

## Slide One: Title

### Changing Cultural Economy in the Production of Indian Performance

This paper focuses on cultural economy, the “set of socio-economic relations that enable cultural activities” (Pratt, 2008, p. 49). While it is clear that all produced events initiate economic and social relationships, in this presentation I will demonstrate how the role of the producer, whether a member of a community organisation, government agency or entrepreneur, can affect event outcomes, specifically the ways in which Indian cultural performances contribute to the Indian global cultural economy. This particular understanding of economics as culture focuses on the practical ways in which producing events as ‘economically relevant activities’ that are enabled by assembling a variety of sources, including forms of “ostensibly non-economic cultural practice” (Gay & Pryke, 2002, p. 5).

I will begin by discussing the term cultural economy in relation to Sakeeney’s 2013 four step value chain, which he has applied to the cultural economy of New Orleans. I will consider this value chain model as a way of examining the production practices of events produced for and by the Indian community in Auckland. To demonstrate I offer a case study that highlights the important of networks and trust in sustaining event production networks that underpin the Indian cultural economy in Auckland.

### Introduction to the Cultural Economy from an event producer focus

Cultural economies shrink and expand due to socio-economic relationships that enable cultural activity. Indian cultural practices have expanded globally along with the Indian diaspora. Andy C. Pratt suggests that the term ‘cultural economy’ needs to be understood through an analysis that includes “the different dimensions of governance (organization and control) of the cultural sector”. He argues further that such an analysis must be “sensitive to power and control” not simply reduced to an effect of power and control (2008, pp. 48-49). Cultural events are a powerful factor in the visibility of cultural communities and social cohesion. I suggest that the

continuous formal and informal processes, systems, structures, and relationships of cultural activities create production networks that contribute to the local and global Indian cultural economies.

Indian production networks add value to the cultural economy of Auckland and specifically those identifying with South Asian origins. Events that engage overseas performers may create opportunities to make large profits; but at the same time there are greater risks involved. Success factors include a range of variables linked to reputation, sustainable networks and industry knowledge. With this in mind I wish to discuss a cultural economy model that has been introduced as a way to map the cultural economy of New Orleans through creating supply chains and viable production networks. This chart is a summary of the work of Matt Sakeeney (2013) who adapted information gathered by the Mt. Auburn Associates in their report about cultural activities in the State of Louisiana (2005, pp. 62-63).

### **Slide Two: Value Chain**

In Louisiana culture means business. The services that musicians offer are instrumental to the economy, but their experience of culture is different as for cultural originators than for cultural enterprises. I will apply this model to the cultural economy of Indian events in Auckland, based largely on the comments and perspectives of Auckland's Indian event producers.

Of the events that present Indian performance culture within Auckland's South Asian community, roughly 5% are entirely economically self-sufficient. Most producers rely on a set of commercial relationships to supplement the revenue generated by the event itself. Producers generate economic activity by activating a variety of resources through social, political, cultural identity, family or commercial relationships. Resources are all the elements that make the events possible and are dependent on networks the producer is able to access. These relationships depend on mutual self-interest and the potential for mutual economic benefit.

### **Slide Three: Value Resources and Networks**

## Cultural Economy and cultural production practices in Auckland

The role and identity of the producer can affect production practices in many ways and influences the ways that an event contributes to the cultural economy. Producers involved in the production of Indian events in Auckland fall into three broad main categories: 1) Community Organisations, 2) Government Agencies and, 3) individual Entrepreneurs. The nature of producer category requires the producer to activate different types of networks to create feasible events. The three producer types engage in relationships within the cultural sector in quite different ways.

### Slide Four: Production Value Chains

Community organisations design their events to cater to specific cultural perspectives that reflect religious, linguistic and regional values through concerts, festivals and celebrations. Government agencies hire staff to design and deliver cultural events on behalf of cultural communities with local cultural reference groups in consultation. Government agencies in collaboration contribute to bring overseas performers and financial assistance for production costs. Entrepreneurs chose event content based on potential profit and/or personal choice. Most often the choice of performers reflects popular culture demand; in this case, the global musical and cinematic star culture of Bollywood, the Hindi-language film industry located in Mumbai.

