of subject areas, becoming an expert on a narrowly-defined field is often considered the only path towards contributing original knowledge to a field of study. Thus, the safety and convenience offered by a narrowly-focused topic of study is excused as rigorous specialization. The result of such a narrowing development on textual analysis is the further isolation of particular works, elevating their importance as singularities.

While the problem of traditional canons – be they Eurocentric, patriarchal, or otherwise – continues to exist as struggle and compromise, the problem of canonization itself continues to hamper our ability to study texts. By focusing on singular works in lieu of networked texts, critics do a disservice to the cultural importance of texts by continually striving for isolation and focus. Inevitable as it may be that certain works will be deemed more worthy of study than

[65] Barthes, *Image, Music, Text*, 147.

others, and that the study of said works will require increasingly focused constriction, there is no reason why an accompanying gesture towards a vaster, interrelated network of texts cannot be made concurrently. It seems as if the lessons of post-structuralism and intertextuality learned from Barthes and Kristeva have been forgotten; now that the conglomerated cultural industries have made the networked text its primary product, it is high time we return to the insights afforded to us by intertextual theory.

In opposition to this narrow definition of the monologic work offered by Barthes, we can also consider its broader, contradictory incarnation, as we did with the text. From an economic standpoint, the work can be also be thought of in terms of labour and production, shifting the focus from 'product' to 'process.' When Kristeva and Barthes consider this element, they see it as a quality of the text, not the work. We can recall Kristeva's alternative mode of semiotics, *semianalysis*, which intends to subvert a capitalist ideology that promotes writing as a product to be quickly consumed and replaced, commodifying thought and knowledge. Semianalysis views texts as embedded in a continual state of *production*, or 'productivity,' rather than as mere consumable products. Stressing its own productive role in constructing an 'object' of study, semianalysis witnesses the subject, the author, the reader, and the critic join the text in a process of continual work and (re)production.

When mapping "From Work to Text," Barthes echoes this emphasis on production: "the Text is experienced only in an activity of production."[66] Kristeva and Barthes both saw literary Modernism as the original site of the self-conscious textual production that warranted such a semianalysis; these texts were presented not as monologic products, but as incomplete productions in which the reader was encouraged to produce meaning. Elsewhere, Barthes sees

[66] Ibid., 157.

'work' as fundamental to the very act of reading itself, not just the reading of Modernist literary experiments. “To read,” according to Barthes, “is a labor of language. To read is to find meanings, and to find meanings is to name them... it is a nomination in the course of becoming, a tireless approximation, a metonymic labor.”[67] The concept of ‘work’ as labour, rather than aesthetic object, then, is central to both the production of text, as well as the reading and interpretation process itself, whether that process be enacted toward a work or a text.

Ever the confounding wordsmith, Barthes likely intended such a paradoxical inversion of work and process into his definition of the text, opposite that of *the work*, which does not contain 'work' on the reader's part. Barthes certainly gestures toward the tension inherent between the text and the work, being careful to deny a simple binary. He notes the cross-pollination between the two, the text in the work: “One cannot, therefore, count up texts, at least not in any regular way; all one can say is that in such-and-such a work, there is, or there isn't, some text” (1981: 39). The text may be unleashed within a work, but it is also that which exists *between* texts, the result of an intertextuality that requires a mosaic of work and text, of work being done to 'the work.'

Inverting Barthes’ inversions then, we can give a name to this system of relations, this *network* which accounts for the way in which work and *the work*, as well as text and *the text*, are all simultaneously embodied within one entity: the *textwork*. Let's take the sprawling *Harry Potter* series as an example. It is easy to underestimate the tremendous cultural impact of ‘Pottermania’ and relegate the boy wizard to a mere children's story and cultural fad. But sprawled across a torrent of films, plays, video games, conventions, fansites, supplementary texts, and merchandising tie-ins, the *Harry Potter* series is valued at more than US$25 billion, a

[67] Roland Barthes, *S/Z* (New York: Hill and Wang, 1974), 11.

true cultural force that has touched the lives of children (and many adults) across the globe.[68] The original seven novels, each a weighty tome, might be considered as a monologic work in the Barthesian sense. J.K. Rowling's fantasy writing, treated as scripture by her adoring fans, is naturally considered the 'true' source of the *Harry Potter* universe, and its simplistic tale of good versus evil in a coming-of-age tale of magic and mischief is the exact kind of stabilizing, monologic work that Kristeva and Barthes would reject as overt consumer ideology – its estimated $25-billion-dollar valuation certainly not helping its cause.

On the other hand, considering what has subsequently become of *Harry Potter* 'the work' should warrant a pause for re-evaluation. Despite the iron-fisted control of *Harry Potter* intellectual property by Rowling,[69] her publishers (Scholastic and Bloomsbury), and Warner Bros. (responsible for the film franchise) – all of whom have successfully sued against the publication of unauthorized supplementary material, such as an encyclopedic reference guide, and have shut down countless fan-made creations – the fans have relentlessly continued to utilize, harness, appropriate, and exploit the *Harry Potter* franchise for their own means. Jenkins, in the previously discussed *Convergence Culture*, uses the *Harry Potter* series as one of his case studies in exploring the evolving, interrelated paradigm of media convergence, participatory culture, and collective intelligence. One of the results of such an immense, dedicated fan-base is the high degree of fan participation – not mere consumption – in the *Harry Potter* universe, such as online child-run newspapers (for the fictional Hogwarts school), Potter-focused literacy campaigns, weekly podcasts, web-based pedagogy based primarily on participation, and online

[68] Nicholas Wells and Mark Fahey, "Harry Potter and the $25 billion franchise," *CNBC,* October 13, 2016.

[69] Rowling, for her part, does have a positive relation with her fans and their creations, even bestowing 'fan site awards' on her official site to her favourites. Warner Bros. also, has had to reign in its copyright offensive in the face of overwhelming fan pressure.

depositories of fan fiction (online fan-written stories that use characters or elements from original works – their legal status is still uncertain). With more than 375,000 stories on FanFiction.net, not to mention the excess of singularly dedicated fan fiction sites, the Harry Potter universe is widely considered to be the most sought after and most prevalent of all fan fiction production online.

Though certainly surging in popularity in recent years, fan fiction is still very much a 'marginal' exercise, sought out by only the most dedicated of fans. But theoretically, fan fiction gives us a very explicit example of the work becoming text. Fans are transforming the work into the text, *literally*, filling its universe with radical plurality. Much fan fiction simply narrates alternative stories, or explores the hypothetical background of minor characters that were not developed in the original work. But there are more radical diversions as well, such as slash fiction, which typically depict leading male characters in romantic (often sexual) relationships with other male characters (Harry and Draco, in this case, though *Star Trek*'s Kirk and Spock are the 'original' slash couple). While Barthes credits modernist and postmodernist literature with a self-conscious use of language and signification that allows the text to be 're-written' by the newly empowered Reader, one cannot help but think Barthes would celebrate *actual* re-writing on such a massive scale as this.

Barthes merely theorized the possibility of re-writing's liberatory potential; the advent of various information communication technologies combined with the consolidated cultural industries has given the Reader actual tools to fully *realize* that possibility. If "the goal of literary work (of literature as work) is to make the reader no longer a consumer, but a producer of the text," then are the amateur online Potter scribes not the accomplishment of this very goal?[70]

[70] Barthes, *S/Z*, 4.

Witnessed quite literally in fan fiction specifically, but also more generally in the vast variety of ways fans appropriate cultural products, from YouTube mash-ups to costumes at conventions ('cosplay'), re-writing the work into text is a key element of contemporary cultural products, or *textworks*. In opposition to (as well as co-operation with) the Harry Potter work penned by Rowling, we must add the many examples of Harry Potter as text. To name but a few: *MuggleNet*'s hugely popular editorials, *The Leaky Cauldron*'s "PotterCast" (weekly award-winning podcast) and "Scribbulus" (over twenty issues of edited essays), *HarryPotterFanZone*'s fan art and poetry, *HogwartsLive*'s free online browser-based role-playing game, and the many campaigns of the *Harry Potter Alliance* – 'fight[ing] the Dark Arts in the real world' – which raise money for such causes as Darfur, Burma, and media consolidation. My cold, cynical heart and its antipathy toward corporate mass culture is occasionally melted by resistant reading and rewriting practices such as these.

In *S/Z*, Barthes speaks specifically to this issue of rewriting. Analogous to the distinction between work and text, Barthes distinguishes between the 'readerly,' or lisible, and the 'writerly,' or scriptable. Classical monologic works maintain the division between "the producer of the text and its user, between its owner and its customer, between its author and its reader"; hence, the readerly leaves the reader with only "the poor freedom either to accept or reject the text: reading is nothing more than a *referendum*."[71] The writerly text, on the other hand:

> is a perpetual present, upon which no *consequent* language (which would inevitably make it past) can be superimposed; the writerly text is *ourselves writing*, before the infinite play of the world (the world as function) is traversed, intersected, stopped, plasticized by some singular system (Ideology, Genus, Criticism) which reduces the plurality of entrances, the opening of networks, the infinity of languages.[72]

[71] Ibid. (emphasis in original).

[72] Ibid. (emphasis in original).

The writerly function of 'network-opening' is rendered explicit online, clearly visible within the *Harry Potter* phenomenon, the pace of which, despite the actual ending of the series of novels, continues unabated. Fan fiction may seem a trivial occurrence, but it is an undeniable example of 'the plurality of entrances, the opening of networks, [and] the infinity of languages.' With the monologic work of *Harry Potter* at the end of one side of the spectrum, the peculiar popularity of fan fiction as text on the other, the textwork is completed by considering how the *system* of both works and texts operate together as a whole: networked.

The final element of the textwork – gestured toward by Barthes, but beyond his reach for obvious, pre-digital reasons – is the networked system itself. Envisioning this textual world of radical plurality often led Barthes to utilize the metaphor of the web and the network:

> the one text is not an (inductive) access to a Model, but entrance into a *network with a thousand entrances*... a perspective (of fragments, of voices from other texts, other codes) whose vanishing point is nonetheless ceaselessly pushed back, mysteriously opened: each (single) text is the very theory (and not the mere examples) of this vanishing, of this difference which indefinitely returns, insubmissive.[73]

Of course, this 'network with a thousand entrances' now exists as both physical and virtual manifestation with the internet, and a ceaselessly pushed back vanishing point is our everyday 'reality.' Barthes could envision such a radical plurality, but without materially experiencing culture as a networked hypertextual collage, he is unable to look beyond the confines of the text, no matter how much subversive potential he ascribes it.

Network theory, particularly when utilized within an interdisciplinary approach such as this, necessitates that we widen our scope to perceive systemic operational structure. As Castells suggests, there is more power in the network itself than in the individual nodal points, so we

[73] Ibid., 12 (emphasis added).

must extend our conception of the text, not just what qualifies as text (as we have already broadened), but how its multiple interactions with other texts is the primary quality of the text itself. The radical plurality of something like the *Harry Potter* universe requires that we perceive it as a network *first*, and a singular work or text second, if at all. When future anthropologists look back to understand the *Harry Potter* 'craze' that occurred at the turn of the century, will it be the original books that are the focus of its cultural importance? Even if the core of its significance is allocated to the books, then this core will be positively *dwarfed* by the surrounding circles of fansites, films, video games, literacy effects, book launch parties, podcasts, Darfur campaigns, and countless other connections. The cultural significance of *Harry Potter* as textwork, as a complex system of intertextual and intermedial relations, will far outweigh its mere literary content.

Allocating a position of primacy to the network and its correspondingly radical plurality does not necessarily mean surrendering analysis to the ether of limitless connection and the infinity of language. It does mean that frames of reference must be established, however. "Just as Einsteinian science demands that *the relativity of the frames of reference* be included in the object studied," Barthes explains, "so the combined action of Marxism, Freudianism and structuralism demands, in literature, the relativization of the relations of writer, reader and observer."[74] Unfortunately the brief interjection of 'in literature' here limits the imagined scope, but we can easily apply this lesson to cultural studies as a whole, maintaining an effort towards overtly defining the 'bundle' or 'constellation' of interconnections we analyze. The textwork works both ways in this regard; it signals a vision of networked relativity and contingency, yet isolates and contains at the same time. Naming a textwork identifies the prime nodal points, but

[74] Barthes, *Image, Music, Text*, 156.

maintains its focus on the weave of connections.

Let us consider 'culture,' or instances of such, as a mass of interconnected wires, interwoven with the wires of the natural, the social, the economic, the technological, etc. Traditionally, critics have been required to isolate a tiny fragment, then shear the loose ends of their chosen bundle of wires, treating the text a unified whole, or at least rendering it as such, no matter how much they gesture towards peripheral elements and connections. With an eye towards a textwork, rather, the critic isolates a jumble of wires, but focuses on the jumble itself, particularly the loose wires and the connections that can be made, as these are increasingly the bulk of the actual content. The traditional approach of cultural analysis is for a 20th century system of *production* and *distribution*. The textwork methodology is conceived for a 21st century system based on *access* and *circulation*. We will no doubt continue to focus on singularities, such as we've been doing with literature, films, advertisements, and any manner of textual production. But for the type of art that embodies multiple texts and straddles different forms – that which increasingly dominates contemporary mass culture – the textwork is a more appropriate and *productive* designation.

Both Kristeva and Barthes assert that intertextuality is not about mere sources and influences; the whole system of relations in language and the cultural code is to be re-evaluated and, consequently, rescued from a hierarchical, totalizing structuralism. Thus, a tension exists between establishing the systematic primacy of intertextuality, but without ascribing it as 'the System,' wary as they were towards singularity in the form of 'Ideology, Genus, Criticism,' etc. Perhaps it was this reluctance to appear as if advocating a totalizing explanation that prevented Kristeva and Barthes from prescribing a more 'complete' system; instead, they preferred to 'gesture' towards liberating potential. "In this ideal text," Barthes explains:

> the networks are many and interact, without any one of them being able to surpass the rest; this text is a galaxy of signifiers, not a structure of signifieds; it has no beginning; it is reversible; we gain access to it by several entrances, none of which be authoritatively declared to be the main one; the codes it mobilizes extend *as far as the eye can reach*, they are indeterminable... the systems of meaning can take over this absolutely plural text, but their number is never closed, based as it is on the infinity of language.[75]

The 'ideal text,' then, allows Barthes to spell out his theories on intertextuality and the political possibilities of such a system, necessarily networked with 'several entrances,' without actually *confronting* this system of language. With a primary focus on modernist novels, the 'entire cultural code' is not really a concern to Kristeva and Barthes at all. Theirs was a self-defined culture, neither accepting of 'low' art nor interested in wider cultural dispersion and interconnection. Their 'galaxy of signifiers' is one still contained within a single book, even if they award agency to the Reader, free to make meaning from his own telescope, rather than some god-like Author who creates the cosmos. A true 'universe' of plurality is conceived only when the cultural code is *re-written writ large*; the 'triviality' of *Harry Potter* fan fiction is thus the ultimate confirmation of just such a vibrant universe. The supernova of J.K. Rowling's work is but one element of a diverse interstellar, textual system populated by a multitude of varying forms and mediums, works and texts, readers and re-writers – in short, it is teeming with (t)extraterrestial life.

From Intertext to Hypertext: Digital Media and the Digital Humanities

In addition to financialization, conglomeration, and intertextuality, we need to add digitization to our list of animating forces that form the context of what I call 'derivative media.' With the advent of personal computers and the internet, a particular form of connecting texts

[75] Ibid., 5-6 (emphasis in original).

digitally came to be known as hypertext, the history of which is significant to our understanding of how cultural products now circulate in the era of financialization.

Hypertext can be traced to a variety of literary practices, including ancient annotation systems and the fiction of Jorge Luis Borges, but it was electrical engineer Vannevar Bush's eerily prophetic article “As We May Think” in 1945 that first imagined a personal encyclopedia technology (his was called a 'Memex') that could display, sort, link, and combine an extensive, potentially endless archive of information. In the 1960s, information technology pioneer Ted Nelson coined the terms 'hypertext' and 'hypermedia' and began working on a prototype system at Brown, while Douglas Engelbart worked on his own at Stanford, eventually inventing many of the components of modern computing, including the mouse, networked computers, proto-graphical user interfaces, and hypertext. Nelson and Engelbart also developed invaluable written work that inspired widespread engineers and technicians to contribute to the cause. Authors and literary theorists play an important role in this history as well, particularly Jay Bolter and Michael Joyce, who in 1987 created a software program designed for the production and reading of hypertext fiction called Storyspace. Many of the early works of hypertext (or electronic) literature, now considered classics, were created in Storyspace by authors such as Joyce, Stuart Moulthrop, and Shelley Jackson. Bolter would go on to grapple with the implications the computer had on reading and writing, including hypertext, in his book *Writing Space: Computers, Hypertext, and the Remediation of Print*,[76] which was complemented by George Landow's *Hypertext: The Convergence of Contemporary Critical Theory and Technology*,[77]

[76] Jay David Bolter, *Writing Space: The Computer, Hypertext, and the History of Writing* (Hillsdale, NJ: Lawrence Erlbaum Associates, 1990).

[77] George P. Landow, *Hypertext: The Convergence of Contemporary Critical Theory and Technology* (Baltimore: Johns Hopkins University Press, 1991).

published the following year in 1991.

To Bolter and Landow, hypertext represented a breakdown of the paradigm of print, a dramatic change in the meaning of literacy, and a revolution in human thought. In retrospect, they ascribed too much potential to the ability of readers to produce their own meaning with non-sequential writing and reader controlled links. Buttressed by its connections to the post-structuralist theory of Jacques Derrida and Roland Barthes, hypertext was seen as the technical embodiment of deconstructionist objectives such as destabilization, contradiction, fragmentation, and pluralism through its adaptable networks based on flux and impermanence. Lisa Gitelman wittily dismisses the techno-utopianism of these early accounts, calling them now "obsolete" for thinking readers were empowered merely by choosing which links to follow.[78]

To be fair, Tim Berners-Lee was launching the prototype for what he called the "WorldWideWeb" concurrently with the writing and release of Bolter and Landow's books, so it is safe to say that these works were unprepared for the sheer scale and scope of hypertext that was set to occur on the internet and which we now take for granted. In the second edition of his book, released a decade later, Bolter deleted ten thousand words (including many of his incorrect predictions) and reoriented the book around the internet and its propensity for multimedia forms. Similarly, Landow has been updating his book over the years, with new editions in 1997 and 2006 that account for blogs, multimedia, and globalization. It is fitting for the notion of an adaptable hypertext that these books have evolved along with their subject matter; consideration of form is an important issue to those who work on or with hypertext.

Despite its inevitably dated specifics, there are still valuable insights to be drawn from

[78] Lisa Gitelman, *Always Already New: Media, History and the Data of Culture* (Cambridge, MA: MIT Press, 2006), 130.

Landow's *Hypertext*, and as the book is constructed of a multitude of discrete lexias, certain ideas retain their relevance. In linking post-structuralist concepts to technological advancements, Landow foregrounds the technical components that partake in the shift from conceptual systems founded on hierarchy and linearity to ones of multilinearity and networks. Laying bare the basic relationships between digitally linking information together in different ways, the construction of knowledge is given a self-reflexive makeover through easily manipulatable code. The title of his third edition—*Hypertext 3.0*[79]—is inadvertently more accurate than he perhaps intended, as Web 3.0 is a term sometimes used synonymously for the 'semantic web,' a vision of the web in which international metadata standards are more widely implemented. This would transform the current largely unstructured web, designed for human reading, into a common framework of data that can be more effectively processed by machines. As discussed below, this kind of human-machine interaction has significant implications for humanities scholarship.

It is also worth noting that both Landow and Bolter enacted early experiments with non-traditional forms of scholarship in relation to these projects. Bolter offered a hypertext version of *Writing Space* on computer diskette that could be obtained by mailing him an order form, and with his landmark book *Remediation: Understanding New Media*,[80] co-authored with Richard Grusin, as well as the second edition of *Writing Space*, initiated a system of printed hyperlinks (ie. "=> p. 23") to indicate internal connections between various points in the text. In addition to his theoretical work, Landow developed numerous web projects that exploited hypertext not just in their structure and design, but in their rhetoric and meaning. These proto-Digital Humanities

[79] George P. Landow, *Hypertext 3.0: Critical Theory and New Media in an Era of Globalization* (Baltimore: Johns Hopkins University Press, 2006).

[80] Jay David Bolter and Richard Grusin, *Remediation: Understanding New Media* (Cambridge, MA: MIT Press, 1998).

projects include “The Victorian Web;” “Contemporary, Postcolonial, & Postimperial Literature in English;” and “Cyberspace, Hypertext, & Critical Theory.”

Another significant figure that merged critical literary studies with computational work is N. Katherine Hayles, a literary theorist who pays as much attention to form as she does function. Hayles' background as a research chemist at Caltech and Xerox has given her a unique perspective on technology and information's relation to materiality and embodiment—her main theoretical preoccupation—but literature looms large in her conceptualization of these matters. A central component of Hayles' methodology is putting close readings of contemporary literature in dialogue with cybernetics and informatics, leading her to trace the advancement of humanity's relationship and co-development with intelligent machines. This multi-dimensional, hypertext-influenced process routinely involves the crafting of her own terminology and concepts, the evolution of which I'd like to chart in order to show how—in her increasing focus on form—Hayles has given her theory 'embodiment.'

With *Writing Machines*,[81] published as part of MIT Press' Mediawork Pamphlet series in 2002, Hayles embraces her interest in multimodal literature and creates one of her own, working with a graphic designer to create a book that is textual, visual and hypertextual, as well as pseudo-autobiographical and theoretical. The first concept Hayles introduces is Medium-Specific Analysis, which is not akin to the medium specificity of aesthetics and art criticism that highlights features unique to a particular medium, nor the suggestion that media be considered in isolation from each other, but rather a mode of critical interrogation grounded in the ways in which “a medium constructs the work and the work constructs the medium.”[82] The material

[81] N. Katherine Hayles, *Writing Machines* (Cambridge, MA: MIT Press, 2002).

[82] Ibid., 6.

apparatus—the actual 'stuff' of the book—is of primary concern, something Hayles claims literary studies has often ignored, privileging the speaking 'mind' of the book over its 'body.'

When that body of text enters the digital realm, machines, screens, and code become essential components of that materiality, leading Hayles to consider the 'technotext,' a literary work that interrogates the very inscription technology that produces it. Through close readings of hypermedia, artists' books, electronic books, and experimental print books, Hayles concludes that literary works need to be evaluated from an integrated perspective in which all segments, including materiality, are considered signifying practices. This survey of literature, from page to screen and print to code, is presented alongside Hayles' own semi-autobiographical journey, from a young girl to science student to traditional literary critic to theorist who considers technology from a literary point of view. A more professional serif typeface is used for the theoretical passages of the book, a casual sans-serif font for the personal, and a melding of the two fonts is used for the synthesized voice of the personal-theoretical near the end of the book—a clever element of design that situates the theoretical within lived reality.

In 2008, Hayles would again produce a book that was as much 'design project' as it was printed rhetoric. *Electronic Literature: New Horizons for the Literary*[83] provides a systematic survey of the field of electronic literature, including scholarship, but the pedagogical resource developed to complement the book is perhaps an even more emblematic development of hypertext. Enclosed with the book, a CD-ROM containing sixty works of electronic literature (hypertext fiction, kinetic poetry, codework, narrative animations, etc.) is offered under a Creative Commons license that allows the works to be shared and distributed as long as they are

[83] N. Katherine Hayles, *Electronic Literature: New Horizons for the Literary* (Notre Dame, IN: University of Notre Dame, 2008).

attributed and unaltered. The corresponding website provides resources for teaching courses, including syllabi, authors' biographies, original essays, and discussion forums. Feeding back into this rich interplay between human, machine, and text, Hayles' book posits a theoretical framework called 'intermediation,' which aims to account for this oscillation between human and machine cognition, a process highlighted by the very form of the project. Fluid exchanges bound together by recursive feedback and feedforward loops result in humans engineering computers and computers reengineering humans. Intermediating dynamics are evoked between author and program as well as player and computer in electronic literature, emblematic of the broader cognitive processes at work in the digital age.

With *How We Think: Digital Media and Contemporary Technogenesis*,[84] Hayles moves even further away from literature 'proper' to consider and advocate on behalf of the nascent field of Digital Humanities. Of course, her own conceptions and neologisms maintain center stage, namely the idea of technogenesis, the "proposition that we think through, with, and alongside media."[85] From this perspective, embodiment takes the form of extended cognition, humanity's agency and thought fully enmeshed within larger environmental networks. This 'co-evolution' of humans and technics necessitates new research paradigms: multi-modal, database-driven, collaborative, project-based. Hayles anticipates (and documents) reluctance to this model from traditional humanities scholars and aims to bridge this divide with an updated version of Comparative Media Studies, broadened to explore synergies between print and digital media, while also incorporating older comparative media analyses, such as manuscript/print divisions and oral/literate cultures. This unified framework would integrate multiple media regimes,

[84] N. Katherine Hayles, *How We Think: Digital Media and Contemporary Technogenesis* (Chicago, IL: University of Chicago Press, 2012).

[85] Ibid., 1.

highlighting different reading practices, literacies, and communities, while opening up new avenues for research. Associated fields include platform studies, critical code studies, and cultural analytics, which leverage the techniques and theories developed within print traditions to produce new kinds of knowledge from digital productions.

One of the underlying implications of this type of scholarship is moving from content orientation (as in the traditional humanities: periodizations, genres, nationalities, etc.) to problem orientation. Long since integrated into the sciences, practice-based research is rare in the traditional humanities, but a central component of the digital humanities. In the late 1990s, the term 'humanities computing' was replaced with 'digital humanities' to signal its emergence from merely a support service into its own vibrant field of practices, standards, and theoretical explorations. While the first wave of digital humanities work was quantitative in nature, mobilizing databases for textual queries, the second wave is qualitative, interpretive, experiential, emotive, and generative in character, harnessing digital tools for analyses of media beyond text. The key methodological strengths of the humanities are retained—attention to complexity, breadth of historical context, depth of analysis, and above all, incisive critique and interpretation—but a thorough engagement with digital technologies opens up vast new opportunities.

The digital humanities challenge many long-held assumptions in the traditional humanities, and Hayles highlights one of its most privileged terms for interrogation: reading. In the digital humanities, literacy is extended from reading and writing into software utilization, analytical tools, database designs, and other digital media applications. Print literacy is not abandoned, but enriched with its placement within a wider digital media ecology. Literacy is undergoing a shift, as new modalities of reading, once resisted, slowly gain acceptance. Both

'hyper reading'—which includes skimming, scanning, fragmenting, and juxtaposing texts, and is often associated with reading on the web, but is also invaluable for archival research—and 'machine reading'—sophisticated algorithms that process large-scale data sets in order to establish patterns, some too subtle for human recognition—are considered appropriate strategic responses to the onslaught of information in the digital age. Interpretation, critique and theorization remain key, both in interpreting the results and in programming the algorithms, but 'close' reading can be complemented by these alternative literacies, even integrated into synergistic co-relationships, each providing distinct advantages. Hayles' book is itself a proof of concept, employing all three reading strategies, including a machine-reading of Mark Z. Danielewski's *Only Revolutions*, an innovative novel that incorporates such complex database-like information into its narrative structure that it requires an algorithm to reveal the full extent of its patterning. By employing these multiple readings in a collaborative effort with another researcher, Hayles once again demonstrates the significance of form when engaging with digital text.

The digital humanities are not the only place to find scholarship on cultural topics that employs a project-building mentality and engages with the integration of form and function. Lawrence Lessig, a Harvard law professor, has written several books—including *Free Culture: How Big Media Uses Technology and the Law to Lock Down Culture and Control Creativity*[86] ("as in free speech, not free beer," goes the explanation) and *Remix: Making Art and Commerce Thrive in the Hybrid Economy*[87]—interrogating overly-restrictive copyright laws and new forms

[86] Lawrence Lessig, *Free Culture: How Big Media Uses Technology and the Law to Lock Down Culture and Control Creativity* (New York: Penguin Press, 2004).

[87] Lawrence Lessig, *Remix: Making Art and Commerce Thrive in the Hybrid Economy* (New York: Penguin Press, 2008).

of media literacy. It is his contention that amateur manipulation of digital media content is an invaluable source of learning for today's youth; instead of encouraging that creativity, we are proclaiming a generation criminal for wanting to share files. Furthermore, loosening the stranglehold copyright and its corporate lobbyists have on digital content would facilitate more of what Lessig terms "Read/Write" culture (as opposed to Read Only, both technical terms for user permissions on a computer file), leading to much technological innovation and economic prosperity. Lessig points to the web's inventor, Tim Berners-Lee, who designed its protocols and hypertextual nature to be read/write and encouraged other developers to utilize open systems.

As a lawyer Lessig advocates on behalf of copyright reform, and has worked on several notable copyright cases, while as a technologist, he helped establish an alternative system of licensing creative works: Creative Commons. Aiming to design a more reasonable, flexible copyright, Creative Commons copyright-licenses provide creators a simple, transparent method of communicating which rights they reserve and which they waive (for the sake of recipients and other creators). In just over a decade since its formation, hundreds of millions of works have been licensed under Creative Commons, including the entirety of Wikipedia. In supporting the building of a much richer public domain of cultural goods, Creative Commons can be seen as a unique extension of hypertext.

Film studies is experiencing the rise of a project-oriented, digital humanities-like approach as well, utilizing digital tools to extend analysis beyond the written word and into the data-driven and (all-too-appropriate, considering the object of study) visual realm. Janet Murray, who wrote one of new media's foundational books in 1997, *Hamlet on the Holodeck*,[88] developed a digital critical version of *Casablanca*, seeking to establish a prototype for a method of film

[88] Janet H. Murray. *Hamlet on the Holodeck: The Future of Narrative in Cyberspace* (New York: Free Press, 1997).

education and research that would bring the film, its background materials, critical annotations, and scholarly resources together under a single digital interface. Scholars and students would then be able to analyze the film on a far more granular level, for instance tracing the variability of the music cues across the film. My inability to find any updates on this project, whose NEH grant only lasted through 2007, causes me to assume Murray's attempt to collaboratively work with Warner Bros through the 'proper' copyright channels proved unsuccessful. Stephen Mamber is working on a similar project, called ClipNotes, that also seeks to develop critical annotations and a multi-modal, database-driven engagement with film. However, his tactic of separating the XML file (which contains the information and metadata) from the copyrighted material film (users are responsible for their own copy) should prove more usable and open to collaboration. Yuri Tsivian's database-driven 'Cinemetrics' project, which quantitatively measures shot-counts and editing rhythms is of a similar nature. Projects of this sort combine hyper reading (scanning and juxtaposing cinematic elements and resources), machine reading (meta-data allows for pattern recognition), and close reading (the user's interpretative mobilization of this data) into a synergistic, hypertextual resource.

Like hypertext itself, Hayles and other digital scholars have moved beyond the text, into multi-modalities, the increasing interrelation and interaction with intelligent machines, and the opportunities for machine-assisted research and project-building. In this sense, the original literary theorists who foresaw great potential in the abstract concept of hypertext were only wrong in the particular; technology-assisted interconnection affords such enormous potential—so far flung from the original conception of linking discrete blocks of information—that we cease to even see it as an extension of hypertext. It isn't much of a stretch to look back at André Malraux's 'Museum Without Walls,' Walter Benjamin's 'Arcades Project,' and Gilles Deleuze's

'rhizome' and see hypertext, yet it doesn't feel quite necessary to historicize hypertext in such a way, as the concept seems almost *basic* from this contemporary vantage point, so inherent in our conceptions of how information and knowledge work. But if Lev Manovich is correct in asserting that in the near future the writings of Nelson and Engelbart will be rated on the same scale of importance as Marx and Freud,[89] then the forking paths of hypertext's history—the ones not travelled, the ones that led to dead ends, the ones rotting on unusable diskettes, the ones that led to experimental literature, the ones stymied by archaic copyright laws, the ones that converged and resulted in collaborative projects—are all worth storing in our ever-evolving database.

[89] Lev Manovich, "New Media from Borges to HTML," in *The New Media Reader*, eds. Nick Montfort and Noah Wardrip-Fruin (Cambridge, MA: MIT Press, 2003).

Chapter 2. Derivative Media:

Finance, Private Equity, & Corporate Venture Capital in the Cultural Industries

Introduction

Perhaps it was tenable, in the pre-crash days of 2005, to claim as noted film historian Douglas Gomery does in his influential book, *The Hollywood Studio System: A History*, that "Wall Street has tried to tame the studio system… and failed."[90] Gomery has given media scholars some of the richest, most detailed accounts of Hollywood's history, but I would disagree that "'financial control' is no longer an appropriate framework for understanding the history of the U.S. film industry," as he does in "Hollywood as Monopoly Capitalism," also from 2005.[91] Relying on Baran and Sweezy's influential but dated account of *Monopoly Capital* from 1966,[92] which claimed the dominance of financiers in the U.S. to have ended with the Great Depression, Gomery charts Hollywood's post-Depression trajectory to be one of increasing corporate hegemony, but he errs, as many media industry scholars today do, in ascribing the preeminence of this logic right up into the new century. It remains true that six conglomerates (Disney, TimeWarner, NBCUniversal/Comcast, Fox/News Corporation, CBS/Viacom, and Sony) still

[90] Douglas Gomery, *The Hollywood Studio System: A History* (London: British Film Institute, 2005), 4.

[91] Douglas Gomery, "Hollywood as Monopoly Capitalism," in *Understanding Film: Marxist Perspectives*, ed. Mike Wayne (London: Pluto Press, 2005), 168.

[92] Paul A. Baran and Paul M. Sweezy, *Monopoly Capital: An Essay on the American Economy and Social Order* (New York: Monthly Review Press, 1966).

dominate film (and now television) production in Hollywood, but "financial control" is not something to be dismissed.

Similarly, the music recording and publishing industry is dominated by a mere three companies (Universal Music Group, Sony Music Group, Warner Music Group), but its financial foundation is even less understood than that of the film and television industries. "Since Adorno's pioneering work in the middle of the twentieth century," Tim Taylor laments, "there has been little advancement in thinking about music and capitalism. There have been virtually no thoroughgoing studies of the production and consumption of music that engage substantively with major theories of today's capitalism."[93] Though Taylor's study provides a valuable, comprehensive analysis of certain features (neoliberalism, globalization, and digitalization) of music's relationship to capitalism, it can be extended by analyzing the importance of finance and the impact of financial firms such as Bain Capital, Terra Firma, and Access Industries (detailed in Chapter 3). There is still much work to be done in order to, as Taylor suggests, "take up where Adorno's work left off by studying music in today's capitalism."[94] As with film and television, the ability to understand the music industry depends on an ability to understand the finance industry.

Scholars of communications and political economy of media, with their ostensibly broader and more holistic viewpoint of the cultural industries, might be expected have a firmer grasp on this financial development, but there too it is often found lacking. In assessing the structural trends that have transformed the U.S. media industry, Croteau and Hoynes select the

[93] Tim D. Taylor, *Music and Capitalism: A History of the Present* (Chicago: University of Chicago Press, 2015), 1.

[94] Ibid. 2.

growth of corporations, integration, globalization, and the concentration of ownership.[95] Elsewhere, Castells chooses globalization, digitization, networking, and deregulation,[96] while Arsenault designates deregulation, corporatization, and digitalization.[97] As this dissertation will hopefully prove, financialization belongs on the list of structural trends in the media sector.

While the deregulation of media ownership restrictions and the easing of antitrust concerns in the 1980s and 1990s are considered key determinants in media industry histories, a far less remarked upon factor is the corresponding deregulation of financial mechanisms that occurs during the same era. These deregulations are an essential component to what Gérard Duménil and Dominique Lévy claim is the "return to financial hegemony"[98] during the rise of neoliberalism. The financial crisis that ravaged the global economy in 2007-08 has caused many people, scholars and the general public alike, to reconsider the outsized role finance has come to play in the global economy, but media industries scholars have yet to initiate a serious reexamination. In what I would consider to be a mostly representative statement of the concerns of the field, Gomery claims that media scholars "need to concentrate on the *ownership, management, and operation* of the large Hollywood corporations which have dominated the U.S. studio system since 1930."[99] Rarely do media industry scholars go beyond the corporate structure of Hollywood to look at capitalism's larger systemic structures. I would contend that media

[95] David R. Croteau and William Hoynes, *The Business of Media*, 2nd ed. (Thousand Oaks, CA: Pine Forge Press, 2006), 77-115.

[96] Manuel Castells, *Communication Power* (Oxford: Oxford University Press, 2009), 71.

[97] Amelia Arsenault, "The Structure and Dynamics of Communications Business Networks in an Era of Convergence: Mapping the Global Networks of the Information Business," in *The Political Economies of Media*, eds. Dwayne Winseck and Dal Yong Jin (London: Bloomsbury, 2012), 104.

[98] Gérard Duménil and Dominique Lévy, *The Crisis of Neoliberalism* (Cambridge, MA: Harvard University Press, 2011), 18.

[99] Gomery, "Hollywood as Monopoly Capitalism," 169 (emphasis added).

industry studies could benefit from refocusing on economic characteristics more appropriate to an era marked by the renewed reign of finance. The new maxims are risk, debt, leverage, speculation, and above all, "the heart of calculation and competition within a capitalist economy": the derivative.[100]

In order to arrive at the formulation of 'derivative media,' we first require some basic financial literacy that eludes much of the field, in part because financialization is a process that obscures itself behind byzantine bank structure, macroeconomic shifts, complex mathematics, and, frankly, boring details. At their own peril, most media studies scholars do not consider the intricacies of finance to be part of the context of culture. This chapter will outline the broader rise of financial capital – particularly the specific innovations of institutional investors, private equity, corporate venture capital, and derivatives – and its impact on the cultural industries. Contextualized by this financial context, the chapter then posits the concept of 'derivative media,' a formulation with which to analyze the financialization of film, television, and popular music production and circulation since the turn of the millennium. "Nothing, as the twenty-first century started, threatened the basic Hollywood studio system oligopoly that was formed in the late 1920s," Gomery claims.[101] With the benefit of hindsight, we can see that it was indeed right at this moment when financialization began to reshape Hollywood and the cultural industries.

Financial Capital

"The only general point of agreement," David Harvey proclaims, in *The Condition of Postmodernity*, "is that something significant has changed in the way capitalism has been

[100] Dick Bryan and Michael Rafferty, *Capitalism with Derivatives: A Political Economy of Financial Derivatives, Capital and Class* (Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2006), 9.

[101] Gomery, *The Hollywood Studio System: A History*, 314.

working since about 1970."[102] For Harvey, a key part of that change is the empowerment of finance capital in relation to the diminished nation state, the result of loose monetary policy by the American and British governments, unmoored exchange rates, and the general breakdown of Fordism-Keynesianism in the early 1970s. Financial discipline has since been imposed through capital flight and institutional pressure, coupled with new financial instruments, markets, and systems, leading to an "extraordinary efflorescence and transformation in financial markets."[103] Harvey's focus is 'flexible accumulation' (fluid labour processes, markets, and consumption) and 'time-space compression' (the alteration of spatial and temporal qualities, particularly the sense of a 'shrinking world'), but their impetus is the reign of finance capital that Harvey claims arises around 1970.

This proposed new form of capitalism has come to be formalized under the term 'neoliberalism,' for Harvey and many others.[104] "Neoliberalism is a new stage of capitalism," according to Duménil and Lévy, "that emerged in the wake of the structural crisis of the 1970s. It expresses the strategy of the capitalist classes in alliance with upper management, specifically financial managers, intending to strengthen their hegemony and to expand it globally."[105] What separates neoliberalism from previous forms of capitalism is the concentration of power within

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[102] David Harvey, *The Condition of Postmodernity: An Enquiry into the Origins of Cultural Change* (Oxford: Basil Blackwell, 1989), 173.

[103] Ibid. 194.

[104] See David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005); Gérard Duménil and Dominique Lévy, *Capital Resurgent: Roots of the Neoliberal Revolution* (Cambridge: Harvard University Press, 2004); Noam Chomsky and Robert W. McChesney, *Profit Over People: Neoliberalism & Global Order*, 1st ed. (New York: Seven Stories Press, 2011); Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics* (Princeton: Princeton University Press, 2014); Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (New York: Picador, 2008); Philip Mirowski, *Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown* (London: Verso, 2014).

[105] Duménil and Lévy, *The Crisis of Neoliberalism,* 5.

financial institutions and the use of financial instruments to own the means of production. In this financial hegemony, the upper fraction of the capitalist class has a nearly unbridled ability to shape the economy and society with impunity. Deregulation is promoted wherever and whenever possible, especially for financial mechanisms, resulting in the protection of lenders, the opening of trade frontiers, the privatization of social protection and pensions, the curbing of inflationary pressures through monetary policies, and the dramatic rise of government and household debt, in conjunction with enormous incomes in the financial sector.

For Fernand Braudel, taking the longer view in *Civilization and Capitalism*, this financial expansion does not indicate a significant change in the way capitalism has been working. In fact, it would seem to mark a recurring pattern: financial expansion is but a symptom of the maturity of a capitalist hegemon. The Genoese regime in the 15th to early-17th centuries, the Dutch regime in the late-16th through the mid-18th centuries, and the British regime in the latter half of the 18th century through to the early 20th century all demonstrate this pattern. Though Braudel was writing at a time before the American regime had fully reached its zenith, it too fits the pattern. The 'rise' of finance capital in a particular capitalist development is merely its 'rebirth' within the larger capitalist system. As Braudel summarizes: "every capitalist development of this order seems, by reaching the stage of financial expansion, to have in some sense announced its maturity: it [is] a sign of autumn."[106]

Giovanni Arrighi, in *The Long Twentieth Century*, further refines these systemic cycles of hegemonic transition, outlining an evolutionary pattern toward capitalist regimes of increasing size and complexity, yet decreasing duration. Like Braudel, Arrighi charts this trajectory through

[106] Fernand Braudel, *Civilization and Capitalism, 15th–18th Century, vol. III: The Perspective of the World* (New York: Harper and Row, 1984), 246.

Genoa, Amsterdam, and Britain, but then extends his analysis to an American hegemony lasting from the late nineteenth century to its financial expansion, beginning in the 1970s, and into its current crisis and apparent disintegration. The dot-com bubble in 2000-01, military failures since 9/11, and financial meltdown in 2008 are further proof of what he suggests is a case of power ‘‘suicide.”[107] Though the U.S. retains its military strength, the economic center of the global economy has begun to shift to East Asia, particularly China. It’s worth pausing, however, to consider how the United States dug itself into this position.

The American regime, while continuing the pattern of capitalist power transfer, differs from its British precursor in a number of ways; most notably for our purposes of analyzing Hollywood, its ability to ‘internalize’ world trade within vertically-integrated, transnational corporations is a key shift. “In branch after branch of the U.S. domestic economy,” Arrighi argues, “select business enterprises moved towards integrating within their organizational domains the sequential subprocesses of production and exchange that linked the procurement of primary inputs to the disposal of financial outputs.”[108] Transaction costs, risks and uncertainties were internalized within the vertically integrated enterprise, subjected to its ever-economizing logic. Vertical integration is a method of superseding the market, according to Arrighi, replacing the large uncertainty of sub-processes with the manageable uncertainties of primary inputs and final outputs. Typical histories of the American cultural industries echo this emphasis on corporate internalization, consolidation, and superseding the market, especially for Hollywood. However, this stage in America’s trajectory of accumulation arguably ends with the transition to financial expansion in the 1970s and 80s.

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[107] Giovanni Arrighi, *The Long Twentieth Century: Money, Power and the Origins of Our Times* (London: Verso, 2010), 384.

[108] Ibid., 296.

The critical years of 1968-1973 saw the establishment of floating exchange rates, leading to a growing mass of liquidity outside national boundaries, compelling governments to manipulate exchange rates and interest rates in order to attract or repel liquidity in offshore markets, depending on their domestic circumstances. Compounding the situation, this offshore capital had new opportunities to expand through trade and speculation of these variable rates. "By the mid-1970s," Arrighi claims, "the volume of purely monetary transactions carried out in offshore money markets already exceeded the value of world trade many times over. From then on the financial expansion became unstoppable."[109] The Reagan administration incentivized the recentralization of mobile capital in the United States through dramatic deregulation, providing American and foreign corporations and financial institutions with nearly unrestricted freedom of enterprise, particularly the banking sector. As with previous cycles of hegemonic transfer, financial expansion had successfully reorganized the regime of accumulation: by the 1990s, finance, insurance, and real estate accounted for more U.S. corporate profits than the manufacturing sector. Just as important, non-financial firms dramatically increased their own investment in financial assets as well.

In "What is Good for Goldman Sachs is Good for America: The Origins of the Current Crisis," Robert Brenner tracks this trajectory up to and including the financial crash of 2007-2008. Unlike many popular, short-sighted accounts of the crash, which portray the collapse as a relatively recent combination of improper mortgage sales and over-leveraged investment banks, Brenner argues that the crisis is, in fact, the result of "huge, unresolved problems in the real

[109] Ibid., 308.

economy that have been literally papered over by debt for decades."[110] For more than thirty years of weakening capital accumulation, a crisis had been avoided by an ever-greater buildup of debt; rather than government debt, as in the past, since the 1990s "titanic bouts of borrowing and deficit spending"[111] were increasingly being held by corporations and households, fueled by cheap credit. By 2007, unmatched waves of speculation, sanctioned by policy makers and regulators, led to a final phase of subprime housing and highly leveraged lending, which finally tipped the scale, resulting in systemic crisis. Of particular importance in this phase was the securitization of risk through widespread use of 'innovative' financial instruments such as collateralized debt obligations, credit default swaps, and other forms of derivatives, which are a crucial part of what has come to be known as financialization.

Financialization and Institutional Investors

Whereas neoliberalism typically refers to the broader political project, periodization, economic shifts, and class reconfigurations that have developed since the early 1970s, financialization has a more delimited subject: the expansion and increased power of the financial sector. Alternatively, this is called the FIRE sector, which stands for high Finance (banking, investment, speculation), Insurance and Real Estate. Built gradually, starting from banks and insurances in the nineteenth century, financial institutions have come to form a networked framework of imposing scale: stock exchanges, mutual funds, pension funds, hedge funds,

[110] Robert Brenner, "What is Good for Goldman Sachs is Good for America: The Origins of the Current Crisis," Prologue to the Spanish translation of Robert Brenner, *Economics of Global Turbulence* (London: Verso, 2006; Spanish translation, Madrid: Akal, 2009), 1.

[111] Ibid., 2.

private equity firms, derivative markets, central banks, government-sponsored enterprises, and international institutions (such as the IMF and the World Bank).

A multitude of financial instruments have been developed to facilitate transactions across this network, dividends being one of the most significant. During the postwar period, a considerable share of profits was retained by corporations for productive reinvestment; in the 1970s and 1980s, instead of reinvestment, shares of after-tax profits paid out by corporations as dividends soared, from a yearly average of 51% up to 74%.[112] Profits are distributed among the investor class, while opportunities for corporate accumulation are curtailed. Corporations are thus seen less as producers of goods and services, but as vehicles for speculative capital.

The rise of institutional investors is a notable case of this corporate speculation. Institutional investors — large insurance, mutual fund, asset management, or pension fund companies that buy stocks in massive quantities — have gone from owning about 7 percent of the United States stock market in 1950, to almost 70 percent today, a remarkable demonstration of the era's financialization. If counted collectively, the three largest institutional investment firms — BlackRock, Vanguard, and State Street — are the largest owner of 88 percent of the companies listed on the S&P 500.[113] And because institutional investors often own stakes in rival companies within concentrated industries, these companies are incentivized to keep prices high and wages low. Far from "passive investment vehicles," institutional investors actively engage in their investments by voting on compensation packages for executives (which aligns their interests), nominating board members, and expressing business strategy. Common ownership of airlines was discovered to have increased prices by as much as ten percent, while common

[112] Duménil and Lévy, *The Crisis of Neoliberalism,* 62.

[113] Eric Posner, Fiona Scott Morton, and Glen Weyl, "A Monopoly Donald Trump Can Pop," *New York Times,* December 7, 2016.

ownership of banks led to increases in fees and reductions in interest rates.[114] Across many industries this common ownership pattern is visible: the largest owners of Apple and Microsoft, for example, are Vanguard and BlackRock, just as they are for retail drugstores CVS, Walgreens, and Rite Aid.

Though largely unacknowledged in the field of media industry studies, this pattern of investor common ownership is readily apparent in the media sector as well. In Table 1, we can see a cross-section of just how much institutional investors dominate the cultural industries. The big three are where you should expect them: they own large stakes in all rival companies, gravely harming competition. The list of investors along the top row are organized according to size, so BlackRock, which holds more than $5 trillion in assets under management, is listed first, though it is Vanguard, which holds more than $3.5 trillion in assets under management, that owns the largest stake in many of the largest public media and telecommunication companies. By this metric, nearly every popular film or television program should include a "brought to you by Vanguard" credit. Capital World is not one of the biggest institutional investors but as a Los Angeles-based firm, appears to have an outsized interest in its city's most famous industry. It is worth noting that banks are some of Hollywood's biggest investors, but their largest stakes are also owned by BlackRock, Vanguard, and State Street, and thus another example of cross-ownership and concentrated control.

Private Equity

Another manner in which corporations are treated as speculative capital is through the actions of private equity firms. Previously known as leveraged buyout firms or 'corporate

[114] Ibid.

raiders' during their rise in the 1980s, private equity (PE) firms, such as Bain Capital, Blackstone Group, Kohlberg Kravis Roberts & Co. (KKR), Texas Pacific Group (TPG), the Carlyle Group, and Apollo Management, are a specialized, high-risk, exclusive type of investment fund, available only to the wealthy or large investment funds such as pensions and endowments. Most PE firms are not traded publicly and are therefore subject to minimal regulatory oversight.[115] Typically operating for 5-10 year periods, PE firms raise enormous levels of debt against the assets of the target company (referred to as 'leverage'), restructure the company to maximize efficiency, then sell the streamlined properties at high profit margins. Since the turn of the century, in part due to expansionary monetary policy and favorable tax breaks, there has been a huge boom in PE deals, only temporarily slowed by the financial collapse, as evidenced in Figure 4. From 2002-2012, there were nearly 3,000 private equity firms in the U.S., which used $3.4 trillion of capital to make leveraged buyouts of almost 18,000 companies, employing roughly 7.5 million people.[116]

In what may or may not be a clever reference to the 1991 Norman Jewison film about a corporate raider (played with a devilish sincerity by Danny Devito),[117] Appelbaum and Batt succinctly summarize that the modus operandi of private equity firms is "to take high risks using

[115] Post-crash, many of the biggest private equity firms went public as private equity became institutionalized, opportunities for massive buyouts decreased, and founders sought a massive payday: Blackstone filed in 2007, as did Fortress, KKR filed in 2010, Apollo in 2011, and Carlyle in 2012. Bain, THL, and TPG remain private.

[116] Eileen Appelbaum and Rosemary Batt, *Private Equity at Work: When Wall Street Manages Main Street* (New York: Russell Sage Foundation, 2014), 2, 37.

[117] Though it is uneven as a film, and unfortunately reproduces the misogynistic qualities of Wall Street, *Other's People Money* is an interesting work, perhaps most notably for its application of romantic-comedy tropes to a businessman's relationship with money. As Danny Devito's character wakes up, turns to his lover, and says "Good morning, honey," the soundtrack plays a sultry jazz song and the camera intimately follows his hand as it offers a tender embrace…. to his bedside-computer system that reports stock market opportunities. "You got it up again," he croons, referring to a stock price. This 'business romance' configuration appears again on *30 Rock*, as is discussed in Chapter 6.

other people's money."[118] Though they only invest 1 to 2 percent of the equity in the private equity fund, the general partners (the PE firms such as Bain, TPG, etc.) receive 20 percent of the profit if the rate of return achieves a certain threshold (usually 8 percent). To fund the rest of the acquisition, PE firms solicit investment from pension funds, endowments, sovereign wealth funds, and investment banks, while also raising debt in junk bond markets. With these massive funds (upwards of $20 billion), private equity firms target companies ripe for exploitation through financial engineering: dividend recapitalizations, exploiting tax loopholes, selling assets for profit, and other methods, outlined in Table 2. With little to lose if the company's debt drives it into bankruptcy and much to gain if the investment can be exited from successfully, private equity is a textbook case of "moral hazard," as someone else bears the cost of their risks.

