

A Proposed Cultural Growth Model for the Development of Entrepreneurship in Indian Creative Industries

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Abstract

The UNCTAD report (2010) strongly recommended developing countries to strengthen their creative industries. The report further said that exports reported from this sector were growing at a rate of 13.55% a year between 2003 and 2008 in developing countries, unlike in developed countries, where the growth rate was 10.02% against the world's average rate of 11.53%. It also pointed out that though India had recorded the fastest growth rate at 15.7% between 2003-2008, she lacked much behind in market share. The probable reason behind the same could be due to lack of a sustained policy and framework. Thus, this article proposes a framework for laying down policies to support the development of creative industries in India. Various recommendations have been suggested to improve the present status of Indian creative industries by detailing contemporary challenges.

Keywords : Creative/cultural industry, development, growth model, India

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Creative industries first developed in Australia and then in USA (Cunningham, 2002). The development of these industries helped in the growth of economies around the world (Newman & Smith, 2000). Countries like UK, China, Singapore, Korea, and Taiwan have immensely profited from developing their creative industries (Banks & Connor, 2009). Cultural industries represent real economic development opportunity (Potts, 2007), and it is essential to get trade and industrial policy right (Chu - Shore, 2010). International trade is important for both the developed and developing countries (Scott, 2004). Many developing countries have either weak or less prospects of growth in manufacturing sectors, but they have a rich cultural heritage with abundant human resources and technology which can be used for growth and development (Chu-Shore, 2010). Culture can be used as an input for production processes (UNESCO, 2010). Exporters of cultural goods are at an advantage if they have big home markets (Chu-Shore, 2010). India has both these advantages, a big home market, and her magnificent cultural platform.

In India, the creative/cultural sector is not an unorganized sector but instead, it is a self-organized, self-supporting sector (Sethi, 2006). Modern technologies like television (DTH services), internet (watching movies online), and entertainment services like conversion of cinema halls into multiplexes have increased media penetration within the country (Dayton-Johnson, 2000). The programmes telecast on different television channels center around the cultural genre of either the respective state or the country as a whole, for example, programmes related to mythology, epics, history, yoga, spirituality etc. catch the attention of consumers. The consumption of culture has increased and it is being consumed in new and different forms (Adorno & Horkheimer, n.d.; Lovett & Beesley, n.d.). This sector has artistic content or creativity in common with the industry players which continues to attract consumers (Flew, 2002). Many states of India uniquely possess their own culture. Also, every state has its own varied art forms including paintings, dances, sculpture, and music, which though distinctive, is special and unique, making them small 'Indias'. These different 'Indias' follow their own sets of cultural characteristics. Thus, designing a single cultural Indian package is a challenge for an organization. Endowed with regional cultures, the challenge is how each of the sub-components, namely, culinary, apparels, and living style can be commoditized to market the culture, under one brand - India (Shukre, 2009).

Unfortunately, humongous cultural products in India such as animated films based on local deities, mythological serials, and other media products are so local in their content that they do not find a firm footing in the international

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markets (Cunningham, 2009). Also, it is difficult to produce new and alternative art forms and genres across different markets (global, regional, and national) where the cultural content from developed countries is popular. The products must also be in tow with the changing tastes and lifestyles of the global audience. India has reached the world through her rich cultural heritage of Yoga, spirituality, and Ayurveda. Driving the world through this trinity of power, other arenas - arts, music, fashion, IT (information technology), media, and entertainment including the Indian film industry have too fared well, yet none of the stakeholders of these industries and the government use the terminology *creative economy* or *creative industries* (Flew, 2002). The question is will it make a difference? If yes, then in what way? Giving due status to the creative/cultural industry is itself a challenge, though getting industry status includes tax benefits and export promotion. Craftsmen as well as other artists become eligible for banking and credit support. It helps them in applying for protection of intellectual property. Identifying artists becomes feasible as they are stationed in the deep interiors of the country.

