

Broadcasting Paradox?
A Study of Content Diversity and Ownership
in Contemporary Indonesian Television

by

Hellena Yoranita Souisa

0000-0003-0908-7301

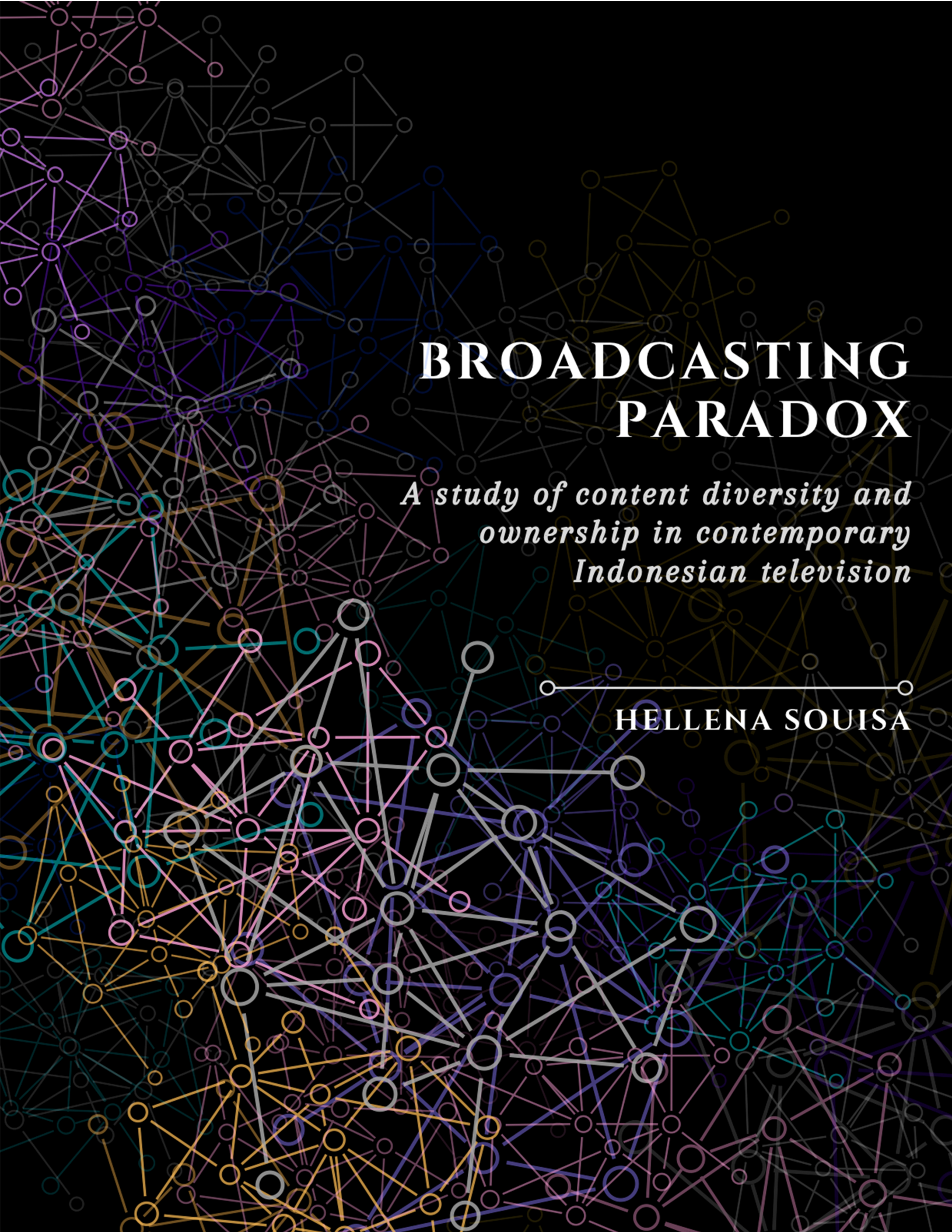
<https://orcid.org/0000-0003-0908-7301>

*A thesis submitted in total fulfilment for the
degree of Doctor of Philosophy*

in the

Asia Institute
Faculty of Arts
The University of Melbourne

February 2020



BROADCASTING PARADOX

*A study of content diversity and
ownership in contemporary
Indonesian television*

—
HELLENA SOUISA

Abstract

Independent media in a democracy is an arena where the exchange of a diverse range of information and views facilitates the formation of public opinion. It took the fall of the almost 32-year-long authoritarian regime before Indonesians finally experienced democracy in 1998. The spirit of democracy was reflected in the implementation of new regulations, which are more liberal and freer from government control. Departing from the principle of diversity of ownership and diversity of content, the implementation of the new laws resulted in a growing number of media outlets. Diversity of content is commonly accepted as a founding principle in communication policy. Discussion on programme diversity as a performance goal has been particularly lively and relevant in the case of television, as is well documented, for example, by Blumler (1991) and Napoli (1999). Accordingly, the principle of a wide range of programme options is typically included in national broadcasting legislation, and both public and commercial broadcasters have faced the requirement of diversity, set by the various regulatory bodies. But previous research in the Indonesian context has shown that this diversity of media outlets and content as an essential aspect of Indonesia's new democracy has been threatened by various developments. The first threat concerns the issue of media ownership and conglomeration. The second threat to media diversity is political: Half of the media owners also serve as the leaders of political parties. This study examines the diversity of market structure and programme content of Indonesian television in the context of the 2014 legislative and presidential elections. Using a Critical Political Economy approach, it addresses two key questions: 1) Does ownership have an impact on television structure and content?; and 2) Do corporate connections to politics have an impact on television journalism? One of the findings is that television owners only endorse the idea of diversity if it can bring them profit, or further their political interests.

Declaration

I hereby declare that this submission is entirely my original work and that any information and material derived from other sources has been indicated and adequately acknowledged in the thesis. The thesis is less than 100,000 words in length, exclusive of tables, charts, maps, references and appendices.

Signature: *Hellena Souisa*

Date: 28 February 2020

Acknowledgements

This work would not have been possible without the financial support of the Indonesian people whose taxes, managed by Indonesia Endowment Fund for Education (Lembaga Pengelola Dana Pendidikan, LPDP), went to fund my doctoral degree at the University of Melbourne from 2016 to 2019. I am grateful to all of those with whom I have had the pleasure to work during this and other related projects. Each of the members of my Dissertation Committee has provided me extensive personal and professional guidance and taught me a great deal about both scientific research and life in general. I would like to express my gratitude and appreciation for my supervisor Dr Edwin Jurriëns whose guidance, support and encouragement has been invaluable throughout this study. Edwin continuously provided encouragement and was always willing and enthusiastic to assist in any way he could throughout the research project. I would also like to thank Prof Robert Hassan for providing advice regarding analysis. I am also grateful to have received significant support and help on the quantitative analysis from Cameron Patrick from the University of Melbourne's Statistical Consulting Centre. Special thanks to all the participants in the study's interviews, and to Binocular Indonesia for generously providing the recordings needed for the content analysis. I am also thankful to the Asia Institute and its staff for all the considerate guidance, especially Dr Ken Setiawan, Prof Vedi Hadiz, and Robyn Borg. I am blessed to have my colleagues Randy, Prima, Aim, Sonja, Scott, and my "little super team" Bram, Adriel, Dani, Livia, Fidela, and Sheilla as a support system. Nobody has been more important to me in the pursuit of this project than the members of my family. I would like to thank my parents, whose love and guidance are with me in whatever I pursue. They are the ultimate role models. Most importantly, I wish to thank my loving and supportive husband, my brother, my sister, my cousins, my nephew, and my in-laws who provide unending inspiration. To conclude, I cannot forget to thank my extended family and friends in Indonesia and Australia for all the unconditional support in through these very intense academic years. And, Dad, this one is for you in heaven. I hope you are proud of me.

Table of Contents

List of Tables	xii
List of Figures.....	xv
List of Graphics	xvi
List of Charts	xvii
1 Broadcasting Paradox? The Impact of Media Ownership Concentration on the Diversity of Television Content in Contemporary Indonesia	1
<i>1.1 Introduction: Media and Democracy in Contemporary Indonesia</i>	<i>1</i>
<i>1.2 Research Aim.....</i>	<i>3</i>
<i>1.3 The Role of Media in Indonesia</i>	<i>3</i>
<i>1.4 The “Medium is the Message” in the Indonesian Media Landscape</i>	<i>5</i>
<i>1.5 Media Diversity: Outlet vs Content</i>	<i>7</i>
<i>1.6 Measuring Diversity of Content.....</i>	<i>11</i>
<i>1.7 Research Design.....</i>	<i>14</i>
1.7.1 Research Question	14
1.7.2 Methodology.....	15
<i>1.8 Significance of the Study.....</i>	<i>17</i>
<i>1.9 Structure of the Thesis.....</i>	<i>18</i>
2 The Media Industry: A Battlefield of Interests	20
<i>2.1 Introduction.....</i>	<i>20</i>
<i>2.2 The Public Sphere and Marketplace of Ideas Metaphors</i>	<i>21</i>
<i>2.3 Media and Democracy: Contested Theories on the Role of the Media</i>	<i>22</i>

2.3.1 The Market–Liberal Theories Cluster	23
2.3.2 The Deliberative–Critical Theories Cluster	25
2.3.3 Agonistic–Radical Theories Cluster	28
2.3.4 Affirmative and Critical Media Theories Line	30
2.3.5 Critical Political Economy	33
2.4 Media Diversity Approach	35
2.5 Source, Content and Audience Diversity: Political Approach	38
2.5.1 Examining Source and Content Diversity using the Structure Conduct Performance Paradigm	40
2.5.2 Economic Approach: Supply and Demand	43
2.5.3 Examining Diversity of Supply and Diversity of Demand using Program Choice and Public Policy Model	46
2.6 The Impact of Market Forces on Diversity	47
2.6.1 Ownership and Content Diversity	48
2.6.2 Competition vs Concentration in Broadcasting and Content Diversity	48
2.6.3 Media as Profit-Maximising Mechanisms: Commodities, Economies of Scale and Economies of Scope	49
2.6.4 Two Competing Media Models: Market Model and Public Sphere Model	56
2.7 Broadcast Media in Contemporary Indonesia: A Prologue	62
2.7.1 Television as the Most Popular Medium and the Problem of Online Media in Indonesia	64
2.7.2 The Concentration of Media Ownership and Diversity of Content ..	65
2.8 Proposed Theoretical Framework	66
2.9 Conclusion	68

3 Diversity of Content and Concentration of Ownership: A	
Methodology	70
3.1 Introduction.....	70
3.2 Diversity in the Indonesian Media Landscape.....	70
3.3 Defining Diversity	74
3.3.1 Source Diversity	75
3.3.2 Content Diversity	76
3.3.3 Exposure Diversity	78
3.4 Measuring Source Diversity	81
3.4.1 Measuring Content Diversity	83
3.4.2 Yardsticks in Measuring Diversity	88
3.5 Levels of Assessing Diversity.....	89
3.6 Media Ownership Concentration vs Content Diversity.....	91
3.7 Research Methodology	94
3.7.1 Document Analysis	94
3.7.2 Interviews	95
3.7.3 Content Analysis and Time Points	96
3.7.4 Data.....	97
3.7.5 Variables and Index	97
3.7.6 Methodological Framework	103
3.8 Conclusion	105
4 Indonesian Broadcast Media before Reformasi	107
4.1 Introduction.....	107
4.2 Indonesia's First Television Station	107
4.2.1 The media under the New Order's Pancasila Democracy	108

4.2.2 TVRI as Pancasila Agent	111
4.2.3 The Palapa Satellite: A Conscious Choice of Development	112
4.2.4 Market Structure and Content Diversity	114
4.3 The First Deregulation of the Indonesian Media.....	119
4.3.1 Rajawali Citra Televisi Indonesia (RCTI), the First-born	121
4.3.2 Surya Citra Televisi (SCTV)	123
4.3.3 Televisi Pendidikan Indonesia (TPI), the Special One	124
4.3.4 ANTV and Indosiar: from Outside the Palace yet the Same Inner Circle	126
4.3.5 Market Structure and Content Diversity after the First Deregulation	128
4.3.6 The Early Days of Economies of Scale and Economies of Scope	129
4.4 Regulating Broadcast Media: the First Attempt	130
4.4.1 The Rating System.....	131
4.4.2 The Final Days of the New Order.....	134
4.4.3 The 1994 Banning.....	135
4.4.4 The tragedy of 27 July 1996.....	137
4.5 The Fall of Suharto	139
4.6 Conclusion	142
5 The Indonesian Broadcast Media since Reformasi	144
5.1 Introduction.....	144
5.2 Regulating Media under Democracy.....	145
5.2.1 The 1999 Press Law	145
5.2.2 Why Regulate the Broadcast Media?.....	147
5.2.3 The 2002 Indonesian Broadcasting Law	150
5.2.4 The First Resistance and Government Regulation No.50/2005....	152

5.3 Regulating Post-Suharto Indonesia: A New Branch of Power.....	155
5.3.1 The Press Council.....	157
5.3.2 The Indonesian Broadcasting Commission.....	159
5.4 The Broadcast Media in Contemporary Indonesia.....	163
5.4.1 The Indonesian Public Broadcaster: Televisi Republik Indonesia	163
5.5 Indonesian Private Broadcasters.....	166
5.6 Indonesian Television Landscape: Ownership and Coverage Area.	181
5.7 Rating System.....	185
5.8 Digitalisation: A Solution for Indonesian Television?	187
5.9 Conclusion	189
 6 Measuring Diversity of Ownership and Content in	
Contemporary Indonesian Television	192
 6.1 Introduction.....	192
6.2 The Diversity Components and Structure Conduct Performance	
Paradigm	194
6.3 The Indonesian Television Market Structure	198
6.3.1 The Indonesian Television Market before Reformasi: From Monopoly	
to Monopolistic Competition	198
6.3.2 Indonesian Television since Reformasi: from Monopolistic	
Competition to Oligopoly	200
6.3.3 Diversity of Source: Is the Indonesian Television Market Diverse or	
Concentrated?.....	203
6.3.3.1 HHI	209
6.3.3.2 CR4 and CR8 Measurement	217
6.4 Indonesian Television Content.....	222

6.4.1 The Time Points and Indonesian Media and Politics: A Background	223
6.4.2 Diversity of Content in Individual Programmes: Vertical and Horizontal Diversity	229
6.4.2.1 Vertical Diversity.....	235
6.4.2.2 Horizontal Diversity.....	239
6.4.3 Diversity of Geography, Viewpoint, Demography, Owners' Agenda	242
6.4.3.1 Geographical Diversity	243
6.4.3.2 Demographic Diversity	250
6.4.3.3 Viewpoint Diversity	254
6.4.3.4 Owner's Agenda	259
6.5 Conclusion	268
7 Diversity: In the Name of Profit, but not the Public	269
7.1 Introduction.....	269
7.2 Industry Structure and Government Regulation	269
7.3 Industry Structure and Programme-type Diversity	276
7.3.1 Programme-type: Vertical Diversity.....	277
7.3.1.1 Imported Drama vs Local Drama	280
7.3.1.2 The Indexes.....	283
7.3.2 Programme-type: Horizontal Diversity	285
7.4 Content Diversity: Geography, Demography, Format, and Viewpoints	288
7.4.1 Geographical Diversity	288
7.4.2 Demographic Diversity	290
7.4.3 Viewpoint/Issue Diversity	292

7.4.4 Owner's Agenda and Content	295
7.4.4.1 <i>Starting with Synergy Ends in Multiplicity</i>	295
7.4.4.2 <i>The Owner's Influence on the Newsroom and Television Content</i>	300
7.4.4.3 <i>The Indonesian General Election 2014: What Happened Inside the Newsroom</i>	306
7.4.4.4 <i>Owner-related Content in News Programmes</i>	313
7.4.4.5 <i>Owner-related Content in Programming in General</i>	315
7.4.5 The Newsroom in 2014: From the Inside Out	320
7.5 Diversity in Contemporary Indonesian Television: Between Pro-Market Regulations, Dysfunctional Regulators, and the Sleeping Giant TVRI	322
7.6 Conclusion	324
8 Conclusion	325
8.1 Introduction	325
8.2 General Election 2019: Partisan Television and Diversity at Stake 2.0	326
8.3 Main Findings	330
8.3.1 Media Owners' Intervention Threatens Diversity	330
8.3.2 Diverse, Not Diverse, Diverse, Not Diverse	332
8.3.2.1 <i>HHI Results</i>	332
8.3.2.2 <i>CR4 and CR8 Results</i>	333
8.3.2.3 <i>Vertical Diversity: Relative Entropy Index Results</i>	333
8.3.2.4 <i>Horizontal Diversity: Choice Option Index Results</i>	334
8.3.3 Profit Maximisation in the Prime-time Belt Creates Uniformity	336
8.3.4 High Rating and Share Scores Erode Diversity	336
8.3.5 Unclear Regulations and Weak Regulators Paralyse Diversity	337

8.4 The Conclusions.....	339
8.4.1 Diversity is Measurable	339
8.4.2 The Indonesian TV Market and Content are Less Diverse	339
8.4.3 Diversity of Outlet Does Not Equal Diversity of Content	340
8.4.4 Tension Between Market and Public is Strong Yet Asymmetrical	340
8.5 Limitations and Future Research.....	342
8.5.1 The Index is Blind but Anticipated	342
8.5.2 The Genre Categorisation Dilemma.....	343
8.5.3 Exposure Diversity/Demand-Side of Diversity	344
References	346

List of Tables

Table 1.1 Indonesian Media Landscape: Number of Outlets (New Order and Post-New-Order periods)	6
Table 2.1 Overview of Contested Theories of Media in Democracy	33
Table 2.2 The Principle Seller's Market Structure Types	41
Table 2.3 Theory of the Firm's Market Structure	42
Table 2.4 Supply and Demand Approaches to Media Diversity	45
Table 2.5 Summary of Competing Media Models	61
Table 3.1 Television Programme Genre and Subgenre	83
Table 3.2 Analysis of Source and Content Diversity of Indonesian Television ...	91
Table 4.1 Rating System in Indonesia	133
Table 4.2 Top Six Programme Genres on Prime Time, 17–23 July 1995	134
Table 5.1 Democratic Ideals Reflected in the 2002 Indonesian Broadcast Law	152
Table 5.2 Timeline of Indonesian-Media-Related Law	154
Table 5.3 Indonesian Media Landscape: Number of Outlets (Under and Post-Suharto)	166
Table 5.4 Major Indonesian Media Groups in 2016	169
Table 5.5 Coverage Area of Indonesian Free-to-air Nationwide Television	183
Table 6.1 Market Structure Types from the Industrial Organisation Model	197
Table 6.2 Financial Performance of PT Global Mediacom Tbk, 2011–2015	206
Table 6.3 Financial Performance of PT Elang Mahkota Teknologi Tbk, 2011–2015	206
Table 6.4 Financial Performance of PT Visi Media Asia Tbk, 2011–2015	206
Table 6.5 Television Avertising Expenditures—Leading Earners	208
Table 6.6 HHI Measurement of Indonesian Television Market based on Advertising Revenue	211

Table 6.7 Advertising Revenue in Percentage.....	212
Table 6.8 HHI Analysis of the Indonesian Television Market based on Advertising Revenue 2.....	214
Table 6.9 Indonesian Television Audience Shares.....	215
Table 6.10 HHI Measurement of Indonesian Television Market based on Audience Share	216
Table 6.11 HHI Measurement of Indonesian Television Market based on Audience Share 2	217
Table 6.12 Advertising Revenue in IDR.....	219
Table 6.13 Indonesian Television Market Structure 2014.....	222
Table 6.14 The Spread of Major Television Channels and their Owner's Political Affiliations.....	226
Table 6.15 List of Interviewees	229
Table 6.16 Programme Genres and Subgenres	230
Table 6.17 Duration and Numbers of Programme Titles	231
Table 6.18 Programme Diversity within Individual TV Stations/Vertical Diversity	237
Table 6.19 Local vs Imported Drama by TV Station	238
Table 6.20 Choice Option Index Diversity/Horizontal Diversity.....	242
Table 6.21 Number of News Items Analysed.....	243
Table 6.22 Geographical Diversity: Capital City vs Non-Capital City.....	245
Table 6.23 Geographical Diversity: Cities on TV	245
Table 6.24 Geographical Diversity: Indonesian Provinces and International Areas on TV.....	247
Table 6.25 Geographical Diversity: Top 8 Provinces/Areas per TV Station and Time Point.....	248
Table 6.26 Demographic Diversity: Source Type	251
Table 6.27 Demographic Diversity: Gender.....	251

Table 6.28 Demographic Diversity: Top Eight Source Type	253
Table 6.29 Viewpoint Diversity: Consistent/Not Consistent with the Government	256
Table 6.30 Viewpoint Diversity: Genres	258
Table 6.31 Viewpoint Diversity: Genres–Frequency and Duration	258
Table 6.32 Owner’s Agenda	260
Table 6.33 Owner’s Agenda by TV Station	260
Table 6.34 Owner’s Agenda by TV Station and Time Point.....	261
Table 6.35 Owner’s Agenda by TV Station	263
Table 6.36 Owner’s Agenda by TV Station and Time Point.....	264
Table 8.1 The spread of major television channels and their owners’ political affiliations 2014 and 2019	327
Table 8.2 Programme Diversity within Individual TV Stations/Vertical Diversity	334
Table 8.3 Choice Option Index Diversity/Horizontal Diversity.....	335

List of Figures

Figure 2.1 A Normative Diversity Chain	37
Figure 2.2 Theoretical Framework	67
Figure 3.1 Diversity Components and Subcomponents.....	74
Figure 3.2 The Mass Communication Sequence	79
Figure 3.3 Diversity Components and Subcomponents.....	81
Figure 3.4 Supply and Demand Sides of Diversity	98
Figure 3.5 Methodological Framework.....	104
Figure 6.1 Diversity Components and Subcomponents.....	194

List of Graphics

Graphic 5.1 The Distribution of Power Scheme in Indonesia	156
Graphic 5.2 MNC's Organisational Structure	173
Graphic 5.3 EMTEK's Organisational Structure.....	176
Graphic 5.4 CT Corp's Organisational Structure	177
Graphic 5.5 Viva's Corporate Structure	179

List of Charts

Chart 6.1 Duration of General Programmes and News Programmes by Genre	232
Chart 6.2 Duration of General TV Programmes by Genre	232
Chart 6.3 A Visualisation of Vertical Diversity (within a television channel) and Horizontal Diversity (across television channels).....	234
Chart 6.4 Overall percentage of Drama for All TV Stations	239
Chart 6.5 Geographical Diversity: Comparison between Capital City and Non-Capital City	245
Chart 6.6 Geographical Diversity: Frequency Distribution of Indonesian Provinces and International Areas on TV	248
Chart 6.7 Gender in Frequency	252
Chart 6.8 Gender in Duration	252
Chart 6.9 Demographic Diversity: Source Type–Frequency	254
Chart 6.10 Demographic Diversity: Source Type–Duration	254
Chart 6.11 Viewpoint Diversity: Consistent/Not Consistent with the Government	256
Chart 6.12 Viewpoint Diversity: Genres–Frequency	258
Chart 6.13 Viewpoint Diversity: Genres–Duration	259
Chart 6.14 Represented Aspects of the Owner’s Agenda	262
Chart 6.15 Owner’s Agenda at Time Point 1 (Legislative Election)	266
Chart 6.16 Owner’s Agenda at Time Point 2 (Presidential Election)	266
Chart 6.17 Owner’s Agenda at Time Point 3	267

Broadcasting Paradox?

The Impact of Media Ownership Concentration on the Diversity of Television Content in Contemporary Indonesia

1.1 Introduction: Media and Democracy in Contemporary Indonesia

Independent media is essential to democracy for many reasons. In order to make elections work, for example, it is the duty of the media to provide citizens with accurate information, as democracy requires an informed citizenry. Independent media in democracy is an arena where the exchange of a diverse range of information and views facilitates the formation of public opinion. It took the fall of the almost 32-year-long authoritarian New Order regime (1967–1998) before Indonesians finally experienced democracy again in 1998.¹ The spirit of democracy was reflected in the implementation of the new Press Law in 1999, which is more liberal and free from government control than the old law. Although the previous Press Act of 1966 explicitly guaranteed freedom of the press as a citizen right, the 1982 amendment of the Press Act added two mandatory permits for establishing a media business (Chapter 13 Article 5): one from the Department of Information and the other one from the military security authority. After the dismissal of the Department of Information and the implementation of the 1999 law, those permits were no longer needed. The 1999 Press Law (see Chapter 2) does not only mention the freedom of the press as a citizen's right (Article 1), it also guarantees that "no censorship, prohibition or restriction of broadcasting will be imposed on the national press" (Article 2). This has resulted in an increase in the number of media outlets. The new Press Law is in line with Mughan and Gunther's (2000) observation that the media under a democratic system is supposed to be free

¹ Between 1945 and 1998, Indonesians experienced three different political regimes. After securing Independence in 1945, Sukarno implemented "Parliamentary Democracy" between 1950 and 1957 and "Guided Democracy" between 1959 and 1965. This was followed by the authoritarian "New Order" regime under Suharto from 1967 to 1998. Reformasi or "reform" is the post-New-Order period, marked by the resignation of Suharto as President in 1998.

from direct political control and should be protected by legal frameworks that “promote and sustain a diversity of media forms and outlets” (p. 5). The diversity of media outlets and content is an essential aspect of Indonesia’s new democracy, but previous research has shown that this diversity has been threatened by various developments within the Indonesian media landscape.

The first threat concerns the issue of media ownership concentration and conglomeration (Nugroho, 2012; Lim, 2013; Masduki, 2014; Sudibyo & Patria, 2013). Despite the great number of media outlets in Indonesia, Lim (2013) identifies only twelve conglomerates that control nearly all of Indonesia’s print, broadcast and online media. Nugroho (2012) argues that the media oligopoly threatens the citizen’s right to information as it is market-driven rather than public-interest-driven. The second threat to media diversity is a political one: Half of the media owners also serve as the leaders of, or are closely related to, political parties.

This thesis analyses whether and how the diversity of television content in Indonesia is threatened by media ownership concentration. How diverse/concentrated is Indonesian television ownership? How diverse/homogenous is Indonesian television content? Is there any relationship between ownership and content in Indonesian television? If so, to what extent does the television ownership influence the diversity of content? Does concentration of ownership make a substantial difference in terms of television content? Is there evidence that the corporate and conglomerate connections to politics have indeed made an impact on what is being reported on television? I use political economic theory as a framework for analysing the power and impact of corporate ownership in the Indonesian television world. I specifically address how this power and its impact has affected the diversity of media content and information as a basic right and expectation of the citizenry. My main case-study is the Indonesian general elections of 2014.

1.2 Research Aim

Although media ownership and diversity of content are interconnected, academic research tends to concentrate on only one side, either the economic organisation of media industries, or the content of media products. Some studies have focused on the politics and culture of the Indonesian media after the fall of Suharto (Kitley, 2000; Sen & Hill, 2000, 2011; Tapsell, 2012a, 2012b, 2015a, 2015b; Hill, 2010; Jurriëns, 2009, 2016; Heryanto, 2014). Other scholars have examined aspects of the Indonesian media industry and ownership (Haryanto, 2011; Ida, 2011; Nugroho, 2012; Lim, 2013; Sudibyo & Patria, 2013) and media content (Siregar, 2012; Rianto, 2012 Muhammad, 2014). However, there is still little systematic analysis of the diversity of content in Indonesia, and the impact of ownership concentration on it.

This study seeks to fill this gap by analysing whether concentrated media ownership facilitates diversity of media content, or rather promotes uniformity of content. Based on the premise that media pluralism is a precondition for a democratic society, the project aims to investigate whether media ownership concentration impinges on the plurality of issues, actors, viewpoints and discourses in the media. The project will evaluate whether a lack of such plurality undermines media's role in democracy.

1.3 The Role of Media in Indonesia

On 22 July 2014, Joko Widodo was declared the winner of Indonesia's presidential election. The Election Commission reported that Widodo defeated Prabowo Subianto by more than eight million votes in the election, in which 135 million people, or 70% of the registered voters, cast their ballots.² It was the fourth general election since President Suharto resigned in May 1998 after 32 years of authoritarian rule, making Joko Widodo the second directly-elected president after Susilo Bambang Yudhoyono (2004–2014).

² See: *Indonesian elections 2014: Jokowi vs Prabowo*. ABC News. <http://www.abc.net.au/news/2014-04-03/an-indonesia-votes-2014/5364478>. Accessed: 11 June 2016; *Indonesia's 2014 national elections: a quick guide*. Parliament of Australia. http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1314/QG/Indonesi
[aElections](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1314/QG/Indonesi). Accessed: 11 June 2016, and *Elections in Indonesia 2014*. The Asia Foundation. http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1314/QG/Indonesi
[aElections](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1314/QG/Indonesi). Accessed: 11 June 2016

With a population of more than 240 million people, Indonesia is the fourth most populous country in the world. It is also the largest Muslim country and the third largest democracy in the world (Tapsell, 2015; Aspinall & Mietzner, 2010). In its role as the Fourth Estate of democracy, the mass media, especially the news media across various platforms including social media, is an important factor in shaping the political decision of citizens (Masduki, 2014). Bray (1965, pp. 13–15) explains that the media, as the Fourth Estate, is supposed to act as “guardian” of the people’s fundamental right to free expression of opinion, “watchdog” of civil liberties, and “protector” of ordinary citizens against the bureaucrats or assuming authority (Schultz, 1998, p. 43). Grabber (2005) argues that the news media should also act as “guardian of the public welfare” and foster political action by publicising “social evils” (p. 21). Mujani and Liddle (2010) have demonstrated the influence of the media on politics in the context of Indonesia’s general election of 2009.³

The significance of the media in democracy is underlined by Habermas’ (1989) concept of the “public sphere.” Habermas explains that society, because of its scale, only allows a relatively small number of citizen representatives. The public sphere, with the mass media as its main institution, functions as a broader realm of social life for the exchange of information, ideas and points of view. In other words, the public sphere “encompasses the set of media outlets by means of which particular groups or individuals are provided with information they need to participate in political processes that affect their lives” (McNair, 2006, p. 137). Similarly, Michael Morgan (1998) points out that democracy depends on mass communication to tell the public what they “need” to know in a relatively “objective” and comprehensive fashion. Especially in large and complex societies, “it is virtually impossible to find out such things for the public without the mass media” (Morgan 1998, p. 98). A democratic society also requires separation of powers, in which the media is able to monitor and evaluate excessive

³ According to Mujani and Liddle (2010), the impact of television campaigns, especially on the presidential vote, has mixed implications for the quality of democracy. While TV news, talk shows and political commercials during the 2009 election gave citizens access to valuable information and commentary on politics and government, there was no transparency about the funding of political commercials during campaigns.

power or corruption of the state and other main institutions. The separation of powers contributes to the creation of informed citizens who are able to take part in public affairs. A free press is considered vital to maintaining a democratic society.

This thesis is an interdisciplinary study that engages with theories of the media, journalism, democracy and economics. This approach makes it possible to demonstrate, among other things, that the dual role of the media as business and public entity has implications for media content. For the media, economic benefit, rather than its ideal role in democracy, is one of its main drivers.

1.4 The “Medium is the Message” in the Indonesian Media Landscape

As political “socialiser” (Dekker, 1991), the media has a great influence on people’s political orientation. According to Kraus (in Dekker 1991), it is evident that the mass media, particularly television, may be responsible for a child’s political learning. Among the “socialisers” are television, radio, newspapers, journals and magazines. The end of Suharto’s authoritarian regime changed the role of the media in distributing information, and as a result of *reformasi* (democratic reform), the Indonesian media industries have been expanding. The Department of Communication, once the executor of any government policy on the media under the New Order, was dismissed, and a more liberal Press Law was implemented, giving the media the freedom to serve the public interest without fear of being banned. The new law no longer requires licences for opening new media business, which has resulted in a significant increase in the number media outlets, especially in the print media sector (see Table 1.1). For the broadcast media, the situation is more problematic, as Indonesia did not have a broadcasting regulation before 1998. The main players in commercial television were Suharto’s family members, who received licences without clear mechanisms and processes in place. I will elaborate more on the history of Indonesian television and broadcasting regulation in Chapters 4 and 5.

Table 1.1 Indonesian Media Landscape: Number of Outlets (New Order and Post-New-Order periods)

Media Outlet	1998	2013
Print Media	298	1,076
Radio	700	2,800
Television⁴	6	11

Source: Author, data compiled from Lim, 2011; Haryanto, 2011; Sudibyo & Patria, 2013.

In 2015, the Ministry of Communication and Information reported that the number of Indonesian Internet users had reached 82 million or about 35% of the total population, showing dramatic growth from only 618,000 users or 0.26% in 1998.⁵ Each medium makes unique contributions to social and political learning. Television is rich in visualisations that transmit realism and emotional appeal but may be less suitable for conveying abstract ideas. The print media is fit for conveying factual details and knowledge material, while the Internet can transmit messages at high speed and offer users the opportunity to actively participate in the public sphere. Where once audiences would traditionally have read their morning newspaper over breakfast or on the train to work, and watched the 8 o'clock news on television, new media such as the Internet has given people the option to steal quick peeks at news headlines throughout the day (Gillmor, 2006; Siapera, 2012). Interactivity has also increased. Because of these developments, the mainstream media can no longer treat the news as a one-way lecture. The mainstream media is now aware that it is no longer an era of “we told you what the news is” or “you buy it, or you don’t” (Gillmor, 2006, p. xxiv).

Apart from the “seeing is believing” factor, television has a distinctive identity related to the radiofrequency spectrum. According to Nielsen’s Global Generational Lifestyles survey report released on November 2015, 53% of 30,000 online respondents from 60 countries, including Indonesia, chose television as their preferred news source, making

⁴ Here I refer only to national terrestrial television and exclude local television and pay television.

⁵ See: *Kemkominfo: Pengguna Internet Capai 82 Juta Orang*.

https://kominfo.go.id/index.php/content/detail/3980/Kemkominfo%3A+Pengguna+Internet+di+Indonesia+Capai+82+Juta/0/berita_satker. Accessed: 11 June 2016

it the most important source of news, ahead of search engine sites (38%) and social media sites (33%).⁶ Ross Tapsell observes that despite all of the excitement and hype about the Internet and social media in Indonesia, the dominant platform for watching news on a weekly basis for 80% of Indonesians is free-to-air television.⁷ This is also in line with a 2016 *Kompas* survey⁸ and 2014 Nielsen Report.⁹ It shows that even amidst the rapid global development and innovations in telecommunication and technology, and the emerging convergence of media systems, television remains the most influential medium in society. This project studies programmes of commercial television stations and state-owned television in Indonesia, with a specific focus on the issues of media ownership concentration and diversity of content.

1.5 Media Diversity: Outlet vs Content

The substantial rise in the number of media outlets notwithstanding, the issue of media independence remains a concern in post-New-Order Indonesia. At first sight it seems that Indonesian media outlets are more diverse compared to the situation in the New Order era—Television stations, for example, are no longer controlled by the government or owned by the family of President Suharto (Tapsell, 2015). Indonesian media outlets have developed independent of government control and are run by professional corporations. This means Indonesian journalists are now working under the guidance of the code of ethics for journalism, free from the threat of government censorship or ban. *Reformasi*, which brought the spirit of democracy, has not only changed the political system, but has also transformed the role of the media in Indonesian society. At the

⁶ See: *Di Era Online, Televisi Masih Menjadi Sumber Berita Utama*, <http://www.techno.id/tech-news/di-era-online-ini-tv-masih-menjadi-sumber-berita-utama-masyarakat-1511266.html>. Accessed: 11 June 2016

⁷ Podcast “Talking Indonesia: The Indonesian Media,” Asia Institute, University of Melbourne, August 2016, <https://soundcloud.com/talking-indonesia/indonesias-media-landscape>. Accessed 24 January 2020. The specific quote can be found between 00:25:39–00:25:54.

⁸ See: *Televisi Masih Jadi Primadona*. <http://print.kompas.com/baca/opini/jajak-pendapat/2016/06/29/Televisi-Masih-Jadi-Primadona>. Accessed 10 February 2020. Three out of five respondents or 71.7% during the interview chose television as the primary media platform to gain information.

⁹ See: *Konsumsi Media Lebih Tinggi di Luar Jawa*. <http://www.nielsen.com/id/en/press-room/2014/nielsen-konsumsi-media-lebih-tinggi-di-luar-jawa.html>. Accessed 10 February 2020. Nielsen report in 2014 mentioned television as the most consumed media (95%) by Indonesians in 10 big cities.

same time, this study shows that the changes have also put the independence of the media at risk.

Media reform in Indonesia confirms Mughan and Gunther's (2000) argument that the media under democracy is not supposed to be a government mouthpiece, but to act as the fourth pillar of democracy by "ensuring that political information serves to constrain, or check, government power rather than magnify it" (p. 5). The establishment of the Broadcasting Act of 2002 and the Indonesian Broadcasting Commission (Komisi Penyiaran Indonesia/KPI), which both aim at securing diversity in media ownership (decentralisation) and diversity in media content,¹⁰ are also in line with the criteria of the media in democratic society. With this law and regulatory body, media pluralism has become institutionalised in Indonesia and the media have become "protected from the arbitrary exercise of government power." The new legal frameworks guard the media from direct political control and "promote and sustain a diversity of media forms and outlets" (ibid.). Nevertheless, various scholars have presented findings about the Indonesian media landscape that shows a different reality beyond the legal frameworks.

Although Table 1.1 shows the number of media outlets in Indonesia has increased significantly since 1998, currently only 13 large media groups control almost all of Indonesia's print, broadcast and online media channels (Lim, 2011; Haryanto, 2011; Nugroho, 2012; Sudibyo & Patria, 2013). The overview of media ownership shows the existence of media conglomerations. Masduki (2014) defines a conglomerate as "a large company composed of smaller companies engaged in seemingly related or unrelated business" (p. 3). Gillian Doyle (2002, p. 13) further specifies media ownership concentration according to the following patterns:

"Monomedia concentrations" (horizontal) refer to concentrated ownership within a single sector of activity. "Cross-media concentrations" reflect either vertical or diagonal integration, or both. "Vertical integration" refers to common ownership across different phases in the supply chain for a media product

¹⁰ See: Indonesian Broadcasting Act 2002, especially Chapter 2 Article 5 and Chapter 3 Article 18 for media ownership, and Chapter 2 Article 2 and Chapter 4 Articles 35–36 for media content.

(television program making/production and television broadcasting/distribution). “Diagonal integration” means common ownership between different media sectors (television and newspapers, or newspapers and radio).

These configurations of media ownership also apply to the Indonesian media landscape. I will demonstrate this later in this chapter by using the concepts of economies of scale and economies of scope.

Similar to the previous findings of Lim (2011), a report by the Centre for Innovation Policy and Governance in 2012 also came to the conclusion that Indonesian media ownership is concentrated in 12 large groups. Nugroho (2012) points out that the citizen’s right to information has been threatened by the media oligopoly that is entirely profit-driven. Louis Day (2006, p. 249), on the other hand, points out that media concentration “could result in a better product because of the pooling of economic resources,” especially if “parent companies do not intrude into the editorial decisions of their news operations” (ibid.). Demers and Merskin (quoted by Winseck, 2007, pp. 43–44) also argue that the potential for media owners to influence contents has been sharply diminished by the rise of modern corporations, including conglomerations, with “actual control resting in the hands of expert managers, with media workers relatively free to do as they please within the limits of professional standards and good business practice.” This is not the case in Indonesia, as conglomeration and the media oligopoly are not the only problems affecting the local media landscape.

Another factor affecting the Indonesian mainstream media is a political one. Half of the media owners are also leaders of, or are closely related to, political parties. Hary Tanoesoedibjo, the owner of Media Nusantara Citra (MNC), established a new party named Perindo (Partai Persatuan Indonesia, Indonesia in Unity Party) in 2014. He had resigned from Hanura Party, following his loss as vice-presidential candidate when pairing with retired General Wiranto in the 2014 general elections. Before joining Hanura Party in 2013, Tanoesoedibjo was a member of Nasdem Party (Partai Nasional Demokrat, National Democratic Party), founded and chaired by Surya Paloh, another

media mogul and owner of the Media Indonesia Group (MetroTV, Media Indonesia Daily). Aburizal Bakrie, the owner of tvOne and ANTV (Visi Media Asia Group), is the chairman of Golkar Party. While Hollander et al. (2009) are optimistic about the role of the Indonesian Broadcasting Commission (Komisi Penyiaran Indonesia/KPI) in ensuring diversity of media ownership and content, Sudibyo and Patria (2013) question the legitimacy of KPI. They argue that KPI commissioners can be compromised, as they are selected based on a fit-and-proper test conducted by members of parliament who may come from the same political parties as the media owners. In other words, Indonesians' rights to information are threatened by profit-led media and also by the media owners' political agendas.

Ben Bagdikian in his book *Media Monopoly* (2000) analyses the same trend of concentration of media ownership in the United States. Benjamin Compaine (2001) and Robert McChesney (2001, 2002) each have different points of view on media ownership and different approaches to its analysis. Compaine (2001) uses an "outlet" approach, whereas McChesney (2001, 2002) uses a "content" approach to critique media ownership and the consequences of concentrated ownership. Compaine (2001) believes that as long as there is a multitude of channels and choices available to the public, media ownership does not constitute a problem. He explained that in 1986 US households had access to only three commercial networks, whereas in 2001 there were six commercial broadcast networks controlled by five corporate owners.¹¹ Even if the content was politically biased because of the media owner's agenda, there would be enough outlets for the public to choose and seek alternative viewpoints from.

Contrary to Compaine, Robert McChesney (2001, 2002) argues that the problem is not the number of available media outlets, but the diversity of the content provided by those outlets. The idea of market-driven media or, simply put, surrendering the media to the market mechanism, undermines the idea of the media as "public goods."

Although not using the terms "outlet" and "content," Winseck (2008) suggests we

¹¹ In 2001, News Corp bought 20th Century Fox and put together a fourth network where others had failed. For further data about this, see Compaine (2001).

should distinguish “numerical diversity” (the number of channels available in any given area) from “source diversity” (the number of media owners in any given area). Based on the debate between Compaine and McChesney, and Winseck’s analysis, we can identify “diversity” as one of the key words in analysing the issue of the concentration of media ownership.

As explained by Buckley (2008), media diversity is crucial for democracy:

Citizens’ demand for varied content stems not only from an interest in hearing viewpoints for which they feel an affinity, but also from the need to hear opposing perspectives. Access to opposing positions is required if citizens are to realize their capacity to justify their political decisions to those who hold other views. Without the realization of this capacity, democracies can degenerate into tyrannies of the majority, with those in the minority increasingly feeling alienated from the process. (Buckley, 2008, p. 823)

In other words, democracy requires a diverse range of ideas and information to function within society. The objectives and system of democracy can only be sustained by the free flow of and access to a diversity of news. It is the responsibility of the media to provide a diverse range of information (opinions, views, sources) to the citizens. Curran and Chouldry (2003, p. 3) are concerned that a concentration of media ownership results in the uniformity of content regardless of the number of outlets available. In similar vein, Murdock (1982) emphasises that “it is possible to greatly increase the number of channels ... without significantly extending diversity. More does not necessarily mean different” (p. 120). These observations underline the importance of my research in examining the diversity of media content rather than merely drawing on the number of media outlets. The next question to address is how to measure this diversity.

1.6 Measuring Diversity of Content

Based on the arguments on the importance of diversity of media content (Bagdikian 2000; McChesney 2001,2002; Winseck, 2008; Murdock, 1982; Buckley, 2008), Hollander

et al. (2009, p. 49–50) set out four categories to measure the diversity of content. The first category relates to format and issues (information, education, entertainment). The second relates to the variety of viewpoints, as the media should offer a broad range of opinions held in a society. The third, assuming that the media are supposed to serve the interests of all constituents of a society, states that the media should give a fair representation of voices in the various media channels. It means, for example, voice is given to all classes, not only the middle class. The fourth category is geographical coverage (local, regional, national, international). Similar dimensions of diversity are offered by Hoffmann-Riem (1987). He argues we have to take into account diversity of formats and issues (various fields and topics), diversity or plurality of content (different opinions in society), person and group diversity (including the representation of minorities and marginalised groups in the media), and geographical diversity (Iosifidis, 2010, p. 12). My research will follow the criteria as identified by Hollander et al. for measuring diversity of media content in Indonesian television.

Plurality and diversity of media content and media sources serve the public good. Only by having diversity of media content and sources, can one find “the presence of a number of different and independent voices and differing political opinions and representations of culture” (Doyle, 2002, p. 12). An economic problem linked to the concentration of media ownership is the reduction of competition among media companies. This competition is needed in order to “avert abusive behaviour by dominant firms. In essence, competition helps to ensure that firms keep their costs and prices down, which encourages a more efficient use of resources” (Scherer & Ross 1990, p. 20). This study shows that there have been some previous researches which indicate a relationship between competition, concentration, and content. Nonetheless, a systematic understanding of whether or how the concentration of ownership threatens diversity of media content is yet to be developed. While the duality of media ownership and diversity of content is generally acknowledged, academic research to date has tended to focus on one side only, either on the economic organisation of media industries, or the content of media products. My own project on the Indonesian

broadcast media will follow McChesney's (1999 in Hardy, 2014, p. 74) suggestion that we have to analyse "the core 'structural factors' (including the overall pursuit of profit, size of firm, levels of media concentration and competition, and 'the specific interests of owners') affecting the nature of media content." In line with this approach, I will try to answer the question of whether concentrated media ownership facilitates diversity of media content or predominantly promotes uniformity of content. The quantitative measurement of diversity of television content conducted in this study is crucial, as diversity of content and ownership are clearly mandated by the Indonesian broadcasting law. Earlier less comprehensive studies have been conducted by CIPG, using a method of policy mapping and content analysis¹² (excluding news programmes), and by Remotivi. The latter calculated the total duration of broadcasts on presidential candidates on different television channels, namely Joko Widodo on MetroTV and Prabowo Subianto on tvOne.¹³

The broader theoretical framework of this study is Critical Political Economy (CPE). Unlike the liberal-pluralist paradigm, CPE does not view the mass media as value-free institutions that produce content reflecting reality in order to empower people and turn them into informed citizens in a democratic society. Rather, it sees the mass media as a product of industrial capitalism (Garnham & Inglis, 1990). It means the news media does not only provide "news" per se, but is also part of the political and ideological processes of economic markets. Smythe and Schiller, two early scholars of the political economy of the media in North America, focused on exploitative and other undemocratic aspects of communication corporations (Mosco, 1996; Schiller, 1984; Smythe, 1960). CPE examines the relationship between the state, business and other structural forces, and how these relations influence communication. The epistemology of CPE comprises an analysis of social power relations governing the production, distribution, and exchange of resources (Mosco, 1996; Garnham & Inglis, 1990).

¹² To see the full report: https://www.academia.edu/34456491/Mapping_Media_Policy_in_Indonesia_English_and_https://cipg.or.id/wp-content/uploads/2015/06/MEDIA-4-Creating-Content-2013.pdf. Accessed 10 February 2020.

¹³ To see the full report: <https://cipg.or.id/wp-content/uploads/2015/06/MEDIA-4-Creating-Content-2013.pdf>. Accessed 10 February 2020.

CPE acknowledges the importance of analysing not only media content, but also the economic and political forces and interests shaping the media and its conditions of production (Hardy, 2014, p. 14). This type of analysis can demonstrate how the media relates to power sources in society, or whose interests it represents. CPE embraces critical realism, which is “a philosophy of science that distinguishes between real structures, actual processes, or events and empirical evidence” (Jessop, 2008, p. 45). It recognises “the reality of both concepts and social practices” (Mosco, 2009, p. 128) and “engages in efforts to use empirical evidence to help assess which concepts and theories are more or less valuable” (Hardy, 2014, p. 12). According to Mosco (1996, p. 2), CPE tries to balance theoretical and empirical considerations, as “reality is made up both by what we see and how we explain what we see.” This is why it rejects epistemologies based on ideas alone or “facts” alone (positivism) (Hardy, 2014.). For this research, I will perform multi-measure analyses to investigate the diversity of ownership and the diversity of content of Indonesian television. I use a variety of documents and other sources to examine the structure of the market and measure the concentration of media ownership. In addition, I use quantitative and qualitative content analysis as well as discourse analysis to measure the diversity of media content. As will be explained in the methodology section, this also includes in-depth interviews with media professionals.

1.7 Research Design

1.7.1 Research Question

This study analyses ten Indonesian commercial television networks and one state-owned television network during the general elections of 2014. **The main question that I try to answer is whether Indonesian media ownership structures (politically and economically) influence the diversity of media content.** Based on the review of the literature and my argument regarding the need for additional research, I address the following sub-questions to answer the main research question:

sRQ1: How diverse/concentrated is the ownership of the Indonesian television market?

sRQ2: How diverse/similar is Indonesian television content?

sRQ3: Is there any relationship between ownership and content in Indonesian television?

sRQ4: If so, to what extent does the television ownership influence the diversity of content?

1.7.2 Methodology

Due to practical constraints, this study cannot provide a comprehensive review of all Indonesian media content. As explained, the project focuses on the analysis of television content. The main case study will be television broadcasts on the Indonesian general elections of 2014. This case study is relevant as “during some exceptional periods, the media are expected to be more active and provide more information to citizens...” In these circumstances, the media are “without a doubt the most important channels for voters to inform themselves” (Aelst et al., 2012, p. 50). The main research question of this project is whether or to what extent Indonesian media ownership structures (politically and economically) influence the diversity of content. The analysis of media concentration focuses on different types of concentration, types of ownership, characteristics of owners and shareholders, Indonesia as the country of origin of the media owners, and corresponding legal and policy frameworks.

I use diversity as a central concept for the study of mass media performance and media pluralism, using TV programming and TV newscasts as the units of analysis (Napoli, 2001). I cover both outlet and content diversity by conceptually and empirically analysing relevant categories such as actor diversity, issue diversity, viewpoint diversity, and geographical diversity. By combining the analysis of broadcast media ownership structures with the examination of the diversity of programming as well as the content of news programmes, this project seeks to provide a better understanding of the correlation and mutual relationships between ownership and content within the framework of democracy in Indonesia.

I examine the contents of ten commercial television stations and one state-owned television station at three different points in time. First, two weeks before the legislative elections of 9 April 2014. The second time period covers the two weeks before the presidential elections of 9 July 2014. The third time period covers two weeks in January 2015. The last period consists of two “control” weeks, representing media activity in a routine situation. As the aim of this research is analysing the diversity of broadcast media content, I examine the full range of issues covered by the various television outlets. The quantitative measurement tools are the Herfindahl Hirschman Index and Concentration Ratios, used to calculate the market; the Relative Entropy Index to measure vertical diversity of individual channels; and the Choice Option Index to measure horizontal diversity across channels. The footage of the units of analysis has been provided by Binokular Indonesia, an agency which has been monitoring and recording all programmes of the 11 national television stations 24 hours a day, non-stop since 2012.

The research performs both quantitative and qualitative content analysis of:

The programming of ten commercial television stations and one state-owned television station from 27 March to 9 April 2014, including the format and issues, the range of opinions, the degree of social access and the scope of social and geographical representation.

The programming of ten commercial television stations and one state-owned television station from 27 June to 9 July 2014, including the format and issues, the range of opinions, the degree of social access and the scope of social and geographical representation.

The programming of ten commercial television stations and one state-owned television station from 13 January to 27 January 2015, including the format and issues, the range of opinions, the degree of social access and the scope of social and geographical representation.

For the analysis of the political economy of the media industry, I review corporate and other media documents that are available in the public domain, for example annual reports, financial statements, policy submissions, legal documents, TV guides and TV shares/ratings. Documents concerning owners' interests, such as political affiliations, political statements and political involvement are also analysed.

Interviews with media owners or executives, regulatory bodies, the Press Council and media activists and experts are conducted to complement the document analysis. The quantitative and qualitative content analysis involves the use of coding sheets and the triangulation of findings. For content analysis, I have developed a coding sheet with criteria in accordance with the operationalisation concept of diversity. Coding is used for reviewing footage and detecting common patterns or phenomena in relation to content diversity.

1.8 Significance of the Study

By examining the Indonesian television market, the diversity of TV programmes during set periods and the news coverage of the 2014 Indonesia's general elections, I seek to make a contribution to both the professional and the academic sides of media and journalism. It is important for Indonesian media practitioners as well as regulatory bodies to give more attention to the issues of media ownership concentration and diversity of media content, as it will enable these groups to make strategic decisions on behalf of the public, even in the face of pressure from the media industry or political interest groups.

This study intends to unravel the relationship between media economics and public policy. In addition, it seeks to provide the foundation for research into similar issues in countries other than Indonesia. My research seeks to make a contribution to the research on the political economy of the media, by focusing on the impact of the concentration of ownership on Indonesian television content during the 2014 general elections. It also seeks to improve the quality of the Indonesian broadcast media itself.

Surprisingly, in spite of the Indonesian democratic reform, there have not been any concerted attempts at measuring diversity of content before.

1.9 Structure of the Thesis

This study consists of eight chapters, including the introduction and conclusion. Chapter 2 provides the literature review, rationale and theoretical framework of this study. Relevant theories of media, democracy and media economics emphasise the important political and economic roles of the media. This chapter unpacks concepts related to contemporary Indonesian media ownership, including ideas of media concentration, media convergence, economies of scope and economies of scale. Chapter 3 describes the methodology of this study, which mainly focuses on the notion of diversity. The main purpose of the chapter is to present analytical tools for measuring content diversity. I will provide the working criteria of content diversity, including genres. I also discuss in detail the research method and data collection procedures, including the indexes and units of analysis.

Chapter 4 discusses the development of television in Indonesia during the period of Suharto's dictatorial rule. Media regulations are explained and discussed in the light of the current political situation. This chapter also applies media economy theory to the issues of diversity of content and diversity of ownership. It covers the structure of the media market and the diversity of content during the New Order. Various regulations about media ownership and content are also reviewed. Finally, the chapter discusses the early media owners in the Indonesian broadcast industry, as well as the positioning of programming content of each television station.

The fifth chapter continues with the development of television in Indonesia after the stepping down of Suharto. In the reform era, the political system has changed. Various tools to restore the media as an agent of democracy have been created. This chapter discusses the changes in the Indonesian broadcast industry, including a number of new regulations and regulatory bodies. Laws and regulatory bodies defining the roles of the various agents in the contemporary Indonesian media landscape are explained in detail,

including specific regulations concerning the roles of the Indonesian broadcast media during the elections. The complexity of regulations regarding media ownership and content in the context of diversity is also reviewed, including shifting ownership trends, in line with the theories discussed in the previous chapters.

In Chapter 6, I present data analysis of the Indonesian broadcast media owners and the content diversity of the Indonesian broadcast media during and after the 2014 elections. In this chapter, the diversity in ownership and content is measured by using a number of indexes (HHI, Relative Entropy Index, Choice Option Index) and Concentration Ratios. The calculation of the diversity of content, both vertically (individual channels) and horizontally (across channels), is combined with the calculation of the diversity of television ownership in Indonesia. I also critically discuss Indonesia's post-1998 democracy, especially from the perspective of the roles of the Indonesian broadcast media owners in the 2014 general elections.

Chapter 7 presents a complementary qualitative data analysis. Interviews and secondary document analysis provide insight into the newsroom strategies and owners' agendas, especially during Indonesia's 2014 general elections. Chapters six and seven answer my research questions regarding the diversity of ownership and content in contemporary Indonesian television. In Chapter 8, I discuss the main research findings, the limitations of this study, as well as suggestions for future study. For the purpose of comparison, a short analysis of the diversity of media ownership and content in the context of the 2019 General Election is also included.

The Media Industry: A Battlefield of Interests

2.1 Introduction

The assumption that the media exercises a critical public role in society has led to many debates on the interrelation between media and democracy. These debates mainly focus on the function of the media in providing a basis for a well-informed citizenry who can actively participate in the democratic process. This means that the role of citizens in democratic decision-making depends heavily on the legitimacy and accountability of the media in serving the public interest. However, this research of media ownership and content diversity also takes into account that the media comprises economic entities that are mainly profit-oriented. From the economic perspective, the media is considered different from any other industry because of its output, which carries a thesis of scarcity as a basis that is mostly ignored. No matter how many times a film, a song or a news article is replayed and consumed, it does not get used up (Doyle, 2013; Hoskins, McFadyen, and Finn, 2004). At the same time, media products are considered ephemeral and highly dependent on marketing and trends. This applies to fiction films, for example. Thus, because of the economic and political character of the media, a political economic approach is useful for explaining the complexity of the concentration of media ownership in relation to content diversity.

There is a dual role that the communication industries hold in society. In the United States, the industries primarily undertake commercial initiatives. They know that without enough resources, they won't be able to survive in business. At the same time, they also realise that media business practices wield an intense influence over public discourse (Entman, 1989; McChesney, 1999; Patterson, 1994; Patterson, 2002; Putnam, 2000; Smith, 2009). As Schramm states, "Broadcasting has always been a child of mixed parentage: public interest and commercial profit" (1956, p. 338 in Smith, 2009, p. 394). In the Indonesian context, the end of Suharto's authoritarian regime has been an

important milestone for the Indonesian media. On the one hand, the return of democracy guarantees freedom of expression and freedom of speech, which is expected to strengthen the mass media's role in serving the public interest. Meanwhile, democracy also nourishes a free-market economy, which engenders conglomeration practices in the media and other industries.

This chapter will unpack the core theoretical foundations of this study, and build a solid understanding of how the media works, both democratically and economically. It discusses a range of theories and approaches, including the Critical Political Economy approach. In this research, the approach of Critical Political Economy is used for analysing the issue of diversity, both in media ownership and media content. First, I discuss the intersections between media/journalism theories, political theories, and democratic theories that deal with the role of the media in democracy. This is followed by an outline of the affirmative and critical media theories line, with a section dealing directly with the Critical Political Economic approach. I also present the key economic characteristics of the media that are relevant to this research, and a background on the dual role of the media and its implications for media policy models. Lastly, the notion of media diversity will be discussed as a prologue to Chapter 3.

2.2 The Public Sphere and Marketplace of Ideas Metaphors

Before I start to map some of the overlapping theories about the role of the media from different fields of study, I will engage with two of the most widely used metaphors in the media and democracy arena: "the public sphere" and "the marketplace of ideas." The significance of the media in democracy is underlined by Habermas' (1989) concept of the public sphere. He conceptualises the public sphere as the realm of social life where information, ideas and points of view on daily issues are exchanged (Oso, 2013). This means it can serve as a condition for generating public opinion. The public sphere emerges when citizens use their right of assembly and association to come together and discuss common concerns, especially political ones. Habermas (1989) argues that in the

era of the democratic revolutions¹⁴ a public sphere emerged in which ordinary citizens could participate in political discussion and debate, organise themselves, and struggle against unjust authority. The mass media has become the dominant organisation of the public sphere, as the scale of society only allows a relatively small number of citizen representatives. In other words, the public sphere “encompasses the set of media outlets by means of which particular groups of individuals are provided with information they need to participate in political processes that affect their lives” (McNair, 2006, p. 137).

The application of the “marketplace of ideas” metaphor was commonly linked to the works of John Milton and John Stuart Mill (Ingber, 1984 in Bhayroo, 2008, p. 9). In 1644, Milton gave a speech in front of the parliament of England pointing out a battle between truth and falsehood: “Let her and Falsehood grapple; who ever knew Truth put to the words, in a free and open encounter” (1644, p. 35 in Bhayroo, 2008, p. 9). Furthermore, John Stuart Mill explained that the free expression of ideas served human progress, without explicitly referring to the notion of the marketplace of ideas (Gordon, 1997). We will see here and in other chapters that most of the debates, concepts and models regarding the role of media in society and in a democracy are based on or inspired by these two metaphors.

2.3 Media and Democracy: Contested Theories on the Role of the Media

This study examines the relationship between the concentration of media ownership and diversity of content in the wider context of the role of the media in democracy. The supporters of democracy in politics and society claim that freedom of the press is one of the criteria that makes democratic societies superior to other social systems. Anthony

¹⁴ In his book, *The Structural Transformation of the Public Sphere*, Habermas (1989) relates the concept of public opinion back to its historical roots in the idea of the public sphere or public domain. He observes that the public sphere outside the control by the state came into existence in two phases. The first phase was the bourgeois public sphere which emerged in Britain, France and Germany under liberal capitalism in the eighteenth century. It operated via such media as journals and newspapers, as well as the exchange of views and knowledge in salons and coffee houses. These media and exchanges took on a political role in the evaluation of contemporary affairs, such as state policy. The second phase marked the decline of the bourgeois public sphere. Advanced industrial capitalism caused the public to lose its social coherence, while the commercialisation of the media also eroded the critical functions of the public.

Mughan and Richard Gunther (2000), for instance, identify important differences in the roles of the media under democratic and non-democratic systems. There are two different roles that the media plays in the founding and preservation of political order, either in authoritarian regimes or in democracies. The media has been “depicted as manipulative and subversive of individual freedom and political choice in the former, and as guarantors of political liberties and government accountability in the latter” (p. 4; see also Neuman, 1991, pp. 22–47). The role of the media in democracy can be understood from the standpoint of democracy theories, media and journalism theories, and political theories (Flew & Swift, 2013). It is crucial to elaborate on the role of media from different standpoints, as an exclusive focus on the media can lead to the “fortress journalism syndrome,” which focuses on the media in isolation from the rest of society (see also Christians, C.G., Glasser, T. L., McQuail, D., Nordenstreng, K., & White, R. A., 2009). Based on some of the overlaps between the various theories in society, following Raeijmaekers & Maesele (2015), I identify three main clusters of media roles: the Market–Liberal, Deliberative–Critical and Agonistic–Radical clusters.

The Market–Liberal Cluster provides significant ground for media research, especially in the area of contemporary media policy. Deliberative–Critical perspectives also appear in current academic debates on the media. Although sAgonistic–Radical perspectives have made significant contributions within political philosophy, “they have only been used in media studies sporadically” (Karppinen, 2013 in Raeijmaekers & Maesele, 2015, p. 1044). However, the theories under this last cluster reveal some of the conditions in society that cannot be explained by the theories of the Market–Liberal and Deliberative–Critical clusters. The posits offered by each cluster are useful for this study, not only in understanding the dynamics within the media ecosystem, but also in explaining the relationships between source, content and audience diversity.

2.3.1 The Market–Liberal Theories Cluster

The Market–Liberal Cluster deals with theories that conceive of society as a structure of contesting groups and interests in which power is dispersed and fragmented

(Raeijmaekers & Maesele, 2005). In a democratic society, which requires a separation of powers, the media is able to perform a role in monitoring and evaluating excessive power or corruption of the state and other main institutions. The separation of powers, in which the media is independent, helps to create informed citizens, who are able to take part in public affairs. Therefore, it is the primary goal of the media to monitor the government while at the same time informing and representing the people based on the democratic context of representation (Kovach & Rosenstiel, 2007; Louw, 2005). In fact, according to Curran (2002) the most crucial part of the media's mission is its democratic function as a representative of the people to authority. A free press is considered vital to maintaining a democratic society.

Fourth Estate theories fall within this Market–Liberal cluster. These theories outline the professional status of journalists, in having “a watchdog role, as the eyes and ears of the public” (Cole & Harcup, 2010, p. 168 in Flew & Swift, 2013, p. 6). Central to this role is how the media is structurally independent of the state, with minimal regulation. The press is expected to be objective, balanced and impartial, as a result of its professional practices, routines and conventions (e.g. Kovach & Rosenstiel, 2007). The roles of the media offered under this cluster of theories have become the primary goals that inspired Indonesia after the fall of the authoritarian regime in 1998. After experiencing government control for 32 years, the Indonesian media now aims to function independently without any restrictions from the government.

Under this cluster is also the democratic theory's liberal model, which considers the media an intermediary or transmitter “between democratic institutes and the public” (Raeijmaekers & Maesele, 2015, p. 1044). The media, which represents different needs and views within society, informs elites in politics about disagreements that can later be raised within the institutions. This is in line with the monitoring and representative function of the media as suggested by McQuail (Christians et al., 2009), where media organisations collect, process and distribute various forms of information on society. The function is closely connected with the metaphors of the media as “mirrors of society” and “marketplace of ideas” (Ekron, 2008; Entman & Wildman, 1992, in

Raeijmaekers & Maesele, 2015, p.1045), and also intersects with the Market–Liberal theories, which underline that minimal regulation of the media is a precondition for the “marketplace of ideas” to be able to function freely and fully (Dryzek & Dunleavy, 2009, pp. 101–127). To guarantee the independence of the media, the media should be anchored in the free market and operate like commercialised entities (Anand B., di Tella R., & Galetovic, A., 2007 in Raeijmaekers & Maesele, 2015, p.1045). Consequently, the media is expected to respond to consumer choice as “marketplaces of ideas.” As the audience supposedly chooses to pay for good (objective, impartial) journalism, this buying behaviour will encourage journalists to cover and present factual and balanced stories, following their set of professional practices and code of conduct.

Although I concede the importance of having minimal regulation to keep the media independent from the state, anchoring media organisations in the free market as commercialised entities is potentially problematic. The first reason is that the free market can threaten the independence of the media. The second reason is that the media cannot be treated like any other commercialised entity, as it has specific and very different traits that distinguish it from, for example, a toothpick factory. Later in this chapter, those specific characteristics of the media and their impact will be explored. In the following section, let us first examine the second cluster of Deliberative–Critical theories.

2.3.2 The Deliberative–Critical Theories Cluster

Under this cluster is the deliberative democracy model of the democracy stance, the social responsibilities theories of the journalism stand, and the critical pluralism of the political theories stand. The deliberative democracy model criticises liberal assumptions regarding the representative character of individuals. Deliberative democracy scholars share the idea that a consensus can only be reached democratically when rational communication between common people takes place, rather than from formal elitist decision-making processes within society (Benhabib, 1996; Dewey, 1954; Gutmann & Thompson, 2004; Habermas, 1996 in Raeijmaekers & Maesele, 2015, p. 1045). This

includes rational debates among people about disagreements as well as everyday difficulties, “leading to a critically informed public opinion that can help decision-makers in reaching a consensus” (Dahlberg, 2007 in Raeijmaekers & Maesele, 2015, p.1045). Instead of the media taking a role as transmitter, the deliberative model considers the media a predominant institution in the public sphere in which public consensus is “constructed” (Habermas, 1989; Kleinschmit, 2012). In other words, “the media *are* the public sphere” (Poster, 1997, p. 217). It is then suggested that in perplexing and diverse societies the media should appear as a “public forum” and advocate public debate to resolve societal disputes and reach public consensus (Curran, 2002). In other words, the media institutions according to this cluster are active entities. They are not passive, merely acting as mirrors of society.

To enable this media debate to take place, the scholars under the deliberative democracy cluster suggest participatory schemes rather than a professional–commercialised media system. This is due to some concerns regarding market-oriented media that processes information like a commodity, which will finally weaken resourceful and rational debate. These media turn debate into something oversimplified, decontextualised, and personalised, and instead of citizens, the public is considered as consumers (e.g. Habermas, 1989). This relates to theories on social responsibility taken from the Hutchins Commission¹⁵ report in the United States in 1947 and theories of broadcast media licences (Horwitz, 1989). It refers to an urgency in deciding how to best safeguard the public interest by regulating the conduct of journalists and media organisations. Unlike the Fourth Estate theories which fully believe in the power of the media and journalists, this perspective requires some degree of government regulation to protect citizens from abuses of either the media and/or market power (Flew & Swift, 2013, p. 7). This assumption comes from the

¹⁵ On 27 March 1947, the press reported on the Hutchins Commission report about the media. The commission was named after the chair of the 1940s commission on the Freedom of the Press, Robert M. Hutchins, who was also the president of the University of Chicago. The committee evaluated the print and broadcast media as well as motion pictures. They cautioned that the freedom of the press was in danger, especially because of ownership concentration, rising costs, and the media's preoccupation with sensational news. Their final report, “A Free and Responsible Press,” can be viewed here: <https://archive.org/details/freeandresponsib029216mbp/page/n5>. Accessed 14 February 2020.

understanding that the power to shape public opinion comes with a greater responsibility to guarantee public trust (McQuail, 2005, pp. 170–172). In the Indonesian context, this awareness strengthened after the euphoria of *Reformasi* in 1998. In the period from 1998 to 2002, there was a fierce fight between reformers, who demanded changes in the Indonesian broadcasting system, and conservative groups wanting to continue the existing system, which positioned the government as a broadcasting regulator (Wahyuni, 2016, pp. 153–154). This long debate eventually spawned Broadcasting Law No. 32/2002. As a result, the 2002 Broadcasting Law installed the independent Indonesian Broadcasting Commission (Komisi Penyiaran Indonesia, or KPI) as the regulatory body, marking the victory of the reformists. The Indonesian Broadcasting Commission is independent, not falling under any ministry within the administration. The commissioners of the Indonesian Broadcasting Commission are nominated by the public and work in the public interest.

Social responsibility theories of media regulation intersect with the critical-pluralist perspective in political theories. Theorists from both fields believe that regulation that restricts (the concentration, integration, etc. of) media ownership ensures the quality of media content and upholds a diversity of views. Without it, the “marketplace of ideas” will place commercial priorities over the principles of democracy, while still promoting media freedom as a democratic principle (Flew & Swift, 2013, p. 6). Edwin Baker saw the essential of a “democratic distribution principle for communicative power” as “democracy implies as wide as practical a dispersal of power within public discourse” (Baker, 2007, p. 6). Thus, journalism needs to be “two-way instead of one-way; collective rather than hierarchical; public and not professional” (Macdonald, 2006; Singer, 2007 in Raeijmaekers & Maesele, 2015, p. 1046). The scholars under this cluster underline the importance of the deployment of user-generated content by professional organisations (Wardle & Williams, 2010) and the use of internet platforms that are likely to contest indifference and enable involvement (Blumler & Gurevitch, 2001; Poster, 1997). Although having different conceptualisations of how the system should work, both liberal–market scholars and deliberative–critical cluster theorists approach the

media from the perspective of collaboration between actors within the political ecosystem. This approach presumes that all actors, including the general public, are equal in term of power and independency. However, as this may not be the case in reality, the Agonistic–Radical theories cluster proposes an alternative point of view.

2.3.3 Agonistic–Radical Theories Cluster

While theories under the Market–Liberal and Deliberative–Critical clusters believe in the possibility of a consensus within society, the scholars under the Agonistic–Radical Cluster argue that this belief “misunderstands the heterogeneous nature of society and the essence of democracy” (Raeijmaekers & Maesele, 2015, p. 1046). According to the theory of Agonism, democracy is not capable of constructing a unified society that remains adaptable to liberal and deliberative ontology. Mouffe (2000, 2005, 2013) argues that conflict is essential to social cohesion, because any form of consensus is in the end based on acts of exclusion (Raeijmaekers & Maesele, 2015). Dahlberg (2005) concurs that the exclusion of dissident opinion and interests is an essential part of cohesion. The media is viewed as a battleground of hegemonic practices that can never be resolved. In other words, the media is not the public sphere, but is a place where ideologies meet to trigger public debate. In the agonistic model, the media merely promotes an “increase of pluralism and agonism *through* journalism” (Carpentier & Cammaerts, 2006).

In a more radical conception, the media “focuses on exposing abuses of power and aims to raise the popular consciousness of wrongdoing, inequality, and the potential for change” (Christians et al., 2009, p. 126). Dahlberg, (2007), Karppinen (2013), and Peppermans and Maesele (2014, 2015) share this belief in the importance of re-conceptualising the media as an arena of clashing ideologies.

Radical theories, primarily influenced by Marxism, view the media more as an element of the capitalist system that serves only to endorse the ideologies that support the interests of the ruling class, of which primary media owners are members. Flew & Swift (2013) in their observation of the “propaganda model by Herman and Chomsky (1988),

Hall's ideological power and conflict theories (1982), and the critical sociology of news organisations by Franklin, Lewis, & Williams (2010) note that although individual models may vary on the degree of autonomy they grant journalists, there is very little variation with regard to the role of commercial media organisations as members of society's dominant systems of power.

As the concentration of media ownership leads the media to become a major power serving the capitalist system, dominant interest theories of journalism foreground the need for "greater control over the media to defend democratic principles and defend media diversity and accountability" (Flew & Swift, 2013, p. 7). This study on the concentration of media ownership and its impact on content diversity in the Indonesian broadcast media is in line with the arguments established under this cluster. In the coming chapters, I will unpack the conditions of the broadcast media in contemporary Indonesia that are consistent with the posits offered by this cluster. The most important question is whether the Indonesian Broadcasting Commission (KPI) has been able to successfully function as an independent regulatory body. However, due to the growing vested interests in the broadcast media system in Indonesia which involve political parties and media moguls, the question remains whether having the Indonesian Broadcasting Commission is enough. Since the establishment of KPI as mandated by Broadcasting Law 2002, there have been issues around this independent body, ranging from external judicial reviews by the television industry, to the fit-and-proper tests of potential KPI members conducted by parliament members. Since the 2003 judicial review, the commission has been mainly working on monitoring the content of the media, but not the ownership. The Business Competition Supervisory Commission or Komisi Pengawasan Persaingan Usaha (KPPU), which operates under the mandate of the Antitrust Law, is limited in regulating the mass media companies, as they treat media companies as they would any other business entity. "We can only process reports over companies if there is a strong indication they are violating the price competition policy. That includes media companies" (Syarkawi Rauf, KPPU Commissioner, personal

interview, 2017). Unlike KPI, KPPU does not have a specific interest in, let alone specific tools for, observing media companies.

2.3.4 Affirmative and Critical Media Theories Line

The three clusters of thought about the media each show from their own perspectives the complex and dynamic interactions in politics, the media and society. Each provide their own solutions for handling any political, media or social clashes. Some important arguments from the clusters include social heterogeneity, public consensus and media regulation. In sum, there are two possibilities where the media: 1. The media affirmatively (re)produces consensus within contending groups, of which everyone is relatively equal (in the liberal market and deliberative critical clusters), or 2. The media stimulates critical questioning and contestation, because of dominant class interests/ideologies within the competing groups (in the Agonistic–Radical model). These overlap with the division between liberal-pluralist and radical Marxist approaches, which were used to structure the emerging field of media analysis in Great Britain in the late 1970s (Hardy, 2014). As Curran and Gurevitch (1977, pp. 4–5) point out:

The pluralist sees society as a complex of competing groups and interests, none of them predominant all of the time. Media organisations are seen as bounded organisational systems, enjoying an important degree of autonomy from the state, political parties and institutionalised pressure groups. Control of the media is said to be in the hands of autonomous managerial elite who allow a considerable degree of flexibility to media professionals...

Marxists view capitalist society as being one-class domination; the media are seen as part of an ideological arena in which various class views are fought out although within the dominance of certain classes; ultimate control is increasingly concentrated in monopoly capital; media professionals, while enjoying the illusion of autonomy, are socialised into and internalise the norms of the dominant culture; the media taken as a whole, relay interpretative frameworks consonant with the interests of the dominant classes...

In Jonathan Hardy's (2014, p. 38) view, the division between liberal and radical approaches "connects to central issues in the political economy of media, concerning the relationship between media and other sources of power in societies, the nature and extent of autonomy for the media workers, the production and circulation of meanings in societies." According to Curran et al. (1982) both the Marxist and liberal-pluralist paradigm approaches in media studies agree on the nature and power of the media, although they express it differently (Bhayroo, 2008, p.16). In the liberal-pluralist paradigm, competition between ideas guarantees diversity in news, views, and opinions in society. In the marketplace of ideas, opinions compete with one another just as products would, but Bennett and Åsard (1995, p 2) dispute that the marketplace of ideas translates to political freedom, seeing it more as a marketplace where rhetoric is sold, "defined by the institutional arrangements through which political language is exchanged for political support, [and] campaign promises are traded for votes" (in Bhayroo, 2008, p. 10)

Raeijmaekers and Maesele (2015) view these paradigms from the affirmative perspective, in line with liberal pluralism, in which media organisations take a role in upholding and strengthening the existing and emerging social relations (Gurevitch, Bennett, & Curran 1982). According to Raeijmaekers and Maesele (2015, pp.1047-1048), this can be done either by "mimetically representing existing social concerns and relations through the majoritarian principle" (as proposed by the Market-Liberal Cluster) or "by hosting and facilitating rational-critical citizen debate aiming for the discursive reconciliation of disagreement" (as proposed by Deliberative-Critical Cluster). Liberal pluralism's goal is to transcend disagreement through the promotion of public rationalism or professional truthfulness.

The critical media theories line, on the other hand, is coherent with the radical Marxist paradigm. This line counters the claim that media institutions are independent and autonomous. Instead, it highlights the nature and extent of linkages between media organisations and other sources of power. According to this line of thought, conflict and asymmetries of power are unavoidable in society.

Critical media theories tend to view social systems—including the media—as a result of practices of dominance and exclusion. Murdock (1982) argues that hegemony is persistent in part through the types of commodities that communication industries produce and distribute (Bhayroo, 2008, p. 16). According to Murdock (1982), these commodities offer a set of packaged worldviews, which are vital in determining social consciousness (Bahyroo, 2008, p.16). However, researchers operating in the critical paradigm argue that political freedom is not limited to the right to express ideas, but must also include the right to control *how* those ideas are informed (Mattelart & Mattelart, 1998).

We can easily identify the overlaps between the affirmative line and the liberal-pluralist, Market–Liberal, and Deliberative–Critical Clusters. At the same time, Raeijmaekers and Maeseele (2015) argue that the agonistic model cannot be simply traced back to the critical media theories line. In general, critical media theorists are rooting to two camps, namely the Critical Political Economy and Cultural Studies schools. Table 2.1 shows the overview of clusters of theories, paradigms, and main overlapping points that we have explored so far. The framework applied by this study refers to Critical Political Economy. It observes the connection between the market and wider social and economic processes. It analyses this connection from the perspective of critical humanism, to be explained in the following section.

Table 2.1 Overview of Contested Theories of Media in Democracy

Market–Liberal Theories Cluster Fourth Estate Theories (Journalistic) Liberal Model (Democratic) Market Liberal Theories (Political)	Affirmative Theories Line	• Society is more or less consensual and harmonious. • The media is independent and autonomous, expected to support and strengthen existing and emerging social relations. • Competition in the marketplace of ideas guarantees diversity of news, views, and opinions in society.
Deliberative–Critical Theories Cluster Social Responsibilities Theories (Journalistic) Deliberative Model (Democratic) Critical Pluralist Theories (Political)		
Agonistic–Radical Theories Cluster Dominant Interest Theories (Journalistic) Agonistic Model (Democratic) Radical Theories (Political)	Critical Media Line	• Society unavoidably manifests conflict and asymmetries of power. • The media serves an ideological and hegemonic role in societal formations. • Political freedom also includes the right to control the process whereby a person’s will is informed.

Source: Author, Compiling from Raeijmaekers and Maesele (2015), Kovach and Rosenstiel (2007), Flew and Swift (2013), Dryzek and Dunleavy (2009), Carpentier and Cammaerts, (2006), Christians et al. (2009), Curran et al. (1982), Mattelart & Mattelart (1998)

2.3.5 Critical Political Economy

My research on the Indonesian broadcast media follows McChesney’s (1999 in Hardy, 2014, p. 74) suggestion that we have to analyse “the core ‘structural factors’ (including the overall pursuit of profit, size of firm, levels of media concentration and competition, advertiser influence, ‘the specific interests of owners’) affecting the nature of media content.” In line with this approach, I try to answer the question whether concentrated media ownership facilitates diversity of media content or predominantly promotes uniformity of content.

The broader theoretical framework of this research for investigating diversity of content in relation to media ownership is Critical Political Economy (CPE) under the critical media theories line. This line of thought goes beyond the liberal-pluralist paradigm, and

studies “the media as an entity within the more extensive system of social and economic relations” (Bhayroo, 2008, p. 11). Unlike the liberal-pluralist paradigm, CPE does not view the mass media as a collection of value-free institutions that produce content reflecting reality in order to empower people and create informed citizens in a democratic society. CPE criticises competition and choice-based models for their lack of attention to factors influencing the conditions of competition. For example, concentration of ownership, high cost of market entry, or political influence, can all limit the boundaries within which consumer choice is exercised. (Curran 2002, pp. 227–230). CPE sees the mass media as one of the products of industrial capitalism (Garnham & Inglis, 1990). This means that the news media does not only provide “news” per se, but is also “part of the political and ideological processes of economic markets” (Bhayroo, 2008, p. 11). The early US scholars of CPE—Smythe and Schiller—focused on exploitative and undemocratic aspects of the communication industry (Mosco, 1996; Schiller, 1984; Smythe, 1960). In its further development, CPE has become a tool to examine the relations between the government, industry, and other operational powers, particularly in influencing communication. In short, “the epistemology of CPE includes an examination of social power relations that rules the production, distribution and exchange of resources” (Mosco, 1996; Garnham & Inglis, 1990, in Bhayroo 2008, p. 10). Liberal theories tend to present the media space as a reflection of civil society, in other words a level playing field for the free exchange of ideas (Curran, 2002; Ekron, 2008). This is rejected by Critical Political Economy, even if the media can act as a bridge between the public and democratic bodies, and good journalistic practice can promote fairness in the media (Baker, 2007; Davies, 2008; Macdonald, 2006). The critique made by CPE theorists is not aimed at journalists, but at the organisation or structure of the media itself. Hackett and Zhao (in Macdonald, 2006, p. 755) state that “social heterogeneity and disputes by journalists has more to do with the organisational imperatives of the corporations which employ them than with abstract ethical principles.” As a result, they consider the professional media to be “cultural industries.” (Murdock & Golding, 2005).

Similar to other companies, mass media corporations try to achieve their economic agenda of maximising revenue through trading their products, in this case media contents, to two different consumers: advertisers and viewers. Communication is taken to be an extraordinary commodity because of its power in creating surplus value, while simultaneously carrying and distributing meaningful symbols and images that potentially shape people's consciousness (Mosco, 1996). However, unlike most other industries, media institutions also assist a democratic agenda through the images and discourses that they produce and circulate in society. This dual role of media organisations has been the focus of scholars of political economy. They argue that distinct methods of funding and organising the media have considerable implications for professional journalism conducts, as well as the scope of conversations and presented opinions in the public realm (Hardy, 2014; Mosco, 1996). According to political economists, the mass media is structurally connected to political-economic dominance and disparity among the population. As result, I would argue that it not only ends in the concentration of media ownership, but also places the notion of diversity at stake. The next section introduces the media diversity approach as the core focus of this study.

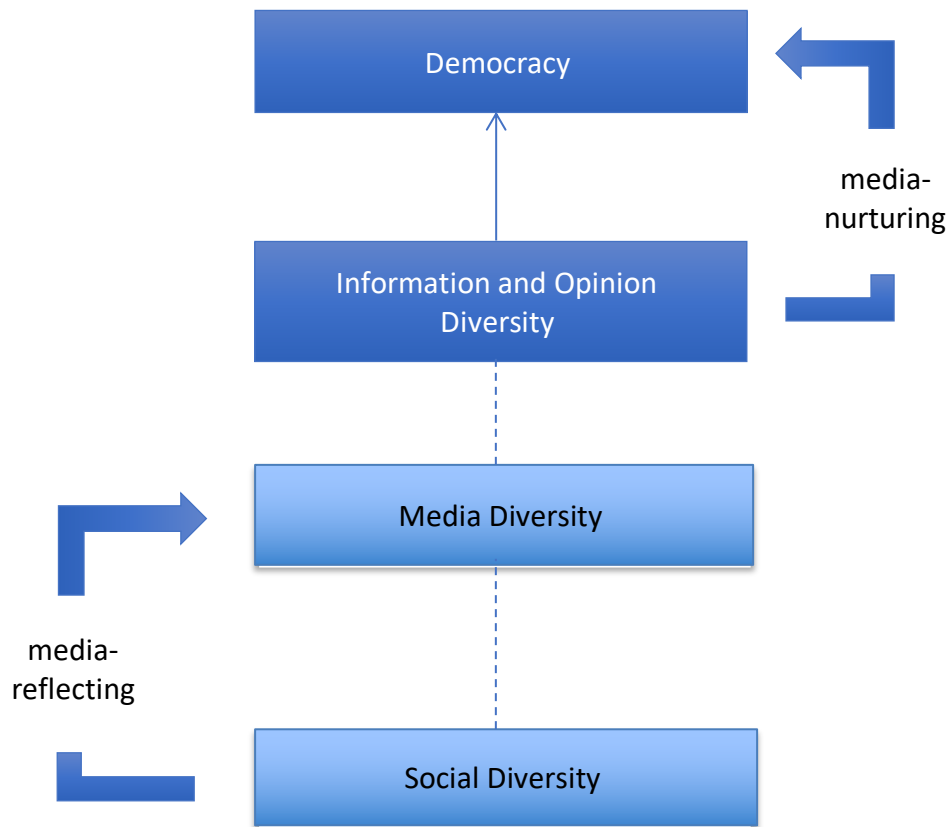
2.4 Media Diversity Approach

Democracy requires a diverse range of ideas and information to function within society. Only through the free flow of and access to a diversity of information can the system and purposes of democracy be preserved. Plurality and diversity of media content and media sources serve the public cause. The diversity of media content and sources supports "the presence of a number of different and independent voices, and differing political opinions and representations of culture" (Doyle, 2002, p. 12). The notion of "diversity" in the media also appears in disciplines other than Communications. McDonald and Dimmick (2003), for example, recorded the importance of diversity in research areas such as urban planning (Maly, 2000), psychology (Junge, 1994), and economics (Hall & Tideman, 1967). Based on their examination of the literature in those fields, McDonald and Dimmick conclude that "diversity has an antonym, concentration,

and a near synonym, variety” (2003, p. 60). Communication scholar Glasser (1984) makes a specific distinction between diversity and variety, where variety “refers to the raw number of outlets or content choices available, whereas diversity focuses both on the number of choices and the differences among them (e.g., in terms of content or ownership characteristics)” (in Napoli, 1999, p. 10).

