

A photograph of a red carpet event. In the foreground, a red carpet leads towards the background. A red rope barrier is strung across the carpet. Several people are visible, including a man in a dark suit and a woman in a dark coat. The background shows trees and a bright sky.

# HOW HOLLYWOOD WORKS

JANET WASKO

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**SAGE Publications**

**London • Thousand Oaks • New Delhi**

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First Published 2003

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SAGE Publications Ltd  
6 Bonhill Street  
London EC2A 4PU

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2455 Teller Road  
Thousand Oaks, California 91320

SAGE Publications India Pvt Ltd  
B-42, Panchsheel Enclave  
Post Box 4109  
New Delhi – 100 017

#### **British Library Cataloguing in Publication data**

A catalogue record for this book is available from the British Library

ISBN 0 7619 6813 X  
ISBN 0 7619 6814 8 (pbk)

**Library of Congress Control Number: 2003102339**

Typeset by Mayhew Typesetting, Rhayader, Powys  
Printed and bound in Great Britain by TJ International, Padstow, Cornwall

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# Introduction

This book is about the US motion picture industry – its structure and policies, its operations and practices. It focuses on the commodity nature of Hollywood film, or the process that is involved in turning raw materials and labor into feature films that are distributed as commodities to different retail outlets. It describes the process of film production, distribution and exhibition or retail – a process that involves different markets where materials, labor, and products are bought and sold. In other words, it details how Hollywood works as an industry that manufactures commodities.

While media industries may be converging, there are still distinct differences in the ways that specific media, such as films, are produced and distributed, at least for the present. The aim of the book is to survey and critique the current policies and structure of the US film industry, as well as its relationships to other media industries.

The focus of the discussion is on theatrical motion pictures produced by the mainstream film industry, also known as Hollywood. A good deal of attention is paid to the major players or the studios that dominate Hollywood. Importantly, these few companies are part of transnational, diversified entertainment conglomerates, involved in a wide range of media activities.

## Why this book?

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Many books describe the film production and marketing process, but usually from an industrial perspective and mostly aimed at people who want to get into the industry (also known as “wannabes”). Nearly all these discussions are celebratory and rarely does an analyst step back to look at the industry critically within a more general economic, political, and social context. This attitude is perpetuated in the massive amount of press coverage that Hollywood receives (and

encourages), as well as the popular myths and lore that circulate about the industry.

Because of the role that Hollywood films play in the creation and recreation of societal values and ideas, an understanding of the way that this industry works is seriously needed. More in-depth study of film also demands attention to the mechanics of the industry, in addition to the study of film texts, genres and audiences. (Further discussion of the theoretical approach used in this study is presented at the end of this chapter as some readers may be less interested in these issues and may want to skip this section.)

### Industry Characteristics

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This discussion of how Hollywood works focuses on the typical processes for the manufacture and marketing of Hollywood films. It describes Hollywood as an industry that produces and distributes commodities, and thus is similar to other industries that manufacture and produce products for profit. However, many Hollywood analysts stress that the film industry is different, with a set of unique characteristics that defies typical economic analysis. Some of these analysts even argue that the conventional measures of concentration and competition are not applicable to the film industry (for instance, De Vany and Eckert, 1991).

But how are the film industry and the film commodity different? An important and fundamental point is that each film is a unique product – a different set of circumstances, deals, and players are involved for every film. While it is possible to point to general tendencies in the film industry, there are always exceptions due to the unique quality of each film commodity.

Another characteristic often identified by film economists relates to the cyclical nature of the industry, and thus the constantly changing policies and practices. It should also be pointed out, however, that the industry's development is necessarily linked to general economic cycles. For instance, even though new technological developments (such as VCRs or multiplex theaters) are regularly introduced, the economic climate will influence their reception in the marketplace.