Though it is a relatively unknown aspect of corporate business to your average American citizen, private equity firms buy companies in all sectors of the economy and leveraged buyouts are a pervasive phenomenon that constantly intersects with everyday consumption and services. If you eat at Domino's or Burger King, stay at a Hilton, rent a car from Hertz, shop at Albertson's, clothe yourself at J. Crew, indulge in a Twinkie or other Hostess snack, feed your pet from Petco, or buy gifts for your children at Toys "R" Us, then you've interacted with private equity. The water in your tap and the road you drive on are sometimes managed by private equity. As a fascinating *New York Times* series revealed, even some ambulance and firefighting services are now managed by private equity; "when you dial 911 and Wall Street answers," the results are often disastrous.[119] The media sector is another oft-unacknowledged target of this practice.

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[118] Appelbaum and Batt, *Private Equity at Work*, 3 (emphasis added).

[119] Danielle Ivory, Ben Protess, and Kitty Bennett, "When You Dial 911 and Wall Street Answers," *New York Times*, June 25, 2016. An example of what happens: "A man in the suburban South watched a chimney fire burn his

As evidenced by Table 3 and explored in more detail in Chapter 2 and 4, the cultural industries have not escaped the grasp of private equity. The year 2004 is a fitting mark for the start of sustained financialization in the media sector as two historic companies in Hollywood and the music industry, MGM and Warner Music, were acquired by private equity groups at the height of the PE boom. Weaker sectors of the industry, such as theatrical distribution (Cinemark), record labels (EMI), and radio (Cumulus, Clear Channel/iHeartMedia) have been common targets for PE profit extraction, while talent agencies have been the most recent acquisitions, with all three major agencies (CAA, WME, and IMG) now owned by private equity. The six core Hollywood companies (Disney, TimeWarner, Fox, NBCU, CBS/Viacom, and Sony) have resisted private equity thus far, though it appears as if Bain, TPG, and co. are kicking the tires in the margins of the industry; MGM, Miramax, Nielsen, Univision, Dreamworks, and others have been acquired by private equity as investment vehicles.

Conventional wisdom holds that the cultural industries were historically not targeted as investment vehicles because on one hand, fickle audiences meant high rates of failure, while on the other hand, the Hollywood oligopoly maintained its grip on the necessary talent and distribution network. Over the last decade, however, Hollywood has lost some of its cultural centrality as a multitude of new entertainment and leisure activity options have arisen, such as video games and social media. Meanwhile, Silicon Valley's entrance into the cultural industries has developed the data analytics to help alleviate the riskiness of audiences, while also destabilizing traditional Hollywood's grasp on the foundational components of talent and distribution. Private equity has noticed this disturbance and has sought to capitalize since 2004.

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house to the ground as he waited for the fire department, which billed him anyway and then sued him for $15,000 when he did not pay."

The impact of PE's financial engineering on the cultural industries is not to be underestimated; as Matthew Crain notes, "private equity ownership exacerbates the ongoing evisceration of our media institutions."[120]

As will be argued in more detail in later chapters, this financialization has intensified consolidation in the media sector, as big companies feel the need to increase scale in a global marketplace and thus take on massive debt to enact mergers and acquisitions, as seen in Table 4. Telecommunications companies have targeted content companies in order to expand beyond their traditional role as "dumb pipes" and explore a growth market, in such blockbuster deals as Comcast's acquisition of NBCUniversal and AT&T's purchase of DirecTV and TimeWarner. Content companies, meanwhile, have sought out sources of intellectual property in order to expand content catalogues, as the sector transitions to streaming technology in which access is privileged over ownership. Disney's acquisitions of Pixar, Marvel, and Lucasfilm, for example, are considered three of the most successful deals in film and television, while recorded music companies consolidated even further into just three major conglomerates. Meanwhile, Chinese investment accelerated, starting with Wanda's purchase of the AMC theater chain in 2012. Mergers and acquisitions, and the broader issue of concentration of media ownership, are well-traveled ground in media industry history, but the understanding of the increasingly financialized dimensions of this ownership are lacking, especially its private equity aspects. Chapter two will trace this history for the music industry, followed by chapter four's history of Hollywood financialization.

[120] Matthew Crain, "The Rise of Private Equity Media Ownership in the United States: A Public Interest Perspective," *International Journal of Communication* 3 (2009): 209.

Corporate Venture Capital

The impact of institutional investors and private equity firms can be considered *external* forces of financialization acting on the cultural industries, by companies such as BlackRock, Vanguard, State Street, Bain Capital, KKR, Carlyle, and TPG. While their executives and managers have direct effects on the actions of media production, there is also a corresponding *internal* force of financialization in the form of corporate venture capital. Through the investment in start-ups, large media companies have used speculation for two main reasons: to earn profits in a way that don't need to be shared with talent, and as another avenue through which to maintain their oligopoly.

Corporate venture capital (CVC) is when the financial intermediary of a non-financial corporation, such as Comcast Ventures or Time Warner Investments, makes equity or equity-linked investments in early-stage, privately held companies. Originally created to allow customers to finance the purchase of consumer products manufactured by the industrial division, the financial arms of major corporations are now growing faster than their manufacturing divisions. Their financial activities, products, and global scale have come to resemble investment banks and hedge funds more so than their conventional parent company.

While financial gains are of course an element of this investment strategy, studies show that strategic goals are also a key reason for corporate venture capital.[121] Massive corporations become less agile and able to respond to market changes; CVC allows them to engage in research and development by proxy, acquiring resources and intellectual property from their ventures. This strategy allows big companies to gather information on new markets and

[121] Markku V.J. Maula, "Corporate venture capital as a strategic tool for corporations," in *Handbook of Research on Venture Capital*, ed. Hans Landstroom (Cheltenham: Edward Elgar Pub, 2007).

technologies, monitor their growth, and enter them more easily. Identifying and assessing potential acquisition targets is another key function of CVC; the investment can even be made with an option to acquire the portfolio company if certain metrics are reached. CVC is also used by corporations to hedge their bets, ensuring that they are strategically placed in regards to emerging technologies, ready to act when the dominant design prevails.

The media sector has been using corporate venture capital since the turn of the century in two distinct ways, as catalogued in Table 5. Traditional media parent companies have themselves been making substantial, focused venture capital investments in proven quantities, such as Disney's $400 million stake in *Vice Media* and NBCUniversal's $200 million stake in *Buzzfeed*. Meanwhile, these legacy media companies have also created semi-independent venture capital arms that make riskier bets with early-stage seed funding in a variety of related sectors, such as virtual reality, streaming technologies, and properties that reach underserved niche audiences. For example, Bertelsmann Digital Media Investments has a stake in Visionary VR, a company specializing in story-driven content for virtual reality; Comcast Ventures has a stake in Meerkat, a live streaming mobile application; and Time Warner Investments has a stake in *Bustle*, an online women's magazine.

Even though a lot of digital ink is spilled about *Vice*, *Buzzfeed*, and other new content companies upending the traditional media hierarchy, they are also investment vehicles and R&D arms for traditional media. As investors, traditional media companies are entitled to access to the latest digital developments and detailed reports about the preferences of millennial audiences. If any of these start-ups achieve success and prominent recognition, they become acquisition targets or lucrative paydays in the event of an IPO. From radio to television to cable to VCRs to DVDs, the Hollywood oligopoly has historically been able to co-opt any new technological

development and turn it into a new revenue source; corporate venture capital is merely the latest, financialized chapter in this age-old story. What's different this time is the broader economic decline and Hollywood's relation to the corresponding financialization. What type of culture is produced during the 'autumn' of an empire?

Derivative Media

The final element in our consideration of financialization, following institutional investors, private equity, and corporate venture capital, is the most mercurial. The derivative is not like the previous features, which are at least graspable in terms of typical relationships like ownership and investment. "The derivative is the perfect capitalist invention," argue LiPuma and Lee, "because it seems to have no concrete form sufficiently legible and visible to allow it to become a sustained subject of conversation in the public sphere."[122] Though derivatives were at the heart of the financial collapse in 2007-2008, even still they remained a little understood phenomenon, what then-Treasury Secretary Tim Geithner called "the complicated spaghetti of the derivatives market."[123] As the financial crisis fades from cultural memory for many, so too has the momentum to come to terms with the dramatic impact of derivative markets.

Financial derivatives are an instrument to hedge risk, basically a wager on the fluctuation of the cost of money or the relationship among currencies. They are "essentially abstracted relations about the relations of capital."[124] Their value is *derived* from the performance of an underlying entity, either an asset, index, or interest rate. The most common derivatives are

[122] Edward LiPuma and Benjamin Lee, *Financial Derivatives and the Globalization of Risk* (Durham: Duke University Press, 2004), 105.

[123] Robert Lenzner, "The 2008 Financial Collapse Was Worse Than 1929, Geithner Insists," *Forbes*, June 22, 2014.

[124] LiPuma and Lee, *Financial Derivatives and the Globalization of Risk*, 93.

futures (a contract to buy/sell an asset at some price at some point in the future), options (the opportunity but not the obligation to buy/sell an asset at some price at some point in the future), and swaps (allowing for the exchange of one asset flow for another), though they typically involve a combination of all three. This entirely new conception of risk grew out of the desire to merely hedge against the possible decline in the price of crops at harvest time by seventeenth century Dutch merchants, but has since grown into the key functional and structural form of speculative capital in the global marketplace. Security-minded hedging for the purpose of long-term stability has led to profit-minded speculation on short-term volatility; financial models came to drive the economy, not merely reflect it – *An Engine, Not a Camera*, as the title to Donald Mackenzie's book on the subject so succinctly summarizes, paraphrasing influential neoliberal economist Milton Friedman.[125]

The derivatives market has swelled in a nearly exponential fashion: in 1970, it was valued in the millions; by 1980, about $100 million; by 1990, nearly $100 billion; by 2000, nearly $100 trillion;[126] approaching 2010, it was estimated by the SEC to be over $500 trillion.[127] The Bank for International Settlements in Basel, Switzerland, uses a different criteria and concludes that the derivatives markets could be twice as large: $1.2 quadrillion.[128] Measuring the derivatives market is inherently flawed; these contracts do not involve property itself, merely a price derived from the underlying asset, and thus the amount circulated in these markets is abstracted. The total amount exceeds the total quantity of the world's physical currencies.

[125] Donald A. MacKenzie, *An Engine, Not a Camera: How Financial Models Shape Markets* (Cambridge, MA: MIT Press, 2008).

[126] Ibid., 47.

[127] Hernando de Soto, "Global Meltdown Rule No. 1: Do the math," *Los Angeles Times*, April 12, 2009.

[128] Ibid.

Nevertheless, the derivatives market is the key to circulation. Commodities trading now accounts for less than 1% of total contracts, while financial derivatives are roughly 90% of all contracts.[129] The derivatives market is technically available to anyone, but in practice, is dominated by banking firms, corporations, and hedge funds, as its fundamental structure favours economies of scale. Betting on tiny fluctuations in the price of money only makes sense when enacted on a massive scale. Control of the markets is concentrated in the ten largest Euroamerican institutions, through which 90% of all financial derivatives are traded.[130]

At this scale and scope, it is necessary to consider that we may be witnessing, as LiPuma and Lee argue, "a planetary shift in power away from national state political systems, or perhaps political systems of any kind, and toward the global financial markets."[131] As the structural form that circulates and globalizes risk, derivatives are a key determinant in this paradigmatic shift. This destructive power is perhaps most evident in the many 'developing' countries that have felt the wrath of derivative markets. For example, the election of Luiz da Silva of the Workers' Party in Brazil in 2002 set off a wave of depreciation of its currency instigated by the derivatives markets. The *reale* fell by 30 percent compared to the dollar and Euro, swelling Brazil's debt obligations and severely limiting da Silva's ability to remedy the country's economic and social injustices, the platform for which he was elected. Similar events have taken place in Argentina, Thailand, and Turkey. "There seems to be no way to characterize the real effects of speculative capital on Latin America, Africa, and other points on the economic periphery," LiPuma and Lee

[129] LiPuma and Lee, *Financial Derivatives and the Globalization of Risk*, 47.

[130] Ibid., 46.

[131] Ibid., 24.

claim, "other than as violence."[132] Derivatives markets may appear outside of our purview, whether as average citizens or media scholars, but their impact is very real and very dangerous.

As a "meta-capital that binds and blends different sorts of particular capital together,"[133] derivatives affect Hollywood directly, such as the intensified maximization of individual asset value demanded of publicly-traded corporations such as the media conglomerates, as well as the management of foreign currency exchange rates to facilitate the global flow of film, television, and popular music products. In combination with institutional investors, private equity, and corporate venture capital, derivatives are a key component of the financial structure of Hollywood. But as the key logic of the global financial system, derivatives surely have an indirect effect on day-to-day business operations in the cultural industries as well. The derivative's logic of fluid conversion between different forms of assets would seem a natural fit for transnational media conglomerates with holdings in film, television, music, the popular press, videogames, online media, theme parks, and other cultural properties. If the logic of the derivative orients around malleability and blendability, is it any wonder that the digital cultural text is increasingly malleable and blendable? What might a consideration of 'derivative media' illuminate?

Most immediately, 'derivative media' would seem to crudely capture the current textual default of cultural production in the U.S. film, television, and popular music industries: endless sequels, prequels, reboots, remakes, adaptations, franchises, cross-platforming, cross-promoting, licensing, transmedia, sampling, references, homages, and all manners of *deriving* new media content from the old, or the other. There is nothing new or controversial about textual influence,

[132] Ibid., 26.

[133] Bryan and Rafferty, *Capitalism with Derivatives*, 13.

of course, both conscious and unconscious, but the sheer brazenness and repeated, reliable profitability of much of Hollywood's 'derivative' product suggests a concrete bankability to the once-radical concept of intertextuality.

"Any text is constructed as a mosaic of quotations; any text is the absorption and transformation of another," Julia Kristeva claimed nearly 50 years ago, for which the "horizontal axis (subject-addressee) and vertical axis (text-context) coincide... each word is an intersection of words where at least one other word can be read."[134] This volatility of referent across horizontal and vertical axes is now exploited by the multinational media conglomerates, which are tightly diversified by horizontal and vertical integration, micromanaging the text and context as it travels from corporate subject to global addressee. The radically open text offers vast intertextual and intermedial opportunities for potential profit. No longer confined to mere 'commodification,' the cultural text is subject to its raw textuality becoming a site of exchange. The text is a marketplace; not only are all of its components for sale (locations, sets, props, costumes, lyrics, soundtracks, samples, guest appearances, etc.), but the pricing is negotiable and in constant flux.

'Derivative media' captures not just the dual financial and textual characteristics of contemporary cultural production and circulation, but the manner in which these are self-reinforcing mechanisms. The broader financial economics of cultural production seek to capitalize on disassembled, tradable assets that it can exploit; likewise, the corporate text increasingly derives its textual material in a fashion that lends itself to disassembly and rebundling. Each function serves the other. Futures, forwards, options, swaps – these instruments of financial derivatives have obvious parallels in the cultural industries when it comes to the cultural operating logic of *pre-sold property*. Because risk is so prevalent in the film and

[134] Kristeva, *Desire in Language,* 66.

television industries, with fickle audiences constantly changing behaviours and tastes, successes must make up for the inevitable failures. In order to assure future success, every effort is made to leverage past success and exposure, as well as pre-owned intellectual property. On the occasion of success, contracts with talent secure the option for more derivative content in the future. On the occasion of failure, resources are redeployed and intellectual property is reserved for possible 'reboot' in the near future. For example, superheroes have become one of the key forms of derivative media because of their ability to be continually reformatted. There are hundreds of Batmen, Supermen, and Spidermen across comics, film, cartoons, television, and games; these 'multiverses' exponentially increase the opportunity for exchange. The true dynamism of the derivative media, however, is what happens in between these successes and failures, in the constant textual negotiation of influence and reference.

Derivative media operationalizes intertextuality. On one end of the spectrum, figurative devices such as allusion, parody, satire, and homage create constellations of textual reference and influence; on the other, commercial devices such as product placement, brand integration, branded entertainment, and native advertising deliver consumer influence. The latter typically involves a direct transfer of money, while the former often enacts an indirect exchange of cultural capital. The key to this exchange is the interplay between these two forms of "derivation," the textual and the financial.

"The central, universal characteristic of derivatives," according to Dick Bryan and Michael Rafferty, "is their capacity to 'dismantle' or 'unbundle' any asset into constituent attributes and trade those attributes without trading the asset itself."[135] Neither possession nor ownership of the underlying asset is required to configure its attributes into universally

[135] Bryan and Rafferty, 52.

recognizable and thus tradable elements. The derivative dismantles or unbundles any asset into individual attributes and trades them without trading the asset itself; this operating logic finds it way into the cultural text when the fluid conversion between assets is exploited by conglomerates with holdings in a variety of intellectual property. To think of textual reference in such a manner would be to price the constitutive elements of a 'mosaic of quotations,' to dismantle and unbundle its textual assets.

Having successfully disassembled assets in order to price and trade their attributes, derivatives have two key functions, according to Bryan and Rafferty: binding and blending. Particularly through options and futures, derivatives 'bind' the future to the present through pricing relationships; with swaps, they 'blend' different forms of capital, through corresponding asset forms, into a single unit of measure.[136] "It is through the capacity for derivatives to commensurate capital in different forms, locations and time horizons that adds greater competitive discipline to the processes of calculation and decision making."[137] The spatial and temporal dimensions of derivative trading is easily applicable to cultural and textual circulation, which has been amplified in recent years due to wider digital access to a global cultural heritage. But more than just the increased capacity for transcultural and transhistorical reference, it is the overarching *system* of derivative media that has significant implications for textual circulation.

According to Michael Szalay, cultural texts can function as derivatives to negotiate and convert brand equity across different units of a conglomerate. A particularly revealing reading of HBO's *The Newsroom* persuasively argues that the show works like a derivative to rationalize and stabilize exchanges of status and brand equity, lending HBO's brand of "prestige" and

[136] Ibid., 12.

[137] Ibid., 67.

"quality" to CNN's renewed attempt at "integrity." Furthermore, *The Newsroom* "functions as a forward contract, insofar as it represents a guess about the future correlation of those two brand attributes," it "functions as a hedge that guards against the unforeseen risks attendant upon the conversion of HBO into CNN brand equity," and it "functions as a managed arena, or market, in which contested forms of agency negotiate future contingency in the process of discovering their exchangeable value."[138] The argument for considering a cultural text as a derivative appears generative; the next step is applying the concept with a wider consideration of scale.

The actual derivatives market is immense, by some estimates in the hundreds of trillions of dollars, its capacity a result of its scope and scale. No longer merely reflecting spot or cash markets, derivative markets are now considered to be the actual site of asset price determination. Similarly, the extreme degree of intertextuality may have eclipsed the 'underlying' asset in many instances of film, television, and music production.[139] The case studies of this project – analyses of the thousands of references to a wide variety of texts and products made by a single television series or by a single musician/musical group – will demonstrate the formation of intensified internal markets expressed in a cultural text. Facilitated by reference, it is a conflicted system of hedges, exposures, and exchanges. Examining the shift from joint stock companies to financial derivatives, Bryan and Rafferty suggest that "it is as if the stock market has gone 'inside' the derivative itself: the derivative is defined so as to spontaneously absorb market calculation.''[140] Considering the complexity of these referential economies, we might say the derivative media

[138] Michael Szalay, "HBO's Flexible Gold," *Representations* 126 (Spring 2014): 18-19.

[139] Reflexive, reference-heavy comedies such as *The Simpsons*, *Saturday Night Live*, *Family Guy*, *Community*, and as we'll see in Chapter 6, *30 Rock*, are the most immediate examples. Reality television and talk shows also exhibit a high degree of 'derivative media' characteristics, though I would argue its logic is visible in most parts of the cultural industries.

[140] Bryan and Rafferty, 67.

market has gone 'inside' the cultural text. It is not just the film, television, and popular music *industries* that have become financialized, it's film, television, and popular music *texts* as well.

The Trading Floor of Cultural Production

The consequences of financial hegemony are myriad: the imposition of managerial mandates to create shareholder value, the rise in income paid to financial managers, the stripping of assets for short-term profit, the reduction of returns to labor, the attrition of the welfare state, and the foreclosure of a politics that lies outside of market-based solutions. "Perhaps the most terrifying feature of financialization," Max Haiven suggests, "is that there is no one steering the ship; there is no grand conspiracy."[141] Financialization represents an unaccountable system of global economic organization, a byzantine flow of transactions that has usurped democratic control.

It is difficult to conceptualize such broad macroeconomic cause and effect because the finance industry keeps a low profile and intentionally uses opaque language to discourage understanding by those other than its practitioners. But it is important to reckon with the local and personal elements of finance. Randy Martin's *The Financialization of Daily Life* analyzes the many ways in which financial culture seeps into daily life, such as the increasing necessity of long-term financial planning, the rise of day traders as an occupation, financial self-help books, stock market community websites, educational materials that propagate financial thinking to children, finance's effect on pension politics and labor organizing, and the advocation of microcredit in developing nations. In addition, Martin documents the importance of financial

[141] Max Haiven, *Cultures of Financialization: Fictitious Capital in Popular Culture and Everyday Life* (Basingstoke: Palgrave Macmillan, 2014), 5.

news programs on television, such as CNBC, but his consideration of finance's impact on or embodiment in the cultural industries ends there. Similarly, Haiven's *Cultures of Financialization: Fictitious Capital in Popular Culture and Everyday Life* looks at cultural phenomena such as Walmart and Pokémon, but does not consider the cultural industries as a whole.

This project aims to extend the thinking on financialization into film, television, and popular music, oscillating between a historical, macro-industrial perspective and a detailed, micro-textual analysis. The next chapter considers the destructive role of finance in the music industry, followed by a chapter that details two case studies in popular music: The Wu-Tang Clan and Jay Z's entrepreneurial hip hop and lyrical speculation. Chapter five then returns to the industrial, with a look at the financialization of film and television in Hollywood, followed by a chapter that considers an in-depth televisual case study: *30 Rock*'s satirical mise-en-synergy. From the content of the securitized cultural text, to the fragmented audience that engages with it, to the precarious labour that produces it, to the overpaid management that organizes it, to the networks that circulate it, to the indebted corporations that catalogue it, to the systems of accumulation that facilitate it – financial capital now fuels the Hollywood dream factory. The result is something that resembles less a factory floor than a trading floor.

Chapter 3. The Financialization of Music

Introduction

The first song of the evening is about to begin. The drums pound. The guitars kick in. "There's a trouble in the air, a rumble in the streets," lead vocalist Billie Joe Armstrong sings. "A going out of business sale," he screams, "and a race to bankruptcy," as his punk band, Green Day, performs at a concert in April of 2013. "There's a rat in the company," Armstrong continues, "a bail out on easy street," before reaching the chorus to "99 Revolutions," the band's ode to the themes of Occupy Wall Street. "We live in troubled times," the adoring crowd chants back, "and I'm 99 percent sure that something's wrong." This is the scene at Barclay's Center in Brooklyn, an arena plastered with the name of its sponsor, the British multinational bank and financial services company.

In preparing for this concert, older fans of Green Day may have heard their music on a radio station likely owned by either the iHeartMedia or Cumulus station groups, each of which is controlled by private equity companies: Bain Capital/THL Partners and Crestview Partners, respectively. Younger fans may have listened to the latest Green Day release on Spotify, the streaming platform whose key investors include Goldman Sachs and private equity company TPG Capital. Green Day is signed to Reprise Records, a division of the Warner Music Group, which was owned by a trio of private equity companies – Bain Capital, THL Partners, and Providence Equity Partners – and its CEO Edgar Bronfman, before being sold in 2011 to Access Industries, Ukrainian businessman and investor Len Blavatnik's conglomerate. This kind of deep financial web could be woven for musicians of all stripes: Madonna (pop), Coldplay (rock),

Gucci Mane (rap), Fleetwood Mac (classic rock), Björk (alternative), Iron & Wine (indie), Metallica (metal), Seal (R&B), Panic! at the Disco (emo), Skrillex (electronic dance music), and even the anti-commercial Grateful Dead are on Warner Music. Rather than the faux-populism of "99 Revolutions," a line from Green Day's closing song that night, "Minority," was a more accurate depiction of the current state of the music industry: "A free for all, fuck 'em all, you're on your own side."

The following chapter compiles the recent history of the process of financialization in the contemporary music industry. The story of how the recording industry experienced a dramatic decrease in revenues at the turn of the millennium due to 'piracy' – followed by the rise of digital music marketplaces and new streaming technologies – is a well-worn narrative. Less remarked upon elements of that narrative are the extenuating factors that contributed to that transformative period, such as economic recession, exploitative record labels, legal changes to copyright, the maturation of the compact disc market, and changing consumption patterns. Rarely mentioned is the further concentration of ownership that resulted from this tumultuous period. Successfully pivoting from physical sales to licensing terms and the monopolistic leveraging of back-catalogs, the biggest conglomerates in music – Universal Music Group (UMG), Sony BMG Music Entertainment (Sony), Warner Music Group (WMG), iHeartMedia, Cumulus, LiveNation – have reconfigured, reasserted, and consolidated their dominance over the industry. And nearly completely absent from this narrative is the role of the financial sector in this transformation. Financialization lurks behind the scenes of nearly every major business and technological development in the music industry in the last fifteen years, as both an external force (private equity firms financing acquisitions) and an internal force (traditional media companies pursuing equity stakes and establishing their own venture capital arms). Just as the digital shift in music

presaged the upheaval in journalism and now film and television, the actions of the financialized music conglomerates are a potentially predictive measure for finance and private equity's dramatic reshaping of the cultural industries as a whole.

Music Industry/ies

A disclaimer about the so-called 'music industry' is required. As scholars have noted often over the years, there is no singular 'music industry,' and invoking it as such carries many drawbacks.[142] By implying a homogenous industry and conflating it with the recording industry, the term 'music industry' does a disservice to the complexity and diversity of what Williamson and Cloonan suggest should be called the music industries, plural.[143] The recording industry and its associated lobbying organizations – namely, the Recording Industry Association of America (RIAA) and the International Federation of Phonographic Industries (IFPI) – have much to gain from this conflation: their vested interests are better served by portraying an entire industry in crisis. "It is not a single 'music industry' which is in 'crisis'," explain Williamson and Cloonan, "rather it is one of the music industries which is struggling to come to terms with the new business environment which has been created by technological and communications advances."[144]

[142] David Hesmondhalgh, "Flexibility, post-Fordism and the music industries," *Media, Culture and Society* 18.3 (1996): 469-88; Jason Toynbee, *Making Popular Music* (London: Arnold, 2000); Simon Frith, "Music industry research: Where now? Where next? Notes from Britain," *Popular Music* 19.3 (2000): 387-93; John Williamson and Martin Cloonan, "Rethinking the Music Industry," *Popular Music* 26.2 (2007): 305-322; Jonathan Sterne, "There Is No Music Industry," *Media Industries Journal* 1.1 (2014).

[143] Williamson and Cloonan, "Rethinking the Music Industry," 305.

[144] Ibid., 308-9.

A richer, more complex perspective of the interrelated music industries would consider multiple, overlapping sectors, as is often considered in government studies. In addition to and closely related to recording would be publishing, a growing sector as licensing to film, television, video games, advertising, and other platforms increasingly provide significant revenue streams. Live performance has always been crucial to an artist's income, but the sector as a whole has dramatically increased in the past two decades as ticket prices have surged and the festival circuit has expanded. As in any media industry, distribution is key and is closely tied to retail, particularly its online iteration, which is discussed in depth below. Beyond these foundational pillars, sectors become more difficult to demarcate. Promotion and management are essential, but are often handled by record labels, or individually for smaller, DIY efforts. Musical instrument manufacturing is a hazy sector to reconcile, as electronic devices not solely musical in nature become more integral to many forms of musical production. Education is another tricky sector, as is the core category of artist itself, which would need to include a variety of labor types that are remunerated in different ways, including session musicians, composers, orchestras, and producers. One organizational structure for the music industries identifies upwards of fourteen separate sectors: "business services; community music; core industry; education; industry organizations; live; manufacturing and distribution; media; press and promotion; public services; publishing companies; record labels; recording services and retail."[145]

Even this wide-ranging conception of multiple sectors could still be considered reductive; Jonathan Sterne claims that "the 'music industry' locution crystallizes a particular historical formation of music production, circulation, and consumption as ideal-typical."[146] This

[145] Ibid., 311.

[146] Sterne, "There Is No Music Industry," 51.

conception privileges copyright, originality, and commercialization of a commodity; it doesn't take into account the host of other activities and industries that could be included: computer hardware and software, smartphones and telecommunications, room architecture and automobile design, mining and materials extraction – the list goes on. "There is no 'music industry,'" Sterne proclaims. "There are many industries with many relationships to music."[147] This attention to complexity is a reasonable and necessary plea, particularly as lobbying groups, the popular press, educational programs, and even many scholars reduce and conflate the music industries. Similarly, Williamson and Cloonan rightfully point to history, geography, inequality, conflict, education, and policy as some of the issues which can be overshadowed by singular considerations of the music industry. In pushing for the adoption of 'music industries' as the preferred designation, their aim is to "recognize the significant contemporary organizational changes within the music industries and to redress the balance away from a concentration on the recording industry."[148] However, this approach risks minimizing the significant contemporary organizational changes within the music industries that have redressed the concentration of the recording industry. The disproportionate size of just a few transnational companies has such an outsized impact on so much of the music industries that it may very well justify the consideration of a singular, consolidated music industry. Of all the varied sectors and relationships listed, there are not many that can avoid the companies that dominate recording and publishing, which thus shape live performance, radio, and especially online distribution. All roads lead to Universal Music Group, Warner Music Group, and Sony Music Entertainment.

[147] Ibid., 53.

[148] Williamson and Cloonan, "Rethinking the Music Industry," 319.

Private Equity in the Music Industry

The first major private equity move in the music sector – and a clear-cut example of private equity's key strategies of profit extraction and labor reduction – occurred in 2004, when Warner Music Group was acquired for $2.6 billion by Bain Capital (co-founded by former presidential candidate Mitt Romney), along with two other private equity firms (Thomas H. Lee Partners and Providence Equity Partners), and Edgar Bronfman Jr. (former CEO of Seagram and vice-chairman of Vivendi Universal). Warner Music Group had previously been part of the disastrous AOL Time Warner merger in 2000; the corporation eventually spun off its cable television and publishing divisions in addition to its music holdings. The day after the sale to the private equity firms cleared, the new owners cut 20% of the workforce, roughly a thousand employees.[149] By year's end they had eliminated 2,000 of its 6,500-person workforce, trimmed its global operations, and reduced costs by $250 million.[150] They also moved quickly to restructure the conglomerate, firing many executives, reducing its roster of artists, and combining labels and divisions in order to improve efficiency. Bronfman was not shy about describing his financial approach to the music business, treating artists "almost like a venture-capital business… when it comes time to renew, if the price is too high and the economic burden too great, we will simply pass."[151]

Shortly after the sale, the new owners paid themselves a dividend of $350 million of Warner's cash; later that year, they assembled more debt and paid themselves another $680

[149] "Warner Music Plans to Eliminate 1,000 Jobs," *New York Times*, March 3, 2004.

[150] Ronald V. Bettig and Jeanne Lynn Hall, "The Music Industry: The Payer Calls the Tune," in *Big Media, Big Money: Cultural Texts and Political Economics* (Lanham, MD: Rowman & Littlefield, 2012), 128.

[151] Swati Pandey, "Warner Music whittles its losses on brisk digital sales," *Los Angeles Times*, August 8, 2008.

million.[152] Since the acquisition included $1.25 billion of equity capital, the investors had already recouped most of their investment within a year. When taking the company public in 2005, Bain and co. had sold enough shares to have effectively tripled their original investment. In 2011, the private equity firms earned one final bonus when they exited their investment by selling Warner Music Group for $3.3 billion to Access Industries, which has holdings in natural resources, chemicals, telecommunications, and real estate, as well as equity stakes in the streaming platforms Spotify and Deezer (more on this below). Bragging about their profit and success in the *Wall Street Journal*, two Bain executives claimed to have "paid down debt and dramatically increased cash flow and earnings" at WMG, failing to mention what they eliminated in order to achieve that cash flow: the livelihoods of thousands of musicians and staff members, as well as the productive capacity of the many historic labels in Warner Music Group.[153]

The next major instance of financialization in the music industry came in 2007 when venerable British music company EMI was taken over by private equity firm Terra Firma Capital Partners. With diverse holdings in real estate, retailing, energy, waste management, and many other sectors, Terra Firma uses debt-financing to acquire, overhaul, and re-sell businesses for profit. When it acquired EMI in a $4.7-billion-dollar deal, it sought to extract value by selling off its revenue streams to investors, but the then-roiling financial crisis limited any potential buyers. Instead, Terra Firma opted for dramatic restructuring: it fired the existing management and two thousand employees (45 percent of its workforce), while relentlessly focusing on maximizing profits and minimizing losses.[154] Terra Firma imposed a "global functional matrix

[152] "A Hit On Their Hands," *The Economist,* March 17, 2005.

[153] "Growing the 'Private' Club," *Wall Street Journal,* May 25, 2007.

[154] "EMI Posts Full-Year $2.48 Billion Net Loss," *Billboard*, February 4, 2010.

organization,"[155] and its strategy was characterized as seeking to "disempower the irresponsible 'creatives', and impose financial discipline."[156] Many of those so-called irresponsible creatives decided to take their business elsewhere, including Paul McCartney, the Rolling Stones, Robbie Williams, and Radiohead. Unable to restore revenues in a declining industry and unable to make payments on its loans, Terra Firma forfeited control of EMI to its primary lender Citigroup in 2011. Its losses on the investment totaled $2.7 billion, considered to be the largest known private equity investment write-off in history.[157]

Fresh off their success with Warner Music Group, Bain Capital and Thomas H. Lee Partners set its sights on an even bigger target in the music industry: ClearChannel, the largest operator of radio stations in the US. Since the Telecommunications Act of 1996 had dramatically deregulated the radio industry, no longer limiting the number of radio stations one company could own, Clear Channel had spent $30 billion dollars to acquire more than 1200 radio stations, resulting in as many as seven stations in a single market, 60% of the rock radio market, and equity stakes in 240 international radio stations.[158] Initiated in 2006 and completed in 2008 with one of the largest leveraged buyouts in history, an enormous $24 billion offer was made by Bain and THL and the layoffs followed shortly thereafter. Cutting roughly 10% of the workforce was just the start, as at least three more rounds of layoffs followed in the subsequent years.[159] Smaller

[155] Glenn Peoples, "EMI: A Look Back at The Guy Hands Era," *Billboard*, February 2, 2011.

[156] Andrew Leyshon, *Reformatted: Code, Networks, and the Transformation of the Music Industry* (Oxford: Oxford University Press, 2014), 148.

[157] Glenn Peoples, "Is Terra Firma's Investment in EMI The Biggest-Ever Private Equity Loss?" *Billboard*, February 7, 2011.

[158] Bettig and Hall, "The Music Industry: The Payer Calls the Tune," 143.

[159] "Clear Channel Cuts 1,850 Jobs," *Billboard*, January 20, 2009; Mike Stern, "Updated: Layoffs at Clear Channel," *Billboard*, October 26, 2011; Mike Stern, "More Layoffs at Clear Channel Radio Stations," *Billboard*, March 30, 2012; Mike Stern, "Layoffs Hit Major-Market Clear Channel Stations," *Billboard*, December 7, 2012.

market radio stations were sold off and focus was shifted to only the most profitable stations. Local programming was reduced and replaced with "Premium Choice" content: syndicated regional and national programming such as "On the Air with Ryan Seacrest." Instead of an explicit attention to local concerns, to which terrestrial radio has long excelled, top talent would pre-record custom breaks and token localized content. Bain Capital and THL's ruthless streamlining of Clear Channel deserves the bulk of the blame for the bland monoculture that radio has become. Top 40 stations now play the 10 biggest songs almost twice as much as they did a decade ago.[160] Before long, the quantifier "Top 40" may need to be adjusted downward.

In 2014, in a rebranding effort officially meant to signal its broader digital media presence, but most likely an attempt at dissociating from its poor performance, Clear Channel renamed itself iHeartMedia. Nevertheless, the company is currently in a dismal state, still drowning in the $20 billion of debt that its private equity owners brought on as part of its buyout. "That's more than the entire radio industry generates in ad dollars in a given year," Court Stroud writes, "and it's a debt iHeart appears to have zero prospects of paying off."[161] It hasn't turned a profit since 2007 and interest paid on its debt eats up a quarter of its yearly revenues. It has thus far managed to continually restructure its debt to avoid default (though not without creditors filing lawsuits, smelling blood in the water), but $8.3 billion of senior debt will come due in 2019.[162] Imagine the further job cuts and even more homogenous, dreary programming that will result from attempting to meet that obligation. The likely outcome is bankruptcy, though many would already describe the company as an abject failure.

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[160] Derek Thompson, "The Shazam Effect," *The Atlantic*, December 2014.

[161] Court Stroud, "Coming, the collapse of radio's iHeartMedia," *MediaLife*, March 31, 2016.

[162] Lucas Shaw & Laura J Keller, "Private Equity's iHeartRadio Chokes on Debt Load It Can't Repay," *Bloomberg*, Feb 4, 2016.

The second largest radio operator in the country, Cumulus, has experienced a similar decade of private equity, consolidation, debt, streamlining, and homogenization. Again, Bain Capital and THL play a role, along with Blackstone, the country's largest private equity and investment firm. Forming Cumulus Media Partners, the investment firms financed Cumulus' acquisition of Susquehanna Radio for $1.2 billion in 2006. In a typical 5-year private equity window, these three firms exited their involvement in 2011. Cumulus then brought on new private equity firms, Crestview Partners and Macquarie Group, as well as $3.03 billion in debt-financing from banks, that helped Cumulus finance a deal to buy Citadel for $2.5 billion. Following a troubled merger with Disney's ABC Radio, Citadel had recently emerged from bankruptcy, its shares ending up in the hands of debtholders, private equity firm TPG Capital, JPMorgan Chase, and hedge fund R2 Investments.[163] In 2013, Crestview financed Cumulus' acquisition of Westwood One, a content syndication service, for $260 million. Similar to iHeartMedia, private equity has financed the radio group's massive scale, but has left it with a heavy debt load and declining profitability. Terrestrial radio continues to reach 93% of adult consumers, a pool of 240 million people that remains attractive to advertisers, but the large radio companies have become so highly leveraged by a decade of financialization that profit and growth seems unlikely.[164] The private equity experiences of Warner Music Group, EMI, iHeartMedia, and Cumulus – four of the largest conglomerates in the music industry – demonstrate that the story of private equity is not just the rapid looting of profit in its successes, but the debt-saddled wreckages it leaves in its failures.

[163] Bettig and Hall, "The Music Industry: The Payer Calls the Tune," 145.

[164] Steve Knopper, "Is Terrestrial Radio Facing Its Judgment Day With Fierce Digital Competition?," *Billboard*, May 19, 2016.

Never Let a Good Crisis Go to Waste: The Piracy Panic in Retrospect

In 2012, the minimally competitive recording and publishing industries concentrated even further when Citigroup, having recently taken control of EMI from Terra Firma after it failed to make payments on its debt, sold EMI for parts. Most of EMI's publishing arm was sold to a consortium headed by Sony and including the Michael Jackson estate, Mubadala Development Co. sovereign fund of Abu Dhabi, Jynwel Capital, Blackstone, and the media mogul David Geffen. EMI's recording arm was sold to Universal Music Group, including the lucrative Beatles catalog and historic labels such as Capitol Records, Decca, Def Jam, Geffen, Interscope, Island, Mercury, Motown, Polydor, Republic, Virgin and Verve. During the Universal-EMI antitrust hearings, an antitrust attorney estimated that the combined entity would control 42% of American recorded music revenue, transforming the market from "moderately concentrated" to "highly concentrated" as defined by the DOJ-FTC horizontal merger guidelines.[165] Using 2011's charts, UMG would have owned more than half of the titles on the Billboard Hot 100. Nevertheless, the merger was approved and the diversity of major companies in the recording industry has dwindled from six in the late 1990s to just three multinational corporations today. One condition of the merger was for UMG to divest of Parlophone, the esteemed label dating back to 1896, though it was quickly acquired by Warner Music Group, nullifying any diversity the divestment requirement may have created. According to a Nielsen Music report in 2015, and demonstrated in Figure 5, UMG occupies 39.2% of the "industry market share," Sony has 27.3%, and WMG has 19.4%, leaving just 13.2% to independent labels, and resulting in 86% of the market controlled by the 'Big Three.'[166]

[165] Gabriel Bluestone, "FTC should block the Universal/EMI merger," *The Hill,* August 29, 2012.

[166] Ed Christman, "Q3 SoundScan Report: Taylor Swift and Bruno Mars Dominate, Streaming Surges," *Billboard,* October 8, 2015.

This market domination is a far cry from the hysteric claims that were routine during the panic over peer-to-peer file sharing. At the height of the Napster/P2P frenzy around the turn of the millennium, it was not uncommon for the viability of the music industry itself to be considered under attack from file-sharers, whom the RIAA (Recording Industry Association of America) and the IFPI (International Federation of the Phonographic Industry) claimed threatened to upend the extreme profitability ushered in by the compact disc format. Today, with widespread, convenient access to digital music in a variety of forms and price points (including free, ad-supported models), the dust has somewhat settled on the piracy threat and a more accurate version of the transition to digital can be assessed. In hindsight, the threat of piracy was not only exaggerated by the big music companies and its lobbying organizations, but exploited. It is difficult to determine the true economic impact of what has erroneously come to be called 'piracy' (piracy implies unauthorized reproduction for commercial gain, whereas most file-sharing is just that, the transfer of digital files with no money changing hands). A number of studies have shown that piracy has little to no effect on purchases,[167] while some have found a positive correlation,[168] presumably because file-sharers are also some of the most passionate music fans and thus the expanded exposure brought about by piracy can increase sales among the devoted. Regardless, the recording labels and their lobbying organizations (RIAA and IFPI)

[167] See Martin Peitz and Patrick Waelbroeck, "Why the Music Industry May Gain from Free Downloading - the Role of Sampling," *International Journal of Industrial Organization* 24 (2006): 907-913; Felix Oberholzer-Gee and Koleman Strumpf, "The Effect of File Sharing on Record Sales: An Empirical Analysis," *Journal of Political Economy* 115.1 (2007): 1-42; Birgitte Andersen and Marion Frenz, "Don't Blame the P2P File-Sharers: The Impact of Free Music Downloads on the Purchase of Music CDs in Canada," *Journal of Evolutionary Economics* 20.5 (2010): 715-40; Julie Holland Mortimer, Chris Nosko, and Alan Sorensen, "Supply Responses to Digital Distribution: Recorded Music and Live Performances," *Information Economics and Policy* 24.1 (2012): 3-14.

[168] See Joe Karaganis and Lennart Renkema, "Copy Culture in the US and Germany," *Columbia University* (2013), http://piracy.americanassembly.org; Luis Aguiar and Bertin Martens, "Digital Music Consumption on the Internet: Evidence from Clickstream Data," *European Commission Joint Research Centre* (March 2013); Robert G. Hammond, "Profit Leak? Pre-Release File Sharing and the Music Industry," *Social Science Research Network* (March 7, 2013).

seized upon this development to advance what David Arditi calls the "piracy panic narrative,"[169] a conflation of file sharing with piracy, and thus stealing, which victimized artists. The news media, much of which was owned by the same conglomerates that owned or had relationships with the recording labels, faithfully relayed this justification for why the recording industry was struggling financially, even though internal industry documents showed that the industry itself acknowledged the host of other reasons that accurately accounted for the drop in sales around the turn of the century: the maturation of the CD-replacement cycle, economic uncertainty, competition from video games and DVDs, the lack of a legitimate MP3 market, and the narrow focus on superstar artists at big-box retailers.

The exaggeration of piracy's effect not only allowed the industry to paper over these actualities, but wield their influence under the guise of 'defending artists.' "Far from being passive victims of technological shifts in the recorded commodity form," Arditi explains, "the RIAA has been an active player in creating novel ways to profit from new modes of commodification, and it has used the change in commodity form to consolidate major record label power to get the public and the state to invest in 'saving' music."[170] Waging an aggressive public relations campaign well before the effects of Napster, the vested industry players were able to deliver concrete policy results in their favor: the Audio Home Recording Act (AHRA) in 1992, which established royalties, anti-circumvention, and anti-copying provisions on digital recording devices; the Digital Performance Right in Sound Recordings Act (DPRA) in 1995, which established digital public performance rights; and the Digital Millennium Copyright Act (DMCA) in 1998, which vastly expanded anti-circumvention and copyright infringement

[169] David Arditi, *iTake-over: The Recording Industry in the Digital Era* (Lanham: Rowman & Littlefield, 2015), xxii.

[170] Ibid., xix.

penalties. Between the policy gains and the continual consolidation, a renewed corporate oligopoly arose out of the 'piracy' moment with an increased ability to dictate its terms.

As physical sales of compact discs began to slow in the 90s, the role of the record label shifted and the major players were able to capitalize on their renewed clout and claim their right to increasingly valuable revenue streams that were previously unavailable. Publishing, touring rights, merchandising, and licensing were now fair game in notorious "360-degree" deals.[171] These four sectors have proven more lucrative in the digital era, which explains the diversification strategy of the major labels, but we shouldn't downplay the importance of the recording sector. Similar to how the theatrical release of a Hollywood film is merely the first stage of a long advertising campaign and functions as a predictor for its success in lengthier, more lucrative release windows and its eventual value in the catalog, the recorded music business holds symbolic significance for how a musician will fare in the larger ecosystem of live performance, licensing opportunities, and radio play. This symbolic character is currently in flux, as the recording industry is in the midst of a dramatic shift away from physical purchases and digital downloads and toward streaming platforms. Streaming music revenues from the likes of Spotify and Pandora surpassed CD revenues in the US in 2014 and surpassed digital downloads from iTunes and others in 2015. It's been a remarkably quick transformation, with rapid year-over-year growth in the streaming sector. A decade of financialization, private equity streamlining, consolidation of ownership, and political lobbying have positioned the Big Three labels to be able to exploit this transition without the confines of competition or regulation.

[171] See Matt Stahl and Leslie Meier, "The Firm Foundation of Organizational Flexibility: The 360 Contract in the Digitalizing Music Industry," *Canadian Journal of Communication* 37.3 (2012): 441-458.

Streaming, the Black Box, and Royalty Rates

The most significant effect of the concentration of ownership in the recording industry is the way in which the Big Three labels exploit their large back-catalogs in licensing negotiations with on-demand subscription platforms such as Spotify, Apple Music, Soundcloud, Vevo, Tidal, Google Play Music, Deezer, and other companies that require access to major label catalogs in order to function. Unlike the screen industries, where consumers have been trained to purchase film and television products at descending price points through different windows of release, never expecting a full, on-demand catalogue, which maintains a more diverse and competitive market, the music industry has relinquished such a distribution chain. Consumers of music have now come to expect near total access to popular music, dating back many decades. A generation of young consumers that came of age sharing MP3s and amassing large collections on iPods and other devices certainly contributed to this consumer behaviour, but if one considers the political-economic implications of near total catalogs, and the opportunities for market domination that arise when catalogs have been consolidated, then the Big Three labels have much to gain from such a minimally competitive market.

Of what little is known about these licensing negotiations, we do know that subscription streaming platforms are thought to pay out roughly 70% of their revenues to copyright-holders, which means the labels are the recipient, not the artist. Spotify claims "nearly 70%" in its detail-lacking attempt at transparency on its website[172]; Apple Music claims 71.5%,[173] and artist-

[172] "How is Spotify contributing to the music business?" *Spotify Artists*, http://www.spotifyartists.com/spotify-explained.

[173] Peter Kafka, "Here's What Happens to Your $10 After You Pay for a Month of Apple Music," *Re/code*, June 15, 2015.

championing Tidal proudly proclaims 75%.[174] However, because the Big Three labels require strict non-disclosure agreements (NDAs) in these licensing deals, there is no way to verify this arrangement, even for the artists whose recordings are subject to these agreements. While the streaming companies often bear the brunt of public scorn for the miniscule royalties that artists often receive per stream, the record labels are the ones hiding behind NDAs and failing to pass on a healthy share of the streaming revenue. The complete disregard for providing even minimal details on how these arrangements operate has caused a disparate group of music advocacy organizations to unite around a shared appeal for transparency. The Future of Music Coalition, a Washington, D.C. think tank; the Rethink Music research initiative at Berklee College of Music at Harvard; the trade association International Music Managers Forum (IMMF); the Worldwide Independent Network, who have released a Fair Digital Deals Declaration; the Content Creators Coalition; and the American Association of Independent Music are just a few of the organizations pinpointing the lack of transparency as a key issue for the contemporary artist's financial woes in the music industry. As David Byrne (of Talking Heads) insists in an op-ed for the New York Times: "Open the Music Industry's Black Box."[175]

The evocation of a 'black box' (only inputs and outputs are known, not internal procedure) is fitting in this regard. Beyond the fact that the Big Three labels are not paying forward a fair share of the royalties generated by streaming services, the method with which they are being calculated is suspect: they are not determined in a simple pay-per-play agreement. A user is likely under the impression that part of their subscription fee is channeled back to the artists they listen to, but that is not the case; royalties are distributed based on overall popularity

[174] Devin Leonard, "That's Business, Man: Why Jay Z's Tidal Is a Complete Disaster," *Bloomberg*, May 28, 2015.

[175] David Byrne, "Open the Music Industry's Black Box," *New York Times*, July 31, 2015.

(or pro rata, meaning in proportion), including back catalog. Thus, independent artists are no longer competing with better-funded and promoted corporate artists, but the entire history of better-funded and promoted corporate artists.

Furthermore, each record label negotiates its own deal with streaming services and the Big Three labels that control much of the back-catalog of popular music have a much bigger seat at the negotiating table and earn far more favorable terms. The Big Three have such enhanced leverage in these negotiations that a handful of senior executives make key licensing decisions that determine the structure of much of the online music experience. In effect, they have become the gatekeepers for all new music startups that require these licenses to operate. Diversity and innovation in the entire online music industry depends on the behaviours, pay packages, strategic interests, and whims of a few executives. Without access to any comprehensive data about these financial relationships, commentators and critics are left to surmise patterns and policies from rare glimpses into this black box.

One such limited peek into these hidden negotiations occurred when a 2011 contract between Sony and Spotify was leaked to the media, revealing some of the key perks extracted by the big labels.[176] The first is substantial advance payments (in this case, $42.5 million over three years) for access to their catalogs. Whether or not these payments are shared with artists is debatable; only after the report leaked did labels claim that they did, though they offered no evidence and industry sources claimed otherwise. Without transparency and audits, no one can be sure, though the recording industry's countless legal battles over unpaid royalties and payola over the years does not foster much trust. Free and discounted ad space, with the right to resell at higher rates, was another bonus awarded to Sony, as well as ad space for free artist-promotion.

[176] Micah Singleton, "This was Sony Music's contract with Spotify," *The Verge*, May 19, 2015.