Van Cuilenburg (2007) defines diversity as “the heterogeneity of subjects (people) and/or of objects (material and immaterial things) in terms of one or more specified characteristics” (van Cuilenburg, 2007, p. 26), whereas media diversity is “the extent to which media content differs according to one or more criteria” (van Cuilenburg & McQuail, 1982; McQuail & van Cuilenburg, 1983). Furthermore, van Cuilenburg (2007, p. 27) points out that media diversity is only one among three types of diversity, namely social diversity, media diversity and information diversity. Social diversity refers to the variety of people in society’s political, sociocultural and socio-economic spheres; media diversity to heterogeneity in the supply of media content in society; and diversity of information to the variety of ideas and opinions in society. These three concepts constitute a chain, as presented in Figure 2.1. The figure shows that the chain of social diversity, media diversity and opinion diversity nurtures democracy.

Figure 2.1 A Normative Diversity Chain



Source: van Cuilenburg, 2007, p. 27

Based on McQuail and van Cuilenburg (1983), van der Wurff (2005, p. 294) extended the scope of diversity in media content. He emphasised that “media content provided by a market can be diverse because outlets themselves are internally diverse, or because outlets provide different types of content that, combined, create a diverse supply.” Van der Wurff sought to underline the essential role of media outlets in media diversity.

A more comprehensive and detailed explanation of media diversity is provided by Philip Napoli (1999). Napoli positioned diversity within the broader context of the marketplace of ideas: “only when diversity is placed within the context of the marketplace of ideas metaphor, and the specific social and political objectives that a robust marketplace of ideas is presumed to achieve, do the theoretical justifications for diversity policies become clear” (Napoli, 1999, p. 8). The assumptions underlying the marketplace of

ideas metaphor helped Napoli in defining the various components of diversity and the relationships between them, which are crucial in enhancing the democratic process (Napoli, 1999).

The metaphor of the marketplace of ideas has been embraced by the American democratic system as a vital dimension of the First Amendment, in which “citizens are free to choose from a wide range of ideas (content diversity), delivered from a wide range of sources (source diversity) and partake of this diversity (exposure diversity) to increase their knowledge, encounter opposing viewpoints, and become well-informed decision makers who are better capable of fulfilling their democratic responsibilities in a self-governing society” (Napoli, 1999, p. 9). However, borrowing Raeijmaekers & Maesele’s (2015) concept, it is important to note that in the context of Indonesia, it is unclear what is meant by diversity of media content or the role of pluralistic media within the new democratic system. Although media metaphors like the marketplace of ideas from Western societies were adopted as democratic benchmarks and stated in the new laws, the discourse of diversity supporting these prevalent concepts mostly remains vague. Diversity is only mentioned in Article 2¹⁶ and Article 18¹⁷ of the 2002 Indonesian Broadcasting Law. Article 2 clearly mentions that “Broadcasting is based on the Pancasila and the 1945 Constitution of the Republic of Indonesia, built on the principles of benefit, fairness and equitability, legal certainty, security, diversity, partnership, ethics, independence, freedom and responsibility.” The following section will further explore the diversity of media. For the purposes of this study, analysis of the diversity of media will focus on broadcast media, or television.

2.5 Source, Content and Audience Diversity: Political Approach

There are two primary approaches to examining media diversity: political and economic. These approaches are consistent with the unique characters of the media that have

¹⁶ Broadcasting is conducted based on Pancasila and the 1945 Constitution of the Republic of Indonesia with the principles of benefits, fair and equitable, legal certainty, security, diversity, partnership, ethics, independence, freedom, and responsibility.

¹⁷ (1) Concentration of ownership and control of Private Broadcasting Institutions by one person or one legal entity, both in one broadcasting area and in several broadcasting regions, is limited.

been discussed before. Using the context of the media system in the US, Napoli (1997, 1999a, 1999b, & 2005) proposes three primary components of media diversity, namely source diversity (media outlet and content ownership), content diversity (programme type, format, and viewpoints), and access diversity (audiences' choices). The approach is considered political as Napoli examines the impact of politics on source diversity (ownership diversity) and content diversity. He also argues that among the components of media diversity, source and audience diversity are the essential elements which are also tightly linked to the notion of freedom of expression. However, the relationship between content and audience diversity is yet to be empirically tested.

Source diversity in Napoli's diversity principle comprises ownership diversity and workforce diversity. For the purposes of my research, I focus here on ownership diversity. Napoli (1999a) considers ownership diversity a combination of two subcomponents: content ownership, and outlet ownership, where the former pertains to programme production, and the latter to distribution. Considerable overlap between these two subcomponents is common, and points to a highly complex structure of ownership and content production in the broadcast industry. A distributor also often owns the means to produce content, and is likely to favour its own content, potentially lowering content diversity.

In this study however, source diversity refers to outlet ownership, while content exclusively refers to the second component of media diversity. Due to the increase in vertical integration in the broadcast television industry worldwide, distribution and production ownership has become tangled. In the Indonesian context, vertical integration allows groups of television companies to centralise and control production. To examine how source and content diversity are connected, and whether the diversity of ownership affects the diversity of content, I use the Structure Conduct Performance Paradigm, which will be explained in the following section.

2.5.1 Examining Source and Content Diversity using the Structure Conduct Performance Paradigm

The Industrial Organisation (IO) model describes a causal link between market structure, conduct and performance (McCann, 2007). Furthermore, within market structure, it recognises three conditions that affect the conduct of media organisations: market concentration, product differentiation and barriers to market entry. A media organisation's response to changes in these conditions might be in "pricing behaviour," "product and advertising strategies," or "research and development," all of which affect the organisation's market performance. Hoskins, McFayden, & Finn (2004, p. 150) have developed a framework for analyzing the effects of market forces on media diversity. This framework identifies "productive efficiency," the ratio of costs and productive output, and "equity of fairness." It compares the value delivered to the consumer with distributor earnings. It also measures the media's cultural output or "cultural views," "diversity of views," and democratic function.

The usefulness of IO in analysing media diversity can be seen in the number of models it has influenced. McQuail's (1982) Structure Conduct Performance (SCP) model was used by van Cuilenburg (2000) to develop the concept of media competition. Other examples, as mentioned in McCann (2007), include Hoskins et al. (2004) application of the theory of the firm, and van der Wurff's (2004b) use of IO to measure competition in broadcasting. SCP lends theoretical direction to this study, underlining its primary hypothesis that "market structure" (competition and concentration) is a major determinant of "product strategy" (conduct) and "media diversity" (performance) (McCann, 2007).

Scherer (1996, p. 4) argues that the SCP paradigm is useful "not only because some organising principle is necessary in such a complex field, but also because economic theory predicts systematic differences in a seller's conduct with variations in market structure." Table 2.2 offers a simple but useful two-way typology. The columns show the firms according to the number of sellers they harbor, while the rows identify whether

the products are homogeneous or differentiated in functionality, locational convenience, and image.

Table 2.2 The Principle Seller's Market Structure Types

	Number of Sellers		
	One	A Few	Many
Homogeneous Products	<i>Pure Monopoly</i>	<i>Homogeneous Oligopoly</i>	<i>Pure Competition</i>
Differentiated Products	<i>Multiproduct Monopoly</i>	<i>Differentiated Oligopoly</i>	<i>Monopolistic Competition</i>

Source: Scherer (1996)

The theory of the firm (Hoskins et al., 2004), like Scherer's typology, identifies the main structures of market and corresponding forms of competition, which include perfect competition, monopolistic competition, oligopoly and monopoly. This is summarised in Table 2.3. Perfect competition occurs when many firms produce homogenous products; monopolistic competition when many firms produce highly differentiated products. Oligopoly describes a scenario where a small number of firms produce a differentiated range of products, and a monopoly describes a scenario where one firm controls the entire trade, and the variation of product is absent.

Table 2.3 Theory of the Firm's Market Structure

	<i>Perfect Competition</i>	<i>Monopolistic Competition</i>	<i>Oligopoly</i>	<i>Monopoly</i>
Number of Firms	Many	Many	Few	One
Product	Homogeneous	Heterogeneous	Usually Heterogeneous	Not Applicable
Barriers to entry	No	No	Yes	Yes

Source: Hoskins, McFayden and Finn (2004)

Based on this theory, perfectly competitive firms produce identical/homogeneous products, whereas monopolistic competitors produce differentiated/heterogeneous products. Under perfect competition, there is one industry price set by the impersonal forces of supply and demand. The implication of product differentiation under monopolistic competition is that each firm enjoys some brand loyalty and hence is able to set its own price. The lack of barriers to entry under both market structures means that entry of the new firms will not permit economic profits in the long run. An oligopoly is an industry dominated by a few large firms that usually produce heterogeneous/differentiated products. Barriers to entry allow the possibility of achieving profits both in the long and the short term. Because there are only a few large producers, a change in price, output or some other competitive action by one company will have an impact on the other companies. This forces oligopolists to practise strategic behaviour: decisions are made only after an assessment of the likely reaction of rivals. Monopoly involves, by definition, a single seller, so no rival firms are producing close substitutes. Furthermore, barriers to entry will protect the monopoly position and allow the possibility of profits in the long term.

Similar to the theory of the firm, the typologies of market structure proposed by Scherer are based on IO, and they are effective in analysing competition (concentration) and media diversity for several reasons. First, both theories suggest the connection between the market structure and the products produced by the firms, which in this research

context are the broadcast (television) media companies. Second, the two models show disagreement about the nature of products, as output strategy, produced by the firms under an oligopoly market. Thus, the different results (either homogeneous or heterogeneous products) produced under an oligopoly market imply that increased competition does not necessarily ensure diversity of media content (McCann, 2007). This further specification justifies my research question of whether the concentrated ownership that results in specific market conditions in Indonesian television affects the diversity of media content as a product. Using the principles offered by the IO model, this study explores the market structure of the Indonesian broadcast media and its possible impact on the diversity of content.

Now that we have used the political approach to media diversity and the paradigm/model to examine the connection between source and content diversity, let us explore the second approach to media diversity: the economic approach. The distinction of source diversity, content diversity and access diversity in the political approach reflects the relationship between supply and demand in the economic approach (McCann, 2007). Source diversity and content diversity fall under the supply viewpoint, while access diversity follows the demand perspective, and will be explained in the following section.

2.5.2 Economic Approach: Supply and Demand

Media diversity has been studied in relation to notions of democracy and the public interest. Diversity performance analysis derived from economic law generally rests on two contradictory approaches to media diversity, focusing on the different implications of supply and demand, respectively (see van Cuilenburg, 2000; van der Wurff, 2004a & 2004b). The policy of media diversity derived from this perspective aims to reach a condition where diverse supplies (supply side) meets audiences' diverse demands (demand side). Scholars in this tradition argue that if one viewpoint is prioritised over the other, media diversity may be limited for the following reasons. First, even if pluralistic suppliers (source diversity) provide various programmes (content diversity) in

accordance with regulation, audiences will not necessarily consume (audience diversity) the entirety of media content offered. This tradition emphasises the importance of satisfying all aspects of diversity, because the attempt to provide a variety of programmes is meaningful only if they are consumed/watched by the audience. There is indeed doubt whether audiences will consume the diverse media content. Nevertheless, I argue that the level of certainty is still higher if the preconditions shaped by source diversity (pluralistic suppliers) and content diversity (various programmes) are first fulfilled. The supply side is essential in terms of media diversity, as will be confirmed by my case-study of the Indonesian broadcast media.

It is also important to test the proposition that, even if the demands of the audience are reflected in media content, it will not necessarily meet the required standard of diversity (McCann, 2007). According to existing scholarship, popular demand is more likely to reflect the interests of the majority, and not of the population overall. In other words, there could be a tendency towards fulfilling homogeneous rather than heterogeneous demands. Table 2.4 represents a summary of supply and demand approaches.

Table 2.4 Supply and Demand Approaches to Media Diversity

Diversity of Supply	Diversity of Demand
Media's diverse supply of content (supply)	Audience's diverse demand for content (consumption)
Diversity as Broadcasted	Diversity as Received
Heterogeneity of programme types made available by broadcasters	Heterogeneity of programme types viewed by audiences
Measuring ownership concentration, editorial plurality and content diversity	Measuring audience preferences

Heterogeneity of content means there is difference in “one or more specified characteristics (van Cuilenburg, 2000, p. 52) or “one or more relevant dimensions (van der Wurff, 2004b, p. 216 in McCann, 2007, p.19). The range of programming, the presence of a variety of political orientations or cultural traditions, and viewer choice in format and content are all indicators of heterogeneity (Croteau & Hoynes, 2006; McQuail, 1993; van Cuilenburg, 2000; van der Wurff, 2004b). Certain European scholars have developed a conception of media diversity that interrelates supply and demand. D’Haenens et al. (2005) mentioned that among these scholars is van Cuilenburg, who proposed a prototype that calculates the concentration of the media market based on supply and demand. In addition to evaluating the effect of concentration of ownership on editorial plurality and content diversity, this model measures the extent to which content diversity reflects the supply and demand side of media (d’Haenens et al., 2015). This approach may reflect the affirmative theories line, based on a consensual relationship between actors within the media ecosystem. These include actors, outlets, and content owners (supply side) and audiences (demand side). Diversity, especially in the Indonesian broadcast media, becomes problematic considering that supply and demand are not so much competing as fighting an unequal battle. My research focusing

on the supply side (source and content) seeks to contribute its own insights to this complexity of media diversity. While the connection between source and content diversity can be analysed with the Structure Conduct Performance Paradigm, I use the Program Choice and Public Policy model outlined in the following section to examine the diversity of supply and demand.

2.5.3 Examining Diversity of Supply and Diversity of Demand using Program Choice and Public Policy Model

Established within the field of economics (Noll et al., 1973; Owen et al., 1974; Steiner, 1952; Wiles, 1963), the Program Choice model views diversity as a reflection of audience preference (reflective diversity). In other words, the content provided by media is mainly determined by audience preferences. Based on the Program Choice model's assumption, the more programmes supported by the advertiser-supported broadcasting market, the more likely the diversity of supply (see Bae, 2000; De Jong & Bates, 1991; Hillve, Majanen, & Rosengren, 1997; van der Wurff, 2004a). The rationale behind this assumption is that audience distribution is equal over similar channels; therefore, the overall increase in the number of mainstream programmes means decreased audience on a per-programme basis (McCann, 2007). This condition would stimulate broadcasters to produce specialised programmes aimed at niche markets and at attracting minorities instead of duplicating mainstream programmes (d'Haenens et al., 2005 in McCann, 2007, p. 49).

Other academics like Picard (2001) and van der Wurff (2004a) have come up with an alternative perspective. They argue that since the total number people in the audience does not (drastically) change, an expanded number of channels will cause the decline of the average audience size per programme (McCann, 2007). As result, the decline of the audience size per programme reduces advertising revenue per programme (Picard, 2001), which drives commercial broadcasters to duplicate programmes for cost-effective strategies (McCann, 2007). Hence, unlike the first assumption, Picard's

perspective shows that diversity in media content decreases returns. The impact of market forces on content diversity is reviewed later in this chapter.

While the Program Choice model mirrors reflective diversity, the public policy model mirrors the principle of open diversity. Supporters of this model argue that commercialisation in the broadcast market has reduced the diversity and thus the quality of programming. According to van der Wurff (2004b), cost reduction strategies practised by commercial media focus on market rather than content and in fact stimulate competition for advertising. He proposes instead that increasing the number of public broadcasters would serve to increase diversity in programming. When an increased number of channels reduces revenue, and financing differentiation of programmes becomes difficult to maintain, competition can enter the media marketplace. This line of reasoning leads to the belief that it is the responsibility of public broadcasters to anticipate any adverse effect competition between commercial broadcasters might have on content diversity, and provide a high-quality alternative. (Brown, 1996; van der Wurff, 2004b). Both of the models discussed will be applied to the analysis of the Indonesian broadcast media since the New Order era, where stations have been competing with each other through their offerings of media content.

2.6 The Impact of Market Forces on Diversity

Following my discussion of the economic characteristics of the media as well as the notion of media diversity in relation to democracy, the next section explores one of the central propositions of this study: the impact of market forces on diversity. There are at least four major points in relation to the impact of market forces on diversity which are relevant to this study, namely (1) the issue of media ownership in relation to content diversity, (2) the debate about competition vs concentration in broadcasting, (3) media as a profit-maximising mechanisms, and (4) two competing media models. I will start with the first point, ownership and content diversity.

2.6.1 Ownership and Content Diversity

Market forces are a primary determinant of media diversity, and concentration of ownership is a potential threat to media diversity and therefore indirectly to democracy (McChesney, 1998). Ownership supports mechanisms such as advertising, while media policy primarily influences media organisation behaviour (McChesney, 1996). Media organisations seeking profit-maximisation are seen as potentially hindering whole diversity of media (Albarran, 2002).

In the chain of content distribution, Napoli (1999a) describes the character of sources—or owners—as the “active programmers who may favor certain programme owners over the others ... to a large degree the available diversity in programme ownership rests with the decisions made by the owners of the distribution outlet” (p. 12). Other scholars like Bagdikian (2000) and Compaine (2002), have examined and described the connection between ownership diversity and overall output diversity, which serves to justify media policy’s focus on source diversity. This is why many countries tend to be specific and detailed in their media policies if they are related to ownership issues, especially in the digital era where market forces strengthen cross-ownership (vertical, horizontal, and diagonal integration) and its impacts on diversity. These integrations and convergences lead to either competition or concentration in broadcasting.

Indonesia attempted to democratise its media policy after the fall of Suharto in 1998. Among the most important points in the 2002 Broadcasting Law is the need to foster diversity of content and ownership. This point reflects awareness of the crucial relationship between source and content diversity, although not covering all aspects of the complex market and political situation in Indonesia that will be discussed in this thesis.

2.6.2 Competition vs Concentration in Broadcasting and Content Diversity

Media markets tend towards integration/concentration as a strategy to maximise profit, so media scholars have tended to investigate the correlation between market

concentration and content diversity. McCann (2007) highlights some hypotheses of media diversity within the media market. First, whether greater diversity is reached from more or from less market competition (Litman, 1979; Van der Wurff & van Cuilenburg, 2001); and second, whether market concentration reduces or increases diversity (Albarran & Mierzejewska, 2004; Dominick & Pearce, 1976; Dimmick & Rothenbuhler, 1984).

Dominick and Pearce (1976) in their early studies demonstrated a positive linear relationship among competition and diversity of programme in television, implying market concentration would reduce diversity. According to Litman (1979), increased competition produces increases in “horizontal” as well as “vertical” diversity: the number of programme categories throughout all channels within a week, and the number of programmes available on a given channel on a given day, respectively (Litman, 1999). Lin (1995) reveals that competition between sources can improve programme-type diversity. According to Lacy’s (1987, 1988, & 1999) research on newspaper markets, on the other hand, increased competition does not necessarily trigger media content diversity.

2.6.3 Media as Profit-Maximising Mechanisms: Commodities, Economies of Scale and Economies of Scope

In the context of this research, it is essential to elaborate on the profit-maximising mechanisms of media firms. According to Picard (1989, pp. 17–19), media firms often operate in “dual product” markets, or “two-sided-markets.” This means media firms are able to manufacture two kinds of commodity simultaneously, which can be marketed to different group of customers (Rochet & Tirole, 2003).

Media organisations have two distinct outputs: content and audience. The former includes the entertainment or news content that is consumed by audiences; the latter is the audience itself that consumes this content. An audience can be priced, bundled, and sold to advertisers. Since advertising revenue is a major source of income for commercial broadcast media, online media, newspapers and magazine publishing

companies, Doyle (2013) considers audiences “the main currency for many media companies” (p. 13). However, this does not mean that the other type of media output—content—is less important. She continues: books, television broadcasts, films and radio broadcasts are not only commercial products, but they can also be valued for the way they shape culture (Doyle, 2013). Blumler and Nossiter (1991) along with Collins, Garnham and Locksley (1988, pp. 7–10) describe media content as a “cultural” good whose value to a consumer is attached primarily to the message it conveys, rather than the material carrier of the information. As this content is intangible and not used up as it is consumed, it cannot in the purest sense of the term be considered “consumable” (Albarran, 2002, p. 28; Withers, 2006, p. 5). Furthermore, defining what constitutes a unit of media content is sometimes difficult as it scatters across different levels within the media, for example, whether it is a news item in a radio programme, an article, a television show, or an entire magazine.

An additional unique aspect of immaterial media content is that it does not get used up or damaged in the act of consumption. For example, when I watch a television programme, it doesn’t diminish other people’s ability to view it. One unit can supply numerous consumers. Public goods do not adhere to the same logic of consumption as private goods, which consume resources. In the next section of this chapter, we will see that in creating a public good, the initial cost involved may be high, but the marginal costs associated with supplying an extra unit are next to zero (Doyle, 2013, p. 14).

Since most media firms are commercial entities, their primary function is to create and maximise their profits (Scherer, 1996; Croteau & Hoynes, 2006; Hoskins, McFayden, & Finn, 2004; Doyle, 2013). Therefore, advertising revenue and profits turn out to be the main measurements, and “efficiency” has been the keyword to maximise profits, which can be achieved if media firms focus on maintaining the economies of scale and the economies of scope.

a. Economies of Scale

An economy of scale occurs when marginal costs are lower than average costs. (Scherer, 1996; Hoskins, McFayden, & Finn, 2004). This situation comes about when the relative cost of providing an additional unit falls as the scale of output increases (Doyle, 2013, pp. 15–16). Economies of scale are experienced by many industries, particularly those involved in manufacturing (e.g. automotive) where more production runs and automated assembly line techniques lead to lowered average production costs (Picard, 1989; Albarran, 2002; Hoskins, McFayden, & Finn, 2004). There are various explanations for the presence of economies of scale. For example, sometimes it is because “large firms can achieve better (bulk) discounts on required inputs than smaller firms can” (Doyle, 2013, p. 15).

Economies of scale are often associated with the practices of specialisation and division of labour within large firms (Doyle, 2013). Economics scholars summarise the economies of scale with the function of coefficient (FC), which calculates the Average Cost (AC) to Marginal Cost (MC):

$$FC = \frac{AC}{MC}$$

For media firms, “marginal costs (MC) refer to the cost of supplying a product or service to one extra consumer, while average costs (AC) are the total costs in providing the product or service, divided across its audience, i.e. the total number of users who watch, read, listen to or otherwise consume it” (Doyle, 2013, p. 16). Marginal costs in most sectors of the media tend to be low, or even zero in some cases. Moreover, marginal costs are essentially always lower than average costs. In the case of the media industry, economy of scale means that as the number of viewers (or readers) increases, the average cost in supplying the content will drop. (see Albarran, 2002; Alexander, Owers & Carveth, 1993; Doyle, 2013; Hoskins, McFayden, & Finn, 2004; Picard, 1989). In Chapters

4 and 5, we will see what kind of efficiency strategies are exercised by Indonesian media firms, particularly broadcast companies, which use the logic of economies of scale to increase profits. For example, the strategy applied by the first wave of Indonesian private television stations was to purchase some imported TV series that were cheaper because of their bulk price. The more programmes bought from the same distributor, the greater the discount the stations received. The percentage of imported programmes in Indonesian television has always exceeded the maximum limit of foreign programmes, although this is in violation of existing regulations. Another example is the presence of economies of scale within a group of a media conglomeration. Almost all television stations in Indonesia under conglomeration ownership are using the same product for their outlets. For example, contributor A works for Media Nusantara Citra (MNC) Group, which owns four free-to-air television stations. His reportage then is circulated within the group for airing on four different outlets. This is the result of the integrated newsroom policy MNC has had since 2016. The free-to-air stations no longer have their own crew. All reporters, camera persons, and contributors are working under the integrated MNC Media Gathering Newsroom. Each team reports to four different outlets, which means a single report is used and aired across those four. The initial production costs of the news items might be high, but as the products are replicated and sold repeatedly to greater numbers of consumers, the economies of scale fall into place. Similar strategies are also employed by other Indonesian media groups, such as Elang Mahkota Teknologi (EMTEK) Group, which has two free-to-air nation-wide stations (SCTV and Indosiar), and CT Corps, which also has two free-to-air nation-wide stations (TransTV and Trans7).

b. Economies of Scope

Similar to economies of scale, economies of scope also have a linkage with firms seeking efficiency and saving in the cost of output production. Efficiency is increased through

broadening the scope of output. Economies of scope “are commonly characteristic of media enterprises and, again, this is to do with the public good nature of media input” (Doyle, 2013, p. 16). Economies of scope refer to the possibility of savings and cost-efficiencies “by simultaneous production of many products by one firm” (Baumol & Blinder, 2011, p. 267). This means that a product that is created for one market can be reformatted or repackaged and sold through another market. For example, an interview with a prominent public figure from a documentary programme might also be re-edited and repackaged as a part of other programmes on television or radio.

Economies of scope are created when television content is re-edited into more than one product or, in other words, when a product developed for a given audience is rearranged to create a product for a different audience. According to Doyle (2013, p. 17), assuming the economies of scope are present, the benefits available through a reduction in costs (C) for a multiproduct firm producing, say, goods A and B, can be described by the following equation:

$$C(A, B) < C(0, A) + C(B, 0)$$

Moschanderas (2000) further argues that every time economies of scope can be exploited, the strategy of “diversification will be economically efficient, as the total cost of the diversified firm is low compared with a group of single-product firms producing the same output” (p. 102). Like economies of scale, economies of scope are increasingly common in media firms. With the trend of digitalisation, the strategies of diversification have become extensive, as illustrated by the following example of WatchdoC Media Mandiri.

From 2012 to 2015, WatchdoC Media Mandiri, an independent production house producing documentaries, was commissioned by KompasTV Indonesia, a commercial network television owned by one of the biggest Indonesian media groups, Kompas

Gramedia Group. WatchdoC produced four documentary series, each consisting of 15 episodes. Only six months after the termination of the contract between WatchdoC and KompasTV, two documentary series were launched by KompasTV, using at least 70% of the material (cannibalised and repackaged) from the documentaries produced by WatchdoC. In this case, Kompas TV created diversification with a minimum of cost. Furthermore, Trans7, one of the free-to-air stations owned by CT Group, makes a 30-minute programme named *On the Spot*¹⁸ which compiles clips from YouTube and is aired five days a week. This practice of creating a zero-cost programme with the help of YouTube has been followed by other stations. GlobalTV (GTV), owned by Media Nusantara Citra (MNC) Group, airs *Hot Spot*, a similar programme with a duration of 30 minutes during weekdays. In 2017, *On the Spot* is no longer using content from YouTube. Instead, it takes and repackages regional content, mostly from outside Jakarta (Dewi Handayani, personal communication, 2017). The economies of scope still apply to this Trans7 programme.

Economies of scope and scale are essential characteristics of the economies of the media. In following section, these concepts will be used to explain the logic behind media integration and, most importantly, diversity of media content under concentrated media ownership.

c. Horizontal, Vertical and Diagonal Integration

The effort to maximise profits through the economy of scale and the economy of scope strategies also applies to integration strategies of media companies. Let's start with horizontal integration. According to Doyle (2013, pp. 40–42), one of the motivations for a company to perform horizontal integration, either through internal development or the acquisition of other companies of similar products, is to increase its market share, which in turn gives it the ability to control prices in the market. The repeated use of content across several outlets in the same group of companies after horizontal

¹⁸ <https://www.trans7.co.id/programs/on-the-spot>

integration is the most concrete example of how the economies of scale strategy is institutionalised. Economies of scope are also increased through horizontal integration. When a company decides to expand horizontally, one of the efficiency gains is the opportunity to merge expert staff or hire a particular expert to handle more than one unit of production. What often happens in media companies is the merging of the administrative divisions that support the operation and administration of the company, for example the finance division, or specialist labour such as airtime sales or programme sales (Doyle, 2013, p. 42). In the context of media companies in Indonesia, the example of horizontal integration is carried out by MNC Group, which currently has four free-to-air television stations. In addition to the merging of back-office staff, since 2016, MNC Group has integrated news gathering divisions of all television stations under its ownership. A journalist with high flying hours and high skills is placed as the News Gathering Manager in charge of four newsrooms. One team consisting of a reporter and a camera person is responsible for delivering news to four different broadcast outlets. Their news reports are broadcasted across stations within the group.

The second integration is vertical integration. This integration takes place when a media company establishes or buys a company that crucially influences the chain of production process. For example, drama content is the most popular television content and generates a lot of profit. So instead of buying the content from another production house, it would be more profitable if the television company establishes or acquires a production house to meet the needs of its content. In Indonesia, SCTV bought Sinemart, a production house that provides drama content to fill its primetime broadcast hours, while MNC Group established new, sophisticated studios to be used by the four free-to-air stations under its ownership:

The new studios provide us with other business advantages. With all of our production facilities in one centralised location, MNC will benefit from new synergies across our four TV stations. This will allow us to control costs and to be better utilise our resources. (Rosano Barack, MNC Group President Commissioner, MNC Group Annual Report 2014, p. 30)

According to Doyle (2013, pp. 48–49), this vertical integration strategy makes sense for controlling production as well as content distribution, because the greater the product distribution output, the lower the production costs per unit. In addition, vertical integration is carried out to reduce transaction costs, maximise revenue, and gain security or control of the market. As a content provider, integration with content distributors also means ensuring viewer access to content.

The third type of integration is diagonal integration, in which a media company opens a new business development unit or new business to complement an existing business. An example is a newspaper company, which also starts owning radio, television and online portals. The logic of economies of scale and economies of scope combines well with diagonal integration. An extreme example is MNC Group in Indonesia, which not only controls magazines, radio and television stations, and newspaper outlets, but has also established a bank (MNC Bank) and insurance company (MNC Life). The salaries of all employees are paid through MNC Bank and all employees have MNC Life as their insurance provider. In the later chapters, we will see that these integrations also affect diversity of content.

2.6.4 Two Competing Media Models: Market Model and Public Sphere Model

Now that we have touched on some key economic characteristics of the media, such as the production of commodities (audiences and contents) as well as the economies of scale and scope, let us have a closer look at the dual role of the media and its implications for media policy. As explained previously, political, media/journalistic, democratic, and economic studies have made reference to the dual role of media organisations in society. In the United States, they are mainly commercial endeavours. Smith (2009, p. 394) explains that “if they don’t make money, they cannot stay in business.” Nevertheless, their business practices affect public discussion and influence community engagement (McChesney, 1999; Patterson, 1994; Patterson, 2002; Putnam, 2000 in Smith, 2009).

According to Wilbur Schramm (1956), “broadcasting has always been a child of

mixed parentage: public interest and commercial profit” (p. 338). Croteau and Hoynes (2006) identify two competing media models, namely the market model and the public sphere model.

a. Market Model

From the point of view of the market model, media institutions are conceptualised like any other company that sells products. The information produced by the media is considered a commodity (McCann, 2007). This model follows the economic scheme, where the audiences are perceived as consumers rather than citizens. Mark Fowler, Federal Communications Commission (FCC) Chair under the Reagan administration, based his view on this model, when he notoriously argued that “television is just another appliance. It’s a toaster with pictures” (Croteau & Hoynes, 2006, p. 27). The Indonesian Business Competition Supervisory Commission or Komisi Pengawasan Persaingan Usaha (KPPU), which works under the mandate of the Anti-Trust Law, also views the mass media in Indonesia as any other entity. Therefore, it cannot do much in regulating the mass media as it only monitors price competition. The Indonesian Broadcasting Commission (KPI), regardless of its main duty to guard the diversity of both ownership and content of the media, chooses to mainly focus on monitoring media content. This model also confirms that profits generated by the media industry are meant for owners and stockholders (Smith, 2009, p. 396).

The market model believes in the dynamic process of supply and demand and suggests that only with relatively unregulated mechanisms will society’s needs best be met. In other words, the public’s needs will eventually be fulfilled through the pursuit of profits under a competitive condition. Instead of government regulators, it is the consumers themselves who will push companies to serve the public. Consequently, the public interest is framed as anything that is popular, hence diversity is only seen as a business approach for grabbing particular niche markets (Croteau & Hoynes, 2006). This means that if the products of a media company fail to fulfil the needs of consumers, consumers can easily turn their television off or change the channel. The best measurement tool of

quality programming in accordance with this model is the ratings system. The consumers themselves assure the public interest under the market model. As Fowler and Brenner's argument goes, "The public's interests define the public interest" (p. 210). Supporters of this model are largely in favour of private and unregulated ownership of the media: "If we permit the laws of supply and demand to determine the price and ability of toasters, why should we do anything different with the media industries?" (Croteau & Hoynes, 2009, p. 26). The strongest supporters of this view are broadcast media owners. Marketplace theorists denounce criticism based on the concept of the scarcity of the broadcasting spectrum, which implies broadcasting industries should be heavily regulated to protect the public interest. Instead, they argue that in the modern era the scarcity of spectrum is becoming irrelevant. (Owen, 2003).

Marketplace theorists also believe "the solution to achieving the public interest ideals of diversity and localism lies not with government regulation but with free market competition" (Smith, 2009, p. 397). A capitalist order creates diversity, as various kinds of product are generated naturally in competitive markets. As Albarran (2002) points out, competition is a gateway to innovation, lower costs, cheaper price, and enhanced services. While from the context of ownership within the broadcast media industry, many executives argue that they are able to cut down both operating and overhead expenses by owning more radio and television stations. By having more than one broadcast station, operational "efficiencies" will be achieved by expanding economies of scale and/or economies of scope (Doyle, 2013; Smith, 2009). Finally, the owner can use the profits to reinvest in innovative news and entertainment content production (Sturm, 2003; Wright, 2003 in Smith, 2009). In conclusion, competition is key to creating revenue and audience in the market model.

b. Public Trustee Model

Unlike the market model, the public trustee model contends that the media is beyond a profit-seeking mechanism, as it is a public resource serving the public interest (Croteau

& Hoynes, 2006). In the United States, theories about the role of the media beyond profit-seeking entities are also shared by some scholars (Dewey, 1927; Bagdikian, 1997; Chomsky, 2002; McChesney, 1999) who believe the vital role that the media outlets play in sharing “social, economic, and cultural information” and “shaping what we know and understand to be true” (Smith, 2009, p. 398). Unlike the previous model, the audience members under this model are conceptualised as citizen rather than consumer, following the duty of the media to advocate active citizenship through information.

Minow (2003) argues that transmitted messages influence “people’s taste, their knowledge, their opinions, their understanding of themselves and of their world” (p. 405). He also believes the possession of broadcast licenses is “an awesome power” that has “limitless capabilities for good—and for evil” which brings with it “awesome responsibilities” (p. 405). Furthermore, he underlines the issue of the abuse of the spectrum when broadcasters turn it into “a vast wasteland” through centring mainly on rating scores, the advertisers’ longings, and the industry costs (Smith, 2009, p. 398). The media tries to provide programmes that attract the targeted audiences of advertisers. It follows a market logic that drives the media owners to generate feasible content. There is a concern that this system that mainly focuses on profitable demographic groups will result in “a tyranny of the majority”—a structure equivalent to economic discrimination in opposition to the standpoints of minorities (Cooper, 2003, pp. 35–37). In other words, “those who back the public trustee model are worried that the market model will not only fail to fulfil the needs of those who are too old, too young, or too poor to be demographically attractive” (Schwartzman, 2003 in Smith, 2009, p. 399), but also “aggravate cultural division” (Croteau and Hoynes, 2006, p. 106). Public trustee theorists dispute the “vote with your remote” philosophy of quality, as Cooper (2003, p. 14) points out, “It is not acceptable for citizens to be turned off by the poor quality of civic discourse, and then have no comparable alternative to which they can turn” (in Smith 2009, p. 399).

Furthermore, public trustee scholars believe that the demand for minimal regulation proposed by the market model, especially in broadcasting industries, is problematic. The

public trustee theorists are not convinced that broadcasters will deliver the public's best interests if the government does not require them to do so (Smith, 2009, p. 398). This is because corporations in a capitalist system almost never put the public's need before their financial gain. The system naturally forces media conglomerates to create a product that is profitable rather than to serve the needs of citizens.

The next reason why the media should be regulated is that broadcasters utilise the public frequencies to pursue their trade. The public trustee model expects broadcasters to serve the public interest. Additionally, this model promotes the regulation of media ownership structure and content. The support for media ownership and content regulation is based on the theory that without regulation, the broadcasting media will be hijacked by big businesses seeking profit by using a natural resource owned by the public, known as the spectrum, airwaves, or frequency (Croteau & Hoynes, 2006). Consequently, regulation becomes an essential tool for guarding the public interest (Croteau & Hoynes, 2006; Drale, 2004). This situation also justifies state intervention in cases where the media industry encroaches on the public interest. The broadcast industry's critical role means it should be subject to greater and more specific regulation than other businesses, and not be as open to the influence of the free market: "its products are not widgets or toasters; they are culture, information, ideas, and viewpoints" (Croteau, 2003, in Smith, 2009, p. 399). Ownership deregulation, on the other hand, creates powerful oligopolies (Croteau & Hoynes, 2006; Gomery, 2002).

Finally, and more importantly for this research, the public trustee model underlines the role of media diversity, which is central to the duties of the media in representing a diverse range of viewpoints in society (Croteau & Hoynes 2006). Supporters of this model believe that more information sources (i.e. cable and satellite television) do not always lead to more competition (Bozell, 2003, Foley, 2003; Riskin, 2003; Croteau, 2003 in Smith, 2009). Instead, we need to consider modern media conglomerates which control the majority of information sources. In the United States, for example, about 75 percent of broadcast and cable television's viewing is controlled by five vertically-integrated companies (Riskin, 2003, p. 2), "on the verge of controlling the same number

of television households as the big three broadcast networks did forty years ago” (Rintels, 2003, p. 1). In other words, more sources of information do not necessarily mean more diversity, because the market structure is controlled by the media conglomerates. Public trustee theorists also strongly challenge the assumption that the deregulation/relaxation of media ownership creates increased competition and content diversity. According to Croteau (2003), relaxation of regulations on media ownership leads to exactly the opposite: declining competition and decreasing content diversity, including lower quality (and quantity) of locally produced programming (p. 1). The core points of the market model vs the public trustee model are summarised in Table 2.5.

Table 2.5 Summary of Competing Media Models

Central Question:	Market Model	Public Trustee Model
How is media conceptualised?	Private companies selling products	Public resources serving the public
What is the primary purpose of the media?	Generate profits for owners and stockholders	Promote active citizenship via information, education, and social integration
How are audiences addressed?	As consumers	As citizens
What is the media encouraging people to do?	Enjoy themselves, view ads, and buy products	Learn about their world and be active citizens
What is in the public interest?	Whatever is popular	Diverse, substantive and innovative content, even if not always popular
What is the role of diversity and innovation?	Innovation can be a threat to profitable standardised formulas. Diversity can be a strategy for reaching new niche markets	Innovation is central to engaging citizens. Diversity is central to media’s mission of representing the range of the public’s views and tastes
How is regulation perceived?	Mostly seen as interfering with market processes	A useful tool in protecting the public interest

To whom is the media ultimately accountable?	Owners and shareholders	The public and government representatives
How is success measured?	Profits	Serving the public interest

Source: The Business of Media (Croteau & Hoynes, 2006, p. 37)

It may seem that the market model is consistent with the Liberal-Market Cluster, while the public trustee model is in line with the Deliberative–Critical and Agonistic–Radical Cluster. However, the different points of view in each model raise some important new questions: what happens when those models exist in the same ecosystem? Do they end up complementing, or competing with each other? Is competition between these models symmetrical? How relevant is the issue of regulating/deregulating in this situation? Those questions are closely related to this study of the concentration of broadcast media ownership and content diversity in contemporary Indonesia.

2.7 Broadcast Media in Contemporary Indonesia: A Prologue

The media and media policy models have played an important part in Indonesia since its liberation from authoritarian leadership in 1998. With a population of more than 240 million people, Indonesia is now not only the fourth most populous country, but also the largest Muslim country and the third largest democracy in the world (Aspinall & Mietzner, 2010; Tapsell, 2015). The mass media, especially the news media on various platforms including social media, is expected to play its role as the fourth estate of democracy, which is an important factor in the political education of its citizens (Masduki, 2014). In addition to some of the theories presented earlier in this chapter, other communications studies have shown the importance of the media in influencing social and political systems. The agenda-setting theory, for example, explains that what people judge as important tends to be what is judged as important by the media (McCombs & Shaw, 1972). This project is limited to the study of Indonesian commercial and state-owned television. The justification for limiting the research thusly is twofold.

First, apart from the “seeing is believing” factor, television (and also radio) has a distinctive identity related to the spectrum of frequency. Unlike the print media, the broadcast media uses the electromagnetic spectrum or digital platforms to distribute its content. According to Michael Buckley (2007, p. 825),

...as a distribution medium, [broadcast media] is ubiquitously available; no initial investment is required to create it. In addition, while there is equipment cost associated with the effective transmission of broadcast signals, those costs are not prohibitive.

There are two similarities between the electromagnetic spectrum or radio-frequency spectrum and land and water. All are limited and categorised as natural resources. The finiteness of the radio-frequency spectrum is acknowledged by the scarcity theory in broadcast media regulation. The theory points out that the spectrum is a valuable resource that should not be owned privately as “the interest in controlling spectrum use is often tied to the fact that it gives the controlling entity a powerful vehicle for communicating information” (Buckley, 2007, p. 824). It is no coincidence that in non-democratic countries, the ownership of media is in the hands of the government, so it can fully control the radio-frequency spectrum. In the Indonesian context, this happened during the New Order regime before the 1989 television deregulation, when the government monopolised television through TVRI (Puji Rianto, Iwan Awaluddin Yusuf, Moch. Faried Cahyono, Saifudin Zuhri, Wisnu Martha Adiputra, Amir Effendi Siregar, 2012, p. 5). Today, television stations use digital platforms for showing their programmes, which require their own types of regulation. Nevertheless, the broadcasting spectrum is still their main vehicle of programme distribution. As this resource is owned by the public, their performance should be closely monitored. In other words, I argue that because of the distinct, public character of the radio-frequency spectrum, the broadcast media needs to be highly regulated. This research intends to investigate the performance (diversity of content) of Indonesian television from the perspectives of market structures and media regulations. It is true that with the arrival of digital technology, the public frequency spectrum may no longer be as scarce.

However, in the Indonesian context, digitalisation has yet to commence, due again to the issue of media ownership. I will explain more about this in Chapter 5.

2.7.1 Television as the Most Popular Medium and the Problem of Online Media in Indonesia

The second argument for studying the diversity of television content relates to television as the most popular and most consumed medium in Indonesia. In 2018, the Indonesian Internet Service Providers Association (APJII) reported that the number of Indonesian Internet users had reached 132.7 million in 2016 and 143.26 million in 2017, or 54.68 percent of the total population, showing dramatic growth from only 618,000 users or 0.26% in 1998.¹⁹ However, the distribution of internet access in Indonesia is still Java-centric and urban-centric. There has been a huge gap between urban and rural internet users, and between users inside and outside the island of Java. The proportion of internet users in Java has reportedly reached 58 percent of total users, while 72.41 percent of internet users lived in major cities. The lack of internet access and quality of internet connection are the main factors behind the existence of these gaps.²⁰

While half of the Indonesian population are internet users, a survey by Nielsen Consumer Media View revealed that the broadcast television penetration in Indonesia was 96 percent in 2017, making it the most popular and consumed medium, followed by internet, radio and newspaper.²¹ The number slightly increased from 91.47 percent in 2015, as reported by the Indonesia's Central Statistics Bureau (Badan Pusat Statistik).²² The high number of television viewers in Indonesia is in line with Ross Tapsell's observation that despite the hype about the Internet and the social media in Indonesia,

¹⁹ See: *Laporan Hasil Survey APJII 2017: Penetrasi dan Perilaku Pengguna Internet di Indonesia*.

https://web.kominfo.go.id/sites/default/files/Laporan%20Survei%20APJII_2017_v1.3.pdf. Accessed: 25 February 2018.

²⁰ See: *Indonesia must improve internet connection speeds: Minister*. <https://jakartaglobe.id/news/indonesia-must-improve-internet-connection-speeds-minister/>. Accessed: 25 February 2018.

Akses Internet Belum Merata. <http://www.harnas.co/2016/11/30/akses-internet-belum-merata>. Accessed: 25 February 2018.

²¹ See: *Tren Baru di Kalangan Pengguna Internet di Indonesia*. <https://www.nielsen.com/id/en/press-room/2017/TREN-BARU-DI-KALANGAN-PENGGUNA-INTERNET-DI-INDONESIA.html>. Accessed: 25 February 2018.

²² See: *Televisi Masih Menjadi Media Favorit Masyarakat*. <https://databoks.katadata.co.id/datapublish/2016/11/10/televisi-masih-menjadi-media-favorit-masyarakat>. Accessed: 25 February 2018.

the dominant platform in which 80% of Indonesians watch programmes on a weekly basis is free-to-air television.²³ This is also in line with the latest survey conducted by *Kompas* in 2016.²⁴ It shows that amidst the rapid global development and innovations in telecommunication and technology, together with the emerging convergence of media systems, television remains the most influential medium.

2.7.2 The Concentration of Media Ownership and Diversity of Content

Although some new policies and regulatory bodies have been introduced since the democratic reform era, Indonesia has started to follow the global trend of concentration of ownership. Regardless of the increase in the number of media outlets since 1998, scholars have revealed that the Indonesian media is actually controlled by only 11 conglomerates (Haryanto, 2011; Lim, 2011; Nugroho, 2012; Sudibyo & Patria, 2013).

Ben Bagdikian in his book *Media Monopoly* (2000) analyses the same concentration of media ownership in the United States, resulting from the relaxation of media ownership regulation. However, the trend is not worrying to scholars such as Compaine (2001), as they argue that the most important issue is whether a variety of channels and choices is available to the public. Contrary to Compaine, Robert McChesney (2001, 2002) argues that the question is not the number of media outlets that are available, but the diversity of the content provided by those outlets. Buckley (2008, p. 823) also emphasises that media diversity is crucial for democracy, while Curran & Couldry (2003) and Murdock (1982) are concerned that a concentration of media ownership results in uniformity of content regardless of the number of outlets. These observations underline the importance of my research in examining the diversity of media content rather than merely drawing on the number of media outlets.

²³ The full interview of “Talking Indonesia: the Indonesian Media” can be accessed at <https://soundcloud.com/talking-indonesia/indonesias-media-landscape>, the specific quote is at 00:25:39—00:25:54.

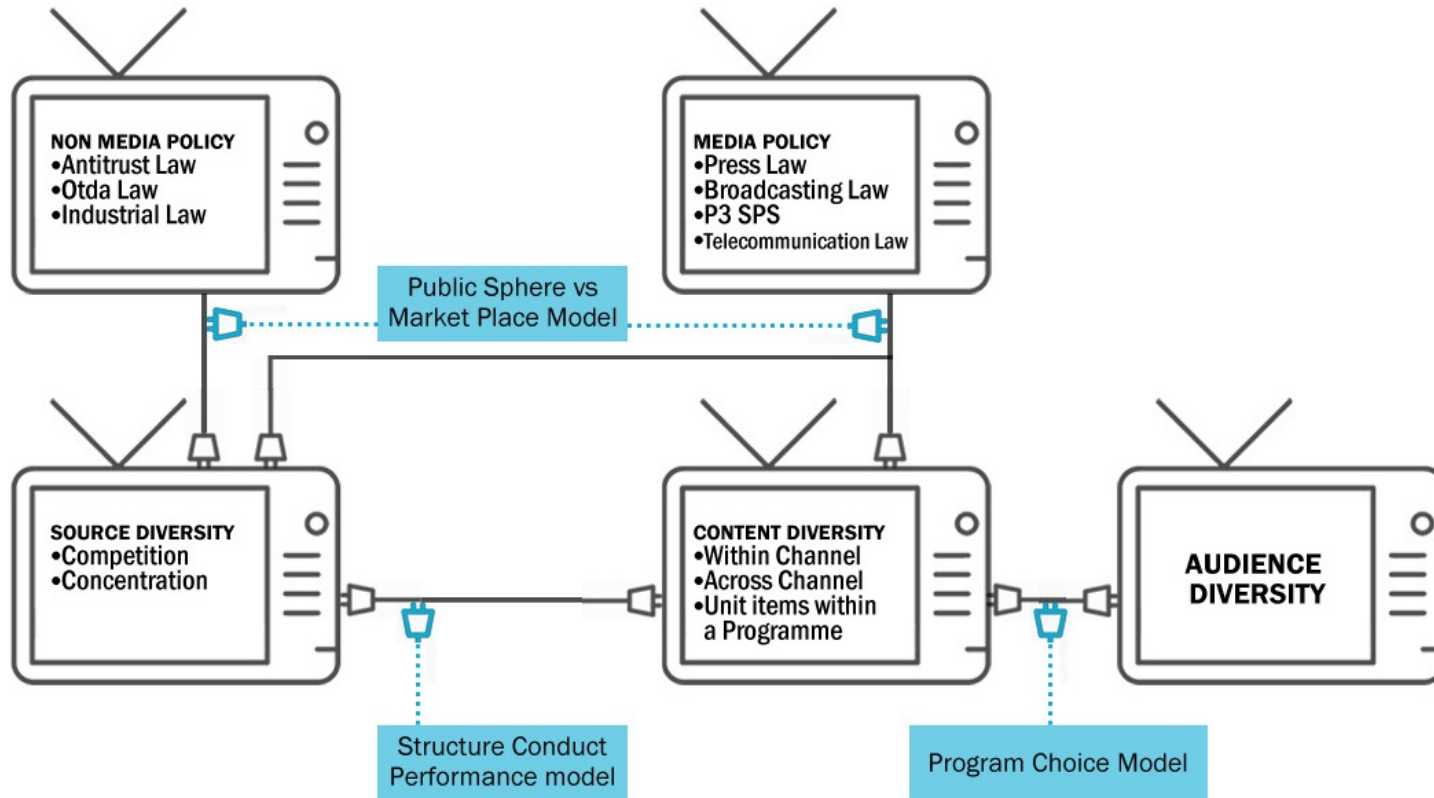
²⁴ See: *Televisi Masih Jadi Primadona*. <http://print.kompas.com/baca/opini/jajak-pendapat/2016/06/29/Televisi-Masih-Jadi-Primadona>. Accessed 14 February 2020. Three out of five respondents or 717% during the interview chose television as the primary media platform to gain information.

Following the framework proposed by Napoli (2001), the relevant literature presented and analysed in Chapter 3 includes two categories of media diversity: source diversity and content diversity. Source diversity concerns the number of outlets and owners producing media content. Historically, it has been assumed that diverse owners and operators naturally produce diverse content. Yet, there are other factors that influence the performance of the media, such as market structure. This study does not only investigate the linkage between ownership and content, but also considers the market structure in the Indonesian broadcast media landscape.

2.8 Proposed Theoretical Framework

Some researchers argue that a simple count of outlets is inadequate when it comes to examining the effect of the type of regulation (market model or public trustee model) on diversity (Smith, 2009, p. 402). Therefore, we must study the content of the media. Content diversity usually includes the study of specific programmes or programming produced by media organisations. By broadcasting various types of programmes with various formats, it is anticipated that a variety of ideas and opinions will be developed and local needs will be delivered. Napoli further argues that content diversity should be defined not only in terms of programme type, but also in terms of the diversity of viewpoints presented within those programmes (p. 3). Those who work on industrial organisation research put these components under “performance” evaluation (Allen & Gomery, 1985; Gomery, 2001; Scherer, 1980). Based on the existing theories and models explained in this chapter, my theoretical framework relates the notion of diversity to both media ownership and media content. This theoretical framework for the study of the concentration of broadcast media ownership and content diversity in contemporary Indonesia is summarised in Figure 2.2.

Figure 2.2 Theoretical Framework



2.9 Conclusion

In this chapter, several intersecting theories from the political and economic sciences and media studies have been grouped into three large clusters, which each in their own way analyse how the media functions in terms of diversity of ownership and content. At the start of the democratic reform after the fall of Suharto, many Indonesian media professionals and consumers demanded minimum regulation of the media, but simultaneously welcomed the establishment of the KPI as a tool for monitoring the media. Nevertheless, the ideals of reform are increasingly difficult to achieve in the field of the media. The obstacles come from Indonesia's economic and political structure, including the policies regarding KPI itself. In this thesis, the Critical Political Economy and Agonistic–Radical approaches are the preferred tools for analysing the complexity of the Indonesian media situation.

As business institutions, Indonesian media organisations produce commodities for profit maximisation. The strategies for producing these commodities are mainly based on efficiency. The economies of scope and economies of scale that shape this efficiency also affect the diversity of the media industry. Digitalisation technology and multiplatform convergence strategies drive how Indonesian media companies seek profit today. This study of diversity in the broadcast media is one aspect of analysing diversity in the broader context of Indonesia's contemporary media ecology.

Economic studies note that product diversity is largely determined by market structure. Therefore, this thesis examines and identifies the structure of the broadcast media market in Indonesia. In Chapters 3, 4 and 5, I use the theory of the firm, rooted in the Industrial Organisation (IO) model, to examine whether the diversity of media ownership in Indonesia is consistent with the diversity of media products.

As explained in this chapter, three elements that are relevant for analysing media diversity are media source, content and audience. This study will only focus on the first two. These two components from the economic perspective fall under the heading of supply diversity. Other studies focus on the role of viewers, or so-called diversity of demand. At the same time, however, audiences have become one of the media industry's commodities as well, in line with the media industry's main goal: profit maximisation. The dynamic relationship between source, content, audience, and media policy has been explained in this chapter through a number of theories and models that form the basis of my framework of analysis of the diversity of content and ownership of the broadcast media in contemporary Indonesia. In Chapter 3, I will further explore the concept of media diversity and present the research methodology for this thesis.

Diversity of Content and Concentration of Ownership: A Methodology

3.1 Introduction

Following the literature review and theoretical framework of this study in the previous chapter, this chapter establishes the methodological foundations for examining media diversity. I also explain why media diversity matters. This is followed by a discussion of specific dimensions of media diversity and ways of measuring those dimensions. I address social and economic theories that are relevant for both conceptualising and assessing media diversity.

This chapter seeks to review models that can demonstrate the connection between media ownership, market structure and diversity of content. This analysis can assist with determining whether media organisations are serving public duties or organisational interests under the rigid policy standard for the promotion of media diversity in Indonesia. In short, this chapter presents the various criteria of media diversity; the relationships between diversity, competition and concentration of the media; and the methodological framework and data collection procedures of this research.

3.2 Diversity in the Indonesian Media Landscape

Media reform in Indonesia aligns with Mughan and Gunther's (2000) argument that under democracy, the media is supposed to no longer play the role of government mouthpiece, but act as the fourth pillar of democracy by "ensuring that political information serves to constrain, or check, government power rather than magnify it" (p. 5). The establishment of the Broadcasting Act of 2002 and the Indonesian Broadcasting Commission (KPI) to ensure diversity in media ownership and diversity in media content are also in line with the criteria of the media in a democratic society. With this law and regulatory body, media pluralism has become institutionalised in

Indonesia, and the media has become “protected from the arbitrary exercise of government power.” The new legal framework is meant to guard the media against direct political control and “promote and sustain a diversity of media forms and outlets” (Mugan and Gunther, 2000, p.6).

Indonesian media outlets have developed independently from government control and are run by corporations. This means Indonesian journalists are now working under the guidance of the code of ethics for journalism, free from the threat of being censored or banned for criticising the performance of the government. With the increasing number of media outlets, it may seem Indonesian media outlets are more diverse than during Suharto’s New Order era. Commercial television stations, for example, are no longer directly controlled by the government or owned by the family of President Suharto, who made Indonesian television stations the loyal guardians of Suharto’s policies before *Reformasi* (Tapsell, 2015). However, it was only after 2012 that Bambang Trihatmodjo (Suharto’s son) resigned as one of commissioners of PT Global Mediacom, the holding of one of Indonesia’s largest media groups, Media Nusantara Citra (MNC).²⁵ Suharto’s eldest daughter, Siti Hardiyanti Rukmana, who previously owned PT Cipta Televisi Pendidikan Indonesia, still claims ownership rights over one of MNC’s TV stations. In October 2013 The Supreme Court ruled in favour of Siti Hardiyanti Rukmana in her station ownership and share dispute with Hary Tanoesoedibjo. The dispute began in 2005 when Siti Hardiyanti accused Hary of swindling her out of her broadcasting company shares and reducing her stake to only 25 percent of the company’s total shares.²⁶ Hardiyanti’s sister, Siti Hediati, was also listed as one of the commissioners of PT Surya Citra Televisi (SCTV), when her company, PT Abhitama, bought 25 percent of SCTV’s shares in 2005. Her name has not been in the company papers since the merger of SCTV and Indosiar in 2013.²⁷ The substantial rise in the number of media outlets

²⁵ See: <https://market.bisnis.com/read/20120502/190/75249/global-mediacom-bambang-trihatmodjo-mundur>. Accessed 10 February 2020.

²⁶ See: <https://www.thejakartapost.com/news/2014/01/13/soeharto-family-rises-with-mnc-tv-victory.html-0>; <https://travel.kompas.com/read/2014/11/11/151935226/MA.Kuatkan.Mbak.Tutut.sebagai.Pemilik.TPI>. Accessed 10 February 2020.

²⁷ See: <https://investasi.kontan.co.id/news/scma-tentukan-susunan-direksi-komisaris-baru>. Accessed 10 February 2020.

notwithstanding, media independence remains an issue of concern in post-New Order Indonesia because of the emergence of media groups that are part of conglomerates (Lim, 2011; Nugroho et al., 2012; Rianto et al., 2012; Sudibyo & Patria, 2013). As we will see in Chapter Five, there are five media groups that control ten free-to-air commercial television stations with national coverage in Indonesia, which points to a concentration of media ownership.

The issue of media ownership concentration as explained in Chapter 2 has been interpreted differently by different scholars. According to Compaine (2001), even if the content was politically biased because of the media owner's agenda, there would be enough outlets for the public to choose and seek alternative viewpoints from. Contrary to Compaine, Robert McChesney (2001, 2002) argues that the problem is not the number of media outlets that are available, but how diverse the contents of those outlets are. The idea of market-driven media, or simply put, the giving-the-media-to-the-market mechanism, undermines the idea of the media as "public goods." Furthermore, although not using the terms of "outlet" and "content," Winseck (2008) suggests we should distinguish "numerical diversity" from "source diversity"—while the latter refers to the number of media owners in certain area, the former points out to the number of channels available in certain area.

Based on the debate between Compaine and McChesney as well as Winseck's analysis, we can identify "diversity" as one of the keywords in analysing the issue of the concentration of media ownership. As explained by Buckley (2008), media diversity is crucial for democracy because:

Citizens' demand for varied content stems not only from an interest in hearing viewpoints for which they feel an affinity, but also from the need to hear opposing perspectives. Access to opposing positions is required if citizens are to realize their capacity to justify their political decisions to those who hold other views. Without the realization of this capacity, democracies can degenerate into tyrannies of the majority, with those in the minority increasingly feeling alienated from the process. (Buckley, 2008, p. 823)

In other words, democracy requires a diverse range of ideas and information to function within society. The objectives and system of democracy can continue only so long as a free flow of ideas and access to a diversity of information exist. It is the responsibility of the media to provide a diverse range of information to the citizens. In a similar vein, Murdock (1982) emphasises that “it is possible to greatly increase the number of channels ... without significantly extending diversity. More does not necessarily mean different” (p. 120). These observations underline the importance of my research in examining the diversity of the Indonesian broadcast media. Only by having a diversity of media, one can find “the presence of a number of different and independent voices, and differing political opinions and representations of culture” (Doyle, 2002, p. 12).

On the one hand, Indonesian media organisations after *Reformasi* were expected to meet these conditions. The attempts were shown in the Indonesian 2002 Broadcasting Law. The law covers “diversity” in Article 2, which states that “Broadcasting is based on the Pancasila and the 1945 Constitution of the Republic of Indonesia, with the principles of benefit, fairness and equitability, legal certainty, security, diversity, partnership, ethics, independence, freedom and responsibility.” On the other hand, *Reformasi* has also shaped the landscape of the Indonesian media in line with the principles of market liberalism. Because of the New Order era trauma of tight media control by the state, regulations of the media since 1998 have been kept to a minimum so that the “marketplace of ideas” can operate in a manner as fully and freely as possible (Dryzek & Dunleavy, 2009, pp. 101–127). However, the question to ask is: has the marketplace of ideas resulted in meeting the needs of the people, or has the media become more profit-oriented and begun to dictate to the people/audiences? To answer this question, it is important to further investigate the notion of media diversity. First, let us see whether or how the market structure of the media (in the form of concentrated media ownership) can affect the performance of the media (in the form of diversity of content).

3.3 Defining Diversity

While there is unanimous agreement that diversity is essential in democratic societies, has there been any attempt to define and measure the diversity of a marketplace of ideas? Following the metaphor of the marketplace of ideas, Napoli identifies the following primary components of media diversity:

At the general level, the primary components of diversity include (a) source diversity, (b) content diversity, and (c) exposure diversity. ... As important as the individual categories (perhaps more so), however, are the relationships that have often been assumed to exist between the categories. (Napoli, 1999, p. 11)

Napoli breaks down the main categories of diversity above into smaller subcomponents. Under the category of source diversity are the subcomponents of (a) the diversity of ownership of content programming, (b) the diversity of ownership of media outlets, and (c) the diversity of the workforce within individual media outlets (Napoli, 1999, pp. 11–14). The second category in the diversity chain, content diversity, has three subcomponents: (a) program-type diversity, (b) demographic diversity, and (c) idea-viewpoint diversity (Napoli, 1999, pp. 18–22). The last category of exposure diversity includes the subcomponents of (a) horizontal diversity and (b) vertical diversity (pp. 24–28). Figure 3.1 shows the chain of diversity and their corresponding subcomponents.

Figure 3.1 Diversity Components and Subcomponents

Source Diversity	Content Diversity	Exposure Diversity
• Ownership • Programming • Outlet • Workforce	• Program-Type Format • Demographic • Idea/Viewpoint	• Horizontal • Vertical

3.3.1 Source Diversity

Under source diversity, Napoli (1999, pp. 11–14) places the subcomponents of the ownership of content programming, the ownership of media outlets and the workforce. The first two subcomponents are described under the broad category of “ownership diversity.” The distinction between content ownership and outlet ownership is not absolute, as a television station can qualify as a content and outlet owner at the same time by producing its own content/programmes. More importantly, Napoli underlines that outlets are not passive in the distribution process. Rather, he sees outlets as active programmers, which choose particular programme owners over others. This means the diversity in programme ownership depends on the distribution outlets’ owners, as key players who actively make decisions.

In the US, the number of different executive producers of network programmes has been used as the measure of source diversity. However, the FCC prefers the number of various copyright holders as the appropriate measurement. The reason is that the copyright holders have the “ultimate control over the programming project” (Evaluation of the Syndication, 1993a, p. 3311 in Napoli, 1999, p. 13). Thus, to examine the outlet ownership, we need to analyse the owners of television stations, which are categorised as outlets. The holders of the programme copyright are relevant to the study of the ownership of content programming. The next subcomponent under the dimension of source diversity is workforce diversity. Using the US system as the grounding for his study, Napoli (1999) emphasises that the workforce diversity criteria are set by the FCC’s Equal Employment Opportunity (EEO) regulation. Based on this regulation, broadcast organisations are required to employ a mix of employees that matches the diversity of their market.

In the Indonesian context, the concept of source diversity is reflected in the networked broadcasting system. Article 6 point 3²⁸ of the 2002 Broadcasting Law regulates Indonesia's national broadcasting system, by only accepting local and networked broadcasting stations. This regulation is expected to solve the problem of national ownership concentration in Jakarta. Article 18 point 1 rather ambiguously states that the concentration of ownership and the control of private broadcasting institutions by one person or a legal entity in one or several broadcast areas should be "limited." Point 2 of the same Article also "limits" direct or indirect cross-ownership of any of the following combinations: private broadcasting institutions with radio broadcasting services and private broadcasting institutions with television broadcasting services; private broadcasting institutions and print media companies; and private broadcasting institutions and other broadcasting companies.²⁹ In spite of the vagueness of both points in Article 18, the Broadcasting Law demonstrates and seeks to promote awareness of the importance of source diversity.

3.3.2 Content Diversity

The second dimension of media diversity in Napoli's chain is content diversity. It has three subcomponents: programme-type diversity, demographic diversity and idea-viewpoint diversity (Napoli, 1999, pp. 18–22). Napoli notes that among all empirical assessments of diversity components and subcomponents, programme-type or format diversity has been the most common one, although researchers seldom rely on the same typology. An example of programme-type diversity is the range of programme genres from which the audience can choose within the primetime belt in television. To further illustrate, Napoli sketches two different situations. The first situation is when a viewer has six different situation comedies series and three made-for-TV movies as

²⁸ Article 6 paragraph (3), in the national broadcasting system there are broadcasting institutions and a fair and integrated network pattern developed by forming network stations and local stations.

²⁹ Article 18 paragraph (1) states that concentration of ownership and control of Private Broadcasting Institutions by one person or one legal entity, both in one broadcasting area and in several broadcasting areas, is limited. Furthermore, in paragraph (2), cross ownership between Private Broadcasting Institutions organising radio broadcasting services and Private Broadcasting Institutions providing television broadcasting services, between Private Broadcasting Institutions and print media companies, as well as between Private Broadcasting Institutions and other private broadcasting services, both directly and indirectly, are restricted.

options. The second situation is when on another night this same audience has a choice of two documentaries, two dramas, two news programmes, a made-for-TV movie, a variety programme, and a talk show. From this example, we can see that within the same number of channels, the programme-type level of diversity is higher in the second situation as the number of programme-type options/choices is higher. In Indonesia, the diversity of programme principle is already addressed at the stage of broadcasting permit applications. When an institution applies for a broadcasting permit, Article 14 of the Ministerial Regulation No.28/2015 requires a complete programming plan that includes the percentage of programmes by genre, and the airtime allocation for each programme.³⁰

The next subcomponent under content diversity is demographic diversity. This subcomponent is about representing a sensible proportion of demographic groups on television, including marginalised groups or minority groups. Here content diversity is viewed through a lens of racial, ethnic and gender diversity of the people that appear in television programmes. Napoli also points out the link between the subcomponent of workforce diversity under source diversity and the subcomponent of demographic diversity under content diversity. For instance, the increase in the number of women appearing on TV appears to be correlated with the increase in the number of women working in the television industry.

While programme-type or format diversity empirical analyses are popular, the idea-viewpoint diversity is arguably the component of content diversity which is considered dilemmatic and difficult to assess. At the same time, in Napoli's view it is the most

30

Local Broadcaster permit application must attach requirements including but not limited to:

- a. application letter;
- b. administrative completeness;
- c. completeness of the broadcast program:
 - 1. description of broadcast time;
 - 2. percentage of the agenda;
 - 3. broadcast program pattern;
 - 4. source of event material; and
 - 5. target audience.

crucial component in relation to the marketplace of ideas metaphor. According to Entman and Wildman (1992, p. 8, cited in Napoli):

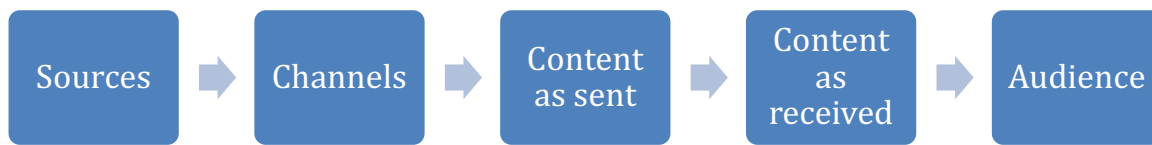
The more distinct thoughts, analyses, criticism, and the like that are available on issues of social and political importance, the better off society is. Discussion of the media's performance in offering diverse ideas generally focuses on its contribution to the requirements for good governance in a democratic society, such as a well-informed citizenry.

This subcomponent points to the diversity of social, political and cultural point of views represented in the media. The Federal Communications Commission (FCC) in the US emphasised “viewpoint diversity” as a primary goal in the 1998 Biennial Regulatory Review. The Commission defined viewpoint diversity in relation to “a wide range of diverse and antagonistic opinions and interpretations” (1998 Biennial Regulatory Review, 1998, p. 11283 in Napoli, 1999, p.23).

3.3.3 Exposure Diversity

The last dimension of the diversity chain, exposure diversity, has been the least studied diversity dimension (Napoli, 1999, p. 24). Nevertheless, it is as relevant to the marketplace of ideas metaphor as the others. Napoli's exposure diversity dimension is influenced by McQuail's (1992) work on diversity. In his categorisation shown in Figure 3.2, McQuail divided the idea of content diversity into two different forms of diversity: “content as sent” and “content as received” (p. 155). While the former is similar to the concept of content diversity defined by Napoli, the latter “identifies a different universe of content than that sent—what the audience actually selects” (p. 157). This concept of the diversity of content “as received” is vital to the idea of exposure diversity.

Figure 3.2 The Mass Communication Sequence



Source: McQuail, 1992, p. 155

The study of exposure diversity is valuable for examining whether the audiences are exposing themselves to diverse political and social views, and whether they are exposed to a wide range of types and formats of programming (Napoli, 1999, p. 24). In the context of the marketplace of ideas metaphor, it is assumed that audiences provided with diverse content will consume a diversity of content. According to Ingber, “individuals must fairly and equally consider all ideas through a process of rational evaluation” for the marketplace to function effectively (Ingber, 1984, p. 15). Both Napoli and McQuail agree that more attention must be given to the dimension of exposure diversity.

In summary, Napoli (1999) identifies three primary dimensions of diversity, starting with source diversity and its subcomponents of ownership (outlets and programme content) and workforce diversity. The second dimension of content diversity encompasses format or program-type diversity, demographic diversity and idea-viewpoint diversity. Lastly, he discusses the important yet neglected dimension of exposure diversity, which acknowledges the diversity of “received” content as a reflection of the actual media selection by audiences.

Napoli is not the only scholar who examined the notion of media diversity (based on the work of Glasser, 1984). While Napoli studied media diversity in the American context, van Cuilenburg and McQuail (1982, 1983, 1992, 2007) and Hoffmann-Riem (1987) analysed media diversity dimensions in the European tradition. Van Cuilenburg (2007,

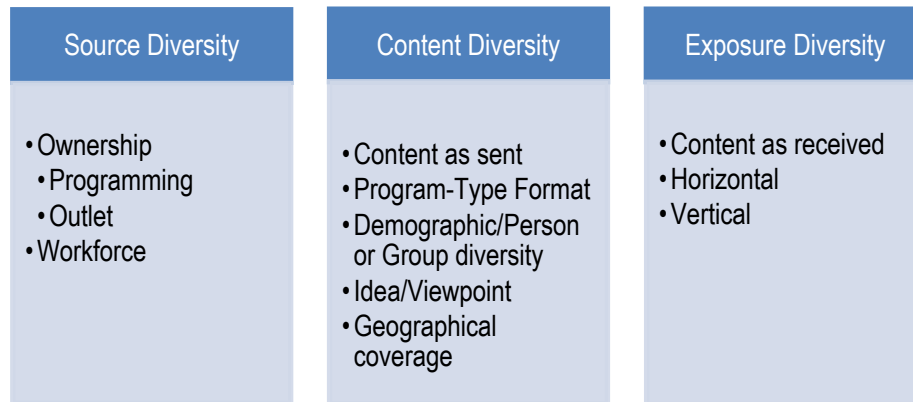
pp. 30–32) observed the distinctions between the American and European approaches: “while the concept of the free marketplace of ideas plays an important role in media diversity in Europe, the European approach gives access of citizens to pluralistic information more emphasis than the freedom of communicators as such as in the American approach” (p. 31). He also underlined that another factor that distinguishes the European approach from the American one is the existence of public service broadcasting and the regulations on media, which promote media diversity in many Western-European countries.

Based on the European tradition, Hoffmann-Riem (1987, in Hollander et al., 2009, pp. 49–50) sets out four categories of diversity of content. The first category relates to format and issues. Hoffmann-Riem underlines the significance of a diversity of formats and issues, which includes a wide range of fields and topics—from information and education to entertainment and culture. Second, programmes must also offer a broad range of opinion circulated within a society, meaning the diversity of formats and issues need be complemented by a diversity of content. Third, if the media is supposed to serve the interests of all constituents in society, there should be a fair representation of voices in the various media channels. It means, for example, that a voice is given not only to the middle class. The fourth category is geographical diversity, in terms of distribution of geographical coverage (local, regional, national, international) (Iosifidis, 2010, p. 12; van Cuilenburg, 2007, p. 32).

McQuail (1992, pp. 144–145) provides his own dimensions of diversity, including reflection, access and choice. Diversity as reflection refers to the expectation that the mass media represents or reflects predominant differences within the population, relating to culture, opinion and social condition. Diversity as access refers to the communication channels for various “voices” of groups and interests to reach wider society. These channels are important for people to express themselves and keep their own cultural identity alive. Finally, diversity of choice represents the range of products and services which are available to viewers as consumers.

Despite the differences between the American and European approaches, the three primary categories/dimensions of media diversity developed by Napoli (1999) are applicable to both approaches. Figure 3.3 shows the various subcomponents under the source, content and exposure dimensions of media diversity.

Figure 3.3 Diversity Components and Subcomponents



Napoli, 1999, p. 10; McQuail, 1992, p. 155; Hoffmann-Riem, 1987

The next question to be answered is: considering the importance of media diversity to ensure democracy, how do we know whether the media is diverse? In other words, how do we measure the diversity of the media?

For van Cuilenburg (2007, pp. 27–28), measuring diversity depends on three tasks. First, choosing one or more relevant dimensions of media content variation. Second, formulating a yardstick to determine whether the diversity across and within media is sufficient. Lastly, determining the media diversity level. However, diversity assessments should be considered not as perfect representations of objective reality, but rather as a simplified representation of greater complex processes.

3.4 Measuring Source Diversity

Napoli's media diversity dimensions are helpful to complete the first step of the process. Since the purpose of this study is to examine the link between media ownership and

media content, I will focus on source and content diversity. The owners of television stations can be categorised as outlet owners, and the holders of programme copyright relate to the ownership of content programming. Following the approach offered by Napoli, the assessments of the diversity of ownership of outlets and programme content involve “counting the number of separately owned outlets or sources of programming within particular markets or industries, or examining the distribution of audiences or market shares among participants using economic measures of concentration such as the Herfindahl-Hirschman Index (HHI)” (Napoli, 1999, p. 12).

Albarran & Dimmick (1996) argue that the HHI is the best measure of concentration/diversity. It is obtained by “summing the squared market shares of all owners in a given market” (p. 44). Another measurement tool in diversity assessment is calculating concentration ratios. It compares the ratio of total revenues of the four major owners (CR4) or the eight major owners (CR8) to the total revenue of the whole industry. The result is interpreted as follows: “if the four-firm ratio is equal or greater than 50%, or if the eight-firm ratio is equal or greater than 75%, then the situation is considered less diverse or highly concentrated” (Albarran & Dimmick, 1996, p. 44). Furthermore, as Napoli argues, this quantitative measurement is useful as an indicator of the degree of diversity in information. Nevertheless, this approach cannot indicate whether the structure of the marketplace gives fair access to all audience members (Napoli, 1999, p. 12).

The workforce diversity as one of Napoli’s subcomponents of source diversity refers to the FCC’s Equal Employment Opportunity (EEO) regulation for broadcast licensees. This regulation requires broadcast organisations to employ a mix of employees that reflects the diversity of their market area (Napoli, 1999, p. 13). To assess workforce diversity, national broadcasting regulation is relevant. The concept of diversity is not explained or detailed in the Indonesian Broadcasting Law No. 32/2002 or the government regulations that derive from it. This diversity component is obscure not only in the context of source diversity, but also and especially in the context of content diversity, which I will describe in the next section.

3.4.1 Measuring Content Diversity

As mentioned earlier, among all diversity subcomponents, programme-type or format diversity has been the most popular diversity component for empirical measurement. However, researchers have relied on different types of programme categorisation. Some researchers have developed their own programme typologies (Dominick & Pearce, 1976; Grant, 1994; Lin, 1995; Litman, Hasegawa, Shrikhande, & Barbatsis, 1994). Other scholars have relied on typologies of programmes applied by ratings organisations, like AC Nielsen and Arbitron (Napoli, 1997; Wakshlag & Adams, 1985).

The same problem also occurs in the Indonesian context, where different programme categories have been offered by the Indonesian Broadcasting Commission (KPI), AC Nielsen, and media scholars. AC Nielsen categorises television programme genres based on the needs of the television industry and advertisers, while the Indonesian Broadcasting Commission (KPI) uses its own categories to reflect the unique characteristics of Indonesian television programmes. Based on the existing examples, I have developed a new, distinct typology of programme categories. Table 3.1 summarises and compares the categorisation of genres made by AC Nielsen, KPI, and the author.

Table 3.1 Television Programme Genre and Subgenre

	AC Nielsen	Indonesian Broadcasting Commission	Author
1	Series (<i>drama, action/adventure, horror/mystery, sitcom/comedy</i>)	News	News & Information (<i>bulletin, feature/magazine, talk show, journalistic documentary</i>)
2	Movies (<i>drama, action/adventure, horror/mystery, sitcom/comedy, animation/puppet</i>)	Drama	Drama (<i>foreign box office, Indonesian box office, foreign series, Indonesian series/soaps, film-format television drama/FTV, cartoon/animation/puppet</i>)

3	Entertainment (traditional, light entertainment, music, variety show, reality show, games show, quiz, comedy)	Variety Show	Non-drama (reality show, non-journalistic documentary, non-journalistic talk show)
4	Children (series, series animation/puppet, light entertainment, games/quiz show, edutainment, music/variety, infotainment)	Talk Show	Entertainment (infotainment, quiz/games, music, variety show, talent search)
5	Information (talk show, documentary, infotainment, infomercial TV, magazine, education, skills/hobbies)	Religious	Religious (preaching—Islam, Catholic, Protestant, Buddha, Hindu, other, special festivities event)
6	News (hard news, special news, feature, talk show)	Culture and Tourism	Sport (international match, national match, international single/multi-event, national single/multi-event)
7	Religious (preach, special event, variety show)	Infotainment	
8	Sport (journal/highlights, special events, match, exercise)	Comedy	
9	Filler (news, public announcement, quiz, music, etc.)	Children	

Source: Author, compiled from Nielsen Media Measurement (2009); KPI's Annual Reports 2016–2017

Furthermore, content diversity has also been assessed with regard to group diversity, including the representation of minorities and marginalised groups in the media (Hollander, 2009). Napoli (1999) calls this type of diversity “demographic diversity,” where content diversity is analysed through “the racial, ethnic, and gender diversity of the people featured within electronic media programmes” (p. 21). In terms of demographic diversity, the issue is whether some demographic groups, such as minority or marginalised groups are portrayed on television proportionate to their presence in society. In the US, studies regarding this subcomponent of demographic diversity discuss how particular demographic groups, for example children, the elderly, and minority groups such as African Americans and Hispanics, have been inadequately represented in television programming (Kubey, Shifflet, Weerakkody & Ukeiley, 1995).

There are over 300 ethnic groups in Indonesia.³¹ From the perspective of ethnicity, we can analyse whether the television programming is dominated by the largest ethnic group in Indonesia, the Javanese, who make up about 40% of the population. In Indonesia, the largest Muslim country in the world, minority groups can also be interpreted from the point of view of religiosity. If we consider that the majority of Indonesians are Javanese Muslims, we can analyse whether or to what extent the voice of non-Javanese Muslims appears in the news programming.

Existing content analysis studies usually take a sample of the representation of race, gender, age and occupation in the television programming. The results are converted into percentages (e.g. 75% of all people in the sample are Caucasian). The numbers can be compared with census data of the actual demographic composition of the entire population (Kubey et al., 1995). However, research about demographic diversity has not included further investigation into structural aspects that might influence diversity levels within the broadcast media. This study follows the approach of previous research

³¹ The exact numbers of ethnicity groups and religions in Indonesia, are available in a report published by the Indonesian Statistic Bureau:
http://demografi.bps.go.id/phpfiletree/bahan/kumpulan_tugas_mobilitas_pak_chotib/Kelompok_1/Referensi/BPS_kewarga_negaraan_sukubangsa_agama_bahasa_2010.pdf. Accessed 10 February 2020.

projects that include gender and occupational characteristics in the television programming.

As suggested previously, geographical diversity is also an important category. It expects programmes to guarantee diversity in terms of geographical coverage (local, regional, national, or international) (van Cuilenburg, 2007, p. 32; Iosifidis, 2010, p. 12). It is relevant in the Indonesian context as Indonesia consists of over least 17,000 islands.³² Considering population density on the island of Java, and in Indonesia's capital city of Jakarta, there is a tendency for reports to be dominated by coverage from and about Java and Jakarta. Indonesian regulators after Suharto's step down have implemented regulations to ensure geographical diversity by decentralising production as well as coverage from Java and Jakarta to other islands and cities (Chapter 5). This study evaluates the geographical diversity in contemporary Indonesian television.

The last subcomponent under the dimension of content diversity is idea or viewpoint diversity. In the US, the FCC generally avoids assessing idea or viewpoint diversity, because of the difficulty of measuring this adequately (Cusack, 1984, pp. 629–631). Instead, “the FCC often has operationalised content diversity purely in terms of programme types and has traditionally equated an increase or decrease in outlet diversity with a corresponding change in viewpoint diversity” (Napoli, 1999, p. 23). The task of assessing idea diversity is indeed problematic, as articulated by Entman and Wildman (1992, p. 13): “How do we distinguish ‘The Cosby Show,’ with its frequent overt and covert message about racial prejudice, from the nightly news in terms of idea content?” Because of such difficulties, studies typically apply more distinct dependent variables than the general construct of idea diversity. The idea or viewpoint diversity dimension is often measured at the second level of analysis, in this case the news bulletin program, as also applied in this study.

Napoli's (1999) dependent variables include editorial position types, number of public affairs programmes, and quantity of local content (e.g., Busterna & Hansen, 1990;

³² For the complete data, see: <https://databoks.katadata.co.id/datapublish/2018/10/16/berapa-jumlah-pulau-di-indonesia>

Gormley, 1976; Lacy, 1991). As Compaine (1995) points out, “measuring diversity is more difficult than tracking differences in programming, but presumably more to the point of concerns” (p. 771). Napoli (1999, p. 24) refers to Gunter’s (1997) comprehensive analysis of “bias” in the electronic media as an example of the empirical assessment of idea diversity. Following Gunter (1997), the measurement of bias includes the analysis of the formats of presentation, the use of source patterns, framing techniques and the diversity and scope of topics covered. The bias analysis must initially be understood beyond the analysis of distortion, misinformation, or one-sidedness. Instead, the measuring techniques of bias can be used for measuring the diversity of ideas in the electronic media, as they are fundamentally concerned with the diversity of perspectives and viewpoints.

