

The show will resume

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Striking writers go back to their desks

LAST week, everything was in jeopardy. A three-month strike by Hollywood's writers looked set to ruin the Oscars award ceremony late in February: actors were unwilling to cross writers' picket lines, so organisers planned to show film clips and movie history instead of the usual procession of dazzling stars. *Vanity Fair*, Hollywood's favourite magazine, cancelled its famous after-party. Television channels were scrambling to fill holes in their schedules as popular dramas ran out of scripts. But an agreement between writers and America's giant media conglomerates struck at the weekend means that things should soon return to normal in Tinseltown. On Tuesday February 12th the members of the west and east coast writers' unions vote on the deal.

Was it worth it? Writers lost about \$260m in earnings, according to Jack Kyser of the Los Angeles Economic Development Corporation, and other workers in the television and film industries missed out on another \$440m. Thousands of people lost their jobs because of the strike. The media conglomerates, on the other hand, are too big to feel much financial pain from a walkout lasting three months. Their broadcast-television units, however, which are already losing audience to cable TV, did suffer badly: a fifth of their audience may have drifted away because of the strike, according to Nielsen (a firm that monitors viewing figures), and some may never go back.

The main victory for the writers is that they will now get paid properly for their work when aired on new media. Previously, they got nothing for work that was streamed live on the internet, and only 0.3% of distributors' gross receipts when a show was sold online. Now they will get paid between 2% and 3% for streaming, and the payment for downloads has been doubled. If the internet is the future of video content, as many people believe, the weekend's agreement could greatly benefit Hollywood's scribes.

The devil, as usual, is in the detail. The residual payments for streaming start only after a 17-24 day window (which is when most people would want to catch up online with shows they missed on telly). The writers asked for a straightforward percentage of gross receipts, but settled for fixed dollar amounts, which limits their earnings compared with the studios. The writers made other concessions too: they for instance dropped their demand for a higher share of money from DVDs. They also gave up trying to get reality television and animation covered by union terms. That is important: being able to fill holes with reality shows protected the media companies financially during the strike. Some people point to the fact that the Directors Guild of America, whose contract was also up for renewal, managed to get a broadly similar deal from the media conglomerates without downing tools at all.

In other ways, too, the writers' strike may backfire on them. "It was a really dumb decision to go on strike," says Michael Nathanson, a media analyst at Sanford C. Bernstein, a bank, who gives warning that broadcast networks are likely to keep lots of cheap reality programming in their schedules even when the writers come back, which will mean less work for them. They are also cutting back on "development" contracts, where writers were kept on retainer while working on new programmes.

Now Hollywood is bracing itself again: actors are soon due to start negotiating with studios to renew their contract, which expires in June 2008. The Screen Actors Guild wields more power than the writers, since it can shut down all production immediately—stockpiling scripts would not work. It has gone on strike eight times in the past, compared with just once previously for the writers, and it has already said that it plans to take a hard line in negotiations on issues such as new media. After three months of disruption, though, no one on either side can have much appetite for another strike.

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