

**CREATIVE INDUSTRIES, THE WAY FORWARD**

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December 2009

## INTRODUCTION

The project proposes to study indigenous non-traditional cultural production or what has come to be referred to as ‘*creative industries*’ (e.g. media, audio-visual industry, film, television) in recent times.<sup>1</sup> By creative industries we refer to the vast sector that has emerged with the arrival of *modern technologies* and forms of mass reproduction since the colonial period. This sector has now become an important site of intervention for both governments such as in UK, Australia and India and international agencies such as the United Nations.

This study is a part of a larger CIDASIA initiative to research the area of what we call ‘*culture industries*’ that includes both ‘creative industries’ and ‘cultural industries’ (including crafts and legacy industries), focussing on the increasing areas of overlap between the two. The initiative attempts to assess the viability of international and government policies for cultural and creative industries and thus lay the groundwork for a hitherto unprecedented intervention of philanthropic organizations in the domain. We specifically focus on culture industries through the node of ‘livelihoods’ that we see as inextricably tied to this sector. In attempting to do so we will critically examine influential paradigms and frameworks that have in the recent past determined the response of the state as well as philanthropists in the broad area of arts and culture.

The present study restricts itself to the creative industries sector, using the cases of film, print and music industries. It attempts to map the complex linkages between creative industries, economy and livelihoods to ask: What modes of intervention would be available for policy makers and activists alike? What intellectual challenges does the state of culture in our context throw up for academics and researchers?

## CREATIVE INDUSTRIES: REPOSITIONING THE DEBATE

The recent discussions on creative industries and creative economy have brought into focus “the interface among creativity, culture, economics and technology” (UNCTAD 2008, 5) and the importance of a “multidisciplinary, holistic and multisectoral approach” to understand the nature of creative industries (ibid, 15). In the words of the UN Report ‘creative industries’ is defined as follows:

...the creative industries are at the crossroads of the arts, culture, business and technology. In other words, they comprise the cycle of creation, production and distribution of goods and services that use intellectual capital as their primary input. Today’s creative industries involve the primary interplay of traditional, technology-intensive and service-oriented fields such as architectural and advertising services. All these activities are intensive in

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<sup>1</sup> This report was submitted as part of a project on “Cultural Production and Livelihoods in the Age of the E&M Industry: Study of the Culture Industry in Bihar and Karnataka” conducted by the CIDASIA Research Programme. We wish to thank Sir Ratan Tata Trust for supporting the project.

creative skills and can generate income through trade and intellectual property rights. (ibid, 6)

Elsewhere:

“Creativity” in this context [of globalization] refers to the formulation of new ideas and to the application of these ideas to produce original works of art and cultural products, functional creations, scientific inventions and technological innovations. There is thus an economic aspect to creativity, observable in the way it contributes to entrepreneurship, fosters innovation, enhances productivity and promotes economic growth. (ibid, 11)

Thus, creative industries cannot be seen outside of its economic dimension—that of generating value and being an object of exchange. Not only international agencies, but the Indian government too is giving importance to this sector because of its ability to “foster economic and developmental gains” for a country (India Planning Commission 2006; 2007). Creative industries are seen as central to the new economy (characterised as creative economy/knowledge economy) where the value of manufactured products will come from creativity and knowledge. The Planning Commission’s Report states that:

In the new economy, more of the value of manufactured products will come from the...intelligence they embody, and more of what we consume will be in the form of services. Across all sectors the knowledge content of products and processes is rising...knowledge push and market pull have made know how the critical source of competitive advantage in the modern economy.

(Leadbeater 1999, as quoted in Asian Heritage Foundation 2006, 55)

The report reinstates the point that:

[In a creative economy] it is not that commodity manufacture provides the template, and culture follows, but that the culture industries themselves have provided the template.

(Lash and Urry 1994, as quoted in Asian Heritage Foundation 2006, 56)

Here, the generation of value both for the producer and the country is envisaged through primarily “trade and IPR”:

The phenomenon of a dynamic global business using creativity, traditional knowledge and intellectual property to produce products and services with social and cultural meaning, points to the next Big Idea.