Although the diversity component has been sufficiently covered by existing studies, there has never been a concrete attempt to actually test the diversity of the content of Indonesian television broadcasts, even though the basis of Indonesia’s broadcasting system after Suharto’s authoritarian period was diversity of ownership and diversity of content. “As far as I know, the Indonesian Broadcasting Commission, both those currently on duty and those before, have never measured or analysed more deeply the diversity of our television broadcast content with specific components and measurement tools. If we have one [the measuring instrument] it will certainly be better for us and the public, but it has never been done,” explained Mayong Suryolaksono, commissioner of the Indonesian Broadcasting Commission (personal communication, 2017). The diversity of content in Indonesia so far has only been seen as a necessity, without ever being calculated empirically with clear measurement tools. According to both Muhammad Heychael, media activist from Remotivi, and Rahayu, media academic from PR2Media, the trend of concentration of media ownership in Indonesia in the last twenty years is a good call for measuring the diversity of television content, and to ensure there is no concentration of information that is biased towards the interests of media owners (personal communication, 2017).

3.4.2 Yardsticks in Measuring Diversity

a. Reflective Diversity

Van Cuilenburg and McQuail (1982) and van der Wurff and van Cuilenburg (2001) offer yardsticks to assess media content diversity. As media content can be diverse in different ways (i.e. program-type, demographic, genre), van Cuilenburg argues that “the most common criteria to assess media content diversity are coined in terms of reflective diversity, that is, in terms of the actual match between media users on the one hand; characteristics and preferences in media content on the other” (p. 301, see also van Cuilenburg & McQuail, 1982, pp. 40–41). Thus, reflective diversity is the degree to which people’s choices are actually represented in the media.

b. Open Diversity

The second way to assess content diversity is open diversity, which is “the extent to which divergent preferences, perspectives, opinions and ideas in society are in absolute terms equally (i.e., statistically uniformly) represented in media content” (van Cuilenburg, 2005, p. 302). It originates from the thesis that media are prevalent social phenomena that substantially affect people. Hence, media content should articulate different opinions equally to avoid the existence of biases in public opinion, (van Cuilenburg and McQuail, 1982, pp. 40–41). In other words, open diversity can be defined as equal access to various ideas. According to Hellman (2001, p. 202), “the concept of ‘open media diversity’ best fits the European tradition, whereas ‘reflective media diversity’ is more central to the American approach.” In addition to the American and European approaches of reflective and open diversity to assess content diversity, Hellman (2001) offers an alternative way to assess content diversity.

c. Diversity of Choice

While acknowledging that diversity is a multidimensional concept, Hellman (2001) focuses on the variety of choice. Following Hillve and Rosengren (1996) and Kambara (1992), he measures “diversity of genre” or the programme categories that are available to the viewer (Hellman, 2001, p. 190). Different from the open and reflective diversity approaches, variety of choice refers to utilising parallel measures of the choice of content and channels. The method takes into account both vertical and horizontal diversity, by analysing diversity within individual channels and across channels within the system (2001, pp. 190–191). At the level of individual channels or within the channels, the diversity of content is measured by the Relative Entropy Index. It measures how varied and balanced the programme output is on a particular channel. The Relative Entropy Index can also be used to assess the diversity of content at the level of the system as a whole. The system as a whole can also be assessed by using the Choice Option Index, which measures the number of programme types simultaneously available to the public.

3.5 Levels of Assessing Diversity

Van Cuilenburg (2007, p. 28) provides four different levels at which media diversity can be studied:

1. Individual content units of information (e.g. a television programme), with a focus on the different preferences and opinions presented in a programme;
2. Content bundles such as a broadcasting channel, with a focus on the programme and editorial content supply as a total package by individual media outlets;
3. A specific medium (e.g. television), with a focus on the diversity of content supplied by the market; and
4. Society’s communications system (broadcasting) as a whole.

I argue that the notion of the *relevant market* that is common in European Union competition policy (van Cuilenburg, 2007) is also appropriate for measuring diversity levels outside the EU. This is based on the assumption that “in analysing media diversity, it is normal to focus on media markets separately, i.e. assessing diversity separately for the newspaper market, the television market, the radio market, and so on” (van Cuilenburg, 2005, p. 306).

I use the Structure Conduct Performance (SCP) approach, explained in the previous chapter, to analyse the correlation between market structure, media ownership and media content. This model assumes an indirect causal connection between market structure and content diversity, as market structure determines product strategy. In this case, the relevant market refers to the television market, particularly Indonesian free-to-air commercial television stations with national coverage. It is important to investigate the market structure of Indonesian free-to-air national television as it determines the strategies of television companies, which can affect their content diversity. This study will reveal clear connections between market structure and content diversity.

McQuail (1992, pp. 145–147) describes two focal points for the measuring of diversity: intra-medium diversity, which focuses on diversity within a specific content bundle, and inter-media diversity, which focuses on all content bundles across the market. High intra-medium diversity will increase the likelihood of the viewer encountering a range of viewpoints, but inter-media diversity allows them to choose from different content bundles. Intra- and inter- diversity are, according to McQuail, complementary, but to a degree also mutually exclusive. The more inter-diverse content bundles are, the less intra-diverse they can potentially become—and vice versa.

Table 3.2 illustrates the scope of my research as well as the framework of diversity analysis of television ownership and content in contemporary Indonesia.

Table 3.2 Analysis of Source and Content Diversity of Indonesian Television

Diversity Dimension	Diversity Component	Level of analysis	Indicator	How to Measure
Source	Ownership of outlet	Within TV market	Market Share	HHI, CR4, CR8
	Ownership of programme	Within TV station	Copyright holder	Counting the number of sources of programming
Content	Programme-type/Format	Within TV station	Homogeneity of Programme-type/Format (as sent and as received)	Relative Entropy Index, Choice Option Index
	Idea-viewpoint	Within TV programme—news	Homogeneity of Idea-Viewpoint	Content analysis—Bias
	Demographic	Within TV programme—news	The quantity of characters that appear (frequency and duration)	Content analysis
	Geographical	Within TV programme	The distribution of geographical coverage	Content analysis

Source: Author, compiled and modified from Napoli, 1999; Hoffmann-Riem, 1987; McQuail, 1992; van Cuilenburg, 2005

3.6 Media Ownership Concentration vs Content Diversity

According to Napoli (1999, p. 17), “the empirical vacuum surrounding the source-content diversity relationship is not quite great” and “the expectation that increased diversity of sources leads to an increased diversity of content is far from certainty.” There has been extensive research on this relationship and on the impact of the concentration of media ownership on democracy. Media concentration has been a global trend for decades (Bagdikian, 2000). It is not only caused by media mergers, but also by the media convergence that is the result of developments in technology, particularly digitalisation (Compaine, 2003). It is commonly held that any healthy democracy will possess a vibrant communication system with highly diverse sources and ownership. Similarly, it is widely assumed that “a communications system which rests in just a few hands will corrupt the freedom of speech, impair the practice of democracy, and impress an ideological pall on society” (Horwitz, 2007, p. 8). Therefore, a

concentration of ownership may result in a biased public discourse as certain viewpoints are excluded or underrepresented. Under these conditions, there is a great risk of abuse of political power because of the lobbying by powerful interest groups (SEC 2007-32, p. 5 in Peruško, 2010, p. 264). Based on the links between ownership and the predominantly advertiser-supported structure of the US media, Horwitz (2005, p. 12) notes:

...concentrated mass media are understood to shape content in ways that reproduce the prevailing structures of power and dominant cultural norms. At the very least, a commercially based media system is structurally biased toward content connected to marketable products and services, and, related, is biased away from content valued by the poor. Content that cannot attract commercial sponsorship tends not to see the light of day.

The concentration of private power in the communications media can corrupt the market, rendering it dysfunctional and far less “free.” Study of the impact of the concentration of ownership on content diversity might help to better understand this process. The risk that media concentration can pose to democracy urges some authority within a society to carefully monitor and regulate the media. Media regulators around the world have used a number of different approaches and measures to monitor media concentration. The Dutch Media Authority, for example, monitors media concentration and has established a Media Monitor that includes both sides of media markets: ownership concentration, editorial concentration and content diversity (supply) on the one side; and audience preferences (demand) on the other (van Cuilenburg, 2007, p. 302). In Germany, the responsibility for ensuring a diversity of opinion in national broadcasting is held by the German Commission on Concentration in the Media (KEK). A broadcaster is allowed to run an unlimited number of television programmes, as long as it avoids becoming “a dominant opinion-forming power” (Just, 2009, p. 110). In accordance with the German Federal Constitutional Court jurisdiction, the KEK has established the following weighting criteria for assessing the television audience share :

(1) the suggestive powers of the media in question (Suggestivkraft), (2) the broad effect (Breitenwirkung) and (3) the topicality of news (Aktualität) (Just, 2009, p. 110).

In the United States, the US Department of Justice employs the Herfindahl-Hirschman Index to measure market concentration. However, in answering the challenges of media convergence and cross-ownership, the FCC combines it with the Diversity Index “by first multiplying each owner’s share of the total availability of one class of media by its share of the total media market before it adds the shares of properties that are commonly owned (e.g. a television station and a newspaper) and squares them. The sum of all the squared weighted ownership shares finally constitutes the DI” (Just, 2009, pp. 104–105). While different countries employ different methods for measuring media concentration and diversity, Iosifidis’ (2010, p. 19) proposed method is:

... to mix different measures and develop an approach which applies to all information services with different characteristics. This is because establishing a method of measuring multimedia concentration to ensure pluralism and diversity by a single unit is impossible. Combining different types of measurement is more likely to provide a valid method.

He refers here to mixing economic-based measures (measures of market power) and measures of diversity for examining the relationship between media ownership and media content.

My framework of analysis is an attempt to mix different measures to answer my research question on Indonesian television ownership and content diversity. I start by investigating the market structure of Indonesian television and the diversity of sources, followed by measuring the diversity of Indonesian television content. I argue that only by measuring the diversity of media will one be able to answer the following questions: 1) How diverse/concentrated is Indonesian television ownership? 2) How diverse/similar is Indonesian television content? 3) Is there any relationship between ownership and content in Indonesian television? 4) If so, to what extent does television ownership influence the diversity of content?

3.7 Research Methodology

This project's primary methodological approach integrates qualitative and quantitative methods. The integrative approach promotes a deeper understanding and a more substantive analysis of the politics and economics of media diversity, and increases outcome validity. The framework of this study, Critical Political Economy (CPE), tries to balance theoretical and empirical considerations because "reality is made up both by what we see and how we explain what we see" (Mosco, 1996, p. 2). This is why it rejects epistemologies based on ideas alone or "facts" alone (positivism) (Hardy, 2014.) and derives its research methods from a diverse range of social sciences and humanities disciplines.

For this research, documentation and archival analysis are employed to examine the concentration of media ownership, while quantitative and qualitative content analysis and discourse analysis are performed to measure the diversity of media content. The research also relies on interviews conducted by the author. The main units of analysis include the market concentration of commercial broadcast television and the programme content supplied by commercial and public television broadcasters.

3.7.1 Document Analysis

Corporate documents of the media organisations available in the public domain, for example annual reports, financial statements, policy submissions, legal documents, TV guides, TV shares/ratings and various forms of communication with investors, representatives of financial markets, regulators and consumers are analysed to get a whole picture of the economic background of TV companies or holdings. The document analysis is important for measuring the market structure of television in Indonesia. The examination of documents concerning owners' interests, such as political affiliations, political statements and political involvement also contribute to the qualitative/quantitative content and discourse analysis of media content.

In addition to the corporate documents of media organisations, broadcasting rules and regulations concerning media ownership and media content are examined. The examination is useful for uncovering the standpoints of Indonesian media policy regarding political interests and market proponents'/economic interests. The discursive analysis of policies assists in understanding the essence of the existing problems relating to the concentration of media ownership and the diversity of content, and in offering possible solutions.

3.7.2 Interviews

The documents only tell part of the story. In Indonesia itself, policy relating to media ownership and content diversity is also a subject of debate. In addition to content analysis and document analysis, statements from regulatory bodies (the Indonesian Broadcasting Commission, the Ministry of Communication and Information, the Commission for the Supervision of Business Competition), media executives, media activists and media scholars are essential. Although the Indonesian Broadcasting Law mentions the terms “Diversity of Content and Diversity of Ownership,” it does not contain further specifications and explanations of what “diversity” is or how it should be measured.

Therefore, it is important to get explanations and points of view on “diversity” and how to measure or monitor it from regulatory bodies, media practitioners/executives, media activists and scholars. As some of the media dynamics and changes are not represented in the documents, this research includes real people’s perspectives on the issue based on structured and unstructured interviews conducted by the author. Interviewees are classified based on their positions in media organisations, that is, whether they are the owners, key persons, executives, or holders of other relevant positions within organisations such as the Press Council, Indonesian Independent Journalists Alliance, Indonesian Broadcasting Commission, and Ministry of Communication and Information.

3.7.3 Content Analysis and Time Points

Due to practical constraints, this study cannot provide a comprehensive review of all Indonesian media content. The main sample consists of television broadcasts on the Indonesian general elections of 2014, which was the fourth general election since President Suharto resigned in May 1998 after 32 years of authoritarian rule. In this election, 135 million people, or 70% of the registered voters, cast their ballots. On 22 July 2014, the General Election Commission (Komisi Pemilihan Umum/KPU) reported that Widodo defeated Prabowo Subianto by more than 8 million votes.³³ As a result, Joko Widodo became the second directly-elected president after Susilo Bambang Yudhoyono (2004–2014). This case-study is crucial as “during some exceptional periods, the media are expected to be more active and provide more information to citizens...” In these circumstances, media sources are “without a doubt the most important channels for voters to inform themselves” (Aelst et al., 2012, p. 50). As most of the Indonesian media owners are actively affiliated with political parties, the general elections also create impetus for analysing the content of the media in relation to media ownership. The main research question of this project is whether and to what extent Indonesian media ownership structures (politically and economically) influence the diversity of content.

For the content analysis, I examine the contents of ten commercial television stations and one state-owned television station at three different points in time. The first time period is two weeks before the legislative elections of 9 April 2014. The second time period is two weeks before the presidential elections of 9 July 2014. The third time period covers two weeks in January 2015. This period consists of two “control” weeks, representing media activity in a routine situation.

³³ See *Indonesian elections 2014: Jokowi vs Prabowo*. ABC News. <http://www.abc.net.au/news/2014-04-03/an-indonesia-votes-2014/5364478>.
Indonesia's 2014 national elections: a quick guide. Parliament of Australia.
http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1314/QG/IndonesiaElections, and *Elections in Indonesia 2014*. The Asia Foundation.
http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1314/QG/IndonesiaElections. All accessed on 10 February 2020.

3.7.4 Data

As the aim of this research is analysing the diversity of broadcast media content, I analyse the full range of issues covered by the various television outlets. The Indonesian television programmes analysed in this study were gathered from Binokular Indonesia, an agency which has been monitoring and recording all programmes of Indonesia's 11 national television stations non-stop for 24 hours a day since 2012. The research performs quantitative-qualitative content analysis and discourse analysis of:

- 1) The programming and news programmes of ten commercial television stations and one public television station from 26 March to 9 July 2014. This includes the analysis of television formats and issues, the diversity of opinions in society, social groups' access to and representation on television and geographical representation on television.
- 2) The programming and news programmes of ten commercial television stations and one public television station from 27 June to 9 July 2014. This includes the analysis of television formats and issues, the diversity of opinions in society, social groups' access to and representation on television and geographical representation on television.
- 3) The programming and news programmes of the commercial television stations and one public television station from 15 January to 29 January 2015. This also includes the analysis of television formats and issues, the diversity of opinions in society, social groups' access to and representation on television and geographical representation on television.

3.7.5 Variables and Index

The analysis of media concentration focuses on different types of concentration, types of ownership, characteristics of owners and shareholders, Indonesia as the country of origin of the media owners and corresponding legal and policy frameworks. I use diversity as a central concept for the study of media performance and media pluralism, with a focus on monitoring media concentration from the supply side. For assessing media content from a supply viewpoint, the diversity index includes both the openness

and reflection approaches. I cover both outlet and content diversity by conceptually and empirically analysing relevant categories such as actor diversity, issue diversity, viewpoint diversity and geographical diversity. While the detailed level of analysis and the measuring tools for this research are established and presented in Table 3.2, Figure 3.4 shows the bigger picture of media diversity, from the supply and demand sides.

Figure 3.4 Supply and Demand Sides of Diversity

Source	Content	Audience
Ownership Concentration (Programme & Outlet) <i>Herfindahl Index, C4, C8</i>	Programme Type <i>Relative entropy Index, Choice Option Index</i> Idea-Viewpoint <i>Content-Bias Analysis</i> Demographic <i>Content Analysis</i> Geographical <i>Content Analysis</i>	Exposure Concentration <i>Media time consumption per medium, reach</i>
SUPPLY		DEMAND

Source: Author

The project combines an analysis of broadcast media ownership structures in Indonesia with a content analysis of the main news media in the country in order to provide a better understanding of their correlation and mutual relationships within the framework of democracy and national policy. The logic of the SPC model is applied to the analysis of the specific market structure that affects media behaviour in content production and distribution. This model is based on the thesis that market concentration and considerable competition shaped by market share (i.e. advertising revenue and audience share) reduce content diversity. This study focuses on the supply side of the diversity dimension, which is invaluable for measuring media diversity. Analysis of the demand side, which is beyond the reach of this study, might highlight other relevant dimensions of media diversity.

There are two key factors in support of my research. First, the study of content diversity (either supply, demand, or both) in Indonesia is still under-researched. The study of the concentration of ownership and content diversity (the supply side of media diversity) is a solid contribution to the study of media diversity. Second, previous studies on the demand side of diversity are based on the preferences of audiences that are reflected in the Nielsen ratings and share data (see McCann, 2007; van der Wurff & van Cuilenburg, 2005). In my opinion, those studies are problematic, if not redundant or irrelevant, because the data used to analyse the demand side of diversity was taken from the supply side. For measuring overall diversity, my research on supply diversity could be complemented by future research on the demand side of diversity. However, considering the importance of the audiences' choice, I use the Relative Entropy and the Choice Option Index to measure the diversity of content that is available to audiences. The variables and indexes used in this study are explained below.

a. Variables

Media and non-media policy and market concentration are analysed as independent variables, and the diversity in the programme content supplied is analysed as a dependent variable. The quantitative and qualitative content analysis involves the use of coding sheets and the triangulation of findings. For content analysis, for example, my coding sheet is in accordance with the operationalisation concept and criteria of diversity. My list of six different programme categories, derived from the categories used by public and commercial broadcast television, includes: *News and Documentary*, *Drama*, *Non-drama*, *Entertainment*, *Religious* and *Sport*. Coding is used for reviewing footage in order to examine common patterns or phenomena of content diversity. As several methodologies are applied in this project, triangulation will be performed for verifying and validating findings.

b. The Herfindahl Index (HHI), C4 and C8

The HHI market share in the U.S is developed in accordance with the conventional standards of the antitrust law (Compaine, 2000), which also applies to the Indonesian context. The amount of advertising revenue is used to measure the effect of market concentration. Measuring concentration of ownership reveals the existence of power inequality in the media market share that leads media competition to be ineffective. HHI is used widely as a method that expresses “the number and size of distributions of media firms in a market industry, as well as the concentration of output” (Rhodes, as quoted in Compaine, 2000, p. 558). In this study, a calculation of HHI is done by summing the square of the percentage of market share of the number of outlets and advertising revenue of a firm in the Indonesian commercial and public free-to-air television market. The higher the HHI, the higher the market concentration.

The formula for HHI is as follows:

$$HHI = \sum_{i=1}^N s_i^2$$

N = Number of firms, S = Percentage of each firm's market share

Another measurement tool in diversity assessment is calculating concentration ratios. It compares the ratio of total revenues of the major owners to the revenue of the entire industry. It uses either the four largest (CR4) or the eight largest (CR8) owners. The interpretation of the result is read as follows: the situation is considered less diverse or highly concentrated if the four-firm ratio is equal or greater than 50%, or if the eight-firm ratio is equal or greater than 75% (Albarran & Dimmick, 1996, p. 44).

c. The Relative Entropy Index (H)

The Relative Entropy Index (H) constitutes the sum of probabilities for the different programme-type genres to be aired on television. High relative entropy on a single channel indicates a high likelihood that many, or all, programme types are available in the bundle of programmes. Furthermore, the relative entropy score is determined from the number of genres and how they are spread within the schedule. The more genres appear in the output and the more evenly they are distributed across the schedule, the higher the relative entropy score. Thus, the higher the relative entropy, the higher the diversity of genres offered to the audience.

The formula for relative entropy is as follows:

$$\text{Relative Entropy} = \frac{H = \sum -p_i \log_2 p_i}{H_{\max} = \log_2 N}$$

Established by Shannon and Weaver (1963), H is entropy where p_i is the chance of each category being chosen, while $H_{\max}$ implies the maximum entropy value to be achieved, and N the number of programme-type genre categories used in the study.

Relative entropy score ranges between 0 and 1, with 0 indicating minimum diversity or maximum concentration, where all content consists of one category; and 1 indicating maximum diversity where all categories are equally large.³⁴ I select the Relative Entropy Index (H) for this study following some general applications in similar studies of content diversity. Among them are Hillve et al. (1997), Ishikawa et al. (1996), Litman and Hasegawa (1996), and Hellman (2001). Hillve et al. (1997, p. 298) and Hellman (2001) present and use an ordinal scale for interpreting the Relative Entropy Index values. Accordingly, 0.01–0.34 means very low diversity; 0.35–0.54, low; 0.55–0.69, medium; 0.70–0.79, high; 0.80–1.00, very high. The same scale is applied in this study as well.

d. The Choice Option Index (A)

The Choice Option Index (A) constitutes the average number of simultaneous programme-type alternatives per 15-minute interval. This index is suggested by Hellman (2001) to measure programme diversity in all channels/across channels or within the system. Since the analysis focuses on the offerings of seven programme-type genres, the maximum of A is 7 (all programme options represent different programme types) and the minimum is 1 (all programmes are in one category). For the interpretation of the results, the following scale is used: 1.00–2.20, very low diversity; 2.21–3.40, low

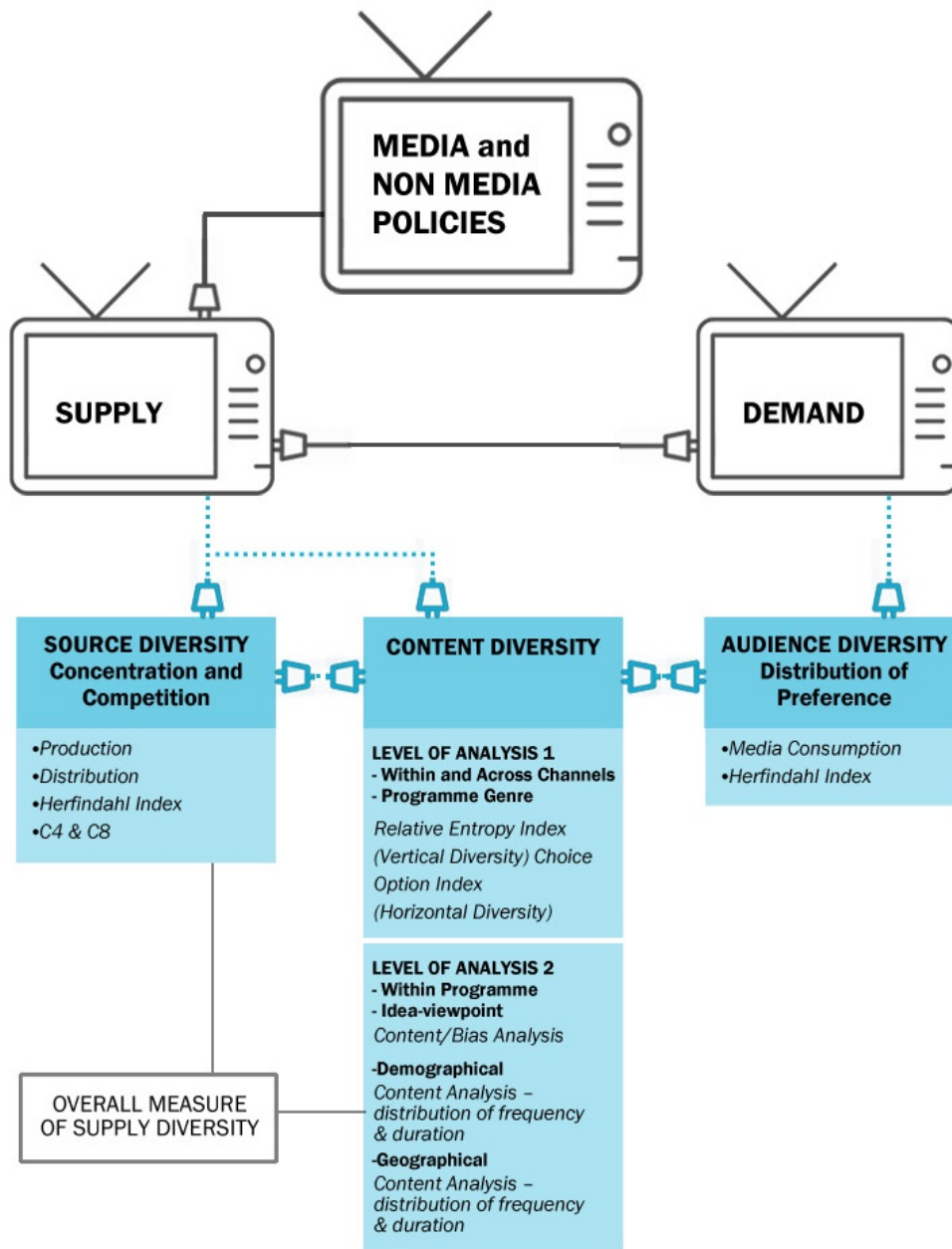
³⁴ See: Hillve et al., 1997, p. 297–298 and Hellman, 2001, p. 191

diversity; 3.41–4.60, medium diversity; 4.61–5.80, high diversity; 5.81– 7.00, very high diversity.

3.7.6 Methodological Framework

In accordance with my research method, theoretical framework, and research questions, there are four major areas of investigation and assessment. These include the relationship between the current broadcasting ownership rules and market concentration; ownership relationships within the broadcasting organisation that shape the media content; market concentration and content diversity in the broadcast television market, including both public and commercial television stations in contemporary Indonesia; and two levels of supply or content analysis, within a channel and within systems, respectively. Figure 3.5 summarises the framework of this study, including some statistical indexes and key indicators used.

Figure 3.5 Methodological Framework



3.8 Conclusion

This chapter has discussed in more detail the concept of diversity. The dimensions of diversity discussed include source diversity, content diversity and audience diversity. Of these three dimensions of diversity, source diversity and content diversity are the main focus of this study. The theory of the firm through the Structure Conduct Performance Paradigm reveals a strong link between the number of players in a market system, the shape of the market structure, and the strategies applied, which in turn affect content diversity.

In Indonesia, the concept of diversity is one of the markers of a new era in the world of broadcasting following the fall of the authoritarian New Order. The word “diversity” is present in the 2002 Broadcasting Law, which carries the spirit of reform after more than 32 years of control of the media by an authoritarian president and his cronies. In Chapter 4, the history of Indonesian broadcast television and ownership and content regulations will be discussed.

Policy makers have made post-reform efforts to create diversity of source and diversity of content, and to prevent uniform and centralised information, through the application of a networked broadcasting system. This system is expected to create not only diversity of ownership, but also diversity of content. Other regulations, such as Ministerial Decrees, also reinforce efforts to create diversity. In submitting broadcast permit proposals, for example, media institutions are required to state a complete plan of broadcast programming, which contains the percentage of programme genres, including the allocation of airtime. This is done by the regulator to ensure Indonesia maintains an inter- and intra-media diversity.

Because the major framework of this study is Critical Political Economy, the chosen methodology combines qualitative with quantitative methods. This integrative method is useful for the in-depth analysis of the political and economic complexities of media diversity. Although there are several models from the United States and Europe, I chose to build a separate methodology with its own programme-genre criteria, which is more

in line with the Indonesian situation. Two levels of analysis are used to measure content diversity. The first level concerns diversity within a TV station, where the genres or types of programmes are measured by the Relative Entropy Index and Choice Option Index. The second level is about diversity within a news program, which is analysed using content analysis. In Chapter 4, we will examine in more detail the development of television in Indonesia before the era of democratic reform, including its owners and content.

Indonesian Broadcast Media before Reformasi

4.1 Introduction

The supporters of democracy claim that freedom of the press is one of the traits that makes democratic societies superior to contending social systems. Anthony Mughan and Richard Gunther (2000), for instance, identify important differences in the roles of the media under democratic and non-democratic systems. The media plays contrasting roles in the establishment and maintenance of political order in authoritarian/totalitarian regimes and in democracies: Media organisations have been “depicted as manipulative and subversive of individual freedom and political choice in the former, and as guarantors of political liberties and government accountability in the latter” (p. 4, see also Neuman 1991, pp. 22–47). It was not until 1998 that Indonesia finally experienced democracy again. During the period 1967–1998 several media policies were implemented that shaped the system of the Indonesian media, including the broadcast media.

This chapter analyses the history of the Indonesian media, particularly television, and the changes in media policies before 1998. It describes the role of the media, the market structure and the diversity of content in Indonesia when it was still an undemocratic state. This historical background is essential to understanding how media organisations operate and are regulated in Indonesia. This chapter focuses on the history of Indonesian television, both politically (policies, regulations, regulatory bodies) and economically (commercialisation, market structure, media ownership).

4.2 Indonesia’s First Television Station

Although sections of the Department of Information had urged for the introduction of television in Indonesia from as early as 1953 (Sen & Hill, 2000), it was not until 1962 for Indonesian broadcast television to start. Television of the Republic of Indonesia (Televisi

Republik Indonesia, hereinafter TVRI) started with a test broadcast on the seventeenth anniversary of the Declaration of Independence on 17 August 1962. Indonesia's first official television broadcast had live coverage of the opening ceremony of the Fourth Asian Games on 24 August 1962 (Kitley, 2000; Sen & Hill, 2000). The two broadcast events represented Indonesia's domestic and foreign political interests of the time. Internally, Sukarno and his cabinet felt the need to "construct a sense of identity predicated on assertions of a unique national culture and space" through television broadcasts, while externally it was important to show the world that Indonesia was "a self-confident and a modern nation, which was active in regional affairs" (Kitley, 2000, p. 21). For the government, it was more important to show itself rather than the sports competition as such (Wardhana, 1997a, p. 6).

A year after its first broadcast, TVRI obtained a more fixed organisational structure by becoming a foundation (Yayasan). Following the dominant pattern of public service television in Europe, the TVRI Foundation (Yayasan TVRI) was accountable to the Department of Information for its programming content, but autonomous in terms of funding. This model of public service broadcasting partially funded through advertising diverges from the British model of state-funded but publicly accountable broadcasting (Sen & Hill, 2000). Television came under Sukarno's administration (1945–1967) in the 1950s, but it was not until the New Order that it also became a powerful actor in Indonesian politics.

4.2.1 The media under the New Order's Pancasila Democracy

The New Order regime developed from an alliance of political and social forces, which was led by the army leadership that opposed President Sukarno and the Communist Party (Partai Komunis Indonesia, PKI) (Fealy & Aspinall, 2010, p. 4). It was an authoritarian form of government, replacing Sukarno's Guided Democracy,³⁵ by which

³⁵ Although its name is "guided democracy," this system of government was not democratic in the conventional sense. Guided democracy can be seen as a system which was marked by the dominance of the president in the process of governance in Indonesia. Indonesia implemented a guided democracy system between 1959–1966 under the leadership of President Soekarno. After the proclamation of 1945, the state was still not in a stable political condition. Guided democracy was implemented after the parliamentary democracy period, and before entering the New Order era. The period of Guided Democracy can be described by its

Indonesia was ruled since 1966. After the “regime’s first goal in eliminating the Communist Party and its supporters was achieved by the massacre of approximately 500,000 persons and detention of another 600,000 in 1965-69,” Suharto (1966-1998) and his supporters had stabilising the economic situation as their priority (Fealy & Aspinall, 2010, p. 4). In the name of restoring national order and stability, the New Order propagated the single ideology (*azas tunggal*) of Pancasila, while effectively barring political activism and public debate. The army functioned as the backbone of the regime. Pancasila is the official state ideology of Indonesia, as stated in the preamble to the country’s 1945 Constitution. *Panca* means five, *sila* means principle. The principles of the Pancasila are: Belief in one and supreme God; a just and civilised humanity; national unity; democracy led by the wisdom of consensus among representatives; and social justice for the people of Indonesia. These principles are integrated as pillars of the nation. They cannot be separated from each other, as they are “all interrelated and interwoven” (Sinaga, 1989, p. 28). The New Order government used the Pancasila philosophy to propagate the consensual character of the media:

Pancasila society disapproves of individualism and individual rights, the starting point of Western liberal political theory. It consequently rejects the notion of an uninhibited and robust press that undertakes vehement, caustic and unpleasant attacks on government and public officials the sine qua non of Western press theory. Instead, the press is viewed as a partner in national development, within the framework of Pancasila (Mehra, 1989, p. 4).

The distinct character of Pancasila as a national ideology created the “Pancasila press”, “Pancasila journalist” and “Pancasila Press Council” (Hill, 1994; Romano, 2003; Sinaga, 1989). Although the government claimed the existence of “freedom of the press,” it

three main characteristics: 1) A limited role of political parties; 2) A strong influence of the Communist Party and the military as a social political force in Indonesia; 3) A dominant role of the president in state government. During the period of Guided Democracy, the dominant presidential power actually led to the abuse of power according to the Pancasila and the 1945 Constitution. Abuse of that power created political instability which also had negative implications for the social and economic conditions of society. The end of Guided Democracy began with riots involving clashes between the Indonesian Communist Party and the military. President Soekarno’s failure to balance these two powers is recognised as the cause of the rebellion. Guided Democracy effectively ended with the issuance of the 11 March 1966 Warrant, which gave General Suharto full authority to deal with the situation, known as the Supersemar incident. (Lee, 1971).

dismissed the call for minimal government regulation as promoted in the Market Liberal Cluster (see Chapter 2). The freedom of the Pancasila press was described as “distinct from both the negative freedom of the libertarian press that is free from external control, as well as the positive freedom of the social-responsibility press that is free to serve societal needs and maintain ethical values” (Romano, 2003, p. 45). Effendi (1993, p. 122 in Romano, 2003, p. 45) argued that the Pancasila press “is not free from or free to, but free and; because it is free and responsible.” Moreover, in the Pancasila press system, the press was part and parcel of the national system of governance, which meant that “the press does not participate as an observer, a critic, or a controller of the Indonesian system as is the case in the Western system” (Sinaga, 1989, pp. 34–35). Together with the government, the press took an active role in protecting and strengthening the state system, based upon the Pancasila philosophy.

This might explain why the New Order amended the 1966 Press Law No.11, which stated that the duty of the journalist was “to fight for truth and justice based on freedom of the press,” with the 1982 Press Law No.21, which obliged journalists “to fight for truth and justice based on *responsible* freedom of the press.” Article 1 of the Indonesian Journalists Association’s Code of Ethics also stated that the “Indonesian Journalist shall be ... faithful to Pancasila.” Unlike other, international codes of ethics for journalists, the Indonesian journalist was supposed to be committed to the Pancasila rather than to the freedom of the press. In determining the balance between freedom and responsibility, a journalist should rely on “conscience of the press and the conscience of the Society and the Government, all parties who have any sense of responsibility for nation building” (Sinaga, 1989, p. 35).

The government also considered the importance of the tasks of the Press Council, which were defined in detail in the 1984 Presidential Decree No. 1 on the Press Council. One of its duties was safeguarding the ethics imposed on journalists, managers of the press, graphic designers, and advertisers. Also, the Press Council had “to popularise and institutionalise positive interactions between the government, the press and the society within the framework of enhancing understanding and observance of the principles of

freedom and responsibility of the press based upon Pancasila” (Sinaga, 1989, p. 36). The membership of the Press Council consisted of representatives of journalist organisations, press publishers, graphic designers, advertisers, scholars, education experts and representatives of the government. The Council was chaired by the Minister of Communication and Information. Although Edward Janner Sinaga, the Director General for Press and Printing in Suharto’s administration, argued that the Council “provides advice in matters related to the press in the effort to promote a free and responsible press,” council membership was one of the ways for the government to control the press in Indonesia.

4.2.2 TVRI as Pancasila Agent

Following the downfall of Sukarno, the New Order government assigned three policy goals to national television in accordance with the spirit of Pancasila: (1) the promotion of national unity and integration; (2) the promotion of national stability; and (3) the promotion of political stability (Alfian & Chu 1981, p. 23; Atkins, 2002, p. 28; also quoted in Kitley, 2000, p. 3;). In other words, the media in the New Order functioned as an instrument to engineer agreement for a particular socio-political order (Herman & Chomsky, 1988). This situation matched earlier observations that television was a part of the state’s ideological apparatus (Althusser, 1971) aimed at maintaining power hegemony (Tuchman, 1974). Similarly, the New Order regime monopolised the broadcasting sector through TVRI.

In order to strengthen the role of TVRI, broadcasting policies and regulations were issued by the New Order government. Among them were The Ministry of Information Decree No.54/B/KEP/Menpen/1971 on television programme management in Indonesia; The Ministry of Information Decree No.55/KEP/Men/1975 on News Materials, granting TVRI its double status as Foundation and Television Directorate under the ministry; and The Ministry of Information Decree No.190A/KEP/Menpen/1987, which gave TVRI the exclusive right to produce news programmes and special programmes that had to be relayed by all television stations.

The Ministry of Information also released Decree No.30/KEP/Menpen/1981, which prohibited commercials in TVRI programmes. According to this decree “for the national development in the New Order Era, necessary steps are required to use television programmes optimally to provide information, education, and training for all layers of society in order to accomplish development objectives even further” (Ishadi, 2011, p. 138). TVRI’s role as a government tool was confirmed not only in regulations and policies, but also in open statements from the Minister. For example, in celebrating the 30th anniversary of TVRI, Harmoko, the Minister of Information, stated that the government control over TVRI was a commitment to the aims and objectives of the Pancasila ideology, the State Constitution of 1945, and the National Guidelines (Ishadi, 2011).

TVRI, the first television organisation in Indonesia, has undergone dramatic changes in form and function throughout the years. Philip Kitley, an Australian scholar, conducted one of the most comprehensive analyses of Indonesian television, especially television during the New Order era. His works have been widely cited and used for further studies. The scarcity of comprehensive television studies during the Suharto administration seemed to confirm the lack of access to information in the New Order era. Kitley (2000) also provides in-depth information about a crucial milestone in the history of Indonesian broadcasting: the launch of Indonesia’s first satellite.

4.2.3 The Palapa Satellite: A Conscious Choice of Development

Under the New Order regime, both TVRI and Indonesian broadcasting in general experienced key stages in their development. The first milestone was the launch of the domestic satellite, Palapa (Kitley 2000, p. 15):

The launch of the domestic satellite Palapa and the ban on television advertising are identified as the crucial events that moved television in Indonesia firmly under the control of the state, positioning it to play a significant role in the New Order national culture project during the 1980s.

Kitley's interview with the key actor behind the decision to purchase and launch Indonesia's first domestic satellite, then Minister of Transportation Emil Salim, revealed the two main reasons why the government opted for satellite rather than microwave transmission, troposcatter technology or submarine cable links. The first reason related to the internal factor of Indonesia's geography:

We knew that Canada had used a domestic satellite system, and we knew that distances in Canada were about the same as in Indonesia. We knew that the United States used the system and that it linked New York with San Francisco. And we knew that New York to San Francisco was about the same distance as Sabang (in Sumatera) to Merauke (in Irian Jaya). That appealed to us; that sunk in. (Emil Salim, personal interview in Kitley, 2000, p. 51).

Therefore, "the development of a domestic satellite communication system was entirely logical and the only alternative given Indonesia's geography" (Kitley, 2000, p. 50).

The second reason came from the international community as Indonesia "felt under considerable pressure to demonstrate its good intentions in fully integrating West Irian into the national life and culture of Indonesia following the Act of Free Choice in 1969, which sought the opinions of over one thousand tribal leaders concerning the integration of West Irian into Indonesia, but did not involve a vote on the issue" (Kitley, 2000, p. 50). "The eyes of the world were on us," as Emil Salim put it (Kitley, 2000, p. 50). The decision to purchase the domestic satellite was steered by the necessity to provide efficient communications between all parts of Indonesia, in particular between the central government and Eastern Indonesia.

The launch of the Palapa satellite in 1976 was one of the crucial milestones in the history of the Indonesian media, as its national coverage facilitated, smoothed and strengthened the goals of the New Order regime through television. With the introduction of the domestic satellite and the Open Sky policy in Indonesia, Indonesians were able to watch TVRI and other neighbouring countries' broadcasts. These

technological developments led the Indonesian broadcasting sector to the next stage of deregulation.

4.2.4 Market Structure and Content Diversity

First, let us discuss the market structure and content diversity of the broadcast media during the New Order. The New Order government expected Indonesian television to engineer agreement for a particular socio-political order by reflecting the spirit of Pancasila. Its primary duties were to promote national unity and integration, national stability, and political stability (Alfian & Chu 1981, p. 23; Atkins, 2002, p. 28; also quoted in Kitley, 2000, p. 3). The government chose to control television by not allowing any other television stations except TVRI. From the perspective of both Scherer's typology of market structure and the Theory of The firm discussed in Chapter 2, there was a monopoly market structure with only one seller/firm. Typologies of monopoly and oligopoly are useful for analysing the shifts in market structures, broadcast media products and numbers of sellers/firms.

According to the Theory of the Firm (Hoskins et al., 2004), a monopoly involves by definition a single seller, with no rival firms producing similar products. Barriers to entry protect the monopoly position and permit the possibility of economic profits in the long run. The products produced under the monopoly structure can be either homogeneous, which leads to a pure monopoly, or heterogeneous, which produces a multiproduct monopoly (Scherer, 1996). This typology exactly reflects the New Order television situation: there was only a single firm (TVRI), no rival firms were producing close substitute products, and government barriers to entry into the media market protected the monopoly. How about the products, or in this case, the content, of the firm (TVRI) under the monopoly structure? Based on my research on the content of TVRI during this period, I argue that the products were heterogeneous/differentiated. Because there were no other players/rival firms, TVRI had to be able to fulfil the needs of all segments of the audience. After the polarised cultural politics of the late Sukarno period and the years immediately following the coup in 1965, the Minister for Information described

TVRI as “audience-centred” and acknowledged the challenge for a single television channel to meet the needs and interests of a population as varied as Indonesia’s (Boediardjo 1972, pp. 17–19 in Kitley, 2000, p. 80).

TVRI produced various television programmes, from news, entertainment and education to programmes focusing on sports, religion and children. For the purpose of this study, I asked TVRI’s news and programming director, Apni Jaya Putra, to grant me access to the old programming documents, so I could precisely describe the evolution of TVRI programme content over time. “It’s almost impossible to find the documents that you’ve asked for. I even don’t know where and how to find them, while I also want to see them and learn from the past. But I will keep my eyes open,” promised Apni in response to my request (personal communication, 2017). To fill this gap, this study relies on Kitley’s (2000) research on journalistic and academic discourses on TVRI content, among others. I will also rely on my childhood and teenage memories of living and growing up in a period of time in Indonesia when TVRI was the only television station available.

Although there was no detailed information on the composition of genres in the early programming of TVRI, Kitley found a complaint filed by a viewer in Jakarta in October 1962 about “the lack of interesting programming and suggested that there were plenty of films that could be screened, adding that cartoons were “not uninteresting” for parents with families” (Direktorat Televisi 1972, p. 46, in Kitley, 2000, p. 86). Five years later, “entertainment programmes had become part of the standard programme schedule and accounted for 30 percent of screen time up to 1967.” Although it was unclear what sort of “entertainment” programme the report referred to, this evidence shows that the issue of diversity of content had already been addressed from the early days of Indonesian television. Another concern related to the diversity of content (Kitley, 2000, p. 90) could be found in the *Kompas* editorial of 26 August 1975 that recommended TVRI to “present more balanced interview programs and feature community as well as government views on issues of daily concern.” Similar criticism

was also found in the *Suara Karya* editorial of 26 August 1975, which addressed “a lack of balance or harmony” between educational and entertainment programmes.

In its capacity as the government’s instrument to shape a particular socio-political order, TVRI also aimed to play a crucial role in constructing the idea of nationhood. The launch of the Palapa satellite in 1976 paved the way for achieving this goal. The satellite connected the farthest corners of the archipelago, while also bringing diversity back to the screen. As a consequence, there was a tendency to be “critical of foreign programs as too Western or otherwise incompatible with indigenous values and traditions, and an inclination to idealise the value of national films and programs, to reify a national Indonesian culture, and press for greater representation of national programs on local television” (Kitley, 2000, pp. 82–83). This has become the basis of the restriction on airing foreign programmes on Indonesian television.

As the only player or seller in the television market, TVRI tried to serve all segments of the audience by producing and airing a wide range of programmes. However, the criticism of its programmes continued. In 1985, a straw poll about how TVRI could be improved, conducted by Sinar Harapan among young viewers, resulted in a demand for more entertainment with good quality and a “Pancasila spirit” (*Suara Karya*, 25 August 1985 in Kitley, 2000, p. 90). Another criticism came from TV critic Eduard Depari, arguing that “TVRI had tended to cater too much to the needs of those in power, who should realise that the majority of viewers saw television as a source of entertainment, not of information” (*Suara Pembaruan*, 24 August 1987, in Kitley, 2000, p. 90). Of course, there were programmes that were clearly used as state propaganda, such as the film *Pengkhianatan G30S* (‘The Treason of the Thirtieth of September Movement’), which from 1986 was aired on TVRI annually on 30 September³⁶ Nevertheless, purely in terms

³⁶ The film, produced by Arifin C. Noer together with the State Film Company (PPFN) in 1984, was often referred to as propaganda of the New Order regime led by President Suharto. The film shows the alleged cruelty of the Indonesian Communist Party (PKI) and the story of how high-ranking Indonesian military officers were kidnapped before being slaughtered and finally buried in a hole in East Jakarta. During the New Order era, every September 30, the national television station TVRI showed this film. Since its release in 1984, elementary school, junior high school and high school students throughout Indonesia were obliged to watch the film at school. Since President Suharto stepped down in 1998, the film stopped being screened on TVRI. This was at the request of members of the Air Force, among others, who thought the film was not in accordance with the actual events. (Source: <https://historia.id/kultur/articles/film-pengkhianatan-g30s-pki-dan-fakta-sejarah-P1BqW>, Accessed 11 February 2020)

of content, I argue that the range of old TVRI programmes provided an almost perfect example of diversity.

I recall some of TVRI's entertainment programmes in the 1980s, such as *Aneka Ria Safari*, a weekly variety show where musicians and comedians shared a stage; or *Selecta Pop*, an Indonesian music chart programme; also *Apresiasi Film Indonesia*, a monthly programme about Indonesian box office movies, including behind-the-scenes segments and film reviews. TVRI also produced children programmes with diverse formats, such as *Taman Indria*, a daily programme aired live from the studio, where kindergarten students gathered and presented their talents (mostly singing and dancing) with a storytelling segment; or *Aneka Ria Anak-Anak Nusantara*, a weekly music programme aired on Sundays, where children performed traditional songs from different regions in Indonesia, usually wearing traditional clothes; and the weekly puppet show programme *Si Unyil*. Another, rather infamous, children's programme was *Cerdas Cermat*. The quiz gathered students from different places in Indonesia. They competed by answering questions about science, maths, physics, arts, Indonesian and English language, and, most importantly, the state-sanctioned philosophy and implementation of the Pancasila. This quiz was very popular and, perhaps the only quiz for school-aged children in the 1980s and 1990s.

However, TVRI's flagship programmes (Kitley, 2000, p. 104) were known as *sinetron* or *sinema elektronik* (electronic cinema). Although often identified as being similar to soap operas in the United States, or *telenovela* in Latin America, Wardhana (2001, pp. 371–373) emphasised *sinetron* were movies made for television, or television films with Indonesian uniqueness. Unfortunately, despite a strong start with *sinetron* such as *Si Doel Anak Sekolahan*, *Rumah Masa Depan* and *Keluarga Pak Rahmat*, Indonesian *sinetron* gradually lost its unique spirit. In the era of rampant private television, Indonesian *sinetron* could only go as far as adopting the characters, plots, and themes of soap operas or *telenovela*. The “uniqueness” of Indonesian soaps during the TVRI era was that government messages were incorporated into the narrative. The ideal family, as shown in *Rumah Masa Depan* and *Keluarga Pak Rahmat*, for example, consisted of a

father, a mother and two children, which were in line with the national family planning programme (*keluarga berencana nasional*) with its tagline of *dua anak saja cukup* (two children are enough). The soap opera *Sartika* took the setting of a young doctor who was sent to the outskirts of Indonesia to fulfil her duty, which was in line with the government's programme of *dokter masuk desa* (doctors who were assigned to remote villages).

TVRI had three daily news bulletins: *Berita Nusantara* (Regional News Bulletin); *Berita Nasional* (National News Bulletin); and *Dunia dalam Berita* (World News Bulletin). TVRI also produced two weekly sports programmes: *Arena dan Juara* (The arena and the champion) and *Dari Gelanggang ke Gelanggang* (From the Venues). The news bulletins were criticised by Wardhana (1997a, 2001) as too ceremonial and only telling government success stories. The news stories showed Indonesia's frenzy with economic development. Programmes about the inauguration of new roads and ribbon-cutting ceremonies at development projects featured the same main actors every day: government officials. During the Suharto era, the term *statement journalism* or *talking news* was born. All statements issued by the government had to be considered the truth, and could not be criticised or even questioned. Apart from the news bulletin, the *Special Reports* programme (*Laporan Khusus*) also became a forum and vehicle for the Suharto administration's public relations. In this program, Suharto often had staged dialogues with farmers or fishermen about a variety of issues. Examples of television owned by the government in several other countries, such as France and Britain, have proven that broadcasters under the auspices of the government can still be independent and present facts from different sides. Wardhana (2001, p. 79) noted that Television France Une (TF1), Antene Deux (A2) and France Trois (FR3) were all three under the auspices of the French government but varied in their news programmes. TF1 news tended to be ironical, A2 was strong in displaying experts who analysed actual events, while FR3 displayed news highlights. At first glance, Wardhana's analysis is convincing. He overlooks, however, that France was not an authoritarian state, and that

the French media did not bear the burden of functioning as the agent of state ideology (in the Indonesian case: Pancasila).

In spite of the New Order restrictions on imports, TVRI still had a limited number of foreign programmes. The foreign programmes aired on TVRI were imported from various countries, such as Japan (*Oshin*), Australia (*Return to Eden*) and the US (*Little House on the Prairie*). In collaboration with Ani Sumadi,³⁷ TVRI also created quizzes, such as *Berpacu dalam Melodi* ('Racing in Melody') and *Gita Remaja* ('The Teen Songs'). I will explain in Chapter 7 the influence of these programmes, which are currently still recycled by a few commercial television stations.

The above-mentioned programmes provided relatively diverse content on television. Even though TVRI was used as a government mouthpiece and an instrument for exercising power and control, I argue that the market structure (monopoly, no competition, single player/seller) led TVRI to produce differentiated/heterogenous products in order to cater for all segments of the audience. The situation can be explained by using the Structure Conduct Performance paradigm described in Chapter 2. We lack documentation of TVRI's programming, so we are unable to evaluate exactly the diversity of content (including the proportion of genres, or foreign or national content). Nevertheless, Veven Sp Wardhana wrote some bold essays and conducted research on Indonesian television contents in the late 1990s, which will be analysed later in this chapter.

4.3 The First Deregulation of the Indonesian Media

Considering the regime's clear political goals, having commercial television stations other than TVRI was not an option. The government decrees gave broadcasting and news monopolies to TVRI. Nevertheless, the situation changed in October 1987, when

³⁷ Ani is known as the queen or pioneer of quiz in Indonesia. She is married to Ir. Sumadi who had been the President Director of TVRI in the 1980s. She had a career as an employee of TVRI for several years before she got married. She began her career at TVRI station as a presenter and reporter in 1959. Her position as the wife of TVRI director enabled her to channel her creative ideas through broadcasting programmes. Her most prestigious work is the quiz *Race in Melody* which was popular on TVRI. Her first work was *Silent Quiz* in 1969. Since then, various other forms of quizzes emerged, such as *The Teen Songs*, *Meaningful Literacy* and *Tak Tik Boom*. See: <http://arsip.gatra.com/2004-04-10/majalah/artikel.php?id=84511>). Accessed 11 February 2020.

the Minister of Information, Harmoko, announced he had issued a license for the establishment of a Pay TV service for Jakarta. While previously private/commercial television stations were seen as threats to Pancasila ideology because of broadcasting foreign values and norms, the New Order government in the late 1980s acknowledged the need for alternative television services. Indonesian audiences had become increasingly interested in video and satellite television (Armando, 2016; Kitley, 2000; Sen & Hill, 2000). The government preferred to give up its monopoly over TVRI and deal with Indonesian commercial broadcasters instead of having to cope with content from foreign programmes.

Kitley (2000, p. 226) noted “that no prior announcement about the introduction of commercial television had preceded the minister’s announcement, nor had there been any call for tenders for licenses.” This made the deregulation of television different from the deregulation in other sectors of the economy, as there was no deregulation package involved (Pangestu & Habir, 1989). It was “a deal done quietly, grudgingly, through the back door” (Kitley, 2000, p. 230). The Ministerial Decree in 1987 that authorised commercial pay television determined that commercial services would be established as “restricted broadcast channels” (Siaran Saluran Terbatas, SST), available only to those in Jakarta and its surrounds. Viewers had to buy a decoding device costing approximately IDR 131.000 (or nearly A\$13) and pay a monthly rental fee of IDR 30.000 (or A\$3) (Kitley, 2000; Armando, 2016).

The government wanted to make sure that TVRI was protected, and did so by restricting the reach of the new players in the broadcasting field. The private channels could only be watched with a decoder, while TVRI remained free to air. While TVRI had a national audience, the restricted broadcast channels could only reach a local audience. Under these conditions, the new channels did not present any economic threat to TVRI. The foundation’s licensing powers became significant at this stage. Although TVRI could not accept advertising, the licensing agreements demanded that additional income would flow from the commercial channels to the public broadcaster. TVRI also had the right to negotiate with each commercial provider for a share in gross advertising revenue

(Menteri Penerangan 1990, part 4, clause 21). At the content level, TVRI's programming was comprehensive and included substantial news services, while the SST was not allowed to produce news bulletins but had to relay them from TVRI (Kitley, 2000).

4.3.1 Rajawali Citra Televisi Indonesia (RCTI), the First-born

Indonesia's first private television channel, Rajawali Citra Televisi Indonesia (hereinafter RCTI) started a period of trial broadcasting in Jakarta in 1988. The initial proposal came from the Chinese-Indonesian-owned Rajawali Group. The license was granted only after Rajawali joined the Bimantara group headed by President Suharto's third son Bambang Trihatmodjo (Kitley, 2000, p. 230). With RCTI, Bimantara made a prominent move into the business of communication hardware (electronics and communication) and software (newspapers, magazines, television programming) (Sen & Hill, 2000).

RCTI successfully presented a new approach to television in Indonesia. The channel needed to appeal to its subscribers, as its orientation was commercial. In an interview with *Prospek* on 19 January 1991, the President Director of RCTI emphasised: "Private TV is a commercial enterprise, you know, which must be *profitable*" (in Kitley, 2000, p. 97). In an attempt to achieve this, the style of presentation was different from TVRI's:

The more traditional approach of TVRI is replaced with an intimate, international style, and the audience is invariably addressed as "viewers" (*pemirsa*), never as *Bapak*, *Ibu*, or *saudara*. It makes no attempt to broadcast programs "for audience's good" but instead schedules programs "the audience wants." (*Prospek*, 19 January 1991, in Kitley, 2000, p. 97).

The management was very responsive to audience opinion and popular taste. RCTI imagined its audience as "something to be won and held, hence it had to draw segments of TVRI's audience away and deliver them to RCTI so advertisers would be prepared to use the channel" (Kitley, 2000, p. 97).

As a restricted broadcast channel (Siaran Saluran Terbatas, SST), RCTI's audience was geographically limited to Jakarta and greater Jakarta. However, RCTI was linked to

commercial broadcasters that had been established in Bandung, Surabaya, and Denpasar, and while prevented by its license from networking, it purchased and made programmes for its associated broadcasters (Isaac 1992, p. 7). Wardhana (1997a, p. 5) criticised the inconsistency of the restricted broadcast channel status, which should have put RCTI under the category of cable television. Viewers had to pay a monthly subscription fee to access RCTI via a decoder, but at the same time the television station also took income from advertisements.

Kitley documented some public and journalistic discourses regarding RCTI as a newcomer in the market and an alternative to TVRI. In a *Tempo* magazine article, one source expressed his appreciation for RCTI, when the station decided to record and delay screening the compulsory government news programme *Dunia Dalam Berita* (World News) in favour of a live screening of the Italian soccer league. He also mentioned how RCTI was very fortunate that, unlike TVRI, it was not required to broadcast national ceremonies and chose to screen the movie *Max Havelaar*³⁸ instead of covering the 30 September ceremony at the Pancasila monument. Meanwhile, another critic in *Kompas* gave credit to RCTI's technical presentation, saying that the camera work, settings and dynamic visuals were "international style" (*Tempo*, 13 October 1990 and *Kompas*, 24 August 1990, in Kitley, 2000, p. 100). In addition, the journalistic reports of this private television station also offered an alternative to the *success story journalism* or *statement journalism* practised by TVRI. If TVRI only screened development success stories, RCTI (followed by other private television stations) also

³⁸ The film *Max Havelaar* is a film produced jointly by PT Mondial Motion Pictures (Jakarta) and Fons Rademakers Productie B.V. (Amsterdam). The film directed by Fons Rademakers was briefly banned, in the New Order era. D.A. Peransi (a lecturer and literary, film and theatre critic) in his article published in the *Suara Suara* Daily edition Monday 14 December 1987, revealed at length the chronology of and reasons for the banning of this film. The main reason was the scenario of this film was far removed from the scenario accepted by the stakeholders in Indonesia and the Netherlands. Many of the scenes proposed by the Indonesian stakeholders were simply deleted. But because the production permit had already been issued, the film was still being shot. In return, the Indonesian Censorship Body banned the screening of this film. The story of the film *Max Havelaar* was taken from the novel by Multatuli with the same title. Multatuli itself is the pseudonym of Eduard Douwes Dekker, a writer and employee (Assistant Resident) of the Dutch colonial government in the Dutch East Indies whose attitude was at odds with the Dutch colonial government. Since it was first published in 1860, *Max Havelaar* invited many questions. Was Raden Adipati Kartanegara, the regent of Lebak at that time really as cruel as described by Multatuli in his book? Did Douwes Dekker, while serving as an Assistant Resident of Lebak at that time, really defend the people of Lebak? See: <https://www.kompasiana.com/masteddy/5a2b5aedd1334407d666d5f2/secuil-catatan-tentang-film-max-havelaar-1976?page=all>. The movie can be watched here: <https://youtu.be/Cm0uV-oQlbc>. Accessed 11 February 2020.

displayed “behind the scenes” stories of development, such as evictions, floods, or demonstrations that had never been presented in TVRI news programmes (Wardhana, 1997a, p. 157).

To serve its local audience, content with local cultural references was produced, such as *Lenong Rumpi*.³⁹ However, as RCTI had more imported programmes in its daily rundown, a common reference to RCTI was “Rajawali Citra Televisi Impor” (“imports” instead of “Indonesia”) (Jayakarta, 21 February 1990, in Kitley, 2000, p. 45). When RCTI started broadcasting, it had 90 percent imported programmes, while the remaining 10 percent consisted of programmes relayed from TVRI (Sen and Hill 2000, p. 120). The viewers were fond of the foreign programmes. In a survey conducted in May 1991 by Survey Research Indonesia, Jakarta and Surabaya viewers rated as their favourite programmes *MacGyver*, *Knight Rider*, *Airwolf*, *Miami Vice*, *The Incredible Hulk*, *Wonder Woman*, *My Secret Identity*, *Old Mission Impossible*, and *Tour of Duty* (Tempo, 6 April 1991 in Kitley, 2000, p. 101). While some scholars and TV critics believed RCTI complemented TVRI, I argue that RCTI’s programming strategy relied on foreign programmes. By not airing certain national ceremonies, it constituted a potential threat to TVRI and state-endorsed cultural values. To some extent, local cultural values were much better represented before television was deregulated (Suara Pembaruan, 24 August 1990, in Kitley, 2000, p. 102).

4.3.2 Surya Citra Televisi (SCTV)

The second Indonesian private television channel, Surya Citra Televisi (SCTV) went on air in 1990, two years after RCTI. With its status of SST, SCTV served Surabaya, the capital city of East Java and Indonesia’s second largest city. SCTV had the same owner as RCTI, Bimantara Citra group, which was owned Suharto’s son Bambang Trihatmodjo. The “C”

³⁹ Lenong Rumpi is a comedy show adapted from Jakarta’s traditional art, Lenong. Lenong was originally a sitcom that involves the audience, with traditional kromong xylophone music and costumes and Betawi dialects. All of these elements are displayed in Lenong Rumpi, but with a lighter and more urban storyline. It aired on RCTI once a week in June 1991. In its inaugural episode, it immediately caught the attention of the audience, so the contract was extended to 52 episodes. Lenong Rumpi’s comedy style was considered a breath of fresh air in the world of Indonesian comedy. See:

<https://archive.tabloidbintang.com/extra/nostalgia/58927-lenong-rumpi--pelopor-acara-komedi-dengan-gaya-baru.html>. The show can be watched here: https://youtu.be/n_wVyPUzyD0. Accessed 11 February 2020.

in RCTI and SCTV stands for “Citra” (“Image”). The two television stations also shared facilities and programmes. It was not until 1996 that SCTV’s ownership changed.

It was reported that in 1996, 80 percent of the company shares were controlled by Henri Pribadi, a businessman with a long association with Suharto’s cousin, Sudwikatmono, who owned the remaining 20 percent (Sen & Hill, 2000). Content-wise, SCTV focused on local issues for an audience living in greater Surabaya, East Java. In essence, SCTV followed the model of RCTI, only from a different location.

SCTV’s flagship programme in 1995, according to Veven Sp Wardhana’s analysis, was *telenovela* or Latin American soap opera. Since February 1995, eight titles of Latin American *telenovela* had been aired every day (Wardhana, 1997a, p. 25). This number was far above the three *telenovela* titles on weekdays on RCTI. A year later, in August 1996, SCTV created a new image for itself as a channel for Chinese cinema. Wardhana (2001, p. 77) noted there were at least 49 hours per month allocated to Mandarin cinema on SCTV. RCTI allocated 25 hours to Mandarin cinema, TPI 23 hours, and ANTV 10 hours. Indosiar, which was dubbed the Hong Kong cinema channel, only dedicated 9 hours per month to Mandarin cinema. SCTV also shared with RCTI the *Seputar Indonesia* news bulletin, which provided background stories to development projects in Indonesia. SCTV’s news programme *Liputan 6* would become a benchmark for Indonesian television journalism and provided its own journalistic contributions to Indonesia’s democratisation process.

4.3.3 Televisi Pendidikan Indonesia (TPI), the Special One

Televisi Pendidikan Indonesia (Indonesian Education Television, TPI) was granted a licence as a commercial broadcaster in August 1990 (Kitley, 2000). Despite the word “education” in its name, TPI lacked a clear working arrangement with the Department of Education. It was established without any feasibility study or pilot project, and it did not have its own studio facilities (Kitley, 1994). While Suharto’s third son Bambang Trihatmodjo controlled the ownership of RCTI and SCTV, TPI was owned by Suharto’s

eldest daughter, Siti Hardiyanti Rukmana (Tutut). Kitley (2000) pointed out that TPI was the result of sibling rivalry or “me too-ism” between Bambang and Tutut.

Using educational content as its main selling point, TPI was the first commercial station to be successfully granted a national broadcast license instead of a restricted broadcast licence. Moreover, TPI’s status as an educational channel, purportedly run by a non-profit organisation, allowed it to use TVRI facilities while also having access to the national advertising market (Sen and Hill, 2000; Armando, 2016, Kitley, 2000). TPI started broadcasting on Tutut’s 42nd birthday on 23 January 1991. TPI became profitable quickly, attracting 24 percent of television revenues (Atkins, 2002, p. 99) within only a year of going on air, and surpassing RCTI’s revenue (Sen & Hill, 2000). With all facilities and privileges that were benefitting TPI, the sibling rivalry continued. It resulted in further deregulation with the Ministerial Decree No.4A/1993 permitting all private channels to broadcast nationally via the Palapa satellite. Consequently, RCTI posted a profit of US\$14 million, 35 percent of Bimantara’s total earnings, in 1994, and claimed 49 percent of the total television advertising spending in 1995 (Atkins, 2002, p. 98).

In line with its name, the content of TPI programmes was dominated by education, including lessons from school subjects such as Chemistry, English, Biology, and History. However, TPI also produced *sinetron* and news bulletins. While TVRI and RCTI were criticised by journalists and industry professionals, criticism of TPI came mainly from educators and public servants. Many critics pointed out that the timetable (early morning to noon) was clearly unsuitable for the channel’s mission, as the majority of the target audience would be at school or otherwise engaged, and not be available to watch the programmes. This led some critics to question whether TPI’s target audience really was an educational audience, or whether the station simply targeted a general audience for the sake of commercial advantage (Kitley, 2000, p. 107). According to television critic Eduard Depari, TPI accepted paid advertising to fund an educational service (Suara Pembaruan, 19 August 1990, in Kitley, 2000, p. 108).

Since 28 October 1992, TPI's airtime was no longer restricted to educational content. With the addition of night airtime, the range of programme types increased with several entertainment genres, ranging from Indonesian films and quizzes to comedy shows (Wardhana, 1997a, p. 33). Eventually, the word "education" (*pendidikan*) in its name became irrelevant, as the content gradually shifted from education to the realm of entertainment. According to Wardhana, TPI only distinguished itself from other commercial channels by "serving" suburban audiences, or audiences from the lower-middle class group (Wardhana, 1997a, 2001). Programmes targeting this audience were *Mahabarata*, *Chanakya* and *Ramayana*, which were imported from India, and local productions like the *sinetron* series *Kedasih*, *Delima*, and *Cangkang*. These *sinetron* did not have the urban settings of the soap operas produced by SCTV and RCTI, but showed rural or fishing villages (Wardhana, 1997a, p.35). TPI's tagline also changed from "Participating in the Nation's Creativity", (*Turut Memacu Kreativitas Bangsa*) to "Mirror of the Nation's Cultural Dynamics" (*Cermin Dinamika Budaya Bangsa*), and finally "Your Family Television" (*Televisi Keluarga Anda*) (Wardhana, 1997a, p. 34).

4.3.4 ANTV and Indosiar: from Outside the Palace yet the Same Inner Circle

The fourth private channel was ANTV (Cakrawala Andalas Televisi), which began broadcasting in 1993. According to the original permit, ANTV was to be restricted to Lampung province, but in reality, the station operated from Jakarta. It was owned by the Bakrie Brothers Group of Aburizal Bakrie and Agung Laksono, who were both closely associated with the ruling party Golongan Karya (Golkar). The daily operations were run by Aburizal's brother, Nirwan Bakrie, and Agung Laksono, as reflected in the "AN" of "ANTV." ANTV positioned itself as a station for the youth, with sports, music, game shows, animation and urban lifestyle programmes dominating its broadcasting schedule. In mid-May 1995, ANTV aired music programmes produced by the television network MTV (Music Television) for six to seven hours per day (Wardhana, 1997a, p. 43). This meant that ANTV violated the Ministry of Information regulation of a maximum of 20 percent of imported programmes and a minimum of 80 percent of local programmes.

With six to seven hours out of a total airtime of 21 hours per day, the airtime allocation to MTV shows was equal to 30 percent.

In 1995, Indosiar went on air as the fifth private channel. Indosiar was part of the Salim Group, one of the largest ethnic Chinese business conglomerates, headed by Lim Sioe Liong, President Suharto's longest-standing Chinese-Indonesian associate. The official name of Indosiar, Indosiar Visual Mandiri, was commonly dubbed Indosiar Visual Mandarin (Sen and Hill, 2000; Wardhana, 1997a), because of its ownership. Its logo was also similar to HK-TVB (Hong Kong Television Broadcasting), a Hong Kong television company which assisted Indosiar with its programme production. However, in its first year of broadcasting, Indosiar's broadcast content was dominated by Japanese programmes, such as the soap opera *Tokyo Love Story* and Japanese game shows. A very popular series produced by TVB Hong Kong was *Return of the Condor Heroes* (Wardhana, 1997a, p. 63). Within a year, Indosiar was able to present 45 percent of domestic broadcast material (Sen & Hill, 2000, p. 121). Local production included shadow puppet shows (*Wayang Kulit*); *Aneka Ria Srimulat*, a comedy show presented by one of the leading comedy groups in Indonesia, *Srimulat*; *Horas*, a music programme with songs and artists from the Batak area, North Sumatra; *Manise Manise*, a music programme similar to *Horas*, but with songs and artists from the Maluku islands; and *Tembang Kenangan* ('Evergreen Songs'), a music programme containing Indonesian songs from the 1960s to the 1980s. Compared with the programmes on other commercial channels, the Indosiar programmes seemed to be more diverse and focusing on local culture. According to Wardhana (2001, p. 71), this could have been a strategy to counter the image of Indosiar as a Hong Kong television station.

All commercial television licences had been granted to people within circles of the presidential family, including the president's children and business partners. The spirit of deregulation in the broadcasting sector at this stage was clearly not about presenting independent voices on television or facilitating a shift to democracy. Even if the state monopoly did not fully function anymore, the regime still maintained control over television in Indonesia, especially in terms of content. In my view, the only substantial

change during this era was the emergence of alternatives to TVRI's statement journalism and success story journalism. Although commercial television also depended on official sources, they tended to show different sides of social issues in their news bulletin programmes, including *Seputar Indonesia*, *Buletin Siang*, *Nuansa Pagi*, *Buletin Malam*, *Sekilas Info* (RCTI-SCTV); *Selamat Pagi Indonesia*, *Serbaneka* (TPI); *Laporan ANTV Pagi*, *Laporan ANTV Petang*, *Laporan ANTV Tengah Malam* (ANTV); and *Fokus* (Indosiar).

4.3.5 Market Structure and Content Diversity after the First Deregulation

The first deregulation resulted in an additional number of players/sellers in the Indonesian television market. While previously the government monopolised the market through TVRI as the sole seller/player, there were six players by 1995. Although the government allowed commercial television to operate, I argue that TVRI's function as the mouthpiece and instrument of the government remained. The government used the absence of regulation to issue new television licence permits "behind closed doors." This was to make sure that the licences were given to the government's preferred and trusted partners. The new players would strengthen the government, in return for the licences obtained. While the deregulation did not affect the position of the regime, what were its implications for the television market structure and the diversity of content?

According to the typologies of the Theory of the Firm (see Chapter 2), the situation in 1995 indicated a monopolistic competition structure, as there were six sellers/players in the market who provided heterogeneous/differentiated products. I argue that the decision to produce heterogeneous products was pushed by the market structure. RCTI, for example, used its programming strategy to establish its own audience and survive in the Indonesian television market. New firms needed to think about products to fill the niches in the market, which eventually resulted in firms differentiating their products from their competitors' programme content. The implication of product differentiation under monopolistic competition is that each firm enjoys some brand loyalty and hence is able to set its own price. This is what happened in the Indonesian television market in

1995. Each station established its own market segment through its programming strategy of offering specific types of products. This means the diversity of content in the Indonesian television system was first of all constructed by market forces. It was not the product of an awareness about or interest in the principle and value of diversity of content as such, and was certainly not based on any blueprint or policy for promoting diversity of content.

4.3.6 The Early Days of Economies of Scale and Economies of Scope

The economies of scale and economies of scope as strategies for maximising profits (see Chapter 2) were also applied by Indonesian television during this New Order era. For instance, RCTI and SCTV would broadcast the same programme content, as they were part of the same conglomerate. The use of shared material was beneficial in increasing the viewing rate of material, which would be viewed by multiple audiences (economies of scale). Another economy of scale found in these early television practices was the purchase of imported shows. The Technical Director of RCTI at the time, Alex Kumara, explained how beneficial imported programmes were (Tempo Magazine, 1991, pp. 80–81). In 1991, RCTI only needed to pay US\$2,000–US\$3,000 or IDR 5.8 million for the series *MacGyver*, which was full of advertisements. For individual films, the price was US\$ 5,000—US\$20,000 per title.

The price was still far cheaper than the productions costs of IDR 10 million for one local talk show, or IDR 40 million for one 60-minute episode of local *sinetron*. When bought in bulk, the price of imported programmes was even cheaper. The programmes were also attractive for advertisers, and the material could be re-aired. The imported RCTI programme expenditure in 1991 was US\$1 million for 400-hours of airtime. Of the total 400 hours of broadcasts per month, 80 hours were allocated to advertising. When multiplied by the lowest advertising tariff (IDR 2.7 million per minute), RCTI would obtain an income of IDR 5.2 billion⁴⁰ per month. This figure was slightly above the

⁴⁰ This research uses the Short Scale, where one million = 10^6 = 1,000,000; one billion = 10^9 = 1,000,000,000; one trillion = 10^{12} = 1,000,000,000,000

monthly costs of IDR 4.9 billion for purchasing imported programmes. This level of efficiency could be achieved because the burden of broadcast production was shared by RCTI and SCTV. They agreed that 35% of the costs of imported products would be paid by SCTV. This meant that RCTI only paid IDR 3.2 billion for the acquisition of imported programmes. In addition, tools and facilities were shared by RCTI and SCTV, and also by TPI and TVRI. This strategy ultimately produces economies of scope.

4.4 Regulating Broadcast Media: the First Attempt

Although the new channels had been allowed to broadcast nationally since 1993, the prohibition on producing news bulletins remained. Information Minister Harmoko constantly contended that “hard news” (defined as whatever had happened within a twenty-four-hour time frame) was TVRI’s exclusive domain, but he “permitted the private channels to develop a variety of news features, current affairs, and human interests programs” (Kitley, 2000, p. 255). The commercial channels tried to persuade the Minister to relax the restriction by emphasising the role and function of commercial television in serving national development and public interests. However, in separate interviews, RCTI and Indosiar representatives admitted that their interest in producing news was motivated by commercial considerations. “RCTI’s news would differentiate it from its competition and attract and hold audiences for the nightly line-up” and “Indosiar’s planned news bulletins would focus on crime because ‘it would be easier to sell (to advertisers)’” (Kitley, 2000, p. 256).

Previous research has analysed the resistance of the group of private media owners against the Department of Information’s restrictions. Krishna Sen and David Hill (2000) observed that the tension was strongest during the period 1996–1997 when Parliament completed Indonesia’s first Broadcasting Law, which the President subsequently refused to sign. Wardhana (1997a, 2001, 2002) had a special interest in debates around Law No.24/1997 concerning broadcasting, also called the Broadcasting Law. The Broadcasting Law was meant as an upgrade to the Basic Press Law 1982. Nevertheless, the government requested a review of the Law, after it had already been approved by

Parliament (the DPR) on 9 December 1996. The review specifically concerned Article 17 Paragraph 2, which limited broadcast coverage to 50% of the population, and Article 47 Paragraph 3b, which limited broadcast permits to a maximum of five years.

Coincidentally, the articles to be reviewed by the DPR were precisely the same as those questioned by Siti Hardiyanti Rukmana, Suharto's older daughter (Wardhana, 2001, 2002). Wardhana (2001, pp. 47–49) noticed the irony in Tutut's interest in the Law, as her own station TPI had previously bent the rules in order to be able to broadcast nationally.

According to Kitley (2008), Suharto let the Bill sit on his desk for six months before sending it back to DPR for improvement (p. 354). This unconstitutional action and lack of regulation benefited the commercial television industry. The Broadcasting Law that was finally ratified will be further discussed in Chapter 5. For now, let us explore one of the initial milestones in the Indonesian broadcast sector, the rating system, which to a large extent has shaped the media landscape as it is today.

4.4.1 The Rating System

The rise of commercial channels in Indonesia in the 1990s brought with it a system of programme ratings derived from the United States. The commercial television stations relied on weekly research and rating information supplied by Survey Research Indonesia (SRI) for targeting their audiences. Programme ratings became a focus of private/commercial television management. Unlike state-owned or public television, the production costs of commercial television were covered and managed by private organisations. As business entities, they aimed at profit-making. Simply put, private television networks try to maximise their revenue, while minimising their costs, in order to get the highest profit margin, secure returns on investment and develop their business. They attempt to sell their audiences as a commodity to advertisers through a rating calculation system (Foster, 2006). This relates to the various profit-maximising mechanisms in the world of the media, including the role of commodities, economies of scale and economies of scope (see Chapter 2).

According to Picard (1989, pp. 17–19), media firms often operate in “two-sided-markets,” in the sense that media firms simultaneously produce two different commodities, which can be sold to separate and distinct user groups (Rochet & Tirole, 2003). Those two products are content (i.e. television programmes, newspaper copy, magazine articles, etc.) and audiences. The first saleable form of output is the entertainment or news content that is consumed by listeners, viewers, or readers. The second output is the audiences who are interested in this content, as access to audiences can be packaged, priced and sold to advertisers. As advertising revenue has been a primary source of income for commercial radio, television, online media, newspapers and magazine publishing companies, Doyle (2013) considers audiences “the main currency for many media companies” (p. 13). The rating system has been a useful tool for “selling” audiences.

According to AGB Nielsen, which has been the main institution for measuring television audiences since the 1990s, the rating is “the average percentage of a given population group watching a TV channel/programme across a set time interval” (AGB Nielsen, 2017). The system of rating is generally restricted to TV, but can also be used for other media. One rating point equals one percent of the audience market. Advertisers assume that programmes with good ratings have a large number of viewers and constitute a perfect spot for advertisement placement. For private television stations, programme ratings are a guide for maximising profit. Private television management considers programme rating the most important factor for determining audience preferences and making broadcast strategies.

In Indonesia, the first television rating research was done by Survey Research Indonesia (SRI). SRI had been providing media information and TV, newspaper, magazine and radio services to media owners and the advertising industry since 1976, with Television Audience Measurement services starting in 1991 (AGB Nielsen, 2017). In 1994, AC Nielsen acquired SRI and changed its name to AC Nielsen–SRI. In 2000, after VNU became the corporate holding of AC Nielsen, the media department was renamed Nielsen Media Research. The holding also incorporated AGB in 2004 and finally

controlled 100% of AGB in 2008. Table 4.1 shows the timeline of the sole rating and television audience research agency in Indonesia, including its transformations, methods and cities of research.

Table 4.1 Rating System in Indonesia

Rating agency	Year	Method	City
Survey Research Indonesia (SRI)	1991	Diary	Jakarta, Surabaya, Medan, Semarang, Bandung
AC Nielsen–SRI	1994	Diary	Jakarta, Surabaya, Medan, Semarang, Bandung
AC Nielsen–SRI	1998	People Meter	Jakarta, Surabaya, Medan, Semarang, Bandung, Makassar, Yogyakarta, Palembang
Nielsen Media Research	2000	People Meter Off-Line (weekly)	Jakarta, Surabaya, Medan, Semarang, Bandung, Makassar, Yogyakarta, Palembang
AGB Nielsen Media Research Indonesia	2004	People Meter On-Line (Daily)	Jakarta, Surabaya, Medan, Semarang, Bandung, Makassar, Yogyakarta, Palembang, Denpasar, Banjarmasin
Nielsen Audience Measurement Indonesia	2008	People Meter On-Line (Daily)	Jakarta, Surabaya, Medan, Semarang, Bandung, Makassar, Yogyakarta, Palembang, Denpasar, Banjarmasin

Source: Author, based on data from Rianto et al. 2012 and the AGB Nielsen official website

Rating systems are also closely related to the concept of prime time. This is the time when the number of television viewers is at its peak. In Indonesia, similar to the United States, the prime-time period is from 19:30 to 23:00 (Wardhana, 1997a, p. 236). In the 1990s, when only five private television stations were broadcasting nationally, the television programme that held the highest rating and share record was the *sinetron Si Doel Anak Sekolahan*, which reached a rating score of 50 and share score of 80 (Hendriyani & Eriyanto, 2016, p. 27). What other types of content were offered by Indonesian television during prime time in the mid-1990s? Based on random observation from 17 to 23 July 1995, Wardhana (1997a, pp. 236–239) noted that there were 131 programme titles offered by six television stations in Indonesia, with the

highest number of titles, 25, (19.1%) held by TVRI. RCTI had 24 titles (18.3%), Indosiar 23 (17.5%), ANTV 22 (16.8%), TPI 20 (15.3%) and SCTV 17 (13%). The flagship programmes for prime time were soap opera (TVRI, RCTI), television movies (TPI, SCTV, Indosiar) and sports (ANTV). Table 4.2 shows the top-six programme genres during prime time from six television stations from 17 to 23 July 1995. These figures are still relevant for understanding Indonesian television after the democratic reforms in the late 1990s, as will be discussed in Chapters 5 and 6.

Table 4.2 Top Six Programme Genres on Prime Time, 17–23 July 1995

Programme Genre	TVRI	RCTI	SCTV	TPI	ANTV	INDOSIAR
Local Soap Opera	6	6	-	3	-	2
Television Movies	-	-	7	5	3	6
Sport	-	-	-	-	6	-
Talk Show	3	1	1	-	1	-
Music	-	-	-	1	2	3
Chinese Cinema	-	-	-	5	-	5

Source: Author, based on data from Wardhana (1997a, pp. 236–239)

4.4.2 The Final Days of the New Order

The New Order regime under Suharto focused on political stability and economic development. The political system was authoritarian, and the government was centralised (Aspinall & Fealy, 2010; Pepinsky, 2009). From 1966 to 1997, the economy grew rapidly, with an average annual GDP growth rate of six to seven percent (Pepinsky, 2009). But there was no significant change in land distribution and ownership. As the population increased, the number of landless citizens also rose. While wealthy farmers

generated bigger surpluses as a result of the green revolution, the number of people living below the poverty line⁴¹ was still considerable (Siregar, 2002).

Suharto resigned from the office of President of Indonesia on 21 May 1998. His resignation signalled the end of the New Order regime. There has been academic research on why the New Order collapsed. Pepinsky (2009) observed that the New Order had lost its legitimacy economically and politically. It began with the regional economic crisis in July 1997. In response to this crisis, the government decided to apply a floating exchange rate policy. The regime insisted that the policy was not a sign of weakness, but an indication of the government's ability to quickly detect economic problems and take appropriate action.

Nevertheless, the situation worsened, and 16 banks were forced to close in November 1997 (Pepinsky, 2009, p. 169). The floating currency rate had clearly failed. During the financial crisis of 1997, the rupiah fell from IDR 2,500 to the US dollar in early 1997 to IDR 17,000 to the US dollar at the beginning of 1998. The economy suffered from a 70 percent inflation rate and an overall contraction of 13.4 percent (Siregar, 2002, p. 33–34; Sen & Hill, 2000, p. 5). This was a period when neither the threat of communism nor the promise of economic development legitimised Suharto anymore. Apart from these factors, scholars have pointed out other critical events that marked the beginning of the end of the regime. One of the first was the banning of three popular news magazines in 1994.

4.4.3 The 1994 Banning

In the mid-1990s, the broadcast media was experiencing liberalisation in the form of new private television licences. At the same time, however, three news magazines, *Editor*, *Detik*, and *Tempo*, were banned. On 21 June 1994, the Minister of Information, Harmoko, withdrew the publication permits of the weeklies. Making the best use of a period of open politics and press coverage (so-called *keterbukaan*) since 1991, *Editor*,

⁴¹ According to the Statistic Central Bureau (Badan Pusat Statistik, BPS), in 1996, about 22.5 million Indonesians lived below the poverty line.

Detik, and *Tempo* had published detailed, often critical analyses of presidential family businesses, human rights abuses, the misuse of authority, maladministration of government funds and factional splits within the administration and the military (Steele, 2005; Hill, 1994; Aliansi Jurnalis Independen, 1994).