Community organisations rely on event support from volunteers within the cultural organisation and through national and global networks with similar cultural organisations to share resources including overseas performers. Government agencies have paid employees to provide professional support, venues and access to other resources through other agencies and departments. Managers are able to link community festivals into larger economic development strategic networks that come under Council event portfolios. Entrepreneurs rely on a combination of commercial and cultural identity relationships with event managers, venues, technicians and performers.

Community organisations rely on their members to publicise their events. Government agencies try and attract a wide target market that will reach an

audience across cultural sectors. Entrepreneurs rely on sponsorship from local community radio, newspapers and ticket distributors for publicity as they aim to reach a large market pool that is specifically of North Indian cultural heritage reflecting the majority South Asian population in Auckland. Bollywood is the most common performance genre for this target market.

### **Bollywood Tours**

Entrepreneurs may take significant personal financial risks promoting touring Bollywood performers in Auckland. Live Bollywood tours featuring film and music stars, usually with a troupe of accompanying dancers and musicians, have been part of the event scene for decades; but such events are an increasingly important component of the income stream for film stars, who have realised that they can amass significant amounts of money by performing in live shows in centres with large South Asian populations around the globe. According to Derek Bose almost every top male star has floated an event management company either in his own name or in proxy. All of them are heavily booked several months in advance, primarily because of the high trust value they command with their overseas associates who, in turn, be assured of a high profile star participation (2006 p.100). Detailed accounts of the financial aspects of these tours are rarely available although recent newspaper articles, reports and blog spots give an indication of the fees the stars charge and potential profit capabilities for the producers of global tours.

Before indicating how Bollywood performers impact on Auckland's cultural economy from an event producer's perspective, I will frame the Indian cultural industry and identify some economic realities with regard to the role Bollywood stars play in creating a global cultural economy.

### **Slide Five: Bollywood KPMG**

This chart indicates economic realities of the media and entertainment industries in India compiled recently for the global financial advisors KPMG and their Indian offices. The statistics show that the music side of the creative industries is on the decline although expected projections over the next five years an industry

growth of 13.2% is expected. What is significant from this report for this research is that the report has indicated that “the vibrant live events sector is expected to continue its role as a catalyst for driving growth in artists’ fan-base, and public performance royalties”(FICCI-KPMG, 2014, pp. 2-4).

### **Slide Six: Merchandising**

For international pop marketing sensations such as Katy Perry merchandising is said to be far more lucrative than performance fees. This is in contrast to Bollywood stars who have not yet tapped into the merchandising market as indicated in this chart. An area of significant growth is shown in the ancillary sector as indicated in this chart includes revenue generated from global tours. This area of economic growth has been identified by Bose who states: “No longer satisfied by performing on stage Bollywood stars are actively engaged in organising live shows across the globe”(Bose, 2006, p. 100). This can be illustrated by the following case study. Bollywood sensation Shahrukh Khan performed in Auckland in 2013 as part of his Temptation Reloaded global film promotion tour which had significant impact on the local Indian cultural economy in Auckland.

### **Slide Seven: SRK Happy New Year**

#### **Producing Shahrukh Khan and the impact on the Cultural Economy Value Chain**

Shahrukh Khan is perhaps the most well-known and expensive of the Bollywood performance stars who regularly tours the globe. Shahrukh Khan, based in Mumbai and is estimated to be worth \$(US) 600 million. Immensely popular around the globe he is also a producer, TV host, co-owner of an Indian cricket club and a philanthropist. He has appeared in more than 50 Bollywood films and is a regular at the annual Cannes Film Festival” (Sinha, 2014) .

Shahrukh Khan is able to generate large amounts of income over and beyond his fees charged to perform as an actor in Bollywood films. It has been indicated that in 2011 he was charging Rs 4 crore for a live performance and Rs 1 crore for a public performance. A crore is a unit in the South Asian numbering system equal to ten

million (10,000,000) or currently valued at \$164,000 (US).

This kind of income generation is not accumulated by many performers or by the producers and/or promoters. Bollywood shows represent a vastly competitive side of cultural event production; but it is hard to capture accurate data about this side of the business. Unverifiable press reports however, are indicative of the scope of potential profit. The Mumbai Mirror, for example, has reported that the 2014 Shahrukh Khan *Happy New Year* promotional film tour is expected to reap almost Rs 200 crore (roughly \$33.5million USD) for 25-30 shows worldwide (Lalwani, 2014).