Literature Review

Today, as culture continues to generate money for businesses, the broad acceptance of this new genre establishes Indian culture in a legitimate category giving birth to a 'cultural product', and thus, a cultural industry (creative industry) (Garnham, 2005). (I have used 'cultural industry' and 'creative industry' interchangeably). As defined in literature, *cultural industries* or *creative industries* are those activities which deal primarily in symbolic goods; goods whose primary economic value is derived from their 'cultural value' (O' Connor, 1999). This definition includes: (a) the 'classical' cultural industries like broadcast media, film, publishing, recorded music, design, architecture, new media; and (2) the 'traditional arts'-visual art, crafts, theatre, music theatre, concerts and performance, literature, museums and galleries, that is, all activities which have been eligible for public funding as 'art'. A cultural product is most successful when it is not only accepted by a large number of consumers, but also when it influences the direction of the development of its discursive context (Florida, 2002). For example, late music director R.D. Burman composed his music years ago but its economic impact is still substantial. To this day, his music is performed at concerts, in discs, and by other means. Thus, a cultural product is constantly repeated, although the perception of its worth changes with time and the creation of value continues (Potts, 2007; Pratt, 2005). This can also be observed from the fact that the success of a programme results in producing and reproducing the same genre of programme content over other media channels. The convergence of the telecommunications, telephony, the internet, and cultural content has revolutionized product sales and marketing (Assaf, 2005). It has also upset the balance between independent companies, distribution and marketing companies, thus giving consumers a greater choice than before (Chu-Shore, 2010). The rapid expansion of media channels means that it is programming, not channel capacity, which is the new scarce resource. This provides new markets for producers who can internationally substantiate competitive programming (Askerud & Engelhardt, 2007).

Galloway and Dunlop (2007) have identified different reasons of failures in giving due status to these industries by developing countries. They say that social and economic development is considered to be different and inconsistent from cultural diversity. Decision-makers should understand that these are industries with double nature, that is, both cultural and economic. They need to accept that culture can be used to promote sustainable growth and also consider it as an important tool for poverty alleviation and a more balanced regional development, though they are using it subconsciously without being supported by an appropriate cultural policy and framework (Scott, 2004). Another problem which they have identified is that the resources, budgets, and personnel are not allocated to the cultural component. It has been observed that the cultural arena has not been seen as a priority area in national budgets or in overseas development assistance as compared to the problems of poverty and hunger or the resource demands of traditional economic activities. The main source of capital comes from private individuals and their family savings, rather than from banks and credit facilities in India. Cultural industries are often viewed as risky investments due to volatility of consumer tastes and difficulties in predicting market demands.

India with a great geographical dispersion with cultural diversity and variability also faces a number of challenges (UNCTAD, 2004). As compared to the developed countries, India has poor infrastructure, according to the reports

published by PWC and FICCI in the year 2004. So, reaching the ground roots becomes a challenge. The skilled personnel for these various art forms are restricted to either a household (within a family) or a remote village. The art thus remains secluded, making it a challenge to market these products. Skills and the knowledge of different art forms preserved through generations is restricted to a few local groups and are endangered; some have already vanished. Poor conditions such as low levels of training and development, low education levels of skilled workers, and poor manufacturing and service facilities pose a threat to the continuity of these art forms. Low income of skilled labourers who are directly involved in the production process, such as weavers, painters, artists etc. result in uncompetitive packaging and branding, and weak marketing mix strategies. High levels of copyright infringements and piracy are required to protect the art forms. The issues of weak rights management and royalty collections raise doubts on the origin of the cultural product. There is lack of availability and affordability of these goods and services for the common masses. Few or limited career opportunities for the laborers make it difficult for them to sustain themselves.

Recommendations have been proposed by Nurse (2006) for nurturing local environment conducive to the growth and development of cultural industries. He emphasized on framing a cultural policy as well as intellectual rights policies that would lead to improved government-industry relations. He said that importance of documenting the economic impact of creative industries encouraged the use of the web for uploading local and regional content for world-wide exposure.

