

The History of The Walt Disney Company and Its Context in the Study of the Political Economy of Communication

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Abstract

This paper was originally written for Matthew Greaves' CMNS 240 course *The Political Economy of Communication*. The assignment asked students to individually research and write an essay relevant to the political economy of communication while using a course reading or concept as a jumping-off point from which to explore an issue that piques their interest, and to refer to Mosco's four pillars of political economy during the construction of the paper. The paper uses APA citation style.

The study of the political economy of communication entails the examination of the power relations which exist in the production, distribution, and consumption of mass media within a society. Thus, the Walt Disney Company, being one of the world's largest producers and distributors of mass media products, is an entity of particular interest in the context of media studies. Previous explorations in the field have outlined various theoretical frameworks which lie at the foundation of the political economy of communication, and so this paper aimed to apply said concepts to the commercial processes and social implications relating to the operations of the Walt Disney Company. Ultimately, an investigation was conducted into the company's historical, operational, and cultural pertinence to various aspects regarding the political economy of communication, including the culture industry, audience commodity, and the theory of media imperialism.

Introduction

In a world dominated by the mass production, distribution, and consumption of media, the Walt Disney Company¹ stands out as one of the most prominent media conglomerates operating within the mass media industry; in terms of cultural, commercial, and economic influence, few corporations can compare to the dominance of Disney. This paper aims to investigate how Disney and its corporational subsidiaries are pertinent in the context and study of the political economy of communication. According to the first of Mosco's four pillars of political economy, "history and social change," it is important to consider the history of a particular entity in order to better understand its relevance in the present day (Mosco, 2009). Therefore, this paper will preface with an examination of the historical origins of Disney, with the aim of providing better insight into the company's rise to the top of the media industry where it stands today. Additional topics of discussion regarding Disney that will be explored in this paper include how it operates within and contributed to the rise of the culture industry, how the concept of the audience commodity is implemented by the company in its multitude of mass media-oriented products, and its relevance in the theories of cultural imperialism and media imperialism.

The History of the Walt Disney Company

Disney was not always the media powerhouse that we know it as today. According to Britannica (2021), the company originally started as the Laugh-O-gram Films studio, founded by Walt Disney and his animator friend Ub Iwerks in Kansas City in 1922. The company primarily produced cartoons based on fables, one of which was the short film *Alice in Cartoonland*. This film combined both animated and live-action elements and was eventually well-received, bringing Disney and his work to the major market of Hollywood. Further success came to the company in the form of their ground-breaking production, *Steamboat Willie* (1928), which not only introduced the world to the eventually iconic character of Mickey Mouse but was also the first animated cartoon that employed the use of synchronized sound. The company (which was renamed to Walt Disney Productions in 1929) continued to revolutionize the animation industry with *Snow White and the Seven Dwarfs* (1937), the first full-length animated film to see a significant amount of mainstream success. Disney's production of these feature-length animations continued with

¹ For the sake of brevity, the Walt Disney Company will hereinafter be referred to as "Disney."

Pinocchio (1940), *Fantasia* (1940), and *Dumbo* (1941), among numerous others. Although it cannot be denied that these early works produced by Disney were artistically innovative and culturally significant, the commercial aspects of operating a company fundamentally and financially based around the production and distribution of mass media was in many ways as, if not more, important to the company's operations alongside the creative aspects. Enter the culture industry and the Disney animators' strike of 1941.

Disney and the Culture Industry

The concept of the culture industry was discussed in depth by Adorno and Rabinbach (1975), and claims that the division of labour implemented in the production process of films (and other artistic media) resembled the employment of machines in commercial affairs; furthermore, this concept claims that cultural entities themselves—such as the works produced by Disney—are, on a fundamental level, commodities to be produced and distributed, granted Adorno and Rabinbach acknowledge that this does not necessarily mean that said commodities are standardized to the extent that creative individuality is sacrificed in the name of profit. This holds true in the case of Disney, as proven by the innovative works of animation which they produced. However, that is not to say that the elements of the culture industry were not felt by the company. In fact, the Disney animators' strike in 1941 was in many ways a statement of how the implications and processes of operating within the culture industry impacted the workers and ultimately, the company itself. Adorno and Rabinbach stress the importance for those involved with the culture industry to maintain a critical perspective, and “not to cower in the face of its monopolistic character” (p. 15). The Disney employees' vehement demand for better wages and working conditions clearly reflects their critical standpoint of the processes regarding the culture industry, and in some ways challenges the concept's efficaciousness in terms of control as presented by Adorno and Rabinbach, and the thinkers of the Frankfurt School.