(Ahluwalia 2006; India Planning Commission 2006; 2007)

Further, intellectual property rights is seen as the means to ensure the protection of 'livelihoods' and 'identity' of a people. The international convention on “Cultural Diversity” that recognized the need to treat cultural commodities as different from other industrial commodities since cultural commodities are tied to “people’s identity and value” and hence can be an ‘exception’ within international trade agreements like GATT, cites as central:

*Recognizing the importance of intellectual property rights in sustaining those involved in cultural creativity” (Unesco Convention on the Protection and Promotion of the Diversity of Cultural Expressions 2005)*

We suggest that the route of ‘intellectual property rights’ is not only misplaced but detrimental to the large number of livelihoods attached to indigenous culture industries given that the conditions of employment are driven by low skill and low capital investment and traverse the legal-illegal divide. Let us examine below two of the central characteristics of culture industries. As has been pointed out in existing policy documents, its importance lies in **generating livelihood**. However, culture industries have a tenuous relationship with the law, a condition that is not taken into account in existing policy articulations.<sup>2</sup>

## 1. Culture Industries and Livelihood

The livelihoods question has been a key area of concern for culture industries-both cultural and creative industries. Interventions in the craft sector have highlighted this importance:

India is a country with over a crore of handloom weavers and an equal, if not larger, number of crafts people engaged in diverse crafts from pottery to basket making, stone ware, glass ware, hand made paper products and multifarious other utility items made out of local, available materials. This is because of positive and negative compulsions in that these artisans know no other skill due to centuries of immobility arising out of rigid caste structures, and because of a lack of viable economic options. (Jaya Jaitly 2005)

Similarly the Planning Commission perceives creative industries as a key element in national policy on culture because of its employment capacity. It set up a Task Force on Creative and Cultural Industries which concerned itself with “Positioning the Big Idea”. Montek Singh Ahluwalia, Executive Head of the Planning Commission perceived the “traditional sector as self-organized and not un-organized sector” the importance of which is its “critical human resource component” though it might not currently reflect in our “national income accounts”. Further, this resource needs recognition and “ground

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<sup>2</sup> It might be interesting to see connections between culture industries and Chatterjee’s reflections on non-corporate capital that is an under-studied but thriving part of our economy. In a recent article, he argues that non-corporate capital circulates in between legality and illegality and has as its focus not accumulation of capital but livelihood (2008).

level support, similar to that given for IT and other empowered initiatives — not handouts.” (Ahluwalia 2006) The task before hand for the Planning Commission is to help make the transition of cultural industries (traditional art and craft) into creative industries with the help of “design and media industry” and thus “create original inroads into the global market.” The bringing together of the tradition and technology will not “just bring us at par with international strategy” but will “create distinctively Indian products and services...our own original contribution that can hold its own against the best the world has to offer” (Ahluwalia 2006). What places India in a unique position to achieve this goal is its vast human resources—“the largest number of economically vulnerable people all over the country”—which in turn will find employment in these industries (Ahluwalia 2006).

Rajeev Sethi, Chairman of the Asian Heritage Foundation and vice-chairperson of the Taskforce on Cultural and Creative Industries, Planning Commission projects the cultural and creative industries as the sector emerging as one that has the potential to employ currently unemployed/underemployed people, especially in rural areas. He presents the following as the employment scenario of cultural and creative industries in India:

	<i>% of Workforce</i>	<i>No. of people</i>	<i>% share in GDP</i>	<i>Amt. (Rs.) GDP</i>	<i>Growth Rate %</i>
<i>Population of India (2005 E)</i>		110 Crores			
<i>Employed (Workforce)</i>		50 Crores			
<i>Agriculture (Cultivators &amp; Agri Labour)</i>	48%	24 Crores	20%	6,00,000 Cr.	2-3%
<i>Organised Industry &amp; Services</i>	22%	11 Crores	66%	20,00,000 Cr.	10-12%
<i>“Self-organised”/Household/ Artesenal/Legacy Industries</i>	30%	15 Crores	14%	4,00,000 Cr.	12-15%

(Sethi 2006, p.19)

The current employment percentage for cultural and creative industries is shown as a whopping 30% vis-à-vis that of agriculture constituting 40% and that of organized industries being 22%. Also with a growth rate of 12-15% unlike that of agriculture (2-3%) and of organized industry (10-12%), Sethi concludes that:

Creative, cultural and traditional/legacy industries is the only key to gainfully employ this potential work force especially in the rural areas which attract very little industrial investment/interest. This workforce (at least the literate population) can be absorbed in the industry if an enabling environment is created within next 6 to 8 years. The additional contribution to GDP created by the potential employment in this sector

even at one-half the per-capita income (Rs.18,000 pa) is to the tune of Rs. 216,000 crores (6% of GDP at current prices). (Sethi 2006, p.19)