The management and organization of creative industries has become an area of concern for cultural policy driven by a perception that management (or leadership) in the cultural sector is currently underdeveloped or unsatisfactory (Hewison, 2004). The reports published by PricewaterhouseCoopers in collaboration with Federation of Indian Chambers of Commerce and Industry (FICCI), and UNCTAD report on creative Economy, 2013 highlighted the measures which the Government of India has undertaken to overcome the bottlenecks in certain fragments of the industry. The efforts put in by the Indian government from time to time are commendable. Government interventions in cultural management are typically channeled through two separate policy streams, that is, cultural policy and economic development. The role and responsibilities of the Department of Culture deals with preserving the cultural heritage of India. This department works in liaison with several other Ministries and Departments like Tourism, Education, and Ministry of External Affairs etc. The government has established different centres from time to time for the promotion of arts and culture, each with its unique identity and focus. Some of these are the Indira Gandhi National Center for the Arts, Maulana Abul Kalam Azad Institute of Asian Studies, The National Archives of India, National Film Archive of India, The National Library, The Sangeet Natak Academy, and many more. A committee was setup in the year 2004 by the Planning Commission to address issues related to the growth and development of creative industries and their complexities. A national mission on India's creative industries has been set up to safeguard the interests of skilled workers and artists. Also, when there are resources for the cultural sector, they tend to be allocated for tangible benefits, and for repair of heritage sites. Intangible heritage has traditionally attracted fewer resources, an issue which UNESCO has begun to address with the Intangible Heritage Award Scheme (Sethi, 2006).

Methodology

The study presents a comprehensive review of available literature in the Indian context from 1974 onwards till 2010. This period aptly reflects the thirty year period of the pre-globalized Indian economy and the post globalization era. The period was specially chosen for the study as major economic changes, industry set-ups, and growth patterns were witnessed during this period.

Implications

In order to meet the challenges and support the growth of creative industries, an intense framework in a symbiotic relationship with policies is required to ensure a level playing field for the country (Nurse, 2006). This framework should smoothen out operational processes, ease out collaborations, both from domestic as well as global players, and encourage building of domestic markets. It should also help to generate finance and other tools to facilitate access and

remuneration for the participants of creative industries. Indians are governed by a strong value system and high value personal relationships. Because of the rich cultural heritage, these inter-regional linkages (Towse, 2003) with cross-pollination content will lead to excessive learning and openness. Strong partnerships with different stakeholders like customers, suppliers, and members of the value chain will generate a participative work environment (UNCTAD, 2010; UNESCO, 2007). These co-creation processes will thus, build a social and a cultural capital of a region. The partnerships from all the quarters will foster transparency, and facilitate trust and belongingness. The friendly environment with a free flow of communication will better the feedback systems and help in the identification of loopholes in the prevailing systems. The business model should not only focus on profitability but also serve to be a foundation builder of a strong socially and culturally developed market.

Policy makers should review their rural and urban industrial development policies while framing policies for cultural industries. They should explore the development of different skill sets amongst artisans and assess their potential for job creation, income generation, and poverty reduction perspectives. According to Nurse (2006), the decision-makers should be made aware of the ground realities of the working conditions. Due to the complex nature of the cultural industries, risks involved in innovations of creative products, particularly, loss of essential cultural frames of references must be put to deep-down speculations. Designing and developing products to maintain high growth, creating employment opportunities, and taking measures to reduce poverty options (Assaf, 2005) would essentially lead to a better promotion of 'domestic cultural expressions' and their acceptability to global markets to ensure visibility to the Indian cultural products. Developing creativity indices and setting benchmarks in competence with international standards would aid in preserving different art forms, preservation of cultural heritage, and value offerings, which are fast fading away, and can be provided to create a value mosaic for the customers including business houses. The private sector is able to formulate economic criteria where they risk their own capital as entrepreneurs. The craft sector, in particular, has relatively high-skilled labor with small and medium scale enterprises (SMEs). Their further development can be considered as a cost-effective and a powerful engine for income and employment generation. Strengthening of regional networks is also essential to ensure integrated efforts for the following:

- Build the image of creative industries
- Exchange information on common constraints and
- Undertake promotional work across borders

Working through intermediaries like local bodies, non-government organizations (NGOs), and community-based organizations will further strengthen the cultural bond. A headquarter for cultural industries can be established where many cultural activities can be anchored.

Scholars have pointed to social ties that link companies together across a geographic region as the foundation of innovative, creative, and emergent industries, and social networking as the process in which these creative milieu form (Florida, 2002; Kadushin, 1974; Piore and Sable, 1984; Saxenian, 1994; Storper, 1997; Uzzi 1996). Creators try to include informal social ties as:

- (1) Linking organizations across firm boundaries.
- (2) Bringing new forms of market intermediation (Benner, 2002).
- (3) Establishing positive economic set-ups of regional production.