As Disney and its productions began to experience greater amounts of financial success throughout the years, the company continued to expand its media empire through further commercial ventures. This included the acquisition of several major media properties, including the sports cable network ESPN, animation studio Pixar, and entertainment media properties such as Marvel Entertainment and Lucasfilm. In some ways, these acquisitions demonstrate the furthering of Disney's operations into the culture industry.

In today's age of mass media, popular sports are a major part of the culture industry: "Professional sport is now a commodity that can be bought and sold by the media, as well as a vehicle through which other businesses can promote and sell their products" (Nicholson, 2007: 8-13, as cited in Özsoy, 2018). In many ways, this concept parallels the Frankfurt School's idea of audience formation and manipulation; one example is how media content is often broadcasted at specific times to maximize audience viewership—primetime hockey in the evening for instance. Furthermore, encouragement of audience consumption is inherently linked with popular sports broadcasts as advertisements are distributed prevalently throughout the program, for instance, during timeouts, on player uniforms, and around the physical arena. Popular sports in today's age are a carefully crafted product, marketed as entertainment but serve the commercial purpose of corporate profit. Roche (2000: 12, as cited in Özsoy, 2018) makes the point that events such as the FIFA World Cup and the Olympics are at their roots a global capitalist venture. Thus, it can be seen how the Disney-owned ESPN broadcasting company, with its multitude of sports programs, distributes the standardized culture industry commodity of sports to millions of consumers on a daily basis.

Another commodity of the culture industry that can be argued is produced and distributed by Disney are films. Although the company produces a wide variety of films, an argument can be made for the films based on the Marvel properties (known colloquially as the Marvel Cinematic Universe, or MCU) to be particularly relevant in this context. A core idea of the culture industry concept is the commodification of culture; in the context of film, it can be described as creating films not to explore the world or to be aesthetically or culturally significant, but to earn profit. The films of the MCU have been criticized to be detrimentally formulaic and franchised. For instance, filmmaker Martin Scorsese wrote for the *New York Times*:

Many films today are perfect products manufactured for immediate consumption. Many of them are well made by teams of talented individuals. All the same, they lack something essential to cinema: the unifying vision of an individual artist. Because, of course, the individual artist is the riskiest factor of all. (Scorsese, 2019)

Scorsese's criticisms embody a fundamental idea in the culture industry concept; as said by Adorno & Rabinbach (1975): "Cultural entities typical of the culture industry are no longer also commodities, they are commodities through and through" (p. 13). This notion makes sense from a commercial perspective as

audiences are more likely to engage with familiar content, thus it can be argued that the franchisal productions of the MCU operate within the borders of the culture industry. As Scorsese wrote: "... the most ominous change [in the film industry is] ... the gradual but steady elimination of risk." A different perspective on this topic was provided by Gemma Chan, an actress in the MCU film *Eternals* (2021), in an interview for Elle:

... For me, one of the most powerful things about Marvel films is that they are seen globally—the reach of them ... Marvel has been bringing in directors from the independent film world who have a unique point of view on the world. You think about the diversity of this cast and what message that's going to send to all corners of the globe ... There is something about the potential and the impact that these films can have, which is amazing. (Chan, 2021)

Chan proposes that MCU films have a global cultural impact, and the recent implementation of independent directors in the films can reduce their sense of standardization and provide a unique artistic aesthetic. Scorsese and Chan provide different perspectives on these films, and both views contain legitimate points regarding their impact on society within the context of the political economy of communication.

Disney and the Audience Commodity

The notion of the audience commodity, as proposed by Smythe (1977), claims that the products of mass media produced and distributed by corporations are of secondary concern compared to their potential for advertising, as that is the corporations' main source of revenue. Thus, there is a strong argument that the operations of Disney, one of the largest mass-media producing companies in the world, is applicable to the audience commodity hypothesis.

