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## UNETHICAL PRACTICES IN INDIAN MUSIC INDUSTRY: CORRUPTION DEEPENING!

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**Abstract:**

*Divulges on unethical practices by citing a real-life example from Indian context. It also elaborates on ethical issues worldwide and exhibits concern over the deteriorating standards to manage things, ethically specially in the context of Indian music industry. It offers a clear depiction of on-demand behaviour which otherwise is ethically uncalled for, in the larger benefit of the society. Corruption, cheating, duplicity and piracy are not at all dampening and that it has become more of a killing source of growth and sustainable development for any nation wanting to address the issue from the bottom of the pyramid. The approach is descriptive in nature wherein the unethical practices have been questioned and also strived to reach at a point of consensus at the end to balance one's own conscience with that of unethical motivating behaviour of self. Studies and findings of other authors and researchers have been used to analyze and justify the standpoint.*

**Keywords:** Behaviour; Ethics, Industry; Music; Piracy; Unethical Practices

### **1. Unethical practices: Is it a contagious disease or just indulging for the heck of it?**

A lot has been written in the past on unethical practices and surrounding dilemmas on the discomfited issue. The deplorable trend is catching up so high that the overall impact is directly hampering the economy of any sovereign nation; be it India. Corruption, black money, illegal mining, inappropriate management of government funds as happened in Commonwealth Games in 2010, are setting new intolerable trends in the history of Indian unethical practices.

The present investigation is based on a similar unethical practice called piracy in Indian music industry. The exploration begins with a real-life cold-blooded murder of a popular Indian music baron who allegedly indulged in unethical practices; thus resulting into cultivation of strong rivalry against him among competitors in the market. Thus, such a filthy and detrimental trend endeavoured to engulf the multi-

million dollar Indian music industry for quite some time now and that the irony of the situation is-*it is still soaring high...*

As per the survey released by Ernst & Young (E&Y) recently; business class people are indeed, desirous of making payment through cash in order to successfully win the deals and get the business high at global level. Out of 1700 executives, 15% consented to pay through cash to gain the deals. In the previous survey, the percentage was comparatively low ie; 9%.

Another very astonishing and surprising fact was that about 47 percent of 400 financial officers have positively nodded their heads in justifying unethical practices like offering cash payments as per the demand of the situation like the one in economic slowdown, at times.

The survey also revealed facts on regional trends as far as unethical practices are concerned. The study admitted that corruption is still a strong factor in governing any decision-both strategic and operational, especially at economic fronts. It is indeed, a matter serious concern that India holds 70 per cent respondents who agree that bribery is a widespread business tactic. Other developed and developing countries like Brazil, Indonesia, Mexico have 84%, 72% and 60%, respectively when it comes to prevalence of bribery in significant areas of progress. In short, E&Y conducted the survey in 43 countries between Nov. 2011 and Feb. 2012 to unearth the current scenario of unethical practices going around the world.

Having gone through the international scenario in brief; the author examines and assesses the level of unethical practices deeply-rooted in the Indian context, but again limiting the focus to one of the growing business called Indian music industry and its rooted issues of piracy and related unethical practices with the help of a real-life incident. Thus, rendering the necessary support to showcase the issue in a more effective and realistic manner for the larger benefit of the audience.

## **2. The Breaking News**

Music Industry is one of the major Industries in India running its business in terms of crores in a year. When money is more, competition and conflict among competitors are obviously expected to be more. Hunt for money results into enmity and rivalry among competitors. Some may even commit murders and brutal killings to realize their vested interests. One such cruel incident of brutal killing was Gulshan Kumar murder case. Gulshan Kumar, a well known figure in the music Industry was killed by some unidentified hooligans. The matter began in the year 1997 when some of the well-known music personalities gathered for a meeting at a five-star hotel in Chennai. Representatives of music companies like Tips and Venus Industries along with Music baron Gulshan Kumar of Super Cassettes Industries met on this occasion. The prime purpose of the meeting was to persuade Gulshan Kumar to cooperate along with other major music companies. Representatives requested him to coordinate with them so that the music companies could also uplift their business from huge losses. They admitted that Gulshan Kumar had ruined the market and possibility of their