Lastly, a key feature of the leaked contract was a most-favored-nation (MFN) clause, meaning that Sony was entitled to increased payment if any other labels negotiated better deals and the right to conduct an audit as proof. There is perhaps no clearer signal of the imbalance in the recording industry than the fact that the major labels have the right to perform audits in order to extract more money, while artists are unable to perform audits in order to find out why they make so little.

Another glimpse into the black box occurred in a 2015 report conducted by the consulting firm Ernst & Young and the French record label trade group SNEP, which traced where the money earned from a streaming subscription fee in France ultimately ended up.[177] As illustrated in Figure 6, they found that the streaming platform keeps roughly 20% and pays about 17% in taxes. The label keeps about 45%, leaving just 10% for the songwriters/publishers and a meagre 6.8% for the artists. As a percentage of the revenue the platform delivers after taxes, labels keep a whopping 75%. In the pre-digital days, a label might be able to argue that their substantial portion was justified: paying for studio time, then the physical manufacture and storage of records, tapes and CDs, then distributing them by truck to stores across many regions. This complex and unstable supply chain had many opportunities for overages and losses and thus the labels were taking on quite a bit of risk, justifying their large fee. Digital recording and distribution have greatly minimized that task and cost, but the labels continue to charge this steep percentage through a combination of pre-digital recording contracts, shady accounting, and, most of all, market power.

[177] Timothy Ingham, "Major Labels Keep 73% of Spotify Premium Payouts - Report," *Music Business Worldwide*, February 3, 2015.

Furthermore, this 75% cut is not even the end of the big label extraction; the labels take a cut of the other categories as well. They have a big stake in the 10% that goes to publishing rights. Artist payouts, as small as they are, are often subject to recoupment, in which an advance is given and the label later bills substantial recording, touring, and marketing expenses to the musician, a notorious black hole for unaccounted expenses. Recoupment has been around for decades, but the Big Three have recently developed a particularly devious new method of exploitation that does not require them to share anything with their artists. The original 20% that the platform keeps as its own revenues is actually partially the labels as well, due to the most incriminating demand of the Big Three's negotiation with streaming services: equity stakes in each new platform. The labels have such excessive leverage because of their consolidated catalogs that they can demand to own a percentage of each new company. Though the value of that catalog only exists because of the musicians, the artists are not entitled to any portion of this ownership stake or any future profits that might result of it. The resultant position of the label is to sell music to a platform that it itself partially owns. As both the seller and the partial buyer, it has reason and ability to lower the overhead on each side of the equation in order to maximize profit. The overhead in this case is paying the artist their fair share.

Equity Stakes, Venture Capital, and Big Data

The era of streaming technology has given rise to a lucrative new revenue stream for the Big Three labels, a distinct artifact of the era of financialization: equity stakes that lead to massive paydays from IPOs and acquisitions. In order for a startup to make use of popular music in their platform or app they must enter into deals with UMG, Warner, and Sony, who leverage their lucrative position to attain prime pieces of early equity in companies with rapidly increasing

valuation. UMG is the exemplar for this strategy, having earned a massive $404 million payday from their equity in Beats, which was sold to Apple for $3 billion in 2014. Warner Music Group is the most recent label to acquire an ownership stake, gaining 5% of Soundcloud, a startup valued at $1.2 billion.[178] Forbes estimates the total equity stakes held by the Big Three labels to be around 10-20% of the established streaming services, including Spotify, Rdio, Vevo, and Soundcloud, as well as significant pieces of other startups such as Interlude and Shazam.[179] The total equity is estimated to be almost $3 billion, roughly 20% of the $15 billion or so the labels are currently valued at. Because they do not have to share this profit with the artists, these deals are lucrative and power-asserting strategies for the Big Three labels, but also quite risky, considering the large amount of capitalization involved, premised on unproven business strategies in a fickle digital market. The bankruptcy of Rdio is one such example, with Sony losing millions from its investment, and Warner Music Group among its other creditors holding unsecured debt.[180]

All three labels have substantial equity stakes in Spotify, considered to be as much as 20%, and the company was valued at $8.4 billion in early 2015.[181] It has taken steps to file an IPO, which could raise north of $10 billion. An acquisition is a possibility as well, as Spotify is a likely target for a deep-pocketed tech company such as Google, Facebook, Amazon, or Microsoft, each of which is looking to compete with Apple's ecosystem that now includes Apple

[178] Ben Sisario, "SoundCloud Signs Licensing Deal with Warner Music," *New York Times*, November 4, 2014.

[179] Zack O'Malley Greenburg, "Revenge of The Record Labels: How The Majors Renewed Their Grip On Music," *Fortune*, April 15, 2015.

[180] Eriq Gardner, "Rdio Was Losing $2 Million Each Month Before Bankruptcy," *Hollywood Reporter*, November 17, 2015.

[181] Douglas Macmillan and Telis Demos, "Spotify Nears Deal to Raise $400 Million at $8.4 Billion Valuation," *Wall Street Journal*, April 10, 2015.

Music. Thus, another massive payday for the labels is likely on the horizon (upwards of $2 billion total), which they will not be obligated to share with their artists. After public outcry about this upcoming theft, Sony and Warner announced that they would share some of the proceeds; however, without any legal language in their contracts with artists that necessitate this sharing, it is unlikely to be anything more than token gestures to their biggest artists with enough clout to demand it. Soundcloud, another popular streaming platform, was being evaluated for acquisition by Twitter in 2014, who then hesitated because the platform did not yet have licenses from the big labels. Equity stakes ended up being the cost of those licenses. Vevo, the music-video company part-owned by Google, is another start-up of which the labels have equity. These are not one-off deals, but a distinct pattern of leveraging catalog for equity, utilizing a strategy similar to venture capital.

The fact that the Big Three labels tend to operate in lockstep with each other with regards to streaming platforms seems to suggest collusion, for which they already have a long history, such as CD price-fixing and payola. How else would one explain UMG, Warner, and Sony all purchasing the same amount of equity stakes at the same time in Shazam, a media-identification and data-focused tech company?[182] These oligopolistic actions are also visible in the many joint ventures that unite the Big Three, such as Sony and Warner's investment in Access China Media Solutions, Universal and Warner's Royalty Services venture, and iHeartMedia and Warner's promotional partnership.

In addition to collusion, self-dealing is another case of potential legal misconduct. A lawsuit brought by 19 Recordings (an American Idol-affiliated record label representing artists such as Kelly Clarkson and Carrie Underwood) alleges that Sony acquired its equity stake and

[182] Hannah Karp, "Warner, Universal, Sony Buy Stakes in Music App Shazam," *Wall Street Journal*, May 14, 2014.

advertising income from Spotify in lieu of negotiating fair-market royalty rates. The allegations would have broader implications, the lawsuit suggests, because:

> ...those other record labels have engaged in the same self-dealing as Sony with respect to the diversion of payments to them, and the below market streaming royalty rates to artists. Together, and individually, Sony and the other major record labels therefore have significant power to exert control over Spotify in order to not only dictate how revenue will be paid, but wrongfully and in bad faith divert money from royalties that must be shared to other forms of revenue that they can keep for themselves.[183]

In essence, the Big Three have a compelling financial incentive for accepting low royalty rates for their artists: it lowers the overhead for the services which the labels have equity stakes in. Rather than sharing profit with their artists directly through royalty rates, they wait for a large payout through IPO or acquisition, which will not need to be shared with the artists.

Running parallel to these leveraged investment strategies, in which access to their catalog is sold on condition of equity stakes, media companies are also pursuing their own venture capital opportunities through subsidiaries such as Comcast Ventures, Time Warner Investments, Disney Accelerator, Sony Venture Capital, Bertelsmann Digital Media Investments, Liberty Global Ventures, and Universal Music Group's venture capital fund. As an example of such a portfolio, UMG invests in a variety of media-related startups such as: VIDA, a socially conscious e-commerce platform; Rockbot, a virtual jukebox solution for businesses; Merchbar, an online retailer for music merchandise; Pluto TV, an online video platform; Pogoseat, a marketplace for VIP concert experiences; Meerkat, a live streaming video app; Doppler, a wireless-earbud audio system; and strangest of all, Bellabeat, a 'quantified-self' pregnancy app that allows the user to listen to his or her baby's heartbeat and share it on social media. As Chairman and CEO of

[183] Eriq Gardner, "Sony's Equity Stake in Spotify Challenged in Lawsuit Claiming Artists Are Robbed," *Hollywood Reporter*, June 24, 2015.

Universal Music Group Lucian Grainge proclaimed in his year-end memo, emphasizing the role of investing in technology, UMG's mission is "to be a formative player in shaping and developing the music platforms of tomorrow."[184] The scope of the recording industry has certainly changed, with a role in technology-formation now seemingly necessary to assure control over the future direction of music consumption. Similar to its leveraging of equity stakes, any profits generated from these venture capital investments do not need to be shared with the artists.

Sitting atop lucrative, consolidated catalogs that provide reliable revenues and constrain any digital developments outside of their control, the Big Three are a lot less interested in cultivating new artists or developing a diverse roster and far more interested in making strategic investments and maximizing their own assets. A key advancement in the ability to maximize assets is the use of 'big data' in order to quantify the now trackable digital outpouring of airplay, listens, downloads, ticket sales, merchandising revenues, likes, mentions, retweets, and other listening and social data. The real time data provided by big data firms allow record label executives to know which artists and songs deserve increased investment in terms of marketing and which artists and songs should be discarded. Awareness and loyalty can be strengthened by data-driven engagement strategies, while tours and album releases can be strategized based on contextual, regional, and local data. Big data turns an artist roster into a stock market, where shares are bought and sold based on data markers and financial indicators of performance.

A core conceptual advancement emphasized by big data is the shift away from thinking about audiences, which aligned with a physical-product based music industry, to users, befitting

[184] Quoted in Andrew Flanagan, "Lucian Grainge's End-of-Year Memo to Employees: 'It's No Longer Enough to Outperform,'" *Billboard,* December 19, 2014.

of a rising software and service-based music industry in a world of ubiquitous networks. Without the mass-produced physical good for the industry to orient and organize around, an instability permeates through the industry as a plethora of revenue streams are being leveraged and emergent digital practices are still being established. Big data can help ease that instability by harnessing, structuring, and exploiting the user's engagement. Rather than a passive audience to unidirectionally sell product to, the user is an active participant in a database-driven system and an integral part of the design and architecture of new media ecosystems. As Tim Anderson notes, "the surveyed and exchanged end user has become the basic unit of analysis, of the many sites and services that are part of the new music business ecosystem."[185] Just by accessing and interacting with media, users provide their unpaid data labor that continually generates information to improve the design of the system.

Though presented to the user as neutral and objective renderings of algorithmic insight, the data are processed by these systems according to specific commercial motives. "Far from neutral purveyors of predictions," Jeremy Wade Morris suggests, "recommendation systems measure and manufacture audiences to provide targeted suggestions for popular cultural goods and exert a logistical power that shapes the ways audiences discover, use and experience cultural content."[186] These 'infomediaries,' the organizational entities that monitor, mine, and mediate cultural usage data, create an informational infrastructure that shapes the discovery and experience of cultural goods. The implications are wide-ranging: "the increased ability to segment musical tastes and to use the data gleaned from musical practices makes each listening

[185] Tim J. Anderson, *Popular Music in a Digital Music Economy: Problems and Practices for an Emerging Service Industry* (New York: Routledge, 2014), 25.

[186] Jeremy Wade Morris, "Curation by code: Infomediaries and the data mining of taste," *European Journal of Cultural Studies* 18.4-5 (Aug-Oct 2015): 447.

instance an economic opportunity for a host of unseen actors. The new digital traces… [are] rolled back into a much larger data profile for further targeting and refining."[187] The preliminary results of these data-mining systems are customized recommendations, branded interfaces, information discovery, social integration, and targeted advertising, but the opportunities have yet to be fully exploited. One thing that has been exploited is the market domination of the major companies to quickly acquire all of the leading big data companies in the music sector.

Each major player in the music industry has recently acquired a data analytics company: LiveNation bought BigChampagne for an estimated $30 million in 2011; Spotify purchased Echonest for $100 million in 2014; Apple acquired Acnu in 2013, as well as Semetric/Musicmetric for an estimated $50 million in 2015 and Topspin in its $3 billion purchase of Beats; Pandora acquired Next Big Sound for an undisclosed amount in 2015; Universal Music Group enacted a "Global Music Data Initiative" with the ad agency Havas in 2015; and each of the Big Three labels has equity stakes in Shazam, and thus access to their data and services. The big data harnessed by these firms are particularly relevant for how the Big Three devise their streaming platform strategy, where singles and abundance have become the norm, replacing albums and scarcity. As a result, playlists have risen in prominence as important sources of discovery. Much of the promotional discourse surrounding playlists is figured around the contrast between human-centered curation by skilled editors and data-based recommendation engines by algorithms, which has become a point of distinction between Spotify (machine) and Apple Music (human). The ownership implications behind these playlists, however, are rarely commented upon. As with data analytics, the major players have been making acquisitions of playlist companies: Warner bought playlists.net, Rdio bought TastemakerX, Google bought

[187] Ibid., 455.

Songza, and Apple bought Beats, in part, for its curation development. On Spotify, three of the most popular playlists are Digster (run by Universal), Topsify (Warners), and Filtr (Sony). Naturally, each playlist favors its own artists.

The utopian promise of the "celestial jukebox,"[188] with unlimited access to a diverse catalog, is betrayed by the combination of oligopoly and algorithmic control. "Due to the lack of transparency in how recommendations and 'discoveries' are presented," Jeremy Wade Morris and Devon Powers argue, "it is often not clear that these are promotional messages; rather they seem like grassroots discoveries based on a user's previous listening habits and patterns. The line between Spotify as a distribution outlet and Spotify as a promotional intermediary blurs."[189] The Big Three labels are happy to exploit this blur, as this intermediary practice unfairly emphasizes their artist roster, covertly harvests actionable data, and slowly increases the size of their payday when their investment in the platform comes to fruition. As Patrick Vonderau notes in his consideration of the politics of content aggregation, "people's attitudes and practices toward cultural forms such as songs or films are transformed under the shift from commodity ownership to commodified experience."[190] In this new era of big data-determined, branded listening experiences, the importance of personal ownership of music is waning, while the grip of corporate ownership is ever-tightening, producing more and more opportunities for speculation and financialization.

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[188] Paul Goldstein, *Copyright's Highway: The Law and Lore of Copyright from Gutenberg to the Celestial Jukebox* (New York: Hill and Wang, 1994).

[189] Jeremy Wade Morris and Devon Powers, "Control, Curation and Musical Experience in Streaming Music Services," *Creative Industries Journal* 8.2 (2015): 8.

[190] Patrick Vonderau, "The Politics of Content Aggregation," *Television & New Media* (2014): 9-10.

Destruction through Disruption

In a candid conversation I had with a venture capitalist at one of the Big Three record labels (under condition of anonymity), he gave a deceptively direct and distilled description of how the contemporary music industry works:

> A music company doesn't need to go out and make money. People make music; they aren't going to stop making music. People listen to music; they aren't going to stop listening to music. All a rights holder like Sony, Warner, or Universal has to do is say: 'fuck you, pay me.'

The directive that ends this eloquent summary of music business practices is a reference to *Goodfellas*, the 1990 Martin Scorsese film about the mafia. Henry Hill, the protagonist, is describing how the mafia extorts small businesses in exchange for protection, extracting profit without regard for the health of the business: "But now the guy's gotta come up with Paulie's money every week, no matter what. Business bad? 'Fuck you, pay me.' Oh, you had a fire? 'Fuck you, pay me.'" The comparison is apt; with only three labels left, the extortion of rent on extensive catalogs of music, particularly of streaming platforms, is akin to a cultural cartel enacting mass theft of creativity.

Or to switch to another metaphor indicating a corrupt system, the music industry has transformed into a financialized market with only a few powerful players who are seemingly 'too big to fail.' The percentage of artists who have a dominant role in such a marketplace is unsurprising: the top 1% account for 77% of all artist recorded music income. Though the top 1% accounted for 75% of CD revenues, that proportion is rising and has now grown to almost 80% of subscription streaming revenue.[191] One might think the vast expansion of available music online would lead to more diverse consumption but the opposite is true. Even though the amount

[191] Mark Mulligan, "The Death of the Long Tail: The Superstar Music Economy," *MIDiA Consulting* (March 2014).

of digital music sold has increased, the 10 top-selling tracks command 82 percent more of the market than they did a decade ago.[192] As mentioned, Top 40 stations play the 10 biggest songs almost twice as much as they did a decade ago. This stratification is not just in recording, but in the live sector as well. Ticket prices and sales have surged in the last two decades, with average ticket prices far outpacing the consumer price index. This accounts for some of the reason why artists depend on it more than ever. But live revenues are also becoming more and more concentrated. In 1982 the top 1% of artists accounted for roughly a quarter of concert ticket revenues; by 2003, it was 56%. The top 2-5% of artists also increased their share of the pie; while the remaining 95% used to have almost 40% of the market, by 2003 they were left with less than 15%.[193] This kind of trajectory surely reminds us of other shocking statistics of widening income and wealth inequality that we are all-too-familiar with in this new gilded age.

In an interview I conducted with an executive at one of the Big Three record labels (again under condition of anonymity), he claimed that his company "does not hold any market power." His explanation was that Spotify controls streaming, iTunes controls downloads, Walmart controls retail, iHeartMedia controls terrestrial radio, Pandora controls digital radio, and Live Nation controls concerts. Despite the domination of the global recorded music market by the Big Three labels, with interests in publishing and many other sectors as well, there is some truth to his comment in terms of their limited distribution options. Maybe this is a different form of cultural oligopoly, not based on vertical integration, but on building a digital fence around the one facet of the industry that a company controls, waging a vigorous defense of intellectual property, and charging rent on that territory, at the expense of its creators.

[192] Thompson, "The Shazam Effect."

[193] Alan B. Krueger, "Land of Hope and Dreams: Rock and Roll, Economics and Rebuilding the Middle Class," Rock and Roll Hall of Fame. Cleveland, Ohio. June 12, 2013. Speech.

Consumers used to buy media products on a one-off basis and the gatekeepers charged their percentage. There was considerable consolidation, but the key was continued performance and reinvestment, etching out profit based on the ability of their creative and marketing talent to reach an audience. Now, consumers pay the gatekeeper for digital access to consolidated catalogs that have reached such a scale that competition is rendered ever more minimal. Cultivation of talent now takes place in a 'digital farm league,' where creators hustle online on social media in order to generate an audience of their own, proving themselves worthy of being chosen for the big leagues, where even then they will still get only a minor cut, with decreasing leverage. The primary strategy is maximization of assets through catalog building. The conglomerate model of vertical and horizontal integration where a series of total but competing supply chains deliver media commodities may be outmoded; the focus is now leveraging catalogs as an asset of shareholder value. A conglomerate suggests a hierarchy and a stable supply chain, whereas finance suggests flexibility, insurance, quickly reallocating resources, short-term gain, hedging risk, and a precarious workforce.

If this is true, then the media business is no longer about selling a commodity, but building a diversified portfolio, a cultural hedge fund. In the conglomerate model, there were tools all along the value chain with which to cultivate and sell content. Now there is merely a monopoly or tight oligopoly with which to extract rent on cultural territory. Because making money in the cultural industries is so risky, with fickle audiences constantly changing behaviours and tastes, it is not surprising that the entertainment market has been held captive to risk-hedging practices developed in the financial sector. But finance is not concerned with building anything, it merely follows, invests, hedges, exploits, and extracts. Private equity is not interested in the long-term profitability, market share, or brand power of the cultural industries. It is not even

interested in culture. It's just interested in the highest possible return in a short period of time. Private equity firms and financialization strategies bring new meaning to Joseph Schumpeter's notion of 'creative destruction'; the finance sector is actively dismantling the creative industries for short-term profit. The implications of financial capital on the production and circulation of culture are the same as they are in the wider American economy: a corrupt infrastructure, a plutocratic ruling class, a shrinking middle class, and vast inequality.

Chapter 4. Derivative Music:

The Wu-Tang Clan, Jay Z, and Hip Hop's Speculative Form

Introduction

The previous chapter looked at the role of finance in the music industry, particularly how private equity, venture capital, and streaming technology have reshaped the music industry. The following chapter pairs with the sixth chapter in analyzing a case study to show how the logic of financialization has embedded itself within the creative process and is visible within the formal features of cultural texts, not just the broader role of economics and ownership. As with the case study of *30 Rock* in chapter 6, this analysis of hip hop is not meant to suggest that economic factors wholly determine the content of the cultural text, nor that creative workers blindly adhere to industrial constraints. On the contrary, these case studies have been chosen because they exhibit a keen sense of their economic context, reflexively commenting on the financial conditions of their creation and their social surroundings, thereby pushing back against the cultural, social, and especially economic restrictions foisted upon them. These case studies demonstrate a conflicted sense of opposition-*to* yet exploitation-*of* their corporate conditions, a sort of calculating complicity. Because capitalism has a way of turning its resistance and conflict into profit, these case studies – despite their antagonism, perhaps *because* of their antagonism – advance the cause of cultural financialization through their innovative forms. Recalling Braudel's claim that financial expansion is a sign of autumn for an economic regime, one of the fundamental questions of this project is what does autumnal culture look like? This chapter suggests that it looks a lot like hip hop: entrepreneurial, speculative, referential, and derivative,

in both senses of the word. These are not just economic descriptors, but formal qualities of cultural texts in a financial age.

The Political Economy of Hip Hop

Hip hop has received its fair share of academic study,[194] particularly on the politics of race, identity, and representation.[195] Tricia Rose's *The Hip Hop Wars* provides a comprehensive overview of these issues by looking at the most common debates about hip hop, including violence, sexism, racism, class, values, and authenticity.[196] Materialism and consumerism within hip hop is another common issue; condemnations of its materialism have accompanied hip hop throughout its history, particularly in conservative media, while defenses of this overt consumerism often tend toward illuminating the broader context in which rappers, typically young African-American men, engage in such ostentatious display. "Their flaunting of wealth," Ekow Eshun argues, "is intended as provocation against a society that has striven to confine the

[194] See John Gray, *Hip-Hop Studies: An International Bibliography and Resource Guide* (Nyack, New York: African Diaspora Press, 2016).

[195] See Tricia Rose, *Black Noise: Rap Music and Black Culture in Contemporary America* (Hanover, N.H.: Wesleyan University Press, 1994); Adam Krims, *Rap Music and the Poetics of Identity* (Cambridge: Cambridge University Press, 2000); Murray Forman, *The 'Hood Comes First: Race, Space, and Place in Rap and Hip-Hop* (Middletown, CT: Wesleyan University Press, 2002); Imani Perry, *Prophets of the Hood: Politics and Poetics in Hip Hop* (Durham, NC: Duke University Press, 2004); Jeffrey O. G. Ogbar, *Hip-Hop Revolution: The Culture and Politics of Rap* (Lawrence, KS: University Press of Kansas, 2009); Murray Forman and Mark Anthony Neal, eds. *That's the Joint!: The Hip-Hop Studies Reader*, 2nd ed. (New York: Routledge, 2011); Lester K. Spence, *Stare in the Darkness: The Limits of Hip-Hop and Black Politics* (Minneapolis, MN: University of Minnesota Press, 2011); Miles White, *From Jim Crow to Jay Z: Race, Rap, and the Performance of Masculinity* (Champaign, IL: University of Illinois Press, 2011); Loren Kajikawa, *Sounding Race in Rap Songs* (Oakland, CA: University of California Press, 2015); Lakeyta M. Bonnette, *Pulse of the People: Political Rap Music and Black Politics* (Philadelphia, PA: University of Pennsylvania Press, 2015).

[196] Tricia Rose, *The Hip Hop Wars: What We Talk About When We Talk About Hip Hop--and Why It Matters* (New York: Basic Civitas Books, 2008). As the chapter titles note, the five main criticisms Rose analyzes are: Hip Hop Causes Violence, Hip Hop Reflects Black Dysfunctional Ghetto Culture, Hip Hop Hurts Black People, Hip Hop Is Destroying America's Values, and Hip Hop Demeans Women; the five main defenses are: Just Keeping It Real, Hip Hop Is Not Responsible for Sexism, "There are Bitches and Hoes," We're Not Role Models, and Nobody Talks About the Positive in Hip Hop.

aspirations of black people."[197] For Mark Anthony Neal, this materialism contributes to a "hip-hop cosmopolitanism" that is "undergirded by desires for physical, social, and economic mobility" and challenges "stridently parochial notions of masculine identity (and gender) in hip-hop."[198] Beyond ideological interpretations such as these, analyses of the way hip hop's broader economic and industrial dimensions interact with its cultural aspects, however, are not as common.

Scholars often note that like blues, jazz, gospel, funk, soul, and rock before it, hip hop arose out of African-American communities before being heavily commercialized and incorporated into mainstream white American culture. As Norman Kelley notes, African-American music operates within a "structure of stealing… a continuous replay of the uncontested and lucrative expropriation of black cultural forms by whites."[199] As hip hop grew in popularity in the 1980s, young white entrepreneurs created independent music labels to release early rap music: Corey Robbins (Profile Records), Tommy Silverman (Tommy Boy Records), Arthur Baker (Streetwise), Stu Fine (Wild Pitch Records), and Aaron Fuchs (Tuff City). While some black entrepreneurs did set up their own labels, and employed black staff, once the major record labels recognized the popularity and profit potential of hip hop over the course of the 80s and 90s, exploitation and consolidation set in, as evidenced in Table 6.

Nearly all of the significant hip hop labels were bought out by one of the major labels, which have now consolidated into just three mega labels, as discussed in the previous chapter.

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[197] Ekow Eshun, "Battle of the Brands," *New Statesman*, January 17, 2005, 40-41.

[198] Mark Anthony Neal, "'My Passport says Shawn': Toward a Hip-Hop Cosmopolitanism," *Looking for Leroy: Illegible Black Masculinities* (New York: NYU Press, 2013), 37-38.

[199] Norman Kelley, "Notes on the Political Economy of Black Music," *Rhythm and Business: The Political Economy of Black Music* (New York: Akashic Books, 2002), 7, 12.

Incorporated within larger, primarily white companies, black labour was reduced, with little profit making it back to the African-American community. Even the 'rap moguls' who fostered their own hip hop rosters and empires, such as Jermaine Dupri, Russell Simmons, and Sean Combs, were eventually incorporated into the major label machinery: "media moguls by name, millionaires by bank balance, but paid staff nevertheless."[200] By 2001, *Black Enterprise* calculated that the entire black entertainment industry was worth a mere $189.75 million, while rap music alone generated $1.8 billion for the conglomerates.[201]

Hip hop replicates the unfortunate pattern of white corporate exploitation of black music, but it differs in an important way from previous incarnations: hip hop developed concurrently with the rise of neoliberalism and financialization, and its form, style, and structure has come to explicitly exhibit properties of its economic context. In addition to being a rich musical style and complex cultural form, hip hop is not just subject to business processes, it is itself consciously a business process. Brand integration, intermedial synergy, franchise dynamics, collaborative speculation, entrepreneurial identity; in hip hop, these aren't economic strategies that a faceless corporation insists its creative artists partake in, these are fundamental building blocks of the form, as essential as rhythm and rhyme. As Jay Z astutely raps, "I'm not a businessman, I'm a business, man!"[202]

In order to get a closer look at these formal properties, we can turn now to the work and career of Jay Z, as well as his contemporaries in the Wu-Tang Clan, to see how hip hop impresarios, their sprawling business empires, and their intermedial creations embody

[200] Ellis Cashmore, *The Black Cultural Industry* (New York: Routledge, 1997), 176.

[201] Kelley, "Notes on the political economy of black music," 10.

[202] Kanye West, featuring Jay Z, "Diamonds from Sierra Leone (Remix)," *Late Registration* (2005).

entrepreneurialism and the broader financialization of the economy. This will require a slight historical detour to before our established 2004-2016 time period, as each empire was established in the 1990s, then expanded considerably during the financial era. As mentioned, there is a noticeable lack of industrial analysis of hip hop in academia. However, there is another valuable source of insight available: the artists themselves. "Interestingly," Kelley notes, "it has been rappers who have most clearly articulated their keen awareness of the lopsided condition of black creativity and the lack of economic rewards."[203]

The Collective and the Kingpin: The Wu-Tang Clan and Jay Z

In 1992, a group of nine rappers from Staten Island formed a collective and over the course of the next two decades, became a sprawling multinational business empire. The Wu-Tang Clan was conceived as both an artistic and financial community; the nine original members – RZA (Robert Fitzgerald Diggs), GZA (Gary Grice), Method Man (Clifford Smith), Inspectah Deck (Jason Hunter), Raekwon (Corey Woods), Masta Killa (Elgin Turner), Ol' Dirty Bastard (Russell Tyrone Jones), Ghostface Killah (Dennis Coles), and U-God (Lamont Jody Hawkins) – joined forces to form not just a musical group, but a hip hop cottage industry. RZA, the de-facto leader and the group's producer and primary beat-maker, asked the other members for five years of total control of the empire – one 'dynastic cycle,' in his words – after which he would relinquish control. His strategy was to gain prominence and get signed to a major label as a group, but for members to retain free agent status as individuals so each member could pursue their own record deal and career. Each label would then compete with each other, increasing promotion, and each member would continue to compete with the others, advancing skill. Wu-

[203] Kelley, "Notes on the political economy of black music," 17.

Tang's self-identification as a 'swarm of Killa Beez' – both as lyrical motif, visual symbol, and entrepreneurial practice – provides the perfect metaphor for the circulation of derivative media.

The title of their debut album, 1993's *Enter the Wu-Tang (36 Chambers)*, is a reference to the kung-fu classic *The 36th Chamber of Shaolin* (Chia-Liang 1978), and the album's dense sonic collage is comprised of gritty beats, raw lyrics, soul samples, comic book references, and audio clips from martial arts movies such as *Shaolin and Wu Tang* (Leung 1981), from which the group took its name. Following its commercial and critical success, individual members followed the plan and began signing to various labels, each achieving successful solo debuts: Method Man's *Tical* (1994), ODB's *Return to the 36 Chambers* (1995), Raekwon's *Only Built 4 Cuban Linx* (1995), Ghostface's *Ironman* (1996), and GZA's *Liquid Swords* (1995), which is built around audio clips from *Shogun Assassin* (Houston 1980). All were produced by the RZA and all featured multiple guest appearances from other Wu-Tang Clan members.

The RZA's five-year plan came to fruition with the group reforming and releasing *Wu-Tang Forever* in 1997, debuting at number one and entering the mainstream with strong visual imagery based on a killer bee swarm motif, which was influenced by *The Swarm* (Allen 1978). The music video for "Triumph," the album's lead single and the group's biggest hit, features a news report of a killer bee invasion of New York City, the bees morphing into each member of the Clan as they deliver their verse and overtake the city. The group's swarm was swelling outside its music as well; hundreds of affiliate members were added to the 'Wu-Family' roster, receiving support from the Wu-Tang Clan empire, financially, promotionally, and otherwise. New collectives were spawned, many of them emphasizing the central swarm motif: Killarmy, Maccabeez, Wu-Syndicate, Sunz of Man, and West Coast Killa Beez. Compilation albums featuring original members and affiliates were common, and successful, such as *Wu-Tang Killa*

Bees: The Swarm, *Wu-Chronicles*, and *The Sting*. RZA explains this metaphor and business strategy succinctly, noting two species of bees:

> *anthidium manicalcum*: this is the most aggressive territorial bee known; male often kills any bee who enters his territory; this bee represents the core members of the Wu-Tang clan; *megachile willughbiella:* comes from Kenya, an enormous family with thousands of species commonly called Mason Bees; they represent other artists and groups under the Wu-tang family.[204]

The capitalist underpinning to this metaphor is no mistake, as the Wu-Tang brand name was also diversifying its assets; Wu Wear, Wu-Tang Records, Razor Sharp Records, 36 Chambers Records, Wu Music Group, Wu-Tang International, and the overarching Wu-Tang Corp. were all established. The extent of the Wu-Tang Clan's musical and business network is mapped in Table 7; we will return to its intermedial manifestations near the end of the chapter.

Meanwhile, across from Staten Island in the borough of Brooklyn, Jay Z (Sean Carter) had formed Roc-A-Fella Records with Damon Dash and Kareem Burke in 1995. Unable to secure a record deal on a professional label, Roc-A-Fella pressed and sold their own records locally, before joining with Priority Records to jointly release Jay Z's debut album, *Reasonable Doubt*, in 1996. In the decade following, he would release a new album nearly every year, with each going platinum. *Volume 2: Hard Knock Life* in 1998 was his commercial high-water mark, selling over 10 million units; *The Blueprint* in 2001, featuring production from some of hip hop's greatest beat-makers, including Timbaland, Just Blaze, and Kanye West, is likely his critical apex. Despite claims of retirement with 2003's *The Black Album*, Jay Z continues to release albums, but focuses more on business opportunities, branding extensions, and lucrative tours.

[204] RZA and Chris Norris, *The Wu-Tang Manual* (New York: Riverhead Books, 2005), 130.

In 2005, Jay Z sold Roc-A-Fella to Def Jam and as part of the deal, he became president and CEO of the historic hip hop label Def Jam. By then, Def Jam had been merged with the historic reggae label Island, the historic jazz and blues label Mercury, and more than a dozen others under the umbrella Island Def Jam Music Group, itself owned by Universal Music Group. Far from a figurehead, Jay Z successfully reinvigorated the label's roster, signing Nas, Kanye West, Ne-Yo, Rick Ross, Young Jeezy, and Rihanna, who has charted more weeks at number one on the Billboard Hot 100 than The Beatles. In 2009, he left Def Jam after signing a massive $150 million "360-degree deal" with Live Nation that covered touring, recording, merchandising, and managing other artists under a new joint venture with Live Nation called Roc Nation. The deal also involved 775,434 shares of Live Nation (valued at over $10 million), with an option to purchase 500,000 more, a clear sign of the financial stakes involved in such a gigantic deal.[205] The timeline and scope of Jay Z's empire, including albums, films, tours, and businesses, are listed in Table 8.

The extent of Jay Z's financial success is so hallowed that he earned himself a full-length book by a *Forbes* journalist fawning over his business acumen and claiming that Jay Z's "story is the American dream in its purest form, a model for any entrepreneur looking to build a commercial empire."[206] A telling commentary in and of itself, the book is focused on Jay Z's business ventures, not his music. Two stories are of interest to my analysis, the first being Jay Z's attempt at soliciting a partnership with Iceberg, an Italian clothing brand, in the late 90s. Having mentioned its name in verse and having worn the clothing at well-publicized events, Jay Z expected that a mutually beneficial deal could be struck. Rebuffed, he established his own line

[205] Ray Waddell, "Sources: Live Nation Clinches Jay-Z Deal," *Billboard*, May 2, 2008.

[206] Zack O'Malley Greenburg, *Empire State of Mind: How Jay Z Went from Street Corner to Corner Office*, (New York: Portfolio/Penguin, 2011), 2.

of clothing instead, Rocawear, along with his partners at Roc-a-Fella. As you might imagine, the free advertising in the form of Jay Z lyrics was significant, and Rocawear earned over $80 million within its first 18 months. Over a decade later, in 2005, it was sold to the licensor Iconix for $204 million.[207]

In 2006, after Jay Z and many other rappers had made the champagne brand Cristal a symbol of hip hop luxury over the course of the previous decade, a manager at the champagne house that produced Cristal was interviewed in *The Economist* and was asked about hip hop artists name-checking their brand: "We can't forbid people from buying it." Both classist and racist, this comment was considered a slight by the hip hop community, and denouncements were prevalent. Jay Z joined in the chorus, but also sought to quickly capitalize on the situation. As we will see with visualizations of branding within rap lyrics, both the Iceberg and Cristal events are examples of the potential speculative nature of the hip hop text. It's not just that products and brands are incorporated into the text (commodification), it's that the text is designed in order to facilitate the speculative process of buying and selling product placements, branding opportunities, cross-promotion, and other economic relationships (marketization). By distant-reading a large corpus of texts, we can see that art in the age of financialized reproduction exhibits textual tendencies of market formation. Intertextuality creates supply and demand, which breeds speculation.

[207] Ibid., 46, 179.

Authenticity with a Splash of Speculation: Visualizing Alcohol Branding

To return to the Cristal affair, and start our consideration of textual market forces, the following analysis uses the online service Rap Stats,[208] a database of hip hop lyrics that allows users to query the corpus and compare the frequency of keywords and phrases. This application is similar to the Google Ngram Viewer, the far more expansive software which allows users to keyword search Google's 5+ million, multi-language book corpus ranging from the years 1500 to 2008. There are multiple limitations to this type of technology and methodology; simple errors in optical character recognition or automating metadata, for instance, can skew results wildly, not to mention larger issues of what types of sources are included and not included in any corpus.[209] For my purposes, as a humanist rather than a scientist, I'm not looking to use the Rap Stats data to conclusively *prove* anything, but to isolate small patterns with which broader interpretations can be made. In this case, my intention is to visualize clear-cut shifts in the popularity of certain brands as determined by the frequency of their placement in hip hop lyrics and then draw conclusions about the "marketization" of the cultural text based on these speculative patterns. For instance, if we look at the prevalence of the word "Cristal" in hip hop lyrics and compare it to rival brands (Figure 7), we can see a clear inflection point in 2006-07 that corresponds to the previously-mentioned scandal and the speculative effort that followed in its wake.

By 2006, Cristal was already well on its way to losing its status as the signifier of luxury, but Figure 7 indicates that in the wake of the scandal, two of hip hop's biggest moguls capitalized on the opportunity. Sean Combs, whose many monikers include "Puff Daddy" and "Diddy" and who consistently tops *Forbes*' list of "Hip-Hop's Wealthiest Artists," partnered with

[208] "Rap Stats," *Genius*. http://www.genius.com/rapstats

[209] Eitan Adam Pechenick, Christopher M. Danforth, and Peter Sheridan Dodds, "Characterizing the Google Books Corpus: Strong Limits to Inferences of Socio-Cultural and Linguistic Evolution," *PLoS ONE* 10.10 (2015).

multinational alcoholic beverage corporation Diageo in 2007 to take over the brand management of the vodka Ciroc in exchange for a 50/50 revenue split. Through lyrical mention in songs and product placement in videos across his "Bad Boy" roster and label (owned by Warner Music Group), along with television commercials he starred in, Combs raised sales of the brand from 50,000 cases a year to nearly two million.[210]

Jay Z had also attempted a vodka partnership a few years previous, through his Roc-a-Fella company, but Armadale Vodka was not a success, despite the countless mentions given to it by Jay Z and his associates. Shortly after the Cristal slight, Jay Z pursued a different tactic; instead of outright sponsorship, he would hide his relationship with a new brand and present the aura of authenticity. In 2006, Jay Z banned Cristal from his 40/40 nightclubs and released a music video for the song "Show Me What You Got," which in addition to the usual display of exotic locales, expensive cars, and scantily-clad women, featured Jay Z being offered a bottle of Cristal, dismissing it, and revealing a gold bottle of Armand de Brignac. In another song from the same album, "Kingdom Come," Jay Z addresses the controversy directly: "Fuck Cristal, so they ask me what we drinking / I thought dudes remark was rude okay / so I moved on to Dom, Krug Rosé."[211]

Jay Z cloaked his investment in Armand de Brignac through a proxy company and denied financial involvement. Rather than a paid brand ambassador, he presented himself as a connoisseur of champagne with the cultural authority within the hip hop community to anoint the true heir to Cristal.[212] By rebranding an inexpensive champagne as "Ace of Spades," with a

[210] Peter Evans, "Diageo, Sean Combs Team Up in Tequila; Partners Buy Premium Brand DeLeón and Aim to Match the Success of their Cîroc Vodka," *Wall Street Journal*, January 8, 2014.

[211] Jay Z, "Kingdom Come," *Kingdom Come*, 2006.

[212] Zack O'Malley Greenburg, "The Real Story Behind Jay Z's Champagne Deal," *Fortune*, November 6, 2014.

much higher price tag, Jay Z repurposed a racial slur ("spade") into a high-margin business. By 2009, in his song "On to the Next One," he was more forthright, both in his indictment of Cristal and his overt branding: "I used to drink Cristal, the muh'fucker's racist / So I switched gold bottles on to that Spade shit."[213] In 2014, it was widely reported that Jay Z had just bought Armand de Brignac, though deeper reporting suggested that he had an investment stake in the company all along, and had only just increased that investment to majority ownership, once the brand grew to become the profitable symbol of luxury Jay Z envisioned.[214] "To launch a champagne in the U.S.," the head of one of France's largest online wine retailers claims, drolly, "you either need three or four centuries of history, or have a big rapper behind you."[215]

Of course, many different liquor brands are mentioned in hip hop, and popular music more generally, and the rate at which they are incorporated into music is increasing, as witnessed in the concern from public health researchers[216] and the close analysis of market researchers.[217]

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[213] Jay Z, "On to the Next One," *The Blueprint 3*, 2009.

[214] Greenburg, "The Real Story Behind Jay Z's Champagne Deal."

[215] Greg Keller, "French Bubbly Garners Hip-Hop Cred," *Wall Street Journal*, November 8, 2006.

[216] Michael Siegel et al., "Alcohol Brand References in U.S. Popular Music, 2009–2011," *Substance Use & Misuse* 48.14 (2013): 1475–84; P. Cougar Hall, Joshua H. West, and Shannon Neeley, "Alcohol, Tobacco, and Other Drug References in Lyrics of Popular Music from 1959 to 2009," *Addiction Research & Theory* 21.3 (2013): 207–15; Peter Christenson, Donald F. Roberts, and Nicholas Bjork, "Booze, Drugs, and Pop Music: Trends in Substance Portrayals in the Billboard Top 100—1968–2008," *Substance Use & Misuse* 47.2 (2012): 121–29; Denise Herd, "Changes in the Prevalence of Alcohol in Rap Music Lyrics 1979–2009," *Substance Use & Misuse* 49.3 (2014): 333–42; Dina L. G. Borzekowski et al., "Patterns of Media Use and Alcohol Brand Consumption Among Underage Drinking Youth in the United States," *Journal of Health Communication* 20.3 (2015): 314–20.

[217] Janée N. Burkhalter and Corliss G. Thornton, "Advertising to the Beat: An Analysis of Brand Placements in Hip-Hop Music Videos," *Journal of Marketing Communications* 20.5 (2014): 366–82; Sufyan Mohammed-baksh and Coy Callison, "Hegemonic Masculinity in Hip-Hop Music? Difference in Brand Mention in Rap Music Based on the Rapper's Gender," *Journal of Promotion Management* 21.3 (2015): 351–70; Sufyan Baksh-Mohammed and Coy Callison, "'Listening to Maybach in My Maybach': Evolution of Product Mention in Music Across the Millennium's First Decade," *Journal of Promotion Management* 20.1 (January 1, 2014): 20–35; Clay Craig, Mark A. Flynn, and Kyle J. Holody, "Name Dropping and Product Mentions: Branding in Popular Music Lyrics," *Journal of Promotion Management* 23.2 (2017): 258–76; Nakeisha S. Ferguson and Janée N. Burkhalter, "Yo, DJ, That's My Brand: An Examination of Consumer Response to Brand Placements in Hip-Hop Music," *Journal of Advertising* 44.1 (2015): 47–57.

As Figure 8 demonstrates, the lyrical mention of liquor in hip hop is a competitive market. A few brands have maintained their status over the years, such as Hennessy and Bacardi, but for the most part, liquor brands rise and fall in symbolic stature. Segmented, we can isolate particular consumer patterns. For instance, in Figure 9, the malt liquor brands Olde English and St. Ides are seen as popular icons of the "gangsta rap" era, when hip hop authenticity was represented by rugged descriptions of the lived experience of young males in African American urban areas, for whom potent, affordable malt liquor was prominent. By the mid-90s, as the "corporate rap" era began, and the notion of hip hop authenticity shifted to signifiers of luxury, Alize and Courvoisier rise in popularity.

A pertinent example, the cognac Courvoisier received its biggest promotion in the form of a hit song in 2002, "Pass the Courvoisier Part II," by Busta Rhymes, Diddy, and Pharrell Williams. Featuring the brand in the title, the heavily-repeated chorus, and the music video, the song is considered to have helped raise sales of Courvoisier by twenty percent.[218] A clear example of speculation, Busta Rhymes didn't get paid to write the song, but Russell Simmons' advertising agency dRush had just established a relationship with the advertising agency that marketed Courvoisier. Once the song rose to #11 on the Billboard Hot 100, Busta Rhymes was awarded a promotional deal. Examples such as these, dating back to Run-DMC's song "My Adidas" in 1986, which resulted in a million-dollar endorsement contract after the song's rise in popularity, are why entrepreneurial hip hop artists and associates use rap lyrics as speculative enterprises. "We've made a lot of money for a lot of companies over the years," explains Kareem Burke of Roc-a-Fella Records in 2002. "Since we have so much influence, we can make money for ourselves by expanding our businesses. No more Belvedere Vodka or Cristal Champagne in

[218] Susan Berfield, "The CEO of Hip-Hop," *Bloomberg Businessweek*, October 26, 2003.

our music or videos.'"[219] Shortly thereafter, Diddy would get involved with Ciroc, Jay Z with Armand de Brignac, and a host of other less successful attempts by a litany of rappers. Most recently, in 2012, Jay Z added another French liquor to his portfolio, entering into a brand partnership with D'USSE, a cognac owned by Bacardi. With mentions in songs by rappers outside of his RocNation roster, including a song named "D'USSE" by Lil Wayne, Jay Z has succeeded in inserting another status signifier into the rap lexicon. Whether or not it is a fad on the scale of Courvoisier, or a stalwart like Hennessy, will depend on the right mix of speculative tactics and authentic semantics.

Promotional Vehicles: Lyrical Speculation & Automotive Branding

Another key signifier in hip hop is the luxury automobile. Ubiquitous in music videos and on album covers, automobiles are even more common in rap lyrics as symbols of wealth and upward mobility. Again, visualizing automobile references allows us to discern market characteristics, as demonstrated in Figure 10.[220] An immediate observation is the clear decline in automobile references during the financial crisis in 2007-08. As credit markets tightened, unemployment grew, and houses were foreclosed upon, hip hop appears to have muted its largesse during the great recession. Automobile references continue to sag for a few years

[219] Lynette Holloway, "Hip-Hop Sales Pop: Pass the Courvoisier and Count the Cash," *New York Times,* September 2, 2002.

[220] For this figure and the remaining figures in this chapter, I am now drawing on data generously provided to me by Ian Lin, a software engineer and hip hop fan that published an article in *Cuepoint* that uses data visualization to compare various metrics in hip hop, including the popularity of car brands. His data partially comes from *Genius,* the previously-mentioned website that operates "Rap Stats," as well as Discogs, an online depository of music release information, and other sources. A clear limitation Ian points to is that there are far more contemporary rappers and their lyrics in the available online data than rappers from the 80s and 90s. That is partly due to there just being more rap music produced in the last decade, but also that contributors to online databases are more likely to contribute contemporary data. See MC Big Data (Ian Lin), "Riding Dirty: The Science of Cars and Rap Lyrics," *Cuepoint*, Jun 9, 2015; MC Big Data (Ian Lin), "Prelude," *Cuepoint,* Mar 28, 2015.

following the crisis, and even a few years later, when Jay Z released his collaborative album with Kanye West entitled *Watch the Throne* in 2011, it was widely received with criticism for its ostentatious materialism during a time of economic suffering. Released a week after the U.S. credit rating was downgraded and the stock market fell dramatically as a result, *Watch the Throne*'s gilded, Givenchy-designed album art and self-confessed "luxury rap / the Hermes of verses" was derided. The album was considered "chillingly out of touch… income-gap raps,"[221] a "royal waste,"[222] a "brand partnership mixed uneasily with social advocacy"[223] that "contains King Midas delusions."[224] Sociologist Jennifer C. Lena delivered a blunt summation: "two fatuous, wealthy rappers celebrating their good fortune in the face of massive global inequality."[225] Other critics were more charitable, with the *New York Times* acknowledging that *Watch the Throne* "tempers its bombast with both reflection and inventiveness,"[226] and *Time* describing it as "two men grappling with what it means to be successful and black in a nation that still thinks of them as second class."[227] Similarly, Ava DuVernay, director of *Selma* (2014) and *13th* (2016), called it a "Black Nationalist Masterpiece for the New Millennium," celebrating its militancy, pride, and brash black empowerment.[228]

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[221] Hua Hsu, "*Watch the Throne*: Let Them Eat Cake," *Grantland,* August 24, 2011.

[222] Greg Kot, "Album review: *Watch the Throne* a royal waste," *Chicago Tribune*, August 8, 2011.

[223] Zach Baron, "*Watch the Throne*," *The Daily,* August 9, 2011.

[224] Andrew Nosnitsky, "Does *Watch The Throne* Suffer From Ego Fatigue?," *MTV News,* August 10, 2011.

[225] Jennifer C. Lena, "We all knew we were headed for a Louie [sic] XVI moment," *Whatisthewhat*. August 9, 2011.

[226] Jon Caramanica, "Two Titans Share the Seat of Power," *New York Times,* August 9, 2011.

[227] Claire Suddath, "Watch the Throne Review: A Gold-Plated Luxury Vehicle, with a Message," *Time,* August 09, 2011.

[228] Ava DuVernay, "Watch The Throne: A Militant Masterpiece," *Huffington Post,* August 8, 2011.

An example of this contradictory impulse which relates back to our automobile visualization is in Jay Z's verse on "Otis":

> Viva Mexico, Cubano
> Dominicano, all the plugs that I know
> Driving Benzes with no benefits
> Not bad, huh, for some immigrants?
> Build your fences, we diggin' tunnels
> Can't you see we gettin' money up under you?[229]

We can see in Figure 10 that Mercedes, with over 4500 mentions, is by far the most popular automobile referenced in hip hop, and while we can safely assume that in many instances the brand is merely used as a signifier of wealth, here Jay Z uses the brand to weave a complex commentary and celebration of minorities achieving extralegal success outside of the confines of an oppressive white society. 'Plugs' refers to drug suppliers, and Jay Z is alluding to both cross-border cartels, his own drug-dealing past, and the necessity of undocumented immigrants having to fend for themselves 'off-the-grid.' Driving a Mercedes without benefits, then, is a symbol of an independent, free-wheeling wealth achieved in a dangerous occupation that doesn't provide health or pension benefits – quite the opposite.

Furthermore, Jay Z defines himself as an immigrant, which as a descendant of a people forced to 'immigrate' on a slave ship, is a bold symbol of solidarity. In 2011, immigration policy was a contentious, front-page issue; by 2016, the allusion to walls and fences has proven even more salient. This political resonance extends beyond just the lyrics; the music video for "Otis" involves Jay Z and Kanye West disassembling, modifying, and then joy-riding in a $350,000 Maybach 57, with a title card stating that the car would be auctioned for east African drought disaster. It is thus another example of a luxury automobile being used not just for signification of

[229] Jay Z, "Otis," *Watch the Throne*, 2011.

wealth, but as political commentary. Then again, “Otis” also contains the Jay Z lyrics “New watch alert: Hublots / Or the big face Rollie, I got two of those,” which glamorizes six-figure watches in a vacuous display of conspicuous consumption. The lavish fabric weaved with these manifold references is conflicted, to say the least.