Disney-produced films are a centerpiece commodity of their operations as a company; the company rose to prominence through the success of their early animated works and even today, Disney-produced films are both culturally and commercially relevant in a dominant manner. Smythe argues that cultural media commodities can be compared to free lunches provided by old-time saloons; these businesses would draw in customers with a free lunch and would provide them with food that would whet their appetites, resulting in the customer purchasing drinks, ultimately earning a profit as the cost of the food would be offset by the profit from the drinks. In the context of the media industry, the media products (films, television, radio, etc.) are the free lunches to draw in an audience for the

advertisers, which would be the source of profit—as the drinks were to the saloons. However, Murdock (1978, as cited in Meehan, 2006) disagrees with this argument. Murdock claimed that cultural commodities earning revenue directly from audiences (such as books, films, and music) were different from those primarily earning them from advertisers (such as television programs, newspapers, and magazines), in the sense that they can provide some sense of cultural value and use to the consumer, namely “[t]he images, ideas, visions, narratives, characters, and performances embodied in the media artifact” (Meehan, 2006, p. 313). In the case of Disney’s products, this is undoubtedly true on some level; the plethora of media-based content created and distributed by the company has produced not only significant cultural influence (as seen in their early innovations in animation), but also direct benefits for the audience, both in terms of aesthetic and cultural value.

However, a different perspective should also be considered. Meehan states: “[A]s advertising (‘product placement’) increasingly shaped content in movies and books, the demarcation between advertiser-supported and audience-supported media artifacts thinned” (p. 314). This idea of product placement (i.e., making deals with brands to integrate their products within the diegesis of the film) is prevalent in Disney-produced media. Regarding the film *Mr. Destiny* (1990) for example, “Disney reportedly was charging advertisers \$20,000 for just showing the product, \$40,000 to show the product and have an actor mention the product’s name, and \$60,000 for an actor to be shown using the product” (Snyder, 1992, p. 305). This practice can also be argued to be promoting the notion of consumerism within its audience. Thus, these differing perspectives can put into debate whether Disney and its media-oriented products are applicable to the concept of Smythe’s audience commodity hypothesis.

Disney and the Theory of Media Imperialism

The theory of media imperialism, as described by Boyd-Barrett (2019), is a subset of cultural imperialism and involves the international process of media ownership, structure, and production being distributed by a culturally ideological corporate entity. This generally refers to Western culture being the dominant source of the one-way flow of media content. Thus, Disney, as an international power in producing and distributing mass-media commodities, is undoubtedly involved in the process of media imperialism.

According to Boyd-Barrett (2019), the global entertainment industry is primarily controlled by two companies: Disney and Netflix. This is supported by

Disney's annual global revenue for the fiscal year of 2020, with it being at \$65.39 billion (USD), making it the highest-earning media company in the world in terms of revenue. \$13.4 billion of that revenue was earned from international markets outside the United States and Canada, indicating that the company holds a large amount of market share outside of the Western countries where it originated (Statista, 2021). Schiller (1976, as cited in Jin, 2007) claims that "the dominance of the US and a few European nations in the global flow of media products as an integral component of Western imperialism" (p. 754). Disney's high market share in international markets, combined with its Western culture-influenced media commodities being distributed in those international countries supports this notion, and it can be argued that Disney's economic control in foreign countries promotes the spread of cultural and Western ideologies, thus engaging in the practice described by Body-Barrett in his theory of media imperialism.

Conclusion

Disney, as one of the world's leading mass media production and distribution companies, is relevant in the study of the political economy of communication in a multitude of ways. Historically, the company rose to prominence through the culture industry, producing animated films. Over time, its array of culture industry-oriented products grew to include the broadcasting of mass spectator sports, whilst continuing to produce films at a high rate, including films in the Marvel Cinematic Universe. Although these films were criticized by some to be formulaic in nature—reminiscent of the ideas presented in the culture industry concept—a contrasting perspective proposes that these films' sense of diversity and implementation of independent directors are aesthetically and culturally significant. This sense of cultural value does not support Smythe's audience commodity hypothesis—however, an alternate perspective regarding product placement in Disney films can be argued to promote consumerism within the audience, thus supporting Smythe's proposal. Lastly, the concept of media imperialism was explored in the context of Disney's economic prevalence in international markets. In terms of future research, empirical studies can be conducted on Disney's current and future productions; being in a position of high economic prosperity, the company will continue to produce and distribute multimedia commodities at a high rate, and the concepts discussed in this paper will undoubtedly be applicable in future research on said media.

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