Most often, Hollywood analysts argue that the film business is not only unique, but risky, uncertain, and even chaotic. The industry's

key trade association, the Motion Picture Association of America (MPAA) purposely explains this point on their website:

Moviemaking is an inherently risky business. Contrary to popular belief that moviemaking is always profitable, in actuality, only one in ten films ever retrieves its investment from domestic exhibition. In fact, four out of ten movies *never* recoup the original investment. In 2000, the average major studio film cost \$55 million to produce with an extra \$27 million to advertise and market, a total cost of over \$80 million per film. No other nation in the world risks such immense capital to make, finance, produce and market their films. (Emphasis in the original) (<http://www.mpa.org/anti-piracy/>)

Nevertheless, the industry overall does survive and companies continue to thrive, having adopted various organizational and policy responses to such risks. Despite the cyclical nature of the industry and the variety of unique deals, there are general, ongoing tendencies and characteristics that do not change. In other words, there may be change, but there is also continuity. A few of these general tendencies need to be examined before looking more closely at the industry and its practices.

## General Tendencies: Profit/Power/Paucity

### Profit

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Motion pictures developed in the USA as an industry and have continued to operate in this mode for over a century. Above all, profit is the primary driving force and guiding principle for the industry. Capital is used in different ways to achieve that goal. Inevitably, individuals and corporations come and go as companies move from one project to another, to other businesses, to new or more profitable technologies. Nothing is sacred – not even film. As Thomas Guback (1978) pointed out many years ago: “the ultimate product of the motion picture business is profit; motion pictures are but a means to that end”. A Hollywood executive explained it this way:

Studios exist to make money. If they don't make a lot of money producing movies, there's no reason for them to exist, because they

## 4 How Hollywood Works

don't offer anything else. They offer entertainment, but you don't need studios to make entertainment. You don't need studios to make movies. The reason they exist is to make money. (Taylor, 1999, p. 59)

The profit motive and the commodity nature of film have implications for the kind of films that are produced (and not produced), who makes them, how they are distributed, and where/when they are viewed. While it is common to call film an art form, at least Hollywood film cannot be understood without the context in which it is actually produced and distributed, that is, within an industrial, capitalist structure.

### Power

A common understanding is that every relationship in Hollywood is defined by power. Although power influences relationships throughout society, it seems that in Hollywood, these relations are far more blatant and conspicuous. As exemplified in the discussions that follow in this book, power is often a determining factor in deals and decision-making, as well as the overall context in which Hollywood works.

*Premiere* magazine's yearly "Power List" and *Variety*'s annual book of "Power Players" are indications of this phenomenon (for example, Petrikin et al., 1999). In these assessments, one's clout is often determined by one's track record or most recent success. Daniels et al. (1998, p. 280) provide another example: "it isn't unusual for a studio lawyer to call a competitor to verify the producer's 'quotes.' Antitrust implications aside, the lesson is, what you have accomplished in the past plays a direct role in what you can negotiate for the future."

### Paucity

It is a challenge to generalize about the economic aspects of the motion picture industry or the commodity nature of Hollywood films. Practically every film industry researcher has acknowledged the problems of securing basic industry data and reliable information on deals and relationships. Outside people dealing with Hollywood, as well as even some within the industry, often express frustration at the difficulties of understanding the complexities of the industry, as well

as finding reliable information. As media analyst Harold Vogel observes: “The lack of access to real numbers in this industry is astounding and it’s getting worse all the time. We have no way to judge Hollywood’s actual return on equity, nor can we accurately assess the year-to-year health of the film business.”<sup>1</sup>

## Limitations and Features

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This overview of the film business also is intentionally limited in certain ways. The focus is on feature films produced and/or distributed by the current US film industry. The emphasis is on the major Hollywood production/distribution companies, also called the studios, because of their clear domination of the entire industry. Much less attention will be given to independent production and distribution, as many other industry-oriented books focus on these areas. There also is less depth about the historical evolution of the US film industry, which is the focus of a number of books and edited volumes. And, finally, even though this volume is about how Hollywood works, it should not be considered a “how-to” book. The aim is to provide a critical overview of the production, distribution, and exhibition or retail sectors of the US film industry, plus how the industry expands, promotes, and protects its business.