Similar to how we can discern broad temporal patterns from the alcohol brand mentions, we can do the same with the rise and fall of certain automobile brands, demonstrated in Figure 11. In the 1990s and early 2000s, rugged American brands like Hummer (General Motors) and Jeep (Chrysler) were quite popular, while the Japanese brand Lexus (Toyota) is the luxury car of choice, in addition to the aforementioned Mercedes. As the recovery following the recession takes hold, automobile references rebound, but a far more exorbitant and exclusive portfolio of European sports car brands takes prominence, such as Porsche (Germany), Lamborghini (Italy), Ferrari (Italy), Maybach (Germany), Aston Martin (British), and Bugatti (French). Not just brief occurrences in lyrics, but entire songs are titled and based around this new breed of luxury car: “Bugatti” by Ace Hood is a hit song in 2013; Chief Keef, Trey Songz, Wale, and Rick Ross have all recorded a song with “Aston Martin” in the title; and Future, Chief Keef, Meek Mill, and Rick Ross have all recorded a song with “Maybach” in the title. Rick Ross even named his label at Warner “Maybach Music Group.”

A final, seemingly basic, but potentially quite revelatory observation to be made about these visualizations of alcohol and automobiles in hip hop lyrics: references rise and fall in stable patterns of discernable supply and demand. Of course, one would expect that shifts in popularity would have an effect on the choice of liquor brands within lyrics, but the smooth, systematic rise and fall of brands, in conjunction with the advent of branding opportunities, indicates the rising

speculative potential of intertextuality. But hip hop is an endlessly innovative form; textual market forces go beyond the musical text itself and into its intermedial incarnations.

Hip Hop's Intermediality

Hip hop is intermedial by origin; it arose in the Bronx in New York City in the 1970s as five distinct elements: Emceeing (or MCing/rapping), DJing (or turntablism), graffiti, beatboxing, and breakdancing. Even in its infancy, hip hop was stretched across multiple forms and mediums, and its evolution would take it to film, television, videogames, and comic books. The early 1990s 'hood film' cycle is an interesting case in point. This series of films – which includes *Boyz N the Hood* (Singleton 1991), *New Jack City* (Van Peebles 1991), *Menace II Society* (Hughes Brothers 1993), *Clockers* (Lee 1995), and dozens of others between 1991 and 1996 – demonstrates a distinct intermedial blending and influence between hip hop and cinema: urban imagery and slang, codes of masculinity, rappers-turned-actors, hip hop soundtracks, and a thematic focus on inner-city social and political issues such as poverty, crime, racism, drugs and violence. "Production in 1990 and 1991 alone," Ed Guerrero notes, "easily surpassed the total production of all black-focused films released since the retreat of the Blaxploitation wave in the mid-1970s."[230] The hood film cycle's connection to the popularity of hip hop music at the time, particularly west coast 'gangsta rap,' is thus a key reason for this surge in African-American filmmaking.

The Wu-Tang Clan is particularly fond of intermedial pollination. Following the joint album *Wu-Tang Forever*, raising the profile of its individual members, the swarm was set free to

[230] Ed Guerrero, *Framing Blackness: The African American Image in Film* (Philadelphia, PA: Temple University Press, 1993), 155.

multiply; adapting to new mediums was one of the key variations. What began as a musical collective quickly became a cross-media business enterprise. A 3D fighting video game, *Wu-Tang: Shaolin Style*, featured original music from the group and continued the Wu mythology of violence and martial arts.[231] The Wu Wear clothing line branded its audience with its iconic 'W' logo, and started a lasting hip hop trend; Jay Z, Puff Daddy, and others would soon follow suit. A comic book series was also published, *Nine Rings of Wu-Tang*, finally fulfilling the many comic book allusions they had made over the years in lyrics, cover art, and multiple alter-egos. Many of the Wu-Tang members began acting in television and film; Method Man is perhaps the most successful, landing key roles in the highly acclaimed HBO series *Oz* and *The Wire*.

RZA began a productive career as a soundtrack producer and composer, working on martial arts-based films with such auteurs as Jim Jarmusch, for *Ghost Dog: The Way of the Samurai* (1999), and Quentin Tarantino, for *Kill Bill Vol. 1* (2003) and *Vol. 2* (2004), among many other projects. The influence of martial arts cinema on his work is now being channeled in reverse, as he himself has become heavily involved in the production of martial arts cinema: he soundtracked the revered *Afro Samurai* anime-adaptation, wrote and directed his cinematic debut, *Man with the Iron Fist*, and is co-producing an African American remake of the cult classic *The Last Dragon* (Schultz 1985). Amidst all this intermedial work, the Wu-Tang Clan continued their prolific music careers, reuniting for three other albums as a group, and continuing to unleash a swarm of solo albums.

In an attempt to explain the origins of their multifaceted mythology (and for our purposes, offering a tidy summary of their complex network of entrepreneurial and intermedial

[231] Ghostface Killah and Method Man also appear in the Def Jam video game series: *Def Jam Vendetta*, *Def Jam Fight for NY*, and *Def Jam: Icon*.

activity), RZA wrote *The Wu-Tang Manual* in 2005, bringing together all the (conscious) cross-media and cross-cultural influences that have inspired the Wu-Tang Clan. RZA systematically outlines the bizarre intermedial mixture that forms 'the Way of the Wu': martial arts, capitalism, comics, chess, organized crime, cinema, and chemistry (narcotics, mostly). Integrating everything from Nietzsche to *The Simpsons*, Picasso to Garry Kasparov, Dr. Doom to Hitchcock, *Scarface* (De Palma 1983) to the concept of synesthesia, RZA spins a dense web of forms, mediums, influences, ideologies, and cultures. RZA offers us personal explanations of the key nodal points in the vast Wu-Tang network.

Various 'Eastern' influences blend together as the Wu-Tang plunder with indiscriminate disregard. But as Gerald Horne outlines in "The Asiatic Black Man?"[232] there is a long and storied history of African-American identification with Asian culture, united in their struggle against white supremacy. Starting with the Japanese defeat of Russia in 1905, seen as a strike against White domination, African-American figures and organizations who could not agree on domestic matters (such as W. E. B. DuBois, Booker T. Washington, and Marcus Garvey) were consistently in agreement over their admiration for Japan. Before their attack on the British Empire, Tokyo even courted prominent black leaders in the U.S., promoting a 'Tokyo-Negro alliance' against 'the white man.'[233] Culturally, Japan-related themes were also common in African-American news media and literature, such as the headline "Japan to lead fight for Rights

[232] Gerald Horne, "The Asiatic Black Man?," in *Race War: White Supremacy and the Japanese Attack on the British Empire* (New York: New York University Press, 2004): 43-59.

[233] Horne, "The Asiatic Black Man?," 55.

of Colored Races,"[234] or DuBois' fictional *Dark Princess* (1928), which called for a world-wide war against the white man.

For the Wu-Tang Clan, this transcultural connection continues, not just with its martial arts obsession, but with its over-arching philosophy as well. In a chapter entitled "The Grand Spiritual Megamix," RZA outlines the multiple religious influences the Wu-Tang draw from, including Taoism, Buddhism, and Confucianism (all of which RZA first discovered in film), as well as the Bible, Greco-Roman Mythology, and The Nation of Gods and Earths (an offshoot of the Nation of Islam, also called the Five-Percent Nation). The term 'Asiatic black man,' in fact, comes from the foundational teachings of the Nation of Islam, whereby 'The Original Man' was believed to have come from the 'black nation of Asia' when it was still part of the African continent. RZA and other members contributed to an album titled *The 5% Album*, including a track called "Original Man." Five-Percent teachings are seen throughout the Wu oeuvre, particularly Supreme Mathematics, from which they craft their complex numerology, and Supreme Language, which adds a spiritual layer to the 'Wu-slang' and acronyms that populate their lyrics.

This 'East-West' cultural exchange in hip hop is not merely a one-way street, however, as Ian Condry documents in *Hip-Hop Japan: Rap and the Paths of Cultural Globalization*. A testament to the unpredictability and unevenness of transnational flows, hip hop music and culture in Japan "spread from a small, underground scene in the eighties and early nineties, largely dismissed by Japan's major media companies, to become a mainstream pop culture phenomenon today [2006]."[235] Situated in such a radically different context than its origin,

[234] Quoted in Horne, "The Asiatic Black Man?," 50.

[235] Ian Condry, *Hip-Hop Japan: Rap and the Paths of Cultural Globalization* (Durham: Duke University Press, 2006), 1.

Condry looks at Japanese hip hop with an eye toward how it is relocated, re-interpreted, transformed, and commodified in this new setting. 'Authenticity' for Japanese rappers, as coded by image and fashion, is constantly in flux. "Americanized imagery constitutes only one side of a kind of mutual borrowing and remixing that happens in American uses of Asian imagery," Condry finds, "as when the Staten Island-based hip-hop crew Wu-Tang Clan uses kung fu imagery and sound samples in their videos and songs or produces Wu Wear shirts with gibberish Japanese writing."[236] While issues of cultural appropriation and exploitation certainly still apply, when considering the sheer scale of a marginalized-turned-globalized form and community such as hip hop, the threat of monolithic cultural imperialism appears to lose its teeth.

Intermedial genre fusion can originate from either direction, traveling from one source to another, as we have seen with the East-West hip hop interchange, but it can also originate from both directions at the same time, as in the case of *Afro Samurai*. A unique example of cross-fertilized fusion, *Afro Samurai* began as a Japanese dōjinshi (self-published) manga, but achieved broader critical and commercial acclaim when it was adapted as an anime mini-series with the involvement of Samuel L. Jackson (as executive-producer and main voice talent) and the RZA (whose soundtrack, heard diegetically and sold separately, is essential in establishing the tone). It would go on to become both a feature-length movie and video game. Set in feudal Japan, it contains temporally-anachronistic elements such as cell phones, rocket-propelled-grenades, and cyborgs, and its protagonist is an African American samurai ('Afro') with a comically large hairdo and a 'ghetto' vernacular. With its balletic blood spray reminiscent of early John Woo and its unlikely marriage of gritty hip hop with an anime-version of medieval Japan, *Afro Samurai* is a distinctive incarnation of intermedial hip hop.

[236] Ibid., 28.

Kung fu and samurai films are not the only Wu-Tang Clan cinematic interpolation, however; Raekwon's *Only Built 4 Cuban Linx* (1995) is largely credited for establishing the subgenre of 'Mafioso rap,' and the hip hop fascination with the mafia more generally. Part of the allure, for the Wu-Tang Clan, was being from Staten Island, home to the Gambino crime family.[237] But like the cultural imaginary itself, cinema plays the key role in shaping the Wu-Tang version of the mafia. *Only Built 4 Cuban Linx* is structured as a cinematic crime epic, with songs playing out as mob stories (U-God is 'killed' in one, for example), punctuated with audio clips from *The Killer* (John Woo 1989), maintaining that 'Eastern' flavour. RZA's production shifts in a more cinematic direction as well: less minimal beats, more strings and soul samples. Typical gangster film iconography makes its way into the lyrical content, from lavish materialism to violent masculinity, and each member of the Wu-Tang Clan takes on yet another alter-ego, as crime boss aliases forming a mob crew: the Wu-Gambinos.[238] Another prominent audio clip comes from De Palma's version of *Scarface*, a touchstone film within the hip hop and African American community, and youth culture more generally, as documented by Ken Tucker in *Scarface Nation: The Ultimate Gangster Movie and How It Changed America*. RZA extols the virtues of *The Godfather* (Coppola 1972) and *Scarface* at length in *The Wu-Tang Manual,* idolizing Vito Corleone and Tony Montana. The year after *Linx*'s release, Nas and Jay Z would both assume mobster personas, and the influence could be seen in Notorious B.I.G. and 2Pac as well.

[237] See Frank Owen, "Wu-Tang Clan is Sumthing ta Fuck Wit," *Village Voice*, May 23, 2000; according to this article, the FBI infiltrated the Wu-Tang Clan in 2000 with Michael Caruso, a criminal-turned-informant, who was to report any involvement the group had with gun-running or the Gambino crime family.

[238] If only to drive home the intermedial abyss that is the Wu-Tang Clan: Method Man's crime boss alias is actually a reference to a comic book character, Johnny Blaze, aka Ghostrider.

One need not be a collective to exploit network effects, however, as Jay Z amply demonstrates; his self-made status is a key part of his brand name. However, the Jay Z narrative – a drug dealer from the Macy Projects in Brooklyn who eventually becomes the C.E.O. of Def Jam Recordings – is as much a product of the gangster film genre, and its interpolation by Raekwon, as we have seen, as it is typical hip hop self-aggrandizement. After seeing an early version of *American Gangster* (Scott 2007),[239] Jay Z recorded his own *American Gangster* (2007) concept album, recasting his drug-dealing youth in a similarly nostalgic manner with an album of 'mini-movies'. The album was released under his Def Jam Recordings, a subsidiary of Universal Recordings, and it is no coincidence that the film was distributed by Universal Studios; this was corporate, narrative, and intermedial synergy at its finest.

This brief glance at the vast Wu-Tang Clan intermedial network is but a 'sampling' of the group's prolific output in its nearly 20-year career. Much is left unmentioned: the Clan's continued spatial remapping of Staten Island as 'Shaolin,' the unrelenting pop-culture referencing of their lyrics, the identity construction of their multiple alter-egos (each has at least a handful, Method Man has upwards of 15), the linguistic ingenuity of their lyrics (*The Wu-Tang Manual* contains its own dictionary, "The Wu-Slang Lexicon"), and the massive, dedicated following they have built, to name but a few of the missing elements. But a comprehensive survey is not the objective at hand, nor would it be even remotely possible if one were to include the hundreds of Wu-affiliates. Rather, this foray into the Wu-Tang Clan network – from martial arts to comic books to gangsters and back again – demonstrates the necessity, when conducting formal analysis, to also consider forms outside the medium at hand.

[239] Scott's *American Gangster* contains another connection between the Wu-Tang Clan and Jay Z: RZA has an acting role in the film, as Moses Jones, a New York police officer.

Tidal Wave

The recent launch and backlash of the Tidal on-demand streaming platform represents much about the current conflicted state of the music industry. Purchased by Jay Z, Tidal was relaunched in March of 2015 with a splashy press conference intended to "change the course of history" wherein a murderer's row of wealthy superstar musicians (Beyonce, Kanye West, Jack White, Rihanna, Arcade Fire, Nicki Minaj, Usher, Madonna, Daft Punk, Alicia Keys, and more) signed a pledge to "restore the value to music." The platform is built on a supposed "artist-first" model that gives equity stakes to its superstar roster and a slightly higher royalty payout to labels and publishers (though the same big three labels would still determine actual payout to artists). For $10/month, users get a similar experience to Spotify but with exclusive content and the satisfaction of being part of the "movement" to pay artists fairly. For $20/month, they get higher sound quality (Tidal HiFi).

With a recent Beyonce song claiming that she and Jay Z represented "a billion dollars in an elevator,"[240] it's not hard to imagine why people (and some outspoken musicians) reacted poorly to the hubris of a group of wealthy musicians asking to be paid more. The backlash appears to have stunted the initial subscriber growth, with the app failing to gain many subscribers in comparison to Apple Music and Spotify, and the company scrambling to counter its negative publicity. It's unfortunate that they chose star power as their key sales focus, as two of its key features are indeed committed to artist-centered principles: "Tidal Rising," dedicated to "emerging artist awareness," and "Tidal Discovery," which allows musicians to upload their music directly to the platform. Furthermore, the overarching "artist-first" philosophy of the company is a much needed corrective. As the *New York Times* summarized, "behind Tidal's

[240] Beyonce, "***Flawless (Remix)," *Beyonce,* 2014.

celebrity power is a broader concern — common among all artists — that the digital economy is spinning out of control, resulting in a world where technology interests are all-powerful and content is an often cheap and ubiquitous commodity."[241] However, a recent addition to the platform — the integration of concert sales through LiveNation/Ticketmaster — reveals that this "artist-first" movement channels revenues into the same big gatekeepers, as many of the equity-holding artists are signed to LiveNation 360-degree deals.

After months of bad press, Jay Z performed a freestyle song entitled "Stream of Consciousness" at a Tidal-branded concert in his hometown of Brooklyn, connecting his attempt at launching a streaming company with larger issues.[242] He begins by asserting his confidence and distinction, then reveals that he turned down offers from other technology companies and music executives, before criticizing the practices of Google/YouTube:

> I take what's mine, you accept what they they give you, I get you
> I don't take no checks I take my respect
> Pharrell even told me go with the safest bet
> Jimmy Iovine offered a safety net
> Google dangled around a crazy check
> I feel like Youtube is the biggest culprit
> Them niggas pay you a tenth of what you supposed to get

Jay Z then related this struggle to broader issues of racism, such as slavery, stereotypes, and recent victims of police brutality:

> You know niggas die for equal pay right?
> You know when I work I ain't your slave right?
> You know I ain't shucking and jiving and high fiving
> You know this ain't back in the days right?
> But I can't tell, how the way they killed Freddie Gray right
> Shot down Mike Brown how they did Tray right?

[241] Ben Sisario, "Tidal, Music Streaming Service, Seeks Footing After a Stumble," *New York Times*, May 1, 2015.

[242] Jay Z, "Stream of Consciousness," *TIDAL X: Jay Z B-Sides Concert*, May 16, 2015.

His criticism then moves to the hypocrisy of the press and consumers criticizing Jay Z for his largesse while turning a blind eye to even wealthier white moguls:

> You know I came in this game independent right?
> Tidal, my own label, same difference
> Oh niggas is skeptical when it's their own shit
> You bought 9 iPhones and Steve Jobs is rich
> Phil Knight worth trillions you still bought those kicks
> Spotify is 9 billion they ain't say shit

Jay Z questions why he was singled out, and suggests its racist implications, before ending with a reference to a song from his first album, “Politics as Usual”:

> The only one they hating on look the same as you
> That's cool, I know they trying to bamboozle you
> Spending millions on media trying to confuse you
> I had to talk to myself, Hov you used to it
> It's politics as usual

This song is emblematic of Jay Z’s messy contradictions, and hip hop’s in general. It wrestles with financial complexity and its social, cultural, and ideological dimensions, all while participating in branding, self-promotion, and aggrandizement. It demonstrates that derivative media is entrepreneurial, speculative, and referential at its core, but that doesn’t prevent the author or the text from insightful artistic expression. Quite the contrary, the most emblematic derivative media is its most complex and contradictory.

Chapter 5. The Financialization of Film & Television

Introduction

In 2008, Tom Schatz, noted film historian and author of the much-cited, era-defining article "The New Hollywood,"[243] published an update to his history of popular film in America, in which he coined the new era 'Conglomerate Hollywood.' "The new rulers of Hollywood – and of the global entertainment industry at large," Schatz claims, are "not the studios but their parent companies, the media giants like Viacom (owner of Paramount Pictures), Sony (Columbia), Time Warner (Warner Bros.), and News Corp. (20th Century Fox)."[244] Thus, the historical trajectory of the large-scale, industrial organization of American commercial filmmaking is first Classical Hollywood (the studio system in the 20s-40s), then New Hollywood (the post-war system of package deals, talent power, and blockbusters in the 60s-70s), and followed by Conglomerate Hollywood (the global system of media conglomerates in the 80s-00s). Jennifer Holt's *Empires of Entertainment* corroborates this history, complementing this narrative with the legal, regulatory, and political dimensions of how film, broadcast, and cable became integrated in the 80s and 90s. The following chapter picks up where these histories leave off, charting the rise of private equity and investment firms in the film and television industry from 2004-2016. We could do worse than naming this new era "Financialized Hollywood."

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[243] Thomas Schatz, "The New Hollywood," in *Film Theory Goes to the Movies*, eds. Jim Collins, Hilary Radner and Ava Preacher Collins (New York: Routledge, 1993), 8-37.

[244] Thomas Schatz, "The Studio System in Conglomerate Hollywood," in *The Contemporary Hollywood Film Industry*, eds. Paul McDonald and Janet Wasko (Malden, MA: Blackwell Publishing, 2008), 11-42.

Private Equity's Blockbuster Buyouts in Hollywood

In Chapter 3, I marked the beginning of the financialization of the music industries with the purchase of Warner Music Group in 2004 by Bain Capital, THL Partners, Providence Equity Partners, and Edgar Bronfman. That same year, with one of the same private equity firms, historic Hollywood studio MGM was the target of a leveraged buyout as well. As evidenced in Table 9, MGM was the first blockbuster buyout in the era of financialization, followed by many others. Far from its halcyon days of *Gone with the Wind* and *The Wizard of Oz*, MGM struggled during the 1990s, losing $1.6 billion over just six years.[245] Seizing the opportunity to acquire a stressed asset, a consortium of investors purchased MGM for $4.85 billion, each getting a sizable stake: Providence Equity Partners (34%), TPG Capital (23%), Comcast (21%), Sony (14%), and DLJ Merchant Partners (8%). As with most PE deals, the deal was highly leveraged, and MGM was saddled with $3.7 billion of debt.

On paper, MGM's assets looked promising: an 8000+ film library, 43,000+ hours of television, and lucrative franchises like James Bond, Rocky, and Spider-Man. As a non-American company, Sony is forbidden from owning a U.S. television station, so the plan was to exploit this content catalogue, allowing it to tap into cross-content synergies and compete with other media companies in a way that it couldn't previously. Similarly, Comcast hoped to power cable and on-demand channels with the catalogue. However, the DVD market had just begun to decline, the digital sales/rentals/subscription market had yet to take off, and MGM was releasing few films of its own. Furthermore, the standard private equity playbook of mass layoffs backfired: "so many people were let go," according to *Variety*, "that MGM was no longer a

[245] Ronald Grover, "Getting MGM off the Back Lot," *Bloomberg Businessweek*, March 2, 2003.

viable operating company."[246] By 2010, drowning in interest payments on its debt to the tune of $300 million a year, the company filed for bankruptcy in order to clear its debt. With a loan from J.P. Morgan Chase and a new set of PE firms and hedge fund managers, it would reemerge the following week, but the original PE firms would lose out on their investment (as would any pension funds or endowments involved). Again, layoffs were severe.[247]

In 2007, during the height of the pre-crash private equity boom, an even larger leveraged buyout occurred with the $13.7 billion takeover of Univision, the Spanish-language broadcasting giant. As the owner of the largest media properties in the fastest-growing demographic segment of the U.S. media industry, Univision was a prime target, attracting a separate consortium including PE giants KKR, Carlyle, and Blackstone as well.[248] The winning consortium, consisting of Providence Equity Partners (again), TPG, THL, Madison Dearborn Partners, and Saban Capital Group, leveraged the deal with a debt level 12 times its annual cash flow, twice the norm of buyouts during that time.[249] Within two years, it was weighed down by nearly $11 billion in debt, forcing it to sell its music arm (to Universal Music Group, strengthening its monopolistic position in the music market) and conduct multiple rounds of layoffs, including "periodic staff purges and management restructuring."[250] In 2017, Univision has ceded almost half of its audience to rival Telemundo and amidst declining advertising revenues, is seeking an

[246] Jill Goldsmith, "Hollywood edgy about stealth wealth," *Variety*, December 17, 2006.

[247] Nikki Finke, "Layoffs and Firings at MGM," *Deadline*, April 1, 2009; Dave McNary, "MGM slashes staff ahead of bankruptcy exit," *Variety*, December 17, 2010.

[248] Ronald Grover, "Univision: The Auction that Wasn't," *Bloomberg Businessweek*, June 21, 2006.

[249] Serena Ng and Henny Sender, "Easy Money: Behind Buyout Surge, A Debt Market Booms," *Wall Street Journal*, June 26, 2007.

[250] Anna Marie de la Fuente, "Univision pinkslips 300 staffers," *Variety*, February 27, 2009; Veronica Villafañe, "Amid $30.5M Revenue Losses, Ratings Drop and Elusive IPO, Univision Restructures, Slashes 250 Jobs," *Forbes*, November 16, 2016.

IPO to raise money in order to pay off its now-maturing $9 billion debt, while its PE firms exit their investment.

Another prominent media company acquired during the boom, in 2006, was Nielsen, then called VNU NV, owner of Nielsen Media Research and venerable industry trade press publications *Adweek*, *The Hollywood Reporter*, and *Billboard*. Again, the formula is clearly visible: a consortium of private equity companies (in this case, KKR, THL, Blackstone, Carlyle, Hellman & Friedman, and AlpInvest Partners) acquire the company for an enormous price ($9.7 billion), saddle it with excessive debt (still $8.6 billion five years later), strip its assets for quick profit (the iconic publications), slash its workforce (4,000 person 'restructuring'), and exit the investment with a profit achieved through financial engineering (estimated 10% return in 2011, far higher than typical investments over that time period).[251]

The suite of trade publications sold off by Nielsen ended up in the hand of another investment firm, Guggenheim Partners, which acquired the properties in partnership with Pluribus Capital, naming the new company e5 Global Media. Through much turmoil and cost-cutting, it was renamed Prometheus Global Media, then subsumed under the Guggenheim Digital Media division once Pluribus Capital's stake was purchased. More publishing assets were acquired, including *Backstage*, *Film Journal International*, and *Mediabistro*, before the entire catalog of publications was spun out into its own company, Eldridge Industries. This kind of hot-potato ownership, in which a media property is bounced between multiple investment firms, each attempting to extract profit, is not uncommon.

[251] Gregory Zuckerman, "Private Equity Makes Return to IPO Game," *Wall Street Journal*, January 25, 2011; Nikki Finke, "New Wave Of Nielsen Biz Media Layoffs?," *Deadline*, October 1, 2008.

For example, Dick Clark Productions, the historic production company created for its founder's radio show in the 1950s and his subsequent television shows such as *American Bandstand* and *The Dick Clark Show*, continues to produce variety shows (*So You Think You Can Dance?*) and event/award shows (*Golden Globe Awards*, *New Year's Rockin' Eve*, *Billboard Music Awards*) to this day. It attracted the interest of investment firms Mosaic Media in 2002 and Mandalay Entertainment in 2004, before being taken over by the private equity firm Red Zone Capital Management in 2007.[252] It was then sold once again to a partnership led by Guggenheim Partners in 2012.[253] The current resting place of Dick Clark Productions, as of 2017, following a failed deal with China's Wanda Group that valued the company at about $1 billion dollars, is the previously mentioned spun-off company, Eldridge Industries. To strengthen its trade publication portfolio including *The Hollywood Reporter* (film/television news) and *Billboard* (music industry news), Eldridge acquired SpinMedia in 2016, adding online publications tailored to specific music niches – *Spin* (alternative/rock), *Vibe* (R&B/hip hop), and *Stereogum* (indie) – creating a diverse stable of niche media content coverage. Different types of popular culture content attract very specific demographic groups, which can be monetized for digital advertising dollars. Much like the logic of the derivatives market, Eldridge has figured out a way to monetize not the asset itself (popular culture), but the meta-asset: the constant clicks and sharing of the content through online publications. That it also produces meta-content in the form of event/award shows produced by Dick Clark Productions, is just more grist for the proverbial mill.

[252] "Investor Group to Acquire Dick Clark Productions Inc." *Wall Street Journal*, February 15, 2002.

[253] John Jannarone and Keach Hagey, "Guggenheim, Partners Buy Dick Clark Productions," *Wall Street Journal*, September 4, 2012.

The epitome of the private equity boom in the media sector is Bain and Blackstone's acquisition, along with NBCUniversal, of the Weather Channel in 2008 for 3.5 billion dollars. Even as the then-third most widely distributed cable channel, the price tag was baffling. The financial engineering of leveraged buyouts did allow each partner to only pay $600 million each, with leveraged debt covering the rest of the cost.[254] By acquiring two of its main competitors (Weather Underground and Weather Central) and expanding its digital operations (weather.com and WSI, a commercial forecasting group that supplies data to corporations), the renamed Weather Company was able to achieve a 51.2% market share of the weather forecasting industry.[255] However, online access to weather information caused a decline in viewership and Verizon, AT&T, and Dish all balked at the channel's carriage fees.[256] By 2015, NBCUniversal had written down its investment to just $86 million and the consortium unloaded the Weather Company's digital assets to IBM while looking for a buyer for its television properties.[257] Yet another case of private equity failure, the Weather Company was the last of the big Hollywood deals before the global financial crisis.

Silver Lake & TPG: Hollywood's Private Equity Studios

By 2010, the gears of capitalism were back in motion, if only for the financial elites, who sought to take advantage of low interest rates and a landscape of distressed assets. Two private

[254] Anita Hamilton, "The Weather Channel's Real Worth," *Time,* July 7, 2008.

[255] Erika Fry, "The Weather Channel's cable fight is the tip of the iceberg," *Fortune,* Feb 11, 2014.

[256] Shalini Ramachandran and Suzanne Vranica, "Gloomy Skies Linger for Weather Channel," *Wall Street Journal,* April 6, 2015.

[257] Alex Sherman and Kiel Porter, "Weather Channel Hires Morgan Stanley, PJT to Seek Sale," *Bloomberg Businessweek,* August 19, 2015.

equity firms, Silver Lake Partners and TPG Capital, took a particular interest in Hollywood and over the subsequent years have assembled their own film and television conglomerates. Hollywood's talent agencies were the primary targets, the first of which was TPG's investment in Creative Artists Agency (CAA), one of the industry's two most powerful agencies. In 2010, TPG spent about $165 million for a 35% stake, then invested another $225 million in 2014 to give it a 53% stake.[258] Similarly, Silver Lake Partners acquired a 31% stake in William Morris Endeavor (WME), the industry's other dominant talent agency, for $200 million in 2012, then followed that with a $500 million investment in 2014 to give it the largest ownership stake. With Silver Lake's funding, WME acquired sports and media group IMG Worldwide Inc. for $2.4 billion in 2013;[259] the combined WME-IMG was now larger than its rival CAA in scale, with a market capitalization of roughly $5.6 billion.[260]

As we've seen, the first step in the private equity playbook is 'lowering overhead' and both CAA and WME-IMG have been lowering costs by laying off several top-earning agents, cutting bonuses, and reducing expenses.[261] "Suddenly guys who had been there for fifteen, twenty years, who thought they were just going to be CAA lifers, were getting pushed out without a parachute," claims a rival agent.[262] Salaries and bonuses for top agents are nowhere near their previous heights, but those who have remained at CAA and WME-IMG have been

[258] Josh Rottenberg, "Wall Street investors to Hollywood talent agencies: 'Show us the money,'" *Los Angeles Times*, July 10, 2015.

[259] Ibid.

[260] James Andrew Miller, *Powerhouse: The Untold Story of Hollywood's Creative Artists Agency* (New York: HarperCollins, 2016), 697.

[261] Matt Donnelly and Umberto Gonzalez, "CAA Cuts Top Agents in Move to Lower Costs, Boost Profits," *The Wrap*, December 11, 2016.

[262] Miller, *Powerhouse*, 653.

incentivized with bits of equity that could translate to big paydays, if and when the companies go public.

In contrast to this cost-cutting of labour, Silver Lake and TPG have been spending freely in order to expand the scope of WME-IMG and CAA's business. Typically, in order to avoid conflicts of interest, union contracts in the industry forbid talent agencies from participating in film and television production; consequently, talent agencies have moved aggressively into alternative "content." WME-IMG has been the most aggressive on this front, with expansions into sports (acquiring IMG and Professional Bull Riders), digital (partnering with Turner on an eSports league), events (acquiring Donald Trump's Miss Universe Organization), and fine art (partnering with Frieze, a contemporary art fair), in addition to other agencies (acquiring the Wall Group, a stylist agency business, as well as Global eSports Management). By 2016, WME-IMG was ready to facilitate blockbuster deals itself, with the acquisition of the professional mixed martial arts organization Ultimate Fighting Championship. The purchase cost $4 billion, financed by Silver Lake Partners, KKR, and MSD Capital, with debt underwritten by Barclays, Credit Suisse, Deutsche Bank, Goldman Sachs, and KKR Capital Markets.

However, the ban on the involvement of talent agencies in film and television production appears to have been reduced to a mere hurdle that can be worked around creatively. Both CAA and WME-IMG, through the proxy of their private equity owners, have set up inscrutable financing arms. WME-IMG owns a stake in the Raine Group, a merchant bank that invests in digital, media, and entertainment companies, including Vice and WME-IMG clients/*South Park* creators Trey Parker and Matt Stone. Through Raine, WME-IMG invests in Media Rights Capital, the opaquely-named firm described as a "hybrid financier, rights-holder and

development pod."[263] It has been involved in a number of films that primarily feature so many WME-IMG clients that it could hardly be a coincidence, such as *Ted* (directed by Seth McFarlane, starring Mark Wahlberg), *A Million Ways to Die in the West* (directed by and starring Seth McFarlane, as well as Charlize Theron), *Furious 7* (starring Dwayne Johnson), *22 Jump Street* (starring Jonah Hill), and *Elysium* (directed by Neill Blomkamp, starring Matt Damon). Other investors in Media Rights Capital include Goldman Sachs, AT&T, advertising giant WPP, and the private equity firms ABRY Partners and Guggenheim Partners.

In 2015, Silver Lake Partners acquired Cast & Crew Entertainment Services for $700 million, a 40 year-old company that provides many backend accounting services to Hollywood productions, such as payroll processing, residuals processing, workers' compensation services, health insurance, labor relations, production incentives, and production tax credit financing.[264] The following year, Silver Lake acquired Cast & Crew's main competitor, CAPS Payroll. Owning the combined data of two of the biggest payroll companies in Hollywood is an obvious strategic advantage, as the same private equity company negotiates wages and residuals for its clients while knowing the historical data that those rates have been in the past. Silver Lake has thus fashioned a new type of content business with financialized vertical integration: the talent (WME-IMG), the data (Cast & Crew Entertainment), the financing and production (Media Rights Capital), and the investment portfolio (Raine, WME Ventures). Silver Lake's 'shadow studio' is demonstrated in Table 10, along with TPG's.

[263] Kim Masters and Matthew Belloni, "Media Rights Capital in Talks to Sell Stake to Guggenheim Partners," *The Hollywood Reporter*, December 6, 2013.

[264] Gillian Tan, "Silver Lake to Acquire Entertainment Services Provider Cast & Crew," *Wall Street Journal*, June 29 2015.

At CAA, there has been a corresponding financial emphasis. 'Packaging' a film no longer means merely assembling key personnel (writer, director, producer, and/or big-name actors) on a project; agents now work as strategic consultants to wealthy investors. "We work confidentially on behalf of very well-capitalized investors to find the strongest projects available," says Roeg Sutherland, co-head of CAA's film financing department.[265] "Beginning eight years ago," explains the department's other co-head, Micah Green, "we cultivated a community of investors, ultimately creating a class of high-end financier-producers that did not exist previously."[266] Richard Lovett, president of CAA, summarizes this wealthy investor strategy as "creating new financial models and ownership opportunities where the talent controls projects."[267] It used to be that Hollywood's creatives wanted to avoid the conflict of interest inherent in having the party responsible for negotiating their contract on the same team as the party fulfilling that contract. In a climate in which the studios increasingly focus on FX-laden blockbusters and franchises while ignoring mid-budget adult dramas, however, the creatives are left with whatever financing is available, no matter how conflict-ridden the relationship.

A more formalized version of TPG's financialized content production is STX Entertainment, a film and television studio started by film producer Robert Simonds and TPG managing partner Bill McGlashan in 2014. Initial investment came from TPG and Hony Capital, a Chinese private equity firm, with subsequent funding coming from a number of wealthy investors and a variety of East Asian firms: Huayi Bros. Media, China's largest private film company; Tencent, the Chinese tech giant; and PCCW, the Hong Kong telecom and media

[265] Miller, *Powerhouse*, 635.

[266] Ibid., 636.

[267] Ben Fritz, "Head of CAA Says Talent Giant's Diversifying Interests Still Interconnect," *Wall Street Journal*, March 1, 2016.

company. The publicized strategy is to develop, produce and self-distribute a slate of 8-12 films, targeting the mid-range budget ($20-$80 million), adult, star-driven films that the traditional studios have neglected in the era of franchises, superheroes, and children's animation. Another way to look at STX, however, is as a production arm of CAA, as both are owned by TPG.

Just as Silver Lake features its own WME-IMG talent in its Media Rights Capital productions, TPG overwhelmingly features its own CAA talent in its STX productions. *The Gift* (directed and written by Joel Edgerton, starring Jason Bateman), *Secret in Their Eyes* (directed by Billy Ray, starring Nicole Kidman, Julia Roberts, Chiwetel Ejiofor), *Free State of Jones* (directed by Gary Ross, starring Matthew McConaughey), *Bad Moms* (directed and written by Jon Lucas and Scott Moore, starring Mila Kunis and Kristen Bell), *The Circle* (starring Emma Watson and Tom Hanks): all of the aforementioned above-the-line talent are represented by CAA. STX negotiates its own distribution agreements directly with North American theater chains (AMC, Regal, and Cinemark), and its Chinese investors give it an advantage in being approved for release in their heavily-regulated and highly sought-after market. Silver Lake's attempt at fashioning its own content studio has thus far produced mostly underperforming film and television, relative to their budget, but its financialized vertical integration has managed to mostly avoid the big Hollywood conglomerates and represents a new approach to content production and distribution.[268]

Despite this covert production for its talent by private equity companies, the simple fact is that the days when movie stars could command $20+ million dollar paydays, plus generous back-end profit participation, are mostly gone for all but the highest profile actors. The PE

[268] STX does distribute its films in the premium television window to the cable channel Showtime, owned by CBS; distributes its soundtracks, scores, and music rights through Universal Music Publishing Group, owned by Vivendi; and relies on Universal Pictures, owned by Comcast, to handle the marketing, sales, and distribution of its films for their Blu-ray, DVD, digital sales, and video-on-demand releases.

owners know full well that the opportunity to earn the typical 10% cut is no longer the profitable business it once was. The expansion into sports is one result of this adjustment, while another is the move into corporate venture capital. CAA Ventures, for instance, invests in early-stage startup companies, including Uber (transportation networking), Meerkat (mobile live streaming), Funny or Die (comedy website and production company), and WhoSay (social media services and branding for celebrities). Evolution Media, another investment subsidiary within CAA, with capital from TPG's fund, also provides seed funding to startups, as well as negotiating and structuring over $37 billion of sports media deals since 2015.[269] WME-IMG also has a pair of investment subsidiaries, the aforementioned Raine, as well as WME Ventures, which can offer access to an even broader network, including film, television, digital media, fashion, music, sports, brands, and events. In addition to seed capital, these corporate venture capital firms, housed within talent agencies owned by private equity firms, can offer their investment companies a unique proposition: consultation on navigating Hollywood's singular culture and connection to the agency's talent roster.

Private Equity's Investments on Hollywood's Margins

In addition to these blockbuster private equity deals in Hollywood since 2004, it is possible to locate a series of leveraged buyouts that are not directly related to film and television production, but contribute to the overall financialization of the industry. For example, in 2012, Empire Investment Holdings acquired CSS Studios, the largest independent post-production sound company in Hollywood, which provides sound design, editing, re-recording, composition,

[269] Miller, *Powerhouse*, 698.

and effects.[270] In 2016, Apollo acquired Redbox, the movie-rental kiosk company, a deal valued at $1.6 billion.[271] While these are examples of PE targeting mature markets, there are also examples of PE taking a particular interest in what it imagines is a growth market.

Broadband internet is a service that is obviously rising in demand in an ever-more connected American society. Broadband internet access is typically sold by a company that also provides cable television, often packaging the two together, and these cable companies are an increasingly significant component of how film, television, and popular music are consumed. This is not only because they provide the access to digital content, but because telecommunication companies are increasingly buying their way into content production as well, such as Comcast's acquisition of NBCU starting in 2009 and AT&T's offer to purchase Time Warner in 2017. The cable industry has consolidated heavily since the 1990s, when Comcast, Time Warner Cable, Charter, and Cox each purchased many regional cable operators in order to amass subscribers and build economies of scale. Together, Comcast and Charter/Brighthouse/Time Warner Cable (recently merged) now have 74% of the cable broadband market, compounded by the fact that they have divvied up the market by geography, rarely competing with each other.[272] As evidenced in Table 11, private equity is playing a role in accelerating this consolidation, having already bought and sold many companies to the big cable players, with a few more exits still to come. The result is the same as in the broader media

[270] Angela Sormani, "Empire Investment Holdings Acquires CSS Studios," *PE Hub Network*, September 20, 2012.

[271] Tess Stynes, "Redbox Owner Outerwall Agrees to be Taken Private by Apollo Global," *Wall Street Journal*, July 25, 2016.

[272] Pete Bell, "Say Hello to the Newer, More Consolidated U.S. Cable and Broadband Sector," *TeleGeography.com*, July 20, 2016.

industry: just a few massive conglomerates with the vast majority of market share, lowering competition and consumer options while raising prices.

One final example of finance in the margins of Hollywood: at least as far back as Howard Hughes, Hollywood has been the destination for the privileged sons and daughters of the wealthy to spend their daddy's money in pursuit of fame and glamour. Contemporary Hollywood is no different; the scope of boutique production companies funded by plutocratic patrons is outlined in Table 12, along with selections from their film and television roster, most of which are awards contenders and marketed as 'prestige' quality. Traditional resource-based wealth is well-represented, with oil and shipping tycoons behind auteur-driven, arthouse fare such as *Only Lovers Left Alive* (Jim Jarmusch), *The Black Swan* (Darren Aronofsky), and *The Lobster* (Yorgos Lanthimos). It is a fitting symbol of our gilded age that a film like *99 Homes*, a drama about the foreclosure crisis that is highly critical of vulture capitalism, has a Russian oil tycoon's son as executive producer.

In the contemporary era of extreme wealth inequality, plutocratic production has taken on a new dimension. 'Changing the world' is the new motto for the scions of Silicon Valley; fame, glamour, and glitzy parties are just the fortunate byproduct. Just as serious issues like public health and education are being outsourced to benevolent billionaires such as Bill Gates and Mark Zuckerberg, their philanthropic empires built upon monopolistic business careers, so too is 'serious filmmaking' being outsourced to the generosity of the tech sector. *Spotlight*, which dramatizes *The Boston Globe* exposé of the Catholic priest sex abuse scandal and is a love letter to investigative journalism, was financed in part by the widow of Steve Jobs, whose iPhone is one of the key technologies that has dismantled the economics of American journalism. *The Inconvenient Truth,* Al Gore's jeremiad about climate change, was financed in part by

Participant Media, whose founder Jeff Skoll was the first president of eBay, an ecommerce juggernaut and an example of the kind of accelerated consumer culture that contributes to climate change. *Her*, the quirky sci-fi romance about a man who falls in love with an artificial intelligence, was financed by the daughter of Larry Ellison, co-founder of Oracle, whose database and cloud software are paving the way to the impersonal, robotic future the film depicts. As ever, the paradoxes of capitalism are confounding, not least in Financialized Hollywood.

Hollywood Libraries as Private Equity Investment Portfolio

To varying degrees, film libraries have always been a lucrative asset for the Hollywood system, a history Eric Hoyt dates back to the 1910's.[273] Unlike individual films, which are a risky venture, no matter the pedigree or built-in audience, film libraries are a reliable, diversified asset. Private equity, consequently, has looked upon Hollywood libraries as investment opportunities. Again, Bain Capital was the pioneer in this strategy, acquiring LIVE Entertainment, a home video distributor, way back in 1997. Now christened Artisan Entertainment, in addition to production (including smash-hit *The Blair Witch Project*), it grew its library from 2500 titles to 7000 through acquisitions of the rights from the likes of Hallmark Entertainment and Republic Entertainment. It was sold to Lionsgate in 2003 for a 700% return on investment.[274] Artisan's CEO, Amir Malin, has since formed Qualia Capital, which manages and advises on "intellectual property asset portfolios," funding acquisitions such as the Rysher Entertainment, Gaylord, and Pandora libraries, with the backing of Canyon Capital Partners. As

[273] Eric Hoyt, *Hollywood Vault: Film Libraries before Home Video* (Berkeley, CA: University of California Press, 2014).

[274] "Amir Malin." *Qualia Capital*. http://qualiacapital.com. Accessed April 11, 2017.

mentioned previously, the MGM acquisition by Providence, TPG, and others in 2004 demonstrates the limits of this investment approach, as the timing of that deal – just as DVD sales were peaking but too early for streaming video's rise – resulted in bankruptcy. Other types of content portfolio investment that became popular during that period's easy credit, particularly 'slate-financing,' have proven equally risky.

In the run-up to the financial crash, Wall Street money flooded into Hollywood. Rather than the passive, revolving lines of credit from banks that studios had typically relied on, now funds were designed for private equity firms, hedge funds, and investment banks to actively participate in film funding. An estimated $15 billion was pumped into 'slate-financing,' in which a series of films (upwards of 25) were produced from the same pool of capital, thereby diversifying the risk and return.[275] For example, Gun Hill I was a fund raised in 2006 that raised $600 million for eleven Sony films and nine Universal films; Gun Hill II raised another $700 million for another twenty films.[276] By 2007, every major studio had lined up PE backers for at least one slate. Despite their sophisticated risk-management strategies, however, these financiers soon encountered 'Hollywood accounting,' the byzantine, dubious method by which film-financing is engineered asymmetrically so that individual films rarely achieve profit, yet the distributors still earn their fees. Furthermore, the films offered up to slate-financing deals were often the riskiest they had; the studios financed their reliable films themselves, particularly their franchises, retaining the bulk of the revenue. Compounding this difficulty, the credit crunch forced many financiers to pull out of these deals, selling Hollywood assets at a discount of up to 70 percent. Most of these deals were considered failures, with investors losing hundreds of

[275] Sue Zeidler, "Wall St dumps film deals on Hollywood investors," *Reuters*, February 27, 2009.

[276] Merissa Marr and Peter Sanders, "Deals & Dealmakers: Wall Street Rethinks its Role in the Movies," *Wall Street Journal*, August 17, 2007.

millions of dollars.[277] Of course, every failure in the finance market just means another opportunity for some other alignment of capital.

Content Partners, for instance, was more than happy to buy these distressed investments. A financial boutique that acquires intellectual property, founded by two financiers that had worked for talent agencies, Content Partners began in 2006 as a sort of payday loan firm for profit participation. They would offer actors, directors, and producers a lump sum of cash in exchange for the revenues associated with the long-term release windows of syndication, DVD/Bluray sales, and streaming rights. Backed by JP Morgan, Carlyle's 'long-dated private equity fund,' and wealthy investors, Content Partners expanded into larger intellectual property assets, including the discounted slate-financing deals, as well as a 50% stake in the lucrative CSI franchise for an estimated $400 million.[278] A profitable addition to the investment portfolio of Content Partners, the three shows – *CSI, CSI: Miami*, and *CSI: NY* – comprise 700+ episodes that are on the air in 200+ countries, aggressively exploited in syndication, streaming, and international licensing. In 2017, Content Partners acquired Revolution Studios, which itself was a private equity-owned production company and intellectual property management firm, having acquired the libraries of Morgan Creek International, Cold Spring Pictures, and OK Films. As a result, the aggregated investment portfolio of Content Partners had grown to 350+ films and 1500+ hours of television.[279]

Unlike in 2004 when the MGM library proved overvalued, a content library like that of Content Partners is now a lucrative asset, easily exploitable in the gold rush-like atmosphere of

[277] Michael Hiltzik and Josh Friedman, "Hollywood's hedged bets," *Los Angeles Times*, February 16, 2008.

[278] Rachel Abrams, "Content Partners buys 'CSI' stake," *Variety*, March 6, 2013.

[279] Dave McNary, "Revolution Studios Sold to Content Partners," *Variety*, January 4, 2017.

digital streaming distribution, discussed below. In the context of streaming platforms, libraries are a crucial incentive for attracting digital subscribers, and private equity firms have been securing them as much as possible. In 2010, Disney sought to unload Miramax's famed indie library of 700+ films, consisting of almost 300 Oscar nominations, including *Pulp Fiction, There Will Be Blood,* and *No Country for Old Men*. Tom Barrack, CEO of private equity firm Colony Capital, acquired the library along with Tutor Perini, a construction magnate, for nearly $700 million.[280] Despite barely adding to the library with new productions, they were able to sell it in 2016 to Qatar-based broadcaster BeIN Media Group and earn 3.5 times its equity investment, demonstrating the renewed value of content libraries.[281]

A series of smaller private equity library deals have taken place since the rise of streaming as well. In 2011, the PE firm Vista Equity Partners invested in MarVista Entertainment, a production, distribution, and acquisition company with 2,500 hours of film and television content. In 2015, the consortium Ambi Group, backed by PE firm Raven Capital Management, acquired the library of Exclusive Media Group, which contains approximately 400 titles including *Donnie Darko, Cruel Intentions, Ides of March, Memento*, and *The Mexican*. In order to add value to the library, a film fund was also established to finance and produce mid-level, star-driven films, similar to the previously mentioned STX.

These catalogues pale in comparison to the size and scope of the catalogues held by the major Hollywood studios. Warner Bros, for example, with one of the most extensive film libraries, holds the rights to over 7,000 feature films, which it monetizes across various release windows, such as television, cable, pay-per-view, DVD/Blu-ray, digital sales/rentals, and

[280] Brooks Barnes and Michael Cieply, "Disney Sells Miramax for $660 Million," *New York Times*, July 30, 2010.

[281] Anousha Sakoui and Alex Sherman, "'Pulp Fiction' Owner Miramax Sold to Qatar Broadcaster BeIN," *Bloomberg Businessweek,* March 2, 2016.

streaming, including its own Warner Archive service, which offers access to its classic film and television library for a monthly fee. A prolific producer of television since the 1950s, Warner Bros owns 5,000 television programs, making for tens of thousands of episodes, which combined with its film library amounts to 80,000 hours of programming.[282] Conglomerates with a history in one of the three major broadcast networks, meanwhile, have even larger television catalogues. Comcast, for instance, inherited NBCUniversal's catalogue, which includes the rights to 100,000 television episodes, as well as 5,000 films.[283] Similar to what we saw with the music industry in chapter 3, the major film and television conglomerates are growing and consolidating their libraries as they transition into a streaming-based distribution system. The debt-financed work of private equity assists and accelerates this consolidation.

The Hollywood Bubble

The concentration of ownership in Hollywood, hastened by the financial sector since 2004, is visible in the market share of total box office during this period. Figure 12 is a colourful representation of how the major studios have increased their domination in feature filmmaking in the financial era; the figure gets decidedly less colourful as the years go on, as independent film distributors are less able to compete with the franchise filmmaking of the major studios. The term 'independent' is used loosely here, as many of these distributors are actually just subsidiaries of one of the conglomerates: Focus (Comcast), New Line (Time Warner), Fox Searchlight (20th Century Fox), Miramax (Disney until 2010), Dreamworks (various relationships with Paramount and Universal/Comcast), and Warner Independent (Time Warner).

[282] Paul Bond, "Warner Bros. CEO Outlines $200 Million in Annual Cost Cuts," *The Hollywood Reporter*, October 15, 2014.

[283] Comcast Corporation. *Form 10-K*, February 27, 2015.

Figure 13 demonstrates this consolidation more succinctly, with the combined market share of the big six studios increasing from 65% in 2004 to nearly 85% by 2016. The result of this concentration, as it is elsewhere in the gilded economy, is stagnation and higher prices. As seen in Figure 14, total movie ticket sales are on a steady decline, though profits have been propped up by increasing ticket prices, particularly 3D surcharges, as well as continued expansion into global markets, especially China. It's not yet the oligopoly of three that the recorded music industry has become, but if that industry's experience with private equity and financialization is any indication, further concentration and inequality in Hollywood is on the horizon.