Furthering the above discussion that highlights the contribution to livelihood by culture industries, the project's specific analysis of the film industry ratifies the importance of livelihood. The film industry generates a range of employment categories from: Manager-Typist-Driver-Sweeper et al in the Production sector; Manager-Film-checking operator-Godown Clerk et al in Distribution sector; Artist-Letter Painter-Poster paster et al in Publicity sector. There are in all in Production (including painting art and make-up), Distribution and Publicity sectors 26, 23 and 38 categories respectively (Hyderabad State Film Chamber of Commerce Diary 2004). Further, the exhibition sector generates its own categories of employment, not merely at the level of ticket-selling but the innumerable economies that are not directly linked to the film itself—canteens and cycle stands in cinema theatres. These livelihoods typically require low education qualifications and low capital investment. These economies, that we characterise as the 'underground economy' of culture industries, as we will discuss later, articulate their concerns through politics—such as that of Kannada identity in the context of Karnataka.

Chatterjee's argument about the nature of non-corporate capital that revolves around livelihood questions unlike corporate capital that aims at capital accumulation is valid in the case of indigenous cultural economy (See Chatterjee 2008). It is in the name of livelihood that this sector has given rise to innumerable associations and unions that demand the state's strategic intervention—legal and otherwise.<sup>3</sup> Again, it is the livelihood aspect, which figures in Karnataka film industry GOs as "public interest", that has facilitated the film industry to receive government subsidies in the form of production subsidy, Entertainment Tax (ET) relief for Kannada films etc. For example, the subsidy provided by the government for building of theatres outside of Bangalore (since the investors are small-time businessmen) and exemption for these theatres from ET for the first three years states it is in the name of "public interest" (Karnataka GO 1994). These subsidies are being provided despite the low percentage of revenue currently generated for the government, something the government acknowledges. During the period of 1993 to 2003, the Contribution of Entertainment Tax to Karnataka's GSDP has constituted a minimum of 0.18% and maximum of 0.32% (Karnataka Development Report 2004).<sup>4</sup>

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<sup>3</sup> The Karnataka Film Workers Artists and Technicians Federation (KFWATF) that was formed in 1987 is federation of 11 unions—Karnataka Motion Picture Production Executives Sangha; Cine Drivers Association; All Karnataka Cine Stunt Director and Stunt Artist Association; Karnataka Rajya Chalanachitra Varnalankara mathu Keshalankara Kalavidara Sangha; Karnataka Chalanachitra Light Man Sangha; Karnataka Chalanachitra Kantadhana mathu Kirupatra Kalavidara Sangha; Karnataka State Cine Dance Directors and Dancers Association-Bangalore; Karnataka Chalanachitra Saha Kalavidara Sangha; Film Employee's Federation Cine Production Assistants and Light Men Union of Karnataka State-Bangalore; Karnataka Chalanachitra Horangana Ghataka Thantrajnara Sangha and Production Boys Association(<http://www.karnatakalabourfederation.org/html/Federation%20of%20Karnataka%20Cinema%20artists%20and%20Technicians%20Unions.html> ).

<sup>4</sup> The reasons for Entertainment Tax (ET) merely contributing a small percentage to the State Domestic Product (SDP) are cited as 1. An improper administrative regulation—the licensing authority is different from the tax collecting agency and 2. The evasion of tax, which arises out of the high rate of ET in Karnataka, which is 75% compared to Tamil Nadu's 25%. The revenue is greater in the latter state (KDR 2004).

However, in 2002-2004 Karnataka government foresees a possible increase in revenue from this sector through its opening up to private investment (Karnataka Development Report 2004).

## 2. Tenuous relationship with the law

The circulation of illegal money in culture industries is widely acknowledged and occurs at various levels. In the tabloid industry, as our study showed newsprint is often bought in the black-market, underworld money supports the industry<sup>5</sup> and the legality of the roadside stalls or shacks that sell the paper are often disputable (Huliyar 2009; Shankar 2009; Ashoka 2009).<sup>6</sup> In the film industry there is evidence of black money in production (Prasad 2000), piracy of prints is an issue that the industry has been vocal about (KFCC 1995), silver from film scrap is stated to be sold illegally and there are leaks in the exhibition sector—producers complain that the theatre crew sometimes does not tear the ticket before allowing audience inside; the exhibitors include and claim costs that have not been incurred; the exhibitors bribe the agent from the distribution house and show false reports (Chandrashekar 2009; See also Vijaya et al 1984; Prasad 2000). We will return to aspect of piracy and illegality discuss later in the report.

This does not mean that these industries do not function with a logic-sometimes implied in the discussions around the ‘unorganised sector’.<sup>7</sup> It is a logic that is defined on its own terms, what the Planning Commission document (Ahluwalia 2006) itself recognizes as ‘self-organized’ rather than ‘un-organized’—where networks and modes of negotiations are fairly established.

