

## Conclusion

To “miss the forest for the trees”—to not see the bigger picture because one is too focused on the near, the immediate, or the detail—is a pressing concern in an increasingly complex, interrelated world. This matter of perspective becomes an emergency in a world where our actual forests are often on fire, riddled with invasive species, or simply clear-cut. The Amazon recedes while Amazon Inc. swells past a trillion-dollar market capitalization and its founder joyrides in his rocket. The vantage points in this book have slowly moved from distant to close, from five thousand years of debt and credit, to the cycles of capitalism in a world system, to the long downturn’s turn to financial capital, to the new century’s innovations in shadow banking and the media system’s transformation under these conditions, from structural organization (consolidated) to creative labor (precaritized) to cultural text (securitized). Untangling the foundational, destructive force of financial capital within this history and its implications for media has required a move from the macro to the micro, from the warming climate of the forest to the invasive beetle eating the tree. We now turn outward again, to consider that most essential of questions, older than any redwood: What is to be done?

This book has argued that the American media sector is being devoured by Wall Street. The financialization of the cultural industries is leading to a reduction in the scope, heterogeneity, and diversity of our media culture. It is redistributing wealth upward, making creative work more precarious, and producing derivative, intellectual-property-based culture. We have a deeply unhealthy, unequal media system that is contributing to the many crises we have today. A more just media system would help us communicate the values and strategies needed in the fight for a more just world. As we consider how to reform this corrupt system, we must acknowledge that financialization is not only a key corrupting element, but it is accelerating in the shadows. We need critical financial literacy and we need financial reform that would produce media reform. Taming and regulating the

financial sector could go a long way toward rescuing and revitalizing the media sector and, with it, a dynamic democracy.

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, destructive influence has made financial literacy absolutely necessary. "The state is trapped in the demands of finance capital," proclaims Gayatri Chakravorty Spivak. "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."<sup>1</sup> We must understand financial regulation in order to demand it. This book has sought to contribute to the nascent critical financial literacy within the field of media studies, tracing the recent history of financialization and considering not just its impact on the structure of the cultural industries, but its textual practices as well. To conclude, I will catalog some financial regulation options that would help rejuvenate the media sector and end the era of derivative media. It's almost comical how simple some of these changes would be to make from a legislative perspective. Remove a line here, reinstate a rule there. Of course, the difficulty is not the formulation of regulations, but the power struggle over earning the votes to enact that legislation. The financial sector employs a veritable army of lawyers and lobbyists.

Effective media finance reform would target the five predatory agents of the financial sector—asset managers, hedge funds, private equity, venture capital, and derivatives traders—as well as the two core effects of financialization: monopoly and wealth inequality. While attacking financialization's worst features, a reform package would also need to propose a competitive alternative that would facilitate a healthier, sustainable media ecosystem. Such a list of reforms, with suggestions of what an alternative might look like, could go something like this:

- **Eliminate SEC Rule 10b-18**—A very simple first step. In 1982, the SEC adopted Rule 10b-18, which permitted companies to buy back their own stock and manipulate their stock prices. This action only benefits traders, such as corporate executives, investment bankers, and hedge fund managers, who can time the buying and selling of shares through access to real-time stock information and who use their gains to engage in further predatory extraction. Were stock buybacks no longer permitted, that capital could be reinvested in productive means, including wages. For media companies, this could mean more capital invested in more productions, producing more jobs. Targets this easy are rare. Rescind the rule.<sup>2</sup>
- **Close the carried interest loophole**—Despite the active management and services provided to their portfolio companies, private equity firms and hedge funds are allowed to treat their profits as if they were investment income and are thus taxed at the much lower capital gains rate. Taxing carried interest as ordinary income would help curb the risky behavior and inherent moral

hazard of private equity and hedge funds, as well as raise an estimated \$30 billion in tax revenue over a decade.<sup>3</sup> Closing this loophole is a popular campaign promise, espoused by Barack Obama, Hillary Clinton, Donald Trump, and Joe Biden, but intense lobbying by the PE and hedge fund industries, as well as the revolving door between government and big business, has prevented any legislation from passing. A citizenry that understood the connection between the carried interest loophole and its destructive effects, including the media system and popular culture, could convince politicians to keep that promise for a change.