Hollywood shares another parallel with the music industry in that a new streaming technology platform with considerable financial backing is transforming its distribution model. Just as Spotify is leading the way for a sea change in the economics and consumption patterns of recorded music, Netflix is pioneering a transition in the film and television industry. Unlike music, however, where the lines between consumption/distribution (Spotify, Apple Music, Pandora, etc.) and production/catalogue (Universal, Warner, Sony) are fairly distinct, leading to minimal competition or innovation, the film and television industry is much more unsettled and the lines between production/distribution/consumption much more blurred. Netflix has moved aggressively into this precarious situation, transitioning from a DVD delivery service into a global streaming video platform, content producer, and the belle of Wall Street. Attaining nearly 100 million users for its streaming service, Netflix shares have risen 13,000% since its IPO in 2002, making for the second highest returns on the S&P 500 over the last fifteen years.[284] Originally seen by the conglomerates as just another release window, Netflix has become

[284] Lucinda Shen, "Netflix Went Public 15 Years Ago. It's Been a Better Stock Than Apple or Amazon," *Fortune*, May 22, 2017.

something of a frenemy to the conglomerates of Hollywood: a valuable destination to license its wares, but also a threat to its dominance as Netflix moves into original content production. Hedging its bets, four of the major studios have developed an important counter-strategy: their own streaming platform, Hulu.

With early investment from Providence Equity Partners, Hulu launched in 2006 and has grown into a formidable Netflix rival. Though it lacks the global footprint and total number of subscribers, Hulu has quickly surpassed Netflix in an important long-term metric: catalogue size. In addition to next-day availability of television shows from four of the five major networks and many cable channels, Hulu secured exclusive rights deals with Comedy Central, AMC, Bravo, E!, A&E, FX, Syfy, USA, Fox Sports, PBS, Nickelodeon, and Epix. As Netflix moved into original programming, so did Hulu, with high-profile, award-winning series, featuring name-brand talent. The result, by 2016, is a Hulu catalogue spanning more than 6,600 movies and nearly 3,600 television series, compared to Netflix's 4,500 and 2,400, respectively.[285] For Netflix, this represents a drop in its catalogue by over 50%, from a high of roughly 11,000 titles.[286] Though the company accounts for this drop by claiming it is focusing on original content production, the reality is a proxy fight between traditional Hollywood and Netflix.

Around 2015, conglomerate media company executives begun to openly hint at a joint effort to limit Netflix's ascent. Time Warner CEO Jeff Bewkes argued against undercutting its business "by having somebody else pay a fraction of the cost and create a better inventory on the various shows you yourself invented," while Discovery CEO David Zaslav proclaimed that "it's

[285] Todd Spangler, "Amazon Prime Video Has 4 Times Netflix's Movie Lineup, But Size Isn't Everything," *Variety*, April 22, 2016.

[286] Nathan McAlone, "Netflix's catalog has shrunk by a whopping 50% in the past few years," *Business Insider*, October 2, 2016.

just not rational that… [we] have allowed [Netflix] to gain so much share and offer it without our brands."[287] FX president John Landgraf indicated a "concerted effort not to only sell to Netflix,"[288] and Fox CEO James Murdoch declared that "the business rules around how we sell to [SVOD] providers is changing."[289] The economics of distribution and licensing is just one of the battlefronts between Hollywood and Netflix; data is another crucial vector. Essential to Netflix's public image and branding strategy is its data-savvy, particularly its ability to mine its global consumption data to improve the content it develops as well as the personalized, algorithmic suggestions for its users. But Hulu is jointly owned by Disney, Fox, Comcast, and Time Warner; though unacknowledged in the press, I confirmed with a Hulu executive that each of its parent companies have access to its trove of data. With such an extensive catalogue that spans many formats and demographics, the granular consumer data generated by Hulu gives an important advantage to these four Hollywood conglomerates. It also binds them together in their cold war with Netflix.

This is not the first time legacy Hollywood companies have been challenged by new technology; in fact, Hollywood's history is one of initially resisting but eventually profiting off of every technological advancement, from sound to television to satellite to cable to VHS/DVD and into the digital age. History would suggest that streaming technology and its ilk will merely be added to the array of entertainment formats that the Hollywood conglomerates dominate. The difference this time, potentially, is that the challengers are well-funded by a financial sector that is chasing dwindling investment opportunities in a hollowed-out economy. Looking for the next

[287] Peter Kafka, "Can the TV Guys Put the Netflix Genie Back in the Bottle?," *Recode*, November 3, 2015.

[288] Todd VanDerWerff, "Hulu has overtaken Netflix to become the best streaming service," *Vox*, October 22, 2015.

[289] David Lieberman, "James Murdoch: Fox's TV Business Can Grow, Despite Industry Problems," *Deadline*, September 16, 2015.

Facebook, investors have rewarded Netflix's ability to rapidly grow its global subscriber base, ignoring its growing debt and comparative lack of earnings in the hopes of a future profit windfall. Amazon, similarly, received years of Wall Street investment despite a distinct lack of profits, using that coffer to increase scale and expand into a vast array of industries, including film and television. By 2016, Amazon Prime Video was offering 18,405 movies, nearly three times the size of Hulu's catalogue, and dwarfing Netflix's shrinking catalogue.[290] Along with Apple and Google, each a crucial interface in how digital media is now experienced, particularly on mobile devices, this handful of tech stocks have come to be known by investors as FAANG: Facebook, Amazon, Apple, Netflix, and Google. In June of 2017, these five companies together held a market capitalization of $2.4 trillion, about 13 percent of the size of the United States economy, or the entire GDP of France.[291] The FAANG companies only earned $77 billion in 2016, however, most of which came from Apple's lucrative iPhone sales, so their massive market cap is speculation on a severe scale. Wall Street is literally banking on a future in which these five companies dominate and monopolize their respective industries.

Caught up in this swirl of speculation, Hollywood faces an uncertain future. Its film industry is steady, but declining. As mentioned, the conglomerates have priced out most competition with ever-increasing budgets to afford global marketing campaigns for pre-sold property. Television, however, is highly contested. There is a confluence of trends moving in opposite directions that suggest a volatile, competitive market at least, and a bubble at worst. Figure 15 demonstrates the dramatic rise of cable television channels, as well as scripted television productions, which FX President John Landgraf famously referred to as "Peak TV" in

[290] Spangler, "Amazon Prime Video Has 4 Times Netflix's Movie Lineup, But Size Isn't Everything," *Variety*.

[291] Landon Thomas Jr., "Five Big Tech Stocks Build Market Euphoria, and Jitters," *New York Times*, June 7, 2017.

2015.[292] One might assume that if supply is being increased so acutely, that demand must be as well; quite the contrary, Figure 16 clearly illustrates the 'cord-cutting' phenomenon, in which pricey cable television subscriptions (averaging over a hundred dollars a month) are being exchanged for more affordable video-on-demand internet services (averaging ten dollars a month).

The other key revenue source for television is advertising dollars, which are increasingly diverted away from traditional media formats such as television and newspapers and into the tech giants Google and Facebook. This 'digital duopoly' accounted for 75% of all new online ad spending in 2015, nearly 60% of the digital market, and is expected to outpace the television advertising market soon.[293] Furthermore, as Figure 17 demonstrates, employment in the broadcasting industries is declining while expenses are rising. With fewer cable subscriptions and declining advertising dollars, while being saddled with more expenses, rather than a huge surge in production and "Peak TV," the television industry should be facing "Valley TV" or "Nadir TV." The only explanation is a speculative tidal wave funded by Wall Street, escalating production and distribution, hoping that they will have placed their bets on the right configuration of culture and content. As arguably the world's most successful investor Warren Buffett once said, "you only find out who is swimming naked when the tide goes out."[294] In this case, when the tide goes out, it is the capacity, diversity, and talent of Hollywood that is left vulnerable in the wake of Wall Street's speculative fury. Precarity is a common labor condition

[292] Quoted in Cynthia Littleton, "FX Networks Chief John Landgraf: 'There Is Simply Too Much Television,'" *Variety,* August 7, 2015.

[293] Shannon Bond, "Google and Facebook build digital ad duopoly," *Financial Times,* March 14, 2017.

[294] Warren Buffett, *Berkshire Hathaway Inc. Annual Report,* February 28, 2002.

in the financial age, particularly for creative workers; it has become a structural feature of Hollywood itself.

Chapter 6. Derivative Television:

Reflexive Comedy, *30 Rock*, and Mise-en-synergy

Commercial film is no more a set of cinematic than of economic performances.
At the level of material truth, every scene is shot from the camera's point of view;
by the same token, every piece of pop aesthetic must be seen from the point of view of money -
not just in measuring its success, but in conceiving of what it communicates.
Joshua Clover, *The Matrix*.[295]

Introduction

"A lot of the things this show has done, like product integration and guest stars," explained Robert Carlock, executive producer and co-showrunner of the television sitcom *30 Rock* (2006-2012), "is partly to give NBC the fewest number of excuses possible to get rid of us." With specific regards to product integration, Carlock claimed that "every time we've done it, we've had the luxury of being able to call it out or mock it or integrate it."[296] Creator, star, and co-showrunner Tina Fey often echoed this sentiment: "I'm just trying to continue an ongoing scam."[297] In addition to these "managed self-disclosures,"[298] the series itself regularly engaged in "industrial self-reflexivity"[299] to comment on its own production context, such as following a

[295] Joshua Clover, *The Matrix* (London: BFI, 2004), 43.

[296] Steve Heisler, "Robert Carlock walks us through highlights from *30 Rock*'s six seasons so far," *The A.V. Club*, May 21, 2012.

[297] Kate Hahn, "It's all-in or nothing for TV's auteurs," *Variety*, June 7, 2012.

[298] John T. Caldwell, "Cultures of Production: Studying Industry's Deep Texts, Reflexive Rituals, and Managed Self-Disclosures," in *Media Industries: History, Theory, and Method*, eds. Jennifer Holt and Alisa Perren (Malden, MA: Wiley-Blackwell, 2009), 199-212.

[299] John T. Caldwell, *Production Culture: Industrial Reflexivity and Critical Practice in Film and Television* (Durham, NC: Duke University Press, 2008).

product placement with a direct address to the camera: “Can we have our money now?”[300] It also commented on its own lack of success, most pointedly in its series finale when the show-within-a-show ended with a cast member proclaiming: “Thank you, America. That's our show. Not a lot of people watched it. But the joke's on you, 'cause we got paid anyway.”[301] In instructive ways, these on and off-screen comments are simultaneously accurate yet completely misleading, emblematic of the complex negotiation between complicity and criticism that confronts the smart, ‘self-aware’ cultural text in today’s financialized media environment.

For the creative team at *30 Rock*, the constant threat of cancellation was leveraged for cultural capital, while the hyper-commercialization of broadcast television was exploited for satire. Though never earning very high ratings, the show was actually quite profitable, on a variety of levels: the wealthy, educated demographic it attracted; the critical acclaim and prestige it brought to NBC with its Peabody and 100+ Emmy nominations; and the many brands and texts for which it behaved as an unparalleled platform for marketing. Furthermore, *30 Rock* was certainly not always given the luxury of ‘calling out’ or ‘mocking’ product integration through satire, for reasons of its own accord, as well as external factors that are merely the nature of contemporary television, as we will explore below. Its self-imposed precarity and the conflicted nature of its corporate authorship produced a creative friction that resulted in a uniquely prolific and dense instance of what we might call its political economy of intertextuality. Quotations, homages, parodies, soundtrack choices, product placements, brand integrations, and other types of intertextual reference comprise the diegetic world of *30 Rock*, a dense thicket of economic relationships that forms a market for exchange. Beyond the core text itself, the network expands

[300] 3*0 Rock,* Season 2, Episode 6, November 15, 2007.

[301] 3*0 Rock,* Season 7, Episode 13, January 31, 2013.

further, in paratextual and transmedial incarnations which create new avenues for exchange.

The subtlety and complexity of this network presents a methodological difficulty: traditional textual analysis could not scratch the surface of its thousands of references and integrations. *30 Rock* is not alone in this complexity. Television is currently experiencing an unparalleled boom in production and original programming despite eroding advertising revenue and cord-cutting, causing some to question whether a bubble is forming (Landgraf's "Peak TV"[302]), whether this proliferation of choice and customization denotes a new epoch (Lotz's "the post-network era"[303]), whether its core logic is fan cultivation through digital engagement (Gillan's "Must-click TV"[304]), and whether its formal features are more narratively complex in this new context (Mittell's "Complex TV"[305]). One thing that is certain is the need for methodological advancements that can provide a broader scope for analyzing contemporary film and television culture. I propose that digital methods and data visualization techniques could strengthen political economic, production culture, and media industry methods. By visualizing and analyzing the nearly three thousand references made in the 138 episodes of *30 Rock*, this chapter provide a case study in how digital tools may be used to ask new questions in our formal and industrial analyses of cultural texts. These tools can supplement our traditional textual close-up with a data-assisted long shot, as it were. In this case, data visualization will assist untangling the formal and financial dimensions of the political economy of intertextuality, in which texts are constantly communicating with other texts, exchanging capital both economic and cultural.

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[302] Quoted in Cynthia Littleton, "FX Networks Chief John Landgraf: 'There Is Simply Too Much Television,'" *Variety*, August 7, 2015.

[303] Amanda D. Lotz, *The Television Will Be Revolutionized* (New York: NYU Press, 2007).

[304] Jennifer Gillan, *Television & New Media: Must-Click TV* (New York: Routledge, 2010).

[305] Jason Mittell, *Complex TV: The Poetics of Contemporary Television Storytelling* (New York: NYU Press, 2015).

The Space of Synergy at 30 Rockefeller Plaza

The National Broadcasting Company (NBC), on which *30 Rock* aired from 2006-2013, is the oldest major broadcast network in the US, but despite its long and illustrious history, the company has endured such change in the past three decades to be almost unrecognizable from its former self. Emblematic of the deregulating and conglomerating economic atmosphere of the 1980s, NBC was acquired by General Electric in 1986. The world's largest conglomerate – one of the most profitable non-oil or tech companies – GE's list of assets reads like the ingredients to a technocratic nation state: GE Capital, GE Money, GE Commercial Finance, GE Consumer Finance, GE Technology Infrastructure, GE Energy Infrastructure, GE Oil & Gas, GE Aviation, GE Healthcare, GE Consumer & Industrial, GE Appliances, GE Security. The bulk of its revenue, which is annually in excess of $100 billion, derives from financial services, particularly overseas lending, but its manufacturing arm is also immense, from appliances to nuclear reactors to jet engines to weapons production. At the time of *30 Rock*'s creation, one of its 'smaller' components was the joint ownership of NBC Universal, which despite its relative insignificance to its corporate parents in terms of total revenue, was the third largest media and entertainment company in the world, and, as such, played and continues to play a considerable role in the shaping and expression of public and cultural opinion.

In 2004, NBC Universal Inc. was formed through a merger between the National Broadcasting Company (which GE acquired from the Radio Corporation of America in 1986) and the French-based Vivendi Universal Entertainment (which was then a subsidiary of Vivendi SA, which had recently merged with Canal+). GE amassed an 80% stake in NBCUniversal with the remaining 20% owned by Vivendi SA. Christopher Anderson explains the symbolic significance of this acquisition:

> By adding Vivendi's additional cable channels and Universal studios to NBC and its cable networks, GE created NBC Universal, a twenty-first-century media corporation operating in a television landscape for which the term national broadcasting is but a quaint reminder of a bygone era. The name Universal has its own history and brand-name recognition dating back to the earliest days of Hollywood, but it also makes NBC Universal a suitably descriptive name for a company determined to reinvent itself as a global media titan.[306]

The company was thus set to develop, produce, and market entertainment, news, and information all across the globe, through television (network and cable), film, the internet, and theme parks. NBC Universal's multi-faceted ownership structure was reinforced by its many joint ventures, such as MSNBC, an all-news cable network and web portal formed with Microsoft (to compete with CNN), and the Weather Network, which it purchased with Bain Capital and the Blackstone Group, both financial services and private equity firms. Further embodying the trends of the contemporary media landscape, the ownership of NBCUniversal changed hands once again in 2011, when Comcast, the largest cable operator and Internet service provider in the US, acquired a 51% share of the company, with GE buying out Vivendi and retaining a 49% stake. Then known as NBCUniversal Media, LLC (NBCU for short), the company found itself stretched across an even wider network of transnational telecommunications and entertainment holdings until Comcast bought out the rest of GE's stake in 2013.

Premiering in 2006, the first episode of *30 Rock* quickly incorporates this conglomerated atmosphere into the setting and tenor of the show: "Surely our massive conglomerate parent company could spring for a samovar of coffee,"[307] one of the staff writers quips as the viewer is introduced to a writer's room in NBC Studios. This scene follows the show's title sequence

[306] Christopher Anderson, "Creating the Twenty-first-Century Television Network: NBC in the Age of Media Conglomeration," *NBC: America's Network,* ed. Michele Hilmes (Berkeley, CA: University of California Press, 2007), 276-278.

[307] 3*0 Rock,* Season 1, Episode 1, October 11, 2006.

which is largely comprised of shots of the General Electric Building at 30 Rockefeller Plaza, the 70-story skyscraper and centerpiece of 22-acre Rockefeller Center in New York City, where NBC Studios is located. A National Historic Landmark, this complex of 19 commercial buildings was built by the Rockefeller family in the 1930s; the Radio Corporation of America, which would become NBC, was 30 Rock's original tenant. It remains the headquarters of NBC to this day, and contains the studios for *The Today Show, Dateline NBC, MSNBC, WNBC, NBC Nightly News, The Tonight Show with Jimmy Fallon, Late Night with Seth Meyers, Saturday Night Live*, and others. In 2011, midway through *30 Rock*'s run, a corporate rebranding process used the typography and style of *30 Rock*'s branding in a variety of new enterprises, including Brian Williams' short-lived weekly news-magazine program named *Rock Center*, as well as a new tourist attraction, 'Top of the Rock,' which opened the top floor of 30 Rockefeller Plaza to compete with the Empire State Building for selling views of the New York City skyline. Rockefeller Plaza is increasingly fashioned as the brand anchor for a variety of attractions, not just many of its television programs, but studio tours, attractions (such as its iconic ice rink and annual Christmas tree ceremony), and enough stores and restaurants to qualify as a small shopping center. Though only the exterior of the building was used for *30 Rock*, as interiors were filmed at Silvercup Studios in Long Island City, Queens, the show acted as one of the primary branding mechanisms for Rockefeller Plaza by setting its story within its synergistic space.

This historic, corporate, industrial, and geographic setting provides *30 Rock* with many comedic and satirical opportunities. Primarily, it sets up one of the show's key themes, which is the struggle between art and commerce in the production of cultural products in a corporate atmosphere. Lightly based on Fey's experience as head writer and cast member on *Saturday Night Live*, *30 Rock* is a workplace sitcom centered around Liz Lemon (played by Tina Fey),

head writer for the fictional show-within-a-show "The Girlie Show," quickly rebranded as "TGS." Set at 30 Rockefeller Plaza, the characters on the show (including actors, writers, and staff members) oscillate between many different places within the General Electric building: the studio where "TGS" is filmed, the offices of writers and producers, other NBC programs and studios, the liminal hallway spaces where different workers interact, and 'upstairs to corporate,' personified by GE businessman and corporate-climber Jack Donaghy (Alec Baldwin). The cultural geography of this mediated space extends with every new plot line and setting; totaling 138 episodes over seven seasons, vast stretches of the mediascape were charted and satirized.

The first episode introduces a vibrant dynamic among spaces of media production with Jack's arrival as the new head of programming, where he renovates his grand corporate office and enacts significant changes to the production of "TGS." He is quick to establish another foundational element of *30 Rock*: synergy. A corporate buzzword, synergy is a metaphor for how two or more elements are intended to work together in order to produce a result greater than the sum of its parts. In the cultural industries, this process can pertain to vertical and horizontal integration, clustering of core media interests, conglomeration, convergence, cross-promotion, multi-platforming and other associated business strategies of diversifying and extending content. On *30 Rock*, Jack is continually advocating such strategies, having built his reputation on the invention of the GE trivection oven (a real product), which combines three types of heat: radiant, convection and microwave. He applies this concept of synergy to "TGS," adding movie star Tracy Jordan (Tracy Morgan, playing a version of himself) in an effort to appeal to multiple markets, particularly the young male demographic. Unbeknownst to Fey, GE decided to run advertisements for its trivection oven during the original broadcast, adding some real synergy to their satirical synergy. Promotion and marketing, both within the story and outside it in its

surrounding media environment, as in this example, is a recurring phenomenon with *30 Rock* that is never as simple as the show would have you believe.

A series of scholarly articles have attempted to interpret and analyze *30 Rock*'s unique blend of commerce and criticism. Jennifer Gillan's chapter, "Branding, synergy, and product integration" in *Television and New Media: Must-Click TV*,[308] is one of the most insightful, contextualizing the show within NBC's programming lineup at the time, which was calculated for maximum synergy. Linda Mizejewski's study of women comedians, *Pretty/Funny*,[309] persuasively argues that *30 Rock* functions less as a feminist comedy than a satirical portrayal of a variety of conflicting feminisms and post-feminisms, and how feminist ideals play out in institutions and popular media. Tina Fey's star image has also been subject to a series of analyses, as expressed in her press appearances, the autobiographical nature of her character on *30 Rock*, and her SNL experiences.[310] In particular, Tina Fey's influential impersonation of Sarah Palin during the 2008 election has been catnip to social scientists studying the impact of entertainment on politics.[311] Yet there is an inherent limitation to all these sorts of analyses, which must choose a handful of pertinent examples to describe and discuss, thus reducing the

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[308] Jennifer Gillan, "Branding, synergy, and product integration," in *Television & New Media: Must-Click TV* (New York: Routledge, 2010).

[309] Linda Mizejewski, *Pretty/Funny: Women Comedians and Body Politics* (Austin: University of Texas Press, 2014).

[310] Martha Lauzen, "The Funny Business of Being Tina Fey: Constructing a (Feminist) Comedy Icon," *Feminist Media Studies* 14.1 (2012): 106–117; Eleanor Patterson, "Fracturing Tina Fey: A Critical Analysis of Postfeminist Television Comedy Stardom," *The Communication Review* 15.3 (2012): 232–251.

[311] Sarah Esralew and Dannagal G. Young, "The Influence of Parodies on Mental Models: Exploring the Tina Fey–Sarah Palin Phenomenon," *Communication Quarterly* 60.3 (2012): 338–352; Arhlene A. Flowers and Cory L. Young, "Parodying Palin: How Tina Fey's Visual and Verbal Impersonations Revived a Comedy Show and Impacted the 2008 Election." *Journal of Visual Literacy* 29.1 (2010): 47-67; Jason T. Peifer, "Palin, Saturday Night Live, and Framing: Examining the Dynamics of Political Parody," *The Communication Review* 16.3 (2013): 155–177; Dannagal G. Young, "Political Entertainment and the Press' Construction of Sarah Feylin," *Popular Communication* 9.4 (2011): 251–265.

show's density of meaning. Recent advancements in digital tools and methodologies afford new opportunities to analyze this complexity.

Digital Humanities, Data Visualization, and *30 Rock*

The fields of Digital Humanities (DH) and Cinema & Media Studies (CMS) are an increasingly fruitful pairing. Since DH tends to treat "the project as basic unit," rather than traditional publication, and these "projects are both nouns and verbs,"[312] pointing to the centrality of process and ongoing iteration, we can point to the many proliferating, continuing projects in DH-CMS as proof of that healthy: Project Arclight, Kinomatics, Cinemetrics, MediaCommons, Vectors, Scalar, [in]Transition, ScripThreads, Bookworm, Culturegraphy, and ClipNotes as well as two recent anthologies, *Digital Tools in Media Studies* and *The Arclight Guidebook to Media History and the Digital Humanities*.[313] Spanning from historical data mining to shot-counting to visualizations to international distribution flows, the content of these projects ranges widely, but invariably, each is rooted in the common technology of the database. "When working with the flexible form of the database," Tara McPherson writes, in these pages, in one of the first explicit engagements with media studies and digital humanities, "scholars reimagine connections between research and analysis that are not necessarily based on the structure of a linear argument, but may be multiple, associative, digressive, even

[312] Anne Burdick, Johanna Drucker, Peter Lunenfeld, Todd Presner, and Jeffrey Schnapp, *Digital_Humanities* (Cambridge, MA: MIT Press, 2012), 124.

[313] Michael Ross, Manfred Grauer, and Bernd Freisleben, eds. *Digital Tools in Media Studies: Analysis and Research. An Overview* (Bielefeld; New Brunswick N.J.: Transcript-Verlag, 2009); Charles R. Acland and Eric Hoyt, *The Arclight Guidebook to Media History and the Digital Humanities* (Sussex, England: Reframe Books, 2016).

contradictory."[314] However, before a database can be assembled, decisions must be made about the content of the database, for as Lisa Gitelman's elegant title asserts, *'Raw Data' Is an Oxymoron*.[315]

Johanna Drucker's work on the digital humanities scrutinizes the possibilities and pitfalls of utilizing reductive digital means to comprehend enigmatic human experience. Computers "cannot tolerate the ambiguity typical of humanities texts and interpretative methods,"[316] and thus, "what is considered data—that is, what is available for analysis—is as substantive a consideration as what is revealed by its analysis."[317] Consequently, humanists who work with digital tools are challenged to "make explicit many of the premises on which those understandings are based in order to make them operative in computational environments."[318] Without careful consideration, digital humanists can perpetuate a bias of the empirical sciences, in which data are held to be mere representations of preexisting facts. On the contrary, "humanistic inquiry acknowledges the situated, partial, and constitutive character of knowledge production."[319]

In the spirit of this non-representational, interpretation-based model of humanistic data formation, I've compiled a series of intertextual data points amassed from the cascade of references made in each of the 138 episodes of *30 Rock*. My goal was to generate a database with

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[314] Tara McPherson, "Introduction: Media Studies and the Digital Humanities," *Cinema Journal* 48.2 (Winter 2009): 121-122.

[315] Lisa Gitelman, ed. *"Raw Data" Is an Oxymoron* (Cambridge, Massachusetts: The MIT Press, 2013).

[316] Johanna Drucker, *SpecLab: Digital Aesthetics and Projects in Speculative Computing* (Chicago: University of Chicago Press, 2009), 11.

[317] Ibid., 10.

[318] Burdick, Drucker, Lunenfeld, Presner, and Schnapp, *Digital_Humanities*, 4.

[319] Johanna Drucker, "Humanities Approaches to Graphical Display," *Digital Humanities Quarterly* 5.1 (2011).

which it would be possible to discern formal and economic patterns from the outpouring of intertextuality. The database form forced me to rectify how cultural data are produced; in this case, what qualifies as intertextual, how might it be quantified, how might intertextuality act as a site of exchange for cultural and economic capital, how might its value be measured, and how might it be expressed or masked within a text. My aim was to map the political economy of intertextuality of *30 Rock*, noting all instances of a reference to another cultural text or brand. If these references act as a form of currency, providing the possibility for an exchange of value – either economic, cultural, or both – then this currency should be quantifiable, leading to a qualitative interpretation of the role of intertextuality within contemporary narrative. By systematically recording and aggregating these referential transfers, then visualizing the data, I hope to provide a new perspective on the breadth and scope of the relationship between intertextuality and political economy.

In order to build a catalog of explicit intertextuality, I included any reference, aural or visual, to television shows, films, books, musicals, newspapers, magazines, musicians, video games, sports, theater, and websites. I also cataloged any mention of a product or brand, including technology, clothing, restaurants, and many more, while classifying if the product placement was paid for or not. Lastly, I indexed all the fictitious and parodic references made on the show, which turned out to be a vast array of fabricated cultural texts, as well as phony products and satirical brands. Immediately, my process of manually cataloguing references made on the show involved many discretionary choices.

I decided against recording any mentions of celebrities or politicians, even though they could easily be considered texts and/or brands. I also decided against recording every mention of NBC, since NBC is a constant reference on every episode of *30 Rock*. Obviously there are

references that I will have missed, though I also consulted scripts, fan websites, and the Internet Movie Database, which contains a user-submitted catalog of references for every film and television series. Perhaps the biggest interpretative choice I made in cultivating this data was deciding that a reference, product, or brand could only be counted once per episode, a discrepancy which unfortunately makes a quick reference or visual gag equivalent to an episode-long motif. Admittedly, this is shaping the data to express the breadth of references made, rather than attempting to qualitatively evaluate the reference itself. However, measuring the 'length' or 'depth' of a reference would necessitate the inclusion of even more discretionary choices. My goal was to chart the width, breadth, size, and scope of the political economy of intertextuality, not the approximate 'value' of each reference, though this could be a possible future research avenue. Therefore, omissions and disparities are prevalent and expected, though the database is robust enough for some interesting patterns to be discerned.

Once the data was collected, I used the software package Tableau Desktop to generate a variety of visualizations to interpret this data. Tableau is primarily intended for business analytics, and thus its focus is on 'actionable results,' not the type of exploration and experimentation we prize in the humanities. Furthermore, as Drucker warns, "graphical tools are a kind of intellectual Trojan horse, a vehicle through which assumptions about what constitutes information swarm with potent force."[320] The point of the following visualization set is not to provide a data-based 'solution' to some verifiable claim, but to use computational means to explore intertextuality with a scope not possible under traditional interpretative means. With this in mind, readers are encouraged to visit andrewdewaard.com to explore the visualizations in their interactive form, in which individual data points can be interrogated and the subjective nature of

[320] Ibid.

the data-gathering process is more apparent. Due to the limitations of print, the following visualizations are mere static reproductions, a reduction of a reduction. Nevertheless, Figure 18 illustrates the rough contours of this intertextual economy.

As a television show about television, it is to be expected that one of the top categories for references is television. It is surprising, however, to see that brand mentions are actually the most referenced category. The sheer amount of brands (722) referenced is notable, considering only 85 were officially product placements, as noted by the episode's credits sequence which must include a "promotional consideration furnished by" tag when placements are paid for. Of the 85, the majority are from Apple, indicating a long-term contract to integrate the brand into many episodes of the show, resulting in many references to its line of products, including the iMac, the Macbook, the iPhone, the iPod, iTunes, and Siri. In fact, many episodes begin in Jack's elegant, corporate office, where an iMac is clearly visible, effectively starting the show with a mini-commercial.

In Figure 19, we can zoom in to consider just the brands references in *30 Rock*. In addition to Apple, clearly a long-term agreement was made with Sharp as well, who have provided the televisions that are seen throughout NBC Studios in the diegesis of *30 Rock*. This placement is a natural fit for a television-obsessed show constantly referring to other television series (650 total) and television channels (78). Characters are often seen watching or discussing television, while television brands from elsewhere in 30 Rockefeller Plaza are incorporated often. In exchange for providing the many televisions that populate the set, Sharp was integrated into multiple story lines, such as an episode that revolves around Jack purchasing Kenneth a new Sharp television set and challenging him with the ethical quandary of stolen cable.[321] Another

[321] 3*0 Rock*, Season 3, Episode 2, November 6, 2008.

episode has Liz buying charity Christmas gifts for a struggling African-American family, which includes a Sharp television, a particularly insidious product placement, masked by a joke about Liz's white liberal guilt.[322]

An example of how data visualization can highlight minor details that might not otherwise be noticed, the brand LRG appears quite often, though it is not an officially paid promotion. Digging into the data, it is almost entirely Tracy Morgan's character that wears this "urban streetwear" clothing brand. Considering the fact that he wears the brand at least 9 times over five different seasons, perhaps this indicates that Morgan had entered into his own promotional agreement with the brand, rather than the show. Tracy's character wears two other streetwear brands as well, Sean John and Zoo York, demonstrating that the political economy of intertextuality extends beyond the control of *30 Rock*, its creators, and NBCU.

The database reveals that this obfuscation of paid promotion is accomplished not just with satirical writing, but with the overloading and blurring of boundaries between real and fake, paid and unpaid. Hundreds of fake or parodic television shows, films, brands and other texts populate the diegetic world of *30 Rock*, confusing the viewer with what is just a joke, and what is a paid promotion masquerading as a joke. When arranged as a linear timeline, as in Figure 20, these parodic references alternate with paid references, providing a comedic shroud for the constant onslaught of brands and corporate texts.

If we visualize this data by episode, as in Figure 21, we are presented with the variability and instability of this intertextual economy. Like a stock chart, the indicators are erratic, as an episode can have less than 10 references or more than 50. The categorical makeup of the references varies as well; brands and television references are the foundation, but many different

[322] 3*0 Rock,* Season 3, Episode 6, December 11, 2008.

media are represented, whether pertaining to actual texts or fake texts created for the show for parodic and satirical reasons. *30 Rock* is known for its rapid-fire delivery of jokes, ranking first in a study by *The Atlantic* of jokes per minute in sitcoms: its 7.44 jokes per minute outdid *The Office*'s 6.65, *Friends*' 6.06, *South Park*'s 5.03, and *Curb Your Enthusiasm*'s 3.41, among others.[323] However, Figure 21 shows that there is a noticeable discrepancy between the dependency of certain episodes on reference-based jokes.[324] Thus, Figure 21 reveals a formal and stylistic quirk that might not otherwise be acknowledged.

The next visualization, Figure 22, is an even more conclusive example of the kind of discovery only quantification can generate. Amidst the flurry of references in every episode, I did not expect to see such a clear, positive trend line from season 2 to season 6 demonstrating a steady increase in the number of references used. Seasons 1 and 7 are outliers; perhaps season 1 relied heavier on references as the writers were figuring out the show's tone and style, looking to make quick jokes or associations for purposes of characterization, while season 7 did not rely on references as much, as the writers focused on the characters and wrapping up the story. Regardless, the trajectory for the bulk of the series is clear, with a 50% increase over the course of season 2 to 6.

We can further explore this increasing reliance on reference by comparing seasons to each other according to references per episode. In Figure 23, we can see that there are much higher peaks and lower valleys in both the later seasons and the later episodes of each season. Is referentiality a result, in part, of tired writers and exhausted brains? Maintaining quality in twenty-two and twenty-four episode orders of television shows is difficult enough; *30 Rock*'s

[323] Talib Visram, "The One Where I Counted the Jokes in Popular Sitcoms," *The Atlantic*, November 28, 2014.

[324] If explaining a joke kills it, then statistical analysis of jokes must be the equivalent of mass murder.

dense writing, quick dialogue, and audio-visual complexity presents an even more complicated challenge. Figure 23 suggests one strategy for coping with that difficulty is an increasing reliance on intertextuality.

The next two visualizations give a sense of the overall referential ecosystem generated in *30 Rock*. The first, Figure 24, shows the texts that receive the most amount of references. In some ways, the intertextual economy of *30 Rock* mimics popular culture more broadly, with certain brands appearing with outsized weight, such as McDonald's, Oprah, YouTube, and *Star Wars* (even before the sale of Lucasfilm to Disney in 2012 that renewed the franchise). Apple's placement is large, befitting its role as the world's most valuable company, but its placements in *30 Rock* are paid for, as they are in many television series and films, part of Apple's distinctive, high-end marketing strategy. Unlike popular culture more broadly, other brands, such as the *Today Show*, General Electric, and Sharp, are over-emphasized because of their brand relationships with the show. The final visualization, Figure 25, puts these top references in perspective, demonstrating that even the biggest attractions are but a drop in the bucket of the larger ecosystem. The political economy of intertextuality of *30 Rock*, like popular culture more generally, is made up a vast array of different texts and products, a mélange of brands and parodies and different types of media, their financial relationships obscured from view.

Mise-en-synergy

As evidenced by these visualizations, the *30 Rock* diegetic world is comprised of numerous, intermingling cases of synergy, running the gamut from offhand reference and throwaway visual gag to product placement and long-term brand integration. It would be tempting to view this synergy as merely the standard use of cross-promotion and multi-

platforming, as is common to both the film and television industry, as well as media industry studies. However, the high degree to which synergy is an actual, tangible, diegetic component of *30 Rock*, both internally within the show and externally in its broader transmedial texts and marketing, as we will witness below, necessitates that we consider synergy as intrinsic to the show's narrative structure, its efforts toward characterization, its production of meaning, and especially its rich mise-en-scène. "Putting into the scene" on *30 Rock*, and in contemporary cultural texts more broadly, increasingly involves "putting another medium, brand, or platform into the scene." This is certainly the case with *30 Rock*'s many fictional and nonfictional synergies, from the minute, such as Tracy Jordan's spoof movie posters seen in the background of his dressing room (*Who Dat Ninja?*, *Black Cop/White Cop*, *Honky Grandma be Trippin'*, *Fat Bitch*, etc.), to the very real conglomerate synergies of NBCU and Comcast cross-promotion and integration.

We might consider this concrete, textual manifestation of transmedial, economic and intertextual synergy to be *mise-en-synergy*.[325] While traditional mise-en-scène is about the relation between visual style and meaning, mise-en-synergy concerns the multi-platform relationship between audiovisual style, meaning, and economics. We can follow in the footsteps of Altman, Jones and Tatroe's delineation of *mise-en-bande*,[326] a systematic, multi-component, data-driven analysis of the aural soundtrack that has provided insightful and detailed observation beyond that which is possible with traditional mise-en-scène-based description. Similarly, *mise-*

[325] A ghastly term, to be sure, though I'm almost more offended by the continued usage of the vague term mise-en-scène by film scholars, when we could be much more accurate by using the terminology actually used in film and television production, such as art direction, production design, costume design, etc.

[326] Rick Altman, McGraw Jones, and Sonia Tratoe, "Inventing the Cinema Soundtrack: Hollywood's Multiplane Sound System," in *Music and Cinema*, eds. James Buhler, Caryl Flinn, and David Neumeyer (Hanover: Wesleyan University Press, 2000). 339-359.

en-synergy can be thought of as a schematic and quantitative approach to the vast, multi-platform, intertextual components that comprise contemporary cultural texts. Using methods borrowed from the digital humanities, such as data-mining, distant reading, and information visualization, we can investigate questions of intertextuality and economy on a scale that would not be possible without computation. A specific attention to mise-en-synergy would highlight both textual and financial phenomenon, interlocking processes that inform strategies of representation as well as structures of commodification. This mise-en-synergy should be seen not (just) as a crass business decision, but also an integral part of the canvas upon which contemporary cultural texts paint their commercial art.

In light of the vast scope of nearly three thousand references that *30 Rock* employs for a multitude of purposes, we might consider its use of mise-en-synergy as a form of satirical language crafted to self-interrogate its own industrial and creative processes. Following Clifford Geertz's influential conception of a culture's ability to enact critical analysis of itself, John Caldwell isolates the use of 'industrial self-theorizing' in contemporary television and film production – including artifacts, rituals and mediated forms of reflexivity – which "express an emerging but unstable economic and social order in Hollywood."[327] *30 Rock* can be seen as an example of just such a practice: an on-screen negotiation of the artistic desire for sharp, insightful comedy which must also satisfy the corporate demand for synergy, cross-promotion, and new media integration. The most explicit case of this self-theorizing is the corporate adspeak that is parodied on the show, exploiting the very language of synergy in order to expose its absurdity.

"When I think of the free-spirited Liz Lemon I met just one year ago," Jack proclaims

[327] Caldwell, *Production Culture*, 5.

while presenting her with the GE *Followship* Award, "so resistant to product integration, cross-promotion and adverlingus, it pleases me to see how well she's learned to follow."[328] Another episode is dedicated to 'pos-mens' (positive-mentions of sponsored products), which includes an exaggerated product placement with Snapple while Liz openly refuses to compromise the integrity of the show. As we've seen, *30 Rock* enacts its own 'adverlingus' and 'pos-mens' of NBCU properties and other products. In anthropological terms, these parodic buzzwords are examples of 'emic' statements: they derive from a point of view where the analysis of cultural systems is defined in terms meaningful to the individual who is a participant within that culture. Industrial self-theorizing with tongue firmly in cheek, *30 Rock* opens up a critical space for the examination of synergy and corporate practice. The complicity with which it engages in these practices is integral to how it can simultaneously satirize them; its mise-en-synergy is both the threat and the opportunity, the obstacle and the insight, the product and the text.

Satirical synergy is seen in a variety of forms within the diegetic world of *30 Rock*; the term itself is explicitly mentioned in ridiculous contexts on a variety of occasions, such as Jack's nonsense excuse for firing staff: "we have to synergize backward overflow."[329] In an episode set at a "GE Six Sigma" corporate retreat, Liz complains that she hates "those corporate things – a bunch of drunk people talking about synergy." "First of all," Jack retorts, "never badmouth synergy."[330] The show creates all manner of exaggerated faux-synergisms as well, including a plot line for Jenna (Jane Krakowski) in which she is auditioning for a Janis Joplin biopic, leading Jack to proclaim: "I love this idea, it's great synergy. By putting a TV actress into the movie

[328] 3*0 Rock,* Season 2, Episode 4, October 25, 2007.

[329] 3*0 Rock,* Season 1, Episode 17, March 8, 2007.

[330] 3*0 Rock,* Season 3, Episode 9, January 22, 2009.

world we can promote both. It's like how we're including a *Heroes* DVD with every missile guidance system we sell,"[331] a joke that requires knowledge of GE's minimally-publicized military arms production. At one point Jack develops a reality show called "MILF Island," which he insists be cross-promoted on "TGS" and other NBC platforms, and the rest of the episode's plot entails a parody of the process of synergy.[332] When *30 Rock* ventures into promotion of other actual NBC shows and channels, however, the synergy stops being purely satirical.

Set at NBC studios in the GE Building, *30 Rock* is inevitably going to promote its parent companies and the show makes no effort in hiding this fact. Kenneth, the cheerful NBC page, is often seen affectionately polishing the NBC Universal logo that hangs above his desk. When giving tours, he wanders hallways covered with classic NBC peacock logos framed on the wall, making for a kind of makeshift NBC museum of memorabilia. But the real synergy lies in the constant inclusion of other NBC platforms. Liz's ex-boyfriend is seen on *Dateline NBC: To Catch a Predator*. Jenna confuses Osama bin Laden and then-Senator Barack Obama on MSNBC's *Hardball with Chris Matthews*. Tracy tries to stab Conan O'Brien on *Late Night*. Jack has an alter-ego named Generalissimo on a Mexican soap opera airing on Telemundo, the world's second-largest Spanish-language network that Jack is trying to acquire (as the real GE did in 2002). *The Today Show* and *NBC Nightly News* also make frequent appearances, as does Brian Williams. Kenneth the page even exists as a character outside of *30 Rock* proper, with his guest appearances in character on *Late Night* and the *Tonight Show*.

Another form of NBC synergy occurs with the consistent reference to old NBC programs: *Friends*, *The Fresh Prince of Bel-Air*, *The Cosby Show*, *Frasier*, *Alf*, *3rd Rock from*

[331] 3*0 Rock,* Season 3, Episode 7, January 8, 2009.

[332] 3*0 Rock,* Season 2, Episode 11, April 10, 2008.

the Sun, and *Night Court* have all been jokes, references, or plot points, and many of the actors have made cameos. Considering the significant revenue streams made possible by DVD/BluRay sales and rentals, as well as licensing to digital platforms such as Netflix, Hulu, Apple, and Amazon, these references play an important role in promotion, contributing to the bottom line of *30 Rock*'s parent companies. The same case can be made for the many NBCU cable channels that are referenced or incorporated, including Bravo, MSNBC, SyFy, E!, and others. Movies distributed by Universal Pictures also appear to get favourable treatment, some of which have been the base of an entire episode's plot line, both contemporary (*Mama Mia!*) and past (*Harry and the Hendersons*). Many of its overt product placements are done with tongue firmly in cheek, assuring that the viewer is in on the joke, but the countless plugs for NBCU products become merely the language with which *30 Rock* speaks. Contrary to *30 Rock*'s self-imposed reputation for low ratings, it is tremendously successful at behaving as an ongoing advertisement for a diverse range of NBCU products. In turn, the opportunities that arise out of this corporate brand and platform integration are what provide it fodder for its media industry and pop-culture referencing brand of humour; this 'conglomerate satire' both satisfies and subverts a corporate mandate.

30 Rock acts as an actual place of advertisement and product placement as well. Its first instance occurs in the show's fifth episode, when Jack proposes that Liz integrate brands into "TGS." "We're not doing that," Liz proclaims, "We're not compromising the integrity of the show to sell–" "Wow," her producing partner Pete interrupts, "This is Diet Snapple?" "I know," Liz exclaims, "it tastes just like regular Snapple, doesn't it?"[333] A commercial for Snapple followed this scene in the original broadcast and the show also received money for this satirical

[333] 3*0 Rock,* Season 1, Episode 5, November 16, 2006.

product placement. Tom Fontana, heralded creator of *Oz* and *Homicide*, adores and defends the scene, claiming that the issue of brand integration is "not whether you do it but whether you do it well,"[334] and the degree to which it adheres to verisimilitude, nostalgia, and necessity. "In TV the head writers are also producers," Robert Carlock, co-showrunner of *30 Rock* explains, "we are succeeding in serving both the creative and the financial. And isn't that what TV is all about?"[335] These 'above-the-line' creatives salute themselves for successfully negotiating the art and commerce divide, but this it is not always such a winning proposition for other workers involved, as we will see below when we look a little closer at the marketing of the show.

30 Rock's synergistic plot lines typically straddle the line between actual and satirical synergy, as the show is careful not to engage in product integration too flagrantly, at least not without cracking a joke. One such example is the much-publicized cameo of Jerry Seinfeld for the premiere of the second season, in which he appears as himself.[336] Jack plans 'Seinfeld Vision', in which, by digitally manipulating old stock-footage of *Seinfeld*, "for the month of October, all of our prime-time shows will feature a computerized guest appearance from Mr. Jerry Seinfeld." Examples are shown with him in actual NBC shows – *Law and Order*, *Heroes*, and *Deal or No Deal* – as well as the aforementioned faux-NBC product, "MILF Island." *Medium*, *The Biggest Loser*, and *ER* are also mentioned, and the satire relies on how ridiculous and crass this ploy would be. But the synergy works for Seinfeld himself too, as the animated feature he wrote and voiced, *Bee Movie*, is not only seen playing in the background of one scene, but in exchange for 'Seinfeld Vision', he wants "two million dollars to the charity of my choice

[334] Emily Nussbaum, "What Tina Fey Would Do for a SoyJoy: Product integration, *30 Rock*, and the trouble with using brands to write TV," *New York Magazine*, October 13, 2008.

[335] Ibid.

[336] 3*0 Rock,* Season 2, Episode 1, October 4, 2007.

[and] ten free commercials for *Bee Movie*." Then, addressing the camera directly, he says "Opening November 2nd." The final offer involves Al Roker wearing a bee costume on *The Today Show*, and satirical synergy directly meets actual synergy, product placement and brand integration, for both NBCU and *Bee Movie*.

The examples of synergy we have looked at so far, though referencing and pointing to outside texts, reside primarily *within* the text of *30 Rock* itself. As Jonathan Gray notes, however, media studies can produce a more complete analysis of how film and television function if it considers the multitude of 'peripheral' materials – or *paratexts*, borrowing the literary term from Gerard Genette – that surround any 'singular' text. "As film and television viewers," Gray explains, evoking a spatial metaphor:

> we are all part-time residents of the highly populated cities of Time, Warner, DirecTV, AMC, Sky, Comcast, ABC, Odeon, and so forth, and yet not all of these cities' architecture is televisual or cinematic by nature. Rather, these cities are also made up of all manner of ads, previews, trailers, interviews with creative personnel, Internet discussion, entertainment news, reviews, merchandising, guerrilla marketing campaigns, fan creations, posters, games, DVDs, CDs, and spinoffs. Hype and synergy abound, forming the streets, bridges, and trading routes of the media world, but also many of its parks, beaches, and leisure sites.[337]

30 Rock is a suitable example of such paratextuality, not least because it enacts a spatial organization of synergized media production, but also because it participates in a vast variety of this paratextual diffusion. Its intertextual economy includes not just the nearly three thousand references it makes within the show, but paratextual and transmedial incarnations as well. The show's satirical imbrication of these very processes blurs the divisions between marketing and creative content, which in turn begs the question of what exactly would qualify as transmedia,

[337] Jonathan Gray, *Show Sold Separately: Promos, Spoilers, and Other Media Paratexts* (New York: New York University Press, 2010), 1.

paratext, or marketing in the world of *30 Rock*.

30 Rock as Paratext and Transmedia

While prime time network television of the 1980s and 1990s could be characterized by the concept of "flow" and programming power blocks like NBC's Thursday night "Must-See TV" lineup, the first decade of the twenty-first century could be characterized by what Jennifer Gillan terms "Must-Click TV", "the new media-influenced network programming, marketing, broadcasting, and distribution strategies and audience reception practices."[338] Under this paradigm, television programs utilize "standard notions of televisual flow between its broadcast network's programs and across its scheduling grid and capitalizes on emergent modes of overflow – from TV text to website, from a single network to a media conglomerate's other divisions and new media platforms." The motif of the 'click' gestures toward the mouse click and the digital participation television networks now encourage, as well as the way in which a top-down broadcast model has evolved into a more elaborate negotiation with casual viewers, loyal fans, and brand ambassadors, for whom an emotional 'click' is sought after.

To capture the myriad ways contemporary television programs emphasize continual circulation of its interconnected on-air, online, and on-mobile components, Gillan evokes Henry Jenkins' influential model of "transmedia storytelling," which pertains to "stories that unfold across multiple media platforms, with each medium making distinctive contributions to our understanding of the world, a more integrated approach to franchise development than models based on urtexts and ancillary products."[339] Though *30 Rock* could fall into the latter

[338] Gillan, *Television and New Media: Must-click TV*, 1.

[339] Henry Jenkins, *Convergence Culture: Where Old and New Media Collide* (New York: New York University Press, 2006), 293.

categorization, as the television program is certainly the 'urtext' of that particularly franchise, its transmedial elements should not be written off as mere ancillary products. Rather, *30 Rock*'s DVD releases, interactive website, and marketing do not merely complement the television program, but contribute to its ever-growing satirical 'world' with new, unique, and oftentimes contradictory impulses. In fact, the diffuse manner in which *30 Rock* exists outside of its televisual confines is a significant vantage point from which to witness the blurred boundaries between text and product and the expansive nature of its intertextual economy.

The DVD releases of *30 Rock* come littered with bonus features such as behind-the-scenes featurettes, table reads, commentaries, award acceptance speeches, viral videos, and one segment that is an integration with the Food Network's *Ace of Cakes*. The *30 Rock* website is where the transmedial properties begin to build a distinct world that differs from the television program. It contains standard television website fare such as downloads, music selections, slideshows, and merchandise. The games and trivia are only accessible if the user first registers with NBC.com, so that it can track consumer habits and preferences for a more customized, 'narrowcasted' experience. The website also excels in what Gray terms "in media res paratexts," which extend or 'overflow' the universe of the main text. An entire online world exists for many of *30 Rock*'s characters, with in-character blogs, vlogs, and Twitter accounts, further developing the narrative world and relationships among characters.

Even shows-within-the-show (which is itself about a show-within-a-show, such is the self-reflexive house of mirrors that is *30 Rock*) are given an online presence, such as "Queen of Jordan," the fictional reality program starring Tracy's wife, which is "coming to Bravo" (a cable channel owned by NBCU).[340] This joke is at the expense of a sister channel and one of its most

[340] 3*0 Rock,* Season 5, Episode 17, March 17, 2011.

popular and notorious franchises, *Real Housewives*, but also something of a tribute to the show's uniquely voyeuristic, excessive charm. In a November 2011 episode of *Rock Center*, guest Tina Fey and host Brian Williams chat about their favourite incarnations of *Real Housewives*, again ridiculing yet promoting their fellow conglomerate product.