Prior to the license withdrawal, *Tempo* had reported conflicts within the cabinet over the purchase of 37 ships from former East Germany by the Minister of Research, Burhanuddin Jusuf Habibie (BJ Habibie). Finance Minister Mar'ie Muhammad objected to the purchase, as he thought the price was too high (Utami, 1994; Hill, 1994). *Detik* published the story and had a cover photo with Try Sutrisno, then Vice-President, and a sad-looking BJ Habibie in the background (Utami, 1994). In April 1994, *Editor* ran a cover story about the involvement of the President's son, Hutama Mandala Putra (Tommy), in the collapsed government development agency, Bapindo, and questioned whether he should be called to trial (Hill, 1994). Only a couple of weeks before the ban, *Editor* wrote about the ideological factions within the Indonesian Army (Utami, 1994).

Nevertheless, the government alleged those were not the reasons behind the bans. In a meeting with the first commission members in parliament, Harmoko explained that there was maladministration in both *Detik* and *Editor*. The Director of *Editor* who was mentioned in the publishing licence was no longer active, while *Detik's* coverage of political issues was considered a breach of the original licence, which was for the publication of a crime magazine. The only publication explicitly banned because of its content was *Tempo*. *Tempo* was accused of writing stories about ethnicity, religion, race and inter-group relations, which were taboo during the New Order (Utami, 1994).⁴² Based on the evidence of some old stories published years before, the government believed that *Tempo* was a potential threat to national stability.

⁴² The New Order government tried to promote ideological uniformity through the Pancasila ideology. This idea was conveyed by President Suharto at the 25th anniversary of Gadjah Mada University (UGM) in Yogyakarta on 19 December 1974 and at the opening of the National Scout Congress in Jakarta on 12 August 1979. The purpose of the government was to avoid the problem of racial, religious, ethnic and intergroup differences commonly referred to as SARA. It argued that SARA was a sensitive issue in Indonesia, which often caused social conflict. In every aspect of Indonesian life, discussion regarding SARA had to be avoided.

Previously, the New Order regime had shut down 18 newspapers without any resistance. What made the bans in 1994 different was that the media, supported by some civil society organisations, fought back (Dhakidae, 1994). There was a sustained, organised campaign of vocal criticism over the government bans. In an unprecedented and well-publicised legal battle, *Tempo* won two court cases challenging the Minister of Information's authority to impose the ban. When the Supreme Court finally upheld the Minister's appeal, it only reinforced the prevailing view that, at the highest levels, the judicial system was corrupt and susceptible to political pressure (Sen & Hill, 2000, p. 6).

The "cancellation" of the publishing permits was also covered by TVRI and the private television stations. The *Seputar Indonesia* programme, which was broadcast together by RCTI and SCTV, reported on it at 6:30 pm on the same day, 21 June 1994. TVRI also reported on it in its Night News programme (*Berita Malam*) at 7:00 pm and its World News programme (*Dunia dalam Berita*) at 9:00pm on the same day (Wardhana, 1997a, p. 153). While TVRI, RCTI and SCTV broadcast this news directly from the court, TPI and ANTV broadcasted the conditions outside the courtroom, such as various demonstrations against the government's decision on 22 June 1994. TPI's coverage was in the *Serbaneka* programme at 6:30pm, while ANTV coverage was in the ANTV Evening programme (*ANTV Petang*) at 5:00pm and the Midnight ANTV Report programme (*Laporan ANTV Tengah Malam*) at 12am (Wardhana, 1997a, p. 153).

4.4.4 The tragedy of 27 July 1996

The second crucial political event of the late New Order era were the riots of July 1996. They were the outcome of the New Order regime's attempt to depose the elected leader of the Indonesian Democratic Party (Partai Demokrasi Indonesia, PDI) and Sukarno's eldest daughter, Megawati Sukarnoputri. The main reason was that Megawati had openly declared that she would run for president. She was seen by the public as Suharto's strongest contender. The government then sponsored an extraordinary PDI conference in Medan, which appointed Suryadi, a pro-government politician defeated by Megawati a year before, as PDI's new chair (Suara Independen, 20 July 1996, in

Hadiwinata, 2003, p. 74). Responding to the result of the extraordinary congress, angry Megawati supporters occupied PDI's headquarters in Jakarta. On 27 July 1996, riots spread in various areas in Jakarta, after military troops, anti-riot police, and Suryadi followers started attacking the supporters of Megawati (Atkins, 2002). It was noted that 40 buildings were burnt or damaged, five people were killed, 149 people (mostly Megawati's followers) were seriously injured, and 74 others went missing (Kompas, 13 October 1996; YLBHI, 1997, p. 4).

This incident also received serious attention from the international community. In Washington DC, President Clinton expressed deep regret at the use of violence in handling what he called "a peaceful action at PDI's headquarters" and demanded a thorough investigation of the incident (Suara Pembaruan, 3 August 1996). New York-based NGO Human Rights Watch condemned the brutality of the government and demanded the US Congress take firm action against Suharto's administration, including the cancellation of bilateral aid to Indonesia (YLBHI, 1997 p. 32). The footage of riots was first seen on RCTI and SCTV. RCTI aired the story in its news bulletin programme *Seputar Indonesia*, on the very same day at 5pm, two hours before TVRI's *Berita Nasional* did. Sen and Hill (2000, p. 129) observed the differences in media coverage by the two television stations:

RCTI gave it six minutes, 4.5 minutes comprising shots of rioting crowds, schoolchildren pouring into streets and snippets of a fiery speech by a member of the government-endorsed faction of PDI; and 23 seconds to a government representative (a police lieutenant-colonel). TVRI gave the item 7.5 minutes, an uninterrupted four minutes devoted to the government voice represented by Jakarta military commander Sutyoso's briefing to the media on what had happened ... contained just under three minutes of street scenes, comprising long shots of the rioting crowds, medium shots of the army in riot gear, and panning shots of smoke in the sky.

It may seem surprising that RCTI, which was owned by one of Suharto's sons, did not give an impression of national stability on the screen, as TVRI had done. Former SCTV journalist Endah Saptorini (December 2017, personal communication) explained:

At that moment, even the manager and some high-ranked staff in our office did not take into account whether the media owner was Suharto's friend, or if the reportage might upset the government. Instead, we knew it would generate good rating points. Under that kind of situation, under that kind of political system, being critical of the government was like fulfilling the niche. The more critical we were, the better rating points we achieved.

Saptorini's explanation confirms that the rating system greatly influenced the newsroom at the time. Wardhana (1997a, 2001), on the other hand, concluded that the newsrooms somehow still held their independence and criticism toward the government, based on his analysis of SCTV's news content prior to the reform era. At the same time, he found that the investigative journalism offered by TVRI and the four commercial television stations on 27 July 1996 riots was far from ideal (1997, pp. 29–31, in Jurriëns, 2016, pp. 41–42). According to Wardhana, the reports relied more on the statements of the interviewees, who were generally in favour of the government-supported faction of PDI, than the empirical facts around the event itself.

4.5 The Fall of Suharto

The final months of the New Order were marked by intense political conflicts, which resulted in a significant movement of student demonstrations. The protests against the government began during the week of February 19–26 at the Depok and Salemba campuses of the University of Indonesia (Aspinall, 1999, pp. 215–216). Although the MPR support for Suharto's seventh term as President was unanimous (Aspinall, 1999, p. 215), it was most likely the new names in the Seventh Development Cabinet that caused the greatest reaction from civil society. Among the new cabinet members were Suharto's eldest child, Siti Hardiyanti Rukmana (Tutut), as Minister of Social Services, and Bob Hasan as Minister of Trade and Industry. As Tutut had no qualification for

becoming a minister other than her family connection to Suharto, her appointment was ill received, also abroad (Liddle, 1999, p. 20). Bob Hasan, born as The Kian Seng (Pepinsky, 2009, p. 55), was the first Chinese Indonesian to occupy the post of minister, but he was also seen as the most corrupt member of the new cabinet (Pepinsky, 2009, p. 178). Economic conditions were also deteriorating, as the government's sharp cuts in fuel and electricity subsidies caused an increase in the prices of basic needs. Protest against the government spread quickly from students and pro-democracy activists to other groups, especially the ones most affected by the prices, the urban poor. Demonstrations and riots occurred in Jakarta, Medan, Solo, and other cities in Indonesia (O'Rourke, 2002, pp. 78–89). Nevertheless, Suharto looked unworried by the protests and left for a trip to Cairo on 9 May 1998.

While Suharto was abroad, the tension culminated in security forces shooting students at a Trisakti University demonstration on 12 May 1998, which triggered “popular disapproval of the tactics being utilised to maintain order” (Hadiz, 2000, p. 20). As students grieved their killed comrades, Jakarta and several other cities burnt with an orgy of violence (Pepinsky, 2009). On 13 and 14 May 1998, rioters attacked Jakarta's primarily Chinese-Indonesian neighbourhoods and raped Chinese-Indonesian women. Mass looting and pillaging (Hadiz, 2000, p. 20) took place, including the torching of the house of Liem Sioe Liong, the richest Chinese Indonesian, and Tutut's office in the Ministry of Social Services building. Showrooms of Tommy Suharto's car company and 122 branches of the biggest retail bank in Indonesia, Bank Central Asia, were also vandalised (Asiaweek, 29 May 1998, in Pepinsky, 2009, p. 181). At that moment, the term Reformasi meant not just reform of the New Order political and economic system, but a call for the resignation of Suharto. Students occupied the parliament building on 19 May 1998, which led to Suharto's resignation on 21 May 1998.

The resignation of Suharto was followed by rapid political change. Political economist John Williamson (1994) has pointed out that “political scientists are unanimous ... that the time to introduce reforms is immediately after the government takes power” (p. 20). Suharto was replaced by his Vice-President, BJ Habibie, a technocrat who had

been closely associated with the New Order regime (Kitley, 2008, pp. 357–358). Habibie's reform strategy was to adopt democratic values by working together with global institutions, as he did not have strong roots in domestic politics (Romano, 2003, p. 49; Kitley, 2008, p. 357). For example, he broadened the scope of free-market economic reform by addressing human rights and the related issues of freedom of information and a free press under the influence of global institutions such as the World Bank (Clark, 2002).

Another attempt to signify Indonesia's commitment towards reform and the protection of human rights was the ratification of the Universal Declaration of Human Rights by the MPR in 1998 (Tap MPR No.XVII/MPR/1998). The Declaration protects the freedom of expression of citizens and their right to seek, receive and impart information and ideas through any media (Romano, 2003, p. 49). Moreover, Habibie encouraged his Minister of Information, Yunus Yosfiah, to introduce media reforms (O'Rourke, 2002). Yosfiah then promoted media law reform by using the same guidelines that were supported by the UNDP, World Bank and IMF. These guidelines promoted the free press as a pillar of democracy that could help the government with eliminating corruption, collusion and nepotism (Korupsi, Kolusi, dan Nepotisme, KKN). The same guidelines were also meant to help promoting responsible governance and reducing social conflict. In September 1999, the DPR also passed Law No. 40 on the Press (Romano, 2003, p. 50).

The Indonesian general elections of 1999 resulted in Abdurrahman Wahid and Megawati Sukarnoputri becoming President and Vice-President, respectively. Wahid's first action in power was to dissolve the Department of Information, which used to be the sole executor of media-related government policies (Romano, 2003, p. 51). Also, after 32 years of tight media control under the New Order, the more liberal Press Law was implemented, meant to give the media the freedom to serve public interests without the fear of being banned. As a result of the dismissal of the Department of Communication, the number of periodicals surged from about 300 to a peak of over 1,500 after the stepdown of Suharto. However, data from the Indonesian Press Council indicated only 516 publications remained in 2007 (Haryanto, 2011, p. 105). After

Reformasi, the regulation of the media was kept to a minimum, so that the “marketplace of ideas” could operate in a manner as fully and freely as possible, in line with the political perspective in liberal market theory (see Chapter 2; Dryzek & Dunleavy, 2009, pp. 101–127). Also in line with media and journalism perspectives in liberal market theory is the idea of the Fourth Estate. Bray (1965, pp. 13–15) argues that the media, in its role as the fourth estate, is responsible for acting as a “guardian” of the people’s fundamental right to free expression of opinion, “watchdog” of civil liberties and “protector” of the common man (in Schultz, 1998, p. 43). At the heart of this role is “structural independence from the state, and minimal regulation of the media” (Flew & Swift, 2013, p. 6).

4.6 Conclusion

This chapter analysed the history of television in Indonesia, which began with the birth of the government-owned Television of the Republic of Indonesia. Indonesia’s political situation helped shaping television’s role in society. During the New Order, television was required to carry out the task of agent of the Pancasila, and served as an extension of the government to maintain national stability. In the early days of the New Order, the government monopolised television and did not allow broadcast entities other than TVRI. This policy, as also discussed in earlier chapters, had an impact on the variety of programme content. Several records show that the content of the programmes was relatively diverse when television was monopolised by the government through TVRI. In terms of journalism, TVRI programmes clearly emphasised the government’s side of the story through *statement journalism* and *success story journalism*.

The birth of private television in the early 1990s was a breakthrough, not only in terms of programme variation, but also in terms of journalism. Private television’s model of reporting was different from TVRI’s model. There were also substantial differences between the commercial channels and TVRI in terms of the content of imported programmes. Confirming the theoretical findings from previous chapters, the changes in the number of players in the Indonesian television system affected the products

produced or bought. Veven Sp Wardhana's research covering the period 1995–1997 is an invaluable resource of information about the main media players and television content after the TVRI monopoly era.

There are at least three important issues behind the “change” in the Indonesian media ecosystem with its increased number of players. Firstly, the absence of a blueprint for the media broadcasting system in Indonesia. Indonesian commercial televisions were born without clear and transparent procedures, through several Ministerial Decrees that benefitted President Suharto’s cronies, including his children and partner entrepreneurs. Secondly, the rules and regulations regarding media ownership and television content were unclear. The only regulation by the Minister of Information concerning the restrictions on imported content was ultimately ignored by commercial television organisations, which were not shy to admit that the purpose of their existence was to collect profit. Thirdly, the 1997 version of the Broadcasting Law was rejected by the government and returned to the House of Representatives. It is important to note that the efforts to regulate broadcast media began before the reform era or Reformation. At the same time, the Law was ratified only after Indonesia returned to a democratic system.

To ensure that the press fulfils its function as the fourth pillar of democracy in the post-Suharto era, the democratic principle of minimal regulation has been applied. This can be seen from the content of the 1999 New Press Law and the 2002 Broadcasting Law which is different from similar laws under Suharto’s administration. Chapter 5 will specifically explore these regulations and analyse how they have been reshaping the media landscape in Indonesia.

The Indonesian Broadcast Media since Reformasi

5.1 Introduction

This chapter provides an overview of media policies relevant to media diversity and their influence on market concentration in Indonesia after the reformation era. The establishment of the Broadcasting Act of 2002 and the Indonesian Broadcasting Commission (Komisi Penyiaran Indonesia or KPI) which both aim at securing diversity in media ownership (decentralisation) and diversity in media content⁴³ are in line with the criteria of a democratic society. With this law and regulatory body, media pluralism has become institutionalised in Indonesia and the media has become “protected from the arbitrary exercise of government power.” The new legal frameworks guard the media from direct political control and “promote and sustain a diversity of media forms and outlets.” I also analyse the objectives of key media policies that are the result of the Broadcasting Law, and seek to explain what standards have been applied in terms of media diversity and in what way the new policies and regulatory bodies from the reform era have shaped the broadcast television market system.

The second part of this chapter unpacks the current broadcast television landscape. I examine the nature of Indonesian public and private broadcasting institutions in the context of the Broadcasting Act. I present a detailed structure of media ownership, including an analysis of the market structure of the Indonesian television industry. The metamorphosis of Indonesian commercial television stations will be analysed from a political-economic standpoint. This chapter seeks to provide a solid understanding of the market dynamics and some of the restrictions on diversity of content and ownership. We will measure the various dimensions of media diversity in Chapter 6.

⁴³ See Indonesian Broadcasting Act 2002, especially Chapter 2 Article 5 & Chapter 3 Article 18 for media ownership, and Chapter 2 Article 2 & Chapter 4 Articles 35–36 for media content.

5.2 Regulating Media under Democracy

The supporters of democracy in politics and society claim that freedom of the press is one of the criteria that makes democratic societies superior to contending social systems. Anthony Mughan and Richard Gunther (2000), for instance, identify substantial differences in the roles of the media under democratic and non-democratic systems. The media plays contrasting roles in the establishment and maintenance of political order in authoritarian/totalitarian regimes and democracies. Media outlets have been “depicted as manipulative and subversive of individual freedom and political choice in the former, and as guarantors of political liberties and government accountability in the latter” (p. 4, see also Neuman 1991, pp. 22–47).

As Neuman (1991, p. 31) argues, the defining characteristic of the authoritarian/totalitarian model is strict governmental control of the media to achieve the objectives set by self-elected, unaccountable political elites with “unconstrained and pervasive power” over their media systems. These unaccountable elites under the authoritarian system are not only setting the policy agenda: they are also carefully structuring the information they convey to the public through their “puppet” media, with the objective of forming and manipulating non-elite attitudes and behaviours (Mughan & Gunther 2000). This is what happened in Indonesia during Suharto’s New Order. The Indonesian government through the Ministry of Information exercised tight control over the media. In democratic societies, on the other hand, the mainstream media assumes its democratic function of critically discussing all issues of public and social concern from various viewpoints and in the interest of maintaining the democratic social order (Kellner 2005).

5.2.1 The 1999 Press Law

After the resignation of Suharto, the spirit of Indonesian democracy was reflected in the implementation of the new Press Law in 1999, which was more liberal and free from government control than the old law. In Chapter 4, we saw that although the former Press Act of 1966 explicitly guaranteed freedom of the press as a citizens’ rights, the

1982 amendment of the Press Act stated that two mandatory permits were required in order to establish a media business (Chapter 13, Article 5), one from the Department of Information and the other from the military security authority. After the dismissal of the Department of Information and the implementation of the new law, those permits were abolished. Furthermore, the 1999 Press Law also dealt with disputes about press coverage by acknowledging the right to reply and the right of correction. The Law confirmed the legitimacy of the journalistic code of ethics (Article 7, Paragraph 2) as an alternative to state regulations that hindered the freedom of the press. The Law supported self-regulation of the press and the media by empowering the Press Council as an independent institution. The Indonesian Press Council was established in 1968 under Sukarno's guided democracy, but its role has been shifting over time. A detailed discussion about the Press Council and its changing roles in Indonesia will be provided later in this chapter.

The obstructive 1982 Press Law was replaced by the more liberal 1999 Press Law, which abolished publishing licences and supported the establishment of an independent Press Council to mediate over public complaints against the media. Another Indonesian media law media was initiated in 2002. The 2002 Broadcast Law had been a long time coming, as television had been deregulated since 1989 by "an ad hoc series of decrees issued by the Department of Information and the quasi-autonomous Television Foundation which managed the channel on a day-to-day basis" (Kitley, 1996, p.76). However, it is not Indonesia's first Broadcast Law. In 1997, President Suharto had signed the 1997 Broadcast Law, after the bill had sat on his desk for six months before it was sent back to the parliament for adjustment (Kitley, 2008; Sen & Hill, 2000). The Bill was actually proposed in 1989 and was promised to be sent to Parliament by December 1993. However, only in 1996, Minister of Information Harmoko presented the law to the Indonesian parliament for discussion (Kitley, 1996; Wardhana, 2001). Kitley (1996) identified the authoritarianism of the Indonesian government as the reason behind the seemingly endless postponing of the bill:

For as long as things such as licence conditions are vague, and remained uncoded, the regime has greater scope for managing development in its own interests, without close scrutiny and without a strict regime of accountability (p. 76).

In the period 1989–1995, private television stations were dominated by Suharto’s family and cronies. This explains why Suharto refused to sign Indonesia’s first Broadcast Bill after parliament had approved it. The Bill’s rule that no station would transmit to more than 50 percent of the national population was disadvantageous to Suharto’s family and cronies (Sen & Hill, 2000, p. 113). This was the first time Suharto had returned a Bill for adjustment. Nevertheless, when the Bill was signed in 1997, there were at least two significant changes for the television sector (Kitley, 1996). First, the Bill permitted the state-owned channel TVRI to gain revenue from advertising, sponsorships and unspecified approved activities (Article 10 Paragraph 7). Second, in spite of being subject to separate licence requirements and remaining state control, private television and radio stations were authorised to produce and broadcast news programs (Article 40 Paragraphs 1 and 5).

Following the collapse of Suharto’s authoritarian New Order in 1998, some broadcast regulations changed significantly. One example of a rigorous change was the dismissal of the Ministry of Communication and Information, which was formerly authorised to issue publication permits. However, it did not make the press unregulated. In a democratic country such as post-New-Order Indonesia, media regulations remain relevant, as we will discuss in the following section.

5.2.2 Why Regulate the Broadcast Media?

Previous studies in communications have shown the importance of the media in influencing people and political systems within society. The agenda-setting theory, for example, emphasises that what we judge as important is what the media judges as important (McCombs & Shaw, 1972). I argue that the broadcast media has distinct characteristics that require high regulation. The first reason why the broadcast media

needs to be regulated is that, unlike the print media, it utilises the electromagnetic spectrum to distribute its content. According to Michael Buckley (2007, p. 825), the spectrum,

... as a distribution medium, [it] is ubiquitously available; no initial investment is required to create it. In addition, while there is equipment cost associated with the effective transmission of broadcast signals, those costs are not prohibitive.

Similar to land and water, the electromagnetic or radio-frequency spectrum is limited. The limitations to the radio-frequency spectrum are the second reason for broadcast media regulation, as explained by the scarcity theory.

The scarcity theory explains that although the spectrum is readily available to all who want to use it, it can only support a finite number of broadcasters (Buckley, 2007, p. 825). As the electromagnetic spectrum can only serve a limited number of broadcasters, the government must make a selection (Dominick, 2004, p. 226). The theory acknowledges that the spectrum is a valuable resource that should not be owned privately, as “the interest in controlling spectrum use is often tied to the fact that it gives its controlling entity a powerful vehicle for communicating information” (Buckley, 2007, p. 824). It is no coincidence that in non-democratic countries the ownership of the media is in the hands of the government, which can fully control the radio-frequency spectrum. In Indonesia, the New Order government monopolised the broadcast media through TVRI before deregulation in 1989. But even after the deregulation, broadcast licences were only granted to Suharto’s inner circle.

In Indonesia’s new democracy, the government treats broadcast media organisations as trustees of the public and imposes special obligations on them, such as providing equal broadcasting time to candidates for public office (Rianto et al., 2012, p. 5). Once a permit for using a portion of the radio frequency spectrum is granted, the organisation has the exclusive right to control the frequency for a certain period. As explained in Chapter 2, in democratic countries, one way to avoid the abuse of the public domain and to make sure that the frequency is used to serve public interests is by regulating the

broadcast media. Some scholars argue that the broadcast industry, because of its critical role in society, should be regulated differently from other businesses and should not rely upon the free market paradigm, as “its products are not widgets or toasters; they are culture, information, ideas, and viewpoints” (Croteau, 2003, in Smith, 2009, p. 399). For the purpose of guarding the usage of the radio frequency spectrum, national regulatory bodies have been set up, such as the Federal Communications Commission (FCC) in the US, the Australian Communications and Media Authority (ACMA) in Australia, and the Independent Communication Authority of South Africa (ICASA).

Another argument for regulation of the broadcast media is put forward by the pervasive presence theory, as explained by Joseph R. Dominick (2004):

The pervasive presence theory holds that broadcasting is available to virtually all of the population and, once the TV or radio set is turned on, offensive messages can enter the home without warning, reaching both adults and children. This situation is fundamentally different from encountering an offensive message in public forum. ... You should not expect to encounter unwanted offensive messages at home (pp. 226–227).

According to this theory, people are entitled to some protection from the core intrusiveness of broadcasting. This protection can be offered in the form of media regulations by the government.

As I mentioned before in this chapter, the attempts to regulate the broadcast sector in Indonesia started in the New Order era and have continued under Suharto’s successors. In 1997, President Suharto created legal history by sending Indonesia’s first broadcasting bill back to the lower house (DPR) for some “improvements” (Kitley, 2008, p. 354). However, the 1999 amendment to the Constitution after *Reformasi* strengthened legislative power in parliament. Even without the assent of then President Megawati Sukarnoputri, the DPR was able to ratify the Bill in 2002.

5.2.3 The 2002 Indonesian Broadcasting Law

Compared to the 1997 Broadcasting Law, the 2002 Law is more democratic as it acknowledges the existence of public broadcasting institutions and community broadcasting institutions. Public and community broadcasters are important for ensuring the diversity of content in the marketplace of ideas. The law also demonstrates the willingness of the government to protect the needs of minorities and marginalised groups. Rianto et al. (2012) point out three more reasons why the 2002 Broadcast Law can be considered democratic.

First, the Law, especially Article 18,⁴⁴ restricts the ownership of private broadcasting institutions. This restriction is meant to safeguard the democratic ideal of the diversity of media outlets. If the media outlets are controlled by only a handful of owners, they can be used as a tool to shape public opinion in accordance with the owners' political interests (Rianto et al., 2012, p. 2). In various parts of the world, relaxation of ownership regulations has resulted in declining competition, decreasing content diversity, and lower quality (and quantity) of locally produced programming (Croteau, 2003, p. 1). Rules on the concentration of ownership are provided in Article 18. For example, it prohibits undue concentration of ownership and various forms of cross-ownership over commercial radio and television, or over a commercial broadcaster and a print media outlet. Article 30 of the Law also prohibits foreign broadcasters and provides for KPI and the government to work out further provisions regarding foreign ownership.

Second, the Law stipulates a networked broadcast system. Unlike the centralised system, the broadcast network system not only empowers local stations, but also warrants the diversity of content through the production of local content. Paulus Widiyanto, one of the initiators of the 2002 Broadcasting Law, explains the idea behind the network system was to break down the New Order's centralised system of information. "If we have a networked broadcast system, we expect to have diversity of

⁴⁴ Article 18 paragraph (1) states that concentration of ownership and control of Private Broadcasting Institutions by one person or one legal entity, both in one broadcasting area and in several broadcasting areas, is limited.

ownership and diversity of content at once” (Widiyanto, December 2017, personal communication).

Third, according to the Law, the government is no longer acting as the single regulator for the broadcasting sector. In a democracy, the government is supposed to take the position of facilitator rather than regulator. The function of regulator is usually given to the public in the form of a quasi state-regulatory body. The Law explicitly gives a mandate to the Indonesian Broadcasting Commission (Komisi Penyiaran Indonesia, KPI) as the regulatory body of the Indonesian broadcasting sector. Table 5.1 shows in detail the spirit of democracy which is reflected in the 2002 Broadcast Law.

Table 5.1 Democratic Ideals Reflected in the 2002 Indonesian Broadcast Law

What	Where	Substance
Public regulation	Article 7	Indonesian Broadcasting Commission as the independent regulatory body which regulates the broadcasting sector in Indonesia
Networked Broadcast System	Article 6 Paragraph 3 Article 31 Article 60	The enforcement of a broadcast network system
The acknowledgement of public and community broadcasting institutions	Article 14	The affirmation of TVRI and RRI as the Indonesian Public Broadcasting Institutions
	Article 21	The establishment of Community Broadcasting institutions
The restrictions on private/capital domination	Article 18	The ownership of private broadcasting institutions is limited
	Article 31	The limitation of broadcast coverage
More space is allocated for local voices and content	Article 31 Paragraph 5	The establishment of local broadcasting stations

Source: Rianto et al. (2012, p. 28)

Based on the understanding that the radio frequency spectrum is in the public domain, the Law demands that broadcasters have a licence before they commence broadcasting (Article 33). The Law mentions that KPI first evaluates the application and decides on a recommendation for granting a licence. Then KPI and the government meet to agree on licensing, before the government issues the broadcasting licence and frequency authorisation, based on KPI's recommendation.

5.2.4 The First Resistance and Government Regulation No.50/2005

Nevertheless, the Law was not welcomed by some elements in society. In March 2003, the Television Journalists' Association (Ikatan Journalis Televisi Indonesia/IJTI), the Union of National Commercial Radio Broadcasters (Persatuan Radio Siaran Swasta Nasional

Indonesia/PRSSNI), the Union of Indonesian Advertisers (Persatuan Perusahaan Periklanan Indonesia/PPPI), the Indonesian Television Broadcasting Association (Asosiasi Televisi Siaran Indonesia/ATVSI), the Indonesian Union of Dubbing (Persatuan Sulih Suara Indonesia/Persusi) and the Indonesian Television Community (Komunitas Televisi Indonesia/Komteve) filed a petition for the partial Judicial Review of the Broadcasting Law 32/2002 by the Constitutional Court (Armando, 2016; Kitley, 2008; Rianto et al., 2012). The coalition considered the Law discriminatory with regard to area coverage arrangements because, unlike private broadcasters which must operate under the network system, the public broadcaster was entitled to have national coverage and take revenue from advertisements (Rianto et al., 2012, p. 26). They also questioned the authority of the new regulatory body, the Indonesian Broadcasting Commission (Komisi Penyiaran Indonesia/KPI). The coalition outlined in their argument No. XIII that they were “pro business,” and rejected any measure which appeared to limit the operations of a competitive broadcasting sector (Tim Judicial Review UU Penyiaran 2003:17–39 in Kitley, 2008, p. 359). Although only some of their lawsuits were granted in court, as a result of their actions KPI’s power was considerably trimmed (*dipangkas*). I will explain more about this later in this chapter.

Additionally, in 2005, the government adopted four broadcasting regulations (Government Regulation No.49-52/2005, Peraturan Pemerintah No.49–52/tahun 2005) that empowered the government, in this case the Ministry of Communication and Information, to issue licenses. The regulations also enabled the Ministry of Communication and Information to exercise control in the areas of programme content, foreign broadcasting, and ownership concentration. In an appeal to the Constitutional Court of 5 February 2006, the regulations were upheld. These developments were “sidelining KPI and restricting its role to making recommendations about the ability of an applicant to be a broadcaster (Mendel, 2010, p. 29).” One of the crucial regulations is Government Regulation No.50/2005. The ratification of this Government Regulation is a result of the enforcement of the Constitutional Court's decision on the Broadcasting Law. Although not many people pay attention, this regulation is also one of the turning

points in the development of media policy, although not in a positive way. The contents of this regulation are in contradiction with a number of points in the Broadcasting Law, especially those relating to the licensing process and the obligation to implement a networked broadcast system. In fact, it contradicts the Broadcasting Law as it allows broadcasting networks to cover a maximum of 75% of all provinces in Indonesia. In Chapter 7, the criticisms and problems with this regulation will be discussed in more detail. Table 5.2 shows a brief history of relevant Indonesian media-related law since 1966.

Table 5.2 Timeline of Indonesian-Media-Related Law

The Guided Democracy and New Order Era: 1966–1997	The Reform Era 1998–Present
UU No.11/1966 Old Press Law - Freedom of the Press as a citizens’ right is guaranteed - No censorship or bridling shall be applied to the national press - The establishment of the Press Council	UU No.40/1999 Press Law - Article 7 Paragraph 2 brings back the legitimacy of the journalistic code of ethics - The establishment of the code of ethics - No publishing licence required
UU No.4/1967 Press Law - The function of the Indonesian Press Council was to assist the government in nurturing the growth and development of the national press - The chairman of the Press Council is under the Minister of Information	UU No.32/2002 Broadcasting Law - Diversity of content and ownership are prioritised - Implementation of a broadcast network system - The establishment of the Indonesian Broadcasting Commission/KPI as the new independent regulatory body
UU No.21/1982 Press Law - The duty of the national press is to preserve and popularise the Pancasila - Chapter 13 Article 5 requires two mandatory permits for establishing a media business: one from the Department of Information, the other from the Military Security Authority	Judicial Review 2003 - The coalition accused the law of being discriminatory in terms of area coverage arrangements - They also questioned the authority of the Indonesian Broadcasting Commission/KPI - The power of KPI is restricted

UU No.24/1997 Broadcasting Bill - Article 10 Paragraph 7 permits the state-owned channel to gain revenue from advertising, sponsorships, and unspecified approved activities - Article 40 Paragraphs 1 and 5, authorises private television and radio stations to produce and broadcast news programs, subject to separate licence requirement and remaining state control	Government Regulation No.49–52/2005
	Four broadcasting regulations give power to the Ministry of Communication and Information to issue licences, control foreign broadcasting, and manage ownership concentration
	UU No.5/1999 Antimonopoly Law
	UU No.36/1999 Telecommunication Law
	UU No.11/2008 Electronic Information and Transaction (ITE) Law
	UU No.14/2008 Freedom of Information Law

Source: Author, compiled from various sources

5.3 Regulating Post-Suharto Indonesia: A New Branch of Power

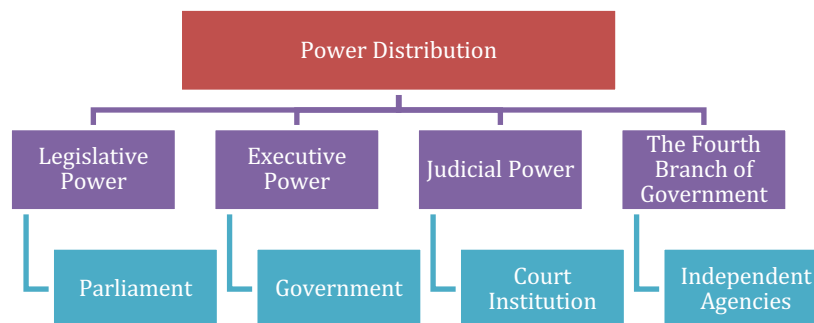
Post-Suharto Indonesia has been transforming from an authoritarian state into a democracy. The new government imposed new regulations and policies which are more in line with the spirit of democracy. Consequently, the transformation gave birth to new regulatory bodies. The 1999 Press Law, for example, gave the Press Council the mandate to act as press regulator, while the 2002 Broadcasting Law stipulated the establishment of the Indonesian Broadcasting Commission. Both of these regulatory bodies are independent agencies that operate on the basis of the principle of self-regulation.

The formation of new institutions within the state administration system is a repercussion of *Reformasi*. It demonstrates an awareness that the original branches of power are no longer able to solve all media-related problems (Arifin, 2005 in Tauda, 2012, p. 142). The original branches of power refer to Montesquieu's *Trias Politica* of legislative (the parliament), executive (the president), and judicial (the court) powers. In the Indonesian context, it was the original branches that were entangled in cases of power abuse and became a source of, rather than solution to, problems. Tauda (2012) argues that the establishment of independent agencies was the most significant process in reshaping Indonesia into a democratic state. By establishing independent agencies, Indonesia tried to adopt a system similar to other democratic countries. The American

system, for example, also contains independent agencies, such as the Federal Reserve Board (Ackerman, 2000). Yves Mény and Andrew Knapp (1998) refer to these new, independent agencies as the fourth branch of the government:

Regulatory and monitoring bodies are a new type of autonomous administration which has been most widely developed in the United States (where it is sometimes referred to as the “headless fourth branch” of the government). It takes the form of what is generally known as Independent Regulatory Commissions (Mény & Knapp, 1998, p. 281).

Graphic 5.1 shows the position of independent agencies as the Fourth Branch of the Government in Indonesia. These independent agencies are also known as independent state commissions.



Graphic 5.1 The Distribution of Power Scheme in Indonesia

Based on The Fourth Branch of the Government Theory. Source: Tauda (2012, p. 149)

Independent agencies are considered essential to guarantee democracy in post-Suharto Indonesia. These independent agencies are meant to be free from the interference of legislative, executive and judicial power, but at the same time also bear some of the same functions and characteristics (Tauda, 2012, p. 93). According to Funk and Seamon (2001, pp. 23–24), they have “quasi-legislative, quasi-executive, and quasi-judicial power.” According to Gunawan Tauda (2012, pp. 99–100), in Indonesia an independent state commission has the following characteristics: (1) The independence of such

commission/agency is explicitly stated in the Law; (2) Independent means freedom from the influence, will and control of the executive power; (3) Specific mechanisms for the dismissal and the appointment of commissioners (no political appointees) are in place; (4) The leadership is based on the principle of collectiveity and collegiality. There is an odd number of commissioners, and the decision-making process is taken by majority vote; (5) The board of commissioners is not dominated by a particular political party; (6) The tenure of office is fixed; (7) The agency/commission usually keeps the number of non-partisan commissioners balanced.

In Indonesia, examples of independent state agencies are the Press Council (Dewan Pers), the General Election Commission (Komisi Pemilihan Umum/KPU), the Corruption Eradication Commission (Komisi Pemberantasan Korupsi/KPK), the Indonesian Broadcasting Commission (Komisi Penyiaran Indonesia/KPI), and the Commission for the Supervision of Business Competition (Komisi Pengawas Persaingan Usaha/KPPU). In the following section, I will examine the four agencies that are directly relevant to the media, beginning with the Press Council.

5.3.1 The Press Council

The current Indonesian Press Council is a reformed version of the same institution established in 1968 under Suharto's New Order era. Unlike its counterparts in democratic countries which promote good standards of media practice, community access to information of public interest, and freedom of expression through the media, the former version of the Press Council functioned as an advisory body to the government on press issues (Astraatmadja, 2003; Hill, 1994; Kitley, 2000; Rianto et al, 2011). It was established by the Department of Information and chaired by the Minister of Information (1966 Press Law, Article 7, Paragraph 1). Although the 1982 Press Law slightly changed the composition of the Press Council membership by explicitly mentioning that "the members of the council consist of the representatives from press organisations and the press experts" (1982 Press Law No.21, Article 6, Paragraph 2), its function as government's advisor remained the same.

Today's version is significantly different. As one of the independent state commissions, the present Press Council was set up outside the influence, will and control of the executive power. The fundamental changes happened in 1999, when the 1999 Press Law No. 40 was issued. The structural connection between the Press Council and the government was dismissed, as then Indonesian president Abdurrahman Wahid underlined the country's need for freedom of the press by dissolving the Department of Information. Since then, the Council's Chair and Vice-Chair are no longer selected via Presidential Decree, but through the democratic mechanism of a plenary meeting. The requirements to become a Council's member are in Article 15, Paragraph 13 of the 1999 Press Law, which states that the independent members of the Press Council are elected democratically every three years. The members consist of: "(1) a journalist chosen by the journalists' organisation, (2) a head of a press company chosen by the press company organisation, and (3) community leaders, press and/or communications experts and representatives of other fields selected by the journalists organisation and the press company organisation."

The latest version of the Indonesian Press Council is different from the one under the New Order regime. According to the 1999 Press Law, Article 15, the "Press Council is established to develop freedom of the press and the existence of a national press." It also stipulates the following functions of the Council: (1) to protect freedom of the press from outside interference; (2) to conduct studies to develop the press; (3) to enact a journalistic code of ethics and control compliance with the code; (4) to give consideration and find solutions to complaints lodged by the public about press reports; (5) to develop communication between the press, the public, and the government; (6) to involve press organisations, media owners and journalists in establishing media regulations as well as to increase the quality of journalistic professionalism; (7) to gather data about media companies. Compared with the previous regulation, Article 1 of the Law has broadened the definition of the "press" from only activities of the print media to also include their broadcast counterparts. However, because of the specific character of the broadcast media, the broadcast sector has not only a separate regulation, but has

also established its own self-regulatory body. This leads us to an analysis of the second relevant independent state commission, namely the Indonesian Broadcasting Commission (Komisi Penyiaran Indonesia/KPI).

5.3.2 The Indonesian Broadcasting Commission

The Indonesian Broadcasting Commission or KPI was established in 2003 as mandated by the 2002 Broadcasting Law. Among the Commission's tasks are managing the broadcast institutions (public, private and community broadcasters) so they can operate in the spirit of democracy. According to the 2002 Broadcasting Law Article 6, the Indonesian Broadcasting Commission is established to ensure the enactment of the law in the broadcasting sector. The detailed definition of KPI can be found in Article 8, Paragraph 1, which points out that KPI is meant to facilitate public participation and represent the public interest in broadcasting. Article 8, Paragraph 2, stipulates the following tasks for the Commission: (1) to set up broadcast program standards; (2) to compose regulations and set up codes of conduct on broadcasting; (3) to monitor the implementation of regulations and codes of conduct of broadcasting as well as broadcast program standards; (4) to impose sanctions towards violations of broadcasting regulations and codes of conduct as well as broadcast program standards; and (5) to perform coordination and/or cooperation with the Government, broadcasting institutions, and the public.

Through its activities KPI is meant to contribute to the following (Article 8, Paragraph 3): (1) to safeguard the right of the public to receive sufficient and correct information; (2) to manage the infrastructure of the broadcasting sector; (3) to create fair competition among broadcasting institutions and related industries; (4) to maintain a fair, just and balanced system of information; (5) to accommodate, investigate, or follow up on public complaints, counter-statements, criticisms and appreciation related to the broadcasting practices; and (6) to plan the development of human resources that guarantee professionalism in the broadcasting sector. According to the Law's Article 9, the nine commissioners of KPI are selected through a fit-and-proper test mechanism by the

members of parliament. The commissioners have a three-year term at the office and are appointed by and accountable to the Indonesian President.

As an independent body, KPI is expected to be a neutral institution that fosters the principles of an autonomous and accountable broadcasting system. But many also feared that KPI would turn into a “superbody” that might exercise its powers beyond the initial limits of its authority. The media industry immediately took measures and brought the regulation for review to the Constitutional Court in March 2003. From the beginning, the industry had been trying to hamper, if not abolish, the implementation of the Law, especially the network-based broadcasting concept. This was reflected by the petition for partial Judicial Review of the 2002 Broadcasting Law, which was filed by the Television Journalists’ Association (Ikatan Jurnalis Televisi Indonesia/IJTI), the Union of National Commercial Radio Broadcasters (Persatuan Radio Siaran Swasta Nasional Indonesia/PRSSNI), the Union of Indonesian Advertisers (Persatuan Perusahaan Periklanan Indonesia/PPPI), the Indonesian Commercial Television Broadcasting Association (Asosiasi Televisi Siaran Indonesia/ATVSI), the Indonesian Union of Dubbing (Persatuan Sulih Suara Indonesia/Persusi) and the Indonesian Television Community (Komunitas Televisi Indonesia/Komteve) (Armando, 2016; Kitley, 2008; Rianto et al., 2012).

Only two of the 22 reviewed articles of the law were actually repealed. One of these was crucial, however, as it dealt with the role of the Indonesian Broadcasting Commission (KPI) in preparing Governmental Regulations on Broadcasting as provided in Article 62 of the Broadcasting Act. This arrangement was now considered by the Court to contradict the 1945 Constitution. As a consequence, the preparation of the Governmental Regulation on Broadcasting was to be carried out by the government without involvement of the KPI, the institution that was identified as representing the interests of the public at large according to the original legislation. The Court ruled that although the 2002 Broadcasting Law authorised the KPI to enact regulations on specific matters noted in the Act (Articles 7 and 8), regulations embodied in “government regulations” (Peraturan Pemerintah/PP) could only be implemented by the executive power, as

government regulations required the assent of the President. The Court observed that KPI as a state institution did not have the authority to perform the whole range of legislative, executive and judicial tasks. Consequently, the authority to draft government regulations had to be returned in full to the government (Kitley, 2008, p. 355).

Paulus Widiyanto, the former chief of the special committee on the 2002 Broadcast Law, admitted that the Law was indeed not perfect, as there were still many things to be described, explained and determined by the Law (Rianto et al., 2012). “It is because the discussion at that moment was to make a minimalist Law, and not a maximalist one,” he said (December 2017, personal communication). In relation to the three main clusters of media roles in democracy (see Chapter 2), Widiyanto’s explanation regarding the “minimalist” Law suggests that Indonesia’s media regime during the early post-authoritarian period tended to be in the Market-Liberal cluster. Although there was an awareness that the broadcast media needed to be regulated, regulation was to be kept at the minimum. Priority was given to the free-market mechanism with minimal intervention from the government.

When the decision was announced in July 2004, some national newspapers wrote that the KPI had its authority “trimmed” (*dipangkas*).⁴⁵ However, Lindsey (2004, p. 313) was optimistic about the new Indonesian justice system, including the Independent State Commission, by noting that “Indonesia has come so far in so few years, from such a low base.” During the early days of Indonesian democracy, the new commissions had suffered from a range of defects in their construction and operation, and yet represented a major step towards greater public accountability. And even though the Chair of KPI stated that the decision was “a small win for the market and a step backwards for democracy” (Kompas, 3 August 2004), Kitley (2008) rightly argues that the coalition had failed, as “they did not succeed in removing what they saw as the state’s unwarranted intervention in the market. On the contrary, most of the regulatory powers are now concentrated in what might easily turn out to be a predatory state

⁴⁵ On 29 July 2004, *Kompas*, *Media Indonesia* and *Koran Tempo* were using this term (Kitley, 2008, p. 361)

apparatus” (Kitley, 2008, p. 361). I argue that the outcome of the judicial review was a substantial early evidence of how the government and broadcasting media owners were unified by a common interest to eliminate the threat of control over the broadcasting media by a new institution. In Chapter 6 we will see that ten years after the judicial review, the “romantic affair” has been extended to another level. It is no longer an affair between the government and the media industry, but a conspiracy among members of the government, media industry, parliament and the Commission itself, manifested in the fit-and-proper test mechanism for the selection of KPI commissioners.

Apart from the problems with the KPI commissioner recruitment system, KPI as an independent regulatory body meant to carry the public mandate also seems to be lacking confidence. There is an impression that KPI is willing to act “friendly” with the broadcast industry and be relaxed in enforcing regulations in order to avoid the accusation of “returning to authoritarian times.” Hardly Stefano, one of the KPI commissioners interviewed, avoided my question why KPI did not dare to take firm action against television stations with broadcasts that clearly violated the Indonesian broadcasting code of conduct. “What is the guarantee that a programme that has stopped being will not be replaced by a programme that is no worse than that?,” he asked in return (Stefano, personal communication, 2017). The answer was actually not that hard. Even if the network replaces it with a worse programme, KPI has full authority to stop the programme again, until the network successfully produces a quality broadcast programme.

I also asked about the possibility of KPI's limited intervention in the prime-time belt, so that programme content could be more diverse and not dominated by, for example, only two programme genres. This question is based on public choice theory, which emphasises the regulator's limited intervention to prevent economic and political power abuse against public goods. Stefano answered: “No, I don’t think we can or want to do that. What if the television stations refuse that idea? Of course, we don't want the impression that KPI is like the new order’s ministry of communication and information” (Stefano, personal communication, 2017). Commission 1 member in the parliament,

Arief Suditomo, gave a similar answer to this question: “I think our country is not North Korea. This is not an authoritarian state. So such an intervention should not occur” (Suditomo, personal communication, 2017). Clearly, the stigma of authoritarianism and the New Order are still present, so that all forms of regulation and intervention are still very difficult to implement in proportional levels in the public interest.

In the following section, I will identify the types of broadcasting organisations in Indonesia according to the 2002 Broadcasting Law, before I examine each organisation in detail.

5.4 The Broadcast Media in Contemporary Indonesia

The 2002 Broadcasting Law (Article 13 Paragraph 2) specifies four different categories of broadcasters in Indonesia, namely Public Broadcaster (Lembaga Penyiaran Publik/LPP), Private Broadcaster (Lembaga Penyiaran Swasta/LPS), Pay Broadcaster (Lembaga Penyiaran Berlangganan/LPB) and Community Broadcaster (Lembaga Penyiaran Komunitas/LPK). The following sections will focus on the first two types of broadcaster in Indonesia, beginning with Indonesia’s public broadcaster.

5.4.1 The Indonesian Public Broadcaster: Televisi Republik Indonesia

As explained before, Television of the Republic of Indonesia (Televisi Republik Indonesia or TVRI) was the first television organisation in Indonesia. TVRI was established on 24 August 1962, following the fourth Asian Games in Jakarta. The location of the head station was in Senayan, Jakarta. TVRI was able to extend its national network in the 1970s, as a result of Indonesia’s profits gained from the oil boom. Seven regional stations were built between 1977 and 1982 (Zen, 2010).

At the start of the era of Pancasila Democracy in 1974, TVRI became a Directorate, accountable to the Director General of Radio, Television, and Film, under the Department of Information. After the fall of the New Order, TVRI was transformed several times. Under the administration of President Abdurrahman Wahid, Government Regulation or PP No. 36/2000 confirmed TVRI's status as a corporate state office under

the supervision of the Finance Ministry. A year later, the government issued PP No. 64/2001, which stipulated that TVRI would be supervised by two ministries. The Ministry of State-Owned Enterprises supervised TVRI's organisational affairs, and the Finance Ministry its financial affairs. TVRI's status changed again with Government Regulation Number 9/2002. It was turned into a PT (State Limited Liability Company) under the guidance of the Office of State Minister for State-Owned Business Agency.

Under Law No.32/2002 on Broadcasting, TVRI became a public broadcaster that was legally established by the state. Article 14 of this Law refers to Radio of the Republic of Indonesia (RRI) and Television of the Republic of Indonesia (TVRI) as Indonesia's two public service broadcasters. With their new status, the public broadcasters were expected to provide information to the public in a neutral, independent and non-commercial way. The roles of Public Service Broadcasting institutions were later described in more detail in Government Regulation (Peraturan Pemerintah) No.13/2005. This regulation refers to TVRI's duties to provide educational and entertaining information as well as to act as a form of social control over and unifier of the nation. In addition, TVRI was meant to preserve national culture for the benefit of Indonesian society. As a public broadcasting organisation, TVRI is directly accountable to the President, although the Ministry of Communication and Information, Ministry of Finance, and Ministry of Defence are also involved in some of its operations (Wahyuni, 2017, p. 195). The involvement of various ministerial partners leaves the legal status as well as the governance of TVRI and RRI as public broadcasters unclear (Masduki, 2016; Wahyuni, 2017). Their employees still have the status of government officers, while their organisational culture remains close to that of a government organisation. These factors have complicated their transformation into institutions truly supporting the public interest.

TVRI is currently equipped with a central, national station, which is supported by 13 regional stations for broadcasting, nine local production stations for supporting programmes, and 395 transmitter stations with a maximum power of 325.26 kW (Zen, 2010). In 2010, TVRI could cover 49.90 percent of Indonesia's land mass and reach 81.90

percent of the population (Zen, 2010), while its audience shares only reached 0.75 percent (The Jakarta Post, 24 August 2013). The low audience share of TVRI has been evidence of its weakness as a public broadcasting institution. Its programmes can also not compete in quality with private/commercial stations (Wahyuni, 2017, p. 195). Masduki (2016) and Sendjaja (2006) explain that TVRI's status as public broadcaster after the enactment of the 2002 Broadcast Law positions TVRI either as an incorporated company or as a public company. Apni Jaya Putra, TVRI Programming and News Director confirm this ambiguity: "It is true that based on the 2002 Law, TVRI is a Public Service Broadcaster. But its identity is actually quite complex hence it is not independent from the state. For instance, de jure, by law, it is indeed PSB, but when it comes to day-to-day operations, de facto, factually, it doesn't seem as one" (July 2019, personal communication). "In terms of budget, for example," he added, "TVRI now depends on non-tax revenue that is channelled through the Ministry of Finance, which is not in line with the Government Regulation No.13/2005⁴⁶ which states that the source of funding should come from public contributions. Apart from the funding sources, the bureaucracy to get the budget from the Ministry of Finance is also not efficient and somehow it detains our programming strategy, and even more so the creative process" (July 2019, personal communication).

As a result of its ambiguous status, TVRI has not been able to fulfil its role as a public broadcasting institution (Intani 2012). Two decades after the reform movement, the public expects the quality of TVRI's programmes to be better and freer from political and economic interests.

⁴⁶ Government Regulation No.13 /2005 Article 34 paragraphs 1 and 2 regulate TVRI funding as follows: (1) To fund activities in order to achieve the objectives, TVRI has funding sources originating from: a. broadcasting fees; b. State Budget (APBN); c. community contribution; d. ad broadcast; e. other legal business related to broadcasting operations. (2) Revenues obtained from funding sources as referred to in paragraph (1) letter a, letter c, letter d, and letter e are state revenues that are managed directly transparently to finance TVRI in accordance with the provisions of the applicable laws and regulations.

5.5 Indonesian Private Broadcasters

As a result of *Reformasi*,⁴⁷ Indonesian media industries have been expanding for the last two decades. After 32 years of tight media control under the New Order, the Department of Information, which used to be the executioner of all government media policies, was dismissed. Moreover, the more liberal Press Law was implemented, giving the media the freedom to serve the public interest without the fear of being banned. The new Press Law no longer stipulates licenses for opening media business, which has resulted in the increase in the number of media outlets shown in Table 5.3. The situation for the broadcast media has been more complicated as Indonesia did not have a broadcasting regulation before 1998. Since the main players in commercial television were Suharto's family, licenses were given without any clear mechanism or process.

Table 5.3 Indonesian Media Landscape: Number of Outlets (Under and Post-Suharto)

Media Outlet	1998	2013
Print Media	298	1,076
Radio	700	2,800
Television⁴⁸	6	11

Source: Author, data compiled from Lim, 2011; Haryanto, in Sen and Hill, 2011; Sudibyo and Patria, 2013.

Although Table 5.3 shows the number of media outlets in Indonesia has increased significantly since 1998, currently only 13 large media conglomerates control almost all of Indonesia's media channels in print, broadcast and online media (Haryanto, 2011; Lim, 2011; Nugroho, 2012; Sudibyo & Patria, 2013). Masduki (2014, p. 3) defines a conglomerate as "a large company composed of smaller companies engaged in seemingly related or unrelated business." The phenomenon of media integration which has resulted in conglomeration is a logical consequence of the profit-maximisation strategies of media organisations (see Chapter 2). Media organisations that aim for

⁴⁷ *Reformasi* or "reform" is the post-New-Order period, marked by the resignation of Suharto as President after 32 years in 1998.

⁴⁸ Here I refer only to nation-wide free-to-air terrestrial television, including TVRI, and exclude local television and pay television.

profit try to expand their economies of scale and economies of scope. Gillian Doyle (2002, p. 13) identifies the following types of media ownership concentration:

“Monomedia concentrations” (horizontal) refers to concentrated ownership within a single sector of activity. “Cross-media concentrations” reflect either vertical or diagonal integration, or both. “Vertical integration” refers to common ownership across different phases in the supply chain for a media product (television program making/production and television broadcasting/distribution). “Diagonal integration” means common ownership between different media sectors (television and newspapers, or newspapers and radio).

An example of horizontal integration in Indonesia is when MNC Group expanded its ownership from one free-to-air television station, RCTI, to two other stations, TPI and GlobalTV. Bakrie Group also established the horizontal integration of two free-to-air TV stations, after it acquired Lativi (and changed its name to tvOne) from one of Suharto’s cronies, Abdul Latief, in addition to its free-to-air station ANTV. Vertical integration has been demonstrated by Elang Mahkota Teknologi (EMTEK) Group. This Group owned two free-to-air stations, SCTV and Indosiar, before it acquired Sinemart, a reputable production house of high-rating soap operas. Since the acquisition, all SCTV prime-time drama content has been produced exclusively by Sinemart. MNC Group also established its own production house and talent management agency to supply the content of its television stations. Finally, diagonal integration occurred when MNC Group, which already owned three free-to-air TV stations (RCTI, GlobalTV and TPI), integrated the news portal Okezone in their Trijaya Radio Network and their daily newspaper Seputar Indonesia. Conglomeration also occurred when the Bakrie Group established the online service VIVAnews, the Jawa Post Group created JTV, the Kompas Group established Kompas TV, and the Tempo Group set up Tempo TV. In the name of multimedia, media synergy, and media convergence, almost all media companies with sufficient capital have an interest in owning all types of media. A large media conglomerate does not necessarily have to set up a new media company when entering a new line of business. Instead, it could also acquire an existing media company. For instance, Trans Corp,

which already owned a free-to-air TV station (TransTV), took over TV7 (and later changed its name to Trans7) from Kompas Group, and also bought the existing news website Detik.com.

The Indonesian media industry has also experienced corporate diversification, as media companies have been incorporated into larger business groups that engage in a number of non-media industries, ranging from advertising and telecommunications to banking, insurance, plantations and property development. This diversification is characterised by the establishment of holding companies that oversee such businesses. Kompas Gramedia Group demonstrates all types of integration and corporate diversification expansion. Kompas Gramedia Group is the owner of a prominent and leading newspaper in Indonesia, *Kompas*, but also has a group of local newspapers, magazines, tabloids, radio stations, online portal, free-to-air network television stations and cable TV. Additionally, it owns publishing companies, book stores, production house and an event organiser company. In addition, the group has substantial interests in other businesses, including universities, tissue companies, real estate, and hotels. The other example is CT Corp, a combination of Trans Corp Group and Mega Group, both owned by Chairul Tanjung. Trans Corp manages TV stations (TransTV and Trans7), high-end boutiques (Guess, Mango, Zara, GAP), hypermarkets (Carrefour Indonesia), coffee shops (the Coffee Bean and Tea Leaf franchises), an ice cream company (Baskin Robbins), theme parks, malls, and travel agencies. Mega Group acts as a holding company for providers of financial services, such as banking, insurances and loans. The overview of media ownership presented in Table 5.4 shows the horizontal, vertical, diagonal and corporate diversification of media conglomerates in Indonesia.

Table 5.4 Major Indonesian Media Groups in 2016

Media Group– Owner	Television	Print	Radio	Online	Other
Media Nusantara Citra (MNC) Group– Hary Tanoesoedibjo	RCTI, Global TV, MNCTV, iNews TV	Seputar Indonesia Daily, Trust Magazine, Tabloid Genie, Mom and Kiddie, High End Magazine	SindoTrijaya, Global Radio, Radio Dangdut Indonesia, V Radio	Okezone.com	IT, content production and distribution, talent management, automobile industry, banking, insurance, infrastructure
CT Corp–Chairul Tanjung	TransTV, Trans7, CNN Indonesia	-	-	Detik.com	Hotel, restaurants, cafés, banking, retail mart, theme parks, venture capital, insurance
Visi Media Asia (Viva) Group–Bakrie Family	ANTV, tvOne	-	-	Vivanews.com	Telecommunications, property, metal, oil & gas, agribusiness, coal, infrastructure
Mahaka Media Group–Erik Tohir	JakTV	Republika Daily, Indonesia Daily, Golf Digest	GenFM, Delta FM, Female FM, Prambors FM, Jak FM	Republika online, Sportku.com, Jaktv.co.id 98.7genfm.co.id 101jakfm.co.id	Content provider, advertising, event organizer, marketing company
Kompas Gramedia Group–Jacob Oetama & PK Ojong	KompasTV Network	Kompas Daily, Jakarta Post Daily, Warta Kota, 11 local papers, 43 Magazines, Daily Digest	Sonora FM, Motion FM	Kompas.com Kompas.tv	Hotels, PR agencies, event organizer, university, tissue production, property company, hotels chain

Jawa Pos Group– <i>Dahlan Iskan</i>	Jawa PosTV, JTV, BatamTV, RiauTV, FajarTV, and 8 others	JawaPos, Indo Pos, Rakyat Merdeka Daily, Radar and other local papers (151 in total), Mentari, Liberty Magazines and 11 tabloids	Fajar FM	Jawapos.com	Power plant, printing plant, travel bureau
Elang Mahkota Teknologi (EMTEK) Group – <i>Sariaatmadjas Family</i>	SCTV, Indosiar, O Channel, ElshintaTV	-	Elshinta FM	Liputan6.com Kmkonline Karir.com	Property, home shopping, hospital
Bali Post Media Group (KMB)– <i>Satria Narada</i>	BaliTV and other 8 local stations	Bali Post, Bisnis Bali, Suluh Indonesia, HarianDenpost, Suara NTB, Tokoh, Lintang, Wiyata Mandala	Global KiniJani, Genta FM, and 5 others	-	-
Lippo Group–<i>Riady Family</i>	Berita Satu TV	SuaraPembangunan, Investor Daily	-	BeritaSatu.com	Property, banking, education, insurance, shopping malls, retail mart
Femina Group–<i>Pia Alisyahbana Mirta Kartohadi</i>	-	Femina, Gadis, Dewi, Ayah Bunda and 11 others	-	Femina, Ayahbunda, Gadis, Parenting online	Production house, event management, boutiques, education, printing
Media Indonesia Group–<i>Surya Paloh</i>	MetroTV	Media Indonesia Daily, Lampung Post, Borneo News	-	Media Indonesia Metrotvnews	Hotels, property, catering, oil, coal
Tempo Group– <i>Yayasan Tempo</i>	TempoTV Network	Tempo Daily, Tempo Magazine, Travelounge	-	Tempo.co	Publishing
Mugi Reka Aditama (MRA) Group–<i>Dian MS</i>	-	Cosmopolitan, Cosmogirl, Fitness and 13 others	CosmopolitanFM Hard Rock FM I-Radio TraxFM	-	Holder of several boutique brands

Source: Author, data compiled from Lim, M. 2011; Haryanto in Sen & Hill, 2011; Nugroho, 2012; Sudibyo & Patria, 2013; and media corporates' official websites

Similar to the findings of Lim (2011), a report by the Centre for Innovation Policy and Governance in 2012 came to the conclusion that Indonesian media ownership is concentrated in 12 large groups. Table 5.4 above includes 13 groups.⁴⁹ Louis Day (2006, p. 249) points out that media concentration “could result in a better product because of the pooling of economic resources,” especially if “parent companies do not intrude into the editorial decisions of their news operations” (ibid.). Demers and Merskin (quoted in Winseck, 2007, pp. 43–44) also argue that the potential for media owners to influence contents has been sharply diminished by the rise of modern corporations, including conglomerates, with “actual control resting in the hands of expert managers, with media workers relatively free to do as they please within the limits of professional standards and good business practice.”

Broadcast media outlets, in this case private television stations, have been growing since the late 1990s. As discussed elsewhere in this chapter, the ownership of the media in Indonesia remains largely in the hands of Suharto’s family and business partners. Even after Suharto stepped down, there has been little change among the players in the television business. Bambang Trihatmodjo, Siti Hardiyanti Rukmana (Suharto’s children) or Sudono Salim (Suharto’s business associate) are no longer named as major media owners in Indonesia. However, scholars like Rachmah Ida argue that the old players “appear to have maintained effective control... and it is widely rumoured, for instance, that Hary Tanoesoedibjo is just the extended hand of Bambang Trihatmojo” (Ida, 2011, p. 14). The media conglomerates shown in Table 5.4 shape the market structure of the media in post-*Reformasi* Indonesia, which is totally different from the period of TVRI’s television monopoly (1962–1989) or the early period of private broadcasting (1989–1998). In the context of this study, it is important to analyse the market structure of the Indonesian media, as the Structure Conduct Performance paradigm (see Chapter 2) suggests a connection between market structure and product types. Using the principles

⁴⁹ Lim’s (2011) “The League of Thirteen” also included the state-owned broadcaster in her list of the key Indonesian media owners. This means there were only 12 private media owners in her report. Nugroho et al. (2012) had the same number of media owners. In both lists the Bali Post Group was missing, which I have included in Table 5.4.

offered by the Industrial Organisation model, Chapter 6 will explore the market structure of the Indonesian broadcast media and its impact on the diversity of media content. To determine market structure and concentration of ownership, I will analyse not only the number of players in the Indonesian television market, but also the distribution of revenue among the players.

I will focus on the groups of conglomerates in Table 5.4, which own free-to-air private television stations with a national coverage, plus TVRI as the public broadcaster. These include the following five conglomerates: Media Nusantara Citra (which owns RCTI, MNCTV, GlobalTV, iNewsTV), Elang Mahkota Teknologi (SCTV and Indosiar), Visi Media Asia (ANTV and tvOne), CT Corp (TransTV and Trans7), and Media Group (MetroTV), and TVRI. The following sections will explore the private broadcasting conglomerates and their owners in Indonesia, starting with Media Nusantara Citra (MNC) Group.

a. Media Nusantara Citra and Hary Tanoesoedibjo

Launched on 24 August 1989, RCTI was the first commercial television station in Indonesia, owned by one of Suharto's sons, Bambang Trihatmodjo. The 1997/98 financial crisis and the end of the New Order regime caused the collapse of almost all of Suharto's family businesses. One of these companies was PT Bimantara Citra Tbk, which was the holding group of RCTI. Nearly bankrupt, PT Bimantara Citra Tbk had to gradually sell its shares of stocks to PT Bhakti Investama, owned by Hary Tanoesoedibjo. By 2002, Tanoesoedibjo owned the majority of shares, and changed PT Bimantara Citra Tbk into PT Global Mediacom Tbk (Rianto et al., 2014, p. 9). PT Global Mediacom Tbk currently holds three main businesses: content and advertising-based media under PT Media Nusantara Citra Tbk; subscription-based media under PT MNC Sky Vision Tbk; and online media.

In 2013, PT Bhakti Investama changed its name to PT MNC Investama Tbk. After obtaining a 100% share of RCTI in 2004, they also acquired PT Global Informasi Bermutu (GlobalTV) in 2005, and PT Cipta Televisi Pendidikan Indonesia (TPI, later MNCTV) in

2006. PT Media Nusantara Citra Tbk currently manages four national free-to-air TV stations: RCTI, MNCTV, GlobalTV and iNewsTV. It positions itself as the first and largest national television network in

Graphic 5.2 MNC's Organisational Structure

Source: MNC 2014 Annual Report.



Indonesia. iNewsTV was formerly known as SindoTV and SunTV Network (first launched in 2008 under the PT Sun Televisi Network corporation).

The MNC Group achieved a joined net revenue of IDR 6,665.9 billion⁵⁰ for the year 2014, which meant an increase in revenue of 2% from IDR 6,522.3 billion in 2013 (MNC Annual Report, 2014). The group's annual report stated that "the advertising revenue from FTA TV remained the largest" and "grew by 4% to IDR 5.72 trillion in 2014 from IDR 5.49 trillion in 2013." The growth in advertising revenue, according to the report, was partly linked to RCTI's 4% increase in revenues to IDR 3.34 trillion in 2014. MNCTV had a

⁵⁰ A\$1 is equivalent to approximately IDR 10,000

revenue of IDR 1.6 trillion, and GlobalTV managed to increase its revenue by 9% to IDR 927.6 billion in 2014.

Hary Tanoesoedibjo, the owner of Media Nusantara Citra (MNC) established a new party named Perindo (Partai Persatuan Indonesia, Indonesia in Unity Party) in 2015. This followed his resignation from Hanura Party after his loss as vice-presidential candidate for retired General Wiranto's bid for the presidency in the 2014 elections. Before joining Hanura Party in 2013, Tanoesoedibjo was a member of Nasdem Party (Partai Nasional Demokrat, National Democratic Party) founded and chaired by Surya Paloh, another media mogul and owner of the Media Indonesia Group (MetroTV, Media Indonesia Daily). Aburizal Bakrie, the owner of tvOne and ANTV (Visi Media Asia Group), is Chairman of the Golkar Party.

b. Elang Mahkota Teknologi and the Sariaatmadjas

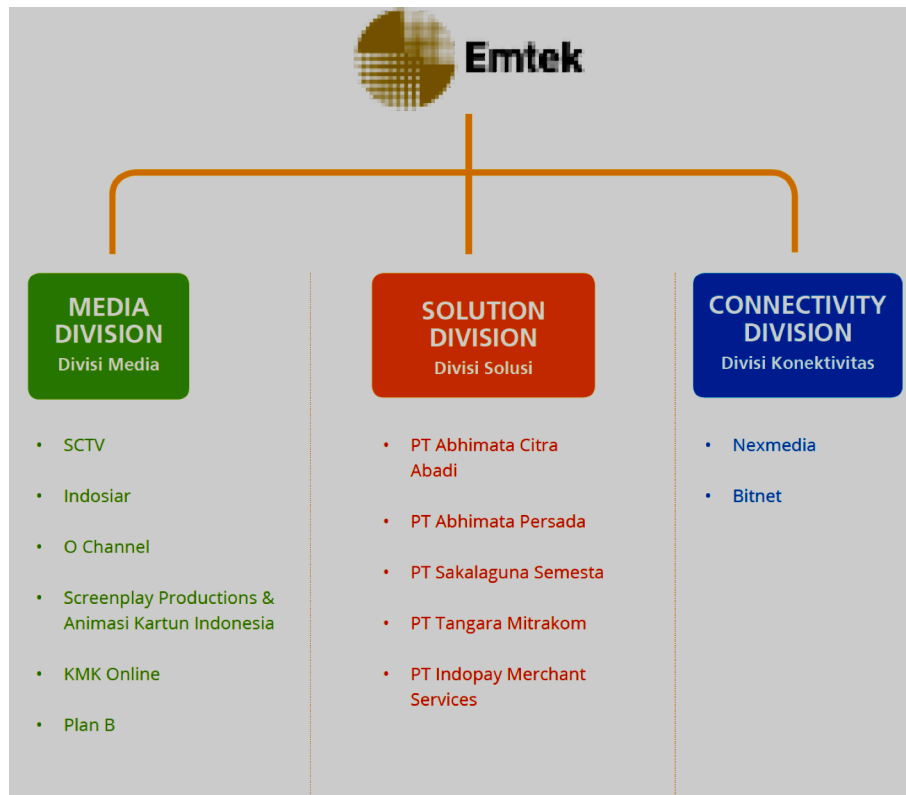
PT Elang Mahkota Teknologi (EMTEK) was previously known as PT Elang Mahkota Komputer (EMTEK Annual Report 2014), a computer equipment company established in 1983. In 1997, PT Elang Mahkota Komputer changed its name to PT Elang Mahkota Teknologi. Based on its annual financial report of June 2014, EMTEK has direct ownership over four media groups: PT Surya Citra Tbk (SCMA) (74.7% ownership); PT Omni Intivision (Omni) (99.99% ownership); PT Mediatama Anugrah Citra (MAC) (99.99% ownership); and PT Kreatif Media Karya (KMK) (99.99% ownership).

Surya Citra Media Ltd controls the national private TV station Surya Citra Televisi (SCTV), owned by the brothers Fofo and Eddy Sariaatmadja. In 2004, the brothers took over PT Bhakti Investama's shares in SCMA and PT Datakom Asia, a media and publishing group set up by Suharto's business associate Peter Gontha, Bambang Trihatmodjo, and Anthony Salim (son of Sudono Salim) from the Bimantara Group. Fofo and Eddy Sariaatmadja's Abhitama Mediatama Ltd, jointly owned with Bambang Trihatmodjo, also bought 25% of the shares owned by Henry Pribadi. This made them the principal shareholders of Surya Citra Media, the holding company of SCTV. Nevertheless,

Suharto's second daughter, Titiek Suharto, has remained a member of the SCTV shareholder board through joint shares with the Sariaatmadjas (Ida, 2011, p.16). SCMA gradually controlled 100% shares of SCTV in November 2001 and April 2002, before finally conducting a public offering in July 2002.

In 2011, EMTEK acquired Indosiar Karya Media Ltd, which owned 99.99% of the shares of Indosiar, another commercial television station. Indosiar Karya Media Ltd was established on 19 July 1991 under the name of PT Indovisual Citra Persada. Apart from running a commercial television station, this company is also active in the multimedia sector, the management and administration sector, and general trading. It began selling its shares to the public on 13 August 2004 before the acquisition of Indosiar in 2011. In 2013, Indosiar came under the direct ownership of SCMA. According to data from the Ministry of Communication and Information, SCMA is also the direct owner of 26 local television stations under the SCTV television network, and 22 local television stations under the Indosiar television network (Saptorini, personal communication, 2017). The percentage of shares owned by SCTV in those companies are between 90 and 100%.

Omni Intivision Ltd is the legal name of O-Channel, which was established on 9 August 2004. This channel focuses on urban content such as lifestyle and entertainment. It also claims to be the first local commercial channel in Jakarta. Mediatama Anugrah Citra Ltd focuses on the pay TV sector. This company controls pay TV companies in seven cities throughout Indonesia. Finally, EMTEK also owns Kreatif Media Karya Ltd, a company which runs online media (www.liputan6.com).



Graphic 5.3 EMTEK's Organisational Structure

Source: EMTEK 2014 Annual Report.

The EMTEK Group recorded a consolidated net revenue of IDR 6,552.3 billion⁵¹ in 2014, an increase of 12.6% from the revenue of IDR 5,792.5 billion in 2013 (EMTEK Annual Report, 2014). The increase in group revenue was supported by the Media Division contribution, which grew by 11.9%. The growth rate was mainly supported by Indosiar's growth of 31.6% to a total revenue of IDR 1,422.3 billion. The Media Division's 2014 revenue growth was achieved by the increase in media advertising expenditure in Indonesia. Unlike other media moguls, Eddy and Fofo Sariaatmadja have never shown interest in being politically active.

⁵¹ A\$1 is equivalent to approximately IDR 10,000

c. CT Corp and Chairul Tanjung

Another fast-growing media corporation in post-Suharto Indonesia has been CT Corporation Ltd, which is controlled by Chairul Tanjung. CT Corp was established in 1987 and fell under Para Group until 2011, whose primary business was in the banking sector. The group currently controls three business units. The first is Mega Corp, which focuses on insurance, banking, the capital market and the financial sector. The second branch is Trans Corp, which manages two nationwide TV stations, TransTV and Trans7, the online media website detik.com, as well as retail companies (Carrefour, TransMart), coffee shops (*The Coffee Bean & Tea Leaf*), ice cream franchises (*Baskin Robbins*), a hotel chain (Trans Hotel) and the distribution of global brands (*Guess, Mango, Zara, GAP*). The third is CT Global Resources, which is active in the agribusiness sector. The composition of the shareholders in each business unit is unknown, as the company is not publicly traded.



Graphic 5.4 CT Corp's Organisational Structure

Source: CT Corp official website: <https://www.ctcorpora.com/business-group.php>

The revenue and profit of CT Corp also remain unknown. However, according to its official website, CT Corp was one of the fastest growing business conglomerates in Indonesia in the period 2006–2007, due to its aggressive acquisitions as well as the organic growth of its core businesses. Its two television stations, TransTV and Trans7, generated profits equal to the profits of the rest of the television industry combined.

The CEO of CT Corp is Chairul Tanjung. It was rumoured that “Tanjung is also a front man for Salim’s business”, although he himself clarified that “he simply had some joint business with the Salim family, including several companies in Singapore” (Ida, 2011, p. 15). Tanjung is also close to former President Susilo Bambang Yudhoyono and part of Yudhoyono’s inner circle. In 2007, Tanjung managed a group of several entrepreneurs, including the well-known Indonesian business moguls Anthony Salim and James Riady, and senior government officials, involved in the launch of *Visi Indonesia 2030* (‘Indonesian Vision 2030’). In 2014, Tanjung was at the peak of his political career. On 16 May 2014, President Susilo Bambang Yudhoyono replaced Hatta Rajasa with Chairul Tanjung as the Coordinating Minister for the Economy. Rajasa proposed resignation earlier so he could run as Prabowo Subianto’s vice-presidential candidate in the 2014 presidential elections.

d. Viva Group and Bakrie Brothers

Visi Media Asia Ltd or Viva Group was established in 2007 and focuses on the media business, including broadcast media, online media, and mobile media platforms. It is owned by Aburizal Bakrie’s Bakrie Brothers. This company also owns Bakrie Telecom and Bakrie Connectivity. Bakrie Group owns three media institutions, the two nationwide private TV stations tvOne and ANTV, and the news portal vivanews.com. However, ANTV is not under the direct ownership of Visi Media Asia Ltd, but falls under Intermedia Capital Ltd, a holding focusing on trade and services (Rianto et al., 2012, p. 16). Previously known as Lativi, tvOne was once owned by businessman and Golkar Party politician, Abdul Latief. He served as Minister of Labour in the New Order era (1993–1998). Abdul Latief sold PT Lativi Media Karya in August 2006, after he was unable to repay his debt of 328 billion Rupiah to Bank Mandiri. The company was later bought by Aburizal Bakrie who was also an elite member of the Golkar Party. Under Bakrie’s ownership, the television station’s name was changed to tvOne. Both Bakrie and Latief now sit on the Board of Trustees of tvOne and the Honorary Council of Golkar.

Bakrie Brothers has a wide variety of businesses, including agribusiness, gas and oil, coal, property and infrastructure. Viva has been listed as a media convergence company on the IDX since November 2011. Based on the group's annual report, its free-to-air stations, ANTV and tvOne, had a combined audience share of 15.6% as in December 2014, while the online news portal viva.co.id generates 190-million-plus page views per month from over 16 million browsers.



Graphic 5.5 Viva's Corporate Structure

Source: Visi Media Asia official website: /

The group's 2014 revenue of IDR 2,252.7 billion⁵² was an increase of 34.5% from the IDR 1,674.4 billion revenue in 2013 (Viva Group Annual Report 2014). According to the report, the increase in revenue cannot be viewed separately from the sales of the 2014

⁵² A\$1 is equivalent to approximately IDR 10,000

FIFA World Cup in Brasil and the growth in audience share. ANTV's audience share almost doubled to 11.2% compared with 6.7% in 2013. The significant increase in audience share also resulted in an increase of ANTV's net rate card.

Aburizal Bakrie was the Social Welfare Minister under President Susilo Bambang Yudhoyono. He is also the chairperson of *Golkar*, the political party which held power throughout the New Order and which has survived as a key player in the post-Suharto political landscape. Aburizal's sons Anindya Bakrie and Ardi Bakrie are in managing positions of ANTV and tvOne. PT Cakrawala Andalas Televisi, the holding company of ANTV, repositioned its station after its creditors demanded a roll-over of its US\$157 million debt (Ida, 2011, p. 16). It was relaunched in April 2003, with a refocusing from youth to family television.

e. Media Group and Surya Paloh

It is not easy to get data related to the Media Group owned by Surya Dharma Paloh, better known as Surya Paloh. It is not listed as public company, and its website is also not as informative as those of other groups. The only information that can be found on the Media Group website is some documentation of corporate social responsibility activities carried out by this group. A relatively complete history of the Media Group business can be found in Surya Paloh's biographies *Surya Paloh—Fighting the Wave, Challenging the Storm* (2014) and *Surya Paloh the Ideologue* (2014). Paloh's business career began in 1978 with a catering business called Indocater, which would later become the core business of his business empire. Indocater became one of the most prominent catering companies in Indonesia after winning a multimillion-dollar tender for a number of national and multinational oil and mining companies, such as Pertamina, PT Arun LNG, Mobil Oil, Caltex Pacific Indonesia, Pupuk Kaltim, PT Vico, Unocal Corp and PT Freeport Indonesia (Hisyam, 2014, pp. 359–360). In 1985, Paloh saw a good opportunity to develop a press business by establishing the *Prioritas* (Priority) daily. Paloh also established and served as the CEO of the publishing company PT Sistem

Media Nusantara, with Panda Nababan as his deputy (Hisyam, 2014, pp. 366–367). The *Prioritas* daily, first published on 2 May 1986, was the first colour newspaper in Indonesia. Because it was considered too critical in covering corruption cases and government economic policies, the daily was banned on 29 June 1987 (Hill, 2006).

In 1989, Paloh took over the majority share of Media Indonesia. He served as Chief Director of the PT Media Nusa Purnama publishing company and CEO of the Media Indonesia daily (Hisyam, 2014, p. 374). He established MetroTV as the first 24-hour Indonesian news channel on 25 November 2000. The station has been on air since 1 April 2001. MetroTV broadcasts consist of 70% news, which is aired in three different languages, namely Indonesian, English and Mandarin. The other 30% consists of non-news educational programmes (Fauzan et al., 2014). PT Indocater is currently a member of the Media Group, which also includes Media Indonesia, Metro TV, Lampung Post, Sheraton Media Hotel & Towers Jakarta, Papandayan Hotel Bandung and the Bali Inter-Continental Hotel. Surya Paloh is not only the owner of Media Group, but also Chairman of the National Democratic (*Nasional Demokrat, Nasdem*) Party. He resigned from the Golkar Party after he was defeated by another media owner-cum-politician, Aburizal Bakrie, in the Golkar General Assembly of October 2009.

5.6 Indonesian Television Landscape: Ownership and Coverage Area

In this study, I also use the parameter of coverage area to explain the domination of the television stations of media conglomerates in Indonesia. As explained before, the distribution of television content mainly relies on the radio-frequency spectrum. While some frequencies can cover wider geographical area than others, “control over any portion of the broadcast spectrum provides a powerful tool through which a person or company reaches a mass audience” (Buckley, 2007, p. 826). In Indonesia, there are only twelve available frequencies that can be used for television in each designated broadcast zone. The Indonesian Broadcasting Commission data of 2012 shows that there were 1,589 applications for broadcasting licences within the period of 2007–2011. This underlines the tremendous interests of investors in this business. The limitations in

frequency allocation were the initial rationale behind the rejection of applications. In Indonesia, these limitations have not been removed with the advent of digital technology. The new digital media are also controlled by many vested interests as will be explained later.

In the United States, the ownership of television is limited by its coverage area. The law allows a business entity to cover as much as 39% of households that own a television set. According to data from *Media Scene*, Volume 23, 2012–2013, Indonesian TV stations through their dozens of relay stations could reach around 60–90% of people with access to the media. These percentages are exceeding the official limits in the US.

Mergers and acquisitions have increased the power of some media organisations and extended the reach of their transmissions (Rianto et al., 2012, p. 29). Another way to reach a greater audience is by acquiring local stations throughout Indonesia. In 2012–2013, MNC, the owner of RCTI, MNCTV and GlobalTV, had 123 transmitters, more than any other media group. Each of the private television stations under MNC had a large coverage area. RCTI could potentially reach 54% of the Indonesian population, MNCTV 52%, and GlobalTV 51%.

By acquiring Indosiar in 2011, SCMA had 76 transmitters in total. SCTV had the potential to reach 53% of the Indonesian population and Indosiar 49%. Table 5.5 shows the complete transmitter and audience figures.

Table 5.5 Coverage Area of Indonesian Free-to-air Nationwide Television

	Media Nusantara Citra/MNC Group			Elang Mahkota Teknologi/EMTEK		Visi Media Asia/VIVA Group		CT Group		Media Group
	RCTI	MNCTV	GlobalTV	SCTV	IVM	ANTV	tvOne	TransTV	Trans7	MetroTV
Number of transmitters	49	35	39	42	34	37	31	37	44	39
Total population	239,687,600									
Total population within the coverage area	81% 194,146,956									
Population within each network's coverage area	98% 191,058,319	96% 186,640,431	94% 182,264,340	97% 187,813,775	91% 176,171,869	76% 147,806,494	69% 133,405,160	82% 158,812,587	79% 152,406,060	70% 136,794,012
Potential audience (within coverage area + with access to TV)	66% 128,391,191	65% 125,422,370	63% 122,481,636	65% 126,210,857	61% 118,387,496	51% 99,325,964	46% 89,648,268	55% 106,722,058	53% 102,416,872	47% 91,925,576

Source: Media Scene Volume 23, 2012/2013, p. 55 and Rianto et al., 2014, pp. 31–32, modified by the author.

The number of transmitters, local stations and relay stations determines the broadcaster's coverage area, which also impacts on the number of viewers. Media companies like MNC, for example, are not only covering a wider geographical area, but are also reaching a broader audience than stand-alone stations. Table 5.5 demonstrates that Jakarta-based private broadcasters reach the majority of the Indonesian audience.

As mentioned earlier in this chapter, even in a neo-liberal country like the US, the ownership of the broadcast media is regulated by the Federal Communication Commission (FCC) to ensure that the media are not controlled or dominated by only a few people or groups. The FCC prohibits any mergers between the top-four national television network stations ABC, CBS, FOX and NBC. Furthermore, the FCC only allows a corporation to own two TV stations in the same broadcast area or designated market area under certain conditions: (1) if either the service areas—known as “Grade B signal contours”—of the stations do not overlap; or (2) at least one of the stations is not ranked among the top-four stations in the designated market area (based on market share), and at least eight independently owned TV stations would remain in the market after the proposed combination (FCC's Review of the Broadcast Ownership Rules). This is not the case in Indonesia as “both the government and the Indonesian Broadcasting Commission, which is charged with regulating broadcasting, seem to turn a blind eye” (Ida, 2011, p. 16). The 2002 Broadcast Law and the Government Regulation No.5 control the system of ownership and limit the concentration of media ownership. However, there are no clear rules on media ownership. The 2002 Broadcast Law, Article 18, Paragraphs 1 and 2, only state:

1. The concentration of ownership and domination of Private Broadcasting Institution by one person or legal entity in one broadcasting area or several broadcasting areas is limited.
2. Cross-ownership between a Private Broadcasting Institution that operates radio broadcasting services and a Private Broadcasting Institution that operates TV broadcasting services, between a Private Broadcasting Institution and a printed

media company, between a Private Broadcasting Institution and another Private Broadcasting Institution of different type of media, directly or indirectly, is limited.