This overview of Hollywood draws on a variety of sources. While specific references may not always be cited, the primary trade publication, *Variety*, has been a fundamental reference for the bulk of material on industry practices and players. But industry representatives also have been consulted, both in interviews as well as via the multitude of books and articles written by current and former Hollywood insiders. While most of these publications are written for industry wannabes, they also provide significant and revealing material on film production and distribution by experienced and (sometimes) insightful industry professionals. Other materials have been provided by various academic studies, discussed briefly in the next section.

In addition to describing how Hollywood works, key issues will be referred to throughout the book. These points refer to a variety of questions and problems that have been raised in connection to the development of film and the film industry, as well as its role in society.

## Approaches to Film Studies

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In the late 1970s, Thomas Guback wrote an essay entitled “Are We Looking at the Right Things in Film?”, in which he argued that the study of cinema focussed overwhelmingly on criticism and theory, with a dash of atheoretical history (Guback 1978). Guback’s main point was that film studies typically neglected the analysis of cinema as an economic institution and as a medium of communication. And, though more attention is given these days to the economics of film by cinema scholars, legal scholars, and economists, it might be argued that some of Guback’s concerns are still quite germane.

More specific attention to economics also has been evident in the field of communication and media studies during the past decade, with scholars identifying media economics as a distinct focus of research activity. Examples include texts by Picard (1989), Albarron (1996), and Alexander et al. (1993), as well as *The Journal of Media Economics*, which was introduced in 1988. The goal of the journal, as stated in its Contributor Information section, is “to broaden understanding and discussion of the impact of economic and financial activities on media operations and managerial decisions.” Generally, these media economics texts and the journal echo the concerns of mainstream (neo-classical) economics. As the journal’s first editor explains: “Media economics is concerned with how media operators meet the informational and entertainment wants and needs of audiences, advertisers and society with available resources. It deals with the factors influencing production of media goods and services and the allocation of those products for consumption” (Picard, 1989, p. 7).

For the most part, the emphasis of media economics is on micro-economic issues rather than macro-analysis, and focusses primarily on producers and consumers in media markets. Typically, the concern is how media industries and companies can succeed, prosper, or move forward. While competition may be assessed, little emphasis is placed on questions of ownership or the implications of concentrated ownership and control. These approaches avoid any kind of moral grounding, as most studies emphasize description (or “what is”) rather than critique (or “what ought to be”). This distinction is highlighted in a description of the industrial organization model by Douglas Gomery:

The industrial organization model of structure, conduct, and performance provides a powerful and useful analytical framework for

economic analysis. Using it, the analyst seeks to define the size and scope of the structure of an industry and then go on to examine its economic behavior. Both of these steps require analyzing the status and operations of the industry, not as the analyst wishes it were. Evaluation of its performance is the final step, a careful weighing of 'what is' versus 'what ought to be.' (Gomery, 1989, p. 58)

Generally, economic approaches to film can be characterized as Allen and Gomery did in their discussion of economic film history in 1985. They describe, and obviously favor, an *institutional* or *industrial organizational model*, following Gomery's description above. Examples of an industrial analysis include Gomery's early work on the introduction of sound, followed by studies of exhibition, etc. More recently, Justin Wyatt's analysis of "high concept" as a dominant force in contemporary Hollywood draws directly on industrial organization economics (1994, pp. 65–66).

In addition, economic analysis has been directed at the film industry by an increasing number of economists and financial analysts. These studies primarily use neo-classical economic analysis and econometrics in an attempt to understand the film industry's activities. Meanwhile, legal scholars are increasingly looking at the film industry, sometimes applying economic analysis as part of their work.

The approach used in this book might be referred to as the *political economy of film*. While a political economic approach has been distinctly identified in communication scholarship, it is much less common within film studies. The political economy of film incorporates those characteristics that define political economy generally, as well as its application to the study of media and communications.

In *The Political Economy of Communication*, Vincent Mosco defined this version of political economy as "the study of the social relations, particularly power relations, that mutually constitute the production, distribution and consumption of resources" (1996, p. 25). He explains that political economy is about survival and control, or how societies are organized to produce what is necessary to survive, and how order is maintained to meet societal goals. Mosco further delineates four central characteristics of critical political economy, which are helpful in understanding this approach:

- 1 *Social change and history.* Political economy continues the tradition of classic economic theorists, uncovering the dynamics of capitalism – its cyclical nature, the growth of monopoly capital, the state apparatus, etc.