As Gray documents, sometimes paratexts can disrupt or 'overwhelm' the main text. On *30 Rock* the television program, Jack Donaghy is a nuanced character, and a delicate balance is achieved between his suave, charming likability and his exaggerated, ruthless corporate conservatism (an extratextual joke playing on Alec Baldwin's outspoken liberalism). In the early seasons, Jack's crass commercialism stands in contrast to Liz's artistic principles; in later seasons, his business-focused heartlessness comes into conflict with his romantic relationships and with his new daughter. But on *30 Rock* the website, Jack Donaghy is portrayed as an infallible superhero, his physical prowess and social status exaggerated far beyond his character on television. "The Donaghy Files" are short clips that present "confidential secrets" delivered confessional-style to the camera by his assistant Jonathan (Maulik Pancholy), such as "Mr. Donaghy is the real reason why Glenn Beck is always crying," and "Once on safari, Mr. Donaghy stopped a stampeding elephant simply by staring at it." Other entries partake in some of the show's patented integration of the products of its conglomerate parent. "Mr. Donaghy has fired Donald Trump – twice," is both a comedic statement and a plug for NBC's then-popular reality show *The Apprentice*. Though these clips ostensibly take place in the world of *30 Rock*, filmed around the offices and backstage sets of the show, they exist on a far more exaggerated plane of the story world, produced for fans of the show and the character, not the casual viewer.

These clips would have been produced for an early incarnation of the website; they are noticeably low-budget, and many of the jokes are second-rate, as if the writers were required to

quickly generate some online content. In contrast, the multi-episode animated series entitled "Jack Donaghy: Executive Superhero," timed for the premiere of the sixth season in 2012, has much higher production values, voice participation from Alec Baldwin and Tina Fey, celebrity cameos, and sharper writing. It stands as textual proof of the attention and money NBCU has since dedicated to its digital marketing/content division. The exaggeration of the Donaghy character continues, as does the conglomerate product integration and satirical synergy. "When Mr. Donaghy is not using his superpowers," Jonathan notes, in the show's description, "he is problem solving at the highest levels for NBC Universal Kabletown. We can all learn from his synergy genius."

One episode has Jack in his superhero costume (his cape is the NBC rainbow peacock logo) scaring Al Roker (of NBC's *Today*) and allowing him to plug his book series; another has Jack pranking Brian Williams (of *NBC Nightly News* and *Rock Center*) and talking about *Law and Order: SUV*. Its most provocative episode is entitled "For A Song," released just before the Superbowl, which NBC was broadcasting and, for the first time, streaming live to computers and mobile devices. In the cartoon, Jack holds an audition with Ryan Adams (indie singer-songwriter), Michael McDonald (of Doobie Brothers fame), and Childish Gambino (the rapper alter-ego of Donald Glover, who used to be a writer on *30 Rock* and was then starring in *Community*, another NBC Thursday night comedy). Jack needs a replacement for the Superbowl half-time show but has no money to pay for clearances for music ("No capital?" asks Glover incredulously, with the *30 Rock* attitude of satirical synergy, "but NBCUniversal is a multinational corporation Jack!"), so Jack suggests using old NBC television theme songs, which leads to a discussion of possibilities such as *The Facts of Life*, *The Golden Girls*, and *The A-Team*. Functioning as promotions for NBC properties that have recently became available on

DVD, streaming, and on-demand, each musician then performs a theme song in their unique style: Michael McDonald sings a smooth, "yacht rock" version of *Saved by the Bell*, Ryan Adams plays an acoustic cover of the theme song "Breathe" from soap opera *Passions*, and Childish Gambino raps to the *Knight Rider* theme (full versions of each song were made available as separate videos). In the end, Jack decides to let Cee Lo Green (host of NBC's *The Voice*, which was premiering after the Superbowl) sing the theme to *B.J. and the Bear*. "God good," Jack remarks, watching the performance from his luxury box seat, "I have a raging synergy erection." Online, both the density of *30 Rock*'s pop culture collage and its synergistic integration is increased to fit its fragmentary content form.

The product integration and cross-promotional spirit of this transmedial text is certainly fitting, despite the portrayal of Jack Donaghy's character being so exaggerated. Other characters on the *30 Rock* website, however, receive transtextual treatment that serves the character's development more accurately. A new character was introduced in the sixth season, Hazel Wassername, as the NBC page that replaces Kenneth, who had then been transferred to the Standards and Practices department, introducing a new floor (and site of satire) of the 30 Rockefeller building into the show world. Her cheery yet unhinged and obsessive nature is the subject of a couple minor plot lines on the show, but on the website, she is given much more room to develop her character. An "audition reel" video explores the full extent of her deranged obsession with television and fame, while "Hazel's Mailbag" further establishes her rivalry with Kenneth. A transmedial paratext that manages to be both character-building and satirical is "Jenna's Side," an aggrandizing blog written from the perspective of Jenna's assistant (who doesn't exist on the show, so is in fact a new transmedial character, though she only exists to write about Jenna's exploits). Befitting of the self-obsessed diva character, this blog functions to

give insight into Jenna's "process" of acting and her continual thirst for publicity and fame, replete with eccentric details and references. "Jenna's Side" also functions as a satire of the format of blogging itself, exaggerating the narcissistic features and tendency for self-exposure. Like *30 Rock* itself, the blog succeeds where the online Jack Donaghy caricature fails: it satirizes at the level of structure, not just character.

The vast diffusion of transmedia and paratextuality on display on the *30 Rock* website raises a significant question: is this marketing or creative content? Is it text or product? Does it serve to drive viewers to the show, or is it 'bonus material' for fans, intended to deepen their involvement with the show world? The reason this remains such a thorny issue in the contemporary television and transmedia landscape is that there is no easy answer. The boundaries keep shifting, the grey areas ever murkier. To recall Gray, who had us imagine ourselves as part-time residents of the cities of Time Warner, Comcast, ABC, et al., these worlds are replete with paratextual material, hype and synergy forming the roads and bridges. In the NBCU media capital, headquarters located at 30 Rockefeller Plaza, synergized traffic flows in many different directions. As a satire of the very process, *30 Rock* complicates the issue by both parodying and embodying this tension between marketing and creative content. Befitting of the compromised position it occupies, the marketing of *30 Rock* is where we see these issues rendered bare.

Marketing a Satire of Marketing

During the second season, *30 Rock* aired 'podbusters' or 'interstitials' in conjunction with American Express, innocuously entitled "*30 Rock* Holiday Funtimes." These marketing segments contained in-character actors from the show but unrelated plot lines with a holiday theme, ending

with a title card directing the viewer to nbc.com/americanexpress, blurring the line between content and advertisement. *Brandweek* perceptively encapsulated the issues represented by these segments, when it aligns technological anxiety with celebrity promotion and content integration: "a viewer with an itchy trigger finger on TiVo's fast-forward button might have held off when [30] Rock stars Jack McBrayer, Jane Krakowski and Scott Adsit appeared in a holiday-themed segment that had nothing to do with the episode's storyline."[341] During the 'actual' commercial break that followed, Tina Fey was featured in an American Express ad in which she plays an over-worked television producer juggling a variety of tasks (adding a promotional dimension to the blurring of Liz Lemon and Tina Fey that the show relies upon), to which American Express is her only source of reliability. The ads are reflected through *30 Rock*'s house of mirrors in such a way that originality is purposefully difficult to decipher.

This merging of product integration and advertising into creative content is problematic enough, but the labour practice is certainly suspect. Keith Powell, who played the minor character Toofer on the show, recalls cast members being confused whether they were filming a commercial or *30 Rock*, and how they discussed the lack of compensation but did not feel appropriate complaining about it. "There's integration going on and I don't even know it," claimed Judah Friedlander, another minor character actor. "Maybe if you're a huge star, you can say no. Where I'm at, you pretty much do it if they tell you."[342] If actors weren't even compensated, you can imagine how below-the-line crew were treated. The *Brandweek* article mentions that "NBC declined comment on whether it compensated *Rock* talent or the show's

[341] Gail Schiller, "Amex Blends Commercials with Series on *30 Rock*." *Brandweek,* December 17, 2007.

[342] Nussbaum, "What Tina Fey Would Do for a SoyJoy."

producers for the segments,"[343] because in all likelihood, it didn't.

Gillan finds this labour tension to be an inherent problem of the Must-Click TV era, a result of the way the networks categorize creative work, despite their knowledge of how new media viewership was operating. Her description of the situation is worth quoting in full:

> When broadcast networks embraced the transmedia marketing model, they acknowledged that many viewers are accessing content in formats other than the on-air broadcast. Yet the networks were still categorizing the on-air text as the only creative content for which writers got credit. This compensation does not acknowledge the actuality that in the Must-Click TV model storytelling and promotion are imbricated; there are areas in which they are distinct and others in which they overlap, making it hard to say where storytelling begins and promotion ends.[344]

The 2007-2008 Writers Guild of America strike was partially founded on this discrepancy, the union fighting for compensation for new media and digital residuals. With *30 Rock*, which is premised on this very idea of creative content and business as strange bedfellows, its compromised marketing takes on an almost surreal quality.

In such a hype-driven climate of media saturation, new methods of tailoring content to certain audiences and demographics are a necessity. As it entered into off-network syndication in September of 2011, *30 Rock* was marketed by NBCU's Domestic Television Distribution arm with a sophisticated technological apparatus called TVPro/MoviePro CMS (content management system). The developer of this program is a Los Angeles-based marketing and post-production company called DG Entertainment, who catalogued every scene of every episode with searchable metadata in such categories as character, action, dialog and location. All of this metadata was then cross-referenced and annotated in context by a small team of editors,

[343] Schiller, "Amex Blends Commercials with Series on *30 Rock*."

[344] Gillan, *Television and New Media: Must-click TV,* 16.

amounting to thousands of richly detailed clips. DG first began production on the CMS software in 1996, for the syndication of *Seinfeld*. At that time, the software was confined to a CD-ROM, and was severely limited in its scope; the latest CMS has an online interface, with digital clips, and its metadata has far more advanced capabilities.

"*30 Rock* is the newest CMS, and it has more features than any of its predecessors," claims an executive at DG Entertainment; it "is definitely the gold standard at this point."[345] In this situation, technology is hailed as an improvement for the business of television; when it was TiVo and DVR that allowed the circumvention of advertisements, a similar technology was considered a detriment. In conversation with an executive at DG Entertainment, he cited DVR technology as one of the main anxieties that has driven business to their CMS product. Whereas they once faced networks resistant to give up too much control or access to their content, the new technological paradigm has networks requesting his company's assistance in indexing and leveraging their content through clips.

When the syndication rights of *30 Rock* were sold to Comedy Central and Tribune's WGN America, each station was given access to this detailed database, and was also given access to the cast, in order to shoot original footage for its tailored marketing campaigns. *30 Rock* is itself a very niche product, having struggled with ratings early in its run, later gaining a slightly broader audience following record-setting Emmy nominations and Tina Fey's notoriety from impersonating Sarah Palin on *Saturday Night Live* during the Presidential election in 2008. Even without the ratings upswing, however, *30 Rock* was a cherished property on account of its 'upscale' demographic: it ranked number one among adults 18-49 living in homes with

[345] "How NBCU Plans To Rock You This Fall; Cast, customizable clips are keys to campaign supporting hit comedy's off-network launch," *Broadcasting and Cable* Vol. CXXXXI.35 (September 19, 2011).

$100,000-plus incomes.[346] However, the executive informed me that both companies have in fact taken the opposite approach, aiming their customized, CMS-assisted promotional campaigns at a broader audience. Rather than continue targeting this highbrow demographic with the show's satirical edge, political humour, and obscure references, WGN American in particular has used the CMS to find more visual gag-heavy and character-focused clips with which to market a broader comedy for more casual viewing. After three months of promotion that anticipated its September launch, "local viewers had seen a wide range of promos that emphasized the warm-but-wacky relationships among the show's lead characters and popular supporting players."[347] More than just choosing appropriately humorous clips for promotional purposes, the CMS gives local affiliates the power to craft a whole new identity for their syndicated programs.

Local customization and contextual advertising also plays a significant role in the CMS-assisted promotions. For Fox's WNYW New York, the show's many Manhattan locations are linked together with an animated, three-dimensional subway map. Though designed for New York, the subway motif could also play in Philadelphia, Boston, Washington, and other cities with subway systems. Other local customizations include theme weeks, holiday promos, and contests, such as the "Live Like Jack Donaghy Sweepstakes," which featured clips from *30 Rock* of Jack's excessive lifestyle. All of these examples fall clearly in the promotional category of marketing; where the CMS opens up new, potentially pernicious territory is in the contextual advertising category, when promotion meets commercial – what DG Entertainment calls a 'promercial.'

"A specific branded entertainment message," the executive explains, a promercial is

[346] "NBC Picks Up Three Returning Comedies for 2011-12 in *The Office*, *Parks and Recreation* and *Community*," *NBC.com*, March 17, 2011.

[347] Arthur Greenwald, "NBCU Gives Off-Net *30 Rock* Local Spins," *TVNewsCheck*, Sept 27, 2011.

when "an advertiser's message is contextually wrapped in the content of an appropriate TV show or movie to promote *both* tune in and advertiser awareness."[348] An example would be the Subway-sponsored advertisement in which a clip from the "Sandwich Day" episode[349] of *30 Rock* is shown, followed by Subway's logo and a voice-over: "This *30 Rock* gem brought to you by Subway." The segment then concludes with a reminder of when *30 Rock* airs each night, effectively promoting both Subway and *30 Rock*. The trick is that these segments qualify as advertisements, not content promotion, so the syndicated programs are receiving bonus exposure in addition to their typical promotional spots. "The goal is to create a sense of viewer benefit that otherwise does not exist for a straight ahead commercial," the executive explains. "The theory being that when a viewer sees the particular content presented in the format of a promo, they are more likely to watch because there is a perceived viewer benefit."[350] Here, the product is assuming the guise of the text.

The impetus for these promercials, the executive explains in our conversation, is advertisers who approach him, fearful of DVR usage which skips commercials, asking him "to enhance the prospect that people will see our commercial message." His solution is to "wrap the commercial message in content that people would like to watch... [so that] it doesn't look like a commercial so much anymore. They stop and go 'oh, that's *30 Rock*, what is that?'" The dual effect of advertising and content promotion facilitates this arrangement: "We're promoting the show, we're saying watch it weeknights, but we're also promoting the sandwich. We're promoting the show promoting the sandwich." In marketing parlance, this amounts to "how the

[348] DG Entertainment executive, Personal interview under condition of anonymity, March 12, 2012.

[349] 3*0 Rock,* Season 2, Episode 14, May 1, 2008.

[350] DG Entertainment executive.

two worlds come together and make that a more dynamic enterprise."[351] For our purposes, the two worlds are also the product and the text, which are being intertwined in 'creative' new ways.

But what of the intellectual property rights and the creative labour that produced this content which is so easily transported into a new, lucrative marketing context? "If you're Subway you love this, because in effect Tina Fey is selling your sandwich, but you're not paying Tina Fey the two million dollars it would cost if you wanted to make her a spokesperson," the executive explains, in an unexpectedly candid moment during our interview. "Well, it's a bit of a grey area," he later backtracks, when I question him about licensing rights, "but it's common sense that everybody wins."[352] The sponsor certainly wins, being associated with creative content that the viewer actually wants to watch, as opposed to the advertisements to which they have become so resistant. In addition, the sponsor lowers the cost of producing that advertisement. They merely slap their name on a creative brand that has already earned consumer loyalty. The local affiliate wins, by generating additional revenue and promoting its syndicated programs. The production company and broadcast network wins because of the additional promotion their product receives. In DG Entertainment's logic, Tina Fey and the creative workers responsible for *30 Rock*'s production also win because of this additional promotion, but as we've seen, creative labour loses out in the transmedia arrangement, when content is considered marketing, and payment is only received for the original window of release. Proportionally, the sponsors, affiliates, and networks are profiting off these 'promercials' far more than any of the creative workers, let alone the below-the-line workers. While the executive may claim that "the sum total of its many promotional parts" is beneficial to all involved, we can be more accurate in solving

[351] Ibid.

[352] Ibid.

this equation; like supply-side, 'trickle-down' economics, the math never quite adds up in the worker's favour.

Despite its comic twisting of the process in order to produce comedy and its own shortcomings when it comes to labour and commercialization, *30 Rock* still reveals much about synergy and the operation of a transnational corporation, specifically how this embeds itself within art and culture. Its very explicitness – all 2,770 references – reveals the density of synergy and conglomeration in cultural production. In an early episode of *30 Rock*, Tracy seeks Jack's help on exploiting his celebrity to sell his own appliance in an infomercial. Jack pulls down a complex organizational flow chart of GE assets, explaining that he will:

> pass this off to one of our subsidiaries. You see, GE owns KitchenAll of Colorado, which in turn owns JMI of Stamford, which is a majority shareholder of Pokerfastlane.com, which recently acquired the Sheinhardt Wig Company, which owns NBC outright. NBC owns Winnipeg Iron Works which owns the AHP Chanagi Party Meats company of Pyongyang, North Korea, and *they* will make the Meat Machine.[353]

Some of the details are false or exaggerated, of course, but the chart also includes a somewhat accurate representation of conglomeration, including many of GE's central divisions: Aeronautics, Financing, Energy, Oil & Gas, Appliances, etc. Here, *30 Rock* is literally mapping out the complexities of cultural production in transnational late capitalism: online and off-network, a boardroom musical that self-reflexively sings a song of synergy.

The Financialization of Intertextuality

To return to our epigraph by Joshua Clover that began this essay, it is worth considering commercial cultural texts as performances that are economic as much as they are artistic. Their

[353] 3*0 Rock,* Season 1, Episode 10, January 11, 2007.

point of view is framed not just by a camera, but by money. For *30 Rock* and other reflexive, reference-laden comedies, this economic performance can be seen as the marketplace of references the show establishes in order to facilitate the exchange of cultural and economic capital. Data visualization reveals the scope of the political economy of intertextuality. Perhaps the most substantial revelation I encountered in my database of references was the simple fact that the paid placement of Outback Steakhouse in season 6 was not the first reference to the restaurant. In season 3, Liz is convinced to come on stage with the offer of a gift certificate to Outback Steakhouse, to which she responds with her catchphrase, "I want to go to there."[354] Then again in season 5, a crew member is belittled by his estranged wife in front of their son: "David is taking us all to Outback Steakhouse and we're getting appetizers cause David can afford them."[355] Both references are casual asides, the first an indication of Liz's enjoyment of 'low-brow' food, the second a status marker to a blue-collar family.

But then in season 6, a paid brand integration happens, when Jenna invites Liz to an Outback Steakhouse for a friendly lunch.[356] Filmed at an actual Outback Steakhouse, with many clearly visible logos, the scene starts with a close-up of a 'Bloomin' Onion,' the restaurant's signature 2000-calorie appetizer. Jenna asks if they should get another one, to which Liz responds, "If you eat four, you get a t-shirt, so one more and that's two t-shirts." Upon exiting the restaurant and being hounded by paparazzi, Jenna tell them to "make sure you get the Outback sign in the shot or I don't get paid." Another reflexive brand integration, but the fact that this was the third reference to Outback, but the first to be paid, suggests that someone at NBCU or on the

[354] 3*0 Rock,* Season 3, Episode 5, December 4, 2008.

[355] 3*0 Rock,* Season 5, Episode 19, April 14, 2011.

[356] 3*0 Rock,* Season 6, Episode 4, January 26, 2012.

30 Rock staff may have approached the marketing team at Outback Steakhouse, and in order to secure a brand integration deal, showed them the first two references as evidence of *30 Rock*'s offbeat humour and unique relationship with brands. Sensing a pattern, sure enough, I discovered other integration deals, such as Tasti D-Lite, another restaurant, and Bed, Bath & Beyond, a retail shop, that were previously mentioned in the show first as unpaid references.

Whether or not these deals took place in this manner, or whether the brands themselves approached the show after seeing the previous references, or whether it's all just a coincidence, the possibility of transforming a previous unpaid reference into a future paid placement remains. In essence, all references are rendered a fungible asset, an interchangeable good that can be leveraged for exchange. Intertextuality becomes a repository of value that can be exploited through speculative action. Furthermore, when components of an asset (in this case, intertextual references) are unbundled from the asset itself (in this case, the text), when the future value of an asset can be exchanged (in this case, when a reference is leveraged into a paid placement), when strategies of speculation and hedging enter into the text – then we move beyond just a standard marketplace of intertextuality. The economy fundamentally changed when corn, the commodity, was deemed less important than the future price of corn, the derivative. The cultural industries appear to have caught up; the political economy of intertextuality has become financialized.

Conclusion

The state is trapped in the demands of finance capital. Resistance must know about financial regulation in order to demand it. This is bloodless resistance, and it has to be learned. We must produce knowledge of these seemingly abstract globalized systems so that we can challenge the social violence of unregulated capitalism.

- Gayatri Chakravorty Spivak[357]

In 2009, after five books and thousands of lectures over many years, Lawrence Lessig, Harvard law professor and the founder of Creative Commons, admitted defeat in his effort to reform copyright law. Entrenched corporate interests continued to extend copyright terms in opposition to the public interest, a problem Lessig attributed to the deep-seated corruption of political fundraising. The 'Citizens United' Supreme Court decision in 2010 that permitted even more corporate influence in politics galvanized this issue for Lessig and over the subsequent years, he published multiple books and organized a series of interesting political campaigns. In 2014, he crowdfunded over $10 million for his Mayday Political Action Committee, which supported a bipartisan roster of congressional candidates who advocated for campaign finance reform. In 2015, he ran in the Democratic presidential primary, with the singular platform of passing the Citizen Equality Act, which would reform campaign finance, voting rights, and gerrymandering. Because politicians depended so heavily on fundraising for election campaigns, Lessig argued, policy was crafted purely in the interests of those who could contribute the most.

[357] Brad Evans and Gayatri Chakravorty Spivak, "When Law Is Not Justice," *New York Times*, July 13, 2016.

"This corruption may not be the most important issue," Lessig suggested, as compared to climate change or wealth inequality, "but it is the first issue that we, as a nation, have to solve. And that until we solve it, we will solve nothing else, sensibly." [358] This was an interesting framing of the problems that America faces and a unique political proposal, but chances are you never even heard about it. Media coverage of his various campaigns was practically non-existent. Perhaps Lessig had the order wrong: political reform is second on the list, because if there is ever going to be a healthy representation and discourse about the issues facing America, media reform needs to happen first.

Since the rise of the internet's role in American society in the mid-90s, the media reform movement has taken a backseat to the idea that the internet's decentralization would provide a new era of diversity and access. Now that Apple, Amazon, Alphabet, Facebook, and Microsoft have colonized so much of the digital world, becoming some of the world's most profitable corporations along the way, the initial 'cyber utopia' euphoria has worn off, the media system is again visibly weak, and the necessity of reform is readily apparent. As this project has argued, the weakness of the media sector is in large part due to the financialization of the cultural industries, leading to a reduction in the scope, heterogeneity, and diversity of our cultural texts. If finance is a destructive force in the media, then it follows that financial reform is media reform. Taming and regulating the financial sector could go a long way toward rescuing and revitalizing the media sector.

The complexity of government regulation of the financial sector may seem beyond the scope or the responsibilities of the media fan, practitioner, or scholar, but finance's dramatic,

[358] Lawrence Lessig, "How to Make Americans Care About Money Corrupting Politics," *The Atlantic*, January 31, 2014.

destructive influence has made financial literacy absolutely necessary. As Spivak proclaims in the epigraph to this chapter, resistance must understand financial regulation in order to demand it. This project has sought to contribute to the nascent financial literacy within the field of media studies, tracing the recent history of financialization and considering its impact not just on the structure of the cultural industries, but its textual practices as well. To conclude, I will catalogue some financial regulation options that would help rejuvenate the media sector, before suggesting one more example of derivative media, demonstrating why the situation is so dire.

- **Carried Interest Loophole** - Despite the active management and services provided to its portfolio companies, private equity firms and hedge funds are allowed to treat its profits as if it were investment income and is thus taxed at the much lower capital gains rate. Taxing carried interest as ordinary income would help curb the risky behaviour and inherent moral hazard of private equity and hedge funds, as well as raise an estimated $30 billion in tax revenue over a decade.[359] Closing this loophole is a popular campaign promise, espoused by Barack Obama, Hillary Clinton, and Donald Trump, but intense lobbying by the private equity and hedge fund industries have prevented any legislation from passing. The financial sector is the largest contributor to national political campaigns; as evidence of the extreme degree to which Wall Street's wealthy will wage battle over regulation, in 2010, Stephen Schwarzman, CEO of Blackstone, denounced an attempt to remove the carried interest loophole as comparable to Hitler's invasion of Poland.[360]

[359] Appelbaum and Batt, *Private Equity at Work*, 272.

[360] Michael J. De La Merced, "Schwarzman's Unfortunate War Analogy," *New York Times*, August 16, 2010.

- **Tax Deductibility of Debt -** The U.S. tax code allows interest on debt to be deducted from corporate income when calculating tax liabilities, thus providing an incentive for private equity and other financial firms to use debt financing rather than equity for capital investments. Not only does this amount to a subsidy from taxpayers, but since reduced taxes increase the returns to the financial investors without creating anything for the economy, it is essentially a transfer of wealth from the public to private equity firms, another example of taxpayer-financed capitalism. There are multiple approaches to regulating this egregious practice: eliminating the tax deductibility of interest, capping the amount of debt able to be used in large financial deals, and establishing rules to limit risky behaviour.[361]
- **Antitrust** - Regulating tax deductibility would also help a broader problem, which is the acceleration of massive mergers and acquisitions, as consolidation continues across many industries. When a publication as pro-free market as *The Economist* is bemoaning increased concentration and inadequate competition, documenting a $10 trillion wave of mergers since 2008 and two-thirds of the economy to have concentrated since 1997, then the situation is dire.[362] The purpose of antitrust law is to maintain competition and limit monopoly power, but neoliberal ideology has narrowly defined the parameters of antitrust to concern only consumer prices, not the broader public interest, and antitrust enforcement has weakened as a result. As we approach a level of inequality and consolidation not seen since the first gilded age, it's high time we embrace a practice that was successfully used against monopoly power in those days: break 'em up.

[361] Ibid., 277.

[362] "The problem with profits," *The Economist*, March 26, 2016.

- **Private Equity Regulation** - Since private equity has been such a destructive force over the past couple of decades, particularly in the media sector, a series of reforms targeted at the private equity industry are needed. Asset stripping is an especially harmful practice enacted by private equity firms; limited liability protections should not be extended to them when they are deliberately looting a company for its own benefit.[363] Immediate dividend payments to private equity investors is another exploitative practice, reducing the capacity of the company to invest in its own labour and productivity; regulations that prevent private equity firms from paying dividends in the first two years following an acquisition would be an easy fix.[364] The most corrupt private equity firms have been using bankruptcy courts to rid themselves of pension and severance pay obligations; private equity firms must be held accountable in these situations.[365]

Again, getting into the weeds of financial regulation might not seem relevant to media fans, practitioners, or scholars, but these are the fault lines on which our media paradigms shift. In fact, because film, television, and music is so dear to people of all political stripes, perhaps the media is a suitable avenue by which to understand and combat the abstract destruction of the finance sector. Connecting the rise of finance to the decline of culture could make for a strategically successful association. Financialization has already wrought significant damage upon our public sphere; it's unclear how much more the media can be weakened before being reduced to niche targeted products, disinformation, and branding initiatives. In classrooms, in calls to political representative, at campaign rallies, at polling booths: financial regulation and

[363] Appelbaum and Batt, *Private Equity at Work*, 282-3.

[364] Ibid., 288.

[365] Ibid., 293.

media reform needs to join the list, maybe even the top of the list, of our most urgent political demands.

Make Media Reform Great Again

In 2016, as I reached the final stages of writing this dissertation, I hoped — perversely — for some final piece of overwhelming evidence, a nail in the coffin for demonstrating the ascension of derivative media in the American cultural industries. A crushing load of debt leading to the fall of one of the big Hollywood conglomerates perhaps, or one of the studios succumbing to a private equity takeover, as was rumoured with Paramount Pictures. Consolidation continued its ever-tightening grip on the media sector, with massive deals such as Time Warner's merger with AT&T, but these deals were to be expected. It turns out that I wasn't thinking big or perverse enough. The most definitive case of derivative media, fitting the concept in tone, branding, financing, and content (or lack thereof), is the phenomenon of Donald J. Trump.

In the introduction of this project, the summer of 2015 was highlighted as a representative moment of derivative media: Wall Street enacting a selloff in media stocks, further concentration of ownership in telecommunications, more private equity deals in Hollywood, and a surge in reflexive comedy, hip hop, and franchise filmmaking. In hindsight, we can now add another symbolic event from June of 2015: Trump's infamous descent down the escalator of Trump Hotel to announce his candidacy for the presidency. Though few took him seriously at the time, Trump was entering a crowded Republican primary with years of Hollywood branding exposure and reality television experience. Through fourteen seasons of *The Apprentice* on NBC, Trump's image was crafted by reality television expert Mark Burnett, creator of other hits like *Survivor*, *Shark Tank*, and *The Voice*, and broadcast to millions. The

NBC "family" would continue its support of Trump: softball questions from Matt Lauer, free exposure on *Saturday Night Live*, playful humanizing by Jimmy Fallon. By the campaign's end, Trump received nearly $5 billion in free advertising,[366] partly because of Trump's skill at creating spectacle and reality-television style 'drama,' but just as importantly because the corporate media could not resist the ratings and advertising dollars that Trump coverage would bring. His aggressive, deceptive campaign rallies were aired in their entirety, without fact-checking, while coverage of substantive issues was rare, replaced by attention-grabbing sensationalism.

There have been a series of proposed, interrelated reasons for Trump's unexpected victory, primarily based on a demographically 'divided' nation: minority versus white, foreign versus domestic, educated versus not, rich versus poor, young versus old, ordinary versus elite, urban versus rural/exurban, female versus male, upper class versus lower, etc. A largely unexamined cause is the manner in which the media portrayed the candidates and facilitated a year-long spectacle instead of a substantive election. The media is loath to engage in self-criticism, though it undoubtedly played a major role in the production of a branded carnival that resulted in such a dangerous outcome.

Two quotes are revelatory in this regard. The first is from Leslie Moonves, the executive chairman and CEO of CBS, commenting on the disastrous outcome of the noxious, circus-like tenor of the election campaign, particularly Trump's candidacy, that "it may not be good for America, but it's damn good for CBS."[367] The second is from Jeffrey Zucker, current president of CNN and former president and CEO of NBCUniversal when Trump starred in *The Apprentice*.

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[366] Mary Harris, "A Media Post-Mortem on the 2016 Presidential Election," *Media Quant*, November 14, 2016.

[367] Paul Bond, "Leslie Moonves on Donald Trump: 'It May Not Be Good for America, but It's Damn Good for CBS,'" *The Hollywood Reporter*, February 29, 2016.

Zucker excused his hiring of partisan surrogates, such as Trump's former campaign manager Corey Lewandowski, by saying that guests and panelists on CNN are merely "characters in a drama."[368] These two quotes reveal the depth of how badly misconstrued the incentives are for the press; for even the most important of issues, the news is not interested in what's good for America, only in crafting a profit-making melodrama. Derivative media means profit above all other concerns, even if it means putting a dangerously unqualified and temperamentally unfit man in charge of the American military.

A triumph in empty-but-nostalgic branding, Trump's slogan, 'Make America Great Again,' stood in for a policy-free greatest hits collection of the 80s (supply-side economics), 90s (culture wars), 00s (anti-Muslim xenophobia), and today (social media disinformation). The campaign marketized itself through self-dealing and branding opportunities; once in office, the Trump brand continued its crass corruption, leveraging the brand and activities of the White House for Trump's own profit, especially through Trump-branded properties that could now bill the American taxpayer and visiting dignitaries.

It was not surprising that Trump would stack his cabinet and advisory groups with the type of wealthy neoliberals that populate the Republican establishment. What is surprising is how many of them have experience in Hollywood, or private equity, or both. Wilbur Ross, the commerce secretary, is a private equity tycoon worth $2.5 billion. The aforementioned Stephen Schwarzman, billionaire co-founder and CEO of Blackstone, is chairman of Trump's Strategic and Policy Forum, which includes Larry Fink, chairman and CEO of BlackRock, and Jamie Dimon, chairman and CEO of JPMorgan Chase. John Paulson, in whose hedge fund Trump was

[368] Jonathan Mahler, "CNN Had a Problem. Donald Trump Solved It," *The New York Times Magazine*, April 4, 2017.

an investor, is an adviser. Gary Cohn, former president and likely heir apparent of Goldman Sachs, is leading the National Economic Council. Dina Powell, a Goldman partner, is the 'senior counselor for economic initiatives.' And in a dangerous case of a financial fox in the henhouse, Jay Clayton, a partner at Sullivan & Cromwell, Goldman Sachs's longtime law firm, and the husband of the vice president of Goldman, is the chairman of the Securities and Exchange Commission. Stephen Bannon, one of Trump's chief executive during his campaign and then one of his chief strategists for the first seven months of his presidency, also has a background at Goldman, though he is more known for his racist, nationalist impulses as a filmmaker and the head of *Breitbart*. In the three months following the election, Goldman's shares gained 35 percent, the top-performing stock in the Dow Jones in that time.[369]

The most bizarre high-ranking official in the White House though, besides Trump, is treasury secretary Steven Mnuchin, whose background is equal parts Wall Street and Hollywood. A former Goldman Sachs trader and hedge fund manager, Mnuchin exploited the housing crisis by acquiring IndyMac, a mortgage lending bank that had failed in 2008 and was seized by the United States Federal Deposit Insurance Corporation (FDIC). With a group of investors, Mnuchin renamed it OneWest Bank and then aggressively foreclosed on homeowners for profit, earning the accusation of "widespread misconduct" by the state attorney general department for repeatedly breaking California's foreclosure laws and forging documents.[370] The investors put $1.5 billion into the bank and sold it for more than $3 billion five years later.[371]

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[369] James B. Stewart, "Goldman Sachs Completes Return from Wilderness to the White House," *New York Times*, January 12, 2017.

[370] David Dayen, "Treasury Nominee Steve Mnuchin's Bank Accused of 'Widespread Misconduct' in Leaked Memo," *The Intercept*, January 3, 2017.

[371] Jesse Eisinger, "Trump's Treasury Secretary Pick is a Lucky Man. Very Lucky," *ProPublica*, December 1, 2016.

Mnuchin has a long history in Hollywood as well. His financing firm Dune Entertainment has invested in more than 70 films with Fox since 2006, while another funding company, Rat-Pac Dune Entertainment, formed with producer-director Brett Ratner and billionaire James Packer in 2013, has a 75 picture deal with Warner Bros. An emblematic sign of derivative media and the commingling of the financial sector, Hollywood, and the American government, the current treasury secretary's name is listed in the credits of such megahits as *Avatar*, *Batman v Superman*, *The LEGO Movie*, *American Sniper*, and *Suicide Squad*, as well as, appropriately, *Wall Street: Money Never Sleeps*.

In the introduction of this project, I suggested the symbolic and geographic significance of three streets in America: Santa Monica Blvd, Ventura Fwy, and 9 West. It is perhaps not a coincidence that Trump Tower — re-christened "White House North" and represented in the media with imagery reminiscent of *The Apprentice* — is located on the same block as 9 West, home of KKR, Apollo, Providence, and Silver Lake. Bain and THL are literally next door from Trump Tower. The studios for cable and network news are just down the street: NBC, CNN, CBS, ABC, and most importantly, Fox News. At Trump Tower, an unaccountable media spectacle came together with unchecked financial power to create a locus of corruption, a villainous Gotham lair the likes of which Hollywood would have rejected as too hackneyed an idea.

For American citizens and anyone else watching the slow-motion meltdown of America's stature, the Trump phenomenon should be a siren call, a demonstration of how quickly corruption can drum up immense power in a populist parade. Of the many lessons to be learned, the dangerous power of an unscrupulous, profit-hungry media should be prioritized. Trump not only illustrates the weakness of the American media system, but in his subsequent attacks on the

freedom of the press, along with the overall decline in the public's trust of the media after years of sensationalism and polarization, the necessity of defending the media's role in the democratic process is paramount. Trump has shown the media's flaws, but also its significance and centrality.

In the continual quest for a better media system, media finance reform needs to be a foundational concern. More diversity, more access, and more cultural value may well be more important issues. In musical terms, they will create a more beautiful media system: more melodic, more unique, more symphonic. But media finance reform must be the incessant drum beat. Without foundational reform of finance and ownership, we will remain beholden to capital's extractive mechanisms. The result will be ever-increasing homogeneity: a dull, repetitive dirge. If we want our music, film, television, and press to be free of the greed of finance capitalism, free of the endless parade of brands and financial transactions, then we need to bang the drum of media finance reform.

Appendix I: Figures



Figure 1. Selloff in media stocks due to disappointing earnings reports, August 5-7, 2015. Over $50 billion of market value was lost in a few days.

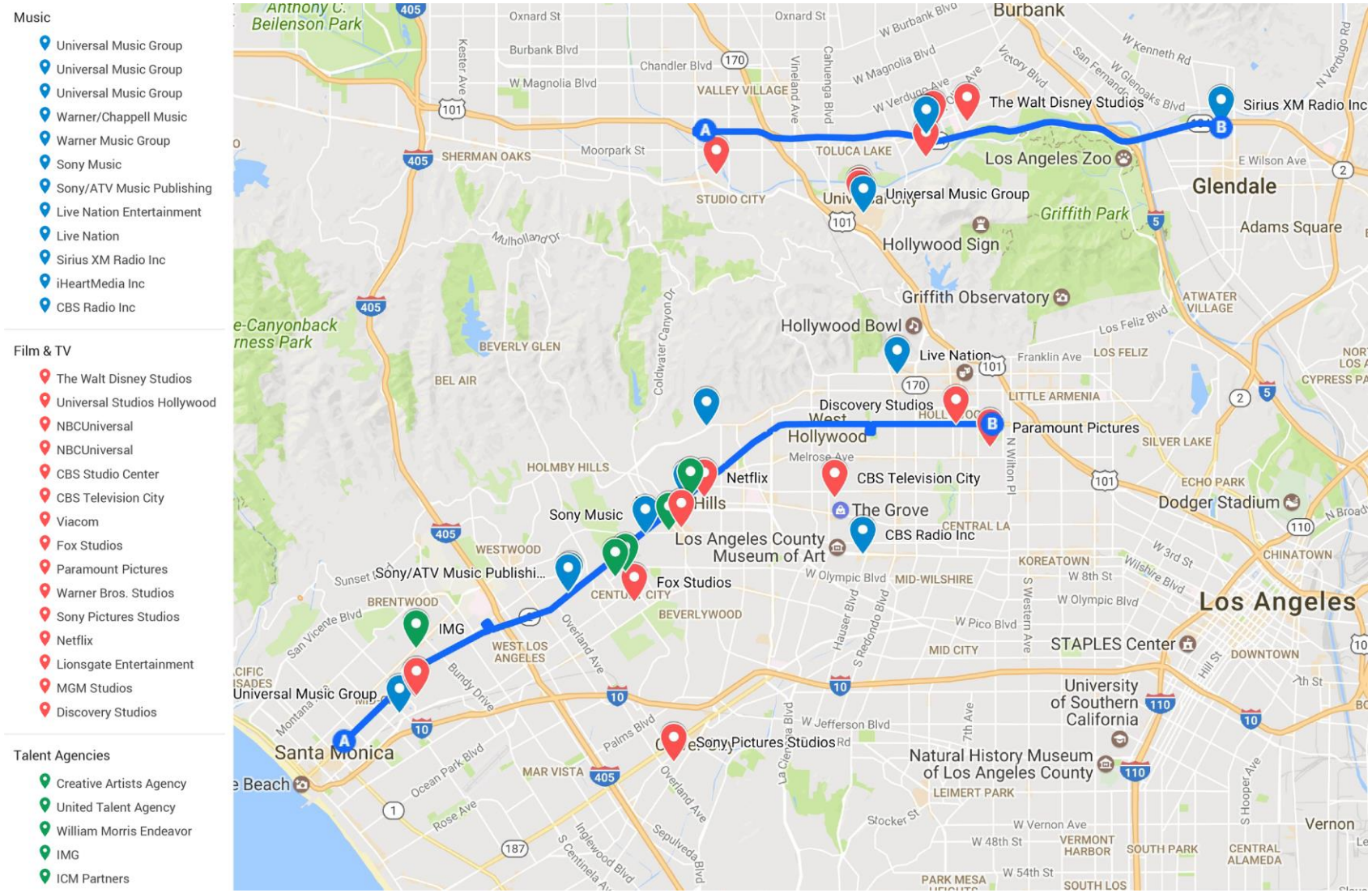


Figure 2. Most of the world's major media companies have their headquarters or major offices on Santa Monica Boulevard (bottom) or along Ventura Freeway (top) in Los Angeles County, California.

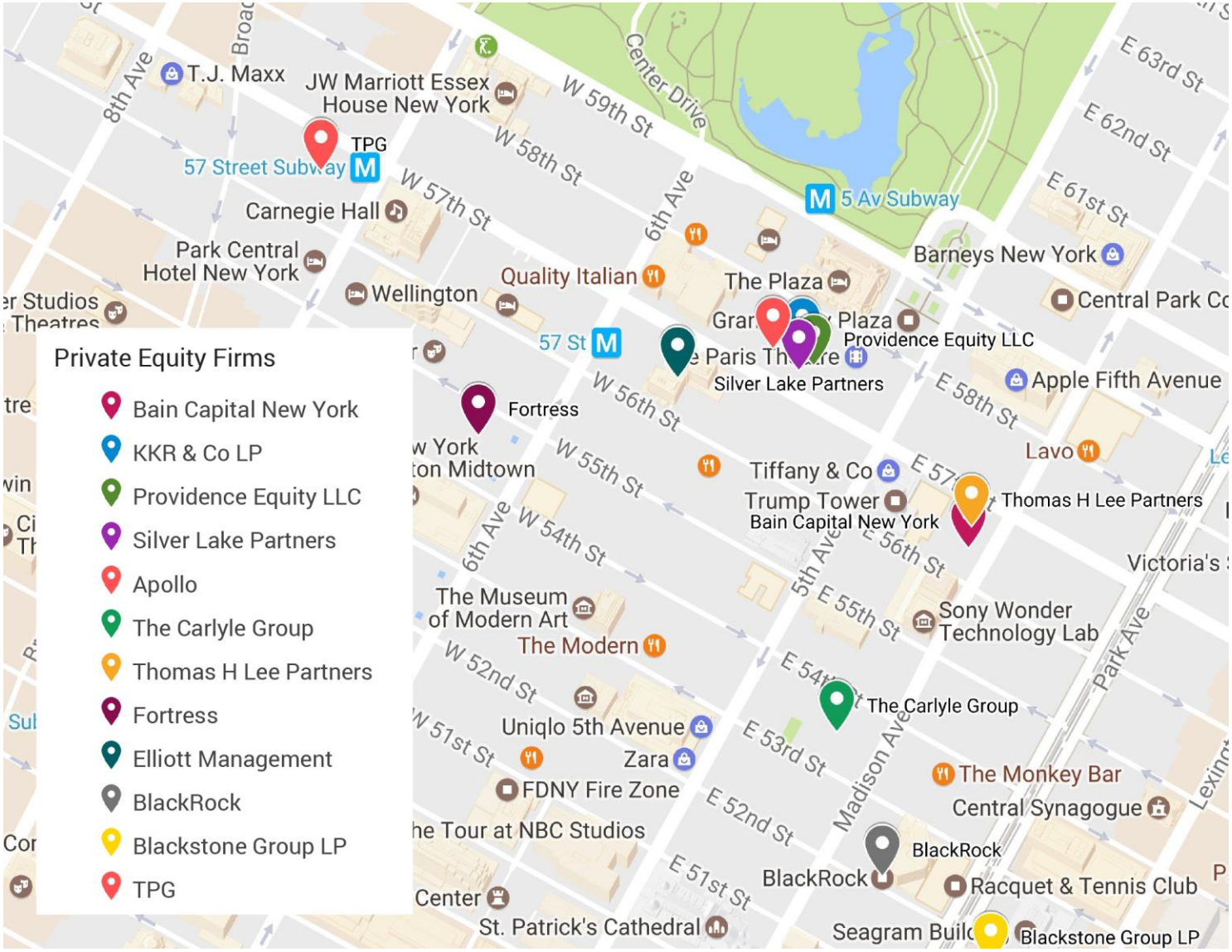


Figure 3. Private equity firms at or near 9 West 57th St, known in the industry as "9 West," in Midtown Manhattan.

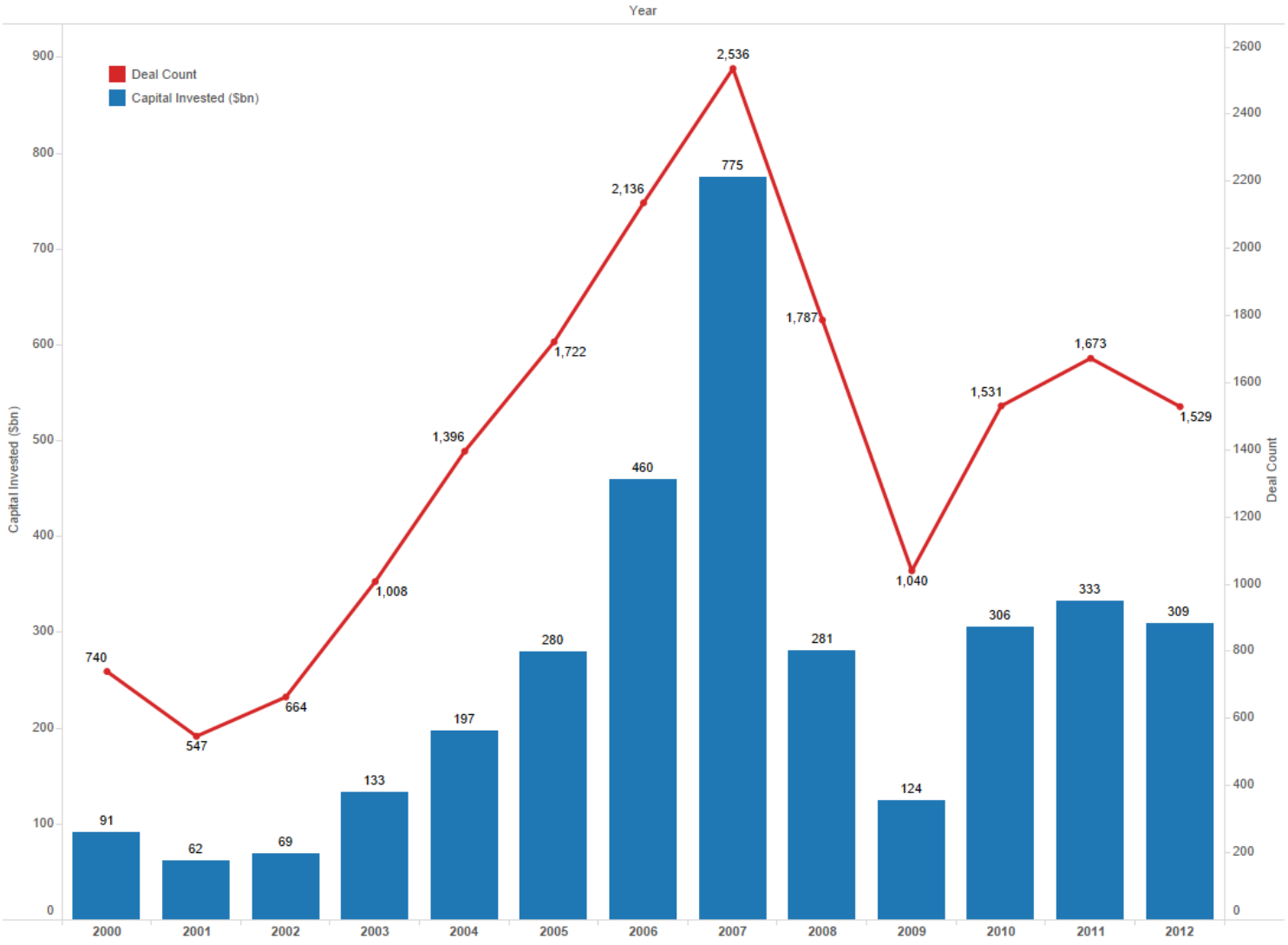


Figure 4. Total capital invested in billions of dollars (left axis) and total deal count (right axis) of leveraged buyouts by private equity firms, 2000-2012. Date source: Pitchbook.

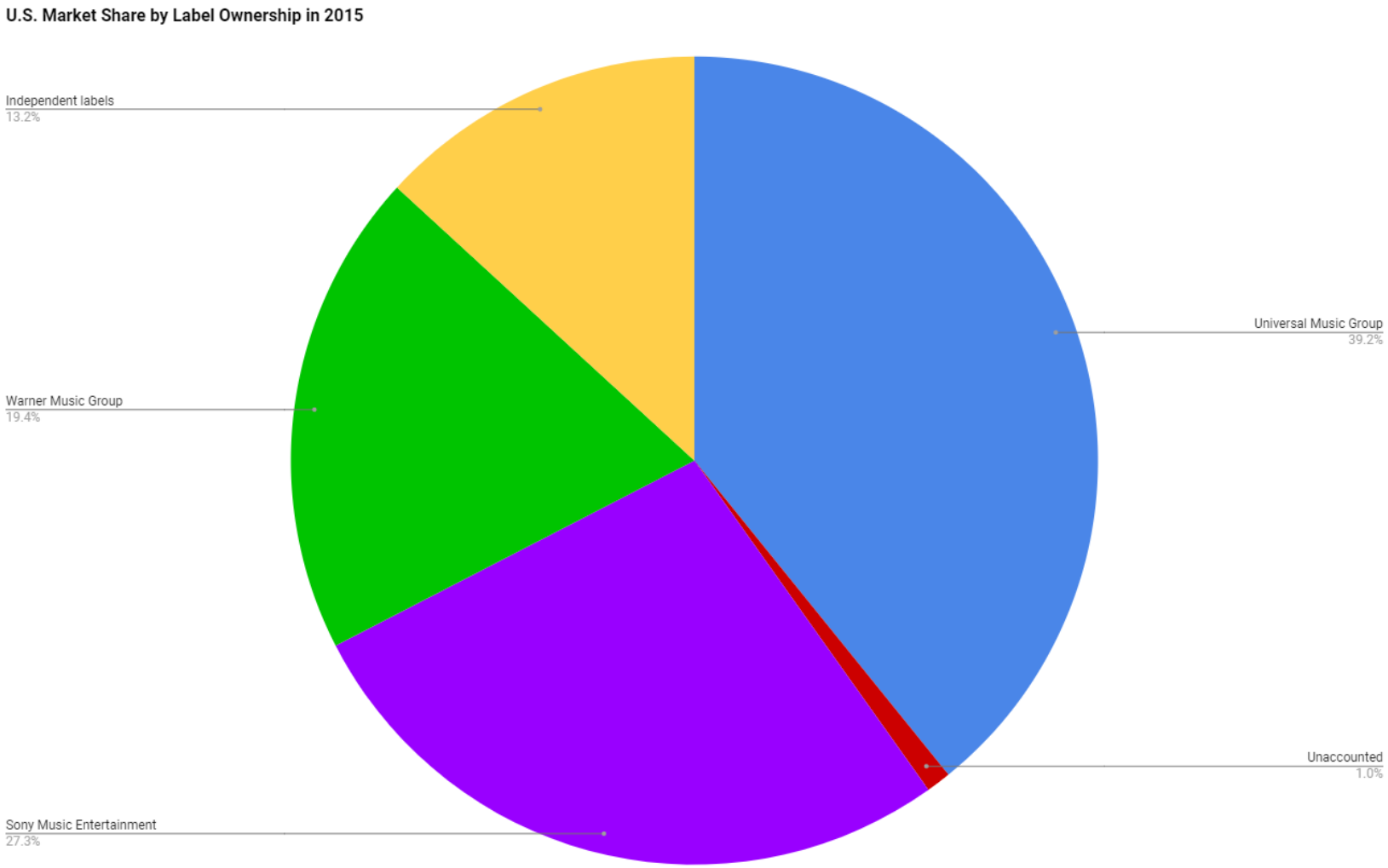


Figure 5. U.S. market share by label ownership. Data source: Nielsen Music.