It is unclear what “limited” means in this context, or how the concentration of ownership and cross-ownership between private broadcasters will be limited in the spirit of diversity of ownership. Furthermore, although Article 20⁵³ and Article 31 Paragraph 3⁵⁴ also regulate the ownership of the media from the standpoint of the coverage area, these regulations “have not been implemented consistently” (Hendrawan, 2015, p. 87).

5.7 Rating System

If we have witnessed many changes during this reform period compared to the New Order era, the one thing that has remained the same is the rating and share measures that are a reference to the performance of private television in Indonesia. The importance of rating and share data was conveyed by all of my interviewees, including journalists and the programming department heads or staff of private television in Indonesia. Nielsen data affect programme content, especially news programmes. According to Informant E (personal communication, 2017), who works as a programming department staff at GlobalTV:

Because of the distribution of the sample, according to Nielsen data, 70% of performance depends on the audience in Jakarta. The second largest city is Surabaya, at 18%. With a total of 11 sampling cities, we can easily close our eyes on other cities whose percentage is insignificant and only focus on Jakarta and Surabaya. Because once we take control in these two cities, we already control 88% of the market.

This logic is in line with the number of reports in news programmes which are dominated by news items from Jakarta. “Now that the composition of the rating is 70% from Jakarta, to tweak our rating score, we must broadcast a lot of news from Jakarta,” said Informant

⁵³ According to Article 20, a Private Radio Broadcasting Services and a Private TV Broadcasting Services can only operate 1 (one) program through 1 (one) channel in 1 (one) broadcast area.

⁵⁴ According to Article 31, Paragraph 3, Private Broadcasting Stations can operate programs through a networking station system with limited coverage area.

A, a senior journalist from the MNC group (personal communication, 2017). Aside from the location factor, Ray Wijaya, a former MNCTV editor-in-chief, also emphasised the importance of Nielsen research data for the programme's sustainability. "I ask the executive producer, reporter, and the person in charge of the particular programmes to pay close attention to Nielsen's data. As soon as we see that the rating and share go up, we should identify the material and provide more materials like that" (personal communication, 2017). MetroTV goes even further with Nielsen data. "Rating and share considerations are important and have a direct impact, because this figure is one of the incentive parameters" (Informant C, personal communication, 2017). What he meant by incentives is the amount of money that is paid once a month outside the regular salary, if the programme reaches the target share or rating score. "So, in a month, the number of times when the programme reaches the target is counted, then we will also know how much revenue we gain from the sales division, before the revenue will be shared with us," explained Informant C (personal communication, 2017).

The news division still refers to Nielsen rating and share data. At the same time, both the Press Council and the Indonesian Broadcasting Commission are well aware that journalistic products cannot and should not be measured like entertainment programmes or non-journalistic programmes on television. "News is part of public service. It is very unfair if news performance is seen through commercial parameters. And the industry has also never put the news programme in the prime-time belt. In fact, when we talk about public service, it must be put on prime time so that the public is well informed," said Press Council member, Imam Wahyudi (personal communication, 2017). A similar opinion was given by the Indonesian Broadcasting Commission commissioner, Mayong Suryolaksono: "It's not fair to see a news programme in terms of its cost and how much is the revenue. It is out of place for us to compare costs and revenue for a news programme to any other non-journalistic programmes. That means we abandon idealism" (Suryolaksono, personal communication, 2017). Although from the regulator's side there is full awareness of the idealism encapsulated in news or other journalistic programmes, we will see in Chapters 6

and 7 how the ratings and share numbers of Nielsen is increasingly holding Indonesia's private television in their grip.

5.8 Digitalisation: A Solution for Indonesian Television?

With the rise of digital television technology, the relevance of analogue free-to-air television has been questioned. Digitalisation involves the migration from an analogue to a digital broadcast system. Initially, it was intended to solve the problem of limited frequencies. In a digital system, one frequency canal can carry ten programme channels, while under an analogue system one frequency canal only carries one programme channel.⁵⁵ Nevertheless, the digital switch-over has not yet been implemented in Indonesia. The main problem is the issue of multiplexing. Multiplexing, sometimes called “mux,” is a technology system that allows digital signals to compress into one signal over a shared medium.⁵⁶ This allows a better use of radio frequency to transmit data, and enables broadcasting companies to offer HDTV services and more channels on a designated radio frequency band. Under the 2011 regulation, implementation of the multiplexing system requires a separation of digital broadcasting providers from broadcasting institutions, such as channels or television stations.⁵⁷ For instance, broadcasters will be responsible for tracking the conversion process to digital, while a separate company or station would only produce content.

There have been some debates over the type of mux in Indonesia. The Indonesian Private Broadcasters Association (Asosiasi Televisi Swasta Indonesia, ATVSI) demands a multi-mux system, so that the existing major broadcast companies can participate as multiplexers.⁵⁸ On the other hand, some civil society organisations and academics propose a single-mux

⁵⁵ See *Menuju Era TV Digital*, <https://www.bppt.go.id/index.php/profil/organisasi/470-menuju-era-tv-digital>. Accessed 12 February 2020.

⁵⁶ See <http://www.digitaluk.co.uk/operations/multiplexes>. Accessed 12 February 2020.

⁵⁷ See *Kebuntuan Digitalisasi Penyiaran*, <https://kompas.id/baca/opini/2019/07/26/kebuntuan-digitalisasi-penyiaran>. Accessed 12 February 2020.

⁵⁸ See *Indonesia's Digital Switchover Marked by Controversy, Conflicting Interests*, <https://jakartaglobe.id/context/indonesias-digital-switchover-marked-by-controversy-conflicting-interests/>. Accessed 12 February 2020.

system.⁵⁹ Unlike the multi-mux system, in a single-mux system, the mux that is responsible for infrastructure development should be carried out by the state so that private broadcasters do not have to compete in developing broadcasting infrastructure and can only focus on developing broadcast content. University of Indonesia scholar Pinkey Putra supports the single-mux option for Indonesia:

With this approach, all television stations simply lay content on a digital broadcasting infrastructure that broadcasters do not have. The single-mux approach will also make the frequency spectrum savings resulting in a digital bonus that can be used for the benefit of many people, namely the provision of broadband internet.⁶⁰

Apart from technical reasons, there are some concerns over an inequality of capital between the major players, which already control the Indonesian broadcast media market, and the newcomers, if the multi-mux system is chosen. According to Putra,

There will be inequality between giant broadcasters who have the capital to develop digital infrastructure with those who do not have sufficient capital. The natural pattern as desired by the Legislative Body will also make digital migration difficult to carry out simultaneously.⁶¹

This concern was also raised by the National Coalition for Broadcasting Reform (Koalisi Nasional Reformasi Penyiaran, KNRP). This coalition, which consists of approximately 160 academics and practitioners as well as 20 civil society organisations, believes that ATVSI through political parties has pressured parliament about the multiplexing issue. This would have delayed the process of the revision of the Broadcasting Law.⁶² Or in other

⁵⁹ See *Bagaimanakah Penyiaran Digital Semestinya Diatur?* <http://www.remotivi.or.id/kabar/389/Bagaimanakah-Penyiaran-Digital-Semestinya-Diatur>; KNRP Soroti Multiplexer dan Iklan Rokok di Revisi UU Penyiaran, <https://www.suara.com/news/2017/10/16/004149/knrp-soroti-multiplexer-dan-iklan-rokok-di-revisi-uu-penyiaran>. Accessed 12 February 2020.

⁶⁰ See *UI Dorong Sistem Digitalisasi Penyiaran "Single Mux"*, <http://www.harnas.co/2017/06/23/ui-dorong-sistem-digitalisasi-penyiaran-single-mux>. Accessed 12 February 2020.

⁶¹ *UI Dorong Sistem Digitalisasi Penyiaran "Single Mux,"* <http://www.harnas.co/2017/06/23/ui-dorong-sistem-digitalisasi-penyiaran-single-mux>. Accessed 12 February 2020.

⁶² See *Revisi UU Penyiaran, Lembaga Penyiaran Raksasa Diduga Bermain*, <https://nasional.tempo.co/read/1024017/revisi-uu-penyiaran-lembaga-penyiaran-raksasa-diduga-bermain>. Accessed 12 February 2020.

words, political parties chaired by media owners have used this issue to delay the revision of the Broadcasting Law. This coalition revealed that the decision to have a single-mux system was initially confirmed by voting at the level of the working committee. Five factions chose a single-multiplexer system, four factions chose a multi-multiplexer system, and one faction was not present.

However, at the plenary level, a number of factions suddenly chose to resign from the decision-making meeting. According to KNRP spokesman Bayu Wardhana, “KNRP believes that this shows an effort to deflect the direction of the Broadcasting Law to serve the interests of giant broadcasting institutions in Indonesia.”⁶³ Like the University of Indonesia, KNRP sees the choice of a single-multiplexer in digital broadcasting, whose authority is handed over to the state, as the best choice in the public interest, because

with a single-mux pattern, there will be a savings in the radio frequency spectrum for commercial broadcasting purposes, so that there will be a remaining frequency that can be used for the benefit of non-commercial broadcasting and non-broadcasting communication interests (Bayu, personal communication).

The issues of the multiplexing system and the revision of the Broadcasting Law are yet to be resolved. Observers believe the implementation of digital television in Indonesia could be stagnated for at least another five years (Kristiawan, 2019).

5.9 Conclusion

This chapter has described some crucial changes in post-authoritarian Indonesia. On the one hand, the *Reformasi* gave birth to media regulations and media-regulatory bodies which carried out the spirit of democratic reform. The 1999 Press Law and 2002 Broadcasting Law were expected to lead the Indonesian media sphere out of the darkness of the authoritarian era. Alongside the new regulations, the “new” Press Council (Dewan Pers) and the Indonesian Broadcasting Commission (Komisi Penyiaran Indonesia, KPI) were

⁶³ See KNRP Soroti Multiplexer dan Iklan Rokok di Revisi UU Penyiaran, <https://www.suara.com/news/2017/10/16/004149/knrp-soroti-multiplexer-dan-iklan-rokok-di-revisi-uu-penyiaran>. Accessed 12 February 2020.

also given power to guard democracy outside of the classic *trium politica*. On the other hand, after the fall of Suharto's New Order regime, the patterns of ownership in the television industry were changed from crony-based ownership to the reign of new media moguls. A series of merger and acquisition activities have taken place in recent years. By 2006, PT Media Nusantara Citra Tbk (MNC Group) controlled three television stations: PT Cipta Televisi Pendidikan Indonesia (TPI), Rajawali Citra Televisi Indonesia (RCTI) and PT Global Informasi Bermutu (GlobalTV). In February 2011, PT Visi Media Asia Tbk, owner of PT Cakrawala Andalas Televisi (ANTV), took over PT Lativi Media Karya (Lativi) and transformed it into tvOne. In June 2011, PT Elang Mahkota Teknologi (Emtek), owner of PT Surya Citra Media Tbk (SCTV), bought a majority stake in PT Indosiar Karya Media, the holding company of PT Indosiar Visual Mandiri (Indosiar). Additionally, I have also revealed some of the annual earnings of TV stations in order to measure the concentration of media ownership within the market.

Business groups have ultimately taken control of more than one television station. In addition to owning television stations, these business groups have also acquired or established a number of radio stations, online media and print media companies. This is known as horizontal and diagonal integration. To maximise their profits, these groups have also established or bought other business units within their chain of production, which is known as vertical integration. For instance, EMTEK group acquired Sinemart, which is the sole vendor of all television films broadcasted by SCTV, one of the free-to-air television stations under EMTEK. Corporate diversification soon followed with other, non-media business units. The conglomerates which resulted from these integrations and corporate diversifications have shaped a distinct media market structure in Indonesia, substantially different from the market structure before *Reformasi*. As demonstrated in this chapter, the issue of ownership in Indonesian television is still relevant despite the rise of the new technology of digital television.

In the next chapter, I will further investigate the market structure of Indonesian television from the perspective of source diversity, before measuring the diversity of Indonesian television content itself. I will try to answer two questions: whether Indonesian television

ownership is diverse or concentrated, and how diverse or homogenous Indonesian television content is.

Measuring Diversity of Ownership and Content in Contemporary Indonesian Television

6.1 Introduction

Chapter 5 discussed the changes in the Indonesian broadcast media that happened in the transition from the New Order period to the Reform era. The shift in the Indonesian political landscape has also shaped the media landscape and market. Under the authoritarian regime of Suharto, the government tightly controlled both the establishment of media organisations and the content of the media. The state had a monopoly over television; hence the medium delivered information that was consistent with the government's standpoints. Also, the monopoly helped the government to preserve the state ideology of Pancasila, especially after the social and political turmoil in 1965. Pancasila was presented as the country's foundation that protected the nation against communist ideology and disintegration. Suharto used the media as a tool to spread fear of communism and the Indonesian Communist Party, and to maintain his power for almost 32 years. The monopoly policy from 1966–1989 positioned TVRI as the single player in the Indonesian television market.

In 1989, the first Indonesian commercial television station—Rajawali Citra Televisi Indonesia (RCTI)—was established. President Suharto was not afraid that this new television station would be critical of the government, as it was owned by one of his own sons, Bambang Trihatmodjo. After RCTI, other new commercial stations emerged. The owners were either children or business associates of Suharto. As a result of this new development, the media landscape changed. There was no longer only one player. The programmes produced by the stations became varied and different from the programmes of TVRI when it still held a television broadcasting monopoly. Sen and Hill (2000) argue that the (owners of) the media were uncritical of Suharto and the government, or had little interest in politics, but rather focused on the business side of television. This changed

in 1998, when Suharto resigned following the economic crises and subsequent riots throughout the country. However, the ownership of the Indonesian media did not change much, as the leading players remained. Nevertheless, the Indonesian public also expected the broadcast media to follow the spirit of democratic reform.

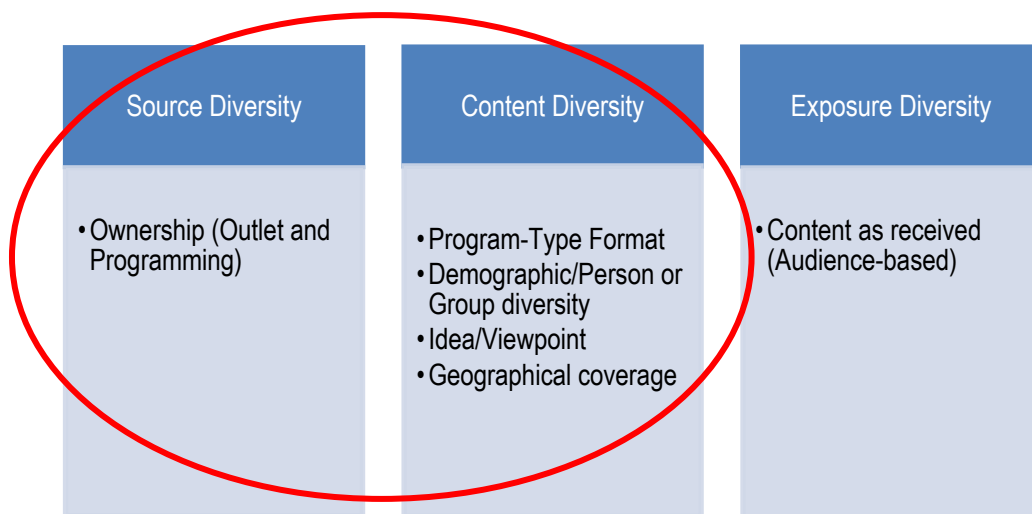
Some of the main instruments to democratise and guarantee the independence of the media were the revision of the Press Law (Undang-undang Pers 1999) and the Broadcasting Law (Undang-undang no.32 tahun 2002 tentang Penyiaran). The Broadcasting Law mandated a new independent regulatory body to safeguard the spirit of reform in the media. The Law also endorsed the principle of diversity, both in media content and ownership. Diversity of information has been one of the signifiers of democracy, replacing the one-way flow and single versions of information characteristic of the authoritarian New Order government. This chapter seeks to answer the following three key research questions: How diverse is the Indonesian television ownership?; How diverse is Indonesian television content?; Is there any correlation between ownership and content diversity from the perspective of political economy?. The chapter is divided into two major parts. The first part is about the diversity of source or ownership, which includes market structure analysis to determine whether the market is diverse or concentrated. The second part shows the results of my analysis of the diversity of media content. I will begin this chapter by revisiting the diversity components and subcomponents which are the primary focus of this study. The relevance of the Theory of the Firm and the Structure Conduct Performance Paradigm will also be unpacked before we measure the diversity of the Indonesian broadcast media.

6.2 The Diversity Components and Structure Conduct Performance Paradigm

The relevance of diversity in democracy has been presented in Chapter 3 based on the metaphor of the marketplace of ideas. Napoli (1999a), McQuail (1992) and Hoffmann-Riem (1987) identify the following primary components of media diversity, which include *source diversity*, *content diversity*, and *exposure diversity*. This research focusses on source and content diversity, or the supply side of diversity, as shown in the red circle in Figure 6.1. Napoli (1999a, p. 11) emphasises the importance of the individual components and subcomponents of diversity as well as “the relationships that have often been

Figure 6.1 Diversity Components and Subcomponents

Source: Hoffmann-Riem, 1987; Napoli, 1999, p. 10; McQuail, 1992, p. 155



assumed to exist between the categories.” Two substantial approaches in examining source and content diversity, as mentioned in Chapter 2, are the Structure Conduct Performance (SCP) paradigm and the Theory of the Firm, both rooted in the Industrial Organisation model (IO). Established within the field of economic studies, the Industrial Organisation model seeks to explain the relationship between market structure, conduct and performance.

The characteristics of market structures include market concentration, product differentiation, and barriers to entry, which directly influence the conduct of firms. The types of conduct are “pricing behaviour,” “product and advertising strategies” and “research and development,” which in turn shape the overall performance of a firm. The main characteristics of performance include production efficiency (output is produced at minimal cost), equity or fairness (income distribution effects, aimed at avoiding producers prospering at the expense of consumers), the distribution of cultural views (the media as cultural industries), and diversity of views (the democratic function of the media) (Hoskins, McFayden, & Finn, 2004, p. 150).

Scherer (1996, p. 4) argues that the SCP paradigm is useful “not only because some organising principle is necessary for such a complex field, but also because economic theory predicts systematic differences in seller’s conduct with variations in market structure.” SCP is based on the primary assumption that “market structure” (competition and concentration) is a major determinant of “product strategies” (conduct) and, consequently, of “media diversity” (performance).

Similar to Scherer’s typology is the Theory of the Firm (Hoskins et al., 2004). Also rooted in IO, it distinguishes major market structures, with four types of competition, namely perfect competition, monopolistic competition, oligopoly and monopoly. Perfect competition occurs when there are many firms and products that are homogeneous; monopolistic competition occurs when there are many firms and products that are differentiated; oligopoly competition occurs when there are few firms and products that are differentiated; and monopoly occurs when only one firm controls the industry, and product differentiation is not applicable. Scherer’s typology of market structure differs from this Theory of the Firm by categorising not four, but six different market structures, namely monopoly, multiproduct monopoly, homogeneous oligopoly, differentiated oligopoly, full (perfect) competition, and monopolistic competition.

Based on this theory, perfectly competitive firms produce identical or homogeneous products, whereas monopolistic competitors produce differentiated or heterogeneous

products. Under perfect competition, there is one industry price set by the impersonal forces of supply and demand. The implication of product differentiation under monopolistic competition, on the other hand, is that each firm enjoys some brand loyalty and hence can set its own price. The lack of barriers to entry under each of these market structures means that the entry of new firms will not permit economic profits in the long run. Oligopoly is an industry dominated by a few large firms that usually produce heterogeneous or differentiated products. Barriers to entry make it possible that economic profits will be earned in the long run as well as in the short run. Because there are only a few large producers, a change in price, output, or some other competitive action by one company will have an impact on the other companies. This forces oligopolists to practice strategic behaviour: Decisions are made only after an assessment of the likely reaction of rivals. Finally, monopoly involves, by definition, a single seller, so there are no rival firms producing close substitutes. Barriers to entry protect the monopoly position and permit the possibility of economic profits in the long run. Table 6.1 provides a summary of the major market structure and product differentiation offered by the two approaches.

Table 6.1 Market Structure Types from the Industrial Organisation Model

The Principal Seller's Market Structure Types	Number of Sellers	Products	Barrier to Entry
Pure Monopoly	One	<i>Homogeneous</i>	<i>Not Applicable</i>
Multiproduct Monopoly	One	<i>Heterogeneous</i>	<i>Not Applicable</i>
Homogenous Oligopoly	Few	<i>Homogeneous</i>	<i>Not Applicable</i>
Differentiated Oligopoly	Few	<i>Heterogeneous</i>	<i>Not Applicable</i>
Pure Competition	Many	<i>Homogeneous</i>	<i>Not Applicable</i>
Monopolistic Competition	Many	<i>Heterogeneous</i>	<i>Not Applicable</i>
Market Structure Proposed by the Theory of the Firm			
Perfect Competition	<i>Many</i>	<i>Homogeneous</i>	<i>No</i>
Monopolistic Competition	<i>Many</i>	<i>Differentiated</i>	<i>No</i>
Oligopoly	<i>Few</i>	<i>Usually Differentiated</i>	<i>Yes</i>
Monopoly	<i>One</i>	<i>Not Applicable</i>	<i>Yes</i>

Source: Hoskins, McFayden, & Finn, 2004, Scherer, 1996

The only problem with this model is the terms “few” and “many,” which are relatively vague and unclear. How to differentiate between few and many? Based on what numbers? How many is many? Nevertheless, both the Theory of the Firm and Scherer’s typologies of market structure are at the basis of IO, and they are beneficial for analysing competition (concentration) and media diversity for the following reasons: First, both theories suggest the connection between the market structure and the products of the firms, which in this research context are the broadcast (television) media companies. Second, the two models show disagreement about the nature of products, as an output strategy, produced by the firms under an oligopoly structure. The assumption that different products (either homogeneous or heterogeneous products) will be produced by an oligopoly is useful for understanding that increased competition does not always guarantee diversity of media content. This further specification justifies my research question: whether the concentrated ownership that results in specific market conditions

in Indonesian television affects the diversity of media content as a product. Using the principles offered by the IO model, the next section will explore the market structure of the Indonesian broadcast media.

6.3 The Indonesian Television Market Structure

After reviewing how the Theory of the Firm and the SCP paradigm analyse market structure, let us now apply it to the Indonesian context, in this case the Indonesian television market at different points in time. This research analyses the Indonesian television market structure from two time points: *before Reformasi* and *since Reformasi*.

6.3.1 The Indonesian Television Market before Reformasi: From Monopoly to Monopolistic Competition

The first time point of analysis of the Indonesian television market runs from 1962 to 1998. The Television of the Republic of Indonesia (TVRI) was established in 1962 under Sukarno's administration for the purpose of broadcasting the fourth Asian Games. It was meant to showcase the host of the games, Indonesia, as a newly emerging country in Southeast Asia. Under Suharto, who became de-facto President in 1965, TVRI was used as a government tool to promote the concept of diversity in unity, the state ideology of Pancasila, and anti-communism. Following the alleged coup in 1965, the Suharto government tried to control the information sources. The print media was controlled through publishing licenses. Everyone who wanted to publish a newspaper or magazine had to apply for this license with the Ministry of Communication and the Ministry of Defense. The government also decided to monopolise the television market, with TVRI as its only television station.

This monopoly situation, with only one player in the market, is clearly explained by the Theory of the Firm and the SCP paradigm. Those theories are also capable of analysing the types of products produced in the monopolistic market. When there is only a single player, the market tends to provide diversified products. This is illustrated by the different

types of programme genres broadcast by TVRI, from children's programmes, news, education, soaps and film to international series.

With the 1986 Open Sky policy, the business side of the television industry became more dynamic. This policy opened space for the private sector as a provider of television broadcasting, including broadcasting through satellite and cable networks (Armando, 2016; Ishadi, 2002; Kitley, 2003; Sen & Hill, 2000). The consideration at the time was economic growth, based on the following two assumptions: First, satellite television would create a new group of media consumers, resulting in an increase in the sale of television sets throughout the country. Second, the policy was issued in conjunction with a boom in various domestic businesses, which would provide advertising revenue for the media industry. Third, the policy invited national businesses to build new markets, while preventing foreign investors from entering the national television market (Sen & Hill, 2000, p. 114).

Between 1989 and 1995, the first wave of private commercial television emerged, with RCTI (1987), SCTV (1989), TPI (1990; since 2010 MNCTV), ANTV (1993), and Indosiar (1995). The five stations were bound by various regulations, including the obligation to support the 1945 Constitution, Pancasila, and national development, and to prevent broadcasts that were related to potentially sensitive issues of Ethnicity, Religion, Race and Intergroup Relations (SARA). They were not allowed to broadcast their own news programmes, but had to relay news from TVRI. They were also obliged to share a portion of their advertising revenue with TVRI. The commercial television broadcasting licenses were given to businesspeople who were family of Suharto or had other close relations with the President (Hollander et al., 2009, p. 41; Armando 2016, p.14).

As the first newcomer in the market, RCTI tried to provide different types of products. As TVRI had mainly Indonesian content, RCTI attempted to grab the audience's attention by offering imported programmes. RCTI also created different types and styles of current affairs programmes. With the arrival of SCTV, TPI, ANTV and Indosiar, the commercial television stations also tried to differentiate their programmes from each other, in order

to build their own identity as a television station and to build their own audiences. Based on the Theory of Firms and Structure Conduct Performance, the situation was one of monopolistic competition, with many players and diversified products. This situation remained at least until the start of the reform era.

6.3.2 Indonesian Television since Reformasi: from Monopolistic Competition to Oligopoly

In 1998, there was a significant change in Indonesian politics. Suharto's authoritarian regime came to an end after 32 years, and there was an effort to transform the role of the media in the spirit of democracy. New laws were issued to guarantee the independence of the media, free from the tight control of the state/government. Some restrictions were lifted. Television stations, initially owned by families and business associates of Suharto, were now free to criticise the government, function as a watchdog in the democratic system, and not merely act as the mouthpiece of the government. There were no longer publishing licenses for the print media. However, as television stations were using a frequency of the public broadcasting spectrum, they still needed to apply for a broadcast license. The significant difference was the introduction of a clear and transparent procedure in obtaining licences, compared to the earlier days when licences were granted behind closed doors and without any clear processes in place.

Five new commercial television stations entered the television market in 1999: TransTV (owned by Chairul Tanjung and CT Group), TV7 (owned by Jacob Oetama and Kompas Gramedia Group), MetroTV (owned by Surya Dharma Paloh and Media Indonesia Group), Lativi (owned by Abdul Latief, former minister under Suharto's administration, Golkar politician, and owner of hotel and mall chains) and GlobalTV (owned by the Indonesian Association of Muslim Intellectuals/ICMI). There were ten commercial television stations and one public broadcasting service (TVRI) in total. What happened to the market structure in this new era of democracy in Indonesia? While previously the Indonesian media was under the tight control of government restrictions and barriers, there was minimal intervention from the government at the start of the democratic era. The

regulations were designed to have minimal interference from the state; the professionalism of the media became the benchmark for quality. Having professional media meant giving the media to the professionals, free from government control. The market mechanism was seen as more in line with professionalism and democratic values. In accordance with the liberal-pluralist's point of view, minimal intervention from the government was considered to strengthen the media. The assessment of the performance of the media was to be determined by the public, the audience, or, in economic terms, the consumer.

One vital effect of this market mechanism strategy was that news and other television programmes were treated like any other commodities. I argue the ultimate failure of this free-from-government control system was that audiences started to be measured by ratings and share factors. This rating and share system has strongly influenced the way television programmes are made. Advertising agencies have become another influential player and have created a new kind of competition within the television market. If assessment is centred on a rating and share system, naturally all TV stations look at the same standard or reference when they create programme content or rundown/programming strategies. I will discuss the advertising factor and rating and share system later in this chapter. Now I will first review the market structure of Indonesian television using the SCP paradigm and the Theory of the Firm.

Since the mid-2000s, various television company mergers and acquisitions have happened, as I explained in Chapter 5. Hary Tanoesoedibjo, formerly Bambang Trihatmodjo's (Suharto's second eldest son) right hand, acquired GlobalTV and TPI (formerly owned by Suharto's eldest daughter, Siti Hardiyanti Rukmana or Tutut) after he controlled the majority of RCTI's shares. Since 2006, Tanoesoedibjo has controlled three free-to-air television stations under the Media Nusantara Citra Group. The media industry has followed the business logic of economies of scope and economies of scale and considers merger and acquisition logical steps for maximising profits. Aburizal Bakrie followed Tanoesoedibjo's step by acquiring Lativi, which was renamed tvOne in 2007. Under the Visi Media Asia (VIVA) group, Aburizal controls two free-to-air television

stations. Chairul Tanjung took over Kompas Gramedia's TV7 in 2008 and changed its name to Trans7. Tanjung's Trans Corp (part of CT Corp) manages two free-to-air television stations. In 2011, Kompas Gramedia launched its own network television, KompasTV, while CT Corp acquired detik.com, the leading news portal in Indonesia. Elang Mahkota Teknologi (EMTEK), which is owned by the Suryaatmadja family, acquired the free-to-air television station Indosiar from the Salim group. The EMTEK group already owned SCTV. Although there are 10 commercial television outlets, the acquisitions and mergers have shrunk the number of main television owners and companies to only five: Tanoesoedibjo with his MNC, Tanjung with his Trans Corp, Bakrie with his VIVA, The Suryaatmadjas with their EMTEK, and Paloh with his Media Indonesia Group. At the same time, with the introduction of networked television with local frequencies, new television industry players have also emerged. The Jawa Pos Group, which has local television licensing, airs Jawa Pos TV. In 2012, the Rajawali Corpora Group took over the local TV station BChannel and changed it into RTV (2014). The Indika Group, which was previously listed as one of SCTV's shareholders, took over Spacetoon's children's TV and replaced it with NET TV (2013). Some television stations switched ownership and others were aggressive in developing their businesses through the expansion of capital that was integrated horizontally, vertically and diagonally (cross-media integration).

The table and chart based on both the SCP paradigm and the Theory of the Firm suggest there are only a few key players left in the market. There are indeed many Indonesian local television stations. However, the report from Media Scene 2014–2015 shows that 93% of the total advertising spending went to the ten main television stations with a national reach. Later in this chapter, I will also measure the market structure based on the companies' revenue. While according to the SCP paradigm and the Theory of the Firm having few players can result in either diversified products or similar products, the normal tendency in the television industry is to follow audience ratings and shares. Television stations follow the trends of a specific audience segment in a particular time belt, rather than considering diversity of content for the sake of giving diverse information to the public. As audience ratings and shares are measured by only one agency (Nielsen), there is

only a single reference, and the tendency of having the same outcomes in terms of programme content is to be expected.

This chapter concentrates on measurements for the diversity of source (media structure) and, in particular, the diversity of media content in contemporary Indonesian television. Media structure that reflects the diversity of source will be dealt with in relation to market shares and competition intensity, while the analysis of content focuses on the choice between different kinds of programmes, i.e. the programme-genre diversity supplied to the viewers. Programme-genre diversity leaves several options for research. Here I follow the approach suggested by Hellman (2001) by concentrating on two separate aspects: breadth of programming and choice options between channels. The first measurement refers to the number and distribution of programme genres available on a channel (vertical diversity), whereas the second measurement concerns diversity across channels (horizontal diversity). Diversity here represents “open diversity” (van der Wurff & van Cuilenburg, 2001), or the probability of seeing different programme types. Based on the conceptual analyses by McQuail (1992) and Napoli (1999), we can identify three different ways in which the mass media can provide diversity: (1) by reflecting demographic and geographic differences in society, (2) by giving access to different ideas and points of view, and (3) by offering a wide range of choice. These dimensions of diversity will be assessed through an analysis of news programme content. The next section will first explore diversity in media structure.

6.3.3 Diversity of Source: Is the Indonesian Television Market Diverse or Concentrated?

This analysis will explore the economic conditions of the television industry in Indonesia. A total of 15 television broadcasting stations that have been classified as dominating the national advertising and audience market are studied. All of these industry players (except TVRI as a public broadcaster) belong to eight media ownership groups, namely: Global Mediacom Group including MNC Group (RCTI, GlobalTV, MNCTV, iNews TV), Elang Mahkota Teknologi Group including Surya Citra Media Group (SCTV, Indosiar), Asia Media Vision Group including Intermedia Capital (ANTV, tvOne), Trans Media Group or CT Corp

(TRANS TV, TRANS7), Media Group (METRO TV), Kompas Gramedia Group (Kompas TV), Rajawali Corporation Group (RTV), and Indika Group (NET).

I will use the Structure Conduct Performance (SCP) approach to analyse source diversity and media content diversity. As explained in Chapters 3 and 5, the SCP approach is based on the assumption that “market structure” (competition and concentration) is a major determinant of “product strategies” (conduct) and, consequently, of “media diversity” (performance) (Albarran, 2002; Albarran & Dimmick, 1996; Young, 2000; Wirth & Bloch, 1995). In this case, the relevant market refers to the television market, particularly Indonesian free-to-air commercial television with a national coverage. It is important to investigate the market structure of Indonesian free-to-air national television as it determines the strategies of television companies, which can affect their content diversity. This study will reveal clear connections between market structure and content diversity. The measurement models of market concentration and market competition are applied to observe the market structure of the television media industry.

Concentration Ratio measurements are used for calculating the market share of the four or eight major industry players (CR4 and CR8) (Albarran & Mierzejewska, 2004, p. 24). The media industry market consists of the audience market and advertising market (Picard, 1989). Data related to audience share and advertising income for each television station was obtained from Nielsen's recordings and Media Scene reports from 2010 to 2014. My data also includes financial performance, such as the size and growth of assets, revenue and profits, compiled from audited annual reports and company finances for the period between 2011 and 2015. I will first focus on the financial performance of three media groups before analysing the audience share and advertising revenue of each television company. The top players in the Indonesian media market, whether based on the league of thirteen (Lim, 2003) or the big eight (Tapsell, 2019), have remained the same. Among them are Hary Tanoesoedibjo's Media Nusantara Citra Group under the Global Mediacom holding, the Suryaatmadja's Elang Mahkota Teknologi (EMTEK) Group, and Aburizal and Anindya Bakrie's Visi Media Asia Group. Tables 6.2, 6.3 and 6.4 show the publicly listed

financial performances of Global Mediacom, Elang Mahkota Teknologi, and Visi Media Asia Group from 2011 to 2015.

Table 6.2 Financial Performance of PT Global Mediacom Tbk, 2011–2015⁶⁴

Financial Performance	2011	2012	2013	2014	2015
<i>Asset (Billion IDR)</i>	15,111.6	19,995.53	21,069.47	25,365.21	26,613.97
<i>Revenue (Billion IDR)</i>	7,162.94	8,925.42	10,019.98	10,657.15	10,572.83
<i>Profit (Billion IDR)</i>	1,163.77	1,993.49	1,029.65	1,290.01	301.50
<i>Return on Asset (%)</i>	5.16	6.50	2.94	2.77	0.26
<i>Total Liabilities to Assets</i>	0.28	0.29	0.37	0.37	0.42
<i>Net Profit Margin (%)</i>	10.88	14.55	6.19	6.60	0.66

Source: Author, compiled from the audited Annual Report of PT Global Mediacom Tbk (2011-2015)

Table 6.3 Financial Performance of PT Elang Mahkota Teknologi Tbk, 2011–2015

Financial Performance	2011	2012	2013	2014	2015
<i>Asset (Billion IDR)</i>	7,135.05	10,177.89	12,825.63	19,888.68	17,500.27
<i>Revenue (Billion IDR)</i>	4,136.53	4,681.03	5,792.49	5,983.94	4,783.00
<i>Profit (Billion IDR)</i>	738.04	1,029.49	1,473.53	1,488.85	1,821.72
<i>Return on Asset (%)</i>	8.50	7.80	8.00	5.50	7.60
<i>Total Liabilities to Assets</i>	0.33	0.23	0.27	0.18	0.12
<i>Net Profit Margin (%)</i>	14.70	16.90	17.80	18.30	20.70

Source: Author, compiled from the audited Annual Report of PT Elang Mahkota Teknologi Tbk (2011-2015)

Table 6.4 Financial Performance of PT Visi Media Asia Tbk, 2011–2015

Financial Performance	2011	2012	2013	2014	2015
<i>Asset (Billion IDR)</i>	2,417.60	2,993.40	5,303.08	6,156.44	6,206.14
<i>Revenue (Billion IDR)</i>	992.60	1,214.40	1,674.37	2,272.68	2,108.74
<i>Profit (Billion IDR)</i>	26.30	72.90	105.79	173.47	-482.29
<i>Return on Asset (%)</i>	0.10	2.40	1.99	2.34	-8.25
<i>Total Liabilities to Assets</i>	0.34	0.44	0.61	0.57	0.65
<i>Net Profit Margin (%)</i>	2.65	5.83	6.32	6.35	-24.27

Source: Author, compiled from the audited Annual Report of PT Visi Media Asia Tbk (2011–2015)

⁶⁴ A\$1 is equivalent to approximately IDR 10,000

Unfortunately, not all of the large media companies have gone public, so there are no annual financial reports for measuring their performance. Those companies also rejected my request to share their financial data with me. Besides referring to annual reports, another way to measure the market structure is by calculating the absorption of ad spending, or the ad revenue for the stations throughout the year. The data in Table 6.5 is based on the National Advertising Expenditures published in *Media Scene* from 2010 to 2014. *Media Scene* is the official guidebook to advertising media in Indonesia, published by the Indonesian Association of Advertising Companies. Each volume contains data and statistics on the growth and trends in the Indonesian advertising and media industries, gathered mainly from Nielsen Media reports as well as in-depth consumer behaviour analysis.

Table 6.5 Television Advertising Expenditures—Leading Earners⁶⁵

<i>Media</i>	<i>2010</i>		<i>2011</i>		<i>2012</i>		<i>2013</i>		<i>2014</i>	
	Mill-IDR	%	Mill-IDR	%	Mill-IDR	%	Mill-IDR	%	Mill-IDR	%
Total Television	37,675,268	100	46,021,728	100	57,214,511	100	72,998,551	100	78,340,097	100
RCTI	58,800,210	15.4	6,932,943	15.1	8,540,406	14.9	10,806,884	14.8	11,274,873	14.4
MNCTV	348,423	0.9	5,558,917	12.1	7,640,601	13.4	10,134,778	13.9	10,210,125	13.0
SCTV	5,126,692	13.6	6,474,308	14.1	7,320,390	12.8	9,669,938	13.2	9,671,157	12.3
ANTV	3,042,084	8.1	3,742,652	8.1	4,401,519	7.7	5,779,272	7.9	7,858,137	10.0
INDOSIAR	2,865,730	7.6	3,063,442	6.7	4,932,140	8.6	6,597,776	9.0	6,933,510	8.9
GLOBAL TV	3,602,488	9.6	3,464,590	7.5	4,209,189	7.4	4,776,199	6.5	6,227,810	7.9
TRANS TV	4,550,736	12.1	4,946,058	10.7	5,185,139	9.1	5,919,934	8.1	6,086,322	7.8
TRANS7	3,840,234	10.2	4,882,274	10.6	5,668,827	9.9	6,648,643	9.1	5,846,712	7.5
TVONE	2,638,563	7.0	3,323,387	7.2	3,755,405	6.6	4,954,237	6.8	5,765,797	7.4
METRO TV	1,342,622	3.6	1,584,577	3.4	1,995,935	3.5	2,363,041	3.2	3,508,083	4.5
RTV	-	-	-	-	-	-	-	-	750,191	1.0
KOMPASTV	-	-	-	-	-	-	582,219	0.8	667,272	0.9
NET	-	-	-	-	-	-	48,322	0.1	344,991	0.4
TVB	-	-	157,738	0.3	468,465	0.8	673,677	0.9	336,397	0.4
STV	-	-	156,372	0.3	311,752	0.5	611,171	0.8	330,617	0.4
BORNEO TV	-	-	-	-	-	-	78,637	0.1	326,791	0.4
KTV	-	-	-	-	-	-	556,936	0.8	324,942	0.4
MKSTV	-	-	151,597	0.3	445,484	0.8	620,588	0.9	322,273	0.4
KOMPASTV SBY	-	-	-	-	-	-	582,219	0.8	318,450	0.4
RBTB	-	-	-	-	366,555	0.6	599,675	0.8	308,706	0.4
DEWATA TV	6,540	0.0	139,199	0.3	398,727	0.7	541,343	0.7	263,915	0.3
O CHANNEL	202,946	0.5	164,219	0.4	139,062	0.2	137,332	0.2	243,091	0.3
B CHANNEL	11,001	0.0	227,599	0.5	342,018	0.6	233,146	0.3	191,484	0.2
TVRI	48,527	0.1	83,196	0.2	86,359	0.2	158,576	0.2	173,138	0.2
JAWA POS TV	78,576	0.2	67,642	0.1	56,035	0.1	47,288	0.1	36,241	0.1
SBO TV	22,184	0.1	32,446	0.1	22,696	0.0	28,735	0.0	19,074	0.1

Note: Advertising revenue is based on the Gross Rate Card
Source: Processed from Nielsen Media data published in Media Scene, 2010–2014

⁶⁵ A\$1 is equivalent to approximately IDR 10,000

6.3.3.1 HHI

To see whether the Indonesian television market is concentrated or not, I use three different kinds of measurements, namely CR4, CR8 and Herfindahl Index (HHI). The HHI market share in the US is developed in accordance with the conventional standards of the antitrust law (Compaine, 2000), which also applies to the Indonesian context. The effects of market concentration are measured by the amount of advertising revenue. Measuring ownership concentration can help to demonstrate power inequality in media market shares, which makes media competition ineffective. HHI is a widely used method, because “it reflects ... the number and size of distributions of media firms in a market industry, as well as the concentration of output (Rhodes, as quoted in Compaine, 2000, p. 558). The Herfindahl Index formula is calculated by squaring the market share for each firm (up to 50 firms) and then summing the squares. As public access to the financial data is limited, in this study, HHI is calculated by summing the square of the percentage of a commercial broadcast television company’s market share of advertising revenue. The higher the HHI, the higher the market concentration. The formula for HHI is as follows:

$$HHI = \sum_{i=1}^N s_i^2$$

N=Number of firms, S = Percentage of each firm’s market share

As an example, let's say there are four bookstores in Melbourne: Edwin's, Robert's, Vedi's and Michael's. The market shares are broken down as follows:

Edwin's 50%

Robert's 25%

Vedi's 15%

Michael's 10%

Here the HHI is: $50^2 + 25^2 + 15^2 + 10^2 = 3,450$

In a perfectly competitive market, HHI approaches zero. Let's say there are thousands of restaurants in Melbourne, but the top 50 each have 0.1% of the market share. The HHI is $0.1^2 \times 50 = 0.5$. In a monopoly where the only firm has 100% of the market share, $HHI = 100^2 = 10,000$. Thus, the HHI of a perfect duopoly is 5,000. In the US, the Justice Department uses the Herfindahl Index to decide whether a merger is good for competition in the marketplace. A market with an HHI under 1,000 is considered competitive /unconcentrated. The Justice Department is likely to scrutinise a merger in an industry with a post-merger HHI between 1,000 and 1,800 (moderately concentrated), and it will almost certain reject approval for mergers that result in a post-merger HHI exceeding 1,800 (highly concentrated). In sum, the interpretation of HHI is as follows:

HHI 0 = perfect competition market

HHI below 100 = highly competitive market

HHI below 1,000 = competitive /unconcentrated market

HHI 5,000 = perfect duopoly market

HHI between 1,000 and 1,800 = moderately concentrated market

HHI above 1,800 = highly concentrated market

HHI 10,000 = perfect monopoly market

The following measurement uses the television advertising revenue as the basis or HHI. Based on the data in Table 6.6 we can measure the HHI of the Indonesian television

market by using the market share of advertising revenue. The data from 2014 are used in this measurement.

Table 6.6 HHI Measurement of Indonesian Television Market based on Advertising Revenue

<i>Media</i>	2014		
	Market Share	%	Square
RCTI	11,274,873	14.4	207
MNCTV	10,210,125	13.0	169
SCTV	9,671,157	12.3	151.29
ANTV	7,858,137	10.0	100
INDOSIAR	6,933,510	8.9	79.21
GLOBAL TV	6,227,810	7.9	62.41
TRANS TV	6,086,322	7.8	60.84
TRANS7	5,846,712	7.5	56.25
TVONE	5,765,797	7.4	54.76
METRO TV	3,508,083	4.5	20.25
RTV	750,191	1.0	1.0
KOMPASTV	667,272	0.9	0.81
NET	344,991	0.4	0.16
TVB	336,397	0.4	0.16
STV	330,617	0.4	0.16
BORNEO TV	326,791	0.4	0.16
KTV	324,942	0.4	0.16
MKSTV	322,273	0.4	0.16
KOMPASTV SBY	318,450	0.4	0.16
RBTV	308,706	0.4	0.16
DEWATA TV	263,915	0.3	0.09
O CHANNEL	243,091	0.3	0.09
B CHANNEL	191,484	0.2	0.04
TVRI	173,138	0.2	0.04
JAWA POS TV	36,241	0.1	0.01
SBO TV	19,074	0.1	0.01
HHI	964.1		

Using HHI as a measurement tool, we can see that the HHI of the Indonesian television market based on the advertising revenue is 964.1. As the HHI is below 1,000, the Indonesian television market is considered competitive and unconcentrated. This might be accurate if we assume each

firm is owned by a different owner, as in the example of Edwin, Robert, Vedi and Michael's bookstores in Melbourne. In fact, we know that in the case of Indonesian television there are firms owned by the same company. This also shows the pitfall of the Herfindahl Index, although scholars like Hoskins, MacFayden, and Finn (2004) still consider the index more sensitive to size disparities than CR4 and CR8. HHI is indeed able to calculate the degree of market concentration, but it fails to take into account some complexities within the market, such as ownership issues. This has led me to re-organise Table 6.5 into Table 6.7 below, in which I have grouped the firms based on ownership, in this case, groups within a conglomerate. I will use the conglomerate-based data to re-measure the market concentration with HHI.

Table 6.7 Advertising Revenue in Percentage

Corporate Group			Advertising Revenue (%)				
No			2010	2011	2012	2013	2014
A	MEDIA NUSANTARA CITRA						
A.1	RCTI		15.4	15.1	14.9	14.8	14.4
A.2	MNC TV		0.9	12.1	13.4	13.9	13.0
A.3	GLOBAL		9.6	7.5	7.4	6.5	7.9
	Total		25.9	34.7	35.7	35.2	35.3
B	ELANG MAHKOTA TEKNOLOGI						
B.1	SCTV		13.6	14.1	12.8	13.2	12.3
B.2	INDOSIAR		7.6	6.7	8.6	9.0	8.9
B.3	O CHANNEL		0.5	0.4	0.2	0.2	0.3
	Total		21.7	21.2	21.6	22.4	21.5
C	VISI MEDIA ASIA						
C.1	ANTV		8.1	8.1	7.7	7.9	10.0
C.2	TVONE		7.0	7.2	6.6	6.8	7.4
	Total		15.1	15.3	14.3	14.7	17.4
D	TRANS CORP						
D.1	TRANS7		10.2	10.6	9.9	9.1	7.5
D.2	TRANS TV		12.1	10.7	9.1	8.1	7.8
	Total		22.3	21.3	19	17.2	15.3

Corporate Group		Advertising Revenue (%)					
E	KOMPAS GRAMEDIA						
E.1	KOMPAS TV		-	-	-	0.8	0.9
E.2	TVB			0.3	0.8	0.9	0.4
E.3	STV		-	0.3	0.5	0.8	0.4
E.4	MKS TV		-	0.3	0.8	0.9	0.4
E.5	KOMPAS TV SURABAYA		-	-	-	0.8	0.4
E.6	KTV		-	-	-	0.8	0.4
E.7	DEWATA TV		0.0	0.3	0.7	0.7	0.3
		Total	0.0	1.2	2.8	5.7	3.2
F	MEDIA GROUP						
F.1	METRO TV		3.6	3.4	3.5	3.2	4.5
		Total	3.6	3.4	3.5	3.2	4.5
G	TVRI		0.1	0.2	0.2	0.2	0.2
H	NET		-	-	-	0.1	0.4
I	RTV		-	-	-	-	1.0
J	RBTB				0.6	0.8	0.4
K	B CHANNEL		0.0	0.5	0.6	0.3	0.2
L	JAWA POS TELEVISI		0.2	0.1	0.1	0.1	0.1
M	SBO TV		0.1	0.1	0.0	0.0	0.1
O	BORNEO TV					0.1	0.4

Note: Advertising revenue is based on Gross Rate Card
Source: Processed from Nielsen Media data published in Media Scene, 2010-2014

Table 6.8 HHI Analysis of the Indonesian Television Market based on Advertising Revenue 2

<i>Group/Owner</i>	2014	
	%	Square
MEDIA NUSANTARA	35.3	1,246
CITRA		
ELANG MAHKOTA	21.5	462.25
TEKNOLOGI		
VISI MEDIA ASIA	17.4	302.76
TRANSCORP	15.3	234.09
KOMPAS GRAMEDIA	3.2	10.24
METRO TV- MEDIA	4.5	20.25
GROUP		
TVRI	0.2	0.04
NET	0.4	0.16
RTV	1.0	1.0
RBTV	0.4	0.16
B CHANNEL	0.2	0.04
JAWA POS TELEVISI	0.1	0.01
SBO TV	0.1	0.01
HHI		2,269

As we can see in Table 6.8, the HHI now is significantly different, after the outlets under the same ownership have been grouped together. The HHI of the Indonesian television market based on advertising revenue is 2,269, which means the market is highly concentrated. To complete the analysis of media structure, the HHI based on the audience share is presented in Table 6.9. I use the data from 2014 for consistency with my previous data measurement.

Table 6.9 Indonesian Television Audience Shares

Corporate Group		Audience Share (%)				
NO		2012	2013	2014	2015	2016
A	MEDIA NUSANTARA CITRA					
A.1	RCTI	15.5	17	14.3	15.2	17.7
A.2	MNC TV	13.4	10.8	9.1	10.3	10.4
A.3	GLOBAL	6.7	7	5.9	6.4	5.2
	Total	35.6	34.8	29.3	31.9	33.3
B	ELANG MAHKOTA TEKNOLOGI					
B.1	SCTV	14.9	15.9	16.2	14.4	11.5
B.2	INDOSIAR	9.5	8.2	11.3	12.3	11.3
	Total	24.4	24.1	27.5	26.7	22.8
C	VISI MEDIA ASIA					
C.1	ANTV	6.9	6.7	11.2	11.4	14
C.2	TVONE	3.8	4.3	4.5	3.5	3.3
	Total	10.7	11.0	15.7	14.9	17.3
D	TRANS CORP					
D.1	TRANS7	11.9	10.8	7.9	7.5	7.7
D.2	TRANS	11.2	12	10.3	7.1	5.9
	Total	23.1	22.8	18.2	14.6	13.6
E	OTHERS					
E.1	NET	0	0.7	1.5	2.9	3.2
E.2	METRO	2.1	2	2.6	2.3	1.9
E.3	RTV	0	0	0.7	1.2	1.5
E.4	KOMPAS TV	0	0	0.5	0.9	1.4
E.5	TVRI	0.9	1.2	1.3	1.3	1.2
	Total	3.0	3.9	6.6	8.6	9.2

Source: Processed from Nielsen Media Report 2012-2016

The formula for the measurement of the Indonesian television market based on audience share is:

$$\text{HHI Competition intensity} = \sum m_i^2$$

Here m_i stands for the audience share of each broadcaster. The more competitive the market, the lower the (market concentration) HHI, and vice versa. Firstly, I use the individual TV audience shares based on the 2014 data to measure the market diversity/concentration. The HHI measurement is presented in Table 6.10.

Table 6.10 HHI Measurement of Indonesian Television Market based on Audience Share

TV STATION	Audience Share	Square
<i>RCTI</i>	14.3	204.49
<i>MNC TV</i>	9.1	82.81
<i>GLOBAL TV</i>	5.9	34.81
<i>SCTV</i>	16.2	262.44
<i>INDOSIAR</i>	11.3	127.69
<i>ANTV</i>	11.2	125.44
<i>TVONE</i>	4.5	20.25
<i>TRANS7</i>	7.9	62.41
<i>TRANS</i>	10.3	106.09
<i>NET</i>	1.5	2.25
<i>METRO</i>	2.6	6.76
<i>RTV</i>	0.7	0.49
<i>KOMPAS TV</i>	0.5	0.25
<i>TVRI</i>	1.3	1.69
HHI		1,037.87

Secondly, I base the measurement on the audience share per media ownership group as presented in Table 6.11 below. The HHI based on the individual TV audience share is

1,037.87, while the HHI based on media ownership is 2,203.91. This means the media ownership factor contributes to a more concentrated media structure in audience share-based measurements. Again, the HHI result based on individual TV audience share is categorised as moderately concentrated, while using the audience share data on the basis of ownership shift the structure to highly concentrated.

Table 6.11 HHI Measurement of Indonesian Television Market based on Audience Share 2

Media Group/Station	Audience Share	square
<i>MNC GROUP</i>	29.3	858.49
<i>EMTEK GROUP</i>	27.5	756.25
<i>VISI MEDIA GROUP</i>	15.7	246.49
<i>TRANSCORP</i>	18.2	331.24
<i>NET</i>	1.5	2.25
<i>METRO</i>	2.6	6.76
<i>RTV</i>	0.7	0.49
<i>KOMPAS TV</i>	0.5	0.25
<i>TVRI</i>	1.3	1.69
HHI		2,203.91

6.3.3.2 CR4 and CR8 Measurement

The other diversity assessment focuses on calculating concentration ratios. It compares the ratio of total revenues of the principal owners, either the top four (CR4) or the top eight (CR8), with the revenue of the entire industry. The result can be interpreted this way: if the four-firm ratio is equal to or greater than 50%, or if the eight-firm ratio is equal to or greater than 75%, then the situation is considered less diverse or highly concentrated (Albarran & Dimmick, 1996, p. 44). Now let us measure the Indonesian television market structure using these ratios.

Using the data in Table 6.5, the top four earnings in 2014 are RCTI, MNCTV, SCTV, and ANTV. The CR4 based on the data is as follows:

$$\begin{aligned}
 \text{CR4} &= \frac{\text{Total Revenue of RCTI, MNCTV, SCTV, and ANTV in 2014}}{\text{Total Industry Revenue in 2014}} \times 100 \\
 &= \frac{11,274,873 + 10,210,125 + 9,671,157 + 7,858,137}{78,340,097} \times 100 \\
 &= 49.8\%
 \end{aligned}$$

The four-firm ratio (CR4) is close to 50%, suggesting a concentrated market. In addition to RCTI, MNCTV, SCTV and ANTV, the other firms in 5th to 8th places are INDOSIAR, GLOBALTV, TRANS TV and TRANS7, respectively. This means the CR8 is calculated as follows:

$$\begin{aligned}
 \text{CR8} &= \frac{\text{Total Revenue of RCTI, MNCTV, SCTV, ANTV, INDOSIAR, GLOBAL TV, TRANS, TRANS7}}{\text{Total Industry Revenue in 2014}} \times 100 \\
 &= \frac{11,274,873+10,210,125+9,671,157+7,858,137+6,993,510+6,227,810+6,086,322+5,846,712}{78,340,097} \times 100 \\
 &= 81.9\%
 \end{aligned}$$

The eight-firm ratio (CR8) is 81%, suggesting a less diverse or highly concentrated market. To complete the analysis, we also measure CR4 and CR8 for firms grouped on the basis of ownership, as shown in Table 6.12.

Table 6.12 Advertising Revenue in IDR⁶⁶

Corporate Group			Advertising Revenue in IDR				
No			2010	2011	2012	2013	2014
	Total Ad Revenue		37,675,268	46,021,728	57,214,511	72,998,551	78,340,097
A	MEDIA NUSANTARA CITRA						
A.1	RCTI		5,800,210	6,932,943	8,540,406	10,806,884	11,274,873
A.2	MNC TV		348,423	5,558,917	7,640,601	10,134,778	10,210,125
A.3	GLOBAL		3,602,488	3,464,590	4,209,189	4,776,199	6,227,810
	Total		9,751,121	15,956,450	20,390,196	25,717,861	27,712,808
B	ELANG MAHKOTA TEKNOLOGI						
B.1	SCTV		5,126,692	6,474,308	7,320,390	9,669,938	9,671,157
B.2	INDOSIAR		2,865,730	3,063,442	4,932,140	6,597,776	6,933,510
B.3	O CHANNEL		202,946	164,219	139,062	137,332	243,091
	Total		8,195,368	9,701,969	12,391,592	16,405,046	16,847,758
C	VISI MEDIA ASIA						
C.1	ANTV		3,042,084	3,742,652	4,401,519	5,779,272	7,858,137
C.2	TVONE		2,638,563	3,323,387	3,755,405	4,954,237	5,765,797
	Total		5,680,647	7,066,039	8,156,924	10,733,509	13,623,934
D	TRANS CORP						
D.1	TRANS		4,550,736	4,946,058	5,185,139	5,919,934	6,086,322
D.2	TRANS7		3,840,234	4,882,274	5,668,827	6,648,643	5,846,712
	Total		8,390,970	9,828,332	10,853,966	12,568,577	11,933,034
E	KOMPAS GRAMEDIA						
E.1	KOMPAS TV		-	-	-	582,219	667,272
E.2	TVB		-	157,738	468,465	673,677	336,397
E.3	STV		-	156,372	311,752	611,171	330,617
E.4	MKS TV		-	151,597	445,484	620,588	322,273
E.5	KOMPAS TV SURABAYA		-	-	-	582,219	318,450
E.6	KTV		-	-	-	556,936	324,942
E.7	DEWATA TV		6,540	139,199	398,727	541,343	263,915
	Total		6,540	604,906	1,624,428	4,168,153	2,563,866
F	MEDIA GROUP						
F.1	METRO TV		1,342,622	1,584,577	1,995,935	2,363,041	3,508,083
	Total		1,342,622	1,584,577	1,995,935	2,363,041	3,508,083

⁶⁶ A\$1 is equivalent to approximately IDR 10,000

G	TVRI		48,527	83,196	86,359	158,576	173,138
H	NET		-	-	-	48,322	344,991
I	RTV		-	-	-		750,191
J	RBTV		-	-	366,555	599,675	308,706
K	B CHANNEL		11,001	227,599	342,018	233,146	191,484
L	JAWA POS TELEVISI		78,576	67,642	56,035	47,288	36,241
M	SBO TV		22,184	32,446	22,696	28,735	19,074
O	BORNEO TV		-	-	-	78,637	326,791

Note: Advertising revenue is based on Gross Rate Card
Source: Processed from Nielsen Media data published in Media Scene, 2010–2014

When the firms are no longer treated as individual TV stations, but grouped in terms of ownership, the top four are MNC Group, EMTEK Group, Visi Media Asia, and Trans Corp. The top 8 are the previous groups plus Media Group, Kompas Gramedia Group, RTV, and NET.

Let us now measure the concentration ratios of the top 4 and top 8 firms, starting with CR4 and using the 2014 data from Table 6.12.

$$\begin{aligned}
 \text{CR4} &= \frac{\text{Total Revenue of MNC, EMTEK, Visi Media, and Trans Corp in 2014}}{\text{Total Industry Revenue in 2014}} \times 100 \\
 &= \frac{27,712,808 + 16,847,758 + 13,623,934 + 11,933,034}{78,340,097} \times 100 \\
 &= 89.5\%
 \end{aligned}$$

The CR4 clearly shows that the market is less diverse or more highly concentrated, as the big-four media groups of conglomerates earned 89.5% of total advertising expenditures in 2014. The top eight-firm calculation is as follows:

$$\begin{aligned}
 \text{CR8} &= \frac{\text{Total Revenue MNC, EMTEK, Visi Media, Trans Corp. Media, Kompas Gramedia, RTV, \& NET}}{\text{Total Industry Revenue in 2014}} \times 100 \\
 &= \frac{27,712,808+16,847,758+13,623,934+11,933,034+3,508,083+2,563,866+750,191+344,991}{78,340,097} \times 100 \\
 &= 98.6\%
 \end{aligned}$$

The eight-firm (CR8) ratio of the Indonesian television market also shows that the situation is less diverse or highly concentrated. The ratio shows that 98.6% of advertising expenditures in 2014, with a total value of IDR 78,340,097,000,000 went to the top-eight media groups in Indonesia. The measurements of the Indonesian television market using the HHI, CR4 and CR8 methods on the basis of the 2014 advertising revenue are summarised in table 6.13.

Ownership clearly affects the HHI measurement results of the diversity/concentration of the Indonesian television market. The HHI based on individual television stations, disregarding their ownership, and the HHI based on ownership, create totally different pictures of the market structure. The same situation applies to the measurement results using CR4 and CR8. In general, when we take into account the ownership of the Indonesian TV stations in our assessment of the diversity of sources or media structure, the results show higher concentration. Using both the HHI and Concentration Ratios methods in measuring the Indonesian television structure, the results strongly indicate a concentrated/less diverse media market. As presented in Table 6.13, the media ownership factor consistently contributes to a more concentrated media structure, both with HHI and CR measurements.

Table 6.13 Indonesian Television Market Structure 2014

Measurement Tools	Based on Individual TV Station	Based on Ownership
HHI – Advertising Revenue	964.1	2,269
HHI – Audience Share	1037.87	2,203.91
CR4	49.8%	89.5%
CR8	81.9%	98.6%

HHI Scale:
 HHI 0 = perfect competition market
 HHI below 100 = highly competitive market
 HHI below 1,000 = competitive/unconcentrated market
 HHI between 1,000 and 1,800 = moderately concentrated market
 HHI above 1,800 = highly concentrated market
 HHI 5,000 = perfect duopoly market
 HHI 10,000 = perfect monopoly market

CR4 and CR8 Scale:
 CR4 $\geq$ 50% = less diverse/highly concentrated
 CR8 $\geq$ 75% = less diverse/highly concentrated
 Or
 0% = perfect competition market
 $\leq$ 50% = low concentration
 51% - 80% = medium concentration/oligopoly
 81% - 99% = high concentration/oligopoly/monopoly
 100% = perfect concentration

6.4 Indonesian Television Content

This study deals with various levels of media content analysis. Van Cuilenburg (2007, p. 28) provides four different levels for the study of media diversity:

1. Individual information content units (e.g. a television programme), with a focus on the different preferences and opinions presented in a programme;
2. Content bundles such as a broadcasting channel, with a focus on the programme and editorial content supply as a total package by individual media outlets;
3. A specific medium (e.g. television), with a focus on the diversity of content supplied by the market;
4. Society's communications system (broadcasting) as a whole.

This research focuses on the first two levels of analysis. The first level consists of individual information content units, with a focus on news programmes. News programmes resonate in a relatively direct manner with the interests of the public. At the same time, this study will also test the independence of the media vis à vis the political agenda of

media owners by observing news programmes during the elections. The second level deals with content bundles such as a broadcasting channel, or what some scholars (Litman, 1979; Vergeer, 2005) refer to as vertical diversity or diversity within the channel. The third level concerns a specific medium, in this case television, for the analysis of the diversity of content supply on the market. Litman (1979) uses the terminology of horizontal diversity or diversity among television channels for this level.

6.4.1 *The Time Points and Indonesian Media and Politics: A Background*

Due to practical constraints, this study cannot provide a comprehensive review of all Indonesian media content. The primary sample consists of television broadcasts on the Indonesian general elections of 2014, which was the fourth general election since President Suharto resigned in May 1998 after 32 years of authoritarian rule. On 22 July 2014, the Election Commission reported that Joko Widodo defeated Prabowo Subianto by more than 8 million votes.⁶⁷ As a result, Joko Widodo became the second directly-elected president after Susilo Bambang Yudhoyono (2004–2014). These time points are relevant as “during some exceptional periods, the media are expected to be more active and provide more information to citizens.” In these circumstances, the media is “without a doubt, the most important channels for voters to inform themselves” (Aelst et al., 2012, p. 50). As most of the Indonesian media owners openly affiliate themselves with political parties, the general elections are also a relevant momentum for analysing the content of the media in relation to media ownership. In his research⁶⁸ about election campaigns during the 2001–2009 period, Indonesian Institute of Sciences (LIPI) researcher Wasito Raharjo Jati concluded that the media worked as a political propaganda machine, with the degree of affiliation with politics constantly shifting. In 2001, Jati noted, the link between

⁶⁷ 135 million people, or 70% of the registered voters, participated in the elections. See Indonesian elections 2014: Jokowi vs Prabowo. ABC News. <http://www.abc.net.au/news/2014-04-03/an-indonesia-votes-2014/5364478>. Accessed 13 February 2020.

Indonesia's 2014 national elections: a quick guide. Parliament of Australia.

http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1314/QG/IndonesiaElection_s, and Elections in Indonesia 2014. The Asia Foundation.

http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1314/QG/IndonesiaElection_s. Accessed 13 February 2020.

⁶⁸ See *Media And Political Persuasion: The Role Of Media In Indonesia Presidential Campaign 2001–2009*,

<http://ejournal.lipi.go.id/index.php/jppol/article/view/432/245>. Accessed 13 February 2020.

the media and politics was still informal, and media support in Indonesia was still “close to ideological tendencies” (Jati, 2013).

The media landscape began to change with the 2004 elections, when the media began to profile themselves as partisan media, especially in television. Ahead of the 2004 elections, the Golongan Karya Party held a convention to recruit presidential candidates. At that time, I was still working as a reporter for ANTV, a private television company owned by the Indonesian conglomerate, Aburizal Bakrie, who was also a member of the Golkar Party and convention participant. The direction in the newsroom was very clear for us. All of “Pak Ical’s” (as Aburizal Bakrie is usually called) political activities, inside and outside the convention arena, had to be covered, and aired in every ANTV news program. There were no instructions about being critical, covering both sides, or checking and balancing the information. The other convention participant was the owner of MetroTV and the Media Indonesia Daily, Surya Paloh. Like Bakrie, Paloh also used his media to win support at the presidential convention, as he confessed to Indonesian senior journalist Andreas Harsono:⁶⁹

I must honestly admit that I am using MetroTV and Media Indonesia. If it is not (the media), what else can I use? If there are journalists who are not happy, well, what can I say? It's their fault that they wanted to be a reporter on MetroTV or Media Indonesia in the first place. I don't want to be hypocritical. (Surya Paloh in Harsono, A, 2004)

Media partisanship was evident during the time of the first direct presidential elections in 2004, as Aburizal Bakrie and Surya Paloh both took advantage of their television stations (ANTV and MetroTV, respectively) to promote their attempts to become Golkar’s presidential candidate. In 2014, media partisanship became more serious. Whereas Bakrie and Paloh were affiliated with the same party in 2004, a decade later, Paloh had established his own political vehicle, *Nasdem* (National Democratic) party, whose interests

⁶⁹ See Andreas Harsono’s article here: Wartawan atau Politikus? <http://www.andreasharsono.net/2004/06/wartawan-atau-politikus.html>

were promoted by MetroTV⁷⁰ and Media Indonesia. Meanwhile, Hary Tanoesoedibjo, owner of the giant Media Nusantara Citra (MNC) Group, which controlled three television stations (RCTI, GlobalTV, MNCTV), a radio station, the *Koran Sindo* newspaper and the online publication *Okezone*, dipped his toes further into the political waters as a vice-presidential candidate for *Hanura*, not long after he had left *Nasdem*. Table 6.14 shows the map of the media owners' political parties and their political affiliations during the 2014 presidential election.

⁷⁰ Please read: KPI: Metro TV Tak Proporsional Beritakan Nasdem, <https://nasional.kompas.com/read/2014/03/18/1328152/KPI.Metro.TV.Tak.Proporsional.Beritakan.Nasdem>.

Table 6.14 The Spread of Major Television Channels and their Owner's Political Affiliations

Conglomerate	Station(s)	Other notable media interests	Owner(s)/figurehead(s)	Owner(s/'s) political affiliation 2014
Media Nusantara Citra (MNC) Group	RCTI GLOBAL TV MNCTV	Sindo newspaper, Okezone, Sindo Trijaya Radio Network, Indovision, Okevision	Hary Tanoesoedibjo	Hanura Party Red and White Coalition Supporting Prabowo Subianto-Hatta Rajasa
Elang Mahkota Teknologi (Emtek)	SCTV INDOSIAR O CHANNEL	Liputan6.com, Merdeka.com, Nexmedia, Buka Lapak	Eddy K. Sariaatmadja	No clear affiliation with political party or presidential candidate
Visi Media Asia	ANTV TV ONE	Viva.co.id	Aburizal Bakrie Anindya Bakrie	Golkar Party Red and White Coalition Supporting Prabowo Subianto-Hatta Rajasa
Media Group	METRO TV	Media Indonesia newspaper	Surya Paloh	National Democratic (Nasdem) Party Great Indonesia Coalition Supporting Joko Widodo-Jusuf Kalla

Conglomerate	Station(s)	Other notable media interests	Owner(s)/figurehead(s)	Owner(s'/'s) political affiliation 2014
CT Corp	TRANS TV TRANS 7	Detik.com, CNN Indonesia, Transvision	Chairul Tanjung	No clear affiliation with political party or presidential candidate, although Chairul Tanjung was close to President Susilo Bambang Yudhoyono (SBY) and the Democratic Party. Tanjung was also appointed by SBY as his Coordinating Minister for Economics in 2014.
Kompas Gramedia Group	Kompas TV	Kompas newspaper, The Jakarta Post, Tribun newspaper, kompas.com, tribunnews.com, K-Vision	Jakob Oetama	The Jakarta Post endorsed Joko Widodo before the 2014 election
Public Broadcaster	TVRI, RRI, Antara		Government-owned	-

Source: Author, processed and compiled from multiple sources

Indonesia held two rounds of elections in 2014. They consisted of legislative elections to choose parliament members, and presidential elections to choose the Indonesian president and vice-president. In these election contexts, I examine the contents of ten commercial television stations and one public television station at three different time points. The first period is two weeks before the legislative elections of 9 April 2014. The second period is two weeks before the presidential elections of 9 July 2014. The third period covers two randomly selected weeks in January 2015, from 15 January to 29 January 2015. This period consists of two control weeks, representing media activity in a routine situation. As the aim of this research is analysing the diversity of broadcast media content, both vertically and horizontally, I analyse the full range of genres covered by the various television outlets. The Indonesian television programmes analysed in this study were gathered from Binokular Indonesia, an agency which has been monitoring and

recording all programmes of Indonesia's 11 national television stations non-stop for 24 hours a day since 2012. In summary, my research performs quantitative and qualitative content analysis of:

1. The programming and news programmes of ten commercial televisions and one public broadcaster from 26 March to 9 July 2014. This includes the analysis of television formats and issues, the diversity of opinions in society, social groups' access to and representation on television, and geographical representation on television.
2. The programming and news programmes of ten commercial televisions and one public broadcaster from 27 June to 9 July 2014. This includes the analysis of television formats and issues, the diversity of opinions in society, social groups' access to and representation on television, and geographical representation on television.
3. The programming and news programmes of ten commercial televisions and one public broadcaster 15 to 29 January 2015. This also includes the analysis of television formats and issues, the diversity of opinions in society, social groups' access to and representation on television, and geographical representation on television.

To complete my analysis of content diversity at the levels of individual information content units (news programmes), individual channels (a television station) and across all channels, I have also performed document analysis and interviews. Table 6.15 shows the list of names of my interviewees and their attributions/capacity.

Table 6.15 List of Interviewees

LEGISLATOR			MEDIA ACTIVIST/SCHOLAR		
No	Name	Institution/Capacity	No	Name	Institution/Capacity
1	Meutya Hafid	Parliament Member— Commission 1	15	Ignatius Haryanto	Koalisi Nasional Reformasi Penyiaran— Indonesian Coalition for Broadcasting Reform
2	Arief Suditomo	Parliament Member— Commission 1	16	Muhammad Heychael	Remotivi
REGULATOR			17	Rahayu	PR2Media
3	Mayong Suryo Laksono	Indonesian Broadcasting Commission—Commissioner	18	Ahmad Junaidi	Serikat Jurnalis untuk Keberagaman (SEJUK)
4	Hardly Stefano	Indonesian Broadcasting Commission—Commissioner	19	Iman D Nugroho	Aliansi Jurnalis Independen (AJI) Indonesia
5	Imam Wahyudi	Indonesian Press Council - Member	20	Dandhy Dwi Laksono	Aliansi Jurnalis Independen (AJI) Indonesia
6	Syarkawi Rauf	KPPU—Head of Commissioner	MEDIA ORGANISATIONS - PROGRAMMING		
7		KPPU - Commissioner	21	Apni Jaya Putra	TVRI—News and Programming Director
BROADCASTING LAW CONCEPTOR			22	Doni Arianto	SCTV—Programming Department Head
8	Paulus Widiyanto	Former Parliament Member— Commission 1	23	Choiril Alam	RCTI—Programming Department Head
MEDIA ORGANISATIONS – NEWS/JOURNALIST			24	Dewi	Trans7—Programming Department Head
9	Ray Wijaya	MNCTV	25	Informant E	GTV—Programming Department
10	Endah Saptorini	SCTV	26	Informant F	TransTV—Programming Department
11	Informant A	MNC News—iNews			
12	Informant B	MNC News—RCTI			
13	Informant C	MetroTV			
14	Informant D	TV One			

6.4.2 Diversity of Content in Individual Programmes: Vertical and Horizontal Diversity

Media and non-media policy and market concentration are analysed as independent variables, and the diversity in the programme content supplied is analysed as a dependent variable. The quantitative and qualitative content analysis involves the use of coding sheets and the triangulation of findings. For content analysis, for example, my coding sheet is in accordance with the operationalisation concept and criteria of diversity. My list of seven different programme categories, derived from the categories used by public and commercial broadcast television, includes *News and Information*, *Drama*, *Non-drama*, *Entertainment*, *Religious*, *Sport*, and *Traditional Arts and Culture*. Table 6.16 presents the detailed Genres and Subgenres established in Chapter 3. Coding is used for reviewing footage and examining common patterns or phenomena of content diversity. As various

methodologies are applied in this project, triangulation is performed for verifying and validating findings.

Table 6.16 Programme Genres and Subgenres

News & Information (bulletin, feature/magazine, talk show, journalistic documentary)
Drama (foreign box office, Indonesian box office, foreign series, Indonesian series/soaps, film-format television drama/FTV, cartoon/animation/puppet)
Non-drama (reality show, non-journalistic documentary, non-journalistic talk show)
Entertainment (infotainment, quiz/games, music, variety show, talent search)
Religious (preaching—Islam, Catholic, Protestant, Buddha, Hindu, other, special festivities event)
Sport (international match, national match, international single/multi-event, national single/multi-event)
Traditional Culture and Art (Indonesian traditional performance art such as ludruk, wayang orang, wayang kulit, wayang golek, ketoprak, lenong, etc.)

Source: Author, established from Nielsen's and Indonesian Broadcasting Commission's Categorisation

I conducted my research as follows: I monitored and evaluated programmes of ten commercial TV stations and one public broadcasting service in three time points and categorised them under the programme categories. The data was recorded by using a seven-category classification: (1) news and current affairs, (2) drama, (3) non-drama, (4) entertainment, (5) religious, (6) sports, and (7) tradition and culture. I measured the length of each individual programme as a unit of analysis. The data covered six sample weeks and more than 10,000 programmes in total. I then calculated the allocation of airtime for each genre on each television station. This indicates the diversity of programmes on each channel. In total, there were 10,115 programme titles with 10,879.5 hours of total duration from the three time points that I analysed for this study. Table 6.17 contains the detailed numbers of duration and programme titles per time point and per

station. Based on the total of 10,879.5 broadcasting hours, the programme genre that dominates Indonesian television the most is drama, with eight out of eleven stations allocating most of their airtime to this genre.

Table 6.17 Duration and Numbers of Programme Titles

TV STATION	TIME POINT 1		TIME POINT 2		TIME POINT 3		TOTAL	
	Title	Duration (in hour)	Title	Duration (in hour)	Title	Duration (in hour)	Title	Duration (in hour)
SCTV	225	336	243	336	231	336	699	1,008
INDOSIAR	229	336	262	336	294	336	785	1,008
GLOBAL TV	291	336	345	336	296	336	932	1,008
MNCTV	324	336	349	336	356	336	1,029	1,008
RCTI	247	336	272	336	304	336	823	1,008
TRANS	289	313.25	291	328	290	321.25	870	962.5
TRANS7	388	321.5	350	323.5	344	318	1,082	963
ANTV	362	336	260	336	332	336	954	1008
TVONE	295	336	220	336	324	336	839	1008
METRO TV	299	336	300	336	317	336	916	1008
TVRI	395	312.5	396	287.5	395	290	1,186	890
Total	3,344	3,635.25	3,288	3,627	3,483	3,617.25	10,115	10,879.5

The distribution of genres per time point from all TV stations can be found in Chart 6.1. The programme genre broadcasted the most after drama is news and current affairs. However, we have to take into account that the main contribution to this genre comes from two 24-hours news television stations. Without including these two news stations, there is a substantial gap between the news and information genre on the one hand, and drama and entertainment genres on the other, as shown in Chart 6.2.

Chart 6.1 Duration of General Programmes and News Programmes by Genre

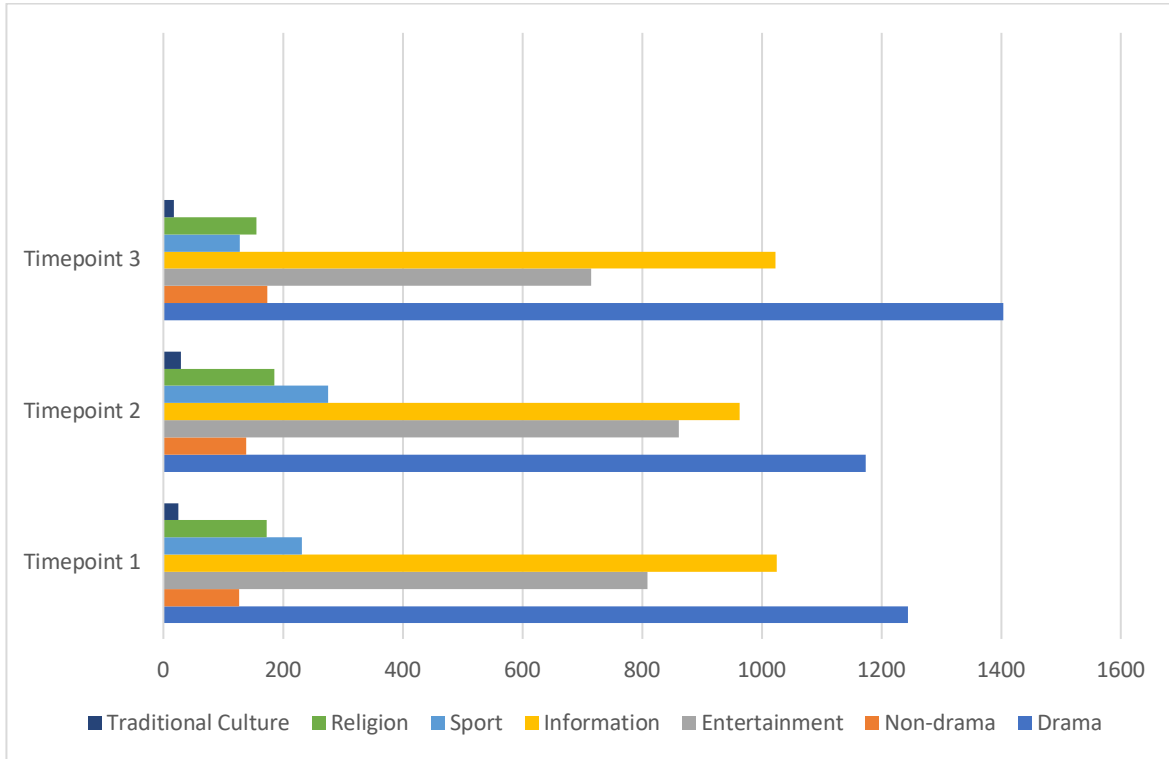
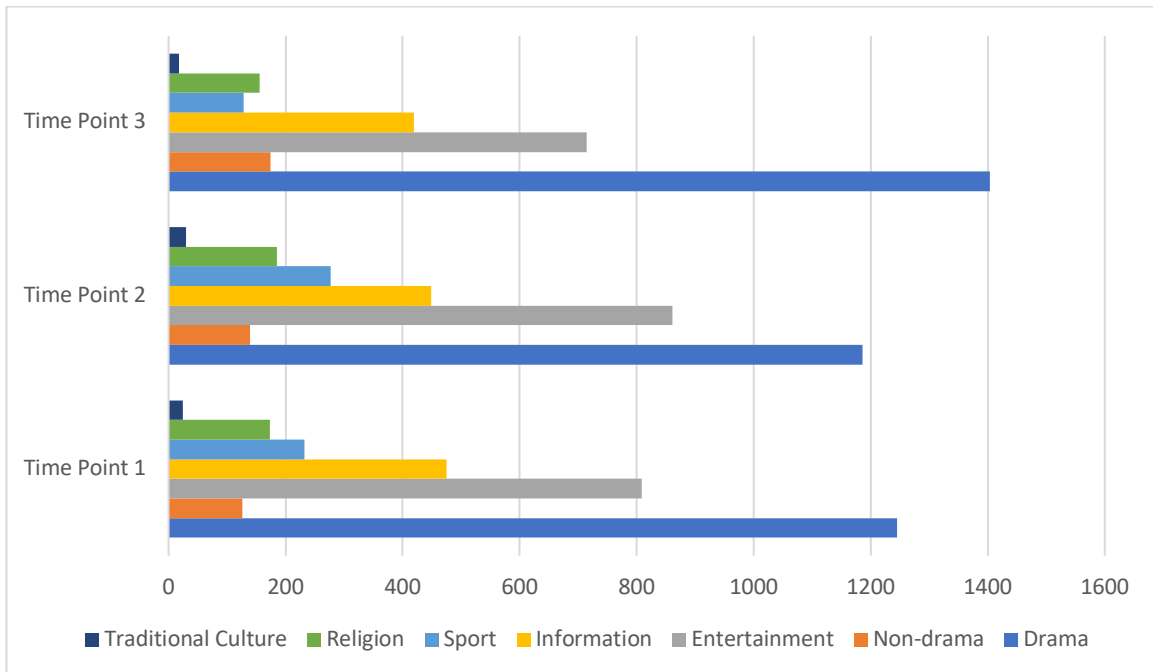


Chart 6.2 Duration of General TV Programmes by Genre



To measure the diversity within a television channel, or vertical diversity, I use the Relative Entropy Index. I also monitor and evaluate programmes horizontally, or the diversity between television stations in a specific time belt. This indicates the diversity of options for audiences at a specific time. Chart 6.3 shows the visualisation of vertical and horizontal diversity measurements on Indonesian television channels. The next section will first analyse vertical diversity.

Chart 6.3 A Visualisation of Vertical Diversity (within a television channel) and Horizontal Diversity (across television channels)

[illegible]

Horizontal
(across
channels)

Vertical
(within a
channel)

6.4.2.1 Vertical Diversity

The tool used to measure diversity within a television channel is the Relative Entropy Index. The Relative Entropy Index (H) represents the sum of likelihoods for the different genres to be broadcast on television. High relative entropy on a channel implies a high probability that many, or all, programme types are available in the programme mix. The more genres represented in the output and the more evenly they are distributed across the schedule, the higher the relative entropy score. The higher the relative entropy, the higher the diversity of programmes for the viewer. The formula for relative entropy is as follows:

$$\text{Relative Entropy} = \frac{H = \sum -p_i \log_2 p_i}{H_{\max} = \log_2 N}$$

H is entropy as defined by Shannon and Weaver (1963), p_i is the probability of each category being selected, $H_{\max}$ indicates the maximum entropy value to be obtained, N is the number of programme categories used in the study, and $\log_2$ is the mathematical variable used in this index. Relative entropy varies between 0 and 1, with 0 indicating minimum diversity (i.e. maximum concentration: all content in one category) and 1 indicating maximum diversity (all categories are equally large).⁷¹ This Index has been used in other, similar studies, such as Hillve et al. (1997), Ishikawa et al. (1996), Litman and Hasegawa (2006), Wakshlag and Adams (1985), and Hellman (2001).