- 2 *Social totality*. Political economy is a holistic approach, or, in concrete terms, explores the relationship among commodities, institutions, social relations, and hegemony, exploring the determination among these elements, although some elements are stressed more than others.
- 3 *Moral philosophy*. Critical political economy also follows the classical theorists' emphasis on moral philosophy, including not only analysis of the economic system, but discussion of the policy problems and moral issues which arise from it. For some contemporary scholars, this is the distinguishing characteristic of political economy.
- 4 *Praxis*. Finally, political economists attempt to transcend the distinction between research and policy, orienting their work towards actual social change and practice. As Karl Marx explained: "Philosophers have sought to understand the system, the point is to change it."

Mosco's model draws strongly on the work of British political economists Graham Murdock and Peter Golding, who distinguished critical political economy from mainstream economics: it is holistic, historical, centrally concerned with the balance between capitalist enterprise and public intervention, and "goes beyond technical issues of efficiency to engage with basic moral questions of justice, equity and the public good" (Golding and Murdock, 1991).

These explanations set the stage or provide the grounding for applying political economy to the study of communication. The academic study of communication has not always embraced economic analysis, much less a political economic approach. During the 1940s and 1950s, communication scholars focussed primarily on individual effects and psychologically-oriented research, with little concern for the economic context in which media is produced, distributed and consumed.

In the 1950s and early 1960s, former FCC economist and University of Illinois professor, Dallas Smythe, urged scholars to consider communication as an important component of the economy and to understand it as an economic entity. In 1960, he presented one of the first applications of political economy to communication, defining the approach as the study of political policies and economic processes, their interrelations and their mutual influence on social institutions. He argued that the central purpose of applying political economy to communication was to evaluate the effects of communication agencies in terms of the policies by which they are organized and

operated, or to study the structure and policies of communication institutions in their social settings. Smythe further delineated research questions emanating from policies of production, allocation or distribution, and capital, organization and control, concluding that the studies that might evolve from these areas were practically endless.

In the 1970s, Murdock and Golding defined political economy of communication as fundamentally interested in studying communication and media as commodities produced by capitalist industries (Murdock and Golding, 1974). The article represented “a groundbreaking exercise . . . a conceptual map for a political economic analysis of the media where none existed in British literature” (Mosco, 1996, p. 102). A later work placed political economy within the broader framework of critical and Marxian theory, with links to the Frankfurt School, as well as to other critical theorists (Murdock and Golding, 1979). Nicholas Garnham (1979) further outlined the approach, noting that the political economy of communication involves analyzing “the modes of cultural production and consumption developed within capitalist societies.”

Political economy draws upon several disciplines – specifically history, economics, sociology, and political science. And, while some may question whether or not a specific methodology is involved, the study of political economy draws on a wide range of techniques and methods, including not only Marxist economics, but methods used in history and sociology, especially power structure research and institutional analysis.

Because historical analysis is mandatory, the approach is able to provide important insight into social change and movement. Political economy becomes crucial in order to document communication in its total social context. Understanding interrelationships between media and communication industries and sites of power in society is necessary for the complete analysis of communications. This approach also challenges common myths about our economic and political system, especially the notions of pluralism, free enterprise, competition, etc. Through study of ownership and control, political economists analyze relations of power and confirm a class system and structural inequalities. In that the position includes economic *and* political analysis, it is therefore necessary grounding for ideological readings and cultural analysis. And through identification of contradictions, political economic analysis provides strategies for intervention, resistance and change.

Fundamentally, the political economy of film analyzes motion pictures as commodities produced and distributed within a capitalist

industrial structure. As Pendakur notes, film as a commodity must be seen as a “tangible product and intangible service” (1990, pp. 39–40). Similar to industrial analysts, the approach is most definitely interested in questions pertaining to market structure and performance, but a political economist analyzing these issues more often would challenge the myths of competition, independence, globalization, etc., and view the film industry as part of the larger communication and media industry and society as a whole.

