The human cost of the Paramount-Warner merger

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The 118-page report submitted to the Los Angeles County Board of Supervisors on August 18, 2026, by the Department of Economic Opportunity reads, in its cool bureaucratic language, like an autopsy of a still-living body. It examines the economic impact of Paramount Skydance's proposed $110 billion acquisition of Warner Bros. Discovery, a merger that would unite two of the six remaining major Hollywood studios under a corporate structure dominated by the Ellison family fortune and $82 billion in debt.

The projected losses are staggering: 10,360 job-years at risk in Los Angeles County, an additional 14,000 corporate job-years of consolidation globally through 2030, $1.26 billion in wages, $2.79 billion in economic value, $4.06 billion in business output and $547 million in tax revenue. These are the modeled consequences of management's own plans, including Paramount CEO David Ellison's pledge to extract $6 billion in annual cost "synergies" from the combined company.

But the most important finding is the baseline. Los Angeles County motion-picture employment averaged just 93,263 jobs in 2025, a record low and 35.7 percent below the 2022 peak. California has lost 52,016 film and television jobs since 2022, with 99.6 percent of those losses occurring in Los Angeles County. Major US film and television releases fell from 2,122 in 2022 to 1,629 in 2025. Cable series, historically a foundation of recurring employment, collapsed from 992 releases in 2019 to 579 in 2025.

The report's estimates are, in fact, highly conservative. They focus narrowly on the direct economic consequences of the merger and do not attempt to measure the broader consequences of the Trump administration's policies, including the assault on social programs, the escalating drive to war abroad, the disruption of global supply chains resulting from the war with Iran and the extreme volatility of the financial markets. The merger is intensifying a crisis already underway. That crisis is the product not of one corporation or political party but of the capitalist system itself.

Paramount Skydance plans to finance the acquisition with $54 billion to $57.5 billion in bridge loans from major banks, while Larry Ellison has guaranteed up to $45.7 billion in equity from his Oracle holdings. The combined company will begin with roughly $82 billion in gross debt and leverage approaching seven times EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization), placing it in junk-bond territory.

The merger is a financial operation to extract value through the consolidation and rationalization of two enormous enterprises. Workers are the raw material. The promised $6 billion in annual "synergies" is the mechanism through which management intends to service the debt and protect the Ellison family's investment.

Corporate layoffs are only the beginning. Writers, crews, craftspeople, post-production workers and vendors will be hit as fewer buyers mean fewer "greenlights." The merger combines two of the leading unscripted and talk-show producers, reducing competition for commissions. Approximately 895 creators hold exclusive deals with the two companies. When development budgets are cut, those creators and the workers around them lose work.

The Disney-Fox merger provides the precedent. Following consolidation, output at the acquired Fox studios fell 64.9 percent from pre-merger levels, while the rest of the major-studio market added only 1.33 films per year.

The report's production geography makes the implications even clearer. Of 19 Paramount and Warner Bros. theatrical releases in 2025, only one was primarily shot in California, and that production was in Eureka, not Los Angeles. Of 73 films on the combined 2025 slate with an identified filming location, only four were shot in California and one in Los Angeles County.

The report compares Warner's Burbank and Leavesden campuses in Britain. By 2027, Leavesden's approved expansion will reach 87 percent of Burbank's stage capacity. Its recurring property charges are 40.1 percent lower after UK film-studio relief. For a hypothetical $250 million tentpole, the UK tax credit produces a net benefit $14.3 million greater than California's, assuming the production even receives a California credit, which is competitively allocated with no guarantee.

The report concludes that there is a "plausible tilt" toward greater use of the UK lot. Of course there is. A corporation carrying $82 billion in debt and under relentless pressure to cut costs will go where production is cheaper. The combined company would possess major infrastructure on two continents. The logic of capital points toward the cheaper one.

The merger is not simply a Trump administration aberration, although the administration has supported it. Larry Ellison is a longtime Trump donor, and the White House is widely reported to favor a transaction that would place CNN under the control of an ally amenable to reshaping its editorial direction. The deal also involves substantial investment from sovereign wealth funds in Saudi Arabia, Qatar and the United Arab Emirates, states deeply implicated in the Gaza genocide and the expanding war against Iran.

But Democratic opposition is no alternative. Elizabeth Warren calls the merger an "antitrust disaster." Cory Booker demands hearings. California Attorney General Rob Bonta has sued, joined by 11 other states. Yet none of these capitalist politicians of course challenges the basic system of private, monopolistic control over the means of cultural and artistic production.

The project's foundations were laid over decades of deregulation, including the Telecommunications Act of 1996, signed by Democrat Bill Clinton, which dismantled ownership restrictions and helped unleash the present wave of consolidation. The Democrats helped create this Leviathan.

The report's proposed "transitional resources" expose the bankruptcy of the official response: expedited unemployment benefits, job fairs, training partnerships and a website directing workers to services. In other words, workers will be assisted in navigating the unemployment system and retraining for jobs that capitalism itself is eliminating.

The entertainment unions have accepted this framework and are negotiating the terms of surrender. The Directors Guild of America and IATSE have intervened in the antitrust case, urging Attorney General Bonta to abandon the legal challenge and negotiate a settlement permitting the merger. Their proposal rests on "binding commitments," including separate studio operations, a 45-day theatrical window and 30 films annually.

The WGA, SAG-AFTRA and Teamsters have issued warnings about the dangers. But statements are not a strategy. None calls for independent mobilization by workers. None challenges the domination of the industry by finance capital. None advances a program for workers to take control of production.

The WGA's 2026 contract, negotiated without a strike authorization vote, guarantees labor peace through 2030, precisely as AI-driven restructuring accelerates.

The union bureaucracies cannot be explained simply as weak or mistaken organizations. Their officials' careers, salaries and social relationships are bound up with the corporations and capitalist political parties. They constitute a privileged social layer whose function is to suppress the independent struggle of workers.

The Paramount-Warner merger is part of a broader transformation in which media, technology and state power are being fused under the control of a financial oligarchy.

Oracle, the company built on an early CIA contract and now providing cloud computing and AI infrastructure to the Pentagon and all 17 US intelligence agencies, is at the center of this process. The same corporate empire poised to control CBS News and CNN is embedded in the machinery of war, battlefield analytics, autonomous decision-making and global surveillance.

This is the Military-Industrial-Media Complex. Under this system, journalism and art are increasingly treated as data and commodities, subordinated to financial and geopolitical interests. A media empire tied to the White House and deeply integrated into the national security state will possess enormous power over news, films, historical narratives and the boundaries of permissible political thought.

The defense of artistic freedom, democratic rights and truthful reporting cannot be entrusted to billionaires, regulators or union bureaucracies tied to corporate management.

It requires the independent mobilization of workers across industries against capitalism and the subordination of society to private profit.

The LA County report unintentionally provides the indictment. Tens of thousands of jobs are being destroyed. Production is being driven around the world in pursuit of lower costs. Information and culture are being concentrated in the hands of a military-connected oligarchy. Art is subordinated to debt service. This is the logic of capitalism.

The only alternative for workers is to take the studios, networks and means of cultural production out of private hands and place them under public ownership and democratic control.