Hillve et al. (1997, p. 298) present an ordinal scale for interpreting the values of the Relative Entropy Index. In this scale 0.01–0.34 means very low; 0.35–0.54, low; 0.55–0.69, medium; 0.70–0.79, high; 0.80–1.00, very high. The scale is applied in this study too. If we want to measure the diversity of one specific channel using the Relative Entropy, we need to determine the p_i first. I will take MNCTV programmes from the first time point as an

⁷¹ See: Hillve et al., 1997, p. 297–298 and Hellman, 2001, p. 191

example of how I measure vertical diversity with this tool. The MNCTV programmes aired from 27 March to 9 April 2014 represented the following distribution of genres:

News & Current Affairs	47.75 hours
Drama	225.25 hours
Non-drama	4.5 hours
Entertainment	37.5 hours
Religious	10.5 hours
Sport	3 hours
Tradition and Culture	7.25 hours
Total	336 hours

To determine the p_i , these hours need to be converted into average hours per day, and then converted into percentages. $N = 7$ as there are seven programme categories used in the study. This leads us to the following data:

Genre	Total	Average	Percentage
News & CA	47.75	3.410714286	14.11%
Drama	225.25	16.08928571	66.58%
Non-drama	4.5	0.321428571	1.66%
Entertainment	37.75	2.696428571	11.16%
Religious	10.5	0.75	3.10%
Sport	3	0.214285714	1.24%
Tradition & Culture	7.25	0.517857143	2.14%
Total	336	24	100%

With the p_i values, the value of H (the Relative Entropy Index) can be calculated. The H of MNCTV in the first time point of my measurement period is as follows:

MNCTV	p _i	log ₂ (p _i)	p _i log2(p _i)
3.4	14.11%	-2.82	-0.40
16.1	66.58%	-0.59	-0.39
0.4	1.66%	-5.92	-0.10
2.7	11.16%	-3.16	-0.35
0.8	3.10%	-5.01	-0.16
0.3	1.24%	-6.33	-0.08
0.5	2.14%		
24	100.00%		
		H abs	1.47
		H max	2.81
		H	0.53

As we can see, the Relative Entropy Index (H) of the MNCTV station is 0.53. In Table 6.18 the Relative Entropy Index measurement has been applied to all TV stations during the three different time points. It shows the following results of channel diversity/vertical diversity of each station:

Table 6.18 Programme Diversity within Individual TV Stations/Vertical Diversity

Relative Entropy Index (H)	SCTV	INDOSIAR	GLOBALTV	MNCTV	RCTI	TRANS	TRANS 7	ANTV	TVONE	METRO TV	TVRI
Time Point 1	0.57	0.65	0.54	0.53	0.71	0.66	0.81	0.66	0.32	0.28	0.84
Time Point 2	0.55	0.65	0.53	0.55	0.66	0.65	0.80	0.72	0.4	0.27	0.85
Time Point 3	0.57	0.67	0.47	0.44	0.64	0.77	0.80	0.62	0.25	0.20	0.85

0.01–0.34 = very low diversity
0.35–0.54 = low diversity
0.55–0.69 = medium diversity
0.70–0.79 = high diversity
0.80–1.00 = very high diversity

From the data above, we can see the numbers for tvOne and MetroTV indicate very low diversity of content. This is consistent with the positioning of MetroTV and tvOne as News

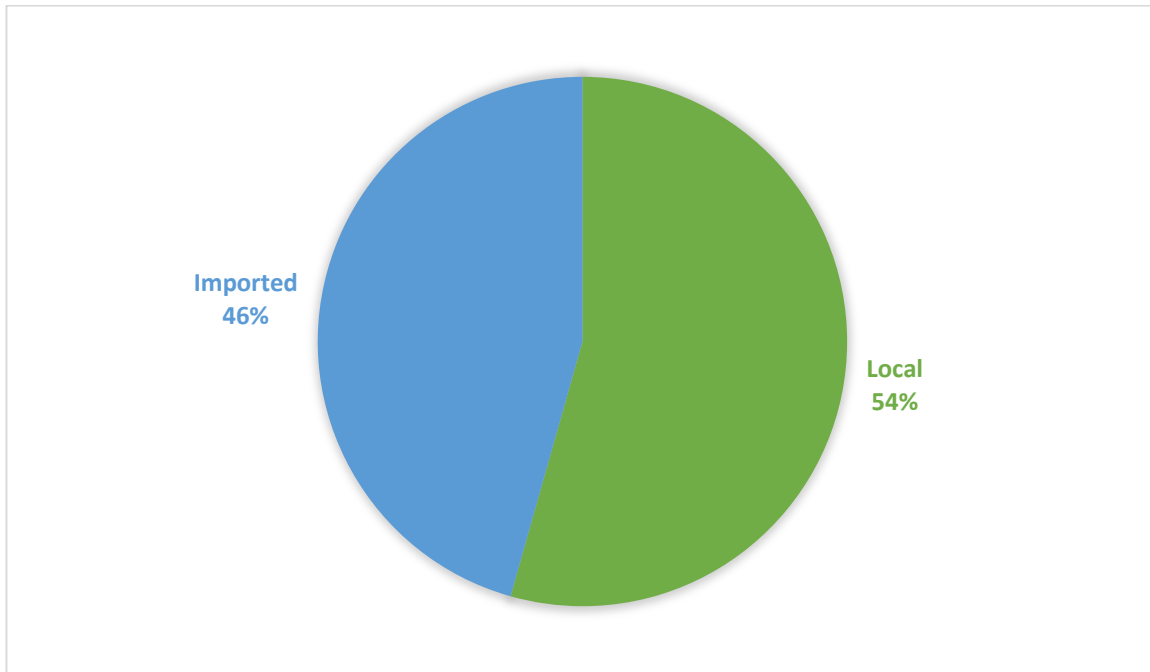
Channels, with their programming dominated by the news and information genre. Most of the stations are in the range of low diversity and medium diversity. TVRI as the public broadcaster is leading in diversity, followed by Trans7. Apart from tvOne and MetroTV, which are News Channels, GlobalTV and MNCTV demonstrate very low diversity, especially in Time Point 3.

In addition to measuring the diversity of programmes on each individual channel, I also measured separately the numbers of local and imported dramas. This is for comparison with the same type of measurement conducted by Veven Sp Wardhana in 2002, and to see whether the contemporary Indonesian television stations are still interested in allocating considerable airtime to imported programmes. I found that during the three time periods, the stations allocated 2,072 hours of airtime to local drama and 1,738.25 hours to imported drama. GlobalTV and ANTV allocated more airtime to imported drama than local drama. The detailed numbers of local and imported drama for each station per time point are shown in Table 6.19 below. The overall percentages of local and imported drama are shown in Chart 6.3.

Table 6.19 Local vs Imported Drama by TV Station

(in hours)	TIME POINT 1		TIMEPOINT 2		TIME POINT 3		TOTAL	
	Local	Imported	Local	Imported	Local	Imported	Local	Imported
SCTV	185.5	14	213.5	6	184.25	18.5	583.25	38.5
INDOSIAR	50.25	43.75	72.75	13	76.75	54.5	199.75	111.25
GLOBAL TV	13.5	184	34.5	171.5	14.75	224	62.75	579.5
MNCTV	134	81.25	107.25	82.25	158	95.75	399.25	259.25
RCTI	106.5	48.25	115.25	42.5	100.75	90	322.5	180.75
TRANS	55.25	49.5	55.25	46	51.25	47.75	161.75	143.25
TRANS7	11.75	25	38	2	41	29.25	90.75	56.25
ANTV	39.5	108	13.75	112.5	41.75	149	95	369.5
TVONE	0	0	0	0	0	0	0	0
METRO TV	0	0	0	0	0	0	0	0
TVRI	49.5	0	53	0	54.5	0	157	0
Total	645.75	553.75	703.25	475.75	723	708.75	2,072	1,738.25

Chart 6.4 Overall percentage of Drama for All TV Stations



6.4.2.2 Horizontal Diversity

I also monitored and evaluated programmes horizontally, or across television stations in a specific time belt, to measure the diversity of options for the audience at a specific time. I used the Choice Option Index (A), which represents the average number of simultaneous programme-type alternatives per 15-minute interval. This index is suggested by Hellman (2001) to measure programme diversity in all channels or within the system. The index is calculated as an average sum of simultaneous programme-type options for every 15-minute slot. This study only measures and compares two time-belts in programming. The first time-belt is the prime-time belt. The prime-time belt is known as a specific block of time where the viewership is at its peak. In some studies, the prime-time belt is from 7.00p.m. to 10.00p.m., whereas in other studies it is from 8.00p.m. to 11.00p.m. For this study, I analyse the diversity of programming across Indonesian television stations in the period from 8.00 p.m. to 10.00p.m. For comparison, this study also analyses the diversity of programming in the second time-belt between 1.00 a.m. and 3.00 a.m. This block of time is known as the ghost-time belt, as it has the lowest viewership in the 24-hour cycle

of television programming. My sample consists of two weeks for each time point. This provides a total of 672 slots, or 336 slots per analysed time-belt, or 224 slots per time point. Since the analysis focuses on seven categories of programmes, the maximum of A is 7 (the programme options are all in different categories) and the minimum is 1 (all programmes are in one category). For interpretation of results, the following scale is used: 1.00–2.20, very low diversity; 2.21–3.40, low diversity; 3.41–4.60, medium diversity; 4.61–5.80, high diversity; 5.81–7.00, very high diversity.

Table 6.20 shows the results for horizontal diversity. The audience options at a specific time across television stations are measured using the Choice Option Index (A). The data shows that the diversity options during the prime-time belt Time Point 1 and Time Point 2 are lower than the options during the ghost-time belt. According to the data, there are only three or sometimes four categories of programme during the prime-time belt, namely drama, entertainment, non-drama and news. During this block of time, the two news channels (tvOne and MetroTV) make a significant contribution to the audience options. If we remove tvOne and MetroTV from the list, the options automatically decrease, as the general entertainment stations mainly broadcast two programme genres during those hours: drama and entertainment. This confirms McQuail's (1992) argument that intra- and inter-diversity are complementary and to a certain degree incompatible. The more intra-diverse content packages are, the less inter-diverse they can be—and vice versa. In other words, the more distinct channels are from each other, the less diverse the programming within each of the channels (vertical diversity), but the more diverse the options to the audience across channels at a given time (horizontal diversity).

The diversity of options during the ghost-time belt remains relatively similar if we exclude tvOne and MetroTV, as most of the general entertainment stations aired their news programmes after midnight. Besides news programmes (*Lintas Malam*, *Buletin Indonesia Malam*, *Seputar Indonesia Malam*, *Fokus Malam*, *Cakrawala*, *Liputan 6 Malam*, *Reportase Malam*, *Redaksi Malam*), the stations also broadcast sport programmes (*Lensa Olah Raga*, *Sport 7*, *Sportvaganza*), religious programmes (*Solusi*, *Renungan Malam*), and traditional culture and art programmes (*Wayang Kulit*, *Wayang Kampung Sebelah*, *Ketoprak*).

If we use the Choice Option Index, the options for the audience in both the prime-time belt and the ghost-time belt fall under the same category of medium diversity (3.41–4.60). However, if we have a closer look at the numbers, the options in the prime-time belt are leaning towards the minimum (3.64–3.44–3.53), whereas the options in the ghost-time belt are closer to the maximum number (4.55–4.50), except for the choice option in Time Point 3 (3.47). There is a relatively big gap between the different time-belts, even if they are in the same category. The diversity of options that the audience has during the peak hours of viewership (8.00p.m.–10.00p.m.) is less than the diversity of viewing options after midnight (1.00a.m.–3.00a.m.). At this point, we have measured the diversity of sources (the market structure of television) and the diversity of content (vertical and horizontal diversity). Now let us move to the next level of analysis: the individual information content units. The following section measures diversity with news items as the unit of analysis. We analyse the demographic diversity, geographic diversity, viewpoint diversity and the representation of the owner's agenda in news items during the analysed time points.

Table 6.20 Choice Option Index Diversity/Horizontal Diversity

Choice Option Index (A)	Prime Time 8.00p.m.10.00p.m.	Ghost Time 1.00a.m.– 3.00a.m.
Time Point 1	3.64	4.55
Time Point 2	3.44	4.50
Time Point 3	3.53	3.47

1.00–2.20 = very low diversity
2.21–3.40 = low diversity
3.41–4.60 = medium diversity
4.61–5.80 = high diversity
5.81–7.00 = very high diversity

6.4.3 Diversity of Geography, Viewpoint, Demography, Owners' Agenda

At the level of the individual information content units (news programmes) of the 10 commercial television stations and the one Public Broadcasting Service, the categorisations are more detailed. I coded each news item in the news programmes of each channel based on the dimensions of diversity explored in Chapter 3. Those dimensions are: geographic, demographic, viewpoint, and owner's agenda. For the geographic dimension, I coded the location of the news coverage in terms of province and locations inside or outside the capital city. For demography, I coded the gender and attribution or category of the interviewee. Under the viewpoint dimension, I coded the genre and the subgenre of each news item, and identified whether or not the news was consistent with the government's point of view. Under the owner's agenda dimension, I coded if the news item was related to the owner's political or business agenda. Similar to the analysis of programme diversity, the samples were taken from the three different time points.

The primary source of the data was the night, morning, afternoon, and evening newscasts of stations in the national television market. Table 6.21 shows a total of 17,282 stories were analysed as sample data from the three time points with a total duration of 30,120.76 minutes, or 502 hours. The television station with the highest number of news items was MetroTV, with 3,187 news items aired for 4,943.83 minutes or 82.4 hours in total. However, tvOne had the longest duration of news items, with a total of 5,917.99 minutes or 98.6 hours for their 2,833 news items. These outcomes are not surprising, considering that Metro TV and tvOne present themselves as news stations, while other commercial stations focus predominantly on entertainment programmes.

Table 6.21 Number of News Items Analysed

TV STATION	TIME POINT 1		TIME POINT 2		TIME POINT 3		TOTAL	
	Items	Duration (in mins)	Items	Duration (in mins)	Items	Duration (in mins)	Items	Duration (in mins)
SCTV	632	969.95	553	849.65	676	1054.22	1,861	2873.82
INDOSIAR	358	630.03	382	569.23	437	733.80	1,177	1,933.06
GLOBAL TV	575	911.33	474	809.17	477	869.28	1,526	2,589.78
MNCTV	375	642.32	364	590.75	308	506.68	1,047	1,739.75
RCTI	362	522.25	623	778.85	760	1,168.88	1,745	2,469.98
TRANS	376	709.73	316	576.07	404	726.70	1,096	2,012.5
TRANS7	72	182.90	395	685.22	374	707.23	841	1,575.35
ANTV	302	618.35	37	65.13	289	639.77	628	1,323.25
TVONE	782	1,492.42	641	1,421.87	1,410	3,003.70	2,833	5,917.99
METRO TV	767	1,193.95	1102	1,793.13	1,318	1,956.75	3,187	4,943.83
TVRI	313	584.07	437	751.05	591	1,406.33	1,341	2,741.45
Total	4,914	8,457.3	5,324	8,890.12	7,044	12,773.3	17,282	30,120.76

6.4.3.1 Geographical Diversity

Geographical diversity is an important category in diversity of content. It refers to programme diversity in terms of geographical coverage (local, regional, national, or

international) (van Cuilenburg, 2007, p. 32; Iosifidis, 2010, p. 12). It is relevant in the Indonesian context as Indonesia consists of at least 17,000 islands.⁷² As Java is the most densely populated island, and home to the capital of Indonesia, Jakarta, there is a tendency for reports to be dominated with coverage from and about Java and Jakarta. Another important factor that influences the geographical aspects of news coverage is the sample cities that are used by Nielsen Media Research in measuring ratings and shares of television programmes. To ensure good programme ratings and shares in the sample cities, television stations invest in news stories from and about those cities. Good programme ratings and shares trigger advertising and generate more profit. Nevertheless, after the stepping down of Suharto, regulators have tried to promote geographical diversity by decentralising production and coverage from Java and Jakarta to other islands and cities.

Table 6.22 shows the results of my analysis of geographical diversity from the three main time points. From the total of 17,282 news items analysed, 10,136 (58.7%) items are located in the capital cities of provinces and 7,146 (41.3%) are from non-capital cities. All stations have more stories from the capital cities than from non-capital cities, as we can see in Table 6.23. Moreover, news items from Jakarta and other cities in Java are still dominating. The complete list of figures can be found in Table 6.24. The top five areas with the most appearances during the three analysed time points are: DKI Jakarta (6,461), Outside Indonesia (2,235), West Java (2,009), East Java (1,672) and Central Java (1,081). The bottom five areas with the lowest number of appearances are: Bangka Belitung (33), West Papua (28), Bengkulu (27), North Kalimantan (17) and North Maluku (7). All stations have most of their stories from DKI Jakarta and other provinces on Java island, as shown in Table 6.25 about the top eight provinces in news stories per station and time point. In Table 6.25, we can also see that the first five areas (DKI Jakarta, West Java, East Java, Central Java, and Outside Indonesia) appear consistently in all time points in all TV stations. This is in line with the Top Five data in Table 6.24. Stories coded from outside

⁷² For the complete data, see: <https://databoks.katadata.co.id/datapublish/2018/10/16/berapa-jumlah-pulau-di-indonesia>

Indonesia refers to international news stories. It is understandable that there is a large number of news stories from outside Indonesia, as most Indonesian TV stations subscribe to news agencies for international contents. Stories from North Sumatra and Banten also appeared a few times, but not consistently throughout the various time points.

Table 6.22 Geographical Diversity: Capital City vs Non-Capital City

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	CAPITAL CITY	10136	58.7	58.7	58.7
	NON-CAPITAL CITY	7146	41.3	41.3	100.0
	Total	17282	100.0	100.0	

Chart 6.5 Geographical Diversity: Comparison between Capital City and Non-Capital City

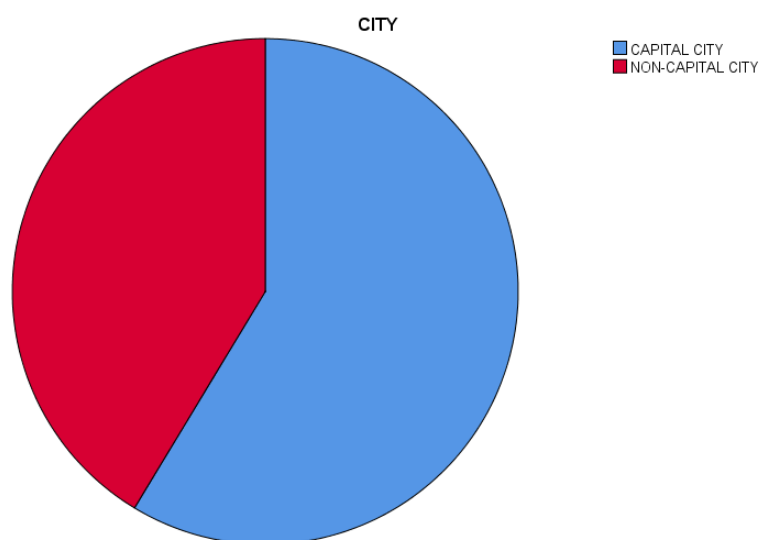


Table 6.23 Geographical Diversity: Cities on TV

		CITY		Total
		CAPITAL CITY	NON-CAPITAL CITY	
TVID	ANTV	316	312	628

	GLOBAL TV	909	617	1526
	INDOSIAR	647	530	1177
	METRO TV	1956	1231	3187
	MNCTV	654	393	1047
	RCTI	1062	683	1745
	SCTV	975	886	1861
	TRANS7	472	369	841
	TRANSTV	551	545	1096
	TVONE	1709	1124	2833
	TVRI	885	456	1341
Total		10136	7146	17282

Table 6.24 Geographical Diversity: Indonesian Provinces and International Areas on TV

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	DI ACEH	150	0.9	0.9	.9
	SUMATERA UTARA	522	3.0	3.0	3.9
	SUMATERA BARAT	119	0.7	0.7	4.6
	SUMATERA SELATAN	240	1.4	1.4	6.0
	JAMBI	71	0.4	0.4	6.4
	BENGKULU	27	0.2	0.2	6.5
	RIAU	93	0.5	0.5	7.1
	KEPULAUAN RIAU	39	0.2	0.2	7.3
	BANGKA BELITUNG	33	0.2	0.2	7.5
	LAMPUNG	137	0.8	0.8	8.3
	BANTEN	354	2.0	2.0	10.3
	DKI JAKARTA	6461	37.4	37.4	47.7
	JAWA BARAT	2009	11.6	11.6	59.3
	JAWA TENGAH	1081	6.3	6.3	65.6
	DI YOGYAKARTA	279	1.6	1.6	67.2
	JAWA TIMUR	1672	9.7	9.7	76.9
	BALI	277	1.6	1.6	78.5
	NUSA TENGGARA BARAT	92	0.5	0.5	79.0
	NUSA TENGGARA TIMUR	97	0.6	0.6	79.6
	KALIMANTAN BARAT	48	0.3	0.3	79.9
	KALIMANTAN TIMUR	73	0.4	0.4	80.3
	KALIMANTAN TENGAH	360	2.1	2.1	82.4
	KALIMANTAN UTARA	17	0.1	0.1	82.5
	KALIMANTAN SELATAN	53	0.3	0.3	82.8
	GORONTALO	41	0.2	0.2	83.0
	SULAWESI UTARA	49	0.3	0.3	83.3
	SULAWESI SELATAN	313	1.8	1.8	85.1
	SULAWESI TENGAH	47	0.3	0.3	85.4
	SULAWESI BARAT	87	0.5	0.5	85.9
	SULAWESI TENGGARA	37	0.2	0.2	86.1
	MALUKU	36	0.2	0.2	86.3
	MALUKU UTARA	7	0.0	0.0	86.3
	PAPUA	98	0.6	0.6	86.9
	PAPUA BARAT	28	0.2	0.2	87.1
	OUTSIDE INDONESIA	2235	12.9	12.9	100.0
	Total	17282	100.0	100.0	

Chart 6.6 Geographical Diversity: Frequency Distribution of Indonesian Provinces and International Areas on TV

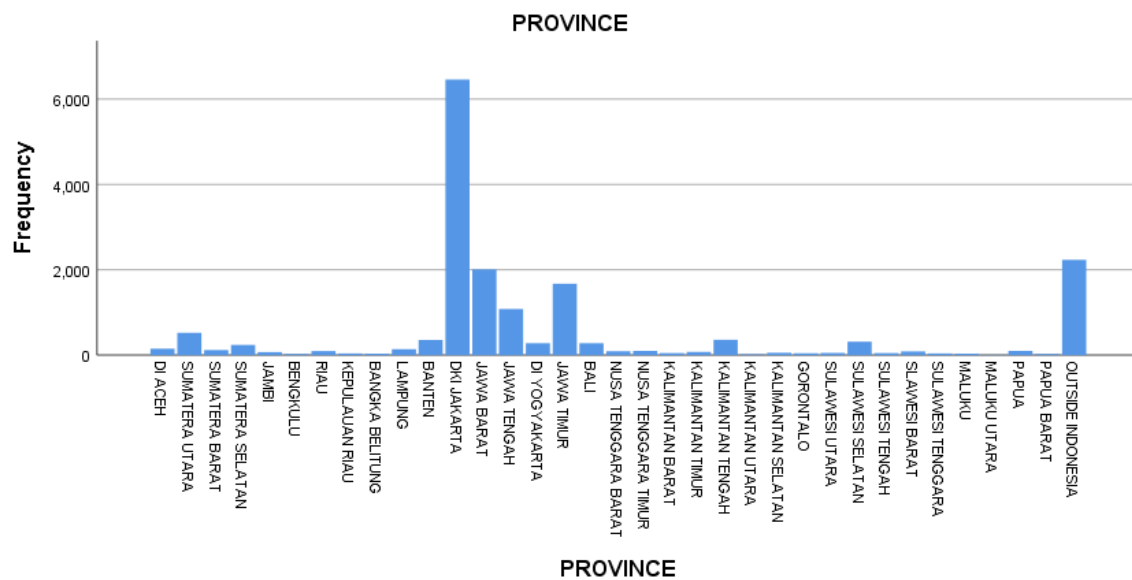


Table 6.25 Geographical Diversity: Top 8 Provinces/Areas per TV Station and Time Point

		PROV 1	PROV 2	PROV 3	PROV 4	PROV 5	PROV 6	PROV 7	PROV 8
TIME POINT 1	ANTV	West Java (59)	DKI Jakarta (44)	East Java (43)	Central Java (36)	South Sulawesi (13)	Banten (12)	DI Yogyakarta (12)	North Sumatra (11)
	GLOBAL TV	DKI Jakarta (210)	Outside Indonesia (101)	West Java (76)	East Java (53)	Central Java (20)	North Sumatra (19)	South Sumatra (19)	Banten (15)
	INDOSIAR	DKI Jakarta (89)	West Java (82)	East Java (49)	Central Java (43)	Outside Indonesia (17)	DI Yogyakarta (12)	South Sulawesi (12)	South Sumatra (8)
	METRO TV	Outside Indonesia (214)	DKI Jakarta (185)	West Java (107)	East Java (39)	DI Aceh (34)	Central Java (32)	South Sulawesi (24)	North Sumatra (23)
	MNCTV	DKI Jakarta (132)	West Java (53)	East Java (31)	Central Java (30)	Outside Indonesia (28)	North Sumatra (16)	Bali (14)	Banten (8)
	RCTI	DKI Jakarta (127)	West Java (52)	East Java (41)	Central Java (31)	Outside Indonesia (24)	North Sumatra (14)	Banten (12)	Bali (8)
	SCTV	DKI Jakarta (174)	Outside Indonesia (98)	West Java (92)	East Java (65)	Central Java (51)	DI Yogyakarta (22)	North Sumatra (20)	Papua (16)
	TRANS7	DKI Jakarta (28)	East Java (13)	West Java (8)	Outside Indonesia (8)	Central Java (4)	Nusa Tenggara Barat (3)	South Sulawesi (3)	Papua (2)
	TRANS TV	DKI Jakarta (92)	East Java (91)	West Java (61)	Central Java (35)	North Sumatra (15)	Banten (11)	Outside Indonesia (11)	Bali (9)
	TVONE	Outside Indonesia (261)	DKI Jakarta (176)	West Java (106)	Central Java (34)	North Sumatra (31)	East Java (30)	DI Aceh (21)	DI Yogyakarta (18)
	TVRI	DKI Jakarta (143)	Outside Indonesia (46)	West Java (32)	East Java (17)	Banten (9)	Papua (7)	West Sulawesi (7)	North Sumatra (5)

	PROV 1		PROV 2	PROV 3	PROV 4	PROV 5	PROV 6	PROV 7	PROV 8
	ANTV	Outside Indonesia (14)	DKI Jakarta (11)	West Java (6)	Central Java (2)	Banten (2)	East Java (2)		
TIME POINT 2	GLOBAL TV	DKI Jakarta (164)	West Java (72)	Outside Indonesia (47)	East Java (43)	Central Java (29)	North Sumatra (20)	South Sulawesi (12)	Banten (10)
	INDOSIAR	DKI Jakarta (132)	West Java (72)	Central Java (60)	East Java (49)	North Sumatra (11)	South Sumatra (8)	Banten (7)	West Sumatra (6)
	METRO TV	DKI Jakarta (525)	Outside Indonesia (178)	West Java (102)	East Java (75)	Central Java (49)	North Sumatra (38)	South Sumatra (23)	South Sulawesi (11)
	MNCTV	DKI Jakarta (166)	West Java (50)	Outside Indonesia (31)	East Java (28)	Central Java (27)	North Sumatra (18)	Bali (8)	Banten (7)
	RCTI	DKI Jakarta (299)	West Java (71)	Central Java (47)	Outside Indonesia (46)	East Java (45)	Banten (20)	North Sumatra (19)	Bali (15)
	SCTV	DKI Jakarta (186)	Outside Indonesia (87)	West Java (72)	Central Java (61)	East Java (50)	DI Yogyakarta (15)	Bali (12)	North Sumatra (11)
	TRANS7	DKI Jakarta (148)	East Java (63)	West Java (50)	Central Java (35)	Outside Indonesia (21)	Banten (12)	North Sumatera (12)	Bali (12)
	TRANS TV	DKI Jakarta (82)	East Java (82)	West Java (46)	Central Java (27)	Outside Indonesia (15)	North Sumatra (13)	South Sulawesi (12)	Banten (9)
	TVONE	DKI Jakarta (276)	Outside Indonesia (172)	West Java (56)	Central Java (38)	East Java (28)	North Sumatra (13)	DI Yogyakarta (10)	Bali (8)
	TVRI	DKI Jakarta (209)	Outside Indonesia (38)	West Java (34)	DI Yogyakarta (18)	Riau (17)	Central Kalimantan (14)	Bengkulu (14)	North Sumatra (11)
TIME POINT 3	ANTV	DKI Jakarta (66)	East Java (54)	West Java (53)	Central Java (20)	South Sulawesi (15)	North Sumatra (14)	Banten (13)	Outside Indonesia (9)
	GLOBAL TV	DKI Jakarta (179)	Outside Indonesia (69)	West Java (58)	East Java (34)	Central Java (20)	Banten (20)	South Sumatra (18)	North Sumatra (16)
	INDOSIAR	DKI Jakarta (167)	East Java (64)	West Java (51)	Central Java (48)	Central Kalimantan (14)	DI Yogyakarta (13)	South Sumatra (11)	Banten (10)
	METRO TV	DKI Jakarta (465)	Outside Indonesia (271)	East Java (121)	West Java (113)	North Sumatra (50)	Central Java (42)	Central Kalimantan (42)	Bali (29)
	MNCTV	DKI Jakarta (175)	West Java (35)	East Java (26)	Central Kalimantan (24)	Central Java (8)	Banten (7)	North Sumatra (7)	South Sumatra (7)
	RCTI	DKI Jakarta (286)	East Java (94)	West Java (84)	Central Java (41)	Central Kalimantan (38)	Outside Indonesia (35)	North Sumatra (32)	South Sumatra (28)
	SCTV	DKI Jakarta (246)	Outside Indonesia (99)	West Java (77)	Central Java (51)	Central Kalimantan (47)	East Java (43)	DI Yogyakarta (25)	Banten (14)
	TRANS7	DKI Jakarta (157)	East Java (67)	West Java (39)	Central Kalimantan (19)	Banten (16)	Central Java (12)	South Sumatra (9)	Outside Indonesia (9)
	TRANS TV	DKI Jakarta (120)	East Java (94)	West Java (54)	Central Java (42)	Banten (17)	South Sulawesi (17)	Central Kalimantan (8)	Outside Indonesia (8)
	TVONE	DKI Jakarta (711)	Outside Indonesia (181)	East Java (104)	Central Kalimantan (103)	Central Java (79)	West Java (62)	North Sumatra (43)	Banten (15)
	TVRI	DKI Jakarta (291)	Outside Indonesia (75)	East Java (25)	West Java (24)	Central Java (22)	Central Kalimantan (17)	East Kalimantan (15)	Bali (11)

6.4.3.2 Demographic Diversity

Content diversity has also been approached in terms of group diversity, including the representation of minorities and marginalised groups in the media (Hollander, 2009). Napoli (1999) calls this type of diversity “demographic diversity.” Here content diversity is analysed in terms of the racial, ethnic and gender diversity of the people featured in media programmes (p. 21). The issue with demographic diversity is whether minority groups and other demographic groups are portrayed on television in reasonable proportion to their prevalence in society. For this study, demographic diversity is represented by gender and type of source or interviewee in news items. The types of sources are coded in line with the seventeen categories presented in Table 6.26. Male interviewees (13,578 in total) are dominating, constituting 76% of the total number of sources (17,771). Female interviewees (4,193 in total) constitute only 24% of the total number of sources, as shown in Table 6.27. This study also counts the airtime for each type of interviewee. The overall interview duration is 8,502.28 minutes (141.70 hours). Male interviewees are dominant with 7,073.35 minutes (117.89 hours) of airtime, whereas female interviewees only had 1,429.92 minutes (23.83 hours) of airtime throughout the three time points. Charts 6.7 and 6.8 show the differences in percentage for television appearance and interview duration for each of the sources.

Table 6.26 Demographic Diversity: Source Type

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	GOV OFFICIALS - NATIONAL GOVERNMENT	1273	4.8	7.2	7.2
	GOV OFFICIALS - LOCAL GOVERNMENT	1062	4.0	6.0	13.3
	GOV OFFICIALS - POLICE	1880	7.1	10.7	24.0
	GOV OFFICIALS - MILITARY	255	1.0	1.5	25.4
	GOV OFFICIALS - OTHER	982	3.7	5.6	31.0
	PARLIAMENT MEMBER	250	0.9	1.4	32.4
	ACADEMIC/RESEARCHER	766	2.9	4.4	36.8
	PROFESSIONAL/EXECUTIVE/SELF-EMPLOYED	1659	6.3	9.4	46.2
	COMMUNITY/RELIGIOUS LEADER	550	2.1	3.1	49.4
	POLITICIAN	1459	5.5	8.3	57.7
	ACTIVIST/NGO MEMBER	201	0.8	1.1	58.8
	HOUSE WIFE	69	0.3	0.4	59.2
	STUDENT	162	0.6	0.9	60.1
	CITIZEN IN SPECIFIC ROLE	4385	16.5	24.9	85.1
	CITIZEN IN GENERAL	2498	9.4	14.2	99.3
	MEDIA OWNER	89	0.3	0.5	99.8
	NON-GOV OFFICIALS - OTHER	38	0.1	0.2	100.0
	Total	17578	66.3	100.0	
Missing	System	8942	33.7		
Total		26520	100.0		

Table 6.27 Demographic Diversity: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	13578	51.2	76.4	76.4
	FEMALE	4193	15.8	23.6	100.0
	Total	17771	67.0	100.0	
Missing	System	8749	33.0		
Total		26520	100.0		

Chart 6.7 Gender in Frequency

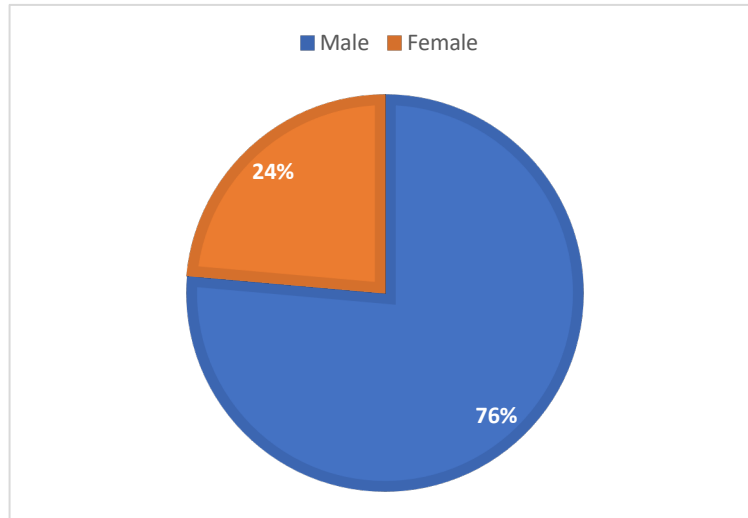


Chart 6.8 Gender in Duration

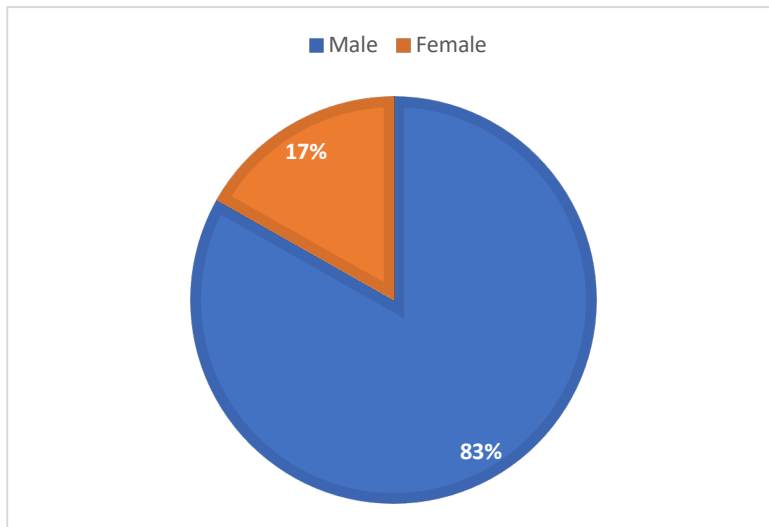


Table 6.26 shows the complete distribution of interviewees based on source capacity. Table 6.28 below presents the Top Eight interviewees or source types in terms of frequency and duration. It is important to count the duration in addition to the number of appearances, because programmes in the broadcast media are limited by duration, just like magazine or newspaper articles are limited by number of pages. The analysis of

demographic diversity requires measuring the duration of airtime given to groups in society. Based on this, we can determine whether a specific group is dominating the discourse by having the opportunity to talk longer than other groups. The frequency of media appearances is also not always in line with the duration of appearances. In twenty-second vox populi interviews, ten general citizens may only have the opportunity to say “yes” or “no,” or “agree” or “disagree” for two seconds each; whereas in other interviews, one politician may have the opportunity to talk about his political views for the entire twenty seconds. As we can see in Table 6.28, although in terms of frequency politicians are in fifth place, in terms of interview time politicians come second, after citizens in specific roles. In this study, “Citizen in Specific Role” is a code for citizens who are interviewed regarding their specific capacity. For example, eyewitnesses or victims of a crime story are coded under this type. If a government official is interviewed related to his/her role as an eyewitness of a hit-and-run incident, for instance, he/she is coded as “Citizen in Specific Role.” Charts 6.9 and 6.10 show the differences between interview frequency and duration. As we can see, the differences between frequency and duration are significant in the “Citizen in General,” “Politician,” “Professional” and “National Government” categories. Although “Citizen in Specific Role” leads in both charts, the percentages for frequency and duration are different.

Table 6.28 Demographic Diversity: Top Eight Source Type

Source Type	Frequency	Duration (in minutes)
Citizen in Specific Role	4,385	1,299.77
Citizen in General	2,498	416.93
Gov Officials – Police	1,880	864.22
Professional/Executive/Entrepreneur	1,659	979.28
Politician	1,459	1,198.48
Gov Officials – National Gov	1,273	867.28
Gov Officials – Local Gov	1,062	419.37
Gov Officials – Other	982	586.22

Chart 6.9 Demographic Diversity: Source Type–Frequency

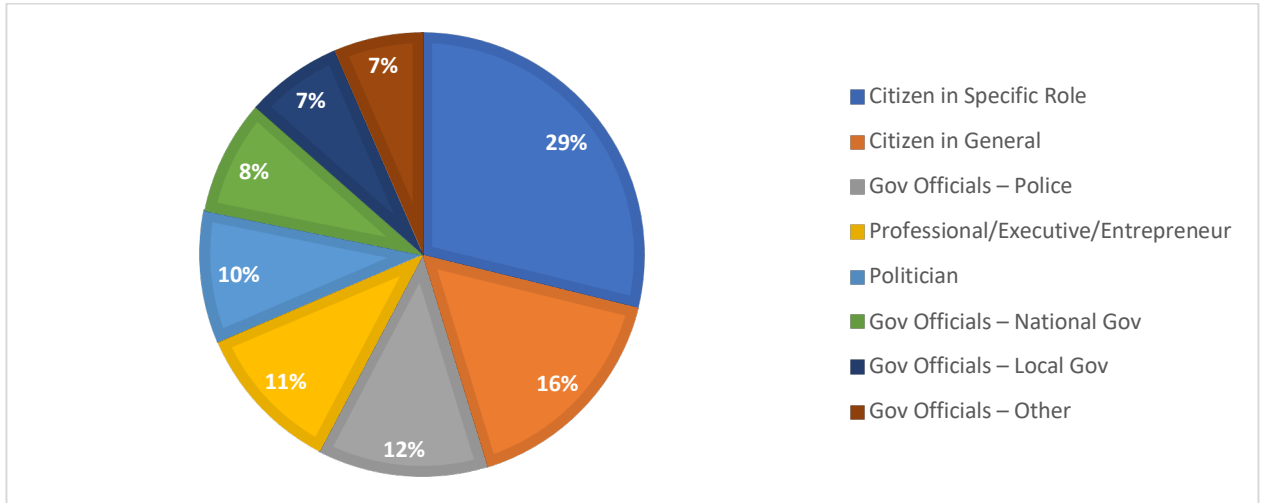
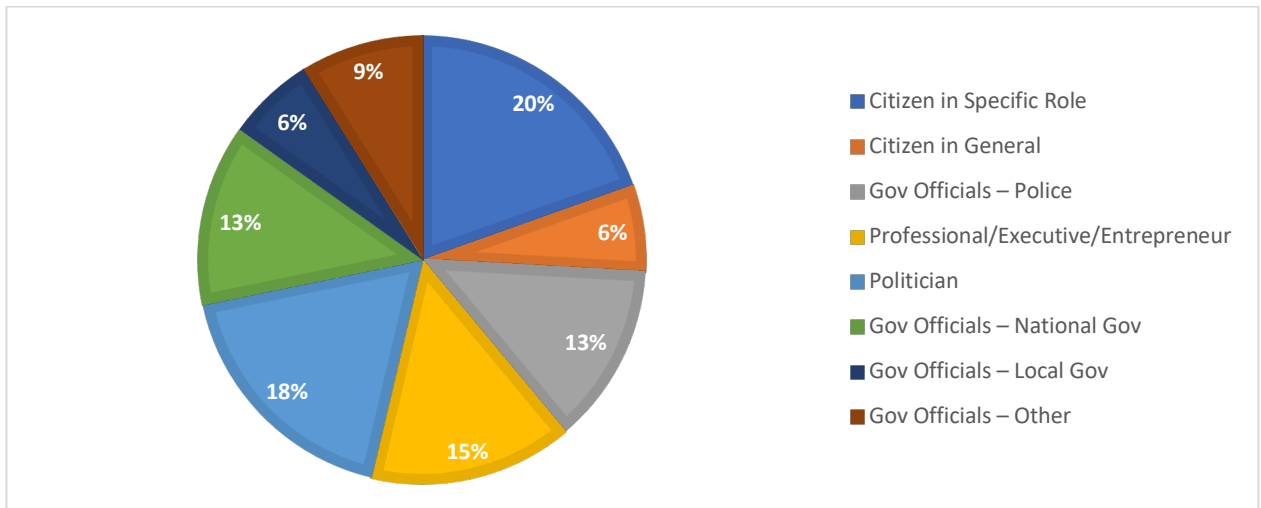


Chart 6.10 Demographic Diversity: Source Type–Duration



6.4.3.3 Viewpoint Diversity

The last subcomponent under the dimension of content diversity included in my study is idea or viewpoint diversity. The assessment of idea or viewpoint diversity has been avoided in studies on television in the US, because of the difficulty to measure this type of diversity effectively (Cusack, 1984, pp. 629–631). I try to include it in this study. It is indeed difficult to distinguish “The Cosby Show,” with its frequent overt and covert message about racial prejudice, from the nightly news in terms of idea content (Entman &

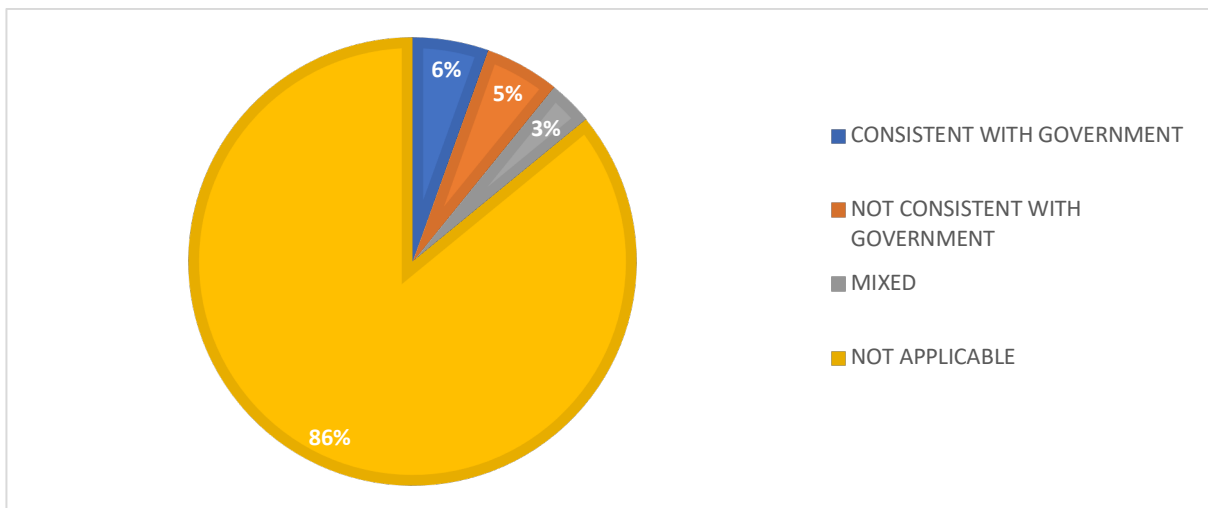
Wildman, 1992, p. 13). Because of such difficulties, studies typically apply narrower dependent variables than the broader construct of idea diversity. Napoli's (1999) dependent variables include editorial positions, amount of public affairs programming, and amount of local programming (e.g., Busterna & Hansen, 1990; Gormley, 1976; Lacy, 1991). The idea or viewpoint-diversity dimension is often measured at the second level of analysis, in this case the news bulletin programme. This also applies to my study. Following Gunter (1997), I measure viewpoints diversity by analysing the range and diversity of topics covered in television news. In addition, I also measure viewpoints based on the following: Whether the interview is 1) consistent with (that is, agrees, confirms, supports, or affirms) the government's standpoint; 2) not consistent with (questions, criticises, disagrees, doubts, or opposes) the government's standpoint; 3) a combination of the previous two categories, or 4) unrelated to any of the previous categories. This analysis is mainly based on news stories related to public policies and the public interest.

Table 6.29 shows that the frequency of news stories with statements that are consistent with the government's standpoint is 942 (6%), whereas the frequency of stories that are not consistent with the government's standpoint is 930 (6%). The number of stories that have a mixed viewpoint is 560 (3%). However, the news is dominated by stories (14,850) unrelated to the standpoint of the government. The news stories from the "Society" genre are about traffic accidents and fire and other incidents, which do not require standpoints as such. The same applies to the stories from the "Law and Crime" genre, with a high number of stories (86%) that are not related to the government or public policy (see Chart 6.11).

Table 6.29 Viewpoint Diversity: Consistent/Not Consistent with the Government

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	CONSISTENT WITH GOVERNMENT	942	5.5	5.5	5.5
	NOT CONSISTENT WITH GOVERNMENT	930	5.4	5.4	10.8
	MIXED	560	3.2	3.2	14.1
	NOT APPLICABLE	14850	85.9	85.9	100.0
	Total	17282	100.0	100.0	

Chart 6.11 Viewpoint Diversity: Consistent/Not Consistent with the Government



I established seven news genres based on the typical news stories in Indonesian television programmes: 1) Culture and Religion, 2) Economy, 3) Law and Crime, 4) Society, 5) Politics, 6) Sports, and 7) World Affairs. Table 6.30 shows the genre distribution across the total of 17,282 news items for the three different time points. The majority of the news stories (7,480 stories or 43.3%) belong to the Mass and Society genre. The second most frequent genre is Politics, with 5,105 (29.5%) news items. The high number of news stories under the politics genre is consistent with the context of the analysed time points. The first time point of this study is two consecutive weeks before the legislative election, and the second time point is two consecutive weeks before the presidential election.

Table 6.31 measures both the frequency and duration of each genre. Unlike the distribution of figures for demographic diversity, frequency and duration are in line with each other for each news genre in the viewpoint diversity analysis. There are no significant differences in percentages, as we can see in Charts 6.12 and 6.13.

Table 6.30 Viewpoint Diversity: Genres

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	CULTURE AND RELIGION	620	3.6	3.6	3.6
	LAW AND CRIME	2162	12.5	12.5	16.1
	POLITICS	5105	29.5	29.5	45.6
	ECONOMY	391	2.3	2.3	47.9
	SOCIETY	7480	43.3	43.3	91.2
	SPORT	723	4.2	4.2	95.4
	WORLD AFFAIRS	801	4.6	4.6	100.0
	Total	17282	100.0	100.0	

Table 6.31 Viewpoint Diversity: Genres–Frequency and Duration

Genre	Frequency	Duration (in minutes)
Society	7,480	12,940.60
Politics	5,105	8,450.48
Law and Crime	2,162	3,310.77
World Affairs	801	1,792.37
Sport	723	1,487.45
Culture and Religion	620	1,136.13
Economy	391	614.43

Chart 6.12 Viewpoint Diversity: Genres–Frequency

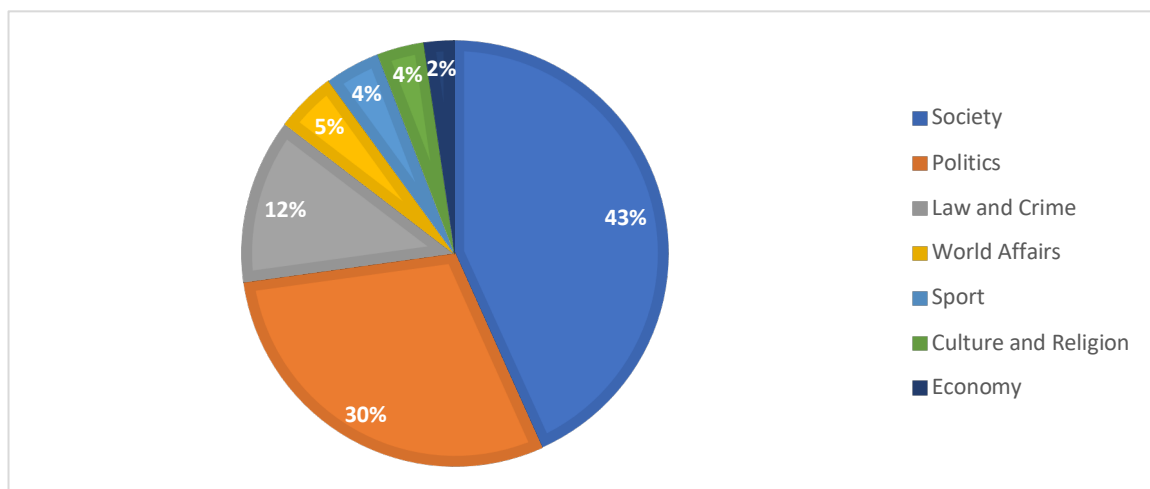
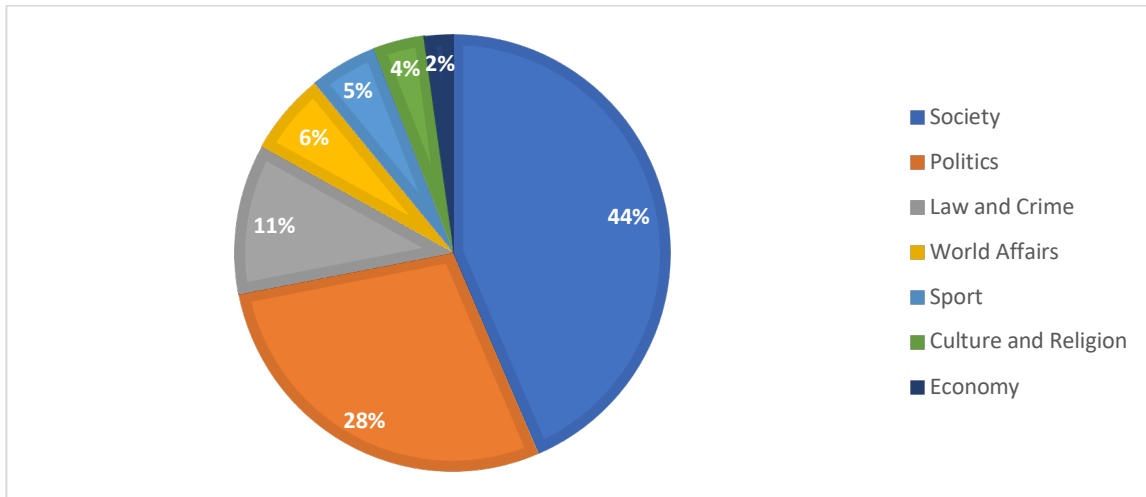


Chart 6.13 Viewpoint Diversity: Genres—Duration



6.4.3.4 Owner's Agenda

As mentioned before, the majority of media conglomerates are active in politics and closely affiliated with political parties. Some of the media owners are even chairman of a political party or have established their own political party. Aburizal Bakrie, the owner of Visi Media Group, has been a chairman of Golkar Party. Surya Paloh, the owner of Media Group, founded National Democratic (Nasdem) Party following his resignation from Golkar Party. Hary Tanoesoedibjo joined and resigned from Paloh's Nasdem in 2013, joined and resigned from Hanura Party in 2014, and finally founded his own party, Perindo, in 2015. This underlines the importance of identifying news stories that contain the owner's agenda. The time points in this study represent the battlefield between, on the one hand, the need for diverse information that leads to an informed citizenry prior to the elections, and, on the other hand, the political agenda of the media owners.

Table 6.32 shows that, from the total number of 17,282 news items from the three time points, 1,306 (7.6%) stories contained the owner's agenda. Table 6.33 shows that MetroTV is the station with the largest number of news items (540) containing the owner's agenda. In second place is tvOne with 308 news items, followed by RCTI with 145, GlobalTV with 122, and MNCTV with 121 news items containing the owner's agenda. However, the last three stations have the same owner, Hary Tanoesoedibjo, under the Media Nusantara

Citra (MNC) Group. With a total of 388 news items containing the owner's agenda, MNC Group comes in second place. The highest number of stories containing the owner's agenda (895 news items) were found in Time Point 2, or two weeks before the presidential election. The detailed numbers of news items containing the owner's agenda per television station are presented in Table 6.34. Interestingly, the second highest number (227) was found in the control weeks (Time Point 3) in January 2015, or six months after the election. Although Time Point 1 refers to the two weeks prior to the legislative election, the number of news items representing the owner's agenda was not as high as during the presidential election. In Time Point 1, MNC Group had the highest number of stories (108 stories) containing the owner's agenda, clearly ahead of MetroTV (22 stories) and tvOne (28 stories).

Table 6.32 Owner's Agenda

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	1306	7.6	7.6	7.6
	NO	15976	92.4	92.4	100.0
	Total	17282	100.0	100.0	

Table 6.33 Owner's Agenda by TV Station

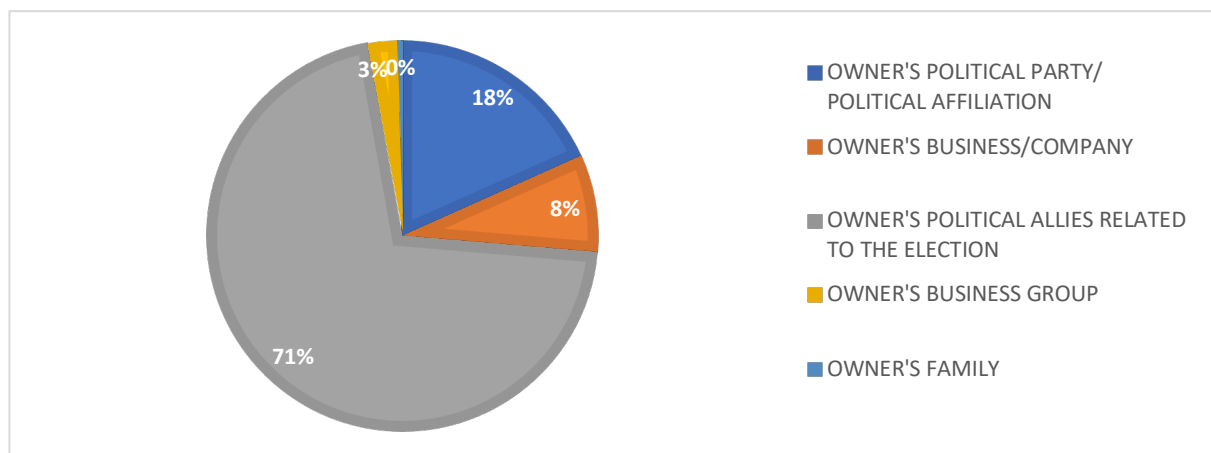
		RELATIONSHIP WITH OWNER		Total
		YES	NO	
TVID	ANTV	20	608	628
	GLOBAL TV	122	1404	1526
	INDOSIAR	22	1155	1177
	METRO TV	540	2647	3187
	MNCTV	121	926	1047
	RCTI	145	1600	1745
	SCTV	17	1844	1861
	TRANS7	1	840	841
	TRANSTV	8	1088	1096
	TVONE	308	2525	2833
	TVRI	2	1339	1341
Total		1306	15976	17282

Table 6.34 Owner's Agenda by TV Station and Time Point

TIME POINT			RELATIONSHIP WITH OWNER		Total
			YES	NO	
TIME POINT 1 (27MAR–9APR 2014)	TVID	ANTV	20	282	302
		GLOBAL TV	39	536	575
		INDOSIAR	1	357	358
		METRO TV	22	745	767
		MNCTV	35	340	375
		RCTI	34	328	362
		SCTV	2	630	632
		TRANS7	0	72	72
		TRANSTV	2	374	376
		TVONE	28	754	782
		TVRI	1	312	313
		Total	184	4730	4914
TIME POINT 2 (26JUN–9JUL 2014)	TVID	ANTV	0	37	37
		GLOBAL TV	74	400	474
		INDOSIAR	1	381	382
		METRO TV	432	670	1102
		MNCTV	63	301	364
		RCTI	95	528	623
		SCTV	1	552	553
		TRANS7	1	394	395
		TRANSTV	6	310	316
		TVONE	222	419	641
		TVRI	0	437	437
		Total	895	4429	5324
TIME POINT 3 (13–29JAN 2015)	TVID	ANTV	0	289	289
		GLOBAL TV	9	468	477
		INDOSIAR	20	417	437
		METRO TV	86	1232	1318
		MNCTV	23	285	308
		RCTI	16	744	760
		SCTV	14	662	676
		TRANS7	0	374	374
		TRANSTV	0	404	404

		TVONE	58	1352	1410
		TVRI	1	590	591
	Total		227	6817	7044
Total	TVID	ANTV	20	608	628
		GLOBAL TV	122	1404	1526
		INDOSIAR	22	1155	1177
		METRO TV	540	2647	3187
		MNCTV	121	926	1047
		RCTI	145	1600	1745
		SCTV	17	1844	1861
		TRANS7	1	840	841
		TRANSTV	8	1088	1096
		TVONE	308	2525	2833
		TVRI	2	1339	1341
		Total		1306	15976

Chart 6.14 Represented Aspects of the Owner's Agenda



The news stories containing the owner's agenda are subdivided into five categories, depending on the contents of the story. These categories relate to the following: 1) the owner's own political party or political affiliation; 2) the owner's own business; 3) the owner's political allies in the context of the election; 4) the owner's business group, and 5) the owner's family. Chart 6.14 presents in detail the distribution of news containing the owner's agenda. We can see that 71% (925 items of a total of 1,306 stories) is about the owner's political allies in the context of the election, whereas 18% (239 items) is about the

owner's political party or their own political activities. Only 8% (105 items) is about the business unit owned by the media mogul, and 3% (32 stories) promotes the business group. Five stories are about the owner's family, without any direct political or business connections. The detailed data per TV station is provided in Table 6.35. The data per TV station and Time Point is presented in Table 6.36.

Table 6.35 Owner's Agenda by TV Station

Count

		IF YES					Total
		OWNER'S POLITICAL PARTY/POLITICAL AFFILIATION	OWNER'S BUSINESS/ COMPANY	OWNER'S POLITICAL ALLIES RELATED TO THE ELECTION	OWNER'S BUSINESS GROUP	OWNER'S FAMILY	
TVID	ANTV	14	1	1	0	4	20
	GLOBAL TV	46	12	56	8	0	122
	INDOSIAR	0	22	0	0	0	22
	METRO TV	57	0	483	0	0	540
	MNCTV	23	25	58	15	0	121
	RCTI	34	23	83	5	0	145
	SCTV	0	14	0	3	0	17
	TRANS7	1	0	0	0	0	1
	TRANSTV	3	5	0	0	0	8
	TVONE	60	3	244	0	1	308
	TVRI	1	0	0	1	0	2
Total		239	105	925	32	5	1306

Table 6.36 Owner's Agenda by TV Station and Time Point

Count

		IF YES						
		OWNER'S POLITICAL PARTY/POLITICAL AFFILIATION	OWNER'S BUSINESS AFFILIATION	OWNER'S POLITICAL ALLIES RELATED TO THE ELECTION	OWNER'S BUSINESS PARTNER/GROUP	OWNER'S FAMILY	Total	
TIME POINT								
TIME POINT 1 (27MAR-9APR 2014)	TVID	ANTV	14	1	1	0	4	20
		GLOBAL TV	32	0	1	6	0	39
		INDOSIAR	0	1	0	0	0	1
		METRO TV	22	0	0	0	0	22
		MNCTV	23	0	0	12	0	35
		RCTI	30	0	0	4	0	34
		SCTV	0	0	0	2	0	2
		TRANSTV	0	2	0	0	0	2
		TVONE	20	1	6	0	1	28
		TVRI	1	0	0	0	0	1
	Total		142	5	8	24	5	184
TIME POINT 2 (26JUN-9JUL 2014)	TVID	GLOBAL TV	14	3	55	2		74
		INDOSIAR	0	1	0	0		1
		METRO TV	17	0	415	0		432
		MNCTV	0	2	58	3		63
		RCTI	4	7	83	1		95
		SCTV	0	0	0	1		1
		TRANS7	1	0	0	0		1
		TRANSTV	3	3	0	0		6
		TVONE	3	2	217	0		222
	Total		42	18	828	7		895
TIME POINT 3 (13-29JAN 2015)	TVID	GLOBAL TV	0	9	0	0		9
		INDOSIAR	0	20	0	0		20
		METRO TV	18	0	68	0		86
		MNCTV	0	23	0	0		23
		RCTI	0	16	0	0		16
		SCTV	0	14	0	0		14
		TVONE	37	0	21	0		58
		TVRI	0	0	0	1		1
	Total		55	82	89	1		227
Total	TVID	ANTV	14	1	1	0	4	20
		GLOBAL TV	46	12	56	8	0	122
		INDOSIAR	0	22	0	0	0	22
		METRO TV	57	0	483	0	0	540
		MNCTV	23	25	58	15	0	121
		RCTI	34	23	83	5	0	145
		SCTV	0	14	0	3	0	17
		TRANS7	1	0	0	0	0	1
		TRANSTV	3	5	0	0	0	8
		TVONE	60	3	244	0	1	308
		TVRI	1	0	0	1	0	2
	Total		239	105	925	32	5	1306

In the first time point, the stories containing the owner's agenda are mainly about the owner's own political party or their political activities prior to the legislative election. The high numbers shown in Chart 6.15 below are consistent with stations whose owners are either a political party chairman or active in politics. We can see stories about Golkar in tvOne and ANTV, the two free-to-air TV stations owned by Bakrie, Chairman of the Golkar Party. The same trend can be seen in MetroTV, owned by Surya Paloh, Chairman of the National Democratic Party. At that time, Hary Tanoesoedibjo ran for vice-president, endorsed by the Hanura Party. This explains the stories about the Hanura Party as well as Tanoesoedibjo's political activities in his three free-to-air TV stations: RCTI, GlobalTV and MNCTV. The majority of stories related to the various business groups also appear during this time point.

In Time Point 2, after the announcement of the presidential candidates and the formation of coalitions, networks no longer ran stories about the owner's political party. Surya Paloh and his National Democratic party were part of the Red and White Coalition supporting Joko Widodo and Jusuf Kalla. As a result, the news items in MetroTV during this time point were dominated by stories about Joko Widodo and Jusuf Kalla. There were almost no stories about the other candidates, Prabowo Subianto and Hatta Rajasa, except for a few negative ones. Aburizal Bakrie and Hary Tanoesoedibjo, on the other hand, were Prabowo's supporters, which meant the majority of stories in TVone, RCTI, GlobalTV and MNCTV were about Prabowo Subianto and his running mate Hatta Rajasa. According to the data in Chart 6.16, the stories containing the owner's agenda were mainly about the owner's political allies in the context of the election.

Chart 6.15 Owner's Agenda at Time Point 1 (Legislative Election)

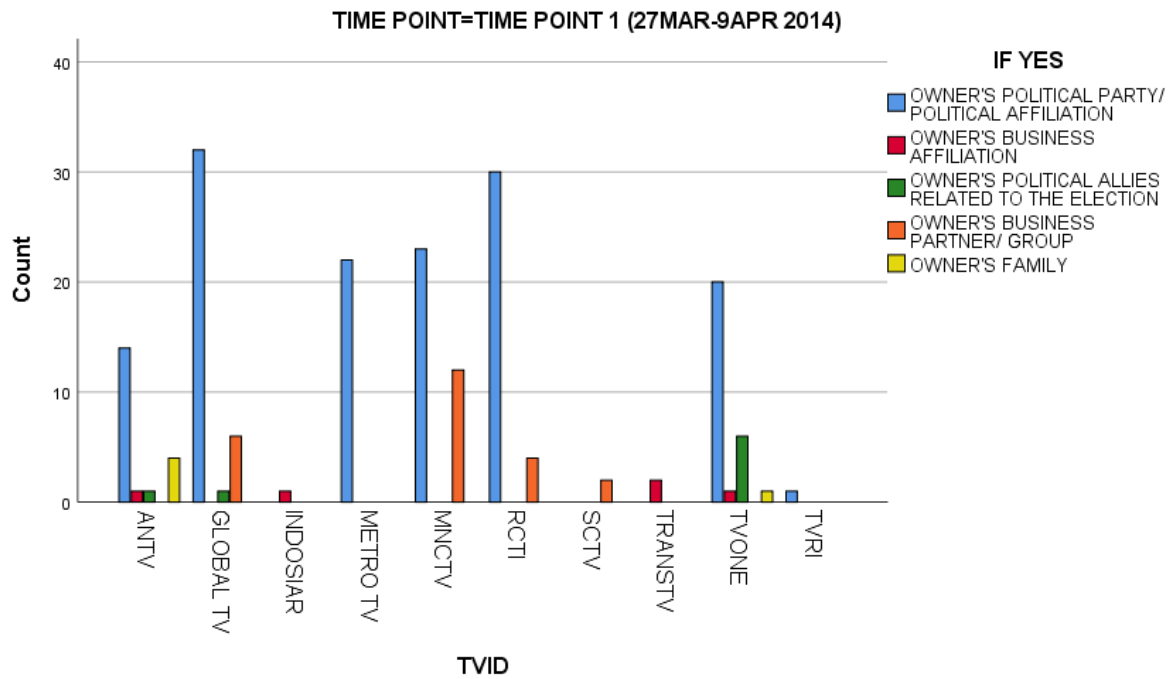


Chart 6.16 Owner's Agenda at Time Point 2 (Presidential Election)

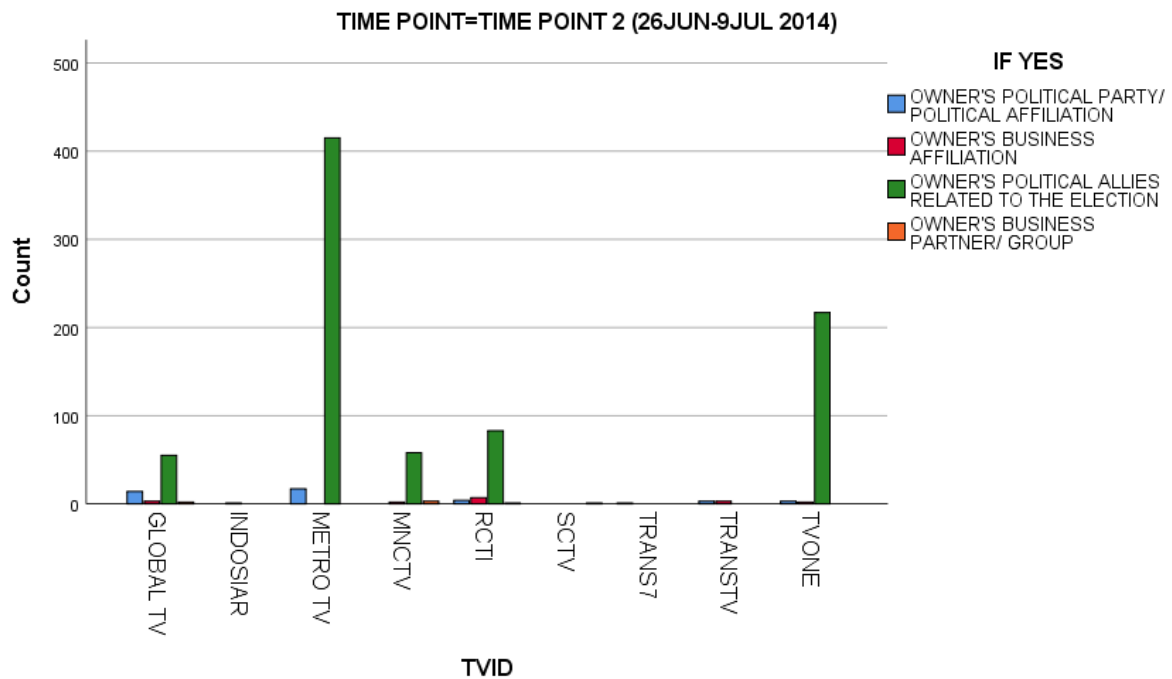
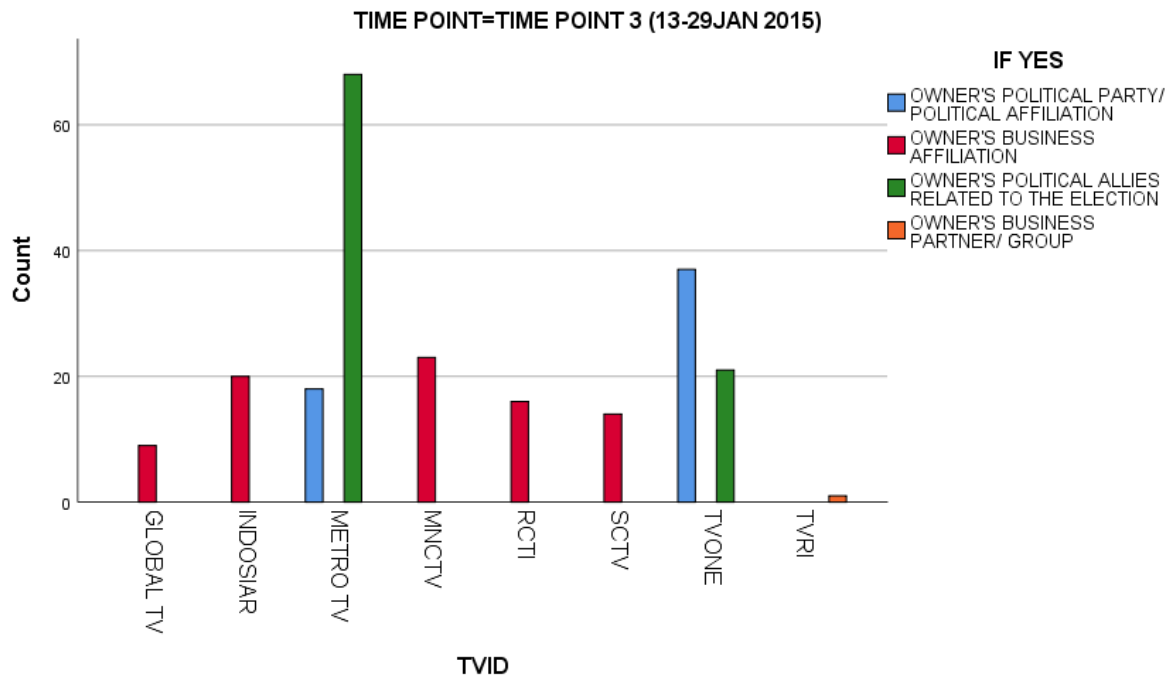


Chart 6.17 Owner's Agenda at Time Point 3



The last time point, Time Point 3, is the control period. I randomly selected a two-week period in January 2015, six months after the presidential election, to analyse the diversity of television content. Even after the election period and the formation of a coalition the one-sided stories remained. The control period happened to be dominated by a major political event, namely a feud between the Indonesian Police and the Indonesian Corruption Eradication Commission (Komisi Pemberantasan Korupsi/KPK). The event was the first high-profile political event for Jokowi's new administration. The battle was brought into parliament, involving the major political parties. The data in Chart 6.17 shows the consistency in the number of stories related to the owner's own political party and their political allies from the elections. The two news channels, MetroTV and tvOne, whose owners were the political party chairmen Surya Paloh and Aburizal Bakrie, respectively, competed in winning over the public opinion regarding the feud between the Indonesian Police and KPK. Paloh, Nasdem, and MetroTV were still supporting President Jokowi, whereas Bakrie, Golkar, and tvOne were part of the opposition. The data also shows a relatively high number of stories related to the owner's business unit or company

in Time Point 1. This type of story was almost absent in Time Point 2, and occurred only a few times in Time Point 3. This suggests that during political events owners tend to feed their political agenda. During routine periods, on the other hand, they are back to business as usual, and tend to give some airtime to promoting their business units and companies.

6.5 Conclusion

Chapter 6 has presented quantitative data on levels of diversity/uniformity in terms of media ownership and programme content, and described the methods used to obtain this data. The data gives a picture of the diversity in Indonesian television content, both vertically and horizontally. This chapter also presented data from content analysis, using the diversity criteria as described in the methodological framework. However, the calculations with this quantitative method are only part of the results of this study. In Chapter 7, I will present the qualitative analysis and elaborate on it with further quantitative analysis, in order to give a comprehensive answer the research questions of this study.

Diversity: In the Name of Profit, but not the Public

7.1 Introduction

Chapter 6 showed the results of the diversity measurements of contemporary Indonesian television, from both the source and the content sides. This is the main contribution of this study. Since the advent of the Broadcasting Law No.32/2002, which mandates the diversity of ownership and content, there have not been any other parameters or tools for quantitative measurement. The data presented in the previous chapter identifies the level of concentration/diversity that shapes the Indonesian television market structure. The diversity of content has also been identified on two levels of analysis. First, the diversity in individual information content units, with a focus on the different formats/genres, viewpoints, demography, geography, and owner's agenda in a programme. Second, the diversity in the content bundles of broadcasting channels. The latter focused on the programme content supply as a total package by individual media outlets (vertical diversity) and across media outlets (horizontal diversity). This chapter will further explore and discuss the results presented in Chapter 6. The analysis here will be completed with document analysis and interviews.

This chapter is divided into four main subthemes. The first part contains an analysis of the industry structure and government regulation. The second part is about industry structure and programme-type diversity. This is followed by programme-type diversity and government regulation analysis in part three. In the fourth part, I discuss the dynamics between the ownership, journalistic practices inside and outside the newsrooms, and news content.

7.2 Industry Structure and Government Regulation

Based on the findings in the previous chapter, we can see that the contemporary Indonesian television market is an oligopoly: a market controlled by a few large groups of

broadcasters The four conglomerates are Media Nusantara Citra (MNC) Group, which owns four free-to-air TV stations (RCTI, MNCTV, GlobalTV, and iNews); Elang Mahkota Teknologi (EMTEK) Group, which owns two free-to-air television stations (SCTV and Indosiar); Visi Media (Viva) Group, which controls two free-to-air television stations (ANTV and tvOne); and CT Corp, which owns two free-to-air television stations (TransTV and Trans7). Based on both the HHI and the CR4/CR8 measurements of the Indonesian television market, the diversity of ownership is very low, or in other words, the market is highly concentrated. The oligopoly market structure confirms the previous research by Lim (2011, 2012) and Nugroho et al. (2013). In addition, the measurement methods in this study, presented in Table 6.13, also show the significance of the ownership factor in shaping the Indonesian television market.

The question that needs to be addressed in relation to the market structure is whether the regulation allows this situation to happen. The Broadcasting Law No.32/2002 clearly states “diversity of ownership and diversity of content” to be the spirit of Indonesian broadcasting. Is this spirit in line with the fact that there are media owners who control more than one TV station and have a broadcast coverage of 81% of the total of population (Table 5.6)?

There is a very vague statement about restrictions on media ownership in Broadcasting Law No.32 of 2002. This Law states “individual ownership, both direct ownership of shares of Private Broadcasting Institutions and indirect ownership through the ownership of legal entities of Private Broadcasting Institutions, must be restricted, both in one broadcasting area and in several broadcasting regions.” This vagueness prompted various organisations in 2011 to submit a judicial review of Article 18, Point 1, and Article 34, Point 4, of the Law.⁷³ The Independent Broadcast Democracy Coalition (KIDP), which consists of the Alliance of Independent Journalists, Media Regulations and Regulators Watch and the Indonesian Community Television Association, demanded clear guidelines from the

⁷³ See: Sejumlah Organisasi Ajukan Judicial Review UU Penyiaran, <https://nasional.tempo.co/read/5405/sejumlah-organisasi-ajukan-judicial-review-uu-penyiaran-dan>
Koalisi Independen untuk Demokratisasi Penyiaran (KIDP) Ajukan Judicial Review UU Penyiaran, <https://nasional.kontan.co.id/news/kidp-ajukan-judicial-review-uu-penyiaran-1>. Accessed 13 February 2020.

Constitutional Court in response to the concentration of media ownership. The vague interpretation of the Law, according to these organisations, had resulted in the uniformity of content, which was not in accordance with the spirit of reform. This lawsuit was fully rejected by the Constitutional Court, because the plaintiffs were considered unable to prove the contents of the lawsuit.⁷⁴ In addition, the Constitutional Court also considered that the contents of Government Regulation No.50/2005, as a legal derivative product of the Broadcasting Law No.32/2002, sufficiently explained the provisions relating to television ownership in Indonesia.

There are gaps in the contents of Government Regulation No.50/2005 Article 32, which regulates television ownership in Indonesia. These gaps can be used by media owners to “solve” broadcasting problems in their own interest. According to Rahayu, a researcher from the Media Regulations and Regulators Watch (PR2Media),⁷⁵ one of the gaps relates to the definition of “owner.” This is not included in the Government Regulation.

Media that made acquisitions before 2005 are indeed very special, the percentage of ownership can be up to 90%. But for acquisitions after the Government Regulation was implemented, the subsequent ownership may only control 49% of ownership, then 20%, then only 5%. I researched the acquisitions done by MNC group. In the case of the acquisition of MNCTV (was TPI), the 90% of ownership was correct because it happened before 2005. But the acquisition of RCTI and iNewsTV clearly happened after 2005. According to the regulations, the percentage of ownership must gradually decrease to 49%. This did not happen. Why? Because the purchase was carried out by a holding company. Government regulations do not specify this issue (Rahayu, personal communication, 2017).

Rahayu explained the purchases of RCTI and later also iNews TV were not carried out by MNCTV itself. All purchases were made by the holding company that is not a broadcaster. This is the legal loophole.

⁷⁴ See: Pembatasan Kepemilikan dan Penguasaan Lembaga Penyiaran Swasta dalam UU Penyiaran Konstitusional, <https://mkri.id/index.php?page=web.Berita&id=7581>. Accessed 13 February 2020.

⁷⁵ PR2Media was established in 2010 in Yogyakarta. PR2Media focuses on research activities about regulations for the media and media regulatory agencies in Indonesia. In addition to research, PR2Media also conducts public advocacy activities for media regulatory and regulatory cases. See: <https://pr2media.or.id/>. Accessed 13 February 2020.

A similar concern is raised by Muhamad Heychael, a media activist from Remotivi:⁷⁶

The holding problem is only one of the issues that we have. The Government regulations about ownership also cannot identify whether, for example, Hary Tanoesoedibjo and his wife are the same business entity. In broadcasting, the concept of ownership can also be interpreted in terms of an individual person. So, if I have a television station, and my wife has another television station, it is considered as two different forms of ownership. It is possible that on the legal papers, Hary Tanoesoedibjo is not named, even if he owns the company. It must be clarified in the Regulation about the business entity in television ownership. Regarding personal ownership, there is a banking model that I think can be used as a reference. In banking, what is counted is not a person, but a business entity. What counts as one entity is the businessperson, plus three chains of related people around him/her, whether to the right (siblings, cousins), three to the left (spouse, in laws), three above (parents, grandparents), and three below (children, grandchildren, nieces, nephews). I think in Southeast countries, this can be applied since family businesses are very dominant (Heychael, personal communication, 2017).

The existing regulations, both in the form of laws and government regulations dealing with media ownership, have not been able to prevent the concentration of television ownership that has resulted in an oligopolistic market structure.

This brings us to the question of the role of another body—the Business Competition Supervisory Commission (Komisi Pengawas Persaingan Usaha/KPPU), which was established in 1999. Chapter 5 discussed the new independent regulatory bodies which emerged after the reform that brought democracy to Indonesia. The new bodies include the Indonesian Corruption Eradication Commission (Komisi Pemberantasan Korupsi/KPK), Indonesian Broadcasting Commission (Komisi Penyiaran Indonesia/KPI), Indonesian Election Commission (Komisi Pemilihan Umum/KPU) and Business Competition Supervisory Commission (Komisi Pengawas Persaingan Usaha/KPPU). KPPU functions to

⁷⁶ Remotivi is a media monitoring institution. The scope of work includes research, advocacy and publishing. Formed in Jakarta in 2010, Remotivi is a form of citizen initiative that responds to the increasingly commercial post-New Order media industry practices, which ignore public responsibilities. Since its establishment, Remotivi's operational costs have been covered by public donations, operating results, research projects and donor grants. So far Remotivi has received grants from the Tifa Foundation, Hivos, and Cipta Media Seluler. See: <https://www.remotivi.or.id/>. Accessed 13 February 2020.

oversee the market, including evaluating business activities and/or actions of business actors that may result in monopolistic practices and/or unfair business competition. To what extent does the KPPU measure the Indonesian television market in connection with the number of television stations acquisitions by a holding company? Is a concentrated market still considered healthy by KPPU? In the United States, the Justice Department uses the Herfindahl Index to decide whether a merger is good for competition in the marketplace. A market with an HHI under 1,000 is considered competitive/unconcentrated. The Justice Department is likely to scrutinise a merger in an industry with a post-merger HHI between 1,000 and 1,800 (moderately concentrated), and it is almost certain to reject approval for mergers that result in a post-merger HHI exceeding 1,800 (highly concentrated).

The Head of the Business Competition Supervisory Commission, Syarkawi Rauf, confirmed that the KPPU receives reports prior to media company acquisitions. However, he admitted that the commission could not do anything about media concentration or television market oligopolies:

There were reports that we have received about an acquisition plan that we understand would change the market concentration. The structure must have changed, of course. But in our law, the concentration of ownership is not strictly prohibited. This means that even if there is a case of one person monopolising one industry, it is not prohibited. What is prohibited is to use the monopoly position for the market. In this respect we are indeed different from the United States, where the rules are quite strict. We can only evaluate, lest the monopoly position be misused. KPPU works based on Law No.5/1999. In this Law, what is called a monopoly is if there is one person controlling more than 50% of the market. If there are two, three, or more people who control more than 75% of the market, it is called oligopoly. There is nothing we can do about these two market conditions. We can only monitor it (Syarkawi Rauf, personal communication. 2017).

However, there are various cases that can be reported to KPPU in relation to the concentrated ownership of television:

Regarding the advertising price, for example. If one television station provides advertising prices far below the market price to its subsidiaries compared to other companies, if there is evidence, we can investigate it. This is what I mean by abuse of power within the market and it is dangerous for competition in general. Another example that can be sued, if there is supporting evidence, is when there is a case that a particular television station holds a pitching for soap opera series, but then none of the production houses won the pitching and finally the television produced the soap opera by itself using the ideas derived from the pitching process. That's another form of abuse. Apart from the tendency to abuse of power, as long as competitive conditions exist, regardless the market structure, at the end of the day what matters is that businesses will meet people's needs (Syarkawi Rauf, personal communication 2017).