success is very less because no matter how hard they try to sell, he undercuts them. Repeated request by different representatives made Gulshan Kumar to think for a while and then, he replied by saying not to carry out such unethical practices, anymore. But some of the representatives were not convinced by his words. In spite of all, the entire meeting ended up with a peaceful note. Although, Gulshan Kumar promised not to intervene in their businesses but in spite of that, he could not run his own business for much longer. Right after a few days of the so-called meeting, he was mercilessly shot dead at a temple premises in Mumbai. It was believed that Mumbai underworld had committed the crime. Nadeem Saifi, a famous music director in Bollywood and a promoter of Tips music company, Ramesh Taurani were accused for the murder of Gulshan Kumar. They were arrested for allegedly killing the Music Baron. The news of Gulshan Kumar's murder spread like wild fire. The case was fought till 2001 when Taurani was released on bail and Nadeem escaped to UK hiding his identity. Till the murder of Gulshan Kumar, nobody was aware of the empire on music piracy and plagiarism. The incident brought everybody's attention to the subject. The presence of super cassettes 'T-Series' had fully changed the way music industry used to get functioned. Such a penetration by Super cassettes in Indian music industry exposed the loopholes and drawbacks of India's anti-piracy regulations.

### **3. Background: Going back to Old Lanes**

Indian Music Industry had grown up to such a height where it was assumed that the industry is primarily governed and massively contributed by Indian film music alone. The whopping contribution of Rs. 12.50 billion on the part of Indian film music was enough to prove such an assumption. But the scenario changed in 1990s when satellite music television and global music companies entered in the Indian market. Particularly, non-film varieties like Indi-pop, regional music and international music started getting popularity. In addition, devotional music and ghazals received a good response from the people (Amy, 1984). Increasing retailing outlets of corporate music, increasing acceptability of Compact Discs, new distribution channels like internet have brought a new trend in the Indian music industry. (Gambrill & Pruger,1996) The new trend from 1999-2000, brought surprising growth in music industry by 18 per cent. It was reported that in the year 2000 alone, 210 million music cassettes were sold and 13 million CDs were bought by customers. The customers' preference showed that they prefer cassettes in comparison to CDs as penetration level of CDs was only 5-6 per cent contrary to 70 per cent demand of the same in the markets of developed nations like US and UK.

But in India, we got to see a different change with the popularity of CDs because of its faster growth than music cassette sales. As we know that music is an integral part of our hindi cinema, it gives more opportunities to music companies to flourish. Moreover, good music is important to get enough publicity for movies before it is released and also it results into the success or failure at the box-office. (Baker, 2008) As an astonishing fact, music accounts for seventy per cent of film industry's revenues.

As per rankings in 1990s-2000s, we found T-Series as the no.01 market leader followed by Saregama, Tips, Sony, Universal, Venus, Magnasound and Times Music. Besides them, there were also players at national and regional level.

#### **4. Music Piracy- A Big Racket in Indian Music Industry**

To earn quick money and fame, people get into piracy and counterfeit activities which are highly unethical. Piracy of any type is illegal and one should never ever indulge in activities of such kind. Piracy is nothing but infringement of copyright on a commercial scale. (Harris,2002) It is against the law and violation of rules and regulations. Moreover, it is a crime. When we talk of piracy in the context of music, it is again unethically infringing the copyrights of music composed by music directors. In fact, it is stealing somebody else's intellectual property and inappropriately using it for one's own benefit. Similarly, (Baase,1997) counterfeiting is again like music piracy. Here, the important aspect lies with the sound and other aspects of recording. It means counterfeiting is actually copying the sound, artwork, packaging, trademark of the original recordings. The objective is to misguide the customers to think and buy recordings which are inferior against the one which is original having high price. (Bush, & Drexler, 2002) Pirate recording is another piracy prevailing in the market. It is to duplicate the music already existing and that too, without any legal authorization. We can find such CDs or cassettes in the form of compilation of hit title songs of different movies into one single CD or cassette. A slight difference can be seen in the packaging and presentation of such pirate copies from the original. One yet, another form of piracy is bootlegging. It is recording and duplication and sale of a live concert or programmes without taking the permission of the concerned artiste or the music company that possess the sole right. When such is the massive fraud happening in music industry, it was obvious that people from various background whether owners of big recording facilities or small shops would be jumping into such unethical practices.