Given the above two conditions of livelihoods tied to the culture industries—of low capital investment and of disputable legality, the question that we ask of the existing models of creative and cultural industries is whether the route of copyright and intellectual property right will enable the protection of such livelihoods.

We further elaborate below the underground economy of culture industries with specific reference to the Kannada industry but before that we would like to briefly address the conventionally posed divide between culture industries and traditional culture that continues to have prevalence in some quarters today. For example, we hear arguments about culture industries as more amenable to monetisability than traditional culture

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Just to clarify, under industrial categories, the newspaper and film industry fall under the Entertainment Industry, which comes under “Other Services” in the “Tertiary Sector” or the services sector. This sector includes both organized and unorganized segments.

<sup>5</sup> The current Kannada tabloids *Hai Bangalore* (ed. Ravi Belegere) and *Agni* (ed. Sridhar) have money from the underworld flowing into it. Ravi Belegere of *Hai Bangalore* is said to extort money and Sridhar of *Agni* is said to have brought in money that he had gained while he was in the underworld earlier (Huliyar 2009).

<sup>6</sup> As part of the study we conducted a series of interviews with ex-employees of tabloids and of roadside vendors of tabloids.

<sup>7</sup> Shivakumar et al argue that the construction industry contain intricate systems and negotiations. As against available literature that suggests that “the construction industry lacks a coherent, systematic recruitment foundation, despite their flashes of descriptive richness” they argue that though “employment practices tend to be neither formal nor regularized...[they are] based upon... stable and enduring employer-employee relationship” and recruitment practice (1991).

(Consultation on Culture Industries, Cultural Diversity and Cultural Policy in the Time of Globalisation 2007; CultureAsia 2008). What we would like to suggest is the absence of the divide, since both use technology and are importantly part of the market circuit. We need to note that the division actually emerges post-independence heralded by the state's own stamp of authenticity on high culture and folk culture while relegating culture industries to at best a commercial enterprise and at worst an embarrassment, a divide that also finds its presence in modernist representations (Kapur 2001). Our study moves away from any modernist investment in the traditional or folk as symbolizing authentic Indian culture and instead emphasize how what is termed as 'folk' or 'traditional' culture are in fact part of culture industries today.

### **Underground/Invisible Economy of Culture Industries: Evidence from the Film Industry in Karnataka**

As discussed above, film industry is a useful starting point to elaborate on the differences between the creative industries' approach to cultural production and what we are calling the cultural economy as exemplified by indigenous culture industries. The case of the Kannada film industry is particularly interesting because of the active role played by the state government in ensuring the survival of what is arguably the least commercially viable film industry in southern India. Commercial viability is in fact a problem with all film industries in India. It has been argued by film commentators that from as early as the 1940s the film industry in India has not made profits. This is to say that a vast majority of films, as commodities, have almost never in the past sixty odd years generated a surplus at the box-office. While this implies that film production has almost always been predicated on new investments flowing into the industry from agriculture, commodity trade, bootlegging, smuggling, real estate and even the underworld, a question that it raises is what kind of an 'industry' is this? The question assumes importance in the light of the fact that even before Independence the film industry was among the largest *industries* in India (Madhuja Mukherjee 2008). In the 1990s the Telugu film industry claimed that film was *the largest* industry in the state of Andhra Pradesh in terms of the employment it provided (*AP Film Diary 1995*). The film industry therefore alerts us to a *paradigm of cultural production* as also an *economic model* that is not easily comprehensible in conventional terms. In the section below we would like to argue that the cinema's importance for the understanding of cultural economy lies in the multiple ways in which the film industry encounters the problem of *leakage of value*, which is characteristic of all cultural commodities. In this situation, our study shows, the very survival of the indigenous culture industries is predicated on its access to cheap labour as also *multiple sources of revenue* that are often *invisible* or *underground*.

The intervention of the government and the importance of its loans and subsidies' packages for the survival of the Kannada film industry, however, should not prevent us from noting that the cinema is a part of a thriving invisible economy. Further, the underground economy that the film industry is a part of is at times dubiously legal, involving a range of practices that include piracy of film prints, tax-evasion and other such practices (discussed below), but also provides employment to a number of people directly and spawns a whole spectrum of activities that use the cinema as a resource but

do not in fact have anything to do with the film industry as such. The latter has been well documented in the study of what Indian film scholars call the *Bollywoodization of Indian cinema* (Rajadhyaksha 2003). We would therefore like to focus on the relatively under-explored area of the cinema's invisible economy.