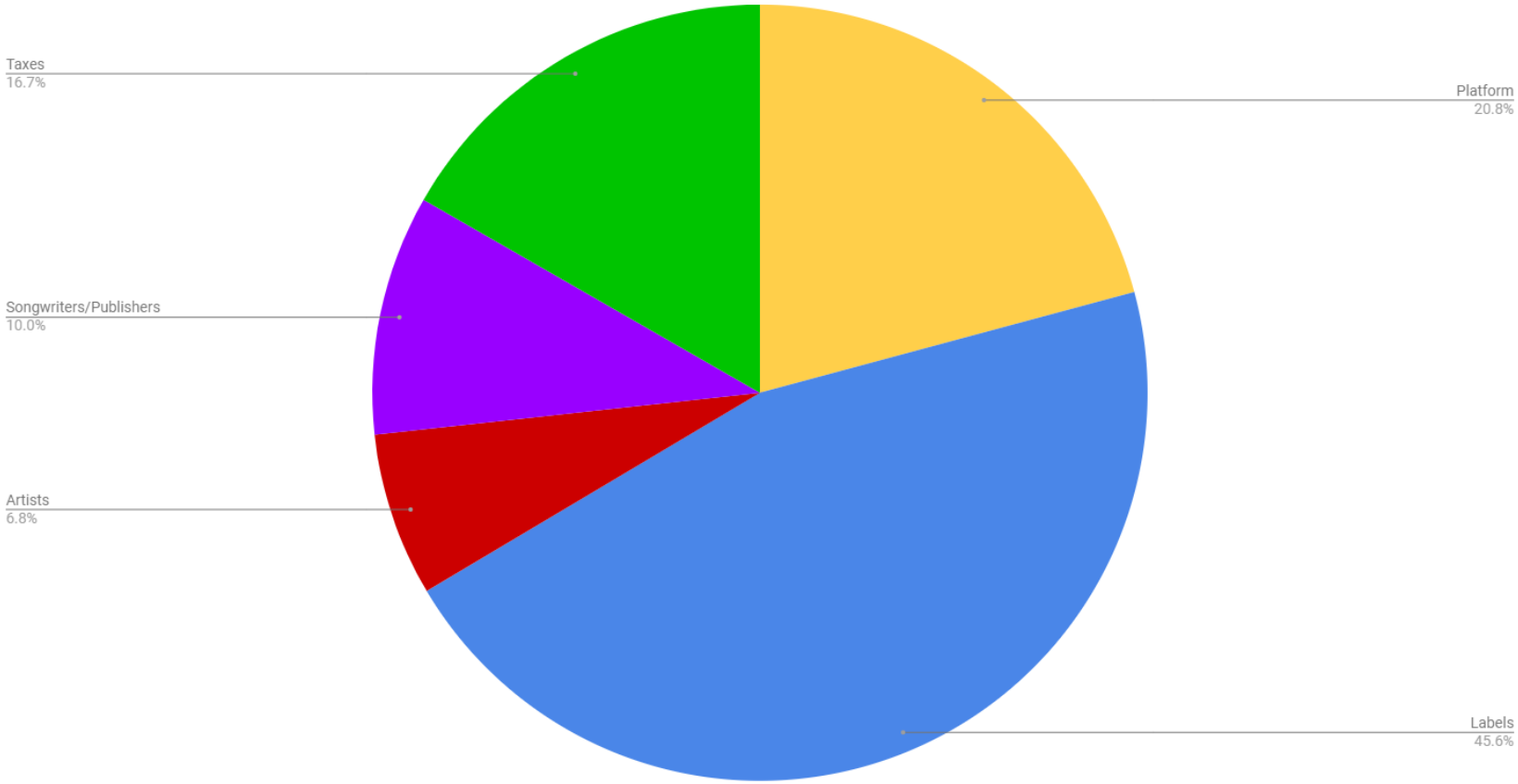


Figure 6. Revenue share of streaming music. Data source: SNEP/Ernst & Young.

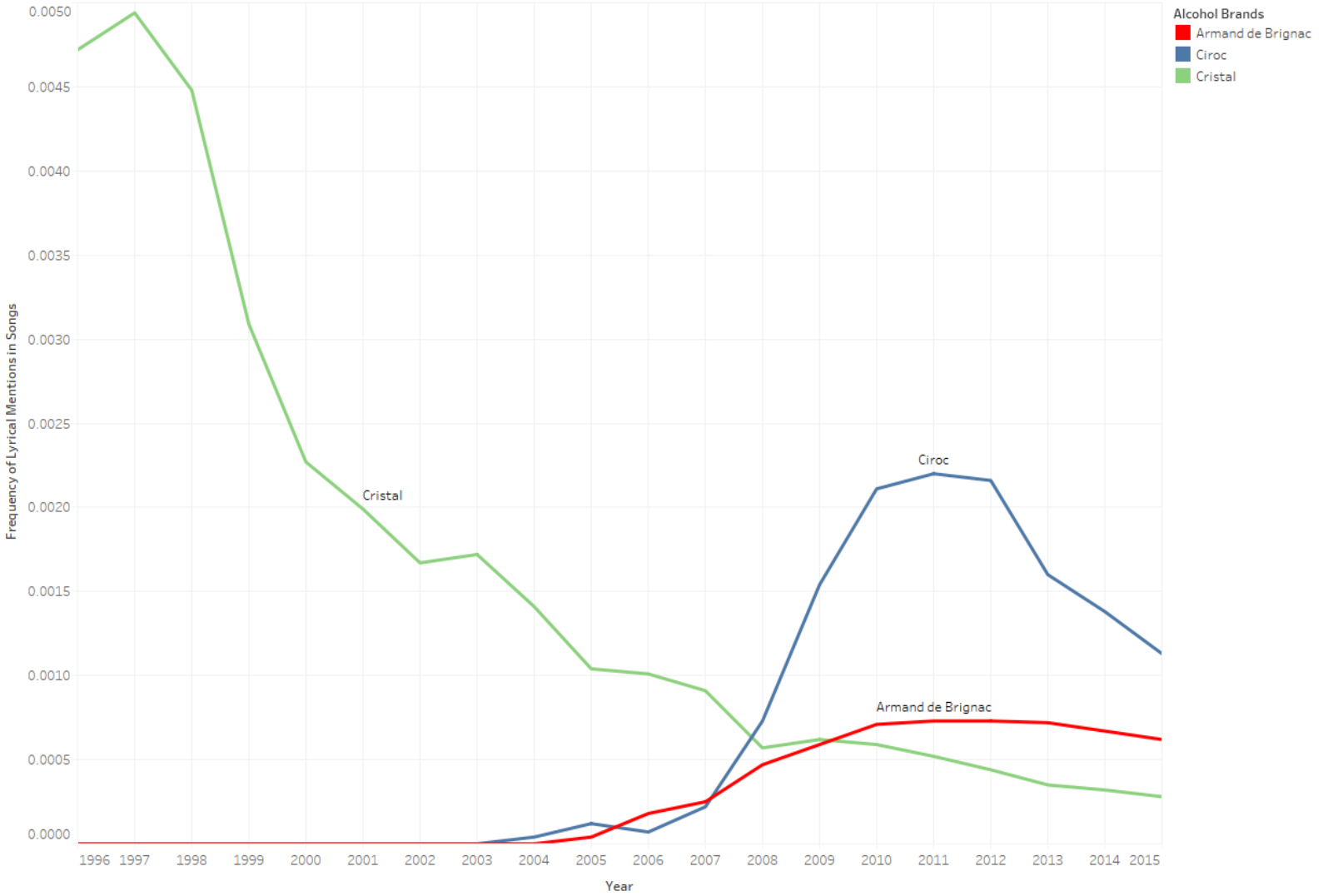


Figure 7. Frequency of lyrical mentions of the alcohol brands Cristal, Ciroc, and Armand de Brignac in hip hop lyrics, 1996-2015.

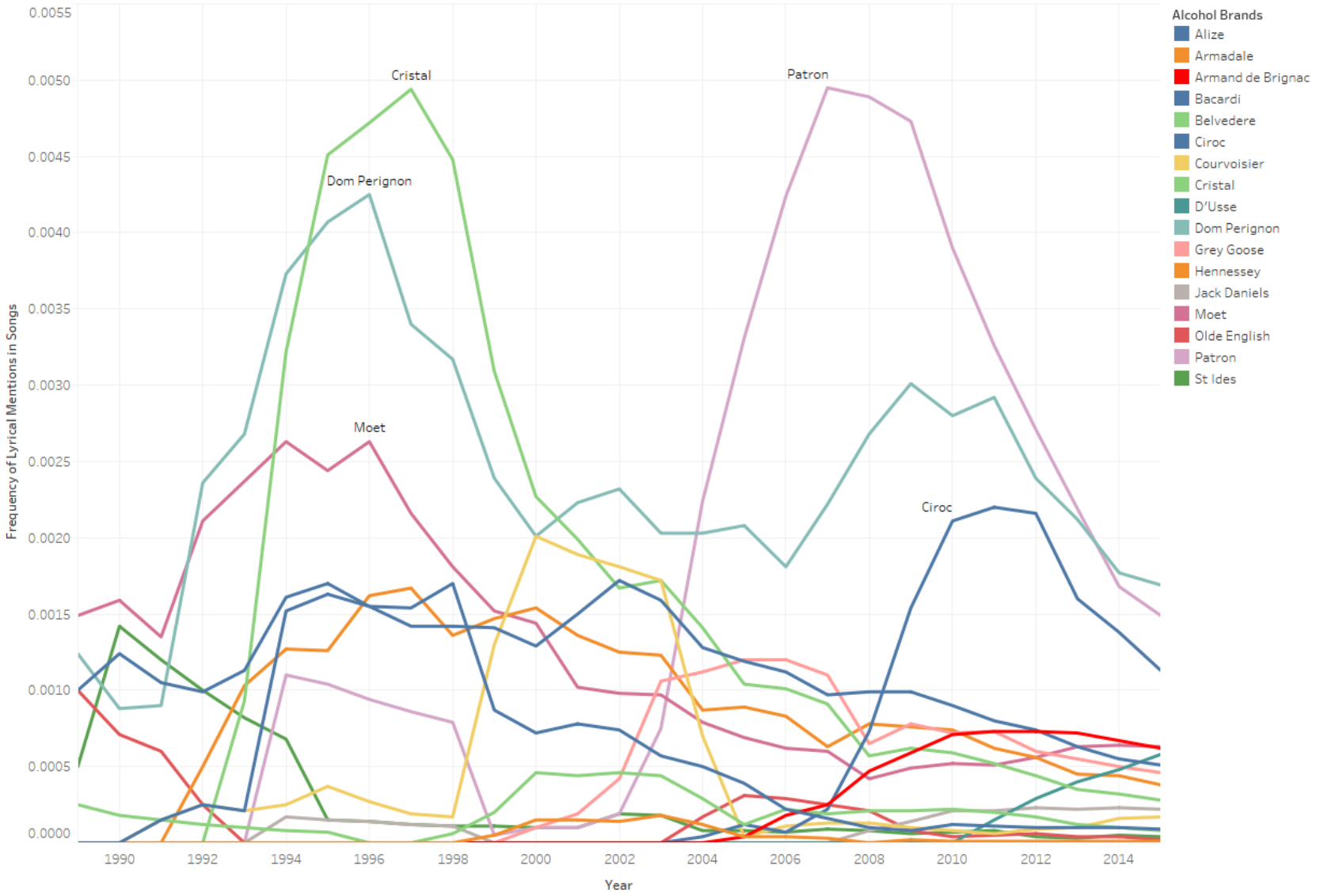


Figure 8. Frequency of lyrical mentions of major alcohol brands in hip hop lyrics, 1989-2015.

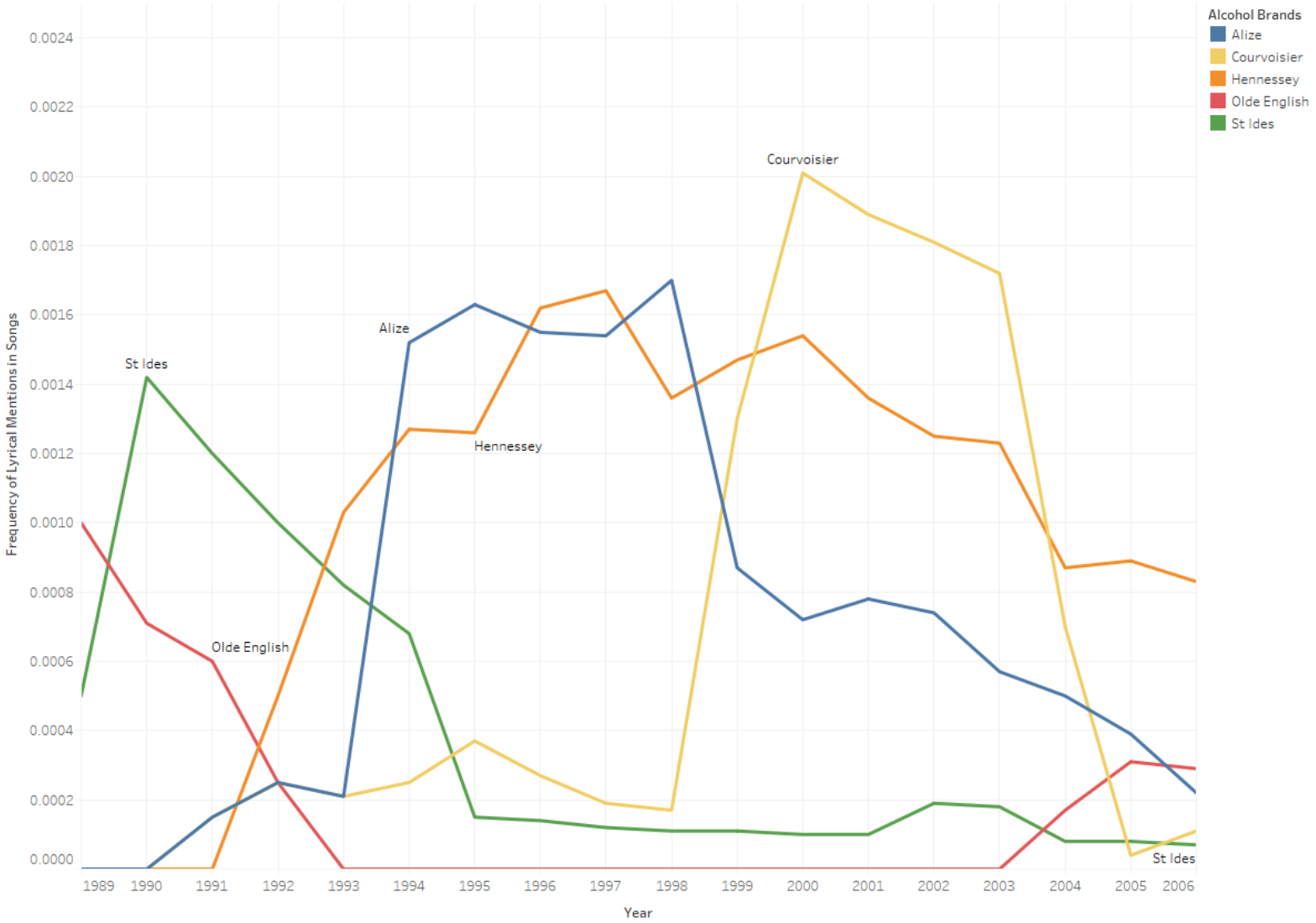


Figure 9. The rise and fall of symbolic stature of alcohol brands in hip hop lyrics, 1989-2006.

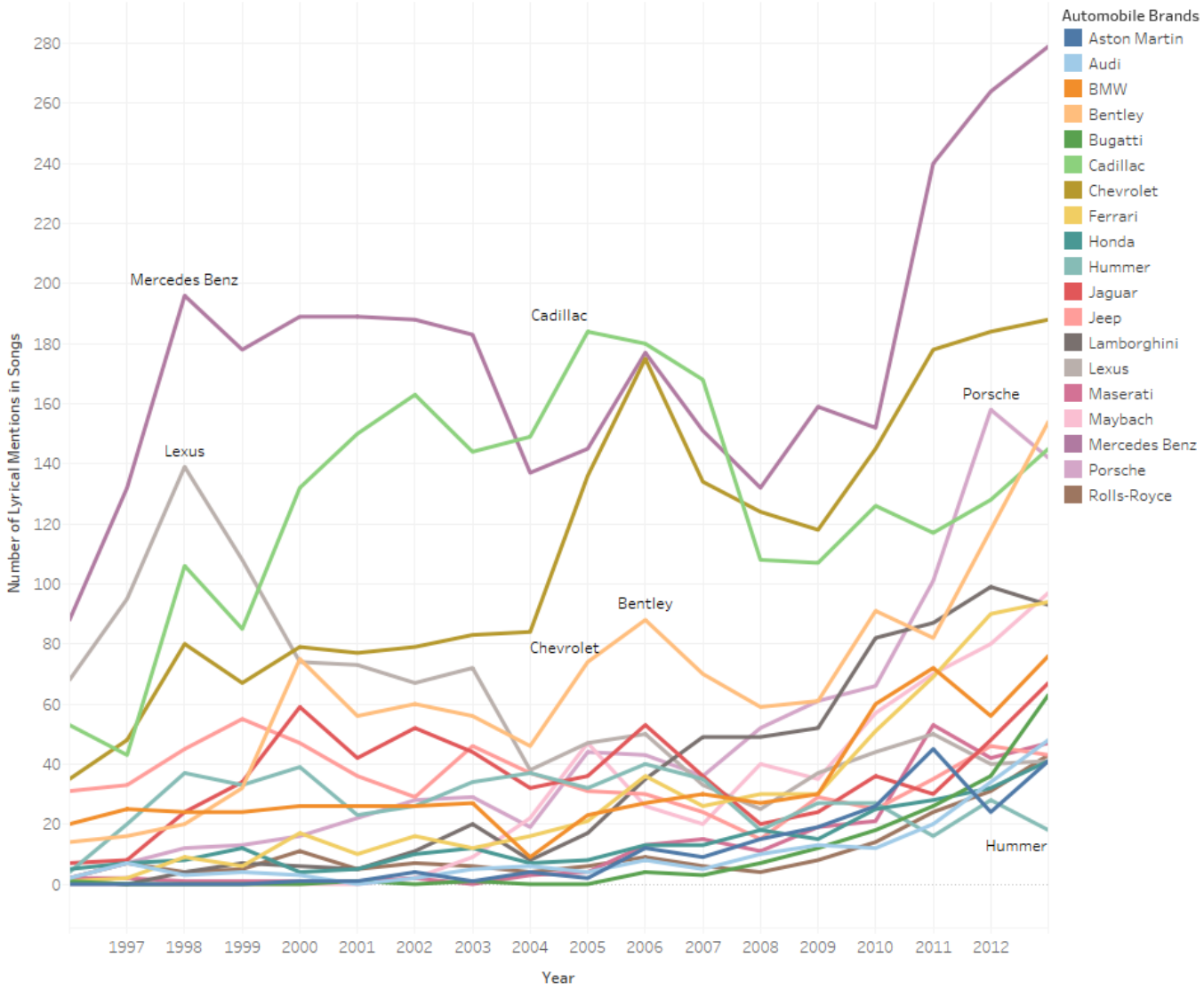


Figure 10. Total number of lyrical mentions of automobile brands in hip hop lyrics, 1997-2012.

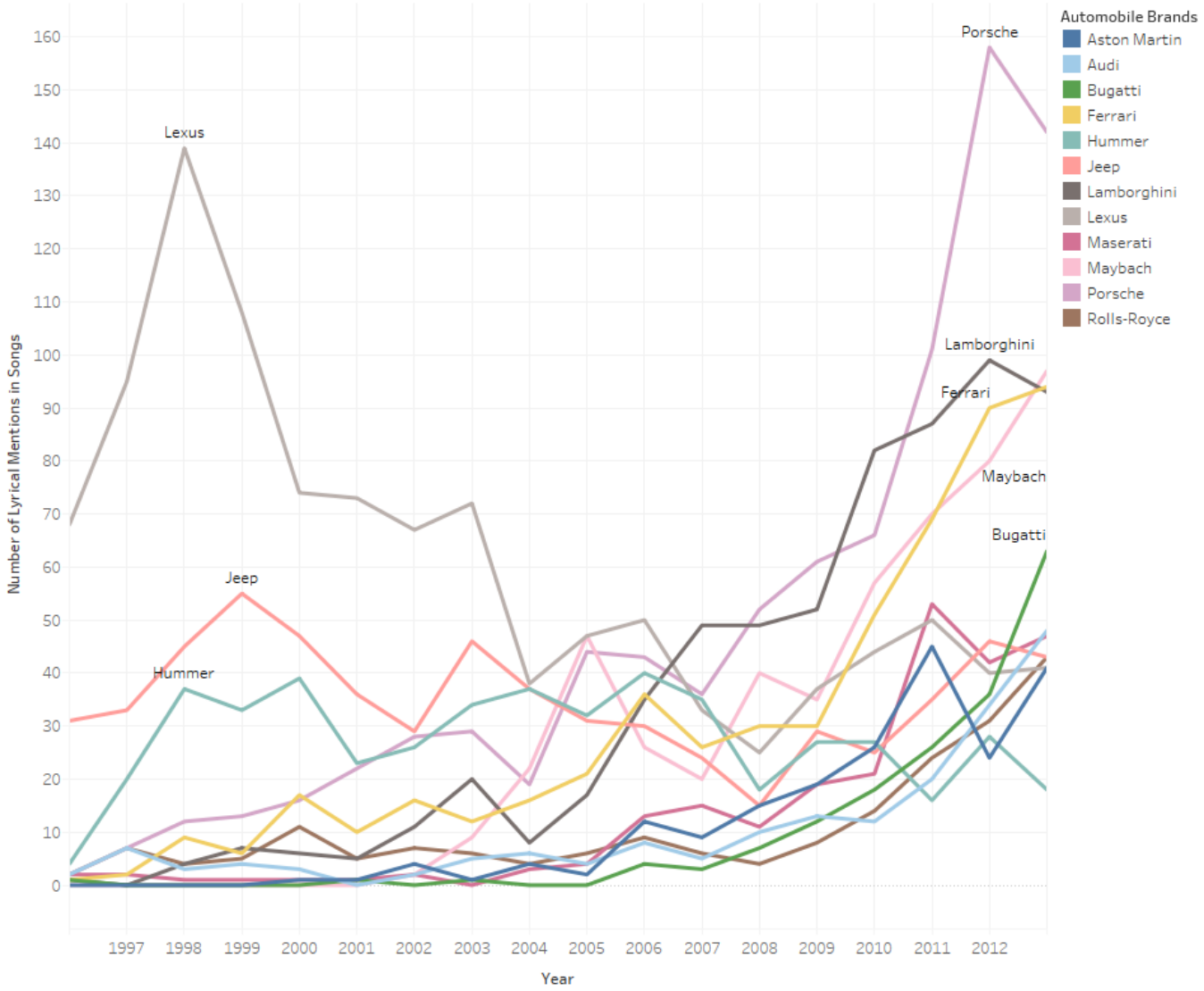


Figure 11. The rise and fall of symbolic stature of automobile brands in hip hop lyrics, 1997-2012.

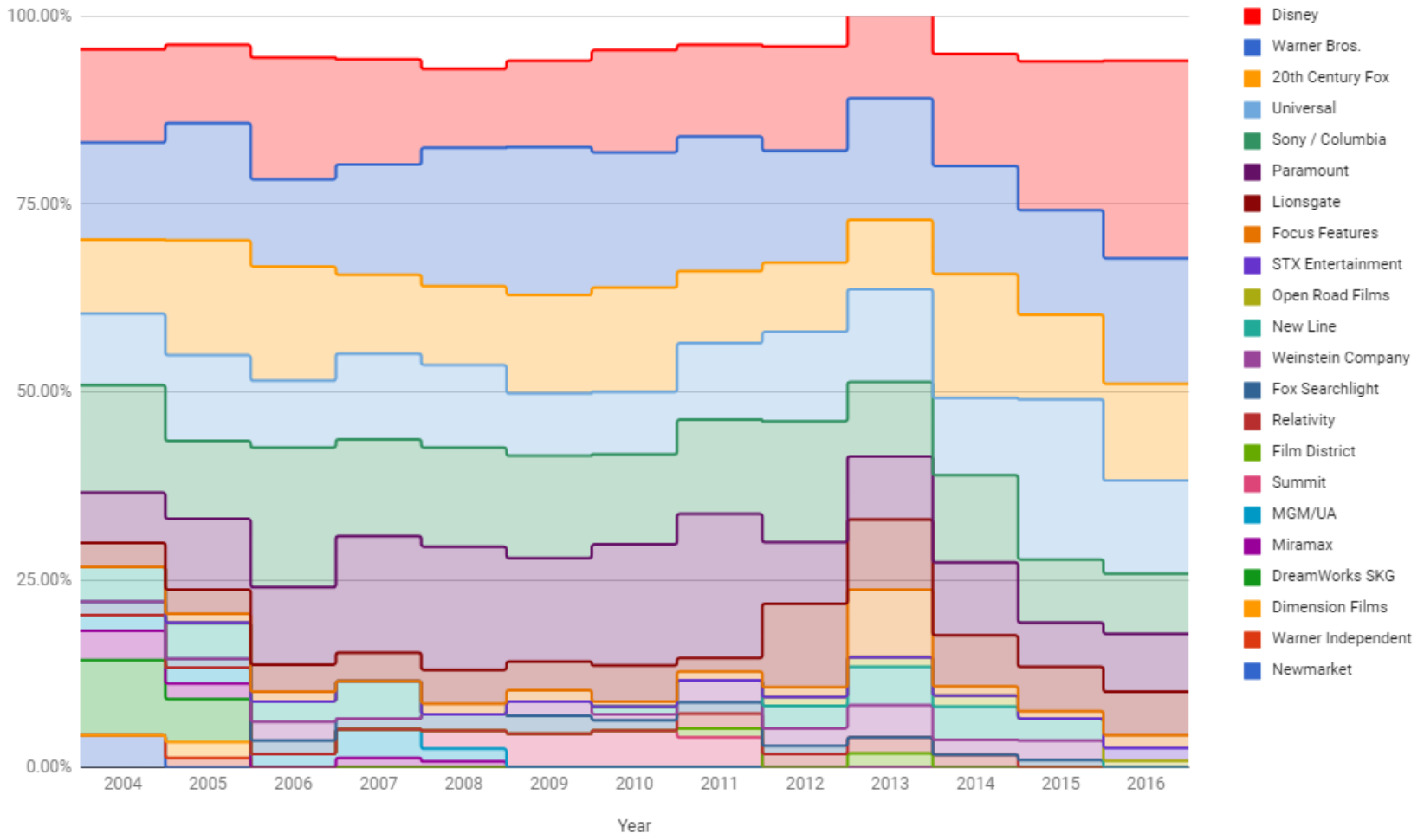


Figure 12. Market Share of United States and Canada Box Office for Film Releases from 2004 to 2016. Data source: Box Office Mojo.

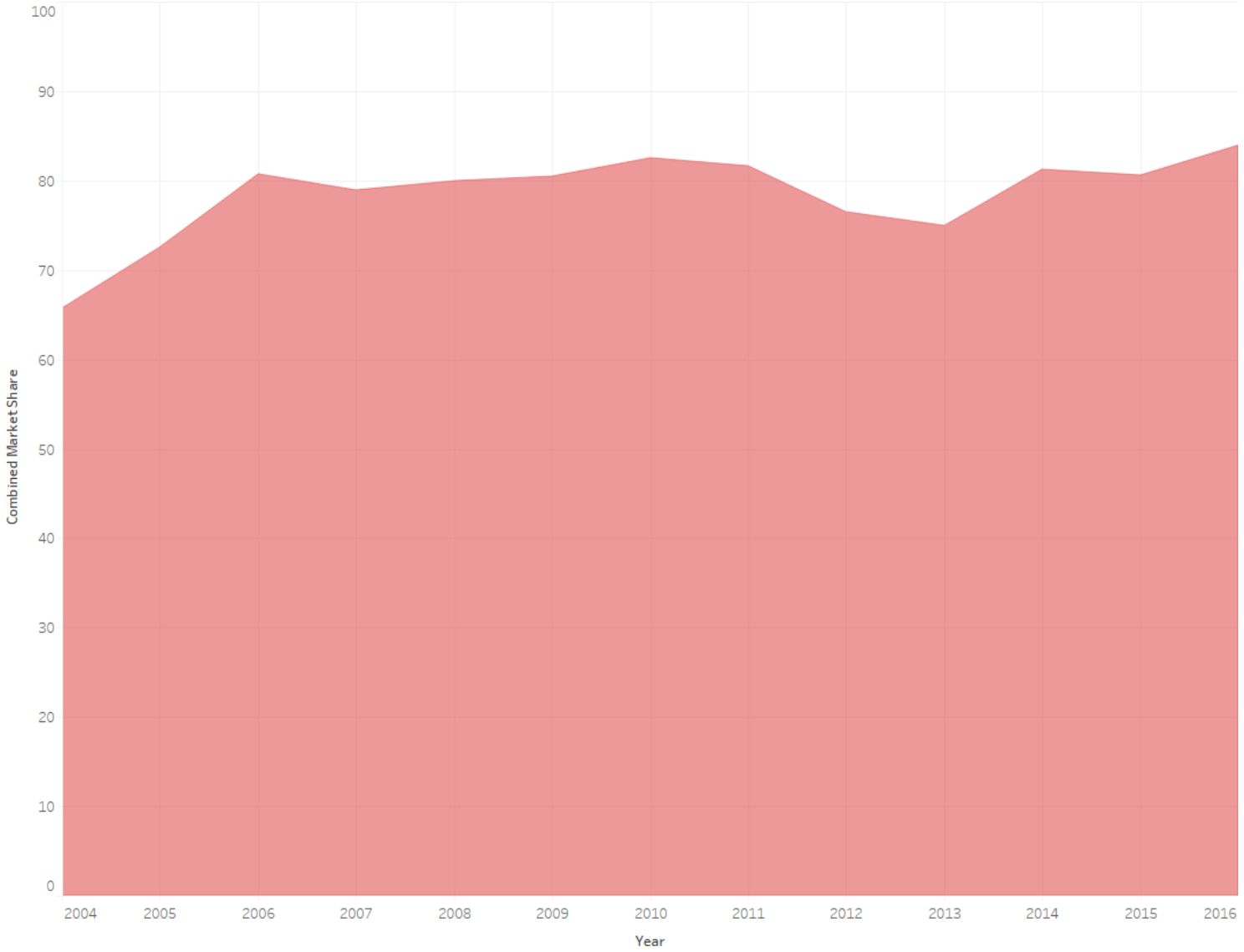


Figure 13. Combined Market Share of Top 6 Film Studios from 2004 to 2016. Data source: Box Office Mojo.

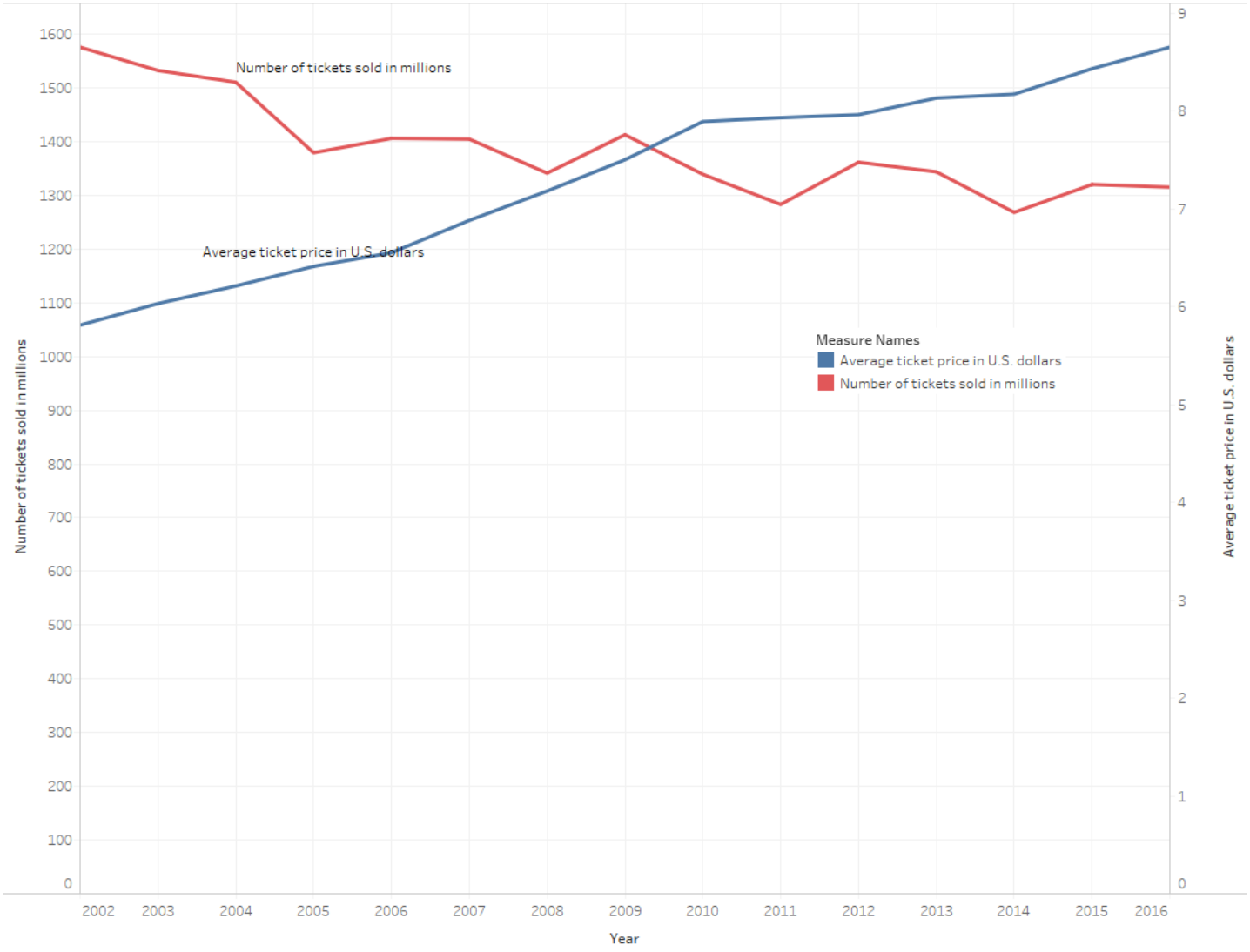


Figure 14. Number of Film Tickets Sold and Average Film Ticket Price in United States and Canada, 2001-2016. Data source: Box Office Mojo.

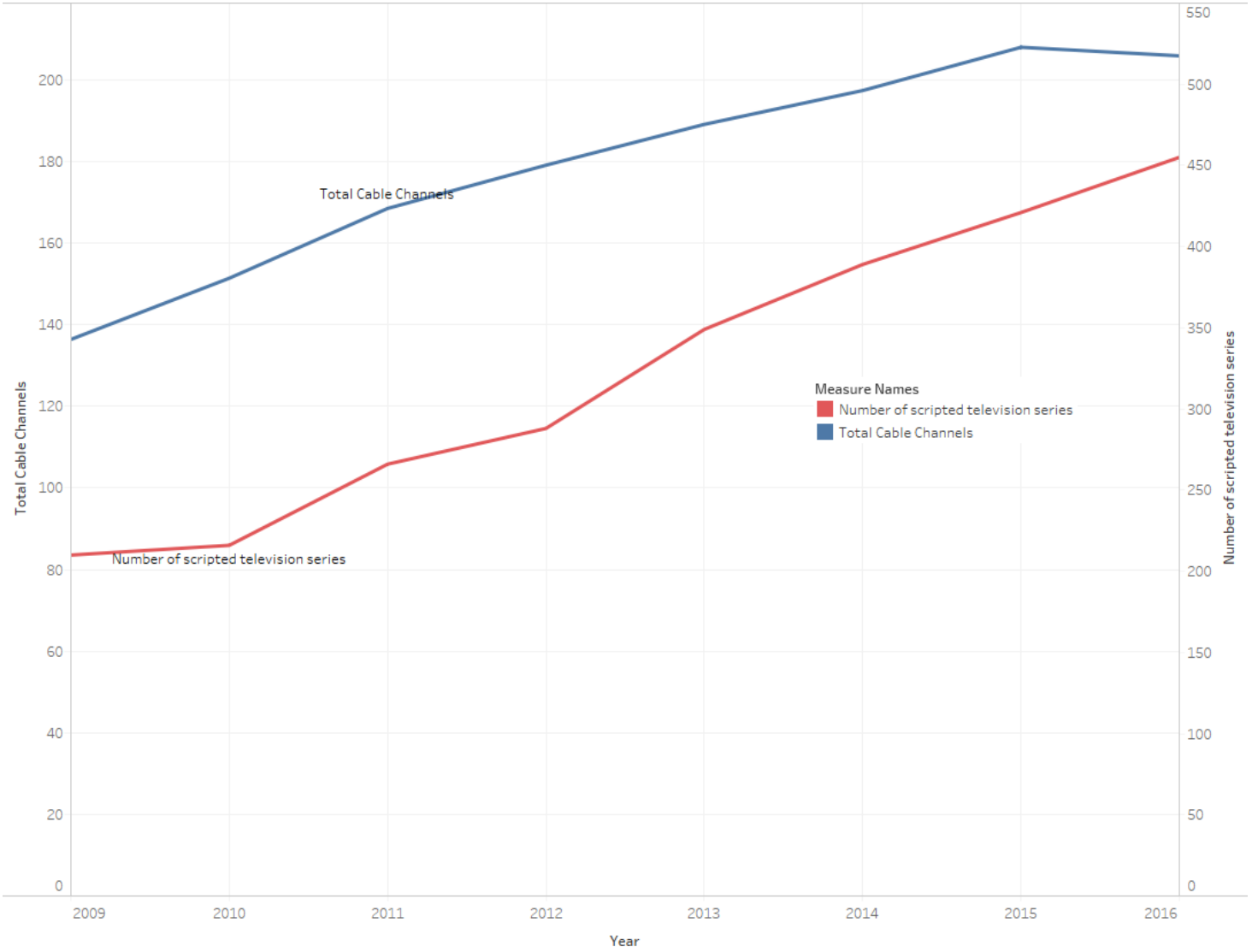


Figure 15. Number of Scripted Television Series and Cable Channels in United States, 2009-2016. Data source: Statista; Nielsen.

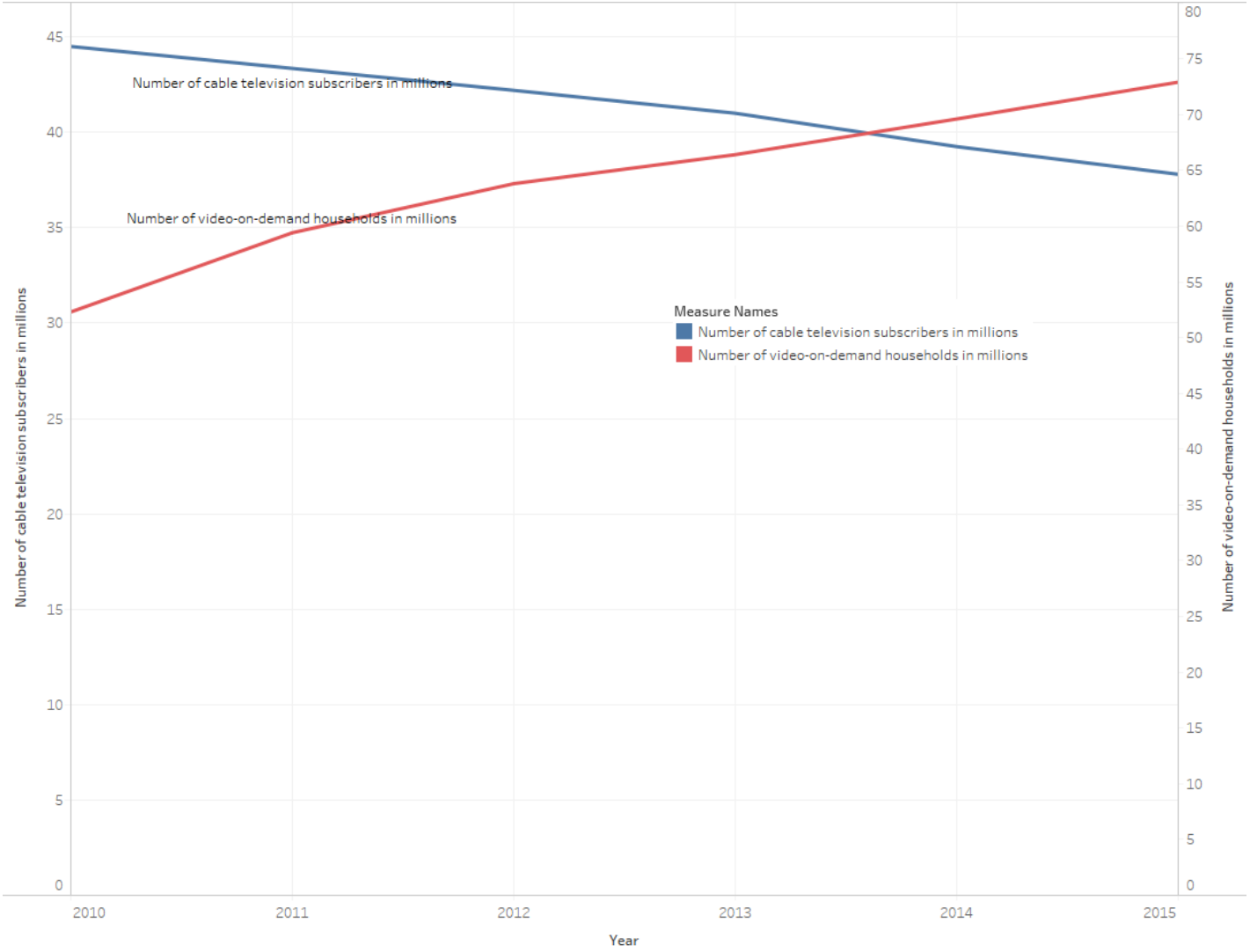


Figure 16. Number of Cable TV Subscribers and Video-On-Demand Households in United States, 2001-2015. Data source: Statista; Magnaglobal. Note: VOD Numbers for 2012-2015 are projected.

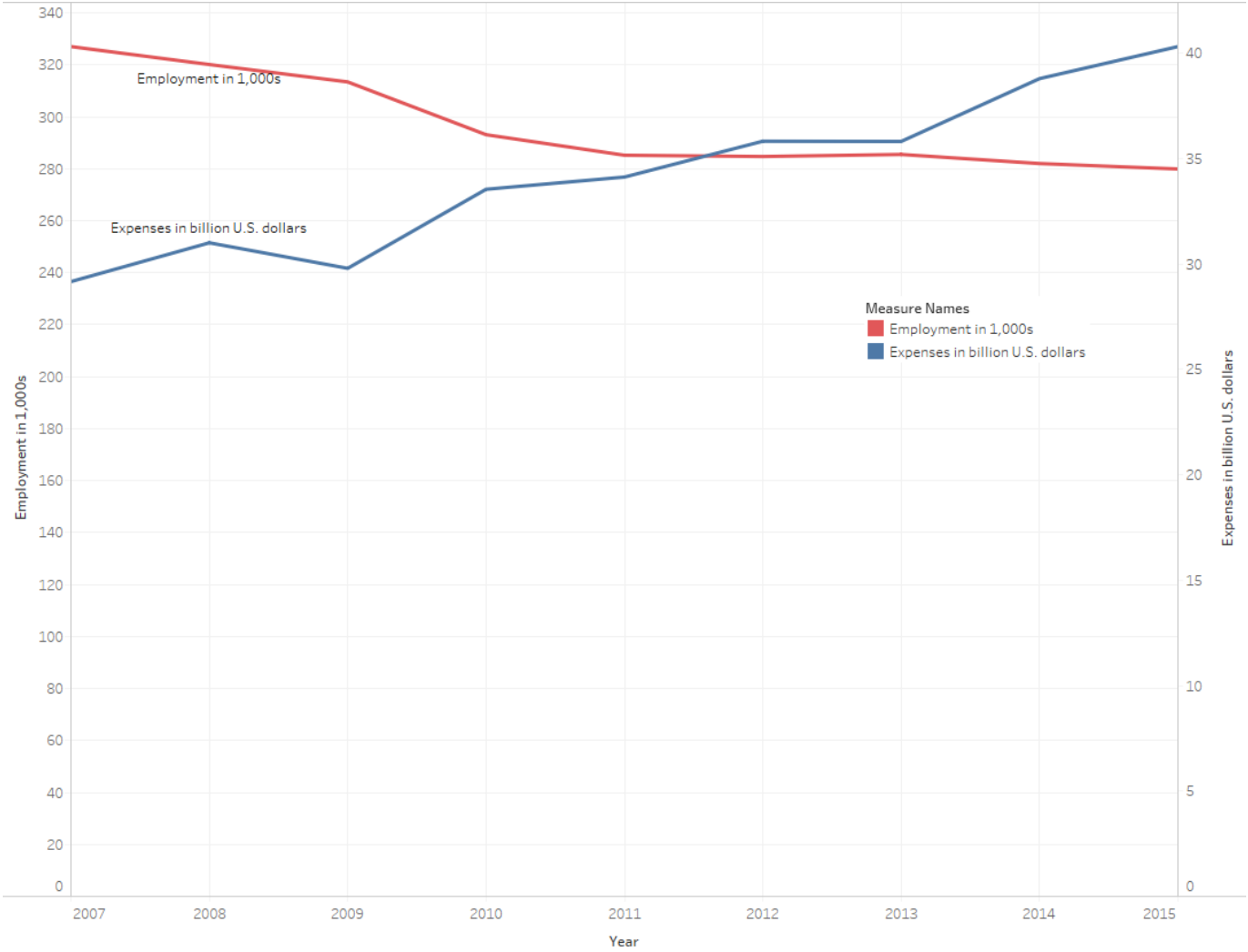


Figure 17. Total Employment and Estimated Expenses in U.S. Broadcasting Industries, 2007-2015. Data source: Bureau of Labor Statistics; US Census Bureau. Note: Employment numbers include radio, television, cable and other subscription programming, excludes internet; Expenses numbers exclude cable and other subscription programming.

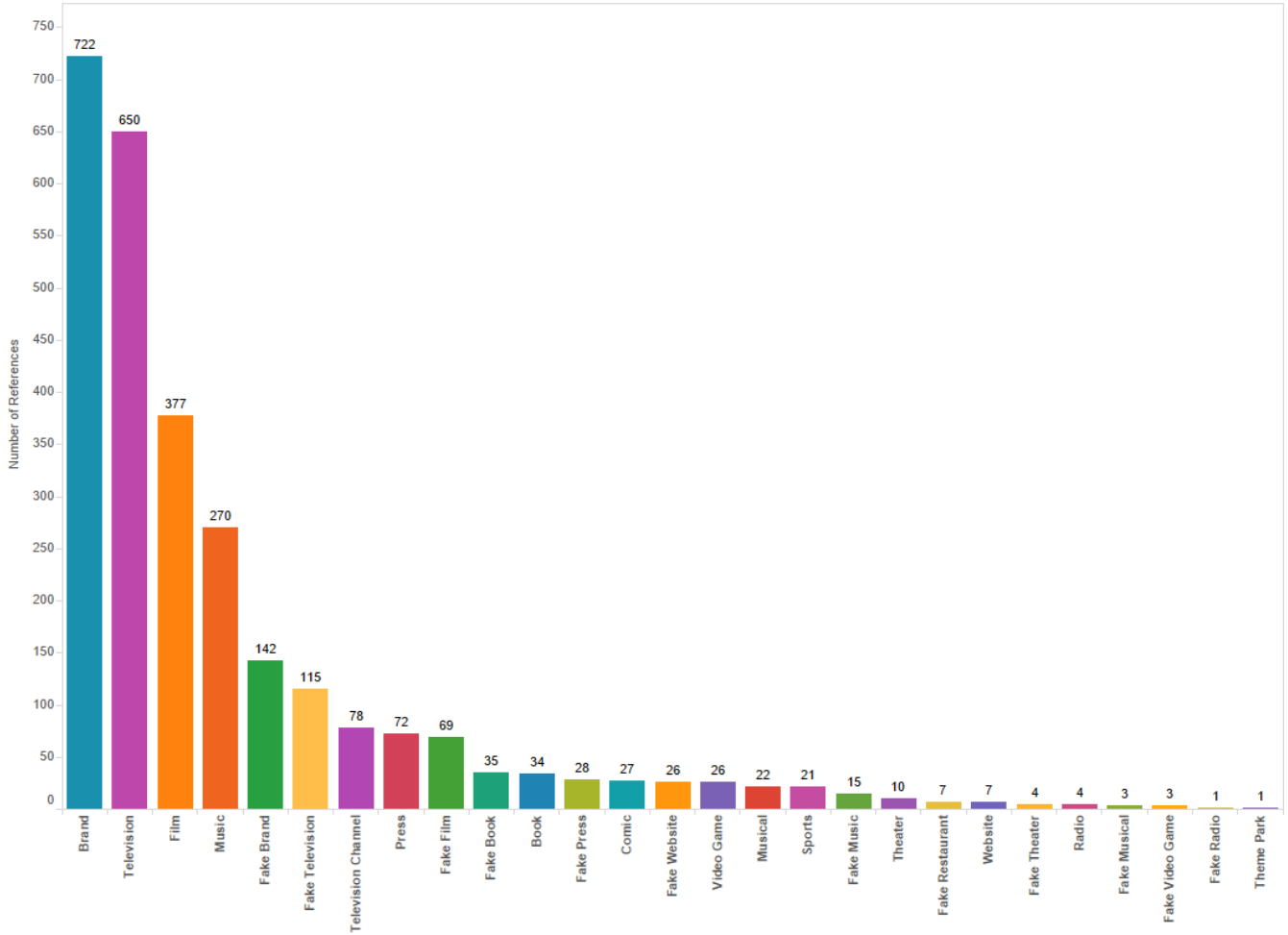


Figure 18. Total references in *30 Rock*, categorized according to media type, showing that brands, television, and film are the most referenced media.