Social ties are made up of *productive milieus within cultural industries*. The work central to maintaining these social ties happens outside the formal boundaries of organizations and inside industrial social settings. The geographic proximity of firms within neighborhoods, districts, and cities can increase a recurrent collaboration and mutual interdependence of money and ideas, especially in innovative and high technology industries (Powell, Koput, Bowie, & Smith-Doerr, 2002). The strongest innovation effects of collocation, however, may actually be from individual actors linking across organizational boundaries. This kind of networked individualism (Wellman, 2001) fosters a community approach to production, links firms to one another through social ties of their respective employees, and

draws upon social practices associated with artists (Lloyd, 2002), and the “creative class” (Florida, 2002) to bring innovation inside the firm. Symbolic capital can also be invested in economic activities through association with particular locations. The association of warehouse space with artists' living lofts (Zukin, 1982) meant that the office spaces within formerly industrial neighborhoods could be invested with an image of creativity and innovation, helping to establish what Kotkin and DeVol (2001) termed as *knowledge-value neighborhoods* (Throsby, 2001). The knowledge-value neighborhoods or the cultural headquarters, if stationed at various regional locations will serve various functions like bridging the gap between artists, their needs and expectations, and matching it up with those of the markets. Different support services can be offered to meet the demands of the craftsmen and grand seekers. These cultural hubs will serve to be a meeting place for both the suppliers as well as the skilled workforce. The structure can be depicted as:

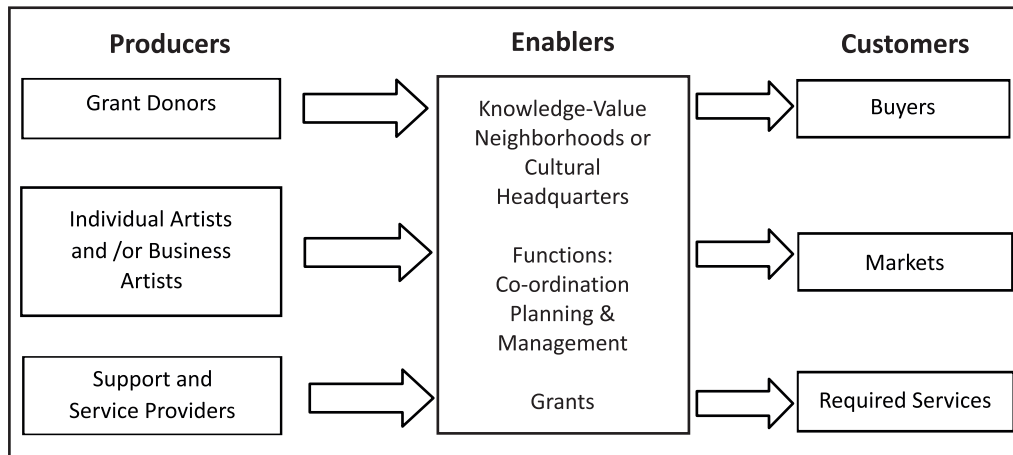


Figure 1. Proposed Cultural Model

Limitations and Future Scope of the Study

The study presents challenges and the immense potential that the Indian creative industries, both as a conglomerate and as an individual hold. The data collected for the study were secondary in nature and were chosen with reference to the Indian context. This study attempted to present an overall view of the Indian creative industries and did not take challenges and limitations of each state into consideration. Further research across different regions of the country and empirical tests may be conducted to establish the true potential of the Indian creative industries. Region-wise recommendations can be suggested and challenges can be overcome. Together, these may be brought to the notice of the policy makers and implementers to reap the benefits. Various opportunities in this domain area can be identified for Indian entrepreneurs.

Conclusion

The creative industries continue to focus their attention on 'product design and creativity'. It will not be long when *Made in India* becomes *Designed in India* as a strong force to reckon with. The conservation of India's millennia-old cultural heritage in varied art forms, its commercialization, and commoditization has a growing economic significance as the cultural industries produce tangible and intangible artistic creative outputs. It would be prudent on our part to weave together these different cultural products, each with its own flamboyant color and strands, and make them appear in the form of a beautiful rainbow (Shukre, 2009). Policies and plans must be carefully implemented to achieve rational outcome.

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