For instance, the US film industry is not only important because its films are popular worldwide. Indeed, that is only the tip of the iceberg. Rather than celebrate Hollywood’s success, political economists are interested in how US films came to dominate international film markets, what mechanisms are in place to sustain such market dominance, how the State becomes involved, how the export of film is related to marketing of other media products, what the implications are for indigenous film industries in other countries, and what political/cultural implications may stem from the situation. Most importantly, the political and ideological implications of these economic arrangements are relevant, as film must also be placed within an entire social, economic, and political context and critiqued in terms of the contribution to maintaining and reproducing structures of power.

Indeed, the focus on one medium or industry, such as film, may be seen as antithetical to political economy’s attempt to go beyond merely describing the economic organization of the media industries. The political economic study of film must incorporate not only a description of the state of the industry, but, as Mosco explains, “a theoretical understanding of these developments, situating them within a wider capitalist totality encompassing class and other social relations [offering a] sustained critique from a moral evaluative position” (1996, p. 115).

Some key distinctions between political economy and other models are the recognition and critique of the uneven distribution of power and wealth represented by the industry, the attention paid to labor issues and alternatives to commercial film, and the attempts to challenge the industry rather than accepting the status quo.

While perhaps not as recognized as other approaches, the political economy of film is represented in a wide range of research. Some classic economic studies fit much of the above description, but were not explicitly identified as political economy. For instance, Klingender and Legg’s *Money Behind the Screen* (1937) examined finance capital in the film industry in 1937, tracing studio owners

and their capitalist backers, while Mae Huettig's (1944) study of the film industry in the 1930s documented the power inherent in the various sectors of the industry.

More recently, Guback's work, especially those studies focussing on international film markets, represent ideal examples of political economy of film. *The International Film Industry* presented primary documentation about how the US domination of European film industries intensified after 1945, with the direct assistance of the US government (Guback, 1969). He followed this classic study with several articles documenting the international extension of US film companies in the 1970s and 1980s, especially emphasizing the role of the State in these activities (Balio, 1976). In another article, Guback defended a nation's right to resist Hollywood's domination and develop its own film industry based on economic and cultural factors (Guback, 1989). And finally, in an in-depth outline of the US film industry in *Who Owns the Media?*, Guback presented a strong critique of Hollywood's structure and practices, as opposed to the other industrially-oriented articles in the same volume (Compaine, 1982).

Pendakur's (1990) study of the Canadian film industry employs a radical political economy of film, but also incorporates industrial organization theory to examine the market structure of Canadian film. "Marxian political economy's concern with power in class societies and its emphasis on a dialectical view of history help explain how the battle to create an indigenous film industry has been fought in Canada, in whose interests, and with what outcome" (ibid., p. 39). Pendakur (1998) also examined labor issues in film, adding to the growing literature documenting the history of labor organizations and workers in the US film industry.

Meanwhile, many other scholars have taken a political economic approach in looking at various aspects of film. Garnham incorporated an analysis of the "Economics of the US Motion Picture Industry" to exemplify the production of culture in his (1990) collection, *Capitalism and Communication*. Aksoy and Robins' (1992) recent study of the motion picture industry also is a good example of a study that focusses on issues of concentration and globalization, and draws fundamentally on political economy. Another example is Prindle's (1993) *Risky Business: The Political Economy of Hollywood*, which especially emphasizes the social and political implications of Hollywood's unique industrial structure.

In my own work, I have presented critiques of capital, technology, and labor as they pertain to Hollywood. *Movies and Money* (1982) presents the historical development of relationships between

Hollywood and financial institutions, while *Hollywood in the Information Age* (1994) examined continuity and change in the US film industry related to the introduction of new technologies during the 1980s and early 1990s. In addition, “Hollywood meets Madison Avenue” considered the ongoing commercialization of film by focussing on the growth of product placement, tie-ins, and merchandising activities in film marketing (Wasko et al., 1993), while an overview of Hollywood labor unions was presented in a collection on global media production (Wasko, 1998).