Under such circumstances, it is not surprising that the Indian music industry loses millions of rupees every year due to infringement of music pirates. In 1997 alone, out of 580 million cassettes, 175 million cassettes were illegally manufactured by pirates and sold to the customers. By doing so, pirates escape from paying sales tax, excise duties and most importantly, royalty to the original composer. They also escape from publicity and promotion expenses. In the beginning of 1980s, Piracy reached to its peak touching 90 per cent thereby eating up the market in a massive way. But it was brought down to 65 per cent in 1990s and further, pulled down to 40 percent in 2000.

#### **5. Gulshan Kumar's rocketing success in Music Industry: An Unethical Approach**

How does Gulshan Kumar shot up to fame? How could he manage and rule the music industry for such a long period of time? All begins with a recap of his

background. His father and his whole family actually moved from west Punjab and settled in Delhi in 1947. His family started their own business of fruit selling on the roads. But they consistently made their effort and succeeded in buying their own fruit juice shop. Chandrabhan, the father of Gulshan Kumar shifted his business of fruit juice selling to selling pre-recorded music by opening a record shop. During 1970s, Gulshan took over his father's business and named his company as 'Super Cassettes'. Since then, there was no looking back. As the company reached the year 2000, T-Series had already become a \$90 million group, diversifying its business to consumer electronics, CDs, cassettes, audio-video magnetic tapes and mineral water businesses. The company was enjoying the rights to over 2000 videos and 18000 audio titles. To keep abreast with advanced technology, T-Series had even tied up with Hyundai of Japan and came out with colour television venture. Analysts termed such a meteoric success by Gulshan Kumar and its T-Series as unethical and considered him as representing a mafia group against the other group which according to Gulshan, is a threat to his own existence in the music business.

During 1970s, the major players in Indian music industry were Music India Limited and Polydor. They only sold expensive LP records. These companies were not having manufacturing units for the production of cassettes at large scale. Since there was no competition and there was monopolistic market for these two players, it was less felt by them that they need to sell their cassettes to maximum number of customers. They were charging high price as they had selected customers who use to buy their cassettes. But situation changed in the late 1970s when new cassette players plunged into the market where in Japanese 'two in one' was very popular among customers. People returning from Gulf countries started bringing 'two in one' along with them. Thus, the craze for music and different music players got rampant among customers (Finn & Jacobson, 2003).

Government liberalized the export and import trade in 1978. Due to which the Indian music industry was at huge benefit. (Bok, 1984) The change in the government policies brought flexibility in terms of availability of new kinds of luxury consumer goods in the market. Moreover, middle class people became targeted customers for all these new products arrived, recently. Among different products, cassette players and cassettes per se found its own market and received frequent demand from the customers. They became very popular among people due to its cheap price tag. As compared to LP records, cassettes were quite cheap to be produced and their distribution and transportation was also quite affordable. Seeing the huge margin with the cassette selling, a lot of outfits came up overnight with their business of illegal copying operations. Most of them tried to copy old hindi songs from GCI catalog as copying was easy to do so with the help of two cassette players and a supply of tape, spools and cases. These cheap sellers need not to pay any excise duty and no royalties to the original makers. Besides, they used cheap cassettes with less costs. All these factors had enabled them to sell their cassettes at half of GCI's prices. During 1980s, the practice of selling cassettes with low price became a trend and had captured a big market. To our utter surprise, it was reported that a major portion of

piracy industry was captured, owned and operated by none other than Gulshan Kumar's T-Series. Gulshan Kumar was smart enough to make use of the situation. Since late 1970s and early 1980s, audio cassette production was defined as a small-scale industry; Gulshan Kumar took the advantage of loans, subsidies and other incentives accruing to the small scale industries offered by the government. T-Series spent only the cost of the cassette ie; seven rupees and the cost of duplicating. The same cassette was retailed in the market at Rs. 25. As a major strategy to satisfy dealers and retailers, Gulshan Kumar replaced cassettes instantly in case of damage or any sort of complaint with the cassettes. The company became very popular with such strategies as these strategies were highly customer-friendly and moreover, the company had unbeatable and affordable prices with regard to cassettes in comparison to other competitors. Thus, it became a big contender of GCI. By mid 1980s, T-Series decided to stop its activities of pirated recordings business. By now, the company felt that they had enough money to play with and therefore, they started concentrating on legitimate businesses.