- **Impose private equity regulation**—Since private equity has been such a destructive force, particularly in the media sector, a series of reforms targeted at the PE industry are needed. Asset stripping is an especially harmful practice enacted by PE firms; limited liability protections should not be extended to them when they are deliberately looting a company for their own benefit. Immediate dividend payments to PE investors is another exploitative practice, reducing the capacity of the company to invest in its own labor and productivity; regulations that prevent PE firms from paying dividends in the first two years following an acquisition would be an easy fix. The most corrupt PE firms have been using bankruptcy courts to rid themselves of pension and severance pay obligations; PE firms must be held accountable in these situations.<sup>4</sup>
- **Eliminate 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 PE 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 behavior.<sup>5</sup>
- **Tame monopoly by enforcing antitrust laws**—Regulating tax deductibility would also help with a broader problem: 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 that two-thirds of the economy has concentrated since 1997, you know the situation is dire.<sup>6</sup> 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. A growing movement of antimonopolists is gaining influence, most visibly with the appointment of Lina Khan as chair of the Federal Trade Commission (as discussed in chapter 2). Antitrust measures have been used to tame Hollywood before, including the Paramount Decrees in 1948 that broke up the Hollywood studio system and the Financial Interest and Syndication Rules in 1970 that prevented monopolization by the Big 3 television networks. Versions of these could be revived; media fans and scholars have a role to play in this movement. We can demand, as Brett Heinz does, that “It’s Time to Break Up Disney.”<sup>7</sup> In the movement to tame Big Tech, we can insist that “Netflix [should] face the same scrutiny,” as Peter Labuza does.<sup>8</sup> Or we can dream even bigger: Matt Stoller, author of *Goliath: The 100-Year War between Monopoly Power and Democracy*, argues that it’s “Time to Break Up Hollywood.”<sup>9</sup>

- **Tame wealth inequality and the financial sector with tax reform**—The aforementioned financial and competitive regulations would be helpful, creating a lot of jobs, but to really turn the tides on wealth inequality, a more aggressive taxing regime is necessary. Return income tax brackets to the levels seen during postwar prosperity. Expand the estate tax to eliminate the inequality of intergenerational wealth. Raise the capital gains tax. Enforce regulations against tax evasion. Establish international agreements to raise corporate tax. Enact sanctions against tax havens. Add new taxes such as a financial transaction tax, which would hobble the destructive influence of the financial sector, and a wealth tax, which would capture the passive wealth not recovered through income tax. Meanwhile, end regressive taxes such as payroll taxes and private insurance premiums. The result of this tax regime would be not only a limitation on the excessive power of the wealthy, but a more just social safety net.<sup>10</sup> This would benefit all, but especially those who work, or wish to work, in precarious creative industries.

Getting into the weeds of finance, competition, and tax 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 are so dear to people of all political stripes, the media system presents a ripe opportunity 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. It would be an appealing platform to pledge the creation of more jobs in film, television, and music by combating finance and consolidation. Currently the most powerful and overpaid jobs in the cultural industries are in finance and management. Regulating finance and media consolidation would be a make-work program, resulting in more jobs, more stories, more songs, more joyous entertainment, and more challenging art. Furthermore, it could be a model for a brighter future. A less capitalist, more democratic

organization of society could be modeled in how we collectively allocate culture, in both how we access media and the labor that goes into making it. Financialization has already wrought significant damage upon our public sphere; it's unclear how much more the media can be weakened before it is reduced completely to niche targeted products, dopamine hits of disinformation, and branding initiatives. In classrooms, in local organizations, in calls to political representatives, at campaign rallies, in polling booths, we must put financial regulation and media reform high on the list of our most urgent political demands. Just as we need to insulate our political system from the corrupting power of the wealthy, we need to insulate our media system from the corrosive effect of finance.