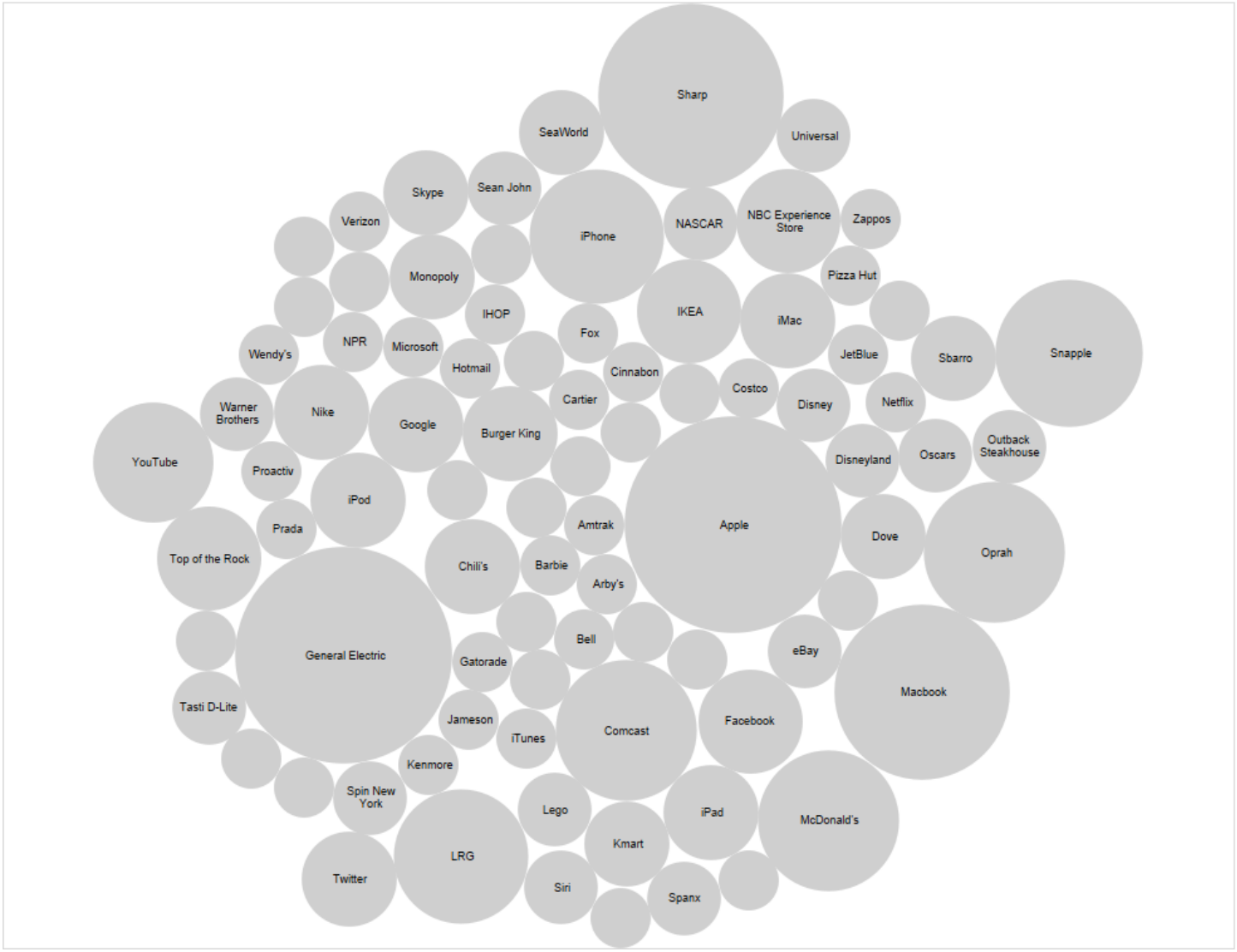


Figure 19. Top brand references in *30 Rock*, sized according to frequency, demonstrating the erratic and varied nature of brands used.

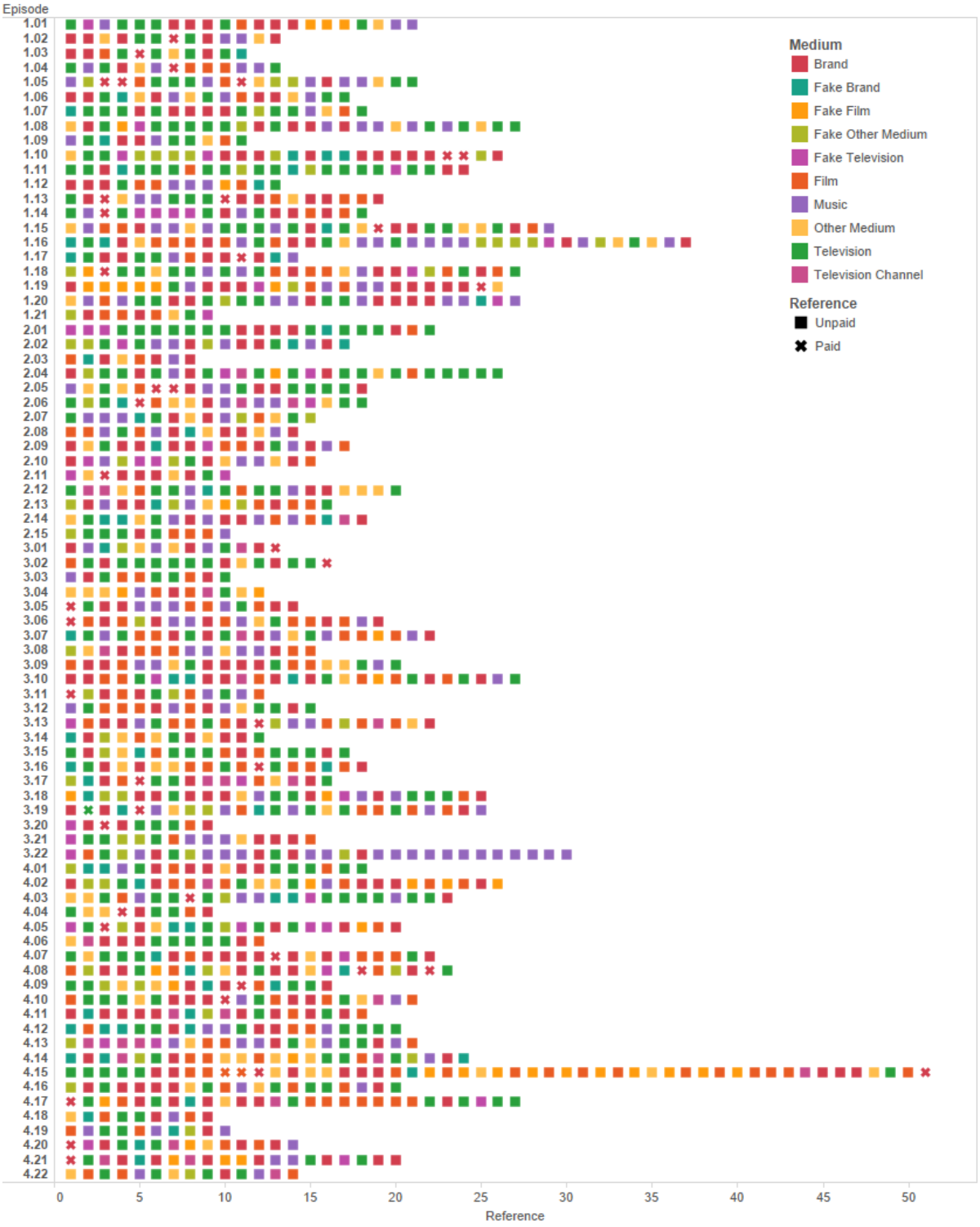


Figure 20. References in each episode of the first four seasons organized by medium and lined up in order of appearance, with paid placements marked with an x, demonstrating the manner in which paid placements are hidden among non-paid, real, and fake brands and mediums.

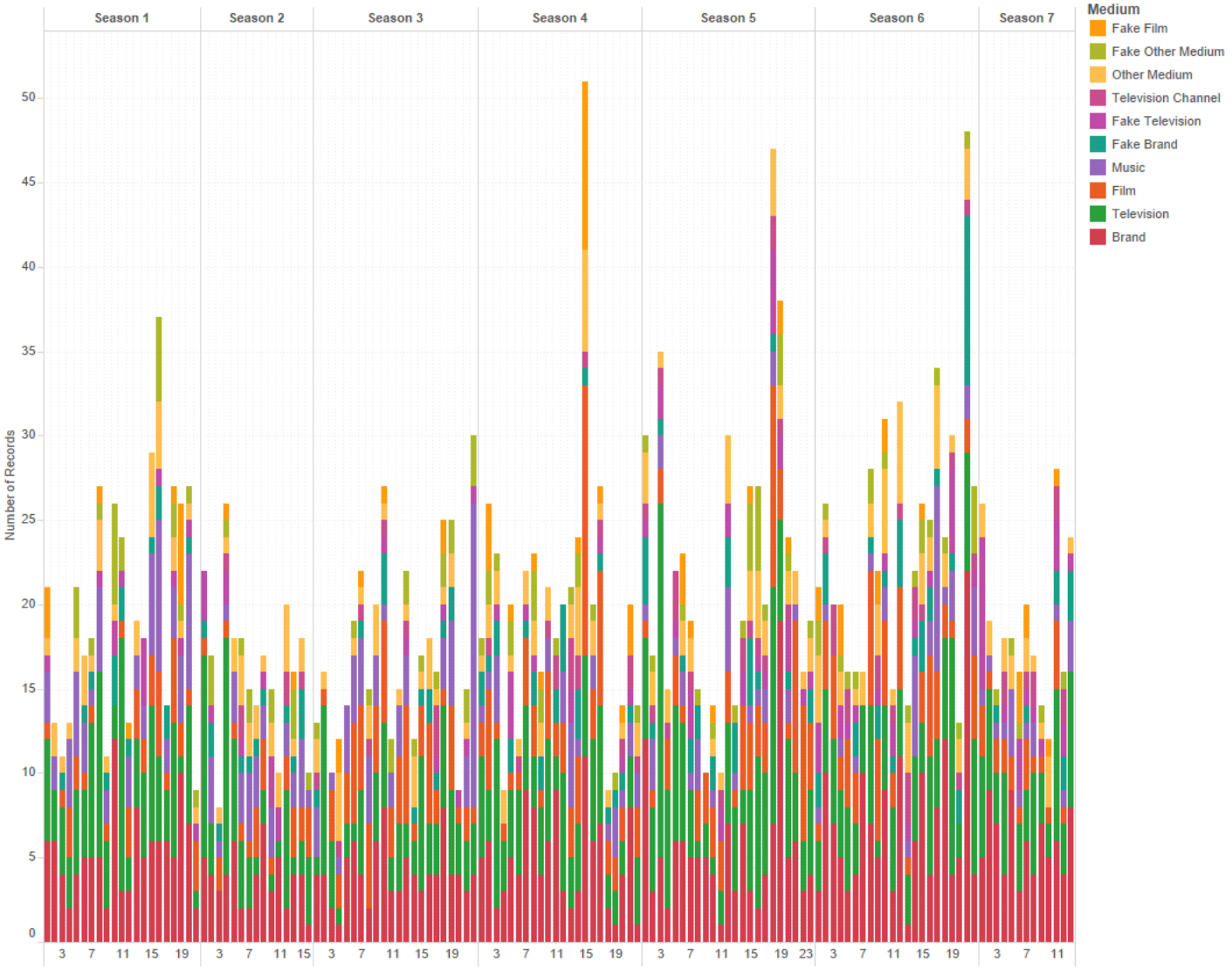


Figure 21. Total references in each episode of *30 Rock*, stacked on top of each other, demonstrating the variance in number of references in each episode, as well as the foundation of references being television and brands.

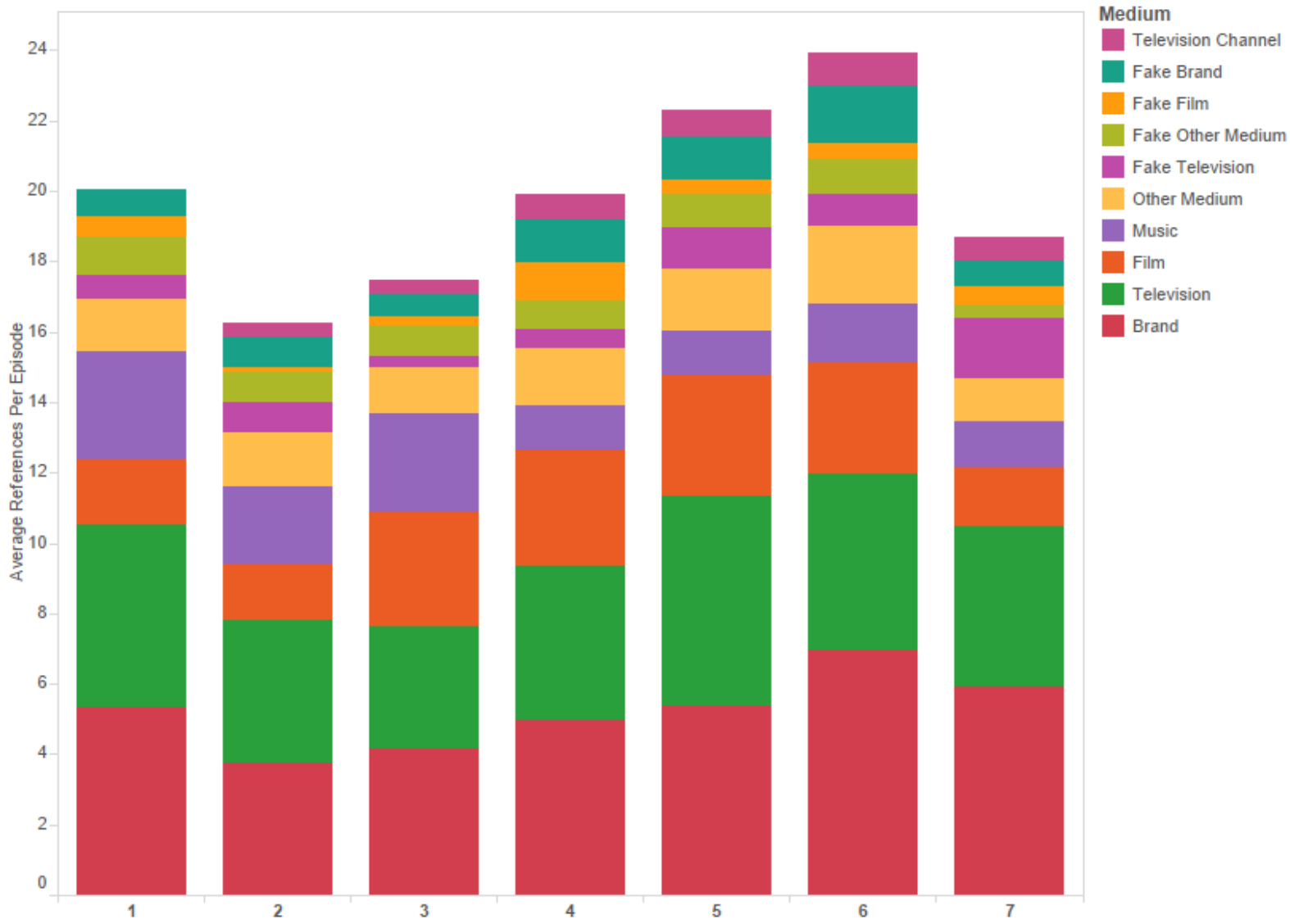


Figure 22. Increasing reliance on references in *30 Rock* between season 2 and 6, as evidenced by the rising average number of references per episode.

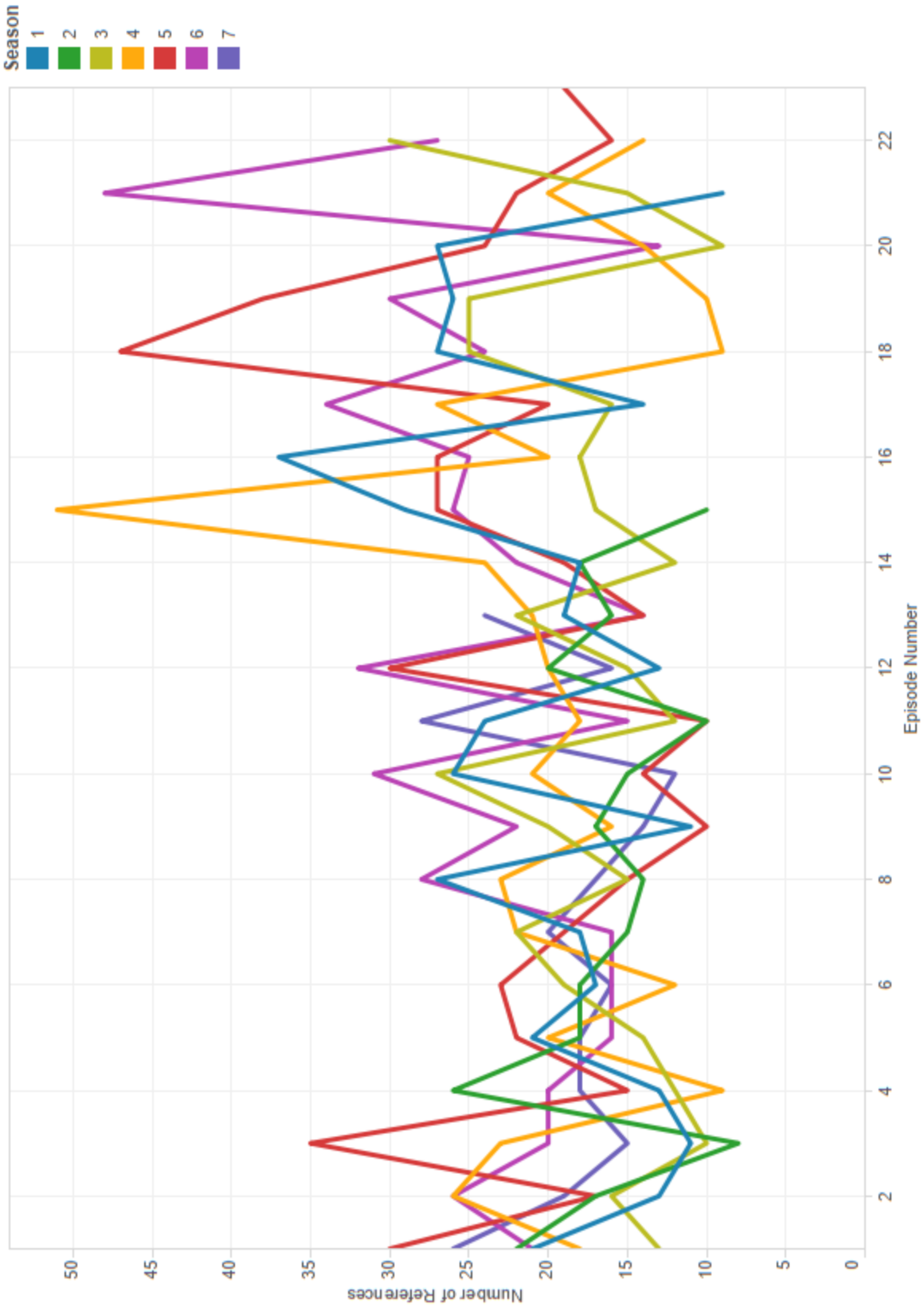


Figure 23. Increasing variability of references used in later episodes and later seasons.

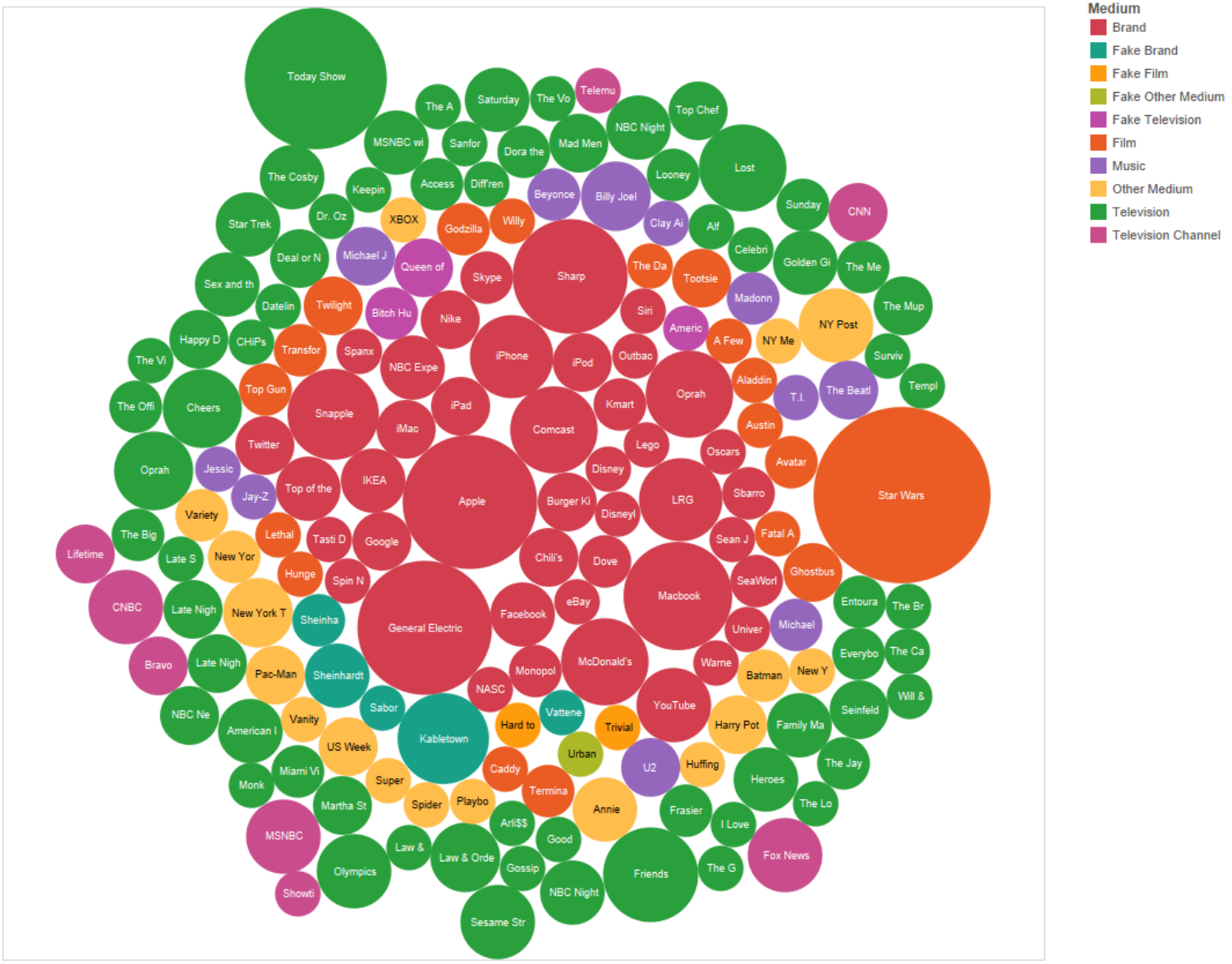


Figure 24. Top references in *30 Rock*; size indicates frequency of references.

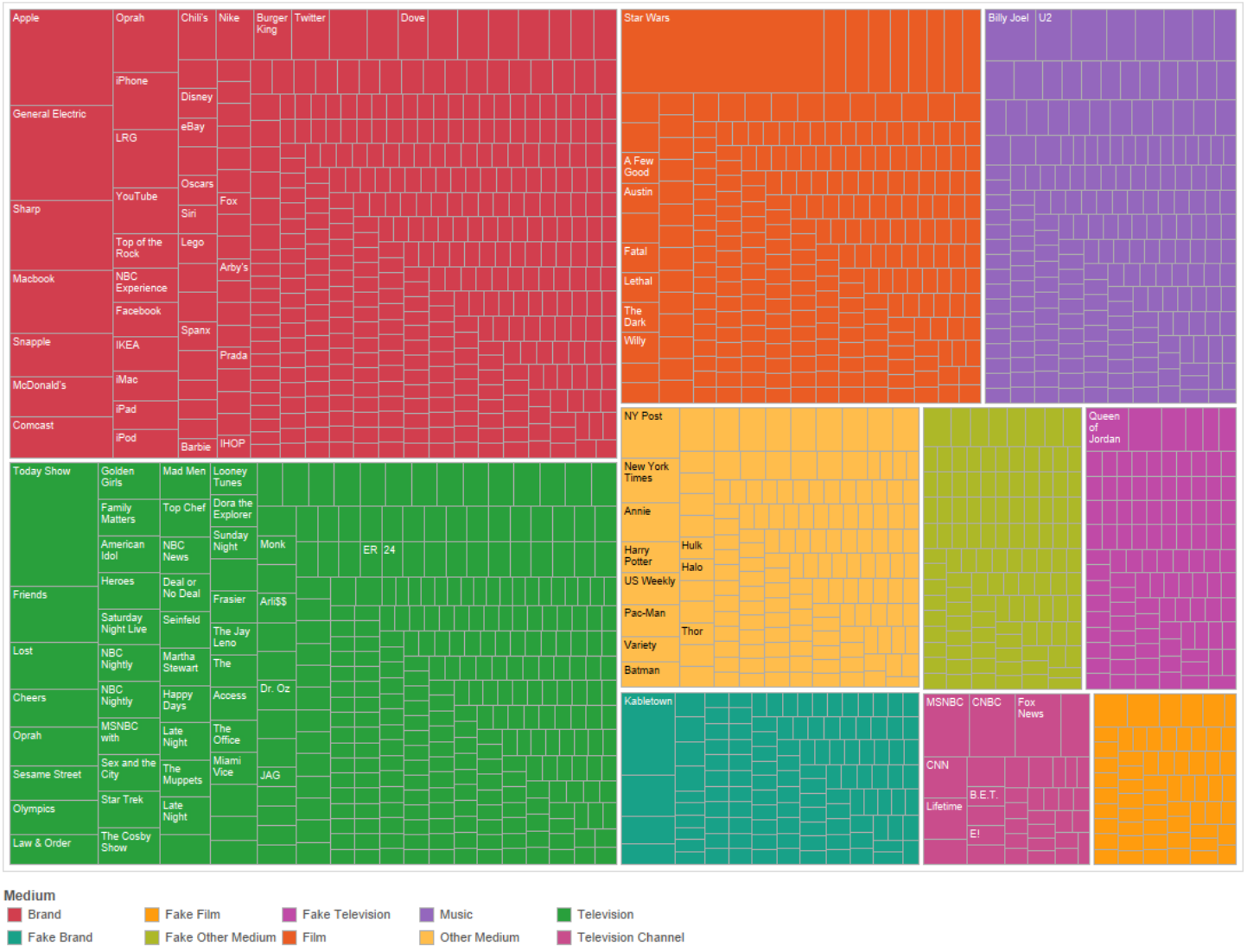


Figure 25. All references in *30 Rock* by type of medium; each block represents a unique text, sized according to its number of references.

Appendix II: Tables

Table 1. Largest institutional shareholders in the largest publicly-traded media companies, 2017**.** Data Source: *Morningstar*.

	Black Rock	Vanguard	State Street	Fidelity	Morgan Stanley	Goldman Sachs	Capital World	Capital Research	Bank of NY	Bank of America
Disney (DIS)	4th	1st	2nd	5th		7th			6th	10th
Comcast (CMCSA)	4th	1st	3rd	8th			2nd			
TimeWarner (TWX)	6th	1st	4th	9th	5th		7th	10th	8th	
Sony (SNE)		1st		3rd	6th					5th
CBS (CBS)	6th	2nd	3rd		7th		1st		8th	
Fox (FOXA)	9th	1st	6th		7th		3rd	4th		
LiveNation (LYV)	7th	2nd		9th		10th				
Verizon (VZ)	4th	1st	2nd				5th	3rd	9th	6th
AT&T (T)	4th	1st	2nd	8th				6th	9th	10th
Netflix (NFLX)	8th	2nd	5th	3rd				1st		

Table 2. Profit extraction methods of private equity firms**.** Source: Appelbaum and Batt, *Private Equity at Work*.

Profit Extraction Method	Description
Dividend Recapitalization	taking on new debt in order to pay a special dividend to shareholders, which pressures the portfolio company to reduce costs/lay off workers
Transfers from Workers	laying off high-wage labour, subjecting remaining workers to intensified work, reducing wages and benefits, shifting from union to non-union
Transfers from Taxpayers	increasing the company's debt load, which reduces tax liabilities because of the favourable tax treatment of debt compared to equity
Leverage/Debt Arbitrage	restructuring a company's financial structure or offshoring its headquarters in order to reduce tax payments
Buying Back Debt	although PE ownership is private, debt is freely traded, so when the company struggles, its debt can be bought back at a steep discount
Debt Exchange	bondholders forgive part of their debt in exchange for a higher interest rate or a more senior position in the capital structure
Bankruptcy for Profit	taking a portfolio company into and out of bankruptcy in order to slash debt and pension obligations
Breach of Trust	not honoring implicit agreements/contracts with workers, vendors, and lenders; negative reputational effects accrue to company, not PE firm

Table 3. Private equity investment in the American media sector, 2004-2016.

Year	Target	Buyer/Partner/Investor	Cost/$ bn	Type	Medium
2004	MGM	Providence Equity Partners, TPG Capital, Sony, Quadrangle Group, DLJ Merchant Banking Partners	4.8	Leveraged Buyout (LBO)	Film/TV
2004	Warner Music Group	THL Partners, Bain Capital, Providence Equity Partners, Edgar Bronfman	2.6	LBO	Music
2004	Cinemark	Madison Dearborn Partners	1	LBO	Exhibition
2006	Nielsen Company	THL Partners, Blackstone Group, Carlyle Group, Kohlberg Kravis Roberts, Hellman & Friedman, AlpInvest Partners	9.7	LBO	Data
2006	Cumulus	Providence Equity Partners	1.2	Investment	Radio
2007	Univision	TPG Capital, Providence Equity Partners, THL Partners, Madison Dearborn Partners, and Haim Saban	13.7	LBO	Film/TV
2007	Hulu	Providence Equity Partners	0.1	Investment	Film/TV
2007	EMI	Terra Firma Capital Partners	4.7	LBO	Music
2007	Bell Canada Enterprises	Canada Pension Plan, Ontario Teachers' Pension Plan, Cerberus Capital Management, Providence Equity Partners, Madison Dearborn Partners, Merrill Lynch Global Private Equity, and Toronto-Dominion Bank	51.7	Failed Leveraged Buyout	Film/TV
2008	Dreamworks	Reliance ADA Group	0.325	Investment	Film/TV
2008	The Weather Channel	Blackstone, Bain Capital, NBCU	3.5	LBO	Film/TV
2008	Clear Channel (iHeartMedia)	Bain Capital and THL Partners	26.7	LBO	Radio
2010	Miramax	Colony Capital	0.66	LBO	Film/TV
2010	CAA	TPG Capital	0.165	Min. Stake	Talent
2010	Charter	Apollo, Crestview, Oaktree	unknown	Bankruptcy	Telecom
2010	Cumulus	Crestview Partners	unknown	Joint Venture	Radio
2011	Nielsen Company	THL Partners, Blackstone Group, Carlyle Group, Kohlberg Kravis Roberts, Hellman & Friedman, AlpInvest Partners	unknown	IPO	Data
2011	Warner Music	Access Industries	3.3	Acquisition	Music
2012	WME	Silver Lake	~0.250	Min. Stake	Talent
2012	Providence's share in Hulu	News Corp, Disney, NBCU	0.2	Exit	Film/TV
2013	WME	Silver Lake	0.5	Maj. Stake	Talent
2013	IMG	WME/Silver Lake	2.2	Acquisition	Talent
2014	CAA	TPG Capital	0.225	Maj. Stake	Talent
2016	UFC	WME/Silver Lake, KKR	4	Acquisition	Film/TV

Table 4. Mergers and acquisitions in the American media sector, 2004-2017.

Year	Target	Buyer/Partner/Investor	Cost/bn	Type	Medium
2003	Bertelsmann Music Group	Sony	5	Merger	Music
2004	Universal	General Electric/NBC	5.8	Merger	Film/TV
2005	AT&T	Southwestern Bell Corp	16	Merger	Telecom
2006	BellSouth Corp	AT&T	67	Acquisition	Telecom
2006	Pixar	Disney	7.4	Acquisition	Film/TV
2006	YouTube	Google	1.65	Acquisition	Digital
2006	Adephia Cable	Comcast	5.6	Acquisition	Telecom
2008	Bertelsmann Music Group	Sony	1.5	Acquisition	Music
2009	NBCU	Comcast	37.3	Majority Stake	Film/TV
2009	Marvel	Disney	4.2	Acquisition	Film/TV
2010	Ticketmaster	LiveNation	unknown	Merger	Music
2011	EMI's recording	Universal Music Group	1.9	Acquisition	Music
2011	EMI's publishing	Sony, ATV, PJSC, Jynwel Capital, Blackstone	2.2	Acquisition	Music
2012	AMC	Dalian Wanda Group	2.6	Acquisition	Exhibition
2012	Lucasfilm	Disney	4.1	Acquisition	Film/TV
2013	NBCU (GE's 49%)	Comcast	16.7	Acquisition	Film/TV
2013	Beats	Apple	3	Acquisition	Music
2013	UMG's divested labels	Warner	0.76	Acquisition	Music
2013	Virgin Media	Liberty	16.3	Acquisition	Telecom
2014	TimeWarner	China Media Capital	unknown	Investment	Film/TV
2014	DirecTV	AT&T	48.1	Acquisition	Telecom
2014	Time Warner Cable	Comcast	46.2	Failed Acquisition	Telecom
2015	AOL	Verizon	4.1	Acquisition	Advertising
2015	TimeWarner	China Film Fund	unknown	Investment	Film/TV
2015	Fox	Bona Film Group	0.235	Investment	Film/TV
2015	Lionsgate	Hunan TV	1.5	Investment	Film/TV
2015	Time Warner Cable	Charter	78.7	Merger	Telecom
2015	Charter	Liberty Broadband	4.3	Investment	Telecom
2016	Yahoo	Verizon	4.8	Acquisition	Telecom
2016	Universal	Perfect World Pictures	0.5	Investment	Film/TV
2016	TimeWarner, RatPac	China Media Capital	unknown	Joint Venture	Film/TV
2016	Legendary	Dalian Wanda Group	3.5	Acquisition	Film/TV
2016	Dreamworks Animation	Comcast	3.8	Acquisition	Film/TV
2016	Starz	Lionsgate	4.4	Acquisition	Film/TV
2017	TimeWarner	AT&T	85.4	Acquisition	Film/TV

Table 5. Corporate venture capital arms of major media companies. Data source: Crunchbase.

Venture Capital Arm	Year Est.	Investments	Select Investments
Comcast	2000	10	SnagFilms, Invite Media, MetaTV
Comcast Ventures	2007	207	Vox, Slack, FanDuel, Meerkat, Instacart
NBCUniversal	2007	20	Vice, Buzzfeed, Popsugar
Walt Disney	2000	12	Hulu, Jaunt, Vice, BAMTech
Steamboat Ventures	2000	107	GoPro, Photobucket, GameSalad, NetMovie
Disney Accelerator	2014	23	Littlstar, Twigtale, Naritiv
Shamrock Capital Advisors	2007	11	FanDuel, T3Media, Maple Media
News Corp	2000	20	Roku, Beyond Oblivion, AppNexus
21st Century Fox	2013	7	Vice, DraftKings, The Skimm
TimeWarner	2000	21	Hulu, Glu Mobile, Urban Entertainment
Time Warner Investments	2000	78	Mashable, Bustle, StubHub, Maker Studios
Sony Venture Capital	1998	21	Digilens, Transmeta, CDNow
Sony Music Entertainment	2000	7	Shazam, 360HipHop, Artistdirect
Universal Music Group	2000	30	Shazam, Meerkat, Merchbar, Pluto TV
Warner Music Group	2000	10	LANDR, Incoming Media, imeem, Lala
iHeartMedia	2015	2	Unified, Jelli
Bertelsmann	1999	26	Udacity, DramaFever, Musicbank
Bertelsmann Dig. Media Investments	2006	25	Mic, CrowdTwist, Visionary VR
Liberty Media	1999	19	SiriusXM, Tastemade, Sling Media
Liberty Global Ventures	2005	26	Mediamorph, Celeno, O3b Networks
CAA Ventures	2012	49	Rinse, Giphy, Patreon, CrowdRise, Medium
Discovery Communications	2010	9	DivvyCloud, FloSports, VS Media
Hearst	2000	21	Complex, Roku, Pandora, Refinery29
Hearst Ventures	1995	71	Buzzfeed, Pandora, XM Radio, Refinery29
Axel Springer	2013	13	Mic, Thrillist, Jaunt
Axel Springer Digital Ventures	2014	8	Business Insider, Blendle, Pocket
AOL Ventures	2010	43	MoviePass, SocialFlow, TastemakerX
Sky TV and Broadband	2012	23	iflix, Jaunt, Drone League Racing
Verizon Ventures	2000	68	VideoSurf, Beamr, School Yourself
The New York Times	1999	27	The Skimm, Atlas Obscura, The Street

Table 6. Hip Hop Labels, Founders, Artists, and Corporate Owners

Founded	Label	Founders	Artists	Eventual Parent Company
1981	Tommy Boy	Tom Silverman	De La Soul, Above the Law, Queen Latifah, Ghostface, Method Man	Warner
1983	Def Jam	Russell Simmons, Rick Rubin	LL Cool J, Beastie Boys, Public Enemy, DMX	Universal
1985	Priority Records	Bryan Turner, Mark Cerami, Steve Drath	N.W.A, Ice Cube, Eazy-E, Master P, Snoop Dogg, Jay-Z, Ice-T	Universal
1986	Cold Chillin'	Tyrone Williams and Len Fichtelberg	Big Daddy Kane, Biz Markie, Kool G Rap, Marley Marl	Warner/Sony
1986	Ruthless Records	Easy-E	N.W.A, Eazy-E, MC Ren, The D.O.C., Michel'le, Bone-Thugs-n-Harmony	Sony
1989	LaFace Records	Antonio "L.A." Reid, Kenneth Edmonds	OutKast, Goodie Mob, CeeLo Green, TLC, Usher	Sony
1989	Ruffhouse Records	Chris Schwartz, Joe Nicolo	The Fugees, Cypress Hill, Kris Kross, Wyclef Jean, Lauryn Hill	Sony
1990	Lench Mob Records	Ice Cube	Ice Cube, DJ Pooh, Da Lench Mob, Westside Connection,	Universal
1991	Cash Money	Ronald and Bryan "Birdman" Williams	Juvenile, Birdman, Hot Boys, Lil Wayne, Drake, Nicki Minaj	Universal
1991	Death Row Records	Dr. Dre, The D.O.C., Suge Knight	Dr. Dre, Snoop Dogg, Tupac Shakur, The Outlawz, MC Hammer	Warner
1991	Loud Records	Steve Rifkind and Rich Isaacson	Wu-Tang Clan, Big Punisher, Mobb Deep, Three 6 Mafia, Dead Prez	Universal
1993	So So Def	Jermaine Dupri	Jermaine Dupri, Lil Bow Wow, Kris Kross	Sony
1994	Bad Boy	Sean Combs	P Diddy, Notorious B.I.G., Craig Mack, Mase, Faith Evans	Sony
1995	Rawkus Records	Brian Brater, Jarret Myer	Mos Def, Talib Kweli, Black Star, Hi-Tek, Company Flow	Universal/Sony
1995	Roc-a-Fella	Jay-Z, Kareem Burke, Damon Dash	Jay-Z, Cam'ron, Memphis Bleek, Kanye West	Universal
1995	Doggy Style/Dogghouse	Snoop Dogg	Snoop Dogg, Tha Dogg Pound, Lady of Rage, Warren G, Nate Dogg	Universal
1996	No Limit	Master P	Master P, Snoop Dogg, Mystikal, Lil Romeo	Universal
1996	Aftermath	Dr. Dre	Dr. Dre, Eminem, 50 Cent, Kendrick Lamar	Universal
1997	Murder Inc.	Irv Gotti	Ja Rule, The Murderers, Ashanti, Lloyd	Warner
1998	Ruff Ryders	Joaquin Dean, Darrin Dean, Chivon Dean	DMX, Eve, Jadakiss, Styles P, The LOX, Ruff Ryders	Universal
1999	Definitive Jux	El-P, Amaechi Uzoigwe	El-P, Aesop Rock, Company Flow, Del tha Funkee Homosapien, RJD2	Universal
1999	Shady Records	Eminem	Eminem, 50 Cent, D12, Slaughterhouse, Yelawolf, Obie Trice	Universal
2001	Aquemini/Purple Ribbon	Outkast	Big Boi, Killer Mike, Janelle Monáe, Bubba Sparxxx	Universal
2003	G-Unit Records	50 Cent	50 Cent, The Game, Mobb Deep, M.O.P., G-Unit, Lloyd Banks	Universal
2004	Top Dawg Entertainment	Anthony Tiffith	Kendrick Lamar, Jay Rock, ScHoolboy Q, Ab-Soul	Universal
2004	GOOD Music	Kanye West	Kanye West, Big Sean, Pusha T, Common, John Legend, Mos Def	Universal
2005	Young Money	Lil Wayne	Lil Wayne, Drake, Nicki Minaj	Universal
2007	1017 Records	Gucci Mane	Gucci Mane, Young Thug, Waka Flocka Flame, Chief Keef	Warner
2009	Maybach Music Group	Rick Ross	Rick Ross, Wale, Meek Mill, French Montana, Gunplay	Warner

Table 7. The Wu-Tang Clan record releases and businesses.

Wu-Tang Clan	Enter the Wu-Tang: 36 Chambers (1993), Wu-Tang Forever (1997), The W (2000), Iron Flag (2001), 8 Diagrams (2007), Method Man, Ghostface Killah, and Raekwon - Wu-Massacre (2010), A Better Tomorrow (2014), Once Upon a Time in Shaolin (2015)
RZA	6 Feet Deep (with Gravediggaz) (1994), The Pick, the Sickle and the Shovel (with Gravediggaz) (1997), Bobby Digital in Stereo (1998), Digital Bullet (2001), Birth of a Prince (2003), Digi Snacks (2008), Anything But Words (with Paul Banks as Banks & Steelz) (2016)
GZA	Words from the Genius (1991), Liquid Swords (1995), Beneath the Surface (1999), Legend of the Liquid Sword (2002), Grandmasters (with DJ Muggs) (2005), Pro Tools (2008)
Method Man	Tical (1994), Tical 2000: Judgement Day (1998), Blackout! (with Redman) (1999) Tical 0: The Prequel (2004), 4:21... The Day After (2006), Blackout! 2 (with Redman) (2009), The Meth Lab (2015)
Ol' Dirty Bastard	Return to the 36 Chambers (1995), Nigga Please (1999), A Son Unique (2005)
Raekwon	Only Built 4 Cuban Linx… (1995), Immobilarity (1999), The Lex Diamond Story (2004), Only Built 4 Cuban Linx... Pt. II (2009), Shaolin vs. Wu-Tang (2011), Fly International Luxurious Art (2015), The Wild (2017)
Ghostface Killah	Ironman (1996), Supreme Clientele (2000), Bulletproof Wallets (2001), The Pretty Toney Album (2004), 718 (with Theodore Unit) (2004), Put It on the Line (with Trife Da God) (2005), Fishscale (2006), More Fish (2006), The Big Doe Rehab (2007), Ghostdini: Wizard of Poetry in Emerald City (2009), Apollo Kids (2010), Wu Block (with Sheek Louch) (2012), Twelve Reasons to Die (2013), 36 Seasons (2014), Sour Soul (with BadBadNotGood) (2015), Twelve Reasons to Die II (2015)
Cappadonna	The Pillage (1998), The Yin and the Yang (2001), The Struggle (2003), The Cappatilize Project (2008), Slang Prostitution (2009), The Pilgrimage (2011), Eyrth, Wynd and Fyre (2013), The 2nd Coming (with Almighty) (2013), Hook Off (2014), The Pillage 2 (2015)
U-God	Golden Arms Redemption (1999), U-Godzilla Presents the Hillside Scramblers (2004), Mr. Xcitement (2005), Dopium (2009), The Keynote Speaker (2013)
Inspectah Deck	Uncontrolled Substance (1999), The Movement (2003), Manifesto (2010), Czarface (2013), Every Hero Needs a Villain (as Czarface) (2015), A Fistful of Peril (as Czarface) (2016)
Masta Killa	No Said Date (2004), Made in Brooklyn (2006), Selling My Soul (2012)
Compilations & Affiliations	The Swarm (1998), Wu-Chronicles (1999), Wu-Chronicles, Chapter 2 (2001), The Sting (2002), Disciples of the 36 Chambers: Chapter 1 (2004), Legend of the Wu-Tang Clan (2004), Wu-Tang Meets the Indie Culture 2005), Mathematics Presents Wu-Tang Clan & Friends Unreleased (2007), Wu-Tang Clan's Greatest Hits (2007), Wu-Box: Cream of the Clan (2007), Return of the Swarm (2007), Wu XM Radio (2007), Lost Anthology (2007), Soundtracks from the Shaolin Temple (2008), Wu: The Story of the Wu-Tang Clan (2008), Killa Bees Attack (2008), Wu-Tang Chamber Music (2009), Wu-Tang Meet the Indie Culture, Vol. 2 (2009), Legendary Weapons (2011), The Essential Wu-Tang Clan (2013)
Businesses	Wu-Tang Records (1991), Wu-Tang Publishing (1993), Wu-Tang Productions (1993), Wu-Wear (1995), Razor Sharp Records (1996), Wu-Tang Studios (1996), Wu-Tang Songs, Inc. (1997), Wu-Tang Corporation (1998), Wu-Tang Hidden Chambers (2002), Wu Music Group (2005), 36 Chambers Records (2005), Liquid Swords Entertainment (2008), Soul Temple Records (2012)

Table 8. Jay Z Record Releases, Tours, and Businesses

Year	Albums	Films	Tours	Businesses
1995				Roc-A-Fella Records
1996	Reasonable Doubt			
1997	In My Lifetime, Vol. 1		No Way Out Tour (supporting Puff Daddy)	
1998	Vol. 2... Hard Knock Life	Streets Is Watching		
1999	Vol. 3... Life and Times of S. Carter		Hard Knock Life Tour (headlining)	Rocawear
2000	The Dynasty: Roc La Familia	Backstage		
2001	The Blueprint		Blueprint Lounge Tour (headlining)	
2002	The Blueprint 2: The Gift & The Curse	State Property		
	The Best of Both Worlds (with R. Kelly)	Paper Soldiers		
2003	The Black Album		Rock the Mic (with 50 Cent)	
2004	Unfinished Business (with R. Kelly)	Fade to Black	Best of Both Worlds Tour (with R. Kelly)	
	Collision Course (with Linkin Park)			
2005				President and CEO of Def Jam Recordings
2006	Kingdom Come			
2007	American Gangster		American Gangster Live (headlining)	
2008			Heart of the City Tour (with Mary J. Blige)	Roc Nation
			Projekt Revolution (supporting Linkin Park)	
			Viva la Vida Tour (supporting Coldplay)	
2009	The Blueprint 3		Jay-Z Fall Tour (headlining)	
			Jay-Z & Ciara Live (with Ciara)	
			U2 360 Tour (supporting U2)	
2010			The Home & Home Tour (with Eminem)	
2011	Watch the Throne (with Kanye West)		Watch the Throne Tour (with Kanye West)	
2012				
2013	Magna Carta Holy Grail	Made in America	Magna Carter World Tour (headlining)	
			Legends of the Summer (with Justin Timberlake)	
2014			On the Run Tour (with Beyoncé)	
2015				Tidal

Table 9. Private equity buyouts in Hollywood, 2004-2016.

Year	Target	Buyer/Partner/Investor	Cost/$ bn	Type	Medium
2004	MGM	Providence Equity Partners, TPG Capital, Sony, Quadrangle Group, DLJ Merchant Banking Partners	4.8	Leveraged Buyout	Film/TV
2004	Cinemark	Madison Dearborn Partners	1	Leveraged Buyout	Exhibition
2006	Nielsen Company	THL Partners, Blackstone Group, Carlyle Group, Kohlberg Kravis Roberts, Hellman & Friedman, AlpInvest Partners	9.7	Leveraged Buyout	Data
2007	Univision	TPG Capital, Providence Equity Partners, THL Partners, Madison Dearborn Partners, and Haim Saban	13.7	Leveraged Buyout	Film/TV
2007	Hulu	Providence Equity Partners	0.1	Investment	Film/TV
2008	Dreamworks	Reliance ADA Group	0.325	Investment	Film/TV
2008	The Weather Channel	Blackstone, Bain Capital, NBCU	3.5	Leveraged Buyout	Film/TV
2010	Miramax	Colony Capital	0.66	Leveraged Buyout	Film/TV
2010	CAA	TPG Capital	0.165	Min. Stake	Talent
2011	Nielsen Company	THL Partners, Blackstone Group, Carlyle Group, Kohlberg Kravis Roberts, Hellman & Friedman, AlpInvest Partners	unknown	IPO	Data
2012	WME	Silver Lake	~0.250	Min. Stake	Talent
2012	Providence's share in Hulu	News Corp, Disney, NBCU	0.2	Exit	Film/TV
2013	WME	Silver Lake	0.5	Maj. Stake	Talent
2013	IMG	WME/Silver Lake	2.2	Acquisition	Talent
2014	CAA	TPG Capital	0.225	Maj. Stake	Talent
2016	UFC	WME/Silver Lake, KKR	4	Acquisition	Film/TV

Table 10. Silver Lake and TPG Capital's vertically financialized shadow studios.

	TPG Capital	Silver Lake
Talent Agency	CAA	WME-IMG
Data		Cast & Crew, CAPS
Content Production	STX	Media Rights Capital
	Univision	Miss Universe
	Funny or Die	UFC
	Spotify	
Investment Arms	Evolution Media Capital	Raine
	CAA Ventures	WME Ventures

Table 11. Private equity in the cable industry. Source: *Bloomberg Businessweek*.

Year	Cable Company	Private Equity Firm(s)	Exit
2005	Insight Communications	Carlyle, Crestview, MidOcean	Time Warner Cable
2008	Choice Cable (Puerto Rico)	Spectrum Equity, HM Capital	Liberty Global, Searchlight Capital
2009	Charter Communications	Apollo, Oaktree, Crestview	Stake sale to Liberty Media*
2012	Suddenlink	BC Partners, CPPIB	Altice
2012	WaveDivision	GI Partners, Oak Hill	
2015	WideOpenWest	Crestview, Avista	
2016	RCN	TPG	
2016	Grande Communications	TPG	

Table 12. Boutique production companies funded by plutocratic patrons in Hollywood.

Year	Company	Plutocratic Patron	Films
2000	Anonymous Content	Laurene Powell Jobs, widow of Steve Jobs (Apple)	*Spotlight, The Revenant, Mr. Robot, True Detective*
2004	Participant Media	Jeff Skoll (eBay)	*Good Night, and Good Luck, The Inconvenient Truth, Citizenfour, Spotlight*
2004	Sidney Kimmel Entertainment	Sidney Kimmel (Jones Apparel Group)	*Hell or High Water, The Place Beyond the Pines, The Lincoln Lawyer*
2009	Cross Creek Pictures	Timmy Thompson (oil tycoon)	*Hacksaw Ridge, The Ides of March, Black Swan*
2009	Faliro House Productions	Christos V. Konstantakopoulos, son of Vassilis C. Konstantakopoulos (shipping tycoon)	*Before Midnight, Only Lovers Left Alive, The Lobster, The Founder*
2010	Skydance Media	David Ellison, son of Larry Ellison (Oracle)	*Mission Impossible - Rogue Nation, True Grit, Star Trek Into Darkness*
2011	Waypoint Entertainment	Ken Kao, son of Min Kao (Garmin)	*Silence, Knight of Cups, The Nice Guys, Song to Song*
2011	Annapurna Pictures	Megan Ellison, daughter of Larry Ellison (Oracle)	*20th Century Women, Foxcatcher, Her, American Hustle, Zero Dark Thirty*
2012	Black Bear Pictures	Teddy Schwarzman, son of Stephen Schwarzman (Blackstone)	*The Imitation Game, Gold, All is Lost, Broken City*
2012	RatPac Entertainment	James Packer, son of Kerry Packer (Australian media tycoon)	*Gravity, The Lego Movie, Mad Max: Fury Road, Batman v Superman*
2013	Boies/Schiller Film Group	David Boies (lawyer/private equity)	*Gold, Jane Got a Gun, The Babysitter*
2014	Black Label Media	Molly Smith, daughter of Fred Smith (FedEx)	*La La Land, Sicario, Breaking a Monster*
2015	Primeridian Entertainment	Arcadiy Golubovich, son of Alexei Golubovich (Russian oil tycoon)	*99 Homes, A Hologram for the King*

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