Netflix takes over Warner Bros. Discovery in $82.7 billion deal

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On December 5, Netflix and Warner Bros. Discovery (WBD) announced an agreement under which Netflix will acquire Warner Bros.' film and television studios, along with its streaming operations, including HBO Max and HBO. The deal is valued at roughly $72 billion in equity, with a total enterprise value of $82.7 billion when accounting for debt.

The proposed purchase has major cultural and social implications. It sharply increases the cartelization of the entertainment industry and places decisions about what tens of millions see and hear each day in even fewer hands. If "American democracy is in its death throes," under the Trump administration as it pushes ahead with its plan for dictatorship, "freedom of expression" in the film and television world is in an equally perilous state. To speak of such freedom when a handful of gigantic conglomerates own nearly all the media and entertainment outlets is increasingly meaningless.

For decades, American capitalism advertised itself as the alternative to "totalitarianism" and as the bastion of cultural openness. The mask has come off. Now, a few corporations with innumerable ties to the government and the military-intelligence apparatus by and large determine which film and television projects go forward. Many authoritarian regimes would be jealous. Artistic freedom in our day must increasingly take the form of a relentless struggle against this oligarchic stranglehold.

The completion of the Netflix-Warner Bros. Discovery union is contingent on the latter's planned spin-off of its cable and linear-TV networks (including CNN and other channels) into a separate company, Discovery Global, expected by the third quarter of 2026.

Regulatory approval remains a hurdle, as antitrust authorities in both the US and Europe consider whether to oppose the merger's concentration of control over content and distribution. Analysts estimate that the combined entity could control 30–40 percent of the US streaming market, giving Netflix unprecedented power over pricing, access and the creative output of an entire sector.

The deal emerged from a highly competitive bidding process involving Paramount/Skydance, Comcast and Netflix. Early speculation suggested that Paramount/Skydance, closely connected to the Trump administration through Larry Ellison (the third-richest person in the world) might benefit from political favoritism.

In the end, Netflix apparently outmaneuvered its rivals to secure the acquisition, prompting celebration in certain naïve media circles that a Trump-aligned mega-conglomerate had been thwarted. No doubt political calculations may have played a role, including concerns about the chumminess of Ellison-Paramount with the White House, at a time of its increasing unpopularity and instability.

The *Los Angeles Times* observed Saturday

> In Hollywood, Larry Ellison's close ties to Trump dampened enthusiasm for Paramount's bid.
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> Oracle is among a group of U.S. investors expected to hold a majority stake in the U.S. business of TikTok, after the hugely popular video sharing app is spun out from Chinese parent company ByteDance—in no small part due to the influence and support from Trump.

The *Times* took note of various moves by Paramount to placate or please the Trump administration and pointed out that a meeting took place at the White House last month

> to discuss Paramount's bid and the threat of Netflix … That same week, David Ellison was among the guests at a White House dinner hosted by Trump for Mohammed bin Salman, the crown prince of Saudi Arabia.

And further:

> White House officials had informally discussed with Larry Ellison several female CNN anchors whom Trump disliked and wanted fired should Paramount succeed in buying Warner.

Paramount is not backing down at this point. The *Times* reports that the Ellison-owned entity

> —whose chief legal counsel is the former head of the U.S. Justice Department's antitrust division during the first Trump term—is preparing for a legal battle with Warner Bros. over the handling of the auction. They are expected to urge the Securities & Exchange Commission and the Department of Justice to investigate claims that the Netflix deal would be anticompetitive and harmful to consumers and theater owners.

In any event, regardless of which corporate faction emerged victorious, the result is unchanged: media consolidation will deepen the domination of wealth and political power at the direct expense of film and television workers.

The merger has provoked predictable, empty bipartisan criticism. Prominent Democrats such as Sen. Elizabeth Warren (Massachusetts) and Rep. Pramila Jayapal (Washington) have wrung their hands and condemned the deal as an “antitrust nightmare,” warning it could suppress competition, raise costs and reduce creative and labor opportunities. Republican critics, including Sen. Roger Marshall (R-Kansas) and Sen. Mike Lee (R-Utah), have similarly flagged the centralization of media power.

