Political Economy of Media in Indonesia With the Study of Law No. 32 of 2002 on Broadcasting

Luciana Retno Prastiwi
Media and Communication Post-Graduate
Universitas Airlangga
Surabaya, Indonesia
luciana.retno.prastiwi-2019@fisip.unair.ac.id

Abstract—The advancement of digital communication technology has made it possible for the media to expand until it has developed into a mass media conglomerate. The Indonesian government has enacted Law No. 32 of 2002 on Broadcasting to overcome it, but this law is seen as having failed in limiting monopolistic practices in the media industry and the diversity of information provided by the media. This article will discuss the political economy of media in Indonesia with the study of Law No. 32 of 2002 on Broadcasting. The analysis of this article will be done qualitatively based on scientific references. The results of the analysis show that media conglomeration that leads to political economy in the media results in journalism practices that are not neutral. Journalists have begun to ignore journalistic principles, by creating news content that satisfies the needs of the advertising industry as a main supporter of the media industry. Furthermore, with strong economic support, media owners have also begun to join politics, and even become representatives of the people in government. With this politically and economically strong media position, it is feared that it will lead to regulatory capture practices in Indonesia. Regulations and law enforcement are needed that are independent and free from the interruption of the media industry, as well as the role of the community to bring forth a healthy media industry.

Keywords—broadcasting, political economy of media, diversity, competition, regulatory capture

I. INTRODUCTION

Since the Reformation of 1998, press life in Indonesia has undergone many upheavals. Starting from democracy period and freedom of the press, to the Law of the Republic of Indonesia No. 32 of 2002 on Broadcasting [1] which supports the spreading of various Private Broadcasting Institutions (LPS) in Indonesia. Whereas based on law there are only 2 for the Public Broadcasting Institution (LPP), namely Radio Republik Indonesia (RRI) and Televisi Republik Indonesia (TVRI). Therefore, numerous LPS began to exist in Indonesia. This freedom is expected to provide accurate and credible information for Indonesian people as well as foster healthy competition in the world of journalism. Unfortunately, the subsequent developments show how democracy began to fade when "capital" began to dominate the business people in mass media.

Without clear boundaries and regulations, this can create new problems that are no less important for media independence in the future. The Indonesian government has sought to provide a legal umbrella for broadcasting in Indonesia, one of which is through the Law of the Republic of Indonesia No. 32 of 2002 on Broadcasting. In article 5 G, Law No. 32 of 2002 on Broadcasting states that “Broadcasting shall be directed to prevent monopoly of ownership and promote fair competition in the broadcasting field.” Also in Article 16, it is stated that “LPS shall be a commercial broadcasting institution in the form of a juristic person established under Indonesian law, whose field of business shall only operate radio or television broadcasting services.”

Article 18 paragraph 1 further states that “Concentration of ownership and control of Private Broadcasting Institution by one person or one juristic person, either in one broadcast area or in several broadcast areas shall be restricted”. While paragraph 2 states “Cross-ownership between Private Broadcasting Institution that provides radio broadcasting services and Private Broadcasting Institution that provides television broadcasting services, between Private Broadcasting Institution and print media companies, and between Private Broadcasting Institution and private broadcasting institution of other broadcasting services, either directly or indirectly, shall be restricted”. Although there are already criminal provisions in the Act, the implementation is challenging. This recent year, there were many acquisitions and mergers of media ownership in Indonesia. The existence of such media conglomeration is worthy of attention since it causes the practice of media conglomeration to emerge in Indonesia.

II. METHODOLOGY

The approach used in this study was qualitative. According to Neuman, a qualitative approach is an approach that aims to shape social reality, cultural meaning, focus on interactive processes and events, authenticity is the main factor, assess current and explicit, theories and data are mixed, made depending on the situation, limited subject, thematic analysis, and researchers involved [2]. In qualitative research, the concepts used will continue to be developed and refined during or after the data collection process. Furthermore, the unit of analysis used in this study was a literature review of books, journals, regulations, article reports, and related news. Those materials were then used as a basis for analysis in this study.