Despite these various studies (and many more that will be referred to in this text), it still might be argued that political economy is much less common in film studies than in communication research. If so, then why? It is possible that Guback’s explanations in the essay mentioned previously are still relevant. He argued that one of the reasons that there is so much textual film analysis is the relatively easy access to film texts to study. In other words, scholars depend on the material that is available for study, whether film texts or industry-supplied information. Even though more popular media attention now centers on the film or entertainment industry through stories and programs (such as *Entertainment Tonight*), including stories that explore film production and box office numbers, it is mostly coverage generated by the industry itself and hardly critical.

As noted previously, it is still a challenge to find reliable and relevant data about the film industry on which to base a critical analysis. For instance, where can one find accurate and consistent production figures beyond the rumor mill, as reported in *Variety* or other trade publications? Rare glimpses into studio accounting are provided by court cases, as in Art Buchwald’s *Coming to America* suit (see O’Donnell and McDougal, 1992). But these cases still are limited and infrequent.

The type of information that is available lends itself especially well to congratulatory coverage of the industry’s triumphs. However, it also might be argued that much scholarly writing on the industry is not critical, anyway, resisting any criticism of the status quo, and basically supportive of the way things are. Even when information is available, the commercial and profit-motivated goals of the industry are assumed, and rarely questioned.

On the other hand, one might also wonder why film is less often included in much of the work in political economy of communication. While film appears in general overviews of communication or media industries, it seems to receive less careful analysis than other forms of media (Jowett and Linton, 1980). One obvious reason may

be the academic fragmentation that still sometimes separates film studies from media and communication studies, in university organizational charts, professional organizations, and scholarly journals. Of course, one explanation is that film studies typically has been based in the humanities, while communication and media studies tend to draw more on the social sciences. Beyond this fragmentation, though, there also may be different perceptions of film's importance for communication scholars. For some film simply represents "entertainment," thus not as worthy of scholarly attention as news and information programming, or computer and information technologies.

These oversights need to be addressed if we are to understand film in its actual social context. These days, film must be considered as part of the larger communications and media industry. More than ever before, distribution outlets such as cable and satellite services link news, information and entertainment programs; and sometime in the future, it seems likely that there will be further links via new digital and multimedia forms. It is no longer novel to observe that news is looking more like entertainment, with new forms evolving, such as infotainment, docudramas, etc.

Importantly, these activities usually are under the same corporate ownership. Films are produced by the same companies that are involved with other media and communications activities, and it is no secret that fewer and fewer giant corporations control these activities. These transnational corporations have diversified into all areas of the media, sometimes attempting to maximize profitability by building synergy between their corporate divisions. For some of these companies, film plays a key role in these synergistic efforts, as corporations such as the Walt Disney Company build product lines which begin with a film, but continue through television, cable, publishing, theme parks, merchandising, etc. These days, companies like Disney not only distribute products to these outlets, but also own the outlets.

In addition, it may be useful for communication scholars to look more closely at the international expansion of the US film industry to better understand the historical evolution of current globalization trends. While the expansion of global markets may be relatively new for some media, the US film industry developed global marketing techniques as early as the 1920s and continues its dominant position in international media markets today.

As the film industry and its wealth become ever more concentrated, it is increasingly difficult to avoid the issues and analysis that a

political economy of film offers. This volume is an attempt to present this kind of analysis and confront these important issues.

## Note

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- 1 M. Amdur, "H'w'd Burns as Feds Fiddle," *Variety*, 29 July 2002, pp. 1, 51.

The entire production process for a Hollywood motion picture – from development to theatrical release – typically takes from one to two years. During this time, raw materials and labor are combined to create a film commodity that is then bought and sold in various markets. Film production has been called a “project enterprise,” in that no two films are created in the same way. Nevertheless, the overall process is similar enough to permit a description of the production process for a “typical film.”

Contrary to popular belief, Hollywood films do not begin when the camera starts rolling, but involve a somewhat lengthy and complex development and pre-production phase during which an idea is turned into a script and preparations are made for actual production followed by post-production (Figure 1.1).

