



# THE ROLE OF MUSIC IN INDIA'S ECONOMY

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## ABSTRACT

Music in India is not only a cultural expression but also a significant economic driver. This research paper explores the multifaceted role of music in India's economy, examining its contributions through traditional, commercial, and digital pathways. From the rich legacy of classical and folk traditions to the booming Bollywood music industry and emerging independent music scenes, the Indian music sector supports a diverse ecosystem that includes artists, composers, technicians, producers, and digital content creators.

The paper delves into how music contributes to employment, tourism, and global soft power while analyzing the economic impact of streaming platforms, live performances, and music licensing. It also highlights the role of government policies, private sector investment, and technological innovations in shaping the current landscape. While the industry holds immense potential, it faces challenges such as piracy, inconsistent income streams, and lack of institutional support.

By integrating cultural preservation with market dynamics, this study underscores how a thriving music sector can drive inclusive growth, foster creative economies, and strengthen India's global cultural footprint.

## INTRODUCTION

Music has always occupied a central place in India's civilizational fabric, transcending boundaries of language, region, and class. It is deeply woven into the country's rituals, festivals, cinema, and social identity, evolving through millennia from classical traditions like Hindustani and Carnatic to a diverse spectrum that now includes Bollywood, regional folk, devotional music, and a rapidly growing independent music scene. While music is often

celebrated for its cultural and emotional significance, its role as an economic contributor has historically been underexplored.

In recent decades, however, the Indian music industry has emerged as a vibrant economic sector, contributing to employment, tourism, media, and digital services. According to industry estimates, the music sector is a growing part of India's creative economy, which is gaining traction as a catalyst for sustainable development, innovation, and cultural diplomacy. With the rise of digital streaming platforms, mobile internet penetration, and global interest in Indian musical forms, the sector is undergoing rapid transformation. Indian music is no longer confined to traditional or national audiences—it is now a global cultural export that contributes to India's soft power and creative economy.

Moreover, the synergies between music and other industries—especially film, advertising, live entertainment, and tourism—have created complex value chains that generate livelihoods across both urban and rural areas. Music festivals, spiritual tourism, music therapy, and heritage preservation also open avenues for economic engagement beyond conventional models.

This paper explores the intersection of music and economy in the Indian context, aiming to analyze how music contributes to economic activity, employment generation, cultural branding, and policy development. It also highlights the role of technology, entrepreneurship, and state support in expanding the reach and impact of Indian music. At the same time, it critically examines the challenges faced by the sector, including income inequality, intellectual property rights issues, lack of formal infrastructure, and market fragmentation.

By placing music at the center of economic inquiry, this study advocates for a more integrated approach where cultural vitality and economic growth are not seen as separate but mutually reinforcing aspects of national development.

## **HISTORICAL OVERVIEW OF MUSIC AND THE ECONOMY IN INDIA**

The relationship between music and the economy in India is deeply rooted in history, reflecting the nation's evolving cultural, social, and political landscapes. In ancient India, music was considered a sacred art, closely tied to religion, philosophy, and the Gurukul system, where musicians were supported by royal patronage, temples, and wealthy patrons. The *Natya Shastra*, a classical Sanskrit treatise, outlined not only aesthetic principles but also the role of performance arts in community life and social structure.

During the medieval period, sultanates and Mughal courts became centers of musical innovation, nurturing artists and ensembles through institutionalized patronage. Musicians like Tansen and Baiju Bawra found both fame and financial support as court performers. Regional kingdoms across India also developed distinct musical traditions, supporting folk artists, temple musicians, and bards through land grants and stipends.

However, with the arrival of British colonial rule, the traditional music economy began to decline. The disruption of royal courts and religious institutions led to the marginalization of many musicians. Yet, the introduction of printing presses, recording technologies, and radio broadcasting in the 20th century gradually redefined music's economic landscape. The formation of All India Radio (AIR) and the growth of film music in Bollywood opened new revenue streams and audience bases.

Post-independence, India saw a revival of classical traditions through music academies and state-sponsored institutions. Meanwhile, the commercialization of film music and the rise of music cassettes and CDs in the late 20th century laid the foundation for today's thriving music industry.

This historical trajectory reveals a constant negotiation between cultural preservation and commercial adaptation. The shift from patronage to market-driven models marks a turning point, making music not just a spiritual pursuit but also a viable economic activity in modern India.