III. RESULTS AND DISCUSSION

A. Political Economy of Media and Regulatory Capture

In the communication approach, political economy criticism is included in Marx's classical study. Littlejohn explains, in the capitalist system, profit drives production in the process of suppressing labor power or the working class. Only when the working class rises against the dominant class, the meaning of production can change and the independence
of the working class can be achieved [3]. In the context of media, this approach is interested in the cultural meaning produced by the media, how media content is interpreted, including dominant and opposition interpretations. Society is seen as a place for fighting ideas.

McQuail [4] explains how media institutions are at an intersection with three overlapping influences: economics, technology, and politics. Media is a content and culture industry that has media products. Media products require investors to keep ongoing. From that point, the competition with other media to get investors is emerging. On the other hand, the editor is the guardian of the content before it is finally published to the public. An editor should not be influenced by media owners. But in reality, for the sake of profit, the media owners begin to influence media content so that investors are interested in investing. Then media return to its ‘nature’ as a business organization, certainly requires closeness with the existing authorities to survive. After that, the media begin to show political inclination or even directly involved in politics even though the media should be neutral and impartial.

Stuart Hall believes that media maintains the dominance of those who have been in positions of power [5]. The media often exploits the poor and the powerless. Hall believes communication scientists must examine the social structure and power relations. Media conglomerates are inevitable. The main issue of cultural studies is not what information is presented, but who owns the information. Hall believes the mass media provides the guiding myths that shape our present and future. He cannot predict when and where resistance will arise.

In recent years, along with the rise of economic liberalization, deregulation, privatization, and media commercialization, the power of media monopoly has developed throughout the world. The emergence of cross-media ownership has led to the birth of media conglomerates that have broad assets. Littlejohn state that the condition of global cross-media ownership is the key to the discussion about media democracy [6]. The tendency of the media to provide safe news with the aim of entertainment and consumerism headlines is proof throughout the world. Local issues such as poverty, hunger, and unemployment are often not addressed, replaced with lifestyle and business news.

Smythe identified 8 core aspects of Marx's political economy of communication, namely; materiality; monopoly capitalism; audience; commodification and advertising; media communication as part of the base of capitalism; labor; power; critique of technological determinism; the dialectic of consciousness, ideology, and hegemony on the one side and material practices on the other side; the dialectics or arts and science as described by Fuchs and Mosco article [7]. Capitalist media means advertising and commodification and space for ideology. Advertising and the commodification of culture make humans a tool for the accumulation of economic profits. The goal is human thoughts and actions do not go beyond capitalism, do not question and rebel against the system, therefore play a role as an instrument to perpetuate capitalism.

With media conglomeration, economic power will emerge, which eventually becomes a political force, and in turn, affects the regulation of communication in Indonesia. Often by playing in the political sphere, the media has the power to influence policy regulation in a country. The conditions under which the media want to change regulations that benefit them are called 'regulatory capture'. This term was introduce by Ernesto Dal Bo [8]. Interpreted as a process of regulatory monopoly which ultimately manipulates the government that should control them. Regulations are obtained from industry, formed and used for industrial purposes. Regulation should protect consumers from monopolistic abuse or protect the public interest, but in the end, even though regulatory bodies have been formed to prevent monopolistic practices, regulations are ultimately 'captured' by companies that should be regulated. That is why it is known as 'regulatory capture'.

Other research conducted by Maria Rosa Borges [9] reveals that there are 2 forms of regulatory capture. The first is called Ex-Ante Capture, which is some influence in the process of defining rules and regulations that arises when regulatory bodies can influence the legislature and regulation for their benefit before regulations come into force. The second is called Ex-Post Capture, it means trying to influence the regulatory body to avoid compliance with applicable rules and regulations, possibly through bureaucratic corruption.