In the section below we outline the argument on film as an indigenous culture industry. Our argument tracks the career of film as commodity along two temporal axes. First, which we suggest is in fact common to culture industries in general, is the timeline of the cultural commodity, from the mopping up of capital invested in production to the final frontiers of the market, which in effect is the grey economy of distribution and exhibition. Second is the illustration of this with reference to the chronology of the Kannada film industry and its imbrication with politics.

#### Axis 1: Culture as commodity and resource

Schematically the first axis may be represented thus:

P (Production) → C (Commodity) → E (Exhibition)

The problem encountered at point P is that there is no guarantee that C will generate a surplus at E due to the leakage of value at that end of the chain. Indian film industries have historically been under the control of the Exhibition sector for a variety of reasons. The economies of exhibition is something we will elaborate on below. In this situation the production end of the chain is sustained by a) new or migrant capital—capital that has quite literally moved from another place (the village, for example) and activity (trade, bootlegging, etc) and b) presale of films to the distribution-exhibition sectors. In some film industries, especially Kannada, this has been augmented by additional source c) subsidies by the state government. State subsidies were a result, in part, of the recognition by local governments of a political mandate of film industries. This mandate was to inevitably make films in languages that were in fact the *raison d'être* of the formation of the linguistic state in question. Furthermore, employment of large numbers of people in the film industries (about 26, 23 and 38 categories in production, distribution and publicity sectors respectively as detailed above) has been one of the grounds on which state subsidy has been sought by the industries in question.

When the film travels along the axis to E, it becomes part of a thriving economy which includes such activities as piracy, black-marketing of tickets, etc. Furthermore, the space of exhibition itself is one in which box office is only one of the multiple sources of revenue that is generated around filmviewing. The other sources include rent from parking spaces, canteens, advertisements, etc. Studies from other parts of India have shown that this sector of the film industry indulges in such dubiously legal practices as trade in condemned films, exhibition of uncensored films and unauthorized change of film titles (Srinivas 2003). From the 1980s the exhibitor has in fact become more or less completely insulated from the film's performance at the box office by charging flat rents for the hire of screen. At the E end of the chain too we notice relatively high rates of employment generation (at least 23 categories). Furthermore, the government has tended to delegitimize exhibition economies and imposed high rates of taxation (in Karnataka

this has ranged from 75% to 100% of net ticket price). Karnataka has also witnessed frequent conflict of interest between production and distribution-exhibition sectors around the question of language. From this history of conflict it is possible to suggest that one of the political problems with exhibition is that it is agnostic to *content* or *language* of film.

#### Video culture and leakage of value

A further point to be noted is that film has a life even beyond E, except that its circulation beyond the cinema hall has an even smaller chance of being translated into revenue for the production section. Notice for example the ‘video boom’ during the 1980s and 1990s due to the liberalization of video licensing which in many ways anticipates the digital era piracy of filmed entertainment<sup>8</sup>.

According to a survey conducted in 1984 there were around 2000 “video coaches”, 1000 video theatres in India by 1984. The annual turn-over of this industry was more than 100 crores then. Around 5 lakh VCRs were in India at that time and every month some 30,000 VCRs came to India through customs and almost double in black market (KFCC 1995).

The growth of the video market created a new source of revenue at the exhibition end for the film industry but there is no evidence to suggest that this has had any impact on the bottomlines of the production sector. Emergence of new technologies and screens for watching movies has not significantly altered the economic model of the film industry where a range of activities are facilitated by and indeed dependent on the cinema but do not result in profits for the production sector as such. Likewise, the economies of video and other post-celluloid formats in which films circulate form a penumbra around the film industry. The cultural commodity therefore belong to a chain of activities that may now be represented thus:

Migrant capital, Advances from E and State Subsidies → P (Production) → C (Commodity) → E (Exhibition, or primary market M1) → M2 (Market beyond exhibition)

M2 is the domain of a cultural economy which does not bring in any revenue to P. While piracy has been the most discussed activity in this category, historically speaking the cinema has been a key resource for a variety of petty enterprises that produce film related merchandise (picture postcards, diaries, calendars, etc) that in turn provides livelihoods to innumerable vendors who sell their wares on the street. Illegality therefore accounts for but a small part of M2. This market is typically in the hands of petty entrepreneurs who for the most part use film as a raw material and resource for other cultural forms which in turn feed into and spawn fan cultures.