The position of KPPU, which sees information as an ordinary commodity like any other commodity sold in the market, is in line with the drivers of the Market Model Theory. One of them is Mark Fowler, Federal Communications Commission (FCC) Chair during the Reagan administration (Chapter 2). Because Fowler saw the media industry just like any other industry, and media products the same as any other consumer products, he argued that "television is just another appliance. It's a toaster with pictures" (in Croteau & Hoynes, 2006, p. 27). Those in favour of Fowler's position argued: "If we permit the laws of supply and demand to determine the price and ability of toasters, why should we do anything different with the media industries?" (Croteau & Hoynes, 2009, p. 26). KPPU also does not have a clear standpoint on how media products should be regulated differently, as explained by Rauf: "No, we do not see any differences. Now the market is multi-sided. But as long as there are no issues in terms of competition, we do not see any problems either" (personal communication 2017).

Certainly, in an oligopolistic market structure such as in Indonesia, there is less chance of "issues" in business competition as is meant by the KPPU. As I discussed in Chapters 2 and 6, based on the Theories of the Firm, oligopoly refers to an industry dominated by a few large firms that usually produce heterogeneous/differentiated products. The market creates barriers to entry that provide the possibility of economic profits in the long run as well as in the short run. Because there are only a few large producers, a change in price,

output, or some other competitive action by one company will have an impact on the other companies. This forces oligopolists to practice strategic behaviour: decisions are made only after an assessment of the likely reaction of rivals. In the context of Indonesia's private television market, the same main players have dominated the market since before the democratic reform of 1998 and have created barriers for new players to enjoy a piece of the profit cake. The Indonesian condition confirms the Theory of the Firm. Decisions based on the possible reaction of competing stations have generated unwritten agreements and benchmarks among players, for example regarding prices or products. The price or type of product under oligopolistic market conditions indirectly becomes a barrier for new players whose capital does not match that of the old players. In an interview with *Rajawali Televisi* (RTV)⁷⁷ Deputy Editor-in-Chief, Makroen Sanjaya, humourously confirmed this situation: "As a new player in the Indonesian broadcasting arena, it is hard for us to beat the old players. RCTI and SCTV can easily have a good rating score by even airing a story of a chicken laying eggs" (Hendriyani & Eriyanto, 2016, p. 23).

Another barrier comes from the government regulations themselves. The 2005 Government Regulation governing broadcasters, for example, introduced stricter rules regarding the rights and obligations of new players that tried to join the market after 2005. Again, there is only a small chance an "issue" will occur in terms of business competition among the big players, who control the market and enjoy the benefits of the oligopolistic conditions that arose from the pre-2005 legislation.

There are many loopholes in Indonesian government regulations like the Broadcasting Law No.32/2002, Government Regulation (Peraturan Pemerintah) No.5/2005 about the Operationalisations of Private Broadcasting in Indonesia, as well as Government Regulation No.5/1999 about the Prohibition of Monopoly and Unfair Competition Practices. These loopholes make irrelevant the questions of whether an oligopoly is against the law, or whether the concentration of ownership is prohibited. Nevertheless, since the measurements of the Indonesian television market showed a highly

⁷⁷ RTV is a network television that began broadcasting in 2014. RTV changed its format from a local Jakarta TV station named BChannel to a national broadcast television station. See <http://www.rtv.co.id/>

concentrated market or an oligopoly, there is one important question that remains unanswered: whether the oligopoly market produces a uniform, or more diverse range of products. Market Structure Types proposed by the Theory of the Firm and the Principal Seller in Chapters 2 (Tables 2.2 and 2.3) and 6 (Table 6.1) suggest two different possibilities. In the next section, I will unpack the links between the industry structure, the issue of ownership, and programme-type diversity, which are at the heart of this study.

7.3 Industry Structure and Programme-type Diversity

Previous studies have engaged in a never-ending debate about whether competition in oligopoly markets produces product diversity or excessive uniformity. Media economists have put forward two opposing theories. Some argue increasing competition tends to decrease the range of programme content, or that industry turbulence and new entries encourage content diversity and product differentiation (Litman, 1992; Napoli, 1999). Dominick and Pearce (1976), for example, discovered decreased diversity of US network television programming, following a pricing cartel that suggested an oligopoly in 1953. Another example is Litman's (1979) study that explained the increased diversity of network television with the intensified competition in the late 1970s. Both studies suggest that oligopolies cause a decline in diversity of content, whereas competition tends to increase diversity.

In the other camp are Li and Chiang (2001), who analysed the Taiwanese television market, and van der Wurff and van Cuilenburg (2001), who studied Dutch television. Unlike the first camp, they discovered a negative relation between market competition and programme-type diversity. As mentioned in Chapter 3, van der Wurff and van Cuilenburg even suggested that only moderate competition tends to boost diversity, whereas ruinous competition, with too many firms of equal size rivalling one another in a stagnant market, leads to extreme uniformity in supplies. In the Indonesian context, the initiators of the Broadcasting Law No.32/2002 were arguably closest to the ideas of the first camp. They expected their concept of local networked broadcasting to automatically generate diversity of content, as explained in Chapter 5. As we know from Chapter 6, the

market structure is indeed oligopolistic. In the next section, we will evaluate the media products or content.

7.3.1 Programme-type: Vertical Diversity

In Chapter 6, we analysed tools for measuring the diversity of content of ten private television stations and one public television station. Although the diversity of content and ownership has been clearly mandated in Law No.32/2002 (see Chapters 3 and 5), to date the Indonesian Broadcasting Commission (Komisi Penyiaran Indonesia/KPI) has not used any tools for measuring those types of diversity, despite being authorised to measure and evaluate the diversity of television programme content (Chapter 5). This study tries to measure the diversity of three different units of television content. The first unit of analysis is the diversity of content in a channel, also known as intra-diversity or vertical diversity (see Chapters 3 and 6). The next unit of analysis is the diversity of content across television channels at a certain time. Diversity at this level is important to study, considering television broadcasts are linear broadcasts. At any given time, the audience needs to know its choices of genres across television channels. This is called inter-diversity or horizontal diversity. The third unit of analysis is the news item. This section will discuss the findings and measurements of vertical and horizontal diversity, and their relationship to the structure and ownership patterns of the media industry in Indonesia. I will start with vertical diversity.

As explained in Chapter 6, I use the Relative Entropy Index (H) to measure vertical diversity. This instrument is in accordance with similar measurements that have been carried out previously, for example by Heikki Hellman (2001), who measured the diversity of television content in Finland. From the results of calculating diversity based on seven programme genres (for a list of programme genres and subgenres, see Table 6.16) for each television station at three different time points, we learn that the index scores of news-based television stations such as MetroTV and tvOne are the lowest (see Table 6.18). This is consistent with variations in news-based television programmes, which are dominated by news and information genres, coupled with very few portions of sports and

non-drama genres. From the television stations with a general or entertainment format, the Indonesian public broadcaster TVRI has the highest index score throughout the three time points of analysis. Slightly below TVRI is Trans7, whose diversity scores are also consistent throughout the three time points of analysis.

As mentioned in Chapter 6, Transcorp acquired TV7 from Kompas Gramedia Group in 2008 and changed its name to Trans7. Inheriting a tradition of solid journalism from Kompas Gramedia Group, TV7 was able to offer strong news bulletins. Later, this tradition was carried over to Trans7. TV7's other old flagship programmes such as *Jejak Petualang*, *Laptop Si Unyil*, and *Bocah Petualang/Si Bolang*, have also survived. The strength of Trans7 lies in documentaries and children programmes, which are clearly distinguished from the programme offerings of other television stations. However, to gain more profit, Trans7 also decided to "follow" the track of TransTV by adding more profitable programmes, such as infotainment, talk shows and reality shows. "First, we needed to run a study to find the best formula that we could apply but wouldn't ruin the sales of 'our brother' [TransTV]. After we had the data, we sat together and made sure that we would make a totally different concept of infotainment, talk shows, or reality shows," explained Dewi Handayani, Head of Trans7's programming department (personal communication, 2017). This was in response to my question on how to deal with the "diversity issue" when there is another station under the same holding.

Handayani also explained differentiation in terms of the positioning of Trans7 and TransTV. Trans7 plays with the main concepts of "smart, entertaining, and family-oriented," reflected in their high number of edutainment programmes. TransTV, on the other hand, tends to be more glamorous. TransTV's target audience is female, while Trans7 has a predominantly male audience:

Our programmes are in line with our positioning and core programme values of "smart," "entertaining," "family"; they will reflect those values. That means there should be edutainment, magazine-style, information programmes that are closely related to the 'smart' value. But then we also provide entertainment programmes. We need programmes with a massive market. That is why we also have drama,

variety shows, and talkshow programmes, the mainstream ones. And although we are convinced that our audience is mostly male, we want to grab the whole family too as our audience, considering that most of the market is controlled by the female audience (Handayani, personal communication, 2017).

Although there are several days in the second time point that were part of the month of Ramadan, there was no significant change in airtime allocations to religious programmes, apart from an additional half-an-hour to one hour per day. Other Ramadan programmes had an entertainment or drama format. They were only distinguished in terms of guests, for example, invited artists who had been active in religious activities. Time Point 2 coincided with the Football World Cup in Brazil. The official broadcasters, tvOne and ANTV, used their airtime for the live or delayed coverage of matches from Brazil. This had an impact on the programming of ANTV, which replaced news programmes with football broadcasts. ANTV and tvOne rebroadcasted the matches to cover the costs of purchasing broadcast rights and maximise advertising profit. The average rate of advertisement cards for World Cup match broadcasts (both delayed, replay and live broadcasts) ranged between IDR 50 million and 150 million or A\$5,000–A\$15,000 (data rate card according to Binocular, 2014), whereas the ad card rates for news programmes were only around IDR 20 million or A\$2,000. This economic reasoning directly influenced the proportion of programme genre choices.

Even if several television stations are under the same ownership, each channel tries to differentiate its programmes from the others, so it can retain its own target audience. As explained by Informant E from GlobalTV's programming department (personal communication, 2017):

Within the same group, we understand that RCTI mainly focuses on drama series, while MNCTV tries to grab an audience of children, therefore they have quite a lot of animation programmes. As for us, other than the cinema movies, our flagships programme now includes the reality show. However, we are also aware that the drama genre is still very strong. Thus, to anticipate the trend, we try to differentiate our drama. RCTI focuses on drama series, GlobalTV focuses on non-

series drama, while MNCTV is more into drama for a middle- to lower-class segment.

As this study groups some of these genres and subgenres under the same programme category, this differentiation may not necessarily be reflected here.

Television stations whose diversity score according to the Relative Entropy Index (H) tends to be lower than the other television stations analysed are SCTV, MNCTV and GlobalTV. The contents of these three television stations are dominated by the drama genre. Their differences are in the type of drama that is dominant. SCTV and MNCTV broadcast more drama series and locally produced television films, while GlobalTV content is dominated by imported dramas, especially box office movies. Detailed data on the duration of imported drama and local drama broadcasted by each television station can be found in Table 6.19. Besides GlobalTV, another television station that broadcasts much of the imported drama is ANTV. The difference is that ANTV's imported drama is dominated by Bollywood drama series instead of Hollywood films.

7.3.1.1 Imported Drama vs Local Drama

In 1997, in the early years of private television, Veven Sp Wardhana measured imported drama content on Indonesian television (see Chapter 4). Some television stations such as RCTI, Indosiar and TPI (which later changed its name to MNCTV) spent the majority of their broadcast time on imported programmes, even exceeding the import content quota specified by the government, which was 20% of the total broadcast time. After the enactment of the Broadcasting Code of Conduct and Program Standards (Pedoman Perilaku Penyiaran dan Standar Program Siaran/P3SPS) in 2012, the Indonesian Broadcasting Commission stipulated that imported programmes should not exceed 10% of the television broadcasts per day.⁷⁸ Nevertheless, during the course of this research, the

⁷⁸ This is in accordance with the Broadcasting Code of Conduct (Pedoman Perilaku Penyiaran - P3), Chapter XXIV, Article 45, Paragraphs 2 and 4: (2) The duration of broadcast relay for permanent programs originating from abroad is limited to a maximum of 5% (five percent) for radio broadcasting services and a maximum of 10% (ten percent) for television broadcasting services of all broadcast times per day, except a worldwide sporting event broadcast which requires an extension of time, (4) The number of broadcast relay programs for permanent programs originating from abroad is limited to a maximum of 10% (ten percent) for radio broadcasting services and a maximum of 20% (twenty percent) for television broadcasting services out of the total number of programs broadcast per day.

limit was breached by several television stations. The duration of imported drama content on GlobalTV at Time Point 1 was 13.1 hours or more than 50% of total broadcast hours per day. At Time Point 2, the average duration of imported dramas aired on GlobalTV was 12.25 hours, also more than half of the total duration of broadcasts in one day. The duration of imported drama on GlobalTV rose in Time Point 3, with an average of 16 hours per day, or about 67% of the total broadcast time. This percentage only includes imported content in the drama genre, excluding other genres like sports and entertainment.

ANTV has also hit the 10% import limit. At Time Point 1, ANTV broadcast an average of seven hours of imported drama per day, or about 30% of the total broadcast time; an average of eight hours per day or about 33% of the total broadcast time in the second time point; and 10.6 hours on average per day or 44% of the total broadcast time at Time Point 3. Senior staff from the GlobalTV programming division confirmed the allocation of considerable airtime to imported programmes on GlobalTV:

One of our flagship programmes is “Big Movies,” which contains Hollywood box office films. So, of course the allocation of airtime is quite long. But I have to check whether it is indeed incompatible with P3SPS. What’s certain is that we have never been sanctioned by KPI for violating the duration quota for imported programmes (Informant E, personal communication, 2017).

Costs becomes an important consideration in this decision. “It is true that the price of broadcast rights for Hollywood cinema or box office films are slightly more expensive. But in fact, those films can be broadcasted repeatedly in a period of one or two years, depending on the contract agreement,” according to E (personal communication, 2017). The price of the film and the flexibility of re-screening Hollywood cinema on television are usually determined by the year of the film. The older the film, the greater the chance to negotiate over the price of rebroadcasting or the length of the contract. This is in line with efforts to maximise profits through economies of scale (Chapter 2). The same material can be repeated several times, with a variety of advertising profit potential. Nevertheless, only

GlobalTV uses the cinema film scheme to maximise profits. ANTV relies on foreign television series, especially from India and Turkey.

It is no secret that imported television series can be far cheaper than local drama production. This was evident in the programme offerings of the first generation of Indonesian private television (see Chapter 4). Unlike individual films, imported television series cannot be rebroadcast in a short period of time. However, the price of imported drama series is counted on a seasonal basis, so the price is cheaper. However, only GlobalTV and ANTV relied on imported programmes. Other television stations, such as SCTV, MNCTV, Indosiar and RCTI, tended to rely on local programmes, including television films or drama series. This does not mean that they did not maximise their profits like the other two television stations did. The difference is that ANTV and GlobalTV maximised their profits through economies of scale, while RCTI, MNCTV, SCTV and Indosiar maximised their profits through economies of scope as well as vertical integration, which “refers to common ownership across different phases in the supply chain for a media product” (Doyle, 2002, p. 13). Answering the need for local drama programmes, Media Nusantara Citra, the holding company of RCTI and MNCTV, and Elang Mahkota Teknologi, which owns SCTV and Indosiar, each opened a new business unit in the form of a production house. According to Doni Arianto, SCTV’s General Manager of Planning, Scheduling and Research (personal communication, 2017):

Since we own Sinemart as Emtex’s business unit, all SCTV drama series in the prime-time belt are produced by Sinemart. This is different from last year when we still had relatively diverse production houses that supplied our drama series for the prime-time belt, such as ASP, ScreenPlay, Mega Kreasi, and Star Vision. But since this year, it is only from Sinemart.

A similar strategy has been applied by MNC Group. According to Choiril Alam, RCTI’s General Manager of Programming (personal communication, 2017):

Business in MNC is beyond television, and all of the businesses need content. So, our target is not only to be the number one TV provider in a cost-efficient manner,

but also to get programmes that can be used by all our platforms. Now 70% of our content is produced in-house. Some are productions from our television stations, others from MNC pictures, or from Star-Pro, a production house that produces infotainment and sports, and also news that synergizes under iNews. Thus, everything is far more effective now.

Moreover, MNC Group also established a talent management agency to control its production cost:

Our talent management agency, Star Media Nusantara, manage over 200 artists which allows us to control talent cost. In addition, as we are the industry leader, we have opportunities to work with the best artists and talents in the country at a preferred price. (Hary Tanoesoedibjo, MNC Group President Director, Annual Report 2014, p. 36)

TransTV and Trans7 still rely on in-house productions under the auspices of their television production teams. According to Informant F who works in the TransTV programming department (personal communication, 2017), “We rely heavily on our production team, as we want to ensure that we meet the quality standard of our entertainment programmes.” Each television station’s choice of how to maximise its profits, whatever its strategies are, will be reflected in its television programmes. And no matter what kind of strategy they choose to maximise their profits, there is no argument clearer than Tanoesoedibjo’s regarding the reason behind a chosen strategy: “I want to emphasise that such strategy, like outsourcing content production, is not just about cost efficiency. It is also about maximising revenue” (Tanoesoedibjo, 2014, p. 38).

7.3.1.2 The Indexes

If we look again at Table 6.18, which shows diversity figures based on the relative entropy index (H), there are no significant differences between television stations, except, of course, MetroTV and tvOne. Using a scale between 0 (very uniform) and 1 (very diverse) shows that the ten private television stations and one public television broadcaster are relatively similar, and perform surprisingly well in terms of diversity. TVRI and Trans7, for example, both have scores above 0.8. If we were to include more than seven genre

categories, the results would certainly be different. This study does not include hybrid programme categories, situated between format-based and audience-based genres. The seven selected programme genres are based on format, not audience. This categorisation provides a tool for quantitatively measuring the diversity of Indonesian television programmes. My input for the Indonesian Broadcasting Commission is to revisit its genre categories and make these categories more in line with the Commission's own concept of diversity. This may necessitate the inclusion of hybrid genre categories.

It should also be noted that the relative entropy index demonstrates a certain "blindness" to the broadcast time allocation of a programme within a channel. The relative entropy index can measure the diversity of content of a channel, but it is blind to more complex facts beyond programme genres and broadcast duration. It does not identify, for example, whether a programme in a specific genre was broadcast in the morning, afternoon, evening, or at midnight. A television station could be considered to have diverse programme content, even if four out of the seven programme genre categories were broadcast between 12.00 p.m. and 4.00 a.m., and the remaining broadcast hours were only filled by three dominant genres. This is an influential factor, as the business logic of television is determined by the audience. The level of viewership between 1.00 and 4.00 a.m. is very different from the viewership of the same programme category between 1.00 and 4.00 p.m. This viewership factor is fundamental in the rating and share systems in the TV industry (see Chapters 4 and 5).

There are other gaps in this index. Based on the relative entropy index score, we can see that RCTI has the highest score at Time Point 1. My analysis found non-drama genres at Time Point 1, but not at Time Points 2 and 3. The index suggests the diversity is better because of the emergence of this genre. However, what was unreadable was that the non-drama genre was in the form of a special programme created by Hanura Party's campaign team for Wiranto and Hary Tanoesoedibjo. The programme, titled *Realising the Indonesian Dream*, was broadcast during the campaign period for the legislative elections, and contained political information and propaganda. The programme clearly benefitted the owner's political aspirations during the election campaign season. In other words,

judging by the index only, the score of RCTI's content diversity at Time Point 1 was indeed better in terms of the number of genres on offer. Content-wise, however, it was very problematic.

Therefore, this study complements the analysis of vertical diversity with the analysis of horizontal diversity and quality. Horizontal diversity measurement is important, as one of its tools, the choice option index (A), can analyse the diversity of choices within a certain broadcast timespan.

7.3.2 Programme-type: Horizontal Diversity

The diversity scores across channels were divided into primetime belt and ghost-time belt. The Choice Option Index (A) scores are clearly lower in the primetime belt than the ghost-time belt. Moreover, if news channels such as MetroTV and tvOne were removed from the list, leaving only the general format/general entertainment stations on the table, the choice of genres in the primetime belt would almost be exclusively limited to two genres, namely drama and entertainment. This was different from the ghost-time belt. Even without tvOne and MetroTV, the diversity of content choices remained high, because at this period of time the television stations with a general entertainment format broadcasted diverse programme genres, such as news and information, sports, religion and arts and culture. Without including MetroTV and tvOne, the programmes that dominated the primetime belt from 8.00 a.m. to 10.00 p.m. were local drama series (SCTV, RCTI, MNCTV), individual box office films (GlobalTV), imported Indian drama series (ANTV), and music programmes and variety shows (Indosiar, TransTV, Trans7). In this study, these would simply count as drama and entertainment genres. The number of genre choices was actually less than in the primetime belt before the reform period. Veven Sp Wardhana found six dominant programme genres in the primetime belt in 1997 (see Table 4.2). If converted to the categories used in this study, there were four programme genres in the primetime belt, including the news and information genre. According to Wardhana's notes, despite the absence of a news channel at the time, TVRI, RCTI, SCTV and ANTV were still broadcasting journalistic talk shows in the primetime belt.

This is no longer the case today. In the programme rundown in this study, even talk show programmes about public affairs cannot be found anywhere outside news-based television.

So, what does this finding say about the structure of the television industry? In the primetime belt, the viewing level is at its highest point. In economic terms, it was during this period that demand was high. Following the law of demand and supply, prices tend to rise when demand is rising, so the price of advertisements in this time-belt is also high. It is through the logic of supply and demand that the uniformity of content in the primetime belt can be explained. When the audience demand is high, advertisers tend to accept any types of programmes offered by the television stations. These are the programmes that have high ratings. Using the same formula of allocating programmes with high ratings in the primetime belt, the programme genres offered by TV stations will eventually become uniform. Does the programming division take “diversity” into its consideration? The short answer is “no.” All the programming representatives that I interviewed agree that they just have to stick to screening their flagship programmes in the primetime belt, even if that means the audience lacks a diversity of options. Apni Jaya Putra, former employee of SCTV, RCTI, SunTV, KompasTV, and now TVRI’s News and Programme Director, stated:

There was no consideration as such, I can say. If it is allowed by the regulation to air programmes from India (Bollywood) all day long, I am sure they will do it. This is all about money, profits. Some stations even closed their news bulletin programmes, also because they think it is cheaper for them to buy *sinetron*. This generates more income than to maintain their newsroom, which makes up more than 30% of their fixed costs, but only contributes 10% of total program duration per day, with low ratings, and low income (Apni Jaya Putra, personal communication, 2017).

Regarding the uniformity of content choices in ghost-time vs primetime, the Indonesian Broadcasting Commission is not confident that, in the name of the diversity of content, they can change the situation. “We really cannot do anything about that. I think what we can do is just to encourage each television station to have a specific target of audience

and a specialisation of programme,” replied Indonesian Broadcasting commissioner Hardly Stefano, when I raised my concern regarding the diversity of content (personal communication, 2017). I also asked him if it would be possible and legal for the Indonesian Broadcasting Commission to make an intervention. For example, by composing a rule that each television station, at least once a week, had to broadcast a news and information programme in its primetime belt. “No, I don’t think we can or want to do that. What if the television stations refuse that idea?,” Stefano asked in return. He added, “Of course, we don’t want the impression that KPI is like the New Order’s Ministry of Communication and Information” (personal communication, 2017).

Moreover, the programme genres that dominated throughout the three time points of analysis tended to be consistent, namely the drama and entertainment genres. Following the logic of profit-maximisation, MNC Group and EMTEK Group made a rational decision to establish a new business unit to cater for their needs. They decided to establish a production house that produces drama programmes to fill the primetime belt with the highest advertising price per spot in the entire day. With the economy of scope strategy, advertising revenue and production costs will stay in the same holding company or business entity and not go anywhere else. However, television stations such as GlobalTV and ANTV use economies of scale strategies, where the same imported broadcast products can be used repeatedly to attract different advertisers at high prices during primetime. Indosiar, TransTV and Trans7, on the other hand, use in-house creative personnel (television station employees who are paid monthly) to produce entertainment shows that have the potential to reap high revenues from advertising. Nielsen stated that in the first three quarters of 2015 (January–September), entertainment programmes and drama series absorbed, respectively, 23% and 22% of the value of advertising spending on television. This figure is almost half of all television ad spending (Hendriyani & Eriyanto, 2016, p. 28).

7.4 Content Diversity: Geography, Demography, Format, and Viewpoints

At the next level of analysis, the measured diversity includes geographical diversity, demographic diversity (people diversity), and diversity of viewpoints in the content of a specific programme. For this research, I chose the news programme as a target of analysis. The news programme is the most relevant programme for measuring and testing the components of diversity, as it provides a space for battles about public affairs and the public interest. The news programme also provides an opportunity to test the extent to which Indonesian journalists serve the diversity of content on the screen. Moreover, it is important to see whether journalism after the New Order authoritarianism has been transformed into professional journalism that is independent in every respect, including the interests of the owner. We will start with an analysis of the geographical diversity of content.

7.4.1 Geographical Diversity

Geographical diversity was one among many concerns raised by the initiators of the Broadcasting Law No.32/2002 (see Chapter 5). This concern was reflected in the concept of Broadcast Station Network mandated by the Law. By breaking down the centralised station into a network of local stations in various parts in Indonesia, the legislators hoped that media content would automatically become more diverse. Nevertheless, the implementation of these broadcast station networks was halted, especially by the old media players that had enjoyed extensive broadcast coverage since the New Order era. “I remember we arranged some fake local offices prior to the inspection of the Indonesian Broadcasting Commission, to convince them that we produced our local content there, while the truth was that we produced all the local contents from Jakarta and just relayed them,” confessed one of the MNC executives who preferred to remain anonymous (personal communication, 2017).

As this idea of networked broadcast stations has not yet materialised, how is the geographical diversity according to the analysis of news programmes in this study? The findings of this study as described in Chapter 6 (see Tables 6.24 and 6.25) show that from

a geographical point of view, all television broadcast news was from the same location. DKI Jakarta, East Java, West Java, Central Java and foreign locations were the top five areas that most often appeared in news programmes. The data in Table 6.25, which identifies the top eight locations, also shows a large gap in news quantity between the fifth location and the sixth location.

This study also analysed whether the news came from a provincial capital or from elsewhere. The results presented in Chapter 6 (see Tables 6.22 and 6.23 and Chart 6.4) show that more than half (58.7%) of the total news items were about a provincial capital. The content distribution based on geography within the commercial TV stations shows that there was a significant gap between news from Jakarta/Java and news from outside Java. The news broadcasts were Java-centric and urban-centric. These two facts can be explained from the point of view of the television industry. For a television station that relies on advertising revenue, ratings and shares are crucial. Nielsen's ratings and shares system is based on samples taken in 11 cities (see Chapter 3). Indirectly, the news items from the areas outside Nielsen's sample cities are considered less important. Not because they are content-wise less important, but because the viewership in those areas does not contribute to the station's main currency of ratings and shares. The logic of Nielsen's choice of cities has also been incorporated by the journalists in the newsroom, although regulatory bodies like the Press Council and the Indonesian Broadcasting Commission have underlined the irrelevance of ratings and shares to news programmes (see Chapter 5).

Other scholars (Carpenter, 2010; Cortesi & Gasser, 2015) argue that the internet, social media and alternative media have contributed to more diversity in news content. The new media would complement the news that is biased towards Jakarta and Java. I would argue that this has not been the case in Indonesia, especially before 2017. The Indonesian Internet Service Providers Association (APJII) reported that the number of Indonesian Internet users had reached 132.7 million in 2016 and 143.26 million in 2017, or 54.68% of the total population. Although this has been a dramatic growth from only 618,000 users or

0.26% of the population in 1998,⁷⁹ the distribution of internet access in Indonesia is still Java-centric and urban-centric. There remains a huge gap between urban and rural internet users, and between users inside and outside the island of Java. The number of internet users in Java is reportedly 58 percent of the total users, while 72.41 percent of the internet users live in big cities. The figures show that geographic news television content distribution is consistent and shares the same pattern with internet penetration, internet access and number of internet users (see Chapter 2). This means neither new media nor the internet has yet been able to provide complementary information. In fact, the gaps in media representation and information access between Jakarta and Java and the rest of Indonesia only seem to be growing. People living in the outskirts of Maluku province, for example, have to watch news about Jakarta and Java on their television screens, while they also do not have proper access to internet for browsing information about their own region, city or province. The same situation applies to people in Kalimantan, Nusa Tenggara Timur, Nusa Tenggara Barat and Papua, according to the figures. The problem of access (either no or very poor internet access) is just half of the story. There are other problems, such as hoaxes and fake news on the internet and in social media. However, one of the principle problems is the cost of internet access. Consumers need to pay for data packages to access the internet, which are not required for accessing television or radio. This further underlines the importance of analysing geographical diversity in television news programmes.

7.4.2 Demographic Diversity

The second category of diversity, demographic diversity, was measured by looking at the gender and the attribution of the interviewee(s) in a news item. As P3SPS prohibits the appearance of transgender people on television, this research divided interviewees only into two gender groups: male and female. Meanwhile, for attribution of the interviewees, two categories were used: state actors and non-state actors (see Chapter 6). The state

⁷⁹ See *Laporan Hasil Survey APJII 2017: Penetrasi dan Perilaku Pengguna Internet di Indonesia*. https://web.kominfo.go.id/sites/default/files/Laporan%20Survei%20APJII_2017_v1.3.pdf. Accessed: 25 February 2018.

actors are police, military, national or local government members, and members of parliament. Non-state actors include executives, entrepreneurs, professionals; researchers, academics; activists, NGO members; politicians; community and religious leaders; media owners; students; citizens with special roles; and citizens in general. Citizens in a specific role usually appear in social news genres or in law and crime news genres. For example, those who were interviewed because of their role as eyewitnesses, victims, perpetrators, or family/relatives who have knowledge related to the events covered. The findings suggested that all television stations interviewed more male speakers, both in number of appearances on the screen and in broadcast duration (see Charts 6.6 and 6.7). Male speakers were dominant on all television stations at all of the three time points analysed. The percentage of broadcast duration of female interviewees was even less than the percentage of the frequency of their appearances on the screen.

The dominant sources that appeared throughout the three time points were coded as citizens with a specific role. The second sizeable group consisted of politicians. This is consistent with the context of the first and the second time points, which were before the legislative elections and the presidential elections, respectively. The dominance of citizens in a specific role on Indonesian television cannot be separated from the dominant news genre broadcasted by all Indonesian television stations, which will be discussed in the next section. However, the “role” of citizens in a specific role was limited, as there was no exchange of viewpoints or discourse about public affairs in the programmes in which they appeared as a news source. Overall, non-state actors seemed to talk more often and for longer than state actors (see Charts 6.8 and 6.9).

In the case of “citizen in general,” the percentages of frequency and duration were not linear. The percentage of frequency of citizen in general was quite large (16%), but the duration was only 6% of the total duration of all sources. The significant difference between these two percentages was due to the large number of news items with the vox populi interview format. In this format, those interviewed usually answered briefly, only in one or two words. For example, they were asked their opinion about a new policy. Usually their options were limited to “agree” or “disagree.” As a result, an interviewee would only

have approximately two or three seconds to speak. In a 30-second interview, as many as ten different people could appear. This is inversely proportional to politicians. In terms of frequency, politicians constituted only 10% of the interviewees. However, they would appear for 18% of the total duration of the interview. Politicians as non-state actor sources were normally linked to the media owner's party or political coalition partners.

Non-state actors aired for a total duration of 5,308.91 minutes, while state actors only had 3,085.47 minutes on the Indonesian television screens (see Table 6.27). The largest contributions in frequency and duration to the non-state actor group came from politicians (1,198.48 minutes) and citizens in a specific role (1,299.77 minutes). The high number of politicians was clearly related to the two political events. In addition to the nature of the time points taken for this study, the type of news genre also determined the number of appearances and duration of interviewees in television interviews. Using genre categories for news items is a way of measuring viewpoint diversity, as will be explained in the following section.

7.4.3 Viewpoint/Issue Diversity

From the results of content analysis at the three analysed time points (see Tables 6.31 and 6.32), the top-two news genre categories were Politics (5,105 news items) and Social (7,480 news items). No less than 3,531 of the Politics items were related to the legislative and presidential elections. This explains the high number of appearances of politicians on Indonesian television at the time. Furthermore, "citizen in a specific role" refers to someone who is interviewed in accordance with her/his capacity in a particular situation, for instance, as eyewitness, victim, perpetrator or family member/relative with knowledge related to the events covered. This category appeared the most in the Social or Legal and Criminal news genres. It can be concluded that the high number of interviewees categorised as citizen in a specific role cannot be separated from the high number of Social and Legal and Criminal news items. From a total of 7,480 Social News items, 4,143 items were about incidents or accidents in the community. The number of news items in

this genre is again directly proportional to the number of speakers in the category of citizens in a specific role.

Another major conclusion is that the majority of news aired on Indonesian television was unrelated to public affairs or public discourse. The dominant news on Indonesian television screens was incident-based. For example, if there was news about an accident related to poor street lighting, there was no further discussion about the rules regarding street lighting. The news only revolved around the accident, who the victim was, how the accident happened, testimony and information from the police. When there was news of an accident due to a brake failure, the news was not followed by a discussion about vehicle roadworthiness regulations, how those rules are monitored, or how citizens as victims can claim their rights. In other words, the dynamics of democracy through public discourse rarely occurred on Indonesian television. Even before the general election, where diverse information was needed as a prerequisite for an informed citizenry, the Indonesian television stations were dominated by the voices of politicians. Citizen participation through vox populi interviews was considered sufficient. Furthermore, in media whose owners were actively involved in the elections, the interviewees were also moderated by the political preference of the media owner. Later in this chapter we will analyse the instructions from the owners. The news items were mostly one-sided, hence my argument that the ownership also influenced viewpoint diversity.

I measured viewpoint diversity by also using various other categories than genre. I analysed whether the interview was: 1) consistent with (that is, agreed, confirmed, supported, or affirmed) the government's standpoint; 2) not consistent with (questioned, criticised, disagreed, doubted, or opposed) the government's standpoint; 3) a combination of the previous two categories; or 4) unrelated to any of the previous categories. This analysis is mainly based on news stories related to public policies and the public interest. From a total of 17,282 news items analysed, 14,850 items were in the "not applicable" category (see Table 6.30). Even if a public debate occurred in a news story, it tended to be dominated by Jakarta- or Java-centred issues, which were not always relevant to audiences in other regions. For example, news reports about accidents in the special lane

for TransJakarta (a local bus operator in Jakarta) have been broadcasted almost every day on almost every television channel. Of course, other issues from Jakarta/Java can be relevant to the whole country, such as news related to national policy, the central government or the Commission of Corruption Eradication (Komisi Pemberantasan Korupsi/KPK).

In sum, we have seen excessive homogeneity in geographical coverage, demography and viewpoint in news items broadcasted by all television stations. The news programmes of the biggest players in the television market were Java-centric or Jakarta-centric, urban-centric, male-focused, and unrelated to public policy or the public interest. Some of these tendencies, such as lack of geographical diversity can be explained by rating and share factors. Other explanations regarding the diversity of format/viewpoints and influences from the media owner's agenda were given by two prominent senior journalists.

Dandhy Laksono, a journalist and former employee of SCTV (2002–2003) and RCTI (2006–2009), explained:

As television is an audio-visual medium, audiences like to watch dramatic visuals, or dramatic stories. The minute-by-minute rating analysis has also shown that people like stories which are related to four types of liquid that humans produce, namely sweat, blood, tears and sperm. This is why television stations tend to broadcast stories with these formulas. The same strategy is used in every newsroom. We usually locate those kinds of stories at the opening segment to attract the audience (visually) and to make them stay watching the programme for at least one full segment (Dandhy Laksono, personal communication, 2017).

Although some of the journalists and the regulatory bodies understand news programmes are not supposed to be measured in terms of ratings and shares (see Chapter 5), rating and share-oriented formulas are still used in the newsroom on a daily basis. Endah Saptorini, Deputy Editor-in-Chief of SCTV acknowledged the challenges in presenting stories that focused on the public interest:

In the newsroom, we are aware that there are a lot of important stories about the public interest or public policy. But, unlike stories about incidents, accidents, or crime, we are not sure if the audience will 'eat' these kinds of stories without any hesitation. So yes, we have discussions about the stories, but we often end up not working on them, considering they might not attract the audience as much as the other news genres do (Endah Saptorini, personal communication, 2017).

In conclusion, the newsrooms still take ratings and shares into consideration when deciding on the type of news genre. The economic logic, efforts to maximise profits, and market-oriented content can explain the uniformity in programme-types and news items on Indonesian television. In other words, oligopoly logic can explain the uniformity of products in an oligopolistic market structure. This leaves the question to what extent the ownership factor can influence the news content and the (lack of) diversity in news items.

7.4.4 Owner's Agenda and Content

This research has presented evidence that ownership factors affect news content. The ownership factor that I am specifically referring to here is the business or political agenda of the media owners. I argue that ownership affects the content of news and, to a lesser extent, other programmes. The network owner's influence can have direct and indirect effects on content diversity. This study demonstrates that convergence of ownership or cross-ownership of several television stations is at the root of the erosion of diversity. This became clear from the examples of the two media groups with the largest amount of advertising revenue and audience share: Media Nusantara Citra (MNC) Group and Elang Mahkota Teknologi (EMTEK) Group.

7.4.4.1 Starting with Synergy Ends in Multiplicity

Since early 2016, the television channels belonging to MNC have undergone substantial change. Previously, MNC reporters used their individual station's microphone cube and uniform. Today, reporters use the MNC Group microphone cube and uniform, regardless of the TV station they belong to. According to Informant A (2016, personal communication), Indonesian audiences now are witnessing the implications of MNC's

integrated newsroom policy. The integration started when Arya Sinulingga was appointed as MNC's news director in 2015. As Informant A explained, "since then, all TV stations under MNC brought their reporters, camera people and assignment editors—basically the news gathering division—under the integrated newsroom called *MNC Media Gathering*. We started to have a new structure and new workflows."

MNC Media Gathering has one general manager and five managers. It is the responsibility and the task of this integrated newsroom to provide news items to all four TV stations. There is only one team that covers the requests from four different outlets. Under this new structure and workflow, the deployment of reporters and camera people has changed, while the broadcast equipment has been reduced. MNC Media Gathering only uses one form of Satellite News Gathering (SNG) to broadcast live reports at four different outlets, mostly at the same time. Informant A admitted that it is hard for a producer to differentiate their work from their fellow producers next door, as the news materials come from the same source: "I understand that this synergy creates efficiency for the company. But now we have almost similar contents spread in four different outlets also because of that." The difficulties faced by producers in MNC Media like Informant A, especially in relation to content diversity, confirm Singer's (2004) argument that newsroom integration may decrease the diversity of approaches by different outlets.

But what Indonesian audiences have been seeing since 2015 has a long history that goes back to 2008. In fact, the media integration that happened in 2015 might be the last and final stage of an integration process that started in 2008. The integration of the MNC Group newsroom began with the integration of its regional bureaus outside Jakarta. After controlling three free-to-air television stations, MNC Group decided in 2008 to add one more television station focusing on news and with a networked local format, in accordance with Government Regulation No.5/2005. This television station now is known as iNews after changing its name twice from SunTV (2008–2011) and SindoTV (2011–2015). MNC integrated all contributors and regional bureaus outside Jakarta that had been owned by RCTI, MNCTV and GlobalTV under the one command of SunTV Jakarta. This means, since 2008, RCTI, MNCTV and GlobalTV have no longer had journalists outside

the Jakarta area. All journalists outside Jakarta have been controlled by SunTV, which then set up local stations in several regional areas.

The author was in charge of this integration process as the Section Head for the regional news and regional bureaus of SunTV. Operating from Jakarta, my first task was to rearrange the contributors' coverage areas and establish a new system within the group. My division was meant to be a hub of news gathering for the SunTV bureaus and RCTI, MNCTV and GlobalTV newsrooms. The task of the journalists integrated into the SunTV newsroom was to supply news content for local TV in their respective regions, and at the same time supply regional news content for RCTI, MNCTV and GlobalTV. The mechanism for sending news from contributors outside Jakarta was using *sendvideo*, a web-based application specifically designed for the needs of all television stations. The application could be accessed by all television stations under the MNC Group, all the local television stations under the SunTV Network, and by the contributors themselves. Although the regional content could be accessed by television stations under one group, it was not for free. SunTV charged IDR 300,000 or A\$30 for one story to be aired on a national station. If the material was used by more than one national TV station, each station had to pay IDR 250,000 or A\$25. Contributor journalists were paid a maximum of IDR 250,000 or A\$25 per news item, regardless of the number of outlets that was broadcasting their news. If the news was only aired on local TV, the contributor was paid IDR 100,000 or A\$10. If material was used on both local and national TV, the contributor was paid IDR 250,000 or A\$25. SunTV as a new station strove for profit from the margin of the price of content sales and the price of payment of these contributors. This business strategy to maximise profits was in line with the concept of economies of scope. The supply of news content for the television business was provided by other companies under the same holding company. For drama programmes, MNC Group had MNC pictures which supplied soap operas and FTV to fill the primetime belt. For news content from outside Jakarta, SunTV (and later on iNews TV) was the supplier. This means the money circulated within the MNC Group.

Regional integration in this scheme directly affected the diversity of content from outside Jakarta. Since this process took effect, all television outlets under MNC Group had been broadcasting relatively similar news reports from areas outside Jakarta. Apart from the “four body liquids” formula and the Nielsen sample city model, another factor affecting the diversity of content in television shows under the MNC group was the integrated newsroom. One of the key factors in reducing costs and maximising profits was the features of the *sendvideo* application. With this application, every television station could download the video content sent by the journalists and see who else has downloaded the content. As there was a price attached to downloading, the content that had already been downloaded would most likely be aired. The application also featured a preview facility for the first minute of the video. Television stations tended to download content that had already been downloaded by other television stations. This was for the sake of lower purchase prices for materials shared with other stations. This also applied to local television stations. Material that was aired locally and nationally was priced at IDR 250,000 or A\$25. As the costs would be covered by national television stations, local editors tended to download the same content and reduce the cost of content production. Predictably, news content from outside Jakarta that was broadcast on local TV networks under SunTV and national TV under the MNC Group (RCTI, MNCTV, GlobalTV) tended to be uniform.

In the period of 1–7 July 2014, part of Time Point 2, I found that out of a total of 348 news items that were broadcast on RCTI, 54 items were shared with MNCTV, which had a total of 258 news items. Beyond the shared content broadcast on both stations, the number of repetitions/reruns of news was quite significant. From the 348 news stories, there were 55 stories that were broadcast on RCTI without any updated information or repackaging. These replays occurred in bulletin programmes at different broadcast times. News items in the evening bulletin programme, for example, were repeated in the morning bulletin programme, or evening bulletin news items were rerun in the evening or the morning bulletins. The total number of news items that were aired multiple times was 115. MNCTV also repeated material without re-editing or repackaging. From a total of 258 news items,

35 items were re-aired. This makes a total of 78 rerun news items from both stations. These results again point to efforts to maximise profits through economies of scale. One news item is used many times to minimise production costs, as confirmed by the group's President Commissioner, Rosano Barack in MNC Group 2014 Annual Report (p. 30):

SindoTV (was SunTV) is an excellent investment for the company. The channel utilises our existing news gathering resources to minimise cost.

A similar integration took place in the editorial offices of SCTV and Indosiar, two free-to-air television stations under the Elang Mahkota Teknologi (EMTEK) Group. The difference was that the materials from outside Jakarta were in an open, shared folder, without a process of buying and selling content as was the case in the MNC Group.

Yes, our editors have also been integrated since around 2012. There is no physical melting, indeed. But contributors outside the region are no longer SCTV or Indosiar contributors. They are EMTEK contributors. They are under the coordination of the Assignment Editor of each television station. And the Assignment Editors at SCTV and Indosiar also have intense communication and coordination together, so that the assignment of contributors does not collide. Because we also have local stations under the banner of each television station, we also impose different rates for contributors if the material is broadcasted on local TV only, or only on national TV, or both on local and national TV. In addition, we also pay for material that is displayed on our website (Endah Saptorini, personal communication, 2017).

Saptorini explained the rate for material that aired on local TV was IDR150,000 or A\$15; on one national TV station (SCTV or Indosiar) IDR300,000 or A\$30; and on both national TV stations IDR400,000 or A\$40. If the material was aired on both national and local television, the contributor was only paid the highest value (Saptorini, personal communication, 2017). The cheapest fee was IDR50,000 or A\$5 per item on EMTEK Group's online media (news portal). The contributor's rates were paid directly to the contributor. Unlike the MNC Group, EMTEK had no buying and selling process between companies under the same holding. Contributors in this case played the role of individual suppliers of news material from outside Jakarta.

I also analysed the news that aired on SCTV and Indosiar in the 1 July–7 July 2014 period. Out of the total of 387 news stories that aired on SCTV, 14 items were shared with Indosiar, which aired a total of 177 news items. On these two television stations I also found repetition of news content. As many as 52 items were rerun in several SCTV programmes with different broadcast hours, with a total of 109 news repeats. At Indosiar, 38 items were repeated, with a total of 86 news reruns. Considering that contributors were not paid per broadcast, this rerun was based on economic considerations, namely, to reduce costs and maximise profits through economies of scale. The two examples above explain my first argument that the ownership factor, in this case the owner's business agenda through the integration of the newsroom, directly influenced the content and diversity of the news. In the next section, I will explain how the ownership factor also indirectly influenced the diversity of television news content.

7.4.4.2 The Owner's Influence on the Newsroom and Television Content

Beyond the strategies of utilising economies of scope and economies of scale to maximise profits, the business and political agendas of owners have also been served through other means. Constitutional Court minutes of the judicial review of The Broadcasting Law No.32/2002 filed by several organisations in 2011 noted the testimony of the former RCTI Assignment Editor Section Head, Dandhy Laksono. This testimony concerned the influence of the owner's business and political agenda on the content of the reporting. The judicial review itself was meant to contest Articles 18 and 34 regarding the vague and unclear interpretations of media ownership that threatened content diversity, according to the various organisations that acted as plaintiffs. In his testimony, Laksono described four cases during the 2006–2009 period in which the news content, the editorial policy and the journalistic code of conduct were compromised by the owner's business and political agenda.

In January 2006, a case known as “Blank NCD” (Negotiable Certificate of Deposit) was popular news in Indonesia.⁸⁰ The victim was a toll road company, PT Citra Marga Nusaphala Persada Tbk. (CMNP) of which 70 percent of the shares were publicly owned. Two state-owned companies (PT Jasa Marga and PT Krakatau Steel) also became shareholders. Hary Tanoesoedibjo, the owner of MNC Group, was a shareholder of PT Drosophila Enterprise, which bought CMNP’s assets and PT Bhakti Investama, an intermediary of the transactions between PT Drosophila and CMNP. Hary Tanoesoedibjo was said to have exchanged bonds and debt securities belonging to CMNP with his failed Unibank NCD.

Because the media coverage at that time highlighted the role of Hary Tanoesoedibjo in this case, the editor of RCTI was then instructed to make a special programme in the form of a dialogue, presenting some speakers including Hary Tanoesoedibjo himself. As a Senior Producer who just joined, I had suggested to the editor-in-chief to choose a journalist from other media who understood the case, and not from the internal editorial team of RCTI, as the host of the dialogue. However, this proposal was rejected, and the programme had Arief Suditomo, RCTI’s Editor-in-Chief at that moment, as the host. The four speakers presented in the dialogue on 20 February 2006 unanimously supported the position of Hary Tanoesoedibjo so that the Indonesian Broadcasting Commission (KPI) issued a warning letter and summoned RCTI’s editors on cases of abusing the public domain for personal interests (Laksono, minutes of the judicial review session at the Constitutional Court, 2011, pp. 14–15).

Laksono’s testimony was confirmed by another former journalist, who was more senior and used to hold a higher managerial position at RCTI. He also had to face Hary Tanoesoedibjo and his personal agendas at that time.

That’s true. I know exactly about the bulging NCD and that was exactly what happened. During those times, newsrooms got some strict directions and instructions from the owner. We were told which news item could be broadcasted

⁸⁰ For the complete background of the case, see *Laba Dulu Perkara Kemudian*, <http://arsip.gatra.com/2006-02-24/majalah/artikel.php?pil=23&id=92429> and *Tersandung Deposito Bodong*, <https://majalah.tempo.co/read/124200/tersandung-deposito-bodong?hidden=login>. Accessed 13 February 2020.

and which ones not, when the news had connections to the owner's personal agenda. I once even decided not to broadcast news stories about the Sisminbakum case at all, rather than just broadcasting news that was one-sided (anonymous source, personal communication, 2017).

The next story, also in 2006, was about alleged bribery of President Susilo Bambang Yudhoyono and his circle in the presidential palace in the form of luxury Jaguar cars donated by Hary Tanoesoedibjo.⁸¹ Because the stories were coming from the presidential palace where RCTI had a reporter and camera team, the producer inquired about the stories too.

When I asked, the team admitted that the news was indeed covered but not for broadcasting purposes. All results related to this news, including interviews, were only collected for submission to Hary Tanoe's legal counselling team. Later, these materials were used in court to incriminate the owner's opponents. The reporting journalists were also asked to testify (Laksono, minutes of the judicial review session at the Constitutional Court, 2011, p. 14).

In principle, a reporter works for the public and the audience, not for one of the parties in a dispute, even if it is the owner of their media of employment. Recording sources, and intentionally using these sources as legal evidence, is considered bad journalistic practice. This betrays sources, the public and the journalistic profession in general. Even when the owner's opponent was ultimately found guilty of spreading the bribery rumours, the journalistic practices of the RCTI editorial team at that time had exceeded their public mandate.

On 1 January 2007, a Boeing 737-400 aircraft with flight number KI-574 owned by the airline Adam Air disappeared from the radar on route between Surabaya and Manado.⁸² The location of the plane crash in Majene, West Sulawesi, could only be confirmed a month later. According to Laksono,

⁸¹ See: *Sudi Bersaksi Ketua KPK Tegaskan Eggi Laporkan Pemberian Jaguar*, <https://www.antaranews.com/berita/43266/sudi-bersaksi-ketua-kpk-tegaskan-eggi-laporkan-pemberian-jaguar>. Accessed 13 February 2020.

⁸² For the Adam Air story, see *Five days since it vanished, and no trace of any wreckage—riddle of Flight KI 574*, <https://www.theguardian.com/world/2007/jan/06/indonesia.jonathanwatts>. Accessed 13 February 2020.

RCTI aggressively reported the case from various angles: search efforts, victims' families, investigations of the National Transportation Safety Commission (NTSC), the low-cost carrier business. In the January–February 2007 period, the newsroom served the audience with diverse information related to the Adam Air case and aviation safety issues. In short, I had the professional freedom as a journalist to develop a case that killed 102 people from various angles and perspectives (Laksono, minutes of the judicial review session at the Constitutional Court, 2011, p. 12).

In March 2007 things changed. The owner of MNC had bought 50% of PT Adam Sky Connection Airlines shares through PT Bhakti Investama Tbk,⁸³ so a meeting was held about how to respond to this development.

Laksono witnessed that the Chief Editor discussed the possible impact of this acquisition on RCTI and other media under the MNC banner in that meeting. Laksono then proposed not to use any special treatment and report as usual, bearing in mind the Adam Air case was still hotly discussed, especially regarding the investigation into the exact causes of the accident. He furthermore suggested to have another meeting so that the editors could hear firsthand from Hary Tanoesoedibjo what he had in mind after the acquisition. The meeting with Hary Tanoesoedibjo was held the next day at Menara Kebon Sirih in Central Jakarta. At the meeting, the editors of RCTI received an explanation about the chronology of the acquisition and future business plans.

Regarding the ongoing Adam Air case, Mr Hary Tanoesoedibjo stated that the editor of RCTI had to “give an opportunity” to the new Adam Air management to make improvements related to flight safety and passenger services, hence the critical angles of low-cost carrier business had to be moderated. When further asked whether “giving the opportunity” meant that RCTI should stop reporting, Mr Hary Tanoesoedibjo diplomatically replied that he did not use the RCTI screen for business purposes every day and he did not have this kind of request every

⁸³ See *Bhakti Ambil 50% Saham AdamAir*, <https://finance.detik.com/bursa-dan-valas/d-765387/bhakti-ambil-50-saham-adamair>. Accessed 13 February 2020.

day (Laksono, minutes of the judicial review session at the Constitutional Court, 2011, pp. 12–13).

Taking the signal as an intervention, Laksono tried to argue with Hary Tanoesoedibjo by saying that a drastic change of editorial policy on the coverage of Adam Air would damage public trust in the integrity and reputation of RCTI news. According to Laksono, Hary Tanoesoedibjo finally relented and the meeting agreed on a compromise that the editor of RCTI would only report on the Adam Air case if there was official news about the latest developments from the government (Department of Transportation or KNKT). “For me, that meant RCTI could no longer freely develop stories from diverse sides, as had been done before. Since that meeting, stories about Adam Air were officials-driven, not customer-driven, let alone public-driven” (Laksono, minutes of the judicial review session at the Constitutional Court, 2011, p. 13).

Finally, in a case of the Legal Entity Information System or Sisminbakum (Sistem Administrasi Badan Hukum), Romli Atmasasmita, former Director General of Legal Administration (AHU) at the Ministry of Law and Human Rights, was arrested by the Attorney General’s Office on November 10, 2008. That was the third detention of a former top official of the Ministry of Law and Human Rights in the same case. According to Laksono, RCTI had a reporting team stationed at the Attorney General’s Office. On the same day, the newsroom also received information of the detention of former West Java Governor Danny Setiawan by the Corruption Eradication Commission (KPK). RCTI also had a reporting team stationed at the KPK office. As the Assignment Editor Section Head, Laksono’s job was to determine whether all materials could arrive at the editorial desk on time, so they could be aired in the bulletin programme *Seputar Indonesia* at 5.00p.m. The assignment editor then contacted the RCTI reporter stationed at the Attorney General’s Office. He received information that the coverage team did not get a picture of the detention of the AHU Director General.

That was totally unexpected, considering that the coverage team at the Attorney General’s post was not assigned to cover other events, and only waited for the

moment of detention. This situation was different from the reporting team stationed at the KPK who succeeded in obtaining pictures and information on the detention of the former Governor of West Java. As a direct supervisor, I examined and traced what happened with the Attorney General's coverage team failing to obtain the material. After being urged, the Attorney General's report team finally claimed to get direct instructions from the Editor-in-Chief not to cover events related to the Sisminbakum case. This was because the service provider company, PT Sarana Rekatama Dinamika, was affiliated with the same business and ownership group as MNC. The "failed" coverage of the detention of the former Director General of AHU at the Attorney General's Office was on purpose and at the same time was the culmination of the tug-of-war of editorial office positions since the case appeared in the media for the first time in October 2008 (Laksono, minutes of the judicial review session at the Constitutional Court, 2011, pp. 11–12).

As a senior journalist, Laksono considered the Sisminbakum case to have high news value. In terms of magnitude, public interest, relevance, or topicality, this case was at least as important as other legal cases. It ensnared three directors-general, dragged the names of several former ministers, and involved hundreds of billions of rupiah.

In the evening editorial meeting, the RCTI's Chief and Deputy-Chief Editor were absent. Laksono texted the Editor-in-Chief to ask about the editor's policy regarding the news of Sisminbakum.

I got an answer that this case could not be reported because it was related to the MNC owner. But as we had a precedent on how to moderate this kind of intervention in the newsroom with the case of Adam Air, I then proposed a dialogue between the editors and Mr Hary Tanoesoedibjo as the owner of MNC. But the Chief Editor said there was no need to have a dialogue or a meeting anymore. As a result, on that day the RCTI audience did not get any information about the case of the detention of the former Director-General and the Sisminbakum case in general (Laksono, minutes of the judicial review session at the Constitutional Court, 2011, p. 12)

Laksono's testimonies and confessions demonstrated not only how journalistic professionalism had been hurt, but also how the diversity of content had been affected. In

the case of newsroom synergy, the uniformity of content was clearly a consequence of the integration strategy to maximise profits. In the cases witnessed at the Constitutional Court in 2011, it was the owner's agenda that directly moderated the information. There was some information that was highly moderated and withheld or compromised and made in favour of the owner's agenda. The public's right to obtain diverse information on public frequencies was sabotaged by a television station in order to advance the owner's business and political agenda. It is noteworthy that the cases above occurred years before Hary Tanoesoedibjo was actively involved in politics. The news content had to adapt and follow the owner's agenda at all times.

So, in political events such as elections (local, presidential, legislative) how do the television owners who are politically active and have political agendas influence news content? Are there any direct interventions? If so, to what extent do they influence content diversity? I also examined this particular factor, in addition to research on diversity based on geography, demography and format/viewpoints. Before we look at news content relating to media owners at the three time points in this study, let us first see what actually happened in several television newsrooms in 2014.

7.4.4.3 The Indonesian General Election 2014: What Happened Inside the Newsroom

To complete my analysis of content diversity and media ownership, I interviewed six television journalists who agreed to share their experiences and the situation in their newsrooms in 2014 and 2015. The six journalists used to work or still work for RCTI, SCTV, iNews, MNCTV, MetroTV and tvOne (a complete list of the interviewees of this study can be found in Table 6.15).

Informant A had been working in the TV industry since the early 2000s and spent almost 10 years as a journalist with MNC Group. He had been positioned in different divisions (news gathering and news production) in the newsroom. When he began his career in one of the free-to-air TV stations of MNC, he only had to work for his own television station. But things were changing gradually because of structural convergence within the MNC

Group, starting from the integration of regional contributors and bureaus outside Jakarta, and putting the newsrooms of all stations (RCTI, MNCTV, GlobalTV and iNews) in the same room, under the same roof. Informant A explained that during the general election in 2014, the director of MNC Group has assigned a special desk (*desk khusus*) for producers from all TV stations to sit together and set a special agenda for covering the general elections. This practice is not abnormal in newsrooms during the general election season. What made it extraordinary was that it was designed to intensively and exclusively cover Prabowo Subianto–Hatta Rajasa and the Red and White Coalition’s activities. The Red and White Coalition was a coalition of political parties that supported Prabowo Subianto–Hatta Rajasa. It consisted of the Great Indonesia Movement Party (Partai Gerindra), Functional Group Party (Partai Golkar), National Mandate Party (Partai Amanat Nasional), Prosperous Justice Party (Partai Keadilan Sejahtera) and United Development Party (Partai Persatuan Pembangunan). Following the failure of his vice-presidential candidature with retired General Wiranto of the People’s Conscience Party (Partai Hati Nurani Rakyat), Hary Tanoesoedibjo decided to join this coalition without any specific political party vehicle. Wiranto joined the other pair’s coalition.

Informant A also explained that all the general election stories that came from regions outside Jakarta had to be reviewed and edited by this desk before broadcasting. The economies of scale were once again applied here. In fact, economy of scale is the “best” scheme to gain more profit in this kind of situation. While the strategy of using the same content to be aired on three different TV stations created efficiency and pushed down the cost of production, having a special programme desk was also a good strategy to canalise or orchestrate the agenda of the owner.

Back in 2014, the owner did not yet own his own political party. Thus, we were instructed to cover more stories about the political party that supported him before the legislative election (Hanura Party) and the coalition parties during the presidential election. When Hary Tanoesoedibjo still joined this party, I was assigned to produce a special programme about Hanura Party giving aid to farmers, fishermen, or small and medium enterprises on the island of Java. The amount of aid was considerable and was in the form of bicycles, usually for

farmers, or cooler boxes for fishermen, or laptops for those who worked for small and medium enterprises. There were hundreds of them. We involved our contributors in Java for this special programme. They were the ones that identified the needs, verified the people in need, also distributed the aid; and while doing that, they also recorded and made a story about it (Informant A, personal communication, 2017).

I would argue that the strategy was used to win votes from people in Java, where 58% from the total of 186.5 million Indonesians on the fixed voters list⁸⁴ (*daftar pemilih tetap*) were located in 2014.

Informant B was more senior than Informant A. He had been working for over a decade in MNC Group and had been assigned to work in the RCTI newsroom in recent years. He also acknowledged the existence of the special programme desk.

Regarding owner-related news content, we used to have our own producers working on it. But because the owner then was satisfied with TV A's presentation, but unsatisfied with TV B's presentation, the idea of having one dedicated special programme desk was raised. Now this was the only desk which dealt with that kind of news. Once the items were done, the desk shared them to each TV station for broadcasting. So yeah, you could see the same content in all of MNC's TV outlets (Informant B, personal communication, 2017).

The other influence from the owner's agenda was related to news angle. "In the regional election or the presidential election contestation, he determined on which side we should be, in terms of news angle. But we tried to be not too obvious, like 100% eliminating the political opponents from our screen. Of course, we also aired the political opponents, but with a lower percentage of duration allocated to them," explained Informant B (personal communication, 2017). The compromises within the RCTI newsroom also appeared in the MetroTV newsroom where the journalists had to deal with their own owner's political agenda.

⁸⁴ See: 58 Persen Pemilih di Pulau Jawa, 36 Persen adalah Pemilih Pemula, <https://www.kompasiana.com/politik14/54f7fc8ca33311ea638b476c/58-persen-pemilih-di-pulau-jawa-36-persen-adalah-pemilih-pemula>. Accessed 13 February 2020.

Informant C, who had worked for 13 years at MetroTV, was as an executive producer at MetroTV during the 2014 Indonesian legislative and presidential elections. The owner of MetroTV is Surya Paloh, who is also the chairman of the National Democratic Party (Partai Nasional Demokrat/Nasdem). As the founder of Nasdem Party, Paloh had political interests in winning as many votes as possible for his party in the 2014 legislative election. This is why two months prior to the legislative election, Paloh held a townhall meeting at MetroTV. As Informant C described, he invited all MetroTV employees, provided plenty of food and snacks on the day and addressed them along the following lines: “I ask for your help, please help me, as I consider us as one big family. From one family member to another, I think it is appropriate for me to ask you to help me in restoring this nation” (Informant C, personal communication, 2017). As Indonesia’s Restoration (Restorasi Indonesia) was the title of Nasdem Party’s manifesto,⁸⁵ the employees understood what kind of “help” Paloh was asking for from his MetroTV family.

Since then we knew that our news programmes had to prioritise the needs and the interests of Nasdem Party. Therefore, Paloh’s order to put Nasdem stories in the first segments of all MetroTV bulletin programmes during the legislative election campaign season was actually expected (Informant C, personal communication, 2017).

Informant C remembered one specific request from Paloh for the legislative election: “He told us to reduce the news coverage of Indonesia’s Democratic Party (Partai Demokrasi Indonesia Perjuangan/PDIP) on our screen” (Informant C, personal communication, 2017). The decision was rational. Both Nasdem Party and PDIP shared almost the same nationalist ideology. As the 2014 General Election was the first election for Nasdem Party as a newcomer, Paloh wanted to secure votes for his party.

Informant C also shared a story about debate within the newsroom of MetroTV, when the owner, Surya Paloh, insisted the team should exclude any stories about Prabowo and

⁸⁵ See: *Nasdem Party declared, set to join 2014 polls*, <https://www.thejakartapost.com/news/2011/07/27/nasdem-party-declared-set-join-2014-polls.html>. Accessed 13 February 2020.

Hatta Rajasa during the presidential election. Surya Paloh with his Nasdem Party supported the other coalition of Joko Widodo–Jusuf Kalla (see the Spread of Major Television Channels and Their Owners' Political Affiliations in Table 6.14). According to Informant C, some of the high-ranked journalists (producers, assignment editors, executive producers) split into two groups. Some refused the order, while others decided not to say anything, even if they also did not agree with the idea of excluding all Prabowo stories from the MetroTV screen. According to Informant C:

We finally tried to find a compromise, tried to convince the owner that it was impossible and vulgar if we excluded Prabowo at all. We offered him a different treatment, for example, to have all Jokowi's stories at the beginning of the segment and put Prabowo's stories at the end of the programme. Or we could have Prabowo's stories with a shorter format, usually in voice-over format, while Jokowi's could be with a longer format (Informant C, personal communication, 2017).

Informant C also discussed the situation within the newsroom on general election days or campaign days when there were tensions between the journalists, mostly with middle- and senior-ranked journalists. This situation was finally resolved when they reached an agreement about the treatment of Prabowo stories at MetroTV:

We finally agreed on the treatment of Prabowo stories in our programmes. We put Jokowi's stories as the first items of every first segment of our programmes, and Prabowo stories were the closing of the news bulletin programmes (Informant C, personal communication, 2017).

As explained in Chapter 6, the order of appearance of stories within a programme can indicate the degree of importance of the stories, using the news value as the parameter. By putting Jokowi and Jusuf Kalla as the first items of the first segments in every news bulletin, it created the impression to the public that those were the news items of the day, the most important stories they had to watch, the stories they needed to know more than any of the other stories.

Previously known as Lativi, tvOne is a news station similar to MetroTV launched in 2002. Lativi was owned by Abdul Latief, Golkar politician and Labour minister from 1993 until 1998. Several years later, the station was bought by another Golkar politician, Aburizal Bakrie, and its name was changed to TVOne.⁸⁶ Bakrie and Latief have continued to serve on Golkar's Board and Honorary Council, respectively. During the 2014 General Election, Aburizal Bakrie was Golkar Party Chairman. As mentioned previously, Golkar Party was with Hary Tanoesoedibjo in the Red and White Coalition that supported Prabowo Subianto–Hatta Rajasa in the 2014 General Election. Informant D was a senior editor at TVOne with more than 15 years' experience as a journalist. He explained the TVOne newsroom had the same strategy of a special desk for news gathering.

All news items about the general election, both the legislative and the presidential elections, were produced by the *Kabar Pemilu* team. They provided election-related news items to be used by all bulletin programmes within the station. It's all done by them (Informant D, personal communication, 2017).

Informant D also explained that the executive producers deliberately added some improvisation to each programme (different segments, different order of appearances, etc.), so it would not be too obvious to the audience that they were just repeating the same news items (Informant D, personal communication, 2017).

Informant D also admitted the different treatment of Prabowo Subianto–Hatta Rajasa and Joko Widodo–Jusuf Kalla in the news:

We produced more stories about Prabowo–Hatta, about 60%–70%, compared to maybe less than 30% of stories about Jokowi. We needed to do our best to produce only good stories about Prabowo. As for Jokowi, the news items were relatively bad/negative, but we also aired good ones, if there were any (Informant D, personal communication, 2017).

⁸⁶ See: *Wajah Baru tvOne IDR 1,3 Triliun*, <https://ekonomi.inilah.com/read/detail/12343/wajah-baru-tvone-rp-13-triliun>. Accessed 13 February 2020.

How about the other television stations whose owners, unlike Aburizal Bakrie, Surya Paloh, and Hary Tanoesoedibjo, were not involved in politics? Endah Saptorini, former journalist who became the Deputy Editor-in-Chief at SCTV with some other working experiences at MetroTV, TransTV, Astro Awani, and KompasTV, agreed to be interviewed for this research.

Elang Mahkota Teknologi, known as EMTEK, is the second biggest media group in Indonesia. EMTEK group owns two free-to-air TV stations, Surya Citra Televisi (SCTV) and Indosiar Media Mandiri (Indosiar). SCTV is also the second oldest free-to-air television station in Indonesia after RCTI. Saptorini explained that Eddy Suryaatmadja, one of EMTEK's owners, is not involved in practical politics. His priority is his business. He wants to make sure that his family businesses are secured, no matter who the president is.

Thus, a couple of times, they just asked me to make sure that every news item that we broadcast is impartial, so we wouldn't implicate ourselves later as being seen in favour of one of the candidates. Perhaps this is why I also never heard them asking a specific request regarding angle, guests, sources, let alone giving any order more detailed than that (Saptorini, personal communication, 2017).

Here we see the totally different approach of EMTEK group. While the owners were at a distance from practical politics, they were on the side of business interests. The absence of a political agenda or political interests by the owners does not mean that the freedom of press was not compromised. When the owners asked their senior journalists to "not implicate themselves in being seen in favour of one candidate", they may have implied the necessity of playing it safe or refraining from the investigation or criticism of specific policies or programmes offered by either of the candidates, just for the sake of securing their business interests. In fact, sometimes the business interests may have had more impact than the personal political agenda of owners. The terminology of business interests relates to the daily operations of a company and will directly affect journalists because of their position as employees. As employees, journalists may feel obligated to also secure their source of income.

As explained in Chapter 4, SCTV was previously owned by the Cendana clan—the term that Indonesians use to refer to the Suharto family, as they live in Cendana Street in Central Jakarta. Siti Hediati, one of Suharto’s children, known as Titik Suharto, was a member of the SCTV Board of Commissioners until 2011. She was married to Prabowo Subianto until their divorce in 1999. In the presidential election campaign of 2014, Titik, who was also a Golkar Party member, was actively campaigning for Prabowo–Hatta Rajasa. However, based on the information from Saptorini, there was never a direct order from the EMTEK owners to give any special treatment to Prabowo in terms of news coverage, for example to cover Prabowo more than Jokowi. “There were no specific assignments or a dedicated desk with certain policies, anything unusual compared to the routine period, during the general election 2014 season in the SCTV newsroom.” (Saptorini, personal communication, 2017). SCTV did not apply the same strategy as television stations under MNC Group (RCTI, GlobalTV, MNCTV), Viva Visi Media Group (ANTV, tvOne), and Media Group (MetroTV), which all had a centralised and dedicated general election special desk to control the owner’s agenda and political interests. Nevertheless, they used the same strategy of economies of scale in terms of rerunning the same content or sharing material.

The next section will focus on the results of the content analysis performed for this study. The topics are divided into two different categories: owner-related content in news programmes, and owner-related content in general programming. I start with the owner-related content in news programmes.

7.4.4.4 Owner-related Content in News Programmes

What happened inside the newsrooms reflect the findings of the content analysis in terms of owner-related content in news programmes, especially regarding the owner’s political agenda. Although the total number of owner-related items in news programmes was only 1,306, or 7.6% of the total of 17,282 analysed news items (see Tables 6.33 and 6.34), the results are consistent with the character of the time point itself as well as the policies applied by some newsrooms whose owners were directly involved in practical politics. At

the first time point, the stories containing the owner's agenda were mainly about the owner's own political party or their political activities prior to the legislative election. The high numbers shown in Chart 6.14 are consistent with stations whose owners were either political party chairmen or active in politics. We can see stories about Golkar in tvOne and ANTV, the two free-to-air TV stations owned by Bakrie, Chairman of the Golkar Party. The same trend can be seen in MetroTV, owned by Surya Paloh, Chairman of the National Democratic Party. At that time, Hary Tanoesoedibjo ran for vice-president, endorsed by the Hanura Party. This explains the stories about the Hanura Party as well as Tanoesoedibjo's political activities on the three free-to-air TV stations owned by him, namely RCTI, GlobalTV and MNCTV. The majority of the stories related to the various business groups also appeared at this time point.

At Time Point 2, after the announcement of the presidential candidates and the formation of coalitions, the stories were no longer about the owner's political party. Surya Paloh and his National Democratic party were part of the Red and White Coalition supporting Joko Widodo and Jusuf Kalla. As a result, the news items on MetroTV at this time point were dominated by stories about Widodo and Kalla. There were almost no stories about the other candidates, Prabowo Subianto and Hatta Rajasa, except for a few negative ones. Aburizal Bakrie and Hary Tanoesoedibjo, on the other hand, were Prabowo supporters, which meant the majority of stories on tvOne, RCTI, GlobalTV and MNCTV were about Prabowo Subianto and his running mate Hatta Rajasa. According to the data in Chart 6.15, the stories containing the owner's agenda were mainly about the owner's political allies in the context of the election. The only difference here was that the number of appearances of Hary Tanoesoedibjo as the interviewee on his own television stations RCTI, MNCTV and GlobalTV was higher than Surya Paloh on MetroTV, or Aburizal Bakrie on tvOne and ANTV. The diversity of political viewpoints related to issues of public interest prior to the election in these television stations was low. Each station only aired viewpoints on the basis of the owner's political preferences and tended to minimise representation of the differences in viewpoints in the public sphere. Ahmad Junaidi, founder and chairman of a journalists union seeking to promote diversity in news reporting (Serikat Jurnalis untuk Keberagaman

[SeJuK] or Journalists Union for Diversity, est. 2008) observed the same phenomenon in the context of the 2017 regional elections: “when the issue of diversity does not touch politics, everything tends to be fine. But when it comes into contact with politics and media owners, for example the regional elections in 2017, the news reporting tends to be biased” (personal communication, 2018).

Furthermore, the owner-related content on both Indosiar and SCTV, two free-to-air television stations under EMTEK, was all related to the owner’s business unit/company (see Table 6.37).

On the two news channels, MetroTV and tvOne, I also found what could be called a “battle of fillers.” Both stations repeatedly inserted fillers about the candidate that they supported, before the beginning of a segment. These fillers took the form of short clips about Jokowi (on MetroTV) or Prabowo (on tvOne). These clips were clearly not journalistic products, but did take airtime away from news programmes. The content of these clips was varied. Sometimes it consisted of testimonies from politicians that supported the candidate, or parts of a sentence from the candidates themselves. At other times, it was a short music video supporting the candidates, or a clip about the candidates’ religious activities during Ramadan. These clips were not coded as news items. This battle of fillers between the stations was a serious case of violations of the Broadcasting Code of Conduct and Program Standards (Program Pedoman Perilaku dan Standar Program Siaran/P3SPS). The broadcast content of the news programmes was opinionated, partial, and misleading. The next section will also analyse owner-related content in other programmes or programming in general.

7.4.4.5 Owner-related Content in Programming in General

An interactive quiz titled “Nationality Quiz” (*Kuis Kebangsaan*) aired on RCTI from 1 October 2013, seven months before the legislative election of 2014. Some media scholars criticised the quiz as it included references to the letters “Win-HT” (abbreviations for Wiranto–Hary Tanoesoedibjo) in questions as well as passwords that were continuously repeated by the host. If the host said “Win-HT,” the caller was obliged to say “clean,

caring, assertive” (*bersih, peduli, tegas*), which was the campaign slogan of Wiranto–Hary Tanoesoedibjo.⁸⁷ This quiz was reported by members of the public, who realised that this quiz was not only a covert campaign outside the campaign period, but also fabricated. In one of the live broadcasts, a caller gave a correct answer even before the presenter asked the question.⁸⁸ The Indonesian Broadcasting Commission finally imposed sanctions on RCTI in the form of terminating this quiz programme.⁸⁹ As a television station with a general entertainment format, RCTI offers a range of programmes, mostly dominated by entertainment and drama. When I asked the RCTI and GlobalTV programming officers to what extent the owner’s agenda influenced the programming strategy during the election time, their answers were unclear. They acknowledged this type of influence during certain special events, including the general elections, but denied special slots were given in the interest of the media owners.

However, there were other programmes in which the presidential candidate Wiranto and his running-mate Hary Tanoesoedibjo appeared, such as the infamous soap “Porridge seller goes on the Hajj” (*Tukang bubur naik Hajj*). Running in the primetime slot, “Porridge seller goes on the Hajj” had the highest rating and share score in Indonesia at the time, with a rating of 3.9 and a share of 17.1.⁹⁰ In one of its episodes, Wiranto and Hary Tanoesoedibjo made cameo appearances in a scene where they joined people in cleaning their village.⁹¹

⁸⁷ See: *Ini pembelaan Kuis Kebangsaan WIN-HT soal kuis settingan* <https://www.merdeka.com/peristiwa/ini-pembelaan-kuis-kebangsaan-win-ht-soal-kuis-settingan.html>. Accessed 13 February 2020.

⁸⁸ See: *KPI Hentikan Program “Kuis Kebangsaan” dan “Indonesia Cerdas”* <https://nasional.kompas.com/read/2014/02/21/0930004/KPI.Hentikan.Program.Kuis.Kebangsaan.dan.Indonesia.Cerdas>, and *Medsos: Kuis Kebangsaan Win-HT Terbukti “Setting”-an* <https://nasional.kompas.com/read/2013/12/10/1825415/Medsos.Kuis.Kebangsaan.Win-HT.Terbukti.Setting.-an?page=all>. Accessed 13 February 2020.

⁸⁹ See: *KPI Larang Penayangan Kuis Win-HT* <https://nasional.tempo.co/read/556320/kpi-larang-penayangan-kuis-win-ht> and <http://www.kpi.go.id/index.php/id/edaran-dan-sanksi/31779-program-kuis-kuis-kebangsaan-rcti>. Accessed 13 February 2020.

⁹⁰ See: *“Tukang Bubur Naik Haji The Series” Kembali Rajai Perolehan Rating* <https://www.tabloidbintang.com/film-tv-musik/ulasan/read/6283/tukang-bubur-naik-haji-the-series-kembali-rajai-perolehan-rating>. Accessed 13 February 2020.

⁹¹ See: https://youtu.be/Wu9uUii_gME. Accessed 13 February 2020.

MNC Group also created a reality show named “Realising Indonesia’s dream” (*Mewujudkan mimpi Indonesia*).⁹² Wiranto and Hary Tanoesoedibjo became central figures of the story. They asked people to send them stories about their lives. The team, chaired by Wiranto and Hary Tanoesoedibjo, then picked some letters for follow-up action. Hary Tanoesoedibjo visited a few people in their hometowns and introduced some facilities to improve their quality of life. Wiranto used a different approach. He would go undercover as a *becak* (rickshaw) driver, or a street vendor. He would listen to the stories of ordinary people, so he would know and understand the real “aspirations” of the people. At the end of the show, he would reveal his real identity and promise these people that he would do his best to help them.

After Hanura (the political party who nominated Hary Tanoesoedibjo and Wiranto) did not meet the threshold to nominate a presidential candidate, Hary Tanoesoedibjo decided to resign from Hanura and join the Red and White Coalition with Gerindra Party. The Red and White Coalition, named after the colours of the Indonesian flag, nominated Prabowo Subianto and Hatta Rajasa as its presidential team for running against Joko Widodo and Jusuf Kalla. Prabowo then appeared in the most watched talent search show, *Indonesian Idol*, aired by RCTI. His appearance in the Grand Final Night of *Indonesian Idol* on 23 May 2014⁹³ recorded a rating and share of 3.1/16. This means the programme was watched by 3.1% of the Indonesian population, or 16.1% of the television audience for that night.⁹⁴ The examples of non-news programmes above have shown how the media owner’s agenda could also be present in non-news programmes, either existing or newly made.

Unlike the MNC Group, which owns three free-to-air TV stations under the ownership of Hary Tanoesudibyo, Surya Paloh under the Media Indonesia Group only has one free-to-air television station. The MNC stations have a general format, while Metro TV is a news channel. In terms of programmes, there was little room for MetroTV to improvise and

⁹² See: https://www.facebook.com/pg/Mewujudkan-Mimpi-Indonesia-387056534762618/posts/?ref=page_internal and <https://youtu.be/L1CFYQr2Otw>. Accessed 13 February 2020.

⁹³ See: <https://youtu.be/19Z0Ou3Nv3o>. Accessed 13 February 2020.

⁹⁴ See: [https://en.wikipedia.org/wiki/Indonesian_Idol_\(season_8\)](https://en.wikipedia.org/wiki/Indonesian_Idol_(season_8)). Accessed 13 February 2020.

create programme that could serve the political agenda or interests of the owner. They did not have the space for any quizzes, reality shows, or talent search shows. They could only use one outlet and one programme genre: news.

But what about the tone of Prabowo vs Jokowi stories on ANTV and tvOne during the general election campaign? Although ANTV has a general entertainment format similar to RCTI, GlobalTV and MNCTV, the research did not find that there were “new” programmes created to either support Aburizal Bakrie as Chair of Golkar, or Prabowo and Hatta Rajasa, who ran against Joko Widodo in the final round of the presidential election. ANTV did not take the opportunity to improvise and misuse the public frequency/spectrum to promote the owner’s agenda. I argue there were two factors that can explain this. The first factor related to the character of the Golkar Party itself as the most stable and best-trained party in Indonesia since the New Order. This was different from Nasdem Party, which was a newcomer that required support from MetroTV coverage to boost its votes in the election. The second factor concerned clear divisions of labour between ANTV and tvOne. Based on AC Nielsen’s survey, ANTV consistently entered the top three in terms of audience share for the June 2014 period. ANTV even managed to occupy the number one position with audience shares of 15 and 15.4⁹⁵ I argue ANTV chose to stay in the political background and keep up its revenue in 2014. It gave space to tvOne for full news coverage of Prabowo–Hatta.

The other media group analysed in this study is TransCorp. This group is owned by Chairul Tanjung, who was appointed Coordinating Minister for Economics under the President Susilo Bambang Yudhoyono administration. Although he was known to be very close with SBY, he was not registered as an active member of a political party and was never directly involved in practical politics. After acquiring TV7 in 2007 (later transformed to Trans7), TransCorp also applied the strategy of economies of scale. It merged the regional bureaus from two different television stations into one. The majority of TransTV flagship

⁹⁵ See: *Grup Bakrie Klaim ANTV Jadi TV Nomor Satu, Labanya Melonjak 692%*
<https://finance.detik.com/bursa-dan-valas/d-2648607/grup-bakrie-klaim-antv-jadi-tv-nomor-satu-labanya-melonjak-692>.
Accessed 13 February 2020.

programmes was dominated by in-house entertainment programmes. Trans7 also tried to fill the niche of non-drama programmes with a male target audience (Handayani, personal communication, 2017). The station presented its news in a very light-weight, simple manner: it rarely talked about hard politics, and mostly presented news that had practical use for audiences.

Dewi Handayani, Head of Trans7's Programming Department, could not recall any specific request or order regarding the 2014 general election, even though the owner was very close to SBY. SBY himself was Chair of the Democratic Party, which was under the Red and White coalition that supported Prabowo and Hatta Rajasa. "We never heard, or at least I never heard about any special request or order or special treatment that we had to follow during the 2014 general election. At least I've never heard that in our meetings of senior and high-ranked editors and employees" (Handayani, personal communication, 2017). When asked if there was a special programme during the election time, she replied they always had to conduct a comprehensive study before they could air a new programme.

Of course, we always think about a special programme for a special event or season. For example, the Ramadan season. We need to have Ramadan programmes for our audiences. But we always need to make sure that the programme is well-studied, so we can predict the performance and decide if we want to produce it ourselves (in-house production) or have it commissioned to a production house (outsource). As for the general election season, the only programme that we produced that I can remember now is the Candidates Debate (*Debat Kandidat*), a joint programme between us and the General Election Commission (Komisi Pemilihan Umum/KPU). So, we just produced and designed its on-air look or presentation (studio set, etc) and provided a team to broadcast it live on every TV station (TV pool), while the materials, the format of the debate, the moderator, and so on were handled by KPU (Handayani, personal communication, 2017).

Dewi's colleague from TransTV who chose to remain anonymous also confirmed Chairul Tanjung's neutrality during the election. "Even in a very private meeting with quite a

selective number of participants, he remained neutral. He never instructed anything or ordered anything” (Informant F, personal communication, 2017).

7.4.5 The Newsroom in 2014: From the Inside Out

In a few cases, the interference of the political agendas and interests of media owners in newsroom policies, news gathering and production created tensions among employees, including journalists. Two cases of journalists refusing to surrender to their media owner’s agenda went public during the period of the 2014 elections.

Just two days before the legislative election, two Vivanews news portal (news.viva.co.id) journalists resigned after the circulation of electronic mail from Viva.co.id. President Director Anindra Ardiansyah Bakrie, commonly known as Ardi Bakrie. The journalists were Uni Zulfiani Lubis, Editor-in-Chief of Vivanews and Suwarjono, Managing Editor. In his email Ardi had expressed anger about the emergence of an advertisement of the presidential candidate from the Indonesian Democratic Party of Struggle Joko Widodo on the VIVA.co.id website prior to the legislative elections.

Ardi, the son of Golkar Party presidential candidate Aburizal Bakrie alias Ical, sent his email to a number of VIVA.co.id editorial officers. The email was revealed by a blogger named Susi Avivah, who uploaded the news on 7 April 2014. In his email, Ardi ordered for Jokowi’s ad to be immediately removed. He also said that anyone who disagreed or was not in favour of his policy was welcome to resign.⁹⁶ Although Ardi denied that he had ever sent an internal e-mail (VIVA.co.id) regarding Jokowi’s campaign ad, he confirmed that the email address used to send the e-mail (ardiansyah.bakrie@gmail.com) was his.⁹⁷ There was no involvement of the Press Council, as the resigned journalists did not dispute Ardi’s policy and simply chose to walk away from the newsroom. This was the first time the public could see that there were conflicts of interest within media companies.