## **THE INDIAN MUSIC INDUSTRY: STRUCTURE AND SEGMENTS**

The Indian music industry is a dynamic and multi-layered sector, reflecting the country's cultural diversity and technological evolution. It comprises various segments, each contributing uniquely to the economy. Traditionally dominated by film music, especially from Bollywood and regional cinema, the industry has expanded significantly with the rise of independent music, devotional genres, folk traditions, and digital content creation.

### **1. Film Music**

Film music continues to be the largest segment, accounting for over 80% of the recorded music market in India. Music directors, playback singers, lyricists, and orchestras are closely integrated with the film industry. The value chain includes production houses, music labels, digital distributors, and performance rights organizations.

### **2. Independent and Regional Music**

The last decade has seen a boom in independent music across genres like pop, rap, fusion, and electronic. Regional music markets, especially Punjabi, Tamil, Telugu, and Bhojpuri, have grown rapidly, supported by local labels and strong YouTube followings. This segment empowers grassroots artists and diversifies economic opportunities beyond the traditional film-centric ecosystem.

### **3. Devotional and Folk Music**

Despite being underrepresented in mainstream media, devotional and folk music constitute significant local economies. Bhajans, qawwalis, kirtans, and regional folk performances generate income through temple events, seasonal festivals, and spiritual

#### **4. Digital and Streaming Platforms**

Platforms like Spotify, Gaana, Wynk, JioSaavn, Apple Music, and YouTube have transformed music consumption and monetization. Artists earn through ad revenue, streaming royalties, and brand partnerships. Streaming also enables artists to reach global audiences without intermediaries.

#### **5. Live Performances and Events**

Live music—ranging from classical concerts and Sufi nights to music festivals like NH7 Weekender or Sunburn—contributes to event tourism, hospitality, and merchandising. These events support a wide range of employment: sound engineers, technicians, event managers, vendors, and local artisans.

Together, these segments create a vibrant and interdependent ecosystem. The Indian music industry is no longer a niche—it is a powerful cultural and economic engine, evolving rapidly with new technologies and audience behaviours.

### **EMPLOYMENT AND LIVELIHOOD IN THE MUSIC SECTOR**

The music sector in India is a significant source of employment and livelihood, both in formal and informal capacities. While the spotlight often remains on singers and composers, the industry sustains a wide network of professionals including lyricists, instrumentalists, sound engineers, music producers, background vocalists, event organizers, agents, and digital marketers.

A majority of India's music-related workforce operates within the gig economy, earning income through performances, teaching, session work, or content creation. In classical and folk music traditions, musicians often rely on live performances, cultural festivals, religious events, and state-funded scholarships or fellowships to earn a living. Despite the challenges of irregular income and limited job security, many artists remain committed to their craft, often supplementing their income by offering private classes or workshops, both offline and increasingly through digital platforms.

The rise of digital platforms and social media has created new avenues for earning. Artists can now monetize their work via YouTube channels, streaming royalties, crowdfunding, online teaching, and brand sponsorships. Apps like Patreon, Skillshare, and Instagram Live donations have also helped independent musicians engage directly with their audiences for financial support.

Additionally, the music industry fuels ancillary employment in sectors like event management, stage production, venue operations, and audio-visual content creation. With the growth of music festivals and concerts, temporary and seasonal employment opportunities have increased in urban and semi-urban areas.

However, despite its contributions, the sector remains under-regulated. There is a lack of consistent social security, minimum wage policies, and pension systems for musicians and technicians. Many artists, especially in rural areas, lack access to government schemes or union representation.

Recognizing music as a viable career path, and formalizing it through policy and infrastructure, could unlock substantial employment potential and bring dignity and stability to thousands working in India's diverse music economy.

### **DIGITAL TRANSFORMATION AND THE STREAMING ECONOMY**

The digital revolution has transformed India's music industry, democratizing access and reshaping revenue models. With the widespread use of smartphones and affordable internet, platforms like YouTube, Spotify, Gaana, and JioSaavn have become the primary modes of music consumption. India now ranks among the world's top five music streaming markets by user base. This shift has empowered independent artists to bypass traditional gatekeepers and reach global audiences directly. Social media platforms such as Instagram Reels and YouTube Shorts further amplify reach, helping musicians build personal brands. However, revenue per stream remains low, challenging income sustainability. Moreover, algorithm-driven promotion often favors popular genres, sidelining regional and classical music. Issues like royalty distribution, copyright enforcement, and platform dependency persist. To ensure equitable growth, India's music economy needs stronger digital rights frameworks and policies that support diverse creators while fostering innovation and entrepreneurship in the evolving streaming ecosystem.