The Writers Guild of America (WGA) expressed concern that consolidation would lead to worsening conditions for creative professionals: “The outcome would eliminate jobs, push down wages, worsen conditions for all entertainment workers, raise prices for consumers, and reduce the volume and diversity of content for all viewers.” It stressed: “Industry workers along with the public are already impacted by only a few powerful companies maintaining tight control over what consumers can watch on television, on streaming, and in theaters. This merger must be blocked.” However, the WGA offered no strategy whatsoever for writers or others to fight job elimination and wages lowering.

Netflix projects $2–3 billion in annual cost savings by the third year post-merger, a figure that will come at the expense of writers, actors and production crews.

The Hollywood Teamsters similarly warned of a direct threat to unionized jobs, while Cinema United, the largest US theatre-owner group, predicted a potential 25 percent decline in domestic box office receipts as films are diverted from theaters to streaming. The Directors Guild of America (DGA) plans discussions with Netflix to address issues of creative control and working conditions, and SAG-AFTRA remains actively reviewing the deal’s implications for actors. Again, one thing is certain, none of the unions will do anything to challenge the vast entertainment companies.

The merger will restructure the industry with harmful consequences for workers. But the framing of these objections, whether from lawmakers or unions, assumes that capitalism is reformable, that regulatory intervention or corporate restraint could preserve competition and safeguard labor. In reality, the Netflix–WBD merger is the logical outcome of the monopolistic and imperialist dynamics that characterize the current era.

At this advanced stage of capitalist development, finance capital does not merely seek profit, it must expand and centralize, subordinating entire spheres of social life to the interests of a narrow ruling elite. Monopolization becomes a structural necessity.

Both major US political parties have facilitated this process in the media and entertainment world. In particular, the Telecommunications Act of 1996, signed by Bill Clinton, dismantled longstanding ownership restrictions and unleashed a wave of mergers across radio, television, and cable. Subsequent Democratic administrations continued to weaken antitrust enforcement, using the justification of “efficiency” and global competitiveness.

These policies, compounded by the systematic dismantlement of social programs, the privatization of entire sectors and the rapid deployment of AI in creative industries, laid the structural groundwork for mega-mergers like Netflix–WBD.

The merger, in a more profound sense, is part of a class offensive with deep consequences for the entertainment workforce and cultural life. Already, major media conglomerates operate as instruments of the corporate-financial oligarchy, shaping narratives to normalize US imperialism and play down or ignore mass social suffering.

War films routinely rely on intelligence consultants to ensure scripts do not challenge official agendas, while so-called social commentaries often reduce systemic issues to personal failures. Under a merged Netflix–WBD, these dynamics would intensify, amplified by AI systems capable of generating content at scale. Jobs for writers, actors, editors and technical crews would be further eroded, with entry-level opportunities diminished and wages reduced.

The technology itself is not inherently threatening. AI and digital production tools can be used for creative expansion, experimentation and democratization. It is the capitalist framework under which they are deployed that generates exploitation and cultural homogenization.

The denunciations of the merger by the entertainment union leadership are steeped in hypocrisy. These bureaucracies remain politically chained to the Democratic Party, the very instrument that has presided over and enabled the corporate consolidation they now claim to oppose.

In fact, the Writers Guild of America, SAG-AFTRA and the Directors Guild of America are preparing to enter yet another round of contract talks with the conglomerates they helped strengthen through their 2023 betrayals. Those sellout agreements cleared the way for an unprecedented expansion of AI, accepting the principle that studios could harvest performers’ voices and bodies and automate the scriptwriting process.

The consequences now unfold, and the unions are scrambling to address health and pension plans that have been depleted by years of concessions and dwindling residuals, systems now operating in the red. The WGA has reported a staggering $122 million deficit over just two years.

Moreover, with regard to AI, the role of entertainment union bureaucracies has been a determining factor in recent defeats. They have facilitated AI-driven job losses by negotiating concessions and backdoor deals that legitimize corporate use of performers’ likenesses and voices, rather than mobilizing militant resistance. Union bureaucrats push “informed consent” frameworks and backchannel agreements with AI firms, which normalize databases of replicas and leave rank-and-file members powerless to stop replacement.

Antitrust warnings and public statements of concern cannot reverse the structural imperatives driving consolidation. The working class and creative professionals must recognize that, at this advanced stage of capitalist crisis, the fight is about defending basic social rights and cultural production against the overarching logic of profit-driven monopolization. In a word, it is a struggle against capitalism.