For diaspora producers therefore, the production of events that feature Bollywood superstars requires financial risks that are potentially the most reliable path to economic success in Indian cultural event industry. The high level of competition that results from Auckland's relatively small audience for such events creates risk factors unimagined in larger cultural centres such as Sydney, London or Atlanta.

#### **Slide Eight: Producer Network Map**

A young Indian producer attempted to build his personal fortune bringing Shahrukh Khan to Auckland in late 2013. In this case, Shahrukh Khan's Auckland concert the fee was closer to Rs 6 crore or over \$1 million NZ. The producer was a small time player who operated out of his depth creating chaos in the local cultural economy and fleeing Auckland for Australia. The result has been the severing of longstanding community production relationships.

Agastya is identified as the producer in the centre of the Producer Network Map. Agastya has been associated with Indian cultural events since he arrived in Auckland as an international student from Bangalore over ten years ago. He has sole produced successful events in the past and has been part of numerous successful production teams. This previous experience gained him trust with a variety of crucial stakeholders identified in the Producer Network Map. Agastya and Limelight Entertainment have produced events together over the years including DJ Mix, cultural festivals and Bollywood stars. They have a good reputation with the Indian press and are strong advocates of Facebook and other social media platforms. This is

the first time an Indian producer has presented in a stadium with over 6,000 seats.

Shahrukh Khan received payment before he performed. This money was mostly borrowed from local Indian businesses. He presented a lavish show with tickets ranging from \$199- \$650. According to newspaper accounts and my personal observation approximately 7500 attended the performance. Instinctively this appears to be a boon for the local Indian cultural economy. Local performers had the opportunity to perform on the big stage. The local Indian event producers had the opportunity to network with top government and industry representatives opening future opportunities to attract big name Bollywood stars to Auckland. This turned out to be not the case.

#### **Slide Nine: Vector Arena**

The reports in the news have conflicting stories. What is known is over \$850,000 is owed to creditors and Agastya's event company was put in liquidation. The report does not provide a breakdown of who is owed \$856,922, other than for Inland Revenue which is owed \$6765 in GST. Other creditors include the ASB Bank, the Bank of New Zealand, Westpac Bank, Eftpos Systems Ltd, Greenwoods Corner Travel Ltd, Mediaworks for advertising and assorted individuals, mostly members of the local Indian community.

#### **Slide Ten: John Key**

In addition, the night before the show Shahrukh Khan joined the Prime Minister John Key and his political inner circle to dinner at the Pullman Hotel. The show turned into a huge publicity campaign for John Key as the dinner was reported widely across by the press and social media platforms. Many members of the local Indian community were also attended the dinner resulting in Shahrukh Khan asking for an additional public appearance fee of \$(NZ) 350,000 from Agastya.

What is clear is Agastya had poor record keeping and appears to have siphoned off a considerable amount of money with a court appointed liquidator over

where the money has gone. The repercussions have been major to the local Indian cultural economy as the event production community industry is full of mistrust. The number of performances has plummeted. Major supporters of Bollywood events have filed bankruptcy, are in liquidation and/or have left the country.

It appears the Shahrukh Khan's tour had already caused controversy in Australia, where state owned Destination NSW funded the Sydney show with \$ (A) 1million. Indian community groups objected to mega-stars getting money when they do not qualify as recipients for funding to support and underwrite their shows. Agastya as a sole producer was linked into the Sydney show and lacked such support to mitigate the risks. At the same time he was not responsible to a government agency for credibility and paperwork.

### **Slide Eleven: Agastya**

#### Conclusion

Nearly \$1million dollars is missing out of the local economy that value chain has been broken affecting the cultural economy generated through commercial Bollywood events. The root of the value chain, the support system, has been left in limbo. Many lenders are out of pocket resulting in a downturn of Bollywood performers from overseas and an increase in community based events including concerts and festivals. For entrepreneur producers the building of reputation and sustainable production networks are critical factors for surviving in a competitive market place. When production networks are all working in alignment, the producer has the opportunity to build personal reputation and also reputation for the event and the performers. Successful events are important not only for individuals' economic goals; they also have the potential to contribute to the building of social capital and to strengthen cultural communities. Less than a year after Temptation Revisit the Auckland event marketplace is very quiet. At the same time Shahrukh Khan continues to grow his empire.

## Slide Twelve: News SRK

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