### **GOVERNMENT POLICIES AND SUPPORT MECHANISMS**

Recognizing the cultural and economic value of music, the Indian government has introduced various policies and initiatives to support the sector, although efforts remain fragmented and limited in scope. Music is largely treated under the broader umbrella of arts and culture, governed by institutions such as the Ministry of Culture, the Sangeet Natak Akademi, and state-level cultural departments.

The Sangeet Natak Akademi provides fellowships, scholarships, and awards to classical and folk musicians, aiming to preserve traditional music forms and support artists financially. Prasar Bharati and All India Radio continue to offer performance platforms to rural and

classical musicians. Government-funded festivals and cultural events often showcase regional and classical music, providing visibility and income opportunities.

However, there is no dedicated national policy for the music industry, especially in its commercial and digital aspects. Issues like copyright enforcement, royalty distribution, music education, and artist welfare remain under-addressed. Schemes like the Performing Arts Grant Scheme and IGNCA (Indira Gandhi National Centre for the Arts) do provide some support, but access is often bureaucratic and uneven.

Recent initiatives like Digital India and Start-Up India can benefit music entrepreneurs, especially in content creation and streaming. With better coordination, transparency, and targeted funding, the government can significantly enhance the sustainability of India's music economy.

## **CHALLENGES FACING THE MUSIC ECONOMY IN INDIA**

Despite its cultural richness and economic potential, the Indian music industry faces a range of structural and systemic challenges that hinder its growth and inclusivity. One of the foremost issues is the lack of formal employment structures. Most musicians and technicians operate within the informal economy, without access to minimum wages, social security, insurance, or pensions, making their livelihoods highly precarious.

Copyright enforcement and royalty distribution remain major concerns. Many artists, especially composers and lyricists, struggle to receive fair compensation due to weak enforcement of intellectual property rights and lack of transparency from streaming platforms and music labels. The absence of a unified regulatory framework complicates revenue-sharing mechanisms.

The industry is also marked by urban concentration, with limited opportunities and infrastructure in rural areas. This leads to regional disparities and underrepresentation of folk and tribal music in mainstream markets. Furthermore, music education and institutional training are not adequately integrated into the formal education system, leaving many talented individuals without structured pathways to professional success.

Digital platforms offer reach but also introduce platform dependency and low streaming revenues. For most artists, going viral doesn't always translate into stable income.

To unlock its full economic potential, the Indian music sector needs better policy support, artist welfare programs, legal protections, and a more inclusive industry structure.

## **CONCLUSION AND RECOMMENDATIONS**

### **Conclusion**

Music in India is far more than just an art form—it is a cultural institution, an economic engine, and a tool of identity and unity. From temple courtyards to global music festivals, from street performers to streaming sensations, the Indian music industry is diverse, vibrant, and evolving.

As we've seen, music contributes to employment, tourism, exports, digital innovation, and social inclusion.

However, the sector faces multiple challenges: lack of formal recognition, inconsistent government support, inadequate copyright enforcement, and income instability for artists. Despite digital breakthroughs, much of the talent in India remains under-promoted and under-protected.

To unlock the full potential of music as an economic driver, it is essential to view it not just as culture but also as creative industry infrastructure, deserving investment, regulation, and support.

## Recommendations

1. **Formulate a National Music Policy:** Introduce a dedicated policy that addresses copyright, streaming rights, artist welfare, and industry standards.
2. **Strengthen Intellectual Property Rights:** Enforce clear guidelines on royalties and rights management to ensure fair compensation for creators.
3. **Promote Regional and Folk Music:** Provide grants, digital access, and international platforms for lesser-known music forms.
4. **Enhance Music Education:** Integrate music into formal education and establish public-private partnerships to train future professionals.
5. **Support Independent Artists:** Offer tax incentives, artist residencies, and digital toolkits to empower small creators.
6. **Leverage Cultural Diplomacy:** Use music as a soft-power asset through embassies, festivals, and cultural exchange programs.
7. **Build Infrastructure:** Establish music hubs, digital platforms, and recording facilities across India, especially in rural areas.

With the right blend of **policy, innovation, and inclusivity**, music can continue to be not just the soul of India, but also a strategic pillar of its economic future.

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