#### **6. Gulshan Kumar – A Trend Setter or Torch-Bearer of Piracy?**

We all love to listen to old hindi cinema songs. We even call it as 'old is gold' or 'golden era of Indian music'. By saying that, we regard our Indian hindi songs as beautifully composed music soothing to everybody's ears. We give regard to old music directors whose great compositions are unforgettable. They were the true music trend setters. But, we find many pirates plunging into the music market with their improper ways of carrying out illegitimate piracy business. These pirates had compelled the true and genuine players to suffocate in running their businesses, ethically. But in 1980s, there was a period when Indian music world saw unprecedented piracy at all levels of music like composition, recording, distribution, packaging, wooing retailers and veiling customers by hiding the reality. The music was blatant and inferior in standard. We also get to see the copying of international music, as well. From customers' point of view, particularly the upper class and upper-middle class families, it was good that they had the option of having video and audio cassettes with cheap prices from the market. It was possible only due to the availability of pirated cassettes in the market. But, on the other hand, it was a straight blow on the faces of those who were already in the music market and doing their business ethically like GMC and Music India Limited. Since the customers like upper class and upper-middle class families would watch latest movies and listen to bollywood songs, video and audio piracy became extensive and out of control. Since lower classes could not afford to buy colour television sets and recorders or video players, they ended up with no option but to go to movie theatres. Thus, movie producers and directors preferred to make movies carrying the subject and issues of poor and downtrodden lower class of the society. As it was catering to needs of poor people, movies made were of mediocre quality and the music was again unsoothing. Under such pathetic condition, T-Series took away the credit of bringing the music industry out of this turmoil. Even critics admitted the fact that it was

Gulshan Kumar whose intelligent moves and prudent instinct actually rejuvenated the music industry and ceased the music industry to get derailed from the growth-track. In 1980s, Gulshan Kumar was lucky and smart enough to have the rights of some of the movies which became a meteoric success. Almost all these movies performed well at the box-office and their music was melodious. Thus, the trend which had vanished for quite some time, came back, bringing all credits to T-Series.

Customers realized that it was only when T-Series ventured into the market that they started getting the opportunity to buy cassettes with affordable and unbeatable prices. Customers also realized that GCI and Music India Limited were actually sucking their blood in terms of charging very high prices just because of their dominance in the music market. Gulshan Kumar's strategy was to make cheaper cassettes and sell them to retailers through small shops all over the country. The approach was welcomed by even the common man because it was accessible to anyone across India. On top of that, T-Series even brought a new scheme to retailers that in case, the cassettes are damaged or having bad packaging done, company would take back all those unsold cassettes so that these small retailers may not have to incur losses. Such a support was unique and unheard of, then and thus, Gulshan Kumar received all fame for such a favourable move. Another new approach initiated by Gulshan Kumar was his promotion to fresh talent through cover versions. Such a move was again a boon to talent strugglers in the industry. Today's many talented singers indebted to him for his initiative to provide them a platform to prove their mettle. After the death of Gulshan Kumar in 1990s, we find that the prices of audio cassettes shot-up.

All said and done, the man called Gulshan Kumar brought a renaissance in the entire music industry of the country and as long as he was alive, the market was solely driven by him. That way, he benefitted listeners, facilitated a number of new stars and most importantly, expanded and diversified the market. By his arrival, he broke the existing monopoly of the market and gave tough fight to already existing GMC and Music India Limited. Although, he brought a new trend in the music industry, we cannot rule out his earnings of bad name being a pioneer in setting trends that too, with piracy. At the end of the day, the fact of the matter is while music piracy and penetration of pirates in the music world attributed huge profits, they unintentionally ended up bringing favours to the music industry (Baumrind, 1964). From 1970s, it was observed that the music industry had grown manifold. Its size has also enlarged. Therefore, it goes without saying that although piracy brought agonies to many but the growth and size of music industry today, are because of the involvement of pirates and their piracy business bringing stiff competition to competitors in the market.

## **7. The Bottom-Line**

But the question still remains to be answered: How can a wrong thing be supportive to right thing; as what we see in the aforementioned deliberation. Perhaps, the answer lies in our own decision of how we as a stakeholder want to see and get



responded. Earning money is not bad but what path we adopt to realize our objective is what matters most. To give it a quick shot, we tend to get ourselves indulged into deeds which may not be correct or ethically appropriate to be pursued. Thus, a strong conscience within ourselves acting like a light-house in the vast ocean helps us to seek direction and get rid from the illusion of materialistic gains and attractions. We need to identify and realize the feel of conscience in each one of us to curb such menace of unethical practices in our mundane life.

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