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<sup>8</sup> Whereas regular theatres had to invest a few lakhs of rupees, video theatres proliferated since they hardly invested a few thousands. Also, while regular theatres had to pay a high entertainment tax, video parlours and theatres had a fixed entertainment tax of 2,500/- that was further reduced to 1,500/- per month irrespective of the shows they conducted everyday. Further, district authorities were seen as overlooking the provisions of the Cinematograph Act as applicable to the video theatres. Additionally, video theatres started installing video screens which gave them bigger image and neither police nor industry could monitor these screenings (Kannada Film Chamber of Commerce 1995).

Although the production sector does not receive *royalty* for the circulation of film, images, music or stars it has manufactured, M2 pays another kind of dividend to P. If the first demographic dividend that P receives is subsidies that are premised on the importance of the sector as a source of livelihood, M2 is the source of the *second demographic dividend*. M2 expands the contours film's cultural economy well beyond the cinema hall. The most important contribution of M2 is its role in creating what Ashish Rajadhyaksha has called the *cinema effect*, wherein the cinema is widely dispersed across spaces and media to become a part of a sphere of circulation that has nothing to do with the film industry but also films themselves.

It is when we recognize the presence of M2 that we can account for the nature of the cinema as a cultural and economic form. Loss of value of the commodity—as also the 'worthlessness' of the industry as a proposition for serious investors—is inseparably linked to its *universal* dispersal across the public domain.

In the southern states, for historical reasons, this dispersal of the cinema has made it a readily available resource for *political mobilizations*, including caste mobilizations. The movement of the cinema beyond the cinema hall is most clearly evident in the uniquely south Indian phenomenon of fans' associations of film stars. From collective viewing of films to participation in charitable actions as also caste and political mobilizations, fan activity is both evidence of and also predicated on the existence of the cinema's underground economies. Typically, fans consume not only films but also the film related merchandise produced by the petty entrepreneurs. Fans are known to indulge in the black-marketing of tickets to raise money to pay for their activities therefore making a further foray into the underground economy of the cinema. Simultaneously, fans invoke the film star of their choice in spaces and spheres of activity that the star in question may himself be either unaware of or incapable exerting any control over.

Leakage of value, most strikingly evident in the domain of M2, therefore coexists with an *excess of signification*. The availability of the cinema and its stars for political mobilization is but one instance of the visibility that accrues to the cinema in spite of the inability of the film industry to generate above-the-line revenues.

While the link between cinema and politics in Tamil Nadu, Andhra Pradesh and Karnataka is overdetermined by the complex histories of linguist identity politics before and after the formation of linguistic states in 1956, it is interesting to note the significance of the late 1970s and early 1980s for the film industries here as well as their linkages with politics. The imbrication of the cinema with post-Emergency mobilizations in this region threw up two Chief Ministers (M.G. Ramachandran, 1977 and N.T. Rama Rao, 1983) but also a new cultural-political icon Rajkumar.

Our study of Karnataka shows that at certain moments in the history of the film industry there is a *surfacing* of the underground economy of the cinema, which offer valuable insights into how the cinema has survived in spite of its alleged inability to return profits at the box-office. At these moments the cinema becomes an attractive investment

proposition for reasons that do not always have to do with its generation of box office returns. *The moment of the surfacing of the cinema and its economies is one when it comes in close contact with agitational politics and has lasting consequences.*

As we shall discuss in Section 2, an early instance, if not the first, of the surfacing of the cinema and its reconstitution as a significant player in identity politics occurred in the mid 1960s. This was a moment when Kannada cinema and contests internal to the film industry (such as for example the conflict between the production sector and the distribution-exhibition sectors) suddenly became a matter of concern for Kannada identity politics. Political formations that had as their primary constituency new Kannada speaking migrants into Bangalore began to agitate against the screening of non-Kannada (especially Tamil) films. This was the time when there was a spurt in Kannada film production (from 12 in 1961 to 24 in 1967 and 36 in 1968, according to Rajadhyaksha and Willemen 1999: 31). There is no evidence to suggest that the rise in film production had anything to do with improved box-office returns.

The state government played an important role in shaping this moment with the announcement of a regime of subsidies from 1967 (Vijaya et al 1984). What the government had effectively done was to *ratify* the channeling of surpluses generated from commercial agriculture (discussed in Section 2). Agriculture had benefitted immensely from improved irrigation facilities, reduction of land revenue and higher procurement prices of agricultural commodities. Tracking the movement of capital from the countryside to urban areas of Andhra Pradesh in this period S. Ananth (2007) draws attention to the role of the state in facilitating the generation of *mobile* surpluses, which were destined for deployment far away from the village but were part of complex circuits of capital flows that linked the village and city. The cinema is arguably an important destination for surpluses generated by a booming agricultural sector in the 1960s. This movement of rural capital corresponded with the movement of sections of the landed and landless peasantry into urban areas around this time.<sup>9</sup>

In Karnataka, as in neighbouring Andhra Pradesh, the cinema played an important role in rise to economic and political prominence of the rural rich firstly by serving as a key site of investment. Furthermore, from around this time the emergence of Kannada cinema as a key area of concern for Kannada Chaluvalikars (discussed in Section 2) effectively meant that investment in film production was a means of acquiring a stake in a specific kind of identity politics.