### COUNTERPOINT

Then again, closing a few loopholes and reining in capitalism's worst offenders would do little to transform a fundamentally corrupt, failing system that is careening toward climate collapse. In Erik Olin Wright's model of the five types of anticapitalism, the reforms just listed would qualify as an attempt to *tame* capitalism, to neutralize its harms through state regulation and social democratic provision of public goods.<sup>11</sup> In the best-case scenario, these reforms would help facilitate healthier financial and media systems, which could be a step in the direction of a more progressive social democracy or a more radically just, postcapitalist system. Worst-case scenario, financial and media reforms could actually help stabilize capitalism, protecting it from itself, its worst instincts, and its self-destructive tendencies.

*Resisting* capitalism is another option; rather than using state power against capitalism, it aims to neutralize capitalism's harms through grassroots organization of activist, social, and labor movements that utilize protests, boycotts, strikes, blockades, unions, solidarity, and other tactics. Many admirable attempts at media reform could be categorized this way, such as unions like IATSE, WGA, and UMAW; organizations like GLAAD, NAACP, FAIR, and MediaJustice; and recent activist campaigns such as #MeToo, #OscarsSoWhite, and #JusticeAtSpotify.<sup>12</sup> Apart from the global phenomenon of Occupy Wall Street in 2011, financial reform does not usually receive the same amount of outcry and agitation. In part, this is because it is difficult to even understand, let alone target and transform finance into a digestible, actionable political issue. Again, merging both media and finance reform into a single goal, and partnering with the organizations mentioned, could be a useful tactic.

Taming and resisting capitalism, however, are merely tactics that neutralize harm, they are not transformative strategies. In the face of global climate collapse, accompanied by increased authoritarianism, imperialism, social injustice, and global immiseration, the question of overcoming capitalism itself has returned to prominence. *Dismantling* capitalism entails the gradual transition to a system more democratic, egalitarian, and participatory. Our media system could play a

role in this transition were it to present a more diverse array of stories and ideas with which citizens could imagine and experience the many possible alternatives to capitalism. Many practical efforts have been and continue to be made toward establishing a more democratic media, such as public media,<sup>13</sup> alternative media,<sup>14</sup> public infrastructure models,<sup>15</sup> expanded government support,<sup>16</sup> and universal basic income programs for creative workers.<sup>17</sup> To the contrary, the current financialized media system actively impedes such a transition because of its structure that rewards profit extraction and derivative content.

Capitalism continues to block any alternative to its dominance, often through quite malicious means,<sup>18</sup> often with Hollywood's assistance.<sup>19</sup> This has led many to believe the only option left is revolution, or *smashing* capitalism. This is a lofty goal, typically ridiculed as unrealistic, but dramatic changes to our physical environment may be forcing the issue. *Realistically*, the status quo of capitalism and our current trajectory will produce an unlivable biosphere. At the same time, capitalism's overarching ability to accumulate, and thus provide enough of its adherents a stable lifestyle that prevents revolt, is stumbling—if not breaking—in “the long downturn.” The fragility of the global capitalist system was revealed during the financial crisis of 2007–8, then again during the pandemic in 2020. The capitalist class, assisted by the cooperation of a fully privatized and financialized media system, weathered these storms, but growing distrust and discontent is palpable. The piling of crisis upon crisis suggests the moment of rupture could be at hand. In that moment, the media system's response will be crucial. For those who advocate the overcoming or smashing of capitalism, preparing for that rupture includes preparing a media strategy. What will the postcapitalist media system look like and how will it be instituted? How might current research on and experiments in democratically accountable and socialist media infrastructure help us get there?<sup>20</sup>