⁹⁶ See: *AJI Sesali Sikap Ardi Bakrie atas Iklan Jokowi* <https://news.kompas.com/read/2014/04/08/1625591/AJI.Sesali.Sikap.Ardi.Bakrie.atas.Iklan.Jokowi?page=all>. Accessed 13 February 2020.

⁹⁷ See: *Iklan Jokowi, Ardi Bakrie anggap tak ada masalah* <https://nasional.kontan.co.id/news/iklan-jokowi-ardi-bakrie-anggap-tak-ada-masalah>. Accessed 13 February 2020.

This was different from a case relating to the MNC Group, which involved the Press Council. Raymond Rondonuwu, who had been working for RCTI for 18 years, received a final notice from RCTI's Editor-in-Chief, Arya Sinulingga. This was in response to Raymond's open letter to the public regarding a possibly fabricated story, titled "Jokowi supporters received leaked questions for presidential debate." Raymond argued the information source was unclear and therefore the story had breached the principles of journalism. This was a very serious accusation and it went viral online within a day.⁹⁸

From the management side, Raymond's protest was considered insubordination, which would justify dismissal without honour. However, Arya Sinulingga's status when he issued the letter was also questioned, as he was non-active Editor-in-Chief at that moment. That means Arya Sinulingga had no authority to control the editorial room or to issue the notice (so-called SP3) to Raymond. Arya also served as Director of Communication and Media of the Prabowo-Hatta campaign team.

Unlike Suwarjono, Raymond took it one step further. He talked to a media activist from the Alliance of Indonesian Independent Journalists (Aliansi Jurnalis Independen/AJI Indonesia), Dandhy Laksono, and together they brought this issue to the Press Council (Dewan Press). They chose the Press Council and not the Indonesian Broadcasting Commission (Komisi Penyiaran Indonesia/KPI), because the core problem of this case was about journalism ethics and principles, which are under the jurisdiction of the Press Council. In response to a report filed by Raymond and Dandhy, the Press Council held a public hearing to hear the arguments from Dandhy and Raymond representing the journalists, and Arya Sinulingga, the News Director of MNC News, representing the management.⁹⁹ I had the opportunity to attend and observe in person the public hearing, a unique event in Indonesia's journalistic history. The public hearing was also live-streamed, and the recording can still be found on YouTube.¹⁰⁰ The Press Council decided

⁹⁸ See: *Kronologi Pencopotan Produser Seputar Indonesia*

<http://arsipublik.blogspot.com/2014/10/kronologi-pencopotan-produser-seputar.html>. Accessed 13 February 2020.

⁹⁹ "Pemred 'RCTI' dan Jurnalis Senior Debat soal Independensi Media"

<https://nasional.kompas.com/read/2014/07/02/1546222/Pemred.RCTI.dan.Jurnalis.Senior.Debat.soal.Independensi.Media>. Accessed 13 February 2020.

¹⁰⁰ "Debat Terbuka 'Kebebasan Pers di News Room' Dandhy Laksono vs Arya Sinulingga"

that the RCTI television station violated Articles 1 and 3 of the Journalism Code of Ethics regarding the clarity of information sources related to the reporting of “Suspected Leakage of Presidential Debate Material.” The reports were broadcast in the programmes *Seputar Indonesia Sore* on 11 June 2014, *Seputar Indonesia Malam* on 11 June 2014, and *Seputar Indonesia Pagi* on 12 June 2014.¹⁰¹ The frequency of reruns also confirms my previous findings on the use of economies of scale.

Based on the various findings, I argue that media owners with political agendas or interests are best served by a market structure with concentrated media ownership. Under concentrated media ownership, the economies of scale and economies of scope are the first crucial factors in the reduction of diversity in media content. Concentrated ownership encourages media owners with political agendas or interests to apply the strategies of economies of scale and economies of scope, which tend to compromise the diversity of content within news programmes.

7.5 Diversity in Contemporary Indonesian Television: Between Pro-Market Regulations, Dysfunctional Regulators, and the Sleeping Giant TVRI

The problems of the broadcast media have been complicated since the beginning of the reform era. As the political system changed in 1998, Indonesia tried to apply the spirit of democracy to all aspects of life, including self-regulation of the media. As previously explained, independent bodies such as the General Election Commission (Komisi Pemilihan Umum/KPU), Corruption Eradication Commission (Komisi Pemberantasan Korupsi/KPK) and Commission for Supervision of Business Competition (Komisi Pengawas Persaingan Usaha/KPPU) emerged to guarantee the democratic idea encapsulated in the slogan “from the people, by the people, for the people.”

The idea of regulation reminded people of the high degree of corruption and power abuse during the New Order. There has been a tendency for post-1998 governments to avoid the

<https://youtu.be/bNyU8G8KoFI>. Accessed 13 February 2020.

¹⁰¹ “Dewan Pers Putuskan RCTI Langgar Kode Etik Jurnalistik”

<https://www.tribunnews.com/nasional/2014/11/22/dewan-pers-putuskan-rcti-langgar-kode-etik-jurnalistik>. Accessed 13 February 2020.

term “regulating.” Instead, decisions are often deferred to the market mechanism. What were the implications for the media, especially the broadcast media, in Indonesia?

As explained in Chapter 2, the logical outcome is that media products will be regarded like any other goods whose price is dictated by market mechanisms. Information will no longer be treated as a public good, even if it is totally different from commodities that are used up, such as bags, shoes or toothpicks. Considering the “diversity of content” clause in the 2002 Broadcasting Law, I argue for strict regulation of the public frequency spectrum, preventing the broadcasting of programmes that serve the media owners’ political agendas or interests. Both the Indonesian Broadcasting Commission (KPI) and the government should have the courage to be unpopular and seriously regulate the public frequency. The judicial review in 2003 circumscribed the authority of the Indonesian Broadcasting Commission and gave part of the authority over broadcasting back to the government (the Ministry of Communication and Information). I argue that independent regulatory bodies such as KPI and KPPU (the Business Competition Supervisory Commission) should not hesitate to take any necessary action against the highly concentrated market that causes the lack of content diversity. Furthermore, the state also has an obligation to protect its citizens. In the context of Indonesian television ownership and content diversity, the state is expected to put forward the public interest rather than the interests of a few people (read: the conglomerates).

Chapter 5 and 6 have provided examples that demonstrate that the Indonesian media regulators have failed to ensure content diversity and diversity of ownership in contemporary Indonesian television. Unclear regulations regarding the diversity of content and ownership have been working in favour of the status quo and have been used by the industry to justify its practices. It is hard to see the diversity of content and ownership in Indonesian television to be realised under these circumstances. Television stations only put forward the idea of diversity if it can be used to bring profit, or if it is in accordance with the personal agenda of the television owner. But if it is not profitable and not in accordance with the wishes of the owner, diversity does not count. And without a clear measurement tool, without a clear commitment to the concept of diversity itself,

this situation is perfect for media market rulers to control the public frequencies. The only station not dominated by the agenda of a private owner, and with a higher content diversity than other television stations, is the public broadcaster TVRI. However, as we saw in Chapter 5, TVRI is still “put to sleep”—to borrow the language of TVRI news and program director Apni Jaya Putra—by a system that benefits from current market conditions. In fact, if TVRI was given the same financial opportunities as private television networks, this sleeping giant could have the potential to fulfil the need for diverse content on Indonesian television.

7.6 Conclusion

If the media in pre-1998 authoritarian Indonesia was controlled by the government and its cronies, the media in post-1998 democratic Indonesia has been controlled not by the public, but by conglomerates, the market and wealthy private citizens. Democratic media should not be free from authoritarianism or the government only, but from all factors, including the market and conglomerates, which might attempt to hijack the public interest to their own benefit. This chapter showed the dynamics inside the newsroom as well as the programming department’s considerations regarding content diversity in television. It also confirmed that the owner’s agenda does influence news content, especially the diversity of news. The qualitative analysis in this chapter has completed the quantitative diversity measurement in the previous chapters in answering the main research questions of this study.

Conclusion

8.1 Introduction

The first television broadcasts took place in Indonesia in the early 1960s. For the first 25 years of the New Order period, there was only one television station in Indonesia: the state-owned TVRI. Golkar Party, Suharto's political vehicle, used the station as a propaganda tool. It wasn't until the late 1980s and early 1990s that the television sector was finally opened up to private operators, many of which were owned and managed by Suharto's children and cronies. Since then, television's role has become increasingly important in the media industry, with surveys suggesting about 80 percent of Indonesians¹⁰² continue to get their information from television. After the fall of the New Order, there have been attempts to create a freer broadcast sector. The Suharto-era Department of Information was dissolved, a new Broadcasting Law was passed in 2002, and the independent Indonesian Broadcasting Commission (KPI) was established. But as shown by this research, the KPI has not been able to defend the public interest as hoped by the reformers, and the broadcast industry remains in need of ongoing reform.

One of the defining features of the post-Suharto period has been the concentration of the Indonesian media in the hands of fewer than a dozen powerful figures. Television operators have traded shares allowing certain individuals to control more than a single station, in violation of existing media regulations. At the same time, new political parties have emerged, including some led by broadcast media moguls. Of the ten national free-to-air television stations in Indonesia, more than half are now owned by figures with political interests. An oligopolistic television market has formed, focusing on profit maximisation or the political agenda of media owners, threatening the diversity of television content. This research has sought to calculate and read the various dimensions of diversity of content

¹⁰² See:

https://www.csis.or.id/uploaded_file/event/ada_apa_dengan_milenial_paparan_survei_nasional_csis_mengenai_orientasi_ekonomi_sosial_dan_politik_generasi_milenial_indonesia_notulen.pdf. Accessed 27 January 2020.

under such oligopolistic circumstances. For comparison, before summarising the main findings of this study, this final chapter will first measure and analyse the political economy of Indonesian television in the more recent 2019 general elections.

8.2 General Election 2019: Partisan Television and Diversity at Stake 2.0

The 2019 General Election looked like a rematch of the 2014 General Election, as it involved the same two presidential candidates: Joko Widodo and Prabowo Subianto. However, there were also a few substantial differences. Firstly, the presidential candidates paired up with different people. Secondly, Golkar changed its direction and decided to back Joko Widodo. As a result, reporting on tvOne did not have the same pro-Prabowo tone as in 2014. Further, in 2019, Hary Tanoesoedibjo had also switched political allegiances. He initially joined Nasdem, then moved to Hanura, before he finally established his own party, Perindo. There have been allegations that the switch was made under duress. In 2017, Tanoesoedibjo was suspected to have been intimidated by an Attorney General's Office (AGO) official who was investigating allegations of corruption related to a tax refund received by the Tanoe-linked company Mobile-8 Telecom in 2009.¹⁰³ Not long after investigations began, Tanoesoedibjo declared that Perindo would back Joko Widodo in the 2019 elections.¹⁰⁴ There have been no developments in the intimidation case since.

Although Indonesia had the same two presidential candidates in 2019, the map of media owners' political support was substantially different from 2014, as shown in Table 8.1. While there was vigorous competition between rival media companies in 2014, by 2019, all the major media moguls supported Joko Widodo and Ma'ruf Amin. As a result, there has been far less contestation of ideas and policies in the mainstream media. The democratic era has failed to provide the healthy and diverse broadcast media environment that reformers had hoped for. The major players have remained, and they have simply adapted their content to their owners' economic and political agendas,

¹⁰³ See: <https://asia.nikkei.com/Economy/Legal-woes-mount-for-Indonesian-media-mogul>. Accessed 27 January 2020.

¹⁰⁴ See the news coverage about this case here: <http://rilis.id/Perindo-Dukung-Jokowi-Pengamat-Hary-Tanoe-Menyerah-secara-Politik>. Accessed 14 February 2020.

without considering the public or the responsibilities that come with using public frequencies.

Table 8.1 The spread of major television channels and their owners' political affiliations 2014 and 2019

Following Perindo's support for Jokowi, the editorial policy within the MNC integrated newsroom has changed too. Informant A, the same producer mentioned in previous

Conglomerate	Stations	Other notable media interests	Owner/figurehead	Owner's political affiliation 2014	Owner's political affiliation 2019
National broadcaster	TVRI	RRI, Antara	Government-owned		
MNC Group	RCTI GTV (previously Global TV) MNCTV iNews	Koran Sindo Okezone Sindo Trijaya Radio Network Indovision Okevision	Hary Tanoesoedibjo	Hanura Prabowo Subianto-Hatta Rajasa	Perindo Joko Widodo-Ma'ruf Amin
Elang Mahkota Teknologi (Emtek)	SCTV Indosiar O Channel	Liputan6.com Merdeka.com Nexmedia	Eddy K. Sariaatmadja	No clear affiliation with party or presidential candidate	No clear affiliation with party or presidential candidate
Visi Media Asia	Antv tvOne	Viva.co.id	Aburizal Bakrie Anindya Bakrie	Golkar Prabowo Subianto-Hatta Rajasa	Golkar Joko Widodo-Ma'ruf Amin
Media Group	Metro TV	Media Indonesia newspaper	Surya Paloh	Nasdem Joko Widodo-Jusuf Kalla	Nasdem Joko Widodo-Ma'ruf Amin
CT Corp	TransTV Trans7	Detik.com CNN Indonesia Transvision	Chairul Tanjung	No clear affiliation with party or presidential candidate, although Chairul Tanjung is close to Susilo Bambang Yudhoyono and the Democratic Party	No clear affiliation with party or presidential candidate, although Chairul Tanjung is close to Susilo Bambang Yudhoyono and the Democratic Party
Kompas Gramedia Group	Kompas TV	Kompas newspaper Kompas.com, The Jakarta Post Tribun newspapers tribunnews.com K-vision	Jakob Oetama	The Jakarta Post endorsed Joko Widodo before the 2014 election	No clear affiliation with party or presidential candidate

chapters, explained to me that the journalists were asked to give space to both candidates, but give priority to Joko Widodo–Ma'ruf Amin. He explained:

If there is news about Prabowo, there must also be news about Jokowi. If on that day Jokowi had no activities as a candidate, they should at least air his activities as a president. If there isn't any, then that means news about Prabowo shouldn't be aired either. But if, on the contrary, if there is Jokowi news but there is no news

on Prabowo or Sandi, it's okay. Jokowi's news continues to air (Informant A, personal communication, 2019).

Since 2015, all TV stations under the MNC group have incorporated their reporters, camera people, and assignment editors in the integrated newsroom called MNC Media Gathering. They have applied a new structure and new workflows. It is the responsibility of this integrated newsroom to provide news items to all four TV stations, which means one team reports and responds to requests from four different outlets. This decreases the diversity of information for citizens. Furthermore, after the integration of the news gathering division, MNC also established a division named Progsus (Program Khusus or Special Program) desk. The main duty of this desk is to produce stories about Perindo or Hary Tanoesoedibjo's political activities, or stories that are in line with the owner's political preferences. At least once a day, each MNC station has to broadcast a news story produced by this division. Examples of stories produced by this team are ceremonies involving Perindo and Hary Tanoesoedibjo, and other stories that favour the owner's political interests.

The content of my interview with one of the MNC journalists is consistent with findings from the content analysis of news programmes of two TV stations owned by the MNC Group (GlobalTV and RCTI) in the period between 10 April and 17 April 2019. For this analysis, I used the same categorisation as my research on the 2014 period. The news about Jokowi–Amin as the owner's political allies in the election recorded 31 items in total, whereas 48 items had news about the owner's political party Perindo or other political activities. Lastly, there were only 22 news items about Prabowo, and 48 news items about Perindo and Hary Tanoesoedibjo. The existence of the special program desk explains the larger proportion of news coverage of Hary Tanoesoedibjo and Perindo.

From the same sample from 10 April to 17 April 2019, almost all news items related to the election in three news programmes on MetroTV (Metro Siang, Metro Today and Metro Malam) contained the owner's political allies, Jokowi–Amin. There were seven news items about Surya Paloh, Metro TV owner and Nasdem Chairman, and the Nasdem political

party itself. Only one news item was on the campaign of Prabowo's running mate, Sandiaga Uno, and there was no news about Prabowo at all. The only time Prabowo's campaign team appeared on MetroTV was in relation to negative news about Ratna Sarumpaet trial.¹⁰⁵

TvOne, which is owned by Golkar officials, supported Prabowo in 2014. In 2019, however, Golkar was in the Widodo–Amin coalition. The contents of the morning news, afternoon news and evening news of tvOne in the period between 10 April and 17 April 2019 had 21 items about Jokowi's campaign, 21 items about Prabowo's campaign, one item about Golkar without Aburizal Bakrie, and one item about Anindya Bakrie's activities outside politics. What is interesting is that despite supporting Jokowi, tvOne was trying to give equal space to Prabowo. This included an exclusive interview with Prabowo and Ustad Abdul Somad, a conservative Muslim leader from Prabowo's camp, and a special interview with former general Gatot Nurmayanto. The station also screened the film *The Treachery of G30S*.¹⁰⁶ While seemingly more balanced, tvOne tried to find a compromise between serving its media owner's shifted political preference and accommodating a niche audience that was not catered for by other media in 2019. The station tried to maintain its 2014 "audience," which was commercially beneficial for generating relatively high ratings and share points. The G30S movie ratings are but one example.

Retired general Gatot Nurmantyo, retired general Kivlan Zen, and the Islamic Defenders Front (FPI)¹⁰⁷ have been promoting public screenings of the G30S film¹⁰⁸ over the past couple of years and have accused Jokowi of coming from a communist family. In this sense, it may not be surprising that tvOne also wants to screen anti-communist propaganda. However, as Golkar pledged to back Jokowi in 2019, why did tvOne continue to favour the position of Prabowo supporters? Again the reason is making profit. The film recorded a rating of 4.0 and a share of 28.1 in 2017, which means that it was watched by

¹⁰⁵ See: <https://indonesiaatmelbourne.unimelb.edu.au/fake-news-ratna-the-hoaxer-and-1965/>. Accessed 27 January 2020.

¹⁰⁶ More information about the film can be found in Chapter 4.

¹⁰⁷ See: <https://www.tribunnews.com/nasional/2017/09/21/panglima-tni-perintahkan-anggotanya-nobar-film-g30s-pki-presiden-jokowi-ingin-ada-yang-kekinian>. Accessed 14 February 2020.

¹⁰⁸ See: <https://nasional.okezone.com/read/2017/09/22/337/1780891/tni-nobar-film-g30s-pki-prabowo-akan-dukung-dan-siap-pasang-badan>. Accessed 14 February 2020.

four percent of the Indonesian population, or 28.1 percent of the television audience on that night. These are high figures given that it was screened at 9.30 p.m. While the 2018 figures were down, they were still impressive for a time slot of 9.00 p.m.—the film recorded a rating of 2.4 and a share of 15.33 percent.

If we compare the owner's agenda-related content analysis of 2014 and 2019, the results are consistent. News coverage about Jokowi was consistently the highest on MetroTV, both in 2014 and 2019. As for the MNC Group, the news coverage of Jokowi was more frequent than the coverage of Prabowo. Nevertheless, following the instruction given to the MNC's journalists, the number of news items about Hary Tanoesoedibjo and his political activities was the highest and topping the news coverage about Jokowi in 2019. I argue this is because the group had to promote Hary Tanoesoedibjo's new Party, Perindo, which was a first-time participant in the elections. As mentioned, tvOne switched its position to Jokowi's camp, but still maintained its previous audience of Prabowo supporters by giving time slots to special or exclusive programmes about this presidential candidate for the sake of profit-making.

8.3 Main Findings

This initial content analysis related to the owner's agenda during the 2019 election can be used as a gateway for a deeper analysis of content diversity and ownership. It is based on my study using the time periods of 2014 and 2015, of which the main research findings, conclusions and limitations are summarised below. The findings answer the following two main research questions: (1) Does ownership impact on television structure and content?; and (2) Do corporate connections to politics have an impact on television journalism?

8.3.1 Media Owners' Intervention Threatens Diversity

The content analysis and interviews with several journalists in the newsroom and with the heads of the programming division make a significant contribution to explaining the impact of ownership issues on the diversity of content. From this research, we learn that the intervention of the owner in programmes and programme content, especially news

programme contents, is real and clear. The owner often has an interest in determining strategic decisions concerning the company's interests, especially when these are closely related to the projected profit and loss. In addition, there are interventions that can be categorised as abuses of power, carried out to satisfy the owners' political and business agendas, but ignoring the interests of the public.

When the MNC's editorial room had not yet merged into one, this intervention was carried out through the owner's direct instruction. For example, instructions on whether or how to cover Adam Air, the NCD case or the dispute with TPI, which were full of conflicts of interests for the owner (see Chapter 7). Similar interventions were experienced by those who worked in MetroTV during the 2004 and 2014 elections (Chapter 7). Later, the integration of MNC's editorial room, starting from the integration of the regional bureaus in 2008, brought two benefits at the same time. Firstly, greater efficiency in production costs, as the cost of human resources and facilities could be reduced through shared use. Second, a more structured and systematic channelling of the news items that had to be covered for the sake of the owner's personal, especially political, agenda. This was also the experience of employees of tvOne (Chapter 7). These developments adversely affected not only journalistic professionalism, but also diversity of content. The uniformity of content is clearly an effect of integration strategies and efforts to maximise profits. However, in cases where the owner moderates news programmes, information is often withheld, compromised or made to favour the owner's agenda. The public's right to obtain diverse information through public frequencies is sabotaged by a television network that foregrounds the owner's business and political agendas.

In completing the content analysis of the news before the legislative and presidential elections, there are two things that were not recorded in the coding sheet, but clearly monitored and confirmed by the interviews: the application of filler and rundown strategies. The fillers that supported only one presidential candidate (Jokowi's filler on MetroTV, Prabowo's filler on tvOne) were located inside news bulletins, so part of the duration of the news programmes. Nevertheless, they cannot be categorised as news

items (Chapter 6). This filler strategy benefits owners who support certain candidates, while at the same time breaching Indonesian Broadcasting's codes of conduct. The placement of such news items in the rundown of the programme may seem trivial, but were in fact highly influential. This strategy was also carried out because of the partisanship of owners who were in a coalition with certain candidates. The opening segments were usually given to candidates who were supported by the network owners. They also had longer duration (using package formats), while the opposing candidates where either given no time or often only the final segments with shorter duration (using voice-over formats) (Chapter 6). This follows the logic that items with stronger news value are located at the beginning of the segment or programme.

In addition to modifying the contents of news programmes, there were also interventions in non-news programmes. A clear example was carried out by MNC Group through the appearance of Wiranto and Hary Tanoesoedibjo in the soap opera *Tukang Bubur Naik Haji* (Porridge Seller Goes on Hajj), or the appearance of presidential candidate Prabowo Subianto in the *Indonesian Idol* grand finale, both broadcast on RCTI. In addition to the existing programmes, MNC also created special programmes to advance the owner's political agenda, while at the same time boosting party votes through quizzes with prize money, such as *Kuis Kebangsaan* (the National Quiz), and reality show programmes, such as *Mewujudkan Mimpi Indonesia* (Realising Indonesia's Dream) (Chapter 7).

8.3.2 Diverse, Not Diverse, Diverse, Not Diverse

Measurements of concentration or diversity of ownership and diversity of content have been performed in this study through the application of the Herfindahl Hirschman Index, Concentration Ratios, Relative Entropy Index and Choice Option Index.

8.3.2.1 HHI Results

Using HHI as a measurement tool, the HHI of the Indonesian television market based on its advertising revenue is 964.1. As the HHI is slightly below 1,000, the Indonesian television market is considered competitive and not concentrated. This might be accurate

if we assume each firm is owned by a different owner. As this is not the case, I recalculated HHI based on ownership, resulting in an HHI of 2,269. This result indicates the market is highly concentrated.

The difference also occurs in the measurement of HHI based on audience share. The HHI based on the individual TV audience share is 1,037.87, while the HHI based on media ownership is 2,203.91. Again, the HHI result based on individual TV audience share is categorised as moderately concentrated, while using the audience share data on the basis of ownership shifts the result to highly concentrated.

8.3.2.2 CR4 and CR8 Results

Another approach to diversity assessment focuses on calculating concentration ratios. It compares the ratio of total revenues of the principal owners, either the top four (CR4) or the top eight (CR8), with the revenue of the entire industry. The four-firm ratio (CR4) is 49.8%, or close to 50%, suggesting a concentrated market. The eight-firm ratio (CR8) is 81.9%, suggesting a less diverse or highly concentrated market.

To complete the analysis, measurements of CR4 and CR8 using data where the firms are grouped on the basis of ownership were also performed. The CR4 clearly shows that the market is less diverse or highly concentrated, as the big-four media groups of conglomerates earned 89.5% of total advertising expenditures in 2014. The eight-firm (CR8) ratio of the Indonesian television market also shows that the situation is less diverse or highly concentrated. The ratio shows that 98.6% of the advertising expenditures in 2014, with a total value of IDR 78,340,097,000,000, went to the top-eight media groups in Indonesia.

8.3.2.3 Vertical Diversity: Relative Entropy Index Results

The tool to measure the diversity within a television channel is Relative Entropy Index. The Relative Entropy Index (H) represents the sum of likelihoods for the different genres to be broadcast on television. Relative entropy varies between 0 and 1, with 0 indicating minimum diversity (i.e. maximum concentration; all content in one category) and 1

indicating maximum diversity (all categories are equally represented). The Relative Entropy Index measurement has been applied to all TV stations during the three different Time Points. It shows the following results of channel diversity/vertical diversity of each station:

Table 8.2 Programme Diversity within Individual TV Stations/Vertical Diversity

Relative Entropy Index (H)	SCTV	INDO SIAR	GLOBAL TV	MNCT V	RCTI	TRANS	TRANS7	ANTV	TVONE	METRO TV	TVRI
Time Point 1	0.57	0.65	0.54	0.53	0.71	0.66	0.81	0.66	0.32	0.28	0.84
Time Point 2	0.55	0.65	0.53	0.55	0.66	0.65	0.80	0.72	0.4	0.27	0.85
Time Point 3	0.57	0.67	0.47	0.44	0.64	0.77	0.80	0.62	0.25	0.20	0.85

0.01–0.34 = very low diversity
0.35–0.54 = low diversity
0.55–0.69 = medium diversity
0.70–0.79 = high diversity
0.80–1.00 = very high diversity

The numbers of tvOne and MetroTV indicate very low diversity of content. This is consistent with the positioning of MetroTV and tvOne as news channels, with their programming dominated by the news and information genre. Most of the stations are in the range of low diversity and medium diversity. TVRI, as the public broadcaster, is leading in diversity, followed by Trans7. Apart from tvOne and MetroTV, which are news channels, GlobalTV and MNCTV demonstrate low diversity, especially at Time Point 3.

8.3.2.4 Horizontal Diversity: Choice Option Index Results

I used the Choice Option Index (A), which represents the average number of simultaneous programme type alternatives per 15 minute interval to measure the horizontal diversity across channels. The maximum of A is 7 (the programme options are all in different categories) and the minimum is 1 (all programmes are in one category). This study only measures and compares two time-belts in programming: prime time (8.00p.m – 10p.m) and ghost time (1.00a.m. – 3.00a.m.). Using the Choice Option Index, the following results were obtained:

Table 8.3 Choice Option Index Diversity/Horizontal Diversity

Choice Option Index (A)	Prime Time 8.00p.m.– 10.00p.m.	Ghost Time 1.00a.m.– 3.00a.m.
Time Point 1	3.64	4.55
Time Point 2	3.44	4.50
Time Point 3	3.53	3.47

1.00–2.20 = very low diversity
 2.21–3.40 = low diversity
 3.41–4.60 = medium diversity
 4.61–5.80 = high diversity
 5.81–7.00 = very high diversity

8.3.3 Profit Maximisation in the Prime-time Belt Creates Uniformity

This research also shows that as business entities, Indonesian television stations are constantly pursuing and trying to maximise profits. Various methods are adopted, all of which lead to two fundamental strategies, namely economies of scale and economies of scope (Chapter 2). This profit-making effort is clearly seen in television prime-time belts, where the number of viewers is at its peak. In the prime-time belt, the audience is even offered some “cheap” programmes, for example import programmes in the form of serials or cinema films that are purchased based on the logic of economies of scale, soap opera programmes made by production houses owned by the same media group, or in-house programmes with a long duration that involve employees. The latter two programme types follow the logic of economies of scope (Chapter 6). All television stations operate to the same end: to minimise production costs during the prime-time belt where the spot price of the ad is highest. Revenue is maximised when production costs are minimised by effective utilisation of economies of scope and economies of scale, and ad revenue maximised through effective prime-time broadcast choices. As a result, the choice of programme genre available to the audience tends to be the same (Chapter 6).

Another strategy used by television stations to maximise profits is integrating a number of companies, horizontally, vertically or diagonally (Chapter 2). Two television stations, for example, reach efficiency of production cost through the sharing of production equipment, human resources and content (see Chapters 2, 6 and 7). The same strategy is applied by almost all Indonesian private television stations that have been horizontally integrated.

8.3.4 High Rating and Share Scores Erode Diversity

The efforts to maximise profit, as explained by the previous findings, cannot be separated from the rating and share figures measured by the media survey agency, Nielsen (Chapter 4). These figures are pursued by all television stations, because the advertising revenue and profitability of media organisations are proportional to the ratings and shares. The efforts in seeking high ratings through the strategy of economies of scale and economies

of scope have been practised since the first wave of Indonesian private television. In the early days of private television, when there were no more than five stations, the struggle for ratings and shares was not as competitive as it is now, with more than ten television stations (excluding local and public broadcasters). These ratings and figures have nothing to do with the quality of programmes, but are used by television stations to “sell” audiences to advertisers. Television in Indonesia still uses data from Nielsen to read viewing trends, including ratings and shares for both journalistic and other programmes (Chapters 5, 6 and 7).

The Nielsen rating samples are influential and ultimately threaten the diversity of news programmes, because television editors prioritise news from locations where the Nielsen rating samples are taken (Chapters 6 and 7). The emergence of dominant genres, which attract larger audiences as indicated by the rating and share measurements, also threatens the diversity of contents of Indonesian television (Chapters 6 and 7).

Almost all programmes in the prime-time belt are of genres which are able to gain high viewership numbers and thus maximise profits. Outside dedicated news television channels, there are only two genre choices in this prime-time belt, namely entertainment and drama. This type of production choice follows the logic of economies of scale and economies of scope (Chapter 6). The choice of programme genres in this study was actually greater during the ghost-time belt, where the audience numbers were at their lowest. The diversity of choices reduced even more after news programmes that were unable to achieve high rating and share figures gradually disappeared. Since 2015, news programmes have disappeared on ANTV, TransTV and SCTV due to poor profitability (Chapter 7). My interviews with leaders of programming divisions also confirmed how minute-by-minute rating and share numbers are used to determine whether to stop or continue the broadcasting of new programmes (Chapters 5 and 7).

8.3.5 Unclear Regulations and Weak Regulators Paralyse Diversity

In addition to the three findings above, the fourth finding is that unclear regulations and weak Indonesian broadcast media regulators undermine the diversity of ownership and

diversity of content. The parameters and measurement tools for diversity are not clearly stated in the Broadcasting Law, Government Regulations and other derivative regulations (Chapters 3 and 5). If diversity of ownership and content are the priorities in the post-authoritarian era of Indonesian broadcasting, at least diversity parameters and measures should have been established internally or adopted from the broadcasting systems of other countries. The tools are important to assist KPI in providing recommendations to the Ministry of Communication and Information about the extension of television broadcast licenses. KPI only has a broadcast content quality index as a measurement tool, which is not related to diversity. As the methodology for this measurement is still being debated, it was not discussed in this study.

Although the Broadcasting Law and Regulations require and regulate a networked broadcast system as an entry point for diversity of ownership and content in the reform era, the broadcast media industry, which is largely controlled by giant conglomerates, often delays or refrains from implementing such regulations. Ironically, there is nothing that can be done by the Indonesian Broadcasting Commission (KPI) or the Business Competition Supervisory Commission (KPPU) (Chapters 2 and 7). KPI looks hesitant and doubtful of its own authority and takes safe steps by being “friendly” to the industry that it must monitor (Chapters 5 and 7). It does not dare to take firm steps even when the Indonesian broadcasting industry has clearly been more favourable to the market and the personal interests of media owners than the public interest. KPI's lack of courage is perhaps a reflection of the popular attitude of most broadcast media stakeholders in Indonesia, who are still haunted by the trauma of media regulation in the New Order era. Parliament members who are public representatives, for example, still see broadcast time interventions as a new form of authoritarianism, even if they are in the public interest (Chapter 5). KPI's greatest weakness is perhaps the commissioner recruitment process. In the current system, the final decision lies in the fit-and-proper test in parliament, with representatives of political parties whose leaders are media owners. Observers suspect political compromises in this process weaken the Commission (Chapters 5 and 8).

Another urgent matter for revision is the 2002 Broadcasting Law and Government Regulation 2005 relating to the diversity of ownership and content in Indonesia. Many articles in these regulations are unclear and only benefit the old players, in this case the conglomerates (Chapters 5 and 8). Discussions in parliament regarding the revision of the 2002 Broadcasting Law over the past ten years have been unsuccessful due to the links between members of parliament and media owners.

8.4 The Conclusions

Based on these findings, this thesis will conclude with a summary of some of its main contributions to the study of broadcast media in Indonesia, journalism studies, media economics, the political economy of the media and, in particular, the field of media diversity.

8.4.1 Diversity is Measurable

Although the parameters and measurement methods are not clearly listed in the Indonesian laws and government regulations, diversity of ownership and content can be measured. Various media diversity tools can be adopted by relevant Indonesian institutions to measure the diversity of content and ownership in Indonesia. This study has used the HHI index and concentration ratios to determine how diverse or concentrated ownership of television media is in Indonesia (Chapter 6). To measure the diversity of content, this study has adopted the Relative Entropy Index, which calculates diversity within a channel, and the Choice Option Index, which calculates the diversity of options across channels (Chapter 6). To examine other dimensions of diversity, such as geography, demographics, viewpoints, and owners' agendas, I conducted content analysis (Chapters 6 and 7).

8.4.2 The Indonesian TV Market and Content are Less Diverse

Calculations through the HHI index and concentration ratios show that the ownership aspect has a big influence on the diversity of ownership and content. The results of this research show that the Indonesian television market is oligopolistic and is as a result

providing a less diverse product. These results are based on calculating diversity vertically and horizontally. The programmes broadcast by Indonesian television in this oligopolistic market are dominated by drama and entertainment genres. This is in line with Curran and Couldry (2003, p. 3) who observed that “a concentration of media ownership results in uniformity of content, regardless of the number of outlets available.” The highest diversity score is held by TVRI, Indonesia’s public broadcaster.

The results of the news programme analysis also show that news content is uniform, in the sense of being java-centric, urban-centric and dominated by male speakers. These circumstances hinder open discourse and viewpoint exchanges in the public interest (Chapters 6 and 7). Before the election, news items included significantly more politicians as sources, but the content was focused more on campaign events, such as horse-race coverage, than on the candidates’ policies. Furthermore, the news stories that continue to dominate relate to accidents, fire emergencies, demonstrations, or legal and criminal events (Chapter 6). The content analysis and interview results in this study also demonstrate that television companies whose owners are active in politics tend to serve their owners’ political and business interests (Chapters 6 and 7).

8.4.3 Diversity of Outlet Does Not Equal Diversity of Content

Based on this study, it can be concluded that diversity of outlets does not necessarily lead to diversity of content. This is in line with Murdock (1982, p. 120), who explained “it is possible to greatly increase the number of channels ... without significantly extending diversity. More does not necessarily mean different.” In sum, I argue that in terms of improving content diversity, ownership matters.

8.4.4 Tension Between Market and Public is Strong Yet Asymmetrical

The findings in this study clearly show that Indonesian television in general is market-oriented, concentrating on profit-maximisation by applying economies of scale, economies of scope, and horizontal, vertical and diagonal integration. This happens in various stages, starting from the programming division—which fills prime-time slots with

programmes with reduced production costs in order to achieve maximum corporate profits—and ending at the newsroom. Formulas that refer to ratings and shares align television with financial gain rather than the public interest. The audience is treated as a commodity to be sold to advertisers, not as the owner of frequencies requesting information of interest to the public. The strategy of merging news editing spaces towards horizontal integration not only creates cost efficiency in terms of production and human resources, but in the end also erodes the diversity of content. As a bonus, the owners' personal interests, in this case mainly their political agendas, can be canalised and served properly. This happened in 2014 and 2015, but also increased again in 2019, as explained at the beginning of this chapter.

Public resistance is not absent: a judicial review has been attempted, in which the recorded testimony of journalists and expert witnesses is relatively clear, complete and comprehensive (Chapter 7). Some of my interviewees from media watch organisations have consistently and critically addressed, researched and written about Indonesian broadcasting issues. Media literacy in Indonesia has begun to develop. But this war between the public and the market feels asymmetrical, because the public must deal with media industry players who are interconnected with political forces in the executive and legislative spheres. KPI, which is expected to be independent and represent the public, has its own problems, because its members are selected by parliamentarians. In the legislature, the public and KPI are dealing with representatives of political parties, the majority of whose leaders are media owners. In 2019, the public and KPI had to deal with the newly elected Minister of Communication and Information from the Nasdem Party, the party chaired by media mogul Surya Paloh.

Johnny G. Plate, the new minister, is a stranger in the world of communication and information. His portfolio is filled with experience in the energy sector. He also appears in the Panama Papers. In short, his track record shows that he does not have the competence for the position of Minister of Communication and Information. Political rather than public interests would seem to be behind the appointment of such an obviously underqualified minister. How can this minister ensure the fulfilment of citizens'

rights in the realm of communication and information? How likely is it for him to act against his party leader's broadcasting business?

In a speech on May 2014, Jokowi once mentioned that one of his government priorities was to "rearrange ownership of broadcast frequencies, which are part of the lives of many people, so that there is no monopoly or control by a group of people (cartels) of the broadcast industry."¹⁰⁹ However, this promise was never realised. Instead, Jokowi has enjoyed the support of partisan media such as MetroTV and TV stations under the MNC Group. The battle has been even more asymmetrical in Jokowi's second presidential period, as he appointed various people with direct affiliations with the broadcast industry. Apart from Johnny G. Plate who has strong affiliation to media moguls, Angela Tanoesoedibjo, Hary Tanoesoedibjo's daughter, was appointed Deputy Minister of Tourism and Creative Economy.

In sum, ownership does indeed affect television's structure and content. Corporate connections to politics do have an impact on television journalism as well. Although the number of media outlets has increased and the political system is no longer under an authoritarian regime, diversity of content and ownership has fallen. The Indonesian media outlets show uniformity, not diversity. This is a paradox, but not contradicting the theories in Critical Media and Critical Political Economy studies discussed in Chapter 2.

8.5 Limitations and Future Research

There are at least two limitations to be addressed by similar studies of media diversity in the future. I will conclude this study by presenting these two limitations and outlining ideas for further research.

8.5.1 The Index is Blind but Anticipated

Quantitative research using index measurement tools to quantify the diversity of news programmes and diversity of ownership in Indonesia has never been done before. Similar

¹⁰⁹ See: <https://aji.or.id/read/berita/521/kartu-pos-penyiaran-menagih-janji-nawacita.html>. Accessed 14 February 2020.

studies conducted by CIPG, for example, used policy mapping methods and content analysis without including news programmes. Remotivi's research, on the other hand, used news content analysis, but is limited to measuring the duration of news about Prabowo Subianto on tvOne and Joko Widodo on MetroTV. The indices used in this study, namely HHI, Relative Entropy, and Choice Option Index, can measure the diversity of content, but the indexes are blind. Although the index can calculate diversity of ownership, it cannot identify media under the same ownership. This limitation has led me to manually classify television stations according to their ownership, before using the HHI formula to calculate and determine how concentrated/diverse the Indonesian television market is (Chapter 6).

Also, the Relative Entropy Index and Choice Option Index can calculate the diversity of television content vertically (within a channel) and horizontally (across channels), but they cannot identify the time slots of the programmes displayed, which is crucial in television content studies. A channel can have a high diversity index number, but mainly based on programme genres broadcast outside the main airtime slots. This study has attempted to overcome the limitations of this blind index by making a comparison of the diversity of content in prime-time belts and ghost-time belts (Chapter 6).

8.5.2 The Genre Categorisation Dilemma

Another limitation to note is the dilemma of programme genre categorisation. To avoid inconsistent genre categories, this study chose genre groupings that were not audience-based. As a result, programmes aimed at children, such as cartoons, were grouped under the programme genre of drama. Entertainment programmes for children were grouped under the broader entertainment category. This decision was made for the purpose of consistency, and to avoid a hybrid categorisation of both non-audience-based and audience-based genres. For future research, this categorisation needs to be reconsidered in line with the Indonesian context.

The number of programme genres in this study was limited to only seven, although they comprised dozens of subgenres. This number is less than the number of outlets or

channels studied, which was 11. This is different from similar studies, where the number of genre categories is usually greater than the number of channels studied (Chapters 3 and 6). The Choice Option Index used as a measurement tool in this study still refers to 7 as the maximum number of diversity, although there are 11 channels in total. This means, even when maximum diversity is reached, there are still four channels that broadcast the same programme genre. Although advice from the School of Mathematics and Statistics at the University of Melbourne recommended using seven as the maximum number of diversity in calculating the Choice Option Index in this research, it is important to consider this decision carefully in future research.

8.5.3 Exposure Diversity/Demand-Side of Diversity

For future research, the demand side of diversity also needs to be further explored. This study has succeeded in calculating and analysing the correlation between content diversity and ownership from the supply side. Research on exposure diversity, or the demand side of diversity, should be carried out to complement my study. Such follow-up research is important and relevant, considering there is a concentration of television viewing in certain urban locations in Indonesia. Indonesians are also confronted with uneven internet connection quality and the closure of local newspapers, which influences their access to the media and their media consumption behaviour. Moreover, exposure research usually refers only to Nielsen data or audience research, which is no longer accurate as argued in Chapter 3.

Because Indonesia is an archipelago, and the urban-focus of Nielsen data is limiting, it is important to examine directly and independently the patterns of media consumption of Indonesians in a variety of regions, especially remotes areas and not only the big cities. This would better reflect the diversity of Indonesian society. Such research would include exploring what kind of information Indonesian citizens need in relation to their daily lives. It would seek to address questions such as: Where do Indonesians get their information from? What do they do to overcome the limitations they might experience in information

gathering? Do people still watch the public broadcaster, TVRI, which had the highest diversity score in this study? And finally, how do they interpret television content?

References

- Ackerman, B. (2000). The new separation of powers. *Harvard Law Review*, 633–729.
- van Aelst, P., Thornbjørnstrud, K., & Aalberg, T. (2012). The Political Information Environment during Election Campaigns. In Aalberg, T and Curran, J. (Eds.), *How Media Inform Democracy*. (pp. 64-77). New York: Routledge
- Albarran, A. B. (2002). *Media Economics: Understanding Markets, Industries, and Concepts*, (2nd ed.). Ames, IA: Iowa State Press
- Albarran, A. B. & Dimmick, J. (1996). Concentration and Economics of Multifirmity in the Communication Industries. *Journal of Media Economics*, 9(4), 41–50.
- Albarran, A. B., & Mierzejewska, B. I. (2004). Media concentration in the U. S. and European Union: A Comparative analysis. *6th World Media Economics Conference*, Montreal, Canada.
- Alexander, A., Owers, J. E., Carveth, R., Hollifield, C. A., & Greco, A. N. (Eds.). (2003). *Media Economics: Theory and Practice*. Routledge.
- Alexander, A., Owers, J., & Carveth, R. (Eds.). (1993). *Media Economics: Theory and Practice*. Lawrence Erlbaum Publishers: New Jersey
- Alfian, I., & Chu, G. C. (1981). Satellite television in Indonesia. [SI]: LEKNAS/LIPI; Honolulu: East-West Center, Communication Institute. Jakarta.
- Allen, R. C., & Gomery, D. (1985). *Film History: Theory and Practice*. New York, NY: Newbery Award Records, Inc.

- Althusser, L. (1971). Ideology and ideological state apparatuses. Lenin and philosophy and other essays. *Trans. Ben Brewster. New York: Monthly Review Press, 1270186.*
- Anand B., di Tella R., & Galetovic, A. (2007). Information or opinion? Media bias as product differentiation. *Journal of Economics & Management Strategy, 16(3), 635–682.*
- Armando, A. (2016). *Televisi Indonesia di bawah kapitalisme global.* Jakarta: Penerbit Buku Kompas
- Artha, D. (2013). *The Role of Public Service Broadcasting among Indonesia's Media and Democracy System.* (Master's Dissertation). University of Westminster
- Aspinall, E. (1999). The Indonesian student uprising of 1998. Reformasi: Crisis and change in Indonesia, 37–54.
- Aspinall, E. (2005). *Opposing Suharto: Compromise, Resistance, and Regime Change in Indonesia.* Stanford, CA: Stanford University Press.
- Aspinall, E., & Mietzner, M. (Eds.). (2010). *Problems of democratisation in Indonesia: elections, institutions and society.* Institute of Southeast Asian Studies.
- Astraatmadja, A. (2002). Press Freedom in a Fledgling Democracy. In Cecile CA Balgos (Edt). *Watching the Watchdog: Media Self-Regulation in Southeast Asia. Bangkok: SEAPA (Southeast Asian Press Alliance) & Friedrich Ebert Stiftung.*
- Atkins, W. (2002). *The politics of Southeast Asia's new media.* Routledge.
- Bagdikian, B. (1997). *The media monopoly* (5th ed.). Boston: Beacon Press.
- Bagdikian, B. (2000). *The New Media Monopoly.* Beacon Press

- Bagdikian, B. (2004). *The New Media Monopoly*. Beacon Press
- Baker, C. E. (2007). *Media Concentration and Democracy: Why Ownership Matters*. New York, NY: Cambridge University Press.
- Balgos, C. C. (Ed.). (2002). *Watching the Watchdog: Media Self-regulation in South East Asia*. Southeast Asian Press Alliance.
- Baumol, W., & Blinder, A. (2011) *Macroeconomics: Principles and Policy* (12th ed.). Mason, OH: South Western Cengage.
- Benhabib, S. (Ed.). (1996) *Democracy and Difference*. Princeton, NJ: Princeton University Press.
- Bennett, W. L., & Åsard, E. (1995). The marketplace of ideas: The rhetoric and politics of tax reform in Sweden and the United States. *Polity*, 28(1),1–23.
- Bhakti, I. N. (2004). The transition to democracy in Indonesia: some outstanding problems. In J. Rolfe (Ed.), *The Asia-Pacific: A Region in Transition*, (195–206). Asia-Pacific Center for Security Studies. Honolulu Hi.
- Bhayroo, S. (2008). The ownership of online news: a political economy analysis of www.FOXNews.com and www.news.yahoo.com.
- Black, J., Steele, B., & Barney, R. D. (1999). *Doing Ethics in Journalism: A Handbook with Case Studies*. (3rd ed.). Massachusetts: Allyn and Bacon.

- Blumler, J. G., & Gurevitch, M. (2001) The new media and our political communication discontents: democratizing cyberspace. *Information, Communication & Society*, 4(1), 1–13.
- Blumler, J., & Nossiter, T. (Eds.) (1991) *Broadcasting Finance in Transition: A Comparative Handbook*. Oxford University Press.
- Blumler, J.G. (1991). In pursuit of programme range and quality. *Studies of Broadcasting*, 27, 191–206.
- Bray, T. C. (1965). *A newspaper's role in modern society*. University of Queensland Press.
- Brown, A. (1996). Economics, public service broadcasting, and social values. *Journal of Media Economics*, 9, 3–15.
- Buckley, M. (2007). Two principles of broadcast media ownership for a democratic society. *Journal of Business Ethics*, 82(4), 821–834.
- Buckley, M. (2008). Two Principles of Broadcast Media Ownership for a Democratic Society. *Journal of Business Ethics*, 82, 821–834.
- Busterna, J. C. (1988). Television station ownership effects on programming and idea diversity: Baseline data. *Journal of Media Economics*, 1(2), 6374.
- Busterna, J. C., & Hansen, K. A. (1990). Presidential endorsement patterns by chain-owned papers, 1976–84. *Journalism Quarterly*, 67(2), 286–294.
- Carpentier, N., & Cammaerts, B. (2006). Hegemony, democracy, agonism and journalism: an interview with Chantal Mouffe. *Journalism Studies* 7(6): 964–975.

- Chomsky, N. (2002). Renewing Tom Paine's challenge. In R. W. McChesney & J. Nichols (Eds.), *Our media not theirs: The democratic struggle against corporate media*. New York, NY: Seven Stories Press.
- Christians, C.G., Glasser, T. L., McQuail, D., Nordenstreng, K., & White, R. A. (2009). *Normative Theories of the Media: Journalism in Democratic Societies*. Urbana, IL and Chicago, IL: University of Illinois Press.
- Clark, D. L. (2002). The World Bank and human rights: the need for greater accountability. *Harvard Law School Human Rights Journal*, 15, 205.
- Cole, P., & Harcup, T. (2010). *Newspaper journalism*. Sage.
- Collins, R., Garnham, N., & Locksley, G. (1988) *The Economics of Television: The UK Case*. London: Sage
- Compaine, B. (2002, May 8). A World Without Absolutes. *Open Democracy*. Retrieved from https://www.opendemocracy.net/en/article_36jsp/
- Compaine, B. (2001, November 22). The workable real versus the absolutist ideal. *Open Democracy*. Retrieved from https://www.opendemocracy.net/en/article_239jsp/
- Compaine, B. (2001, November 8). The Myths of Encroaching Global Media Ownership. *Open Democracy*. Retrieved from https://www.opendemocracy.net/en/article_87jsp/
- Compaine, B.M. (2000). Distinguishing between concentration and competition. In B. M. Compaine, & D. Gomery (Eds.), *Who owns the media? Completion and*

concentration in the mass media industry (537–581). Mahwah, NJ: Lawrence Erlbaum Associates.

Cooper, M. (2003). *Media ownership and democracy in the digital information age: Promoting diversity with First amendment principles and market structure analysis*. Stanford, CA: Center for Internet & Society, Stanford Law School.

Cortesi, S., & Gasser, U. (2015). Public Service Media | Youth Online and News: A Phenomenological View on “Diversity”. *International Journal of Communication*, 9, 24.

Couldry, N., & Curran, J. (2003). *Contesting Media Power: Alternative Media in a Networked World*. Lanham, Md: Rowman & Littlefield.

Croteau, D. (2003). Federal Communications Commission Broadcast Ownership EN BANC: Richmond, Virginia. Federal Communications Commission. Retrieved from http://www.fcc.gov/ownership/enbanc022703_docs/Croteau.pdf

Croteau, D., & Hoynes, W. (Eds.). (2006). *The business of media: Corporate media and the public interest*. Thousand Oaks: Pine Forge Press.

CT Corp official website. <http://ctcorpora.com/business-transcorpora.php>

van Cuilenburg, J. J., (2007). Media diversity, competition and concentration: Concepts and theories. *Media between Culture and Commerce*, 4, pp.25-54.

van Cuilenburg, J. J., & McQuail, D. (1982). *Media en pluriformiteit: een beoordeling van de stand van zaken*. Staatsuitgeverij.

- Curran, J., & Gurevitch, M. (Eds.). (1977). *Mass Media and Society*, (4th ed.). New York, NY: Hodder Arnold
- Curran, J. (1982). Communications, power and social order. In M. Gurevitch, T. Bennett, J. Curran, & J. Woollacott (Eds.), *Culture, society and the media*, (pp. 202–235). New York, NY: Methuen.
- Curran, J. (2002). *Media and Power*. London: Routledge
- Cusack, D. M. (1984). Peanuts and Potatoes: The FCC's Diversification Policy and the Antitrust Laws. *Hastings Communications and Entertainment Law Journal*, 7(4), 599.
- d'Haenens, L., van der Wurff, R., van Cuilenburg, J., Vettehen, P. H., Vergeer, M., Huysmans, F., & de Hann, J. (2005). Media diversity. *The European Journal of Communication Research*, 30, 293–324.
- Dahlberg, L. (2007) The internet and discursive exclusion: from deliberative to agonistic public sphere theory. In L. Dahlberg & E. Siaperä (Eds.), *Radical Democracy and the Internet: Interrogating Theory and Practice*. Great Britain: Palgrave Macmillan.
- Davies, N. (2008). *Flat Earth News: An Award-Winning Reporter Exposes Falsehood, Distortion and Propaganda in the Global Media*. London: Chatto and Windus.
- Day, L. (2006). *Ethics in Media Communications*. (5th ed.). Boston: Wadsworth
- Dekker, H. & Meyenberg, R. (Eds.). (1991). *Politics and the European Younger Generation*. European Studies Oldenburg

- Dewey, J. (1954) *The Public and Its Problems*. Athens, OH: Ohio University Press.
- Dhakidae, D. (1994). Membunuh Modal, Membunuh Kebudayaan. In A. Utami (Ed.), *Bredel 1994 Kumpulan Tulisan tentang Pembredelan TEMPO, DETIK, EDITOR*, Jakarta: Aliansi Jurnalis Independen, (pp. 48–61).
- Di Era Online, Televisi Masih Menjadi Sumber Berita Utama. Retrieved from <http://www.techno.id/tech-news/di-era-online-ini-tv-masih-menjadi-sumber-berita-utama-masyarakat-1511266.html>.
- Dominick, J. (2012). *Dynamics of Mass Communication: Media in Transition*. McGraw-Hill Higher Education.
- Dominick, J. R., Messere, F., & Sherman, B. L. (2004). *Broadcasting, cable, the Internet and beyond: An introduction to modern electronic media*. 5th edition. McGraw-Hill Higher Education.
- Dominick, J.R., & Pearce, M.C. (1976). Trends in network prime-time programming, 1953-74. *Journal of Communication*, 26, 70–80.
- Doyle, G. (2002). *Media ownership: The economics and politics of convergence and concentration in the UK and European media*. Sage.
- Doyle, G. (2013). *Understanding media economics*. SAGE Publications Limited.
- Downing, J. (2011). Media Ownership, Concentration, and Control: The Evolution of Debate. In Wasko, Murdock, and Sousa (eds.). *The Handbook of Political Economy of Communications* (pp. 140-168). Sussex: Wiley Blackwell.

- Dryzek, J., & Dunleavy, P. (2009). *Theories of the democratic state*. Macmillan International Higher Education.
- Ekron Z (2008) A critical and functional analysis of the mirror metaphor with reference to the media's responsibility towards society. *Global Media Journal-African Edition* 2(1): 80–87.
- EMTEK. (2014). *EMTEK Annual Report 2014*. Retrieved from <http://www.emtek.co.id/files/uploads/report/file/2016/May/25/57449d58da89c/emtekannualreport2014.pdf>
- Entman, R. M., & Wildman, S. S. (1992). Reconciling economic and non-economic perspectives on media policy: transcending the 'marketplace of ideas'. *Journal of Communication*, 42(1), 5–19.
- Entman, R. M. (1989). How the media affect what people think: An information processing approach. *The journal of Politics*, 51(2), 347–370.
- Fauzan, U., & Subroto, H., & Poedjosoedarmo, Soepomo. (2014). A CDA of the Ideology of Indonesian Metrotv News Report. *International Journal of Linguistics*. 6, 71. doi: 10.5296/ijl.v6i4.6147.
- Flew, T., & Swift, A. (2013). Regulating journalists? The Finkelstein Review, the Convergence Review and news media regulation in Australia. *Journal of Applied Journalism & Media Studies*, 2(1), 181–199.
- Foster, J.B. (Ed.).(2006). Monopoly-finance capital. *Monthly Review*, 58(7).

- Franklin, B., Lewis, J., & Williams, A. (2010). Journalism, News Sources, and Public Relations. In S. Allan (Ed.), *The Routledge Companion to News and Journalism*. (pp. 202–212). New York: Routledge.
- Funk, W. F., & Seamon, R. H. (2009). *Administrative law: examples and explanations*. Aspen Publishers.
- Garnham, N., & Inglis, F. (1990). *Capitalism and communication. Global culture and the economics of information*. London: Sage Publications.
- Glasser, T.L., 1984. Competition and diversity among radio formats: Legal and structural issues. *Journal of Broadcasting & Electronic Media*, 28(2), pp.127-142.
- Gillmor, D. (2006). *We the media: Grassroots journalism by the people, for the people*. "O'Reilly Media, Inc."
- Gomery, D. (1993). The centrality of media economics. *Journal of Communications*, 43, 190–198.
- Gomery, D. (2000). Interpreting media ownership. In B. M. Compaine & D. Gomery (Eds.), *Who owns the media?: Competition and concentration in the mass media industry* (3rd ed.). Mahwah, NJ: Lawrence Erlbaum Associates.
- Gomery, D. (2001). *Television: Industry*.
- Gomery, D. (2002). *The FCC's newspaper-broadcast cross-ownership rule: An analysis*. Washington D.C.: Economic Policy Institute.

- Gordon, H. (1997). John Stuart Mill and the “marketplace of ideas”. *Social Theory and Practice*, 23(2), 235–249.
- Gormley Jr, W. T. (1976). *The Effects of Newspaper - Television Cross-Ownership on News Homogeneity*. North Carolina: Institute for Research in Social Sciences, University of North Carolina.
- Grant, A. E. (1994). The promise fulfilled? An empirical analysis of program diversity on television. *Journal of Media Economics*, 7(1), 51–64.
- Gunter, B., (1997). *Measuring bias on television*. Indiana University Press.
- Gutmann and Thompson. (2004). *Why Deliberative Democracy?* Princeton, NJ: Princeton University Press
- Gurevitch, M., Bennett, T., & Curran, J. (Eds). (1982). *Culture, Society and the Media*. London: Routledge.
- Habermas, J. (1989) *The Structural Transformation of the Public Sphere: An Inquiry into a Category of Bourgeois Society* (T. Burger & F. Lawrence, Trans.). Cambridge: Polity Press.
- Habermas, J. (1996) *Between Facts and Norms* (W. Rehg, Trans.). Cambridge, MA: The MIT Press.
- Hadiwinata, B. S. (2003). *The politics of NGOs in Indonesia: Developing democracy and managing a movement*. Routledge.

- Hadiz, V. R. (2000). Retrieving the past for the future? Indonesia and the New Order legacy. *Asian Journal of Social Science*, 28(2), 11–33.
- Hall, M., & Tideman, N. (1967). Measures of concentration. *Journal of the American Statistical Association*, 62(317), 162–168.
- Hall, S. (1982). The Rediscovery of 'Ideology': Return of the Repressed in Media Studies. In M. Gurevitch, T. Bennett, J. Curran, & J. Woollacott. (1982). (Eds.), *Culture, Society and the Media*, (pp. 56–90). London: Methuen.
- Hardy, J. (2014). *Critical Political Economy of the Media : An Introduction*. Routledge: London and New York
- Haryanto, I. (2011). Media ownership and its implications for journalists and journalism in Indonesia. In K. Sen & D. T. Hill (Eds.), *Politics and the media in twenty-first century Indonesia: Decade of democracy*. (pp. 104–118). London and New York: Routledge.
- Hellman, H. (2001). Diversity-an end in itself? Developing a multi-measure methodology of television programme variety studies. *European Journal of Communication*, 16(2), 181–208.
- Hendrawan, B. (2015) *Televising Locality*. PhD Dissertation. ISBN 978-94-6299-196-5
- Hendriyani, & Eriyanto (2016). *Mendorong akuntabilitas rating media penyiaran*. Tim AJI Jakarta, Kalibata, Jakarta Selatan: Aliansi Jurnalis Independen Jakarta
- Herman, E. S., & Chomsky, N. (1988). *Manufacturing consent: The political economy of the mass media*. Random House.

- Heryanto, A. (2014). *Identity and Pleasure: The Politics of Indonesian Screen Culture*. NUS Press and Kyoto University Press
- Hill, D. T. (1994). *The press in new order Indonesia*. Equinox Publishing.
- Hill, D. T. (2010). *Journalism and Politics in Indonesia: A Critical Biography of Mochtar Lubis (1922 - 2004) as editor and author*. Routledge: London and New York
- Hill, C. (2016). Indonesia's 2014 national elections: a quick guide. Retrieved from http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1314/QG/IndonesiaElections.
- Hillve, P., & Rosengren, K. E. (1996). Swedish public service television—quality for sale. In Ishikawa, S. (1996). *Quality assessment of television*. pp.231-252.
- Hillve, P., Majanen, P., & Rosengren, K. E., (1997). Aspects of Quality TV Programming: Structural Diversity compared over time and space. *European Journal of Communication*. 3(12) 291–318
- Hisyam, U. (2014). *Sang Ideolog: Surya Paloh Matahari Restorasi*. Jakarta: Dharmapena Citra Media
- Hoffmann-Riem, W. (1987). National identity and cultural values: Broadcasting safeguards. *Journal of Broadcasting & Electronic Media*, 31(1), 57–72.
- Hollander, E., d'Haenens, L., & Bardeol, J. (2009). Television Performance in Indonesia. *Asian Journal of Communication*, 19(1) 39–58

- Horwitz, R.B. (1989). *The Irony of Regulatory Reform: The Deregulation of American Telecommunications*. New York: Oxford University Press
- Horwitz, R. B. (2005). On media concentration and the diversity question. *The information society*, 21(3), 181-204.
- Hoskins, C., McFayden, S. M., & Finn, A. (2004). *Media economics: Applying economics to new and traditional media*. Thousand Oaks: Sage Publications.
- Ida, R. (2011). Reorganisation of Media Power in Post-Authoritarian Indonesia'. Politics and the media in twenty-first century Indonesia: Decade of democracy, in Sen, K. & Hill, D. *Politics and the media in twenty-first century Indonesia: Decade of democracy*, 13. p.13-25.
- Indonesian elections 2014: Jokowi vs Prabowo. ABC News.
<http://www.abc.net.au/news/2014-04-03/an-indonesia-votes-2014/5364478>.
- Ingber, S. (1984). The marketplace of ideas: a legitimizing myth. *Duke Law Journal*, 1, 1–91.
- Intani, R. (2012). Reinvensi dan Implementasi Atas Pemaknaan Televisi Publik (Studi Kasus Mengenai TVRI sebagai Lembaga Penyiaran Publik). PhD Dissertation. Unpublished.
- Iosifidis, P. (2010). Pluralism and Concentration of Media Ownership: Measurement Issues. *Javnost - The Public*, 17(3), 5–21
- Ishadi, S. K. (2002). *Jelajah : kumpulan tulisan Ishadi SK*. Jakarta: Televisi Transformasi Indonesia

- Ishadi, S. K. (2011). Television Industry Dynamics in New Order Era The Effect of Broadcasting Policy Towards News Report. *Bisnis & Birokrasi Journal*, 18(2). Retrieved from <http://journal.ui.ac.id/index.php/jbb/article/view/994>
- Ishikawa, S., Leggatt, T., Litman, B., Raboy, M., Rosengren, K. E., & Kambara, N. (1996). Diversity in Television Programming: Comparative Analysis of five countries. In S. Ishikawa (Ed.), *Quality Assessment of Television*. (pp. 253–263) Luton: University of Luton Press
- Jati, W. R. (2013). Politik Persuasif Media: Peran Media Dalam Pemilu Presiden Indonesia 2001-2009 Media And Political Persuasion: The Role Of Media In Indonesia Presidential Campaign 2001-2009. *E-journal LIPI*, 10(2), 15. ejournal.lipi.go.id/index.php/jppol/issue/download/58/53#page=29
- Jessop, B. (1995). The Regulation Approach, Governance and Post-Fordism. *Economy and Society*, 24(3): 307–333
- de Jong, A. S., & Bates, B. J. (1991). Channel diversity in cable television. *Journal of Broadcasting & Electronic Media*, 35(2), 159–166.
- Junge, K. (1994). Diversity of ideas about diversity measurement. *Scandinavian Journal of Psychology*, 35(1), 16–26.
- Jurriëns, Edwin. 2016. TV or Not TV: Spelling the Indonesian Media with Veven Sp. Wardhana. *Bijdragen tot de Taal-, Land- en Volkenkunde* 172(1), 33–65
- Just, N. (2009). Measuring media concentration and diversity: new approaches and instruments in Europe and the US. *Media, Culture & Society*, 31(1): 97–117

- Kambara, N., (1992). Study on diversity indices used for programming analysis. *Studies of Broadcasting*, 28, 195–206
- Karppinen K (2013) *Rethinking Media Pluralism*. New York: Fordham University Press.
- Kementerian Komunikasi dan Informatika Republik Indonesia. (2014, 8 May) Kemkominfo: Pengguna Internet di Indonesia Capai 82 Juta Orang. Retrieved from https://kominfo.go.id/index.php/content/detail/3980/Kemkominfo%3A+Pengguna+Internet+di+Indonesia+Capai+82+Juta/0/berita_satker
- Kitley, P. (1996). The New Indonesian Broadcast Law. *Media International Australia*, (82), 76.
- Kitley, P. (2000). *Television, Nation, and Culture in Indonesia*. The Ohio University Center for International Studies.
- Kitley, P. (2001). Subject to what?: a comparative analysis of recent approaches to regulating television and broadcasting in Indonesia and Malaysia. *Inter-Asia Cultural Studies*, 2(3)
- Kitley, P. (2003). *Television, regulation and civil society in Asia*. Routledge.
- Kitley, P. (2008). In Court with the Indonesian Broadcasting Commission: old battles and new identities in the context of reform. *The Pacific Review*, 21(3), 351–367
- Kleinschmit, D. (2012) Confronting the demands of a deliberative public sphere with media constraints. *Forest Policy and Economics*, 16, 71–80.

- Kovach, B., & Rosenstiel, T. (2007). *The Elements of Journalism: What Newspeople Should Know and the Public Should Expect*. New York: Crown Publishers.
- Kubey, R., Shifflet, M., Weerakkody, N., & Ukeiley, S. (1995). Demographic diversity on cable: have the new cable channels made a difference in the representation of gender, race, and age?. *Journal of Broadcasting & Electronic Media*, 39(4), 459–471.
- Lacy, S. (1988). The effect of intracity competition on daily newspaper content. *Journalism Quarterly*, 64, 281–290.
- Lacy, S. (1989). The impact of intercity competition on daily newspaper content. *Journalism Quarterly*, 65, 399–406.
- Lacy, S. (1999). A model of demand for news: Impact of competition on newspaper content. *Journalism Quarterly*, 66, 40–48.
- Lacy, S. (1991). Effects of group ownership on daily newspaper content. *Journal of media Economics*, 4(1), 35–47.
- Liddle, R. W. (1999). Indonesia's unexpected failure of leadership. In A. Schwarz & J. Paris (Eds.) *The Politics of Post-Suharto Indonesia*, (pp. 16–39). New York: Council on Foreign Relations Press
- Lim, M. (2012). *The league of thirteen: Media concentration in Indonesia*. Participatory Media Lab, Arizona State University & Ford Foundation.

Lim, M. (2011). @crossroads: Democratization of Media in Indonesia. Participatory Media Lab, Arizona State University and Ford Foundation

Lin, C.A. (1995). Diversity of network prime-time program formats during the 1980s. *Journal of Media Economics*, 8(4), 17–28.

Lindsey, T. (2004). Indonesia: devaluing Asian values, rewriting the rule of law. Asian discourses of rule of law, 2004, 1, pp. 286 - 323

Litman, B., & Hasegawa, K. (1996). Measuring diversity in US television programming: New evidence. *Quality assessment of television*, 203-230.

Litman, B., Hasegawa, K., Shrikhande, S., & Barbatsis, G., (1994). Measuring diversity in US television programming. *Studies in broadcasting*, 30(3), 131–153.

Louw, P. E. (2005) *The Media and Political Process*. London: Sage.

Macdonald, I. (2006) Teaching journalists to save the profession: a critical assessment of recent debates on the future of US and Canadian journalism education. *Journalism Studies*, 7(5), 745–764.

MacIntyre, A. (1992). *Business and politics in Indonesia*. Asian Studies Association of Australia.

Maly, M. (2000). The Neighborhood Diversity Index: A Complementary Measure of Racial Residential Settlement. *Journal of Urban Affairs*, 22(1). Retrieved from <https://onlinelibrary.wiley.com/doi/abs/10.1111/0735-2166.00038>

- Aspinall, E., & Fealy, G. (Eds.). (2010). *Soeharto's new order and its legacy: essays in honour of Harold Crouch* (Vol. 2). ANU E Press.
- Masduki, M. (2016). Struggle for Public Service Broadcasting Reform in Indonesia Past, Present and Future Reflection, Conference Paper in IAMCR 2017
- Masduki, M. (2014). Media Conglomeration and Political Intervention in 2014 General Election in Indonesia. *GSTF Journal on Media & Communications (JMC)*, 2(1), 8–13
- Mattelart, A., & Mattelart, M. (1998). *Theories of communication: A short introduction*. Sage.
- McCann, K. (2007). *Communication policy and public interests: Media diversity in public and commercial broadcast television in the US* (Doctoral dissertation, Bowling Green State University).
- McChesney, R. (2002, May 8). It's a Wrap: Why Media Matters to Democracy. *Open Democracy*. Retrieved from https://www.opendemocracy.net/en/article_61jsp/
- McChesney, R. (2001, November 14). Media Corporations Vs Democracy. *Open Democracy*. Retrieved from http://www.opendemocracy.net/media-globalmediaownership/article_60.jsp
- McChesney, R. (2001, October 24). Policing the Thinkable. *Open Democracy* Retrieved from http://www.opendemocracy.net/media-globalmediaownership/article_56.jsp

McChesney, R. W. (1997). *Corporate media and the threat to democracy*. New York: Seven Stories Press.

McChesney, R. W. (1998). The political economy of global communication. In Foster, J. B., & Wood, E. M. (eds). *Capitalism and the information age: The political economy of the global communication revolution*. Monthly Review Press. pp.1-26.

McChesney, R. W. (1999). *Rich media, Poor democracy: Communication politics in dubious times*. Urbana, IL: University of Illinois Press.

McCombs, M. E., & Shaw, D. L. (1972). The agenda-setting function of mass media. *Public opinion quarterly*, 36(2), 176–187.

McDonald, D. G., & Dimmick, J., (2003). The conceptualization and measurement of diversity. *Communication Research*, 30(1), 60–79.

McNair, B. (2006). *Cultural Chaos: Journalism, news and power in a globalized world*. Routledge: New York

McQuail, D., & van Cuilenburg, J. (1983). Diversity as a media policy goal: A strategy for evaluative research and a Netherlands case study. *Gazette (Leiden, Netherlands)*, 31(3), 145–162.

McQuail, D. (1992). *Media performance: Mass communication and the public interest*. Sage.

Media Scene Volume 23, 2012/2013 The Official Guide to Advertising Media in Indonesia, PPPI, Jakarta

- Mehra, A. (Ed.). (1989). *Press systems in ASEAN states*. Asian Mass Communication Research and Information Centre.
- Mendel, T. (2010). *Audiovisual media policy, regulation and independence in Southeast Asia. Report*. Washington DC: Open Society Foundations.
- Mény, Y., & Knapp, A. (1998). *Government and Politics in Western Europe: Britain, France, Italy, Germany*. Oxford University Press.
- Milton, J. (1868). *Areopagitica, 1644. Hugh Latimer: Sermon on the Ploughers, 1549. Stephen Gosson: The Schoole of Abuse, 1579 [and] A Short Apologie of the Schoole of Abuse, 1579*. A. Murray.
- Minow, N. (2003). Television and the public interest. *Federal Communications Law Journal*, 55(3), 395–406.
- MNC Group Annual Report 2014. Retrieved from <https://www.mncgroup.com/item/index/annual-reports>
- Moschandreas, M. (2000). *Business Economics*, (2nd ed.) London: Thomson Learning.
- Mosco, V. (1996). *The political economy of communication*. London: Sage Publications.
- Mosco, V. (1996). *The Political Economy of Communication*. Sage: London.
- Mosco, V. (2009). *The Political Economy of Communication*. (2nd ed.). Sage: London.
- Mouffe, C. (2000). *The Democratic Paradox*. London: Verso.
- Mouffe, C. (2005). *On the Political*. London: Routledge.
- Mouffe, C. (2013). *Agonistics: Thinking the World Politically*. London: Verso.

- Mughan, A., & Richard, G. (Eds.). (2000). *Democracy and the Media : A Comparative Perspective*. Cambridge University Press.
- Murdock, G., & Golding, P. (2005). Culture, communications and political economy. In J. Curran & M. Gurevitch (Eds.) *Mass Media and Society* (4th ed, pp 60–83). New York: Hodder Arnold.
- Murdock, G. (1982). Large corporations and the control of the communications industries. In M. Gurevitch, T. Bennett, J. Curran, & J. Woollacott (Eds.), *Culture, society and the media* (pp. 118–49). London: Methuen.
- Napoli, P. M. (1997). Rethinking program diversity assessment: An audience-centered approach. *Journal of Media Economics*, 10(4), 59–74.
- Napoli, P. M. (1999). Deconstructing the diversity principle. *Journal of Communication*, 49(4), 7–34.
- Napoli, P. M. (1999). The marketplace of ideas metaphor in communications regulation. *Journal of Communication*, 49(4), 151–169.
- Napoli, P. M. (2001). Market conditions and public affairs programming: Implications for digital television policy. *Harvard International Journal of Press/Politics*, 6(2), 15–29.
- Napoli, P. M. (2005). Audience measurement and media policy: Audience economics, the diversity principle, and the local people meter. *Communication Law and Policy*, 10(4), 349-382.

- Napoli, P. M. (2012). Diminished, enduring, and emergent diversity policy concerns in an evolving media environment. In Pager, S. A., & Candeub, A. (Eds.). (2012). Transnational culture in the internet age. Edward Elgar Publishing. Napoli, P.M. (1999) Deconstructing the diversity principle. *Journal of Communication*, 49(4), 7–34.
- Neuman, W. R. (1991). *The future of the mass audience*. Cambridge University Press
- Nielsen: Konsumsi Media Lebih Tinggi di Luar Jawa. Retrieved from <http://www.nielsen.com/id/en/press-room/2014/nielsen-konsumsi-media-lebih-tinggi-di-luar-jawa.html>.
- Nugroho, Y., Putri, D. A., & Laksmi, S. (2012). *Mapping the landscape of the media industry in contemporary Indonesia*. Jakarta: Creative Common.
- Nugroho, Y., Siregar, M. F., & Laksmi, S. (2012). Mapping media policy in Indonesia. Centre for Innovation Policy and Governance. Research collaboration of Centre for Innovation Policy and Governance and HIVOS Regional Office Southeast Asia, funded by Ford Foundation. Jakarta: CIPG and HIVOS
- O'Rourke, K. (2002). *Reformasi: The Struggle for power in post-Soeharto Indonesia*. Allen & Unwin Australia.
- Oey, H. L. (1971). *Indonesian government and press during guided democracy* (No. 4). Inter Documentation Co.
- Oso, L. (2013). Media and democracy in Nigeria: A critique of the liberal perspective. *New Media and Mass Communication*, 10, 13-22.

- Owen, B., Beebe, J., & Manning, W. (1974). *Television economics*. Lexington, MA: D.C. Heath.
- Owen, B. M. (2003). Statement on Media ownership rules. *Attachment to Comments of Fox Entertainment Group and Fox Television Stations, Inc., National Broadcasting Company, Inc. and Telemundo Group, Inc., and Viacom, In the Matter of 2002 Biennial Regulatory Review—Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section, 202*.
- Padawangi, R. (2014). Reform, resistance and empowerment: constructing the public city from the grassroots in Jakarta, Indonesia. *International Development Planning Review*, 36(1), 33–50.
- Pangestu, M., & Habir, A. D. (1989). Trends and prospects in privatization and deregulation in Indonesia. *ASEAN Economic Bulletin*, 224–241.
- Patterson, T. E. (2002). *The vanishing voter: Public involvement in an age of uncertainty*. New York: Alfred A. Knopf.
- Pepermans, Y., & Maesele, P. (2014). Democratic debate and mediated discourses on climate change: from consensus to de/politicization. *Environmental Communication*, 8(2), 216–232.
- Pepinsky, T. B. (2009). *Economic crises and the breakdown of authoritarian regimes: Indonesia and Malaysia in comparative perspective*. Cambridge University Press.

- Peruško, Z. (2010). The link that matters: Media concentration and diversity of content. In *Klimkiewicz, B. (Ed.). (2010). Media freedom and pluralism: media policy challenges in the enlarged Europe. Central European University Press.*
- Picard, R. (1989) *Media Economics: Concepts and Issues*. London: Sage.
- Picard, R.C. (2001). Expansion and limits in EU television markets. Audience, advertising and competition issues. *Workshop on Competition and Advertising Market, University of Aix Marseille-II, Aix en Provence, France, October 12-13, 2001.*
- Retrieved from
[https://www.academia.edu/802426/Expansion and limits in EU television markets Audience advertising and competition issues](https://www.academia.edu/802426/Expansion_and_limits_in_EU_television_markets_Audience_advertising_and_competition_issues)
- Poster M (1997) Cyberdemocracy: internet and the public sphere. In D. Porter (Ed.), *Internet Culture* (pp. 201–218). New York: Routledge.
- Putnam, R.D. (2000) *Bowling Alone*. New York: Simon and Schuster
- Raeijmaekers, D., & Maesele, P. (2015). Media, pluralism and democracy: what's in a name? *Media, Culture & Society*, 37(7), 1042–1059.
<https://doi.org/10.1177/0163443715591670>
- Rianto, P., Wahyono,SB., Darmanto, Cahyono, MF., Adiputra, WM. (2011). *Ironi Eksistensi Regulator Media di Era Demokrasi*. Yogyakarta: PR2Media.
- Rianto, P., Yusuf, IA., Cahyono,MF., Zuhri, S., Adiputra, WM., Siregar, AE. (2012). *Dominasi TV Swasta (Nasional) – Tergerusnya Keberagaman Isi dan Kepemilikan*. Yogyakarta: PR2Media.

- Rochet, J., & Tirole, J. (2003). Platform Competition in Two-Sided Markets. *Journal of the European Economic Association*, 1(4): 990–1029.
- Romano, A. (2003). *Politics and the press in Indonesia: Understanding an evolving political culture*. Routledge.
- Dimmick, J., & Rothenbuhler, E. (1984). The theory of the niche: Quantifying competition among media industries. *Journal of communication*, 34(1), 103-119.
- Sarrina Li, S. C., & Chiang, C. C. (2001). Market competition and programming diversity: A study on the TV market in Taiwan. *The Journal of Media Economics*, 14(2), 105-119.
- Scherer, F.M. (1996). *Industry structure, strategy, and public policy*. New York: Harper Collins College Publisher.
- Scherer, F.M. and Ross, D. (1990) *Industrial Market Structure and Economic Performance*. University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship.
- Scherer, R. (1980). *Industrial market structure and economic performance* (2nd ed.). Illinios: Rand McNally.
- Schiller, H. (1984). *Information and the crisis economy*. Norwood, N.J.: Ablex Publishing
- Schramm, W. (1956). *Responsibility in Mass Communications*. New York: Harper & Brothers.

- Sen, K. and Hill, D.T. 2000. Media, Culture, and Politics in Indonesia. Oxford University Press
- Sen, K. and Hill, D.T. 2011. Politics and the Media in Twenty-first Century Indonesia. Routledge: London and New York
- Sen, Krishna and David T. Hill (eds). (2011). Politics and the Media in Twenty-First Century Indonesia: Decade of democracy. Routledge. London and New York.
- Sendjaja, S. D., & Ilmu Komunikasi, S. P. D. (2006). Badan Hukum TVRI dan RRI Sebagai Lembaga Penyiaran Publik. Jurnal Bisnis dan Birokrasi.
- Sinaga, J. (1989). 'Indonesia' in Press System in Asean States, ed. Achal Mehra, Singapore: AMIC, p.27-41
- Sistem Pers Pancasila: Latar Belakang, Konsepsi Dasar, Tantangan Masa Kini, dan Masa Depan serta Peranannya dalam Pembangunan Nasional, Ultimo, Jakarta.
- Singer JB (2007) Contested autonomy: professional and popular claims on journalistic norms. Journalism Studies 8(1): 79–95.
- Siregar, A. E. (2002). Indonesia: democracy, economic development and the media. In Watching the Watchdog: media self-regulation in Southeast Asia, SEAPA – Friedrich Ebert Stiftung
- SK, I. (2012). Television Industry Dynamics in New Order Era The Effect of Broadcasting Policy Towards News Report. Bisnis & Birokrasi Journal, 18(2).

- Smith, L. K. (2009). Consolidation and news content: How broadcast ownership policy impacts local television news and the public interests. *Journalism & Communication Monographs*, 10(4), 387-453.
- Smythe, D.W. (1960). On the political economy of communication. *Journalism Quarterly*, Autumn, 563-572.
- Smythe, D.W. (1960). On the political economy of communication. *Journalism Quarterly*, Autumn, 563-572.
- Steele, J. E. (2005). *Wars within: The story of Tempo, an independent magazine in Soeharto's Indonesia*. Equinox Publishing.
- Sudibyo, A., & Patria, N. (2013). The television industry in post-authoritarian Indonesia. *Journal of Contemporary Asia*, 43(2), 257-275.
- Tapsell, R. 2012a. 'Politics and the Press in Indonesia', *Media Asia*, vol. 39, no. 2, p. 109-116
- Tapsell, R. 2012b. 'Old Tricks in a New Era: Self-Censorship in Indonesian Journalism', *Asian Studies Review*, vol. 36, p. 227-245
- Tapsell, R. 2015. 'Platform convergence in Indonesia: challenges and opportunities for media freedom', *Convergence: The International Journal of Research into New Media Technologies*, May 2015, vol. 21, no. 2, p. 182-197
- Tapsell, R. 2015. Indonesia's Media Oligarchy and the "Jokowi Phenomenon" Indonesia, No. 99 April 2015, p. 29-50

Tauda, G. A. (2012). Komisi negara independen: eksistensi independent agencies sebagai cabang kekuasaan baru dalam sistem ketatanegaraan. Genta Press.

Utami, A. (Ed.) (1994) BREDEL 1994 Kumpulan Tulisan tentang Pembredelan TEMPO, DETIK, EDITOR, Aliansi Jurnalis Independen, Jakarta

The 1982 Press Law

The 1997 Broadcast Law

The 1999 Press Law

The 2002 Broadcast Law

The Ministry of Information Decree No.190A/KEP/Menpen/1987

The Ministry of Information Decree No.30/KEP/Menpen/1981

The Ministry of Information Decree No.54/B/KEP/Menpen/1971

The Ministry of Information Decree No.55/KEP/Men/1975

Tuchman, G. (1974). *The TV establishment: Programming for power and profit*. Prentice Hall.

Utami, A. (Ed.). (1994). Bredel 1994 Kumpulan Tulisan tentang Pembredelan TEMPO, DETIK, EDITOR. Aliansi Jurnalis Independen, Jakarta

VIVA Group Annual Report. Retrieved from: <https://www.vivagroup.co.id/investor-relations/annual-report/>

Wahyuni, H. (2016). Indonesian Broadcasting Policy: The Limits of Re-regulation to Create a Democratic Broadcasting System. *Media Asia*, 33(3–4), 153–161.

doi:10.1080/01296612.2006.11726827

Wardle C., & Williams, A. (2010). Beyond user-generated content: a production study examining the ways in which UGC is used at the BBC. *Media, Culture & Society*, 32(5), 781–799.

Williamson, J. (1994). *The political economy of policy reform*. Peterson Institute.

Winseck, D. (2007). The state of media ownership and media markets: competition or concentration and why should we care? *Sociology Compass*, 2(1), 34–47.

van der Wurff, R., & van Cuilenburg, J., (2001). Impact of moderate and ruinous competition on diversity: The Dutch television market. *The Journal of Media Economics*, 14(4), 213–229.

van der Wurff, R., (2005). Competition, concentration and diversity in European television markets. *Journal of cultural Economics*, 29(4), 249–275.

Zen, C. (2010, November 30). The Administrative and Financial Aspects of PSB: The TVRI Experiences. *Asia Pacific institute for Broadcasting Development*. Retrieved from <http://www.aibd.org.my/node/228>