The second moment of surfacing of the cinema's economy occurred in the late 1970s and early 1980s. This too was a period of a spurt in film production (49 in 1977 to 68 in 1980 50 in 1982 and 71 in 1983). In the intervening period the domain of M2 (circulation of

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<sup>9</sup> The population in Bangalore during 1961, 1971 and 1981 was 12.07 lakhs, 16.54 lakhs and 29.13 lakhs respectively. The percentage of the increase during 1961-1971 was 37.00% whereas 76.72% in 1971-1981 (Nair 2000, 170-171). As we will discuss in detail later, the late 1960s is particularly significant for migration into Bangalore of the Kannada-speaking population for it is then that we see the forming of Kannada Sanghas in the public sector enterprises a corresponding rise in the demand for jobs and visibility of Kannada culture (ibid, 280).

the cinema beyond the space of its exhibition) had not only expanded but this expansion was a direct consequence of the emergence of a new kind of star who was a public personality identified with a range of causes, including for example well publicized charitable actions. Further, the film star was the centre of a hitherto unprecedented mobilization of fans. The most important figure to have emerged in this period was Rajkumar. Post *Mayor Muttanna* (Siddalingaiah, 1969) migration into the city and the fate of migrants became an important thematic concern of Rajkumar's oeuvre, which also includes film depicting the past glory of the Kannada nation. The star and his fans were part a constellation that included political agitators invoking Kannada identity and the popular press with in their own ways acted out the anxieties and concerns of new migrants into the city. This constellation was in the forefront of a major agitation demanding the implementation of the Gokak Report, which among other things recommended that the proficiency of Kannada language be made compulsory in certain categories of government jobs. This agitation played a crucial role in dislodging the Congress from power in the 1983. The constellation of the film star, his fan, the Chaluvallikar and the tabloid editor were not only key players in a new kind of agitational politics which effectively displaced the middle class literature and cultural elite as the defining element of linguistic identity politics. Notable in this regard is the fact that it was this elite which was engaged in mobilizing support for the implementation of the Gokak Report for many months before the star-Cheluvallikar-tabloid press constellation took over, creating a violent mass movement (Nair 2005, 256-7).

The representational *front-end* of cultural economy that the cinema is a crucial part of is the films (with their focus on the fate of the Kannadiga and the state of the Kannada nation), the Chaluvallikars and the popular press. The back-end of this constellation is the new migrant who arrives in Bangalore either to earn a livelihood or find venues for the deployment of surplus generated in the countryside. Our research on the backgrounds of film industry employees shows that an overwhelming majority of them are a first generation migrants into the city.<sup>10</sup> More importantly, it is possible to suggest that Kannada cinema has been a part of a burgeoning urban economy fuelled by what Chatterjee (2008) called *non-corporate capital*, which has intimate links with livelihoods on the one hand and politics on the other.

## **MIGRANT ECONOMY**

We suggest that in understanding the economics and politics of culture industries, the migrant is a central figure. Here, we see the recent debates around Bihari culture and identity as drawing attention to Bihar's critical paradigmatic presence. To briefly map its importance, what we are witnessing today in Bihar is a time when a society is suddenly becoming 'conscious' of its cultural practices. These practices are not new, and have

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<sup>10</sup> Among the Kannada film union workers who number about 5000, we examined the records of about 364 workers to note their place of origin. About 159 workers, which amounts to 43.6% mention their home-address in Bangalore and 205, which amounts to 56.3% mention places outside Bangalore. Please find more details in Section 2. We need to keep in mind that there are workers who give a Bangalore address as a home but come from outside; they do not reveal their actual home address for many reasons, one being problems they face with the police and the law.

served some kind of specific purpose, but now these practices seem to 'take off' in economic terms. This 'take off' point could be made possible by one, market capitalization. For e.g., Steve Neale argues that though cinema technology had been invented cinema many years before the late 1890s, cinema itself 'took off' worldwide only during this period because of global-capitalist reasons. However as mentioned above, India's cinematic production has consistently had a problem, where its 'cultural value' has always outstripped its economic value.