<p>concept (writer) &gt;&gt; manager/agent &gt;&gt; producer &gt;&gt;  studio executive &gt;&gt; development deal &gt;&gt;  studio president/chairman &gt;&gt; green light &gt;&gt;  pre-production &gt;&gt; production &gt;&gt; post-production</p>
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FIGURE 1.1 *From conception to development to production*

## Acquisition/development

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I have an idea for a film, and if I had just a little more money, I could develop it into a concept. (Quoted in Cones, 1992, p. 97)

Ideas for Hollywood films come from many sources. Some screenplays are from original ideas or fiction; some are based on actual events or individual's lives. However, a good number of Hollywood



films are adaptations from other sources, such as books, television programs, comic books, and plays, or represent sequels or remakes of other films.

The prevailing wisdom is that around 50 percent of Hollywood films are adaptations. An informal survey of *Variety's* top 100 films by gross earning for the years 2001 and 2002 and for all time revealed that Hollywood films often draw on previous works for inspiration. Books, biopics, and sequels to previous blockbusters represent primary sources used by the industry, while both comic book and video games represent emerging frontiers. Perhaps more importantly, films based on previous works consistently rated among the highest grossing films.<sup>1</sup>

### **Issue: Hollywood and creativity**

These points draw attention to the issue of creativity, a topic that attracts a good deal of attention, both inside and outside of the industry. As we shall see, there are economic factors that contribute to this ongoing reliance on recycled ideas, already-proven stories and movie remakes and sequels. Repetition of stories and characters may also have cultural significance. Nevertheless, it is relevant at this point to at least question some of the extreme claims about the originality and genius of Hollywood fare.

### **Properties and Copyright**

In Hollywood, film material rather quickly becomes known as property, defined by the industry as “an idea, concept, outline, synopsis, treatment, short story, magazine article, novel, screenplay or other literary form that someone has a legal right to develop to the exclusion of others and which may form the basis of a motion picture.” An underlying property is “the literary or other work upon which right to produce and distribute a motion picture are based” (Cones, 1992, p. 413).

The idea of a property implies some kind of value and ownership, and thus involves copyright law. In fact, copyright is a fundamental base for the film industry as commodities are built and exploited from the rights to specific properties. A copyright can be described simply as a form of protection provided by law to authors of “original works of authorship,” including literary, dramatic, musical, artistic,

and certain other intellectual works. This protection is available to both published and unpublished works.

In the USA, the 1976 Copyright Act (Section 106) generally gives the owner of copyright the exclusive right to do (or authorize others to do) the following:

To reproduce the work in copies; To prepare derivative works based upon the work; To distribute copies . . . to the public by sale or other transfer of ownership, or by rental, lease, or lending; To perform the work publicly; To display the copyrighted work publicly, including the individual images of a motion picture or other audiovisual work. (<http://www.copyright.gov/circs/circ1.html>)

It is important to realize, also, that copyright protection applies only to the expression of an idea, not the idea itself. In other words, works must be “fixed in a tangible medium of expression” (Cones, 1992, p. 110).

A film idea that develops from another source usually already involves a set of rights. For instance, book contracts usually specify film rights.<sup>2</sup> Thus, even before a screenplay is produced, ownership rights (and usually some kind of payment or royalties) may be involved. That is, unless a source is in the public domain, which means either that the work was not copyrighted or the term of copyright protection has expired. The material therefore is available for anyone to use and not subject to copyright protection. The rights to film ideas are often contested, with infamous lawsuits emanating from squabbles over copyright infringement, plagiarism, etc.

Overall, the Hollywood script market is relatively complex, as there are many ways that a script may emerge. An idea, concept or a complete film script may originate with a writer, an agency or manager, a producer or production company, a director, or a studio executive. In each case, a slightly different process is involved.

## The players

Before describing the script market, it will be helpful to introduce some of the players involved in the process: writers, agents and managers, lawyers, producers, and production companies. In Hollywood, powerful people are often referred to as “players.” However, in this discussion, all participants in the process will be referred to as players, with the important distinction that some players are more powerful than others.