These four anticapitalist tactics all contribute to a grand strategy Wright calls *eroding* capitalism, to which he adds a fifth action: *escaping* capitalism. Maybe capitalism is a complex, flexible system that is at this point too large and powerful to successfully tame, resist, dismantle, or smash; it always manages to co-opt its opposition. Or maybe it's failing because of its own contradictions and will end because of its inability to produce new forms of accumulation. Either way, our organizational capacities against it might be wasted. There is still the option to *escape* capitalism. Upon listening to one of my depressing presentations (or rants) about financialization, friends, students, and colleagues inevitably ask me: What is to be done? What can I do? My stock answer is always: what can *we* do? I believe this book presents the case that understanding derivative media is a crucial first step, followed by structural change at the level of media and finance reform at the very least. Taming and resisting capitalism are viable options. I think this book also suggests that the true scale of this problem, in tandem with the many other crises we face, necessitates broader, revolutionary transformation. Dismantling and smashing capitalism are on the horizon, inching closer along with the sea levels. It is an “all of the above” situation.

In addition, we can exercise the unique power and possibility of story and song. Escaping capitalism includes escaping the many ways it pollutes and plunders our shared culture. We can make a principled stand *in favor of* a vibrant culture that tells stories and sings songs about the human condition and the many social issues we face. You can even tell them and sing them yourself. We can make a stand *against* a culture that endlessly reproduces derivative media. We can take a principled stand for workers and thinkers and artists and the infrastructure needed to sustain them, while standing against financiers. We can simply not watch. We can disengage from derivative culture whenever possible. It is not a solution in and of itself, but it is an important step, alongside the multipronged attack detailed above.

An episode of *The Simpsons* provides a fitting parable. Besieged by giant characters from advertisements and billboards that have come to life and terrorize the town, Lisa seeks the advice of an ad agency executive. “Advertising is a funny thing,” he explains. “If people stop paying attention to it, pretty soon it goes away.” “Like the old woman who couldn’t find the beef?” Lisa questions. “Exactly. If you stop paying attention to the monsters, they’ll lose their powers.”<sup>21</sup> Originally aired on Rupert Murdoch’s Fox network and now streaming on Disney+, this ironic message is nothing if not complicit, and yet, just as the advertising executive knows how to defeat advertising, glimmers of truth sparkle in our derivative media. The community unites in opposition to this capitalist plague. Lisa enlists Paul Anka to sing a jingle and deliver a simple, powerful message that works on a fifty-foot Marlboro Man and Mr. Peanut just as well as it works on the many monsters and morbid symptoms of our financialized culture. “To stop those monsters, one two three, here’s a fresh new way that’s trouble-free. It’s got Paul Anka’s guarantee: just don’t look, just don’t look.”

If not, we will descend further into a derivative culture brought to us by Wall Street and the whims of the wealthy—films like *Me You Madness* (2021), which was written, directed, and produced by its star, Louise Linton, who is the wife of Steven Mnuchin—investment banker, Goldman Sachs alum, “foreclosure king,” financier of over forty Hollywood films, and U.S. secretary of the treasury under Donald Trump. The film was packaged by Endeavor Content and distributed by STX, both of which are media companies run by PE firms (as detailed in chapter 4). The financing of the film came from “friends and family.”<sup>22</sup> Linton plays the character Catherine Black, a psychopathic hedge fund manager, serial killer, and self-described “materialistic, narcissistic, self-absorbed, preachy misanthrope.” It’s the ultimate vanity project: the film can’t go more than a few minutes without featuring an ostentatious display of luxury fashion, design, or cars, and it includes so many hit songs that the music licensing bill alone must have cost a small fortune. *Me You Madness* gives new meaning to the term *rich text*. Late in the film, Catherine is about to murder her next victim, arguing that it will save the taxpayers money in imprisonment costs, so she is “doing society a favor.” Calculating her vigilante body count at around one hundred, and thus \$7.5 million in taxpayer



FIGURE 8.1. Fresh ideas in *Me You Madness* (Louise Linton, 2021).



savings, she turns to the camera and says, “You’re welcome, California.” She goes to choose her murder weapon, but is bored by the unoriginality of using a chainsaw, so she turns to the camera again and says, “Oh please, a chainsaw? That would be so derivative. . . . Can we get some fresh ideas please, Hollywood?” On that last sentiment, at least, we can agree.