So what then is cultural value? Is cultural value lost when it goes into the marketplace to become economic value proper? We are proceeding on the assumption that cultural value is best signalled by what we may call pre-capitalist value systems, such as belonging to clans/groups/joint families which then extend into cultural practices. Such value is also best evidenced when it travels with the migrant labourer: as his 'memory' of what he was before he made his reluctant transition into the marketplace. 'Politics', as a kind of cultural practice, is a second par excellence demonstration of such cultural value because politics is especially and above all about belonging. Such politics is what we might call the 'extra something' that sits on top of any political demand<sup>11</sup>.

It therefore follows that when any culture comes 'into consciousness' and enters the marketplace, it also apparently loses its cultural value. It loses its pre-capitalist referents, its consensus-building power, and also is threatened with the loss of its politics. This is a matter of great trauma for cultural practices that have survived on cultural value such as the Kannada cinema (or for that matter most national cinemas). The Bihar example is incredibly significant because we now have a state (apparently it is a state, we have to see if it is indeed that) that has completely bypassed this entire aspect of statehood. Bihari culture has been about migration, and migrant belonging. As such it has provided the quintessential paradigm for such 'cultural value' even to people who are not actual Biharis but what we could call generic migrants<sup>12</sup>. What Bihar is now going through its conversion into a market situation is incredibly interesting as a paradigm shift, which is the reason we should study the Bihar instance.

Please refer to the report on Economy, Politics, Culture Industry: Case Studies Of The Kannada and Bhojpuri Culture Industries for an analysis of the Bhojpuri and Kannada culture industries.

### **CONCLUSIONS DERIVED FROM THE STUDY:**

The research into indigenous cultural industries through the cases of Kannada and Bhojpuri culture industries has shown the following:

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<sup>11</sup> For e.g. the Mandal agitation was about reservations PLUS politics. What governments attempt is to work with this domain of the political but de-politicise it by addressing the demand MINUS the politics.

<sup>12</sup> We can evidence this for instance in the cultures of Trinidad, South Africa and Nigeria. Further, the key aspect of what is Hindi cinema's power has perhaps come from Bihar/East UP and has something to do with migration as bearer of cultural value.

- Culture industries include both cultural (including crafts and legacy industries) and creative industries (audio-visual media including film and television) and the need now is to understand the increasing areas of overlap between the two
- The relationship between cultural and creative industries is not a simple one of creative industries exploiting local cultural forms but a more complex one. The Bihar study showed that ‘local’, ‘folk’ forms are receiving a new life because of creative industries. However, we know from earlier work that there exists the problem of the expropriation of local content, though not necessarily unfairly.<sup>13</sup>
- Culture industries generate livelihoods for large numbers of non-citizens whose labour comes cheap.
- Culture industries produce goods of low economic worth in high volumes. However, their worth is in the thriving underground or invisible economies (not always illegal) that is tied to the livelihoods of non-citizens, largely that of migrants. It is the figure of the migrant, representing a ‘sense of belonging’, that generates the high cultural visibility that culture industries possess.
- There are moments when the underground economy surfaces in the form of a politics—linguistic identity in the case of Kannada culture industry. These are moments when cultural value meets economic value
- Culture industries are characterized by their dubious legality (or outright illegality) and thrive due to the government’s recognition of their importance as sources of livelihoods those employed in the sector.
- Transition to high economic value, transparent revenue models and IPR compliance is a problem with the so-called creative industries because of their underground economies.
- Given that existing policy documents focus on IPR as a means for protecting livelihood and identity, we need to think of policy that will take into account the above characteristics of culture industries

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<sup>13</sup> Shubha Mudgal poses the problem at hand: “It would also be advisable to discuss at the earliest, complex issues regarding protection of traditional knowledge. Bollywood and Hollywood are among the many users of traditional Indian music, and while I have not the slightest doubt that in using or adapting traditional music for use in films they do not intend to appropriate musical knowledge and repertoire unfairly, I draw your attention to the fact that we have not really thought of how we could protect communities and individuals that are custodians of traditional artistic knowledge. Even if they acknowledge and compensate them, where and to whom would the money have gone? Is there any way to pay royalties or license fee to a community? And who is to decide what is traditional or community knowledge? Do we say that a ‘bandish’ is traditional if it has been around for over 50 years? Or should it be 100 years old? This debate and discussion is necessary, not to put proprietorial locks on traditional knowledge, but to make it possible for the young to draw upon traditional knowledge in an ethical way. <http://www.shubhamudgal.com/task-force-on-cultural-and-creative-industries-a-discussion/>

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