Liam Wren-Lewis [10] defines several actors involved in regulatory capture. He divided them into three groups, namely: interest groups, supervisors and decision-makers. The main interest groups and the main focus is the regulation itself. However, other groups also want to manipulate regulatory agencies. Decision makers consist of executive, legislature, and regulator. Supervisors consists of regulator, judiciary, and auditor. While interest groups consists of regulated firm, taxpayers, trade unions, industrial customers and residential customers. Regulator and judiciary both in decision makers and supervisors groups.

The government is divided into two, as supervisors and decision-makers. In this model, supervisors do not directly decide on regulatory policies but pass information from interest groups to decision-makers. The decision-maker is responsible for making decisions related to regulations, the number of demands that may be imposed on companies, and other subsidies that may exist. The auditor is the supervisor, while the executive and legislative are decision-makers who do not directly collect information. Other actors, namely regulators, play two roles, gathering information and making decisions. However, within the regulatory body itself, the role is likely to be divided.

B. Diversity and Competition

Napoli explains diversity policies can be motivated by social care, such as increasing minority representation and economic concern, such as eliminating monopolies [11]. In general, the components of diversity can be categorized into 3, namely: sources of diversity, diversity content, and diversity exposure. It is assumed that there are sub-components and relationships between the three category. First, source diversity consists of ownership and workforce. There are two kind of ownership: content and outlet. Second, content diversity, consists of: format-program type,
Demographic and idea-viewpoint. Third, exposure diversity consists of: horizontal and vertical.

It is written by Napoli that the diversity of sources is measured by the number of program makers, and the diversity of outlets is measured by the number of independent transmission systems that provide programs to the public. Diversity in programming has nothing to do with freedom of expression. Diversity in programming and controlling access to media has a clear relationship with freedom. Second is the diversity of content. Format type sub-components in the diversity of content refer to differences in categories between radio formats, cable TV, and individual TV formats. For this type of program, it is very crucial to know the clear differences between viewer choices, which are related to viewing patterns. The next sub-component is demographic diversity where the diversity of content is often used for approaches related to racial, ethnic, and gender diversity within individuals contained in electronic media programs. Third, is the sub-component of the diversity of ideas. The diversity of ideas is arguably the most difficult to understand because it refers to the diversity of social, political, and cultural views represented in the media.

The third is the diversity of exposure. In the context of exposure, the diversity of horizontal exposure refers to the distribution of the audience across the available content, while the diversity of vertical exposure refers to the diversity of content consumption within individuals as members of the audience. Therefore, diversity policies truly understand issues such as the effects of structural and economic factors on the diversity of content and sources, the dynamic relationship between the diversity of content and sources, and individual or structural determinants of diversity in exposure.

Diversity in the provision of content and types of content is formed on the belief that a pluralistic society requires extensive media and communication resources and content, which generally presents diverse views and voices of the community. Pickard and Picard describe that the principle of pluralism is embodied in democratic values in society and community participation as well as for consumer choices in the market [12]. This view embraces the normative foundation that society can function properly when political, economic, and social forces do not force information, ideas, discussions, or limit entertainment and cultural content. Three important concepts in this policy principle are diversity, variety, and pluralism.

Television ownership is related to diversity and monopoly so that the diversity of programs is related to the diversity of ownership and control. Ownership of communication by private capital is the subject of a major process that concentrates on conglomeration. There are three types of conglomerates in the field of global communication according to Rayner, Wall, and Kruger: industrial, service and communication [13]. An exploration of television ownership and technology must have a large place in the global communications industry.

The second principle discussed here is the principle of competition. Competition becomes important to consider the principle of regulation along with the development of media technology. The digital technology expansion causes the emergence of a monopoly in the media world. Thus, attention to healthy competition needs to be considered. Napoli states that there are 2 markets in electronic media competition, namely geographical market and audience market [14]. The geographical market means the extent to which the media can be received at a geographical level. There are 2 types, the national level, and the local level. The national market provides coverage in all regions of the country, with the same broadcast nationally. While the local market is strongly influenced by several factors such as technology, regulation, and the economy. Economic factors also play a role in the local market. The audience requires content on local issues and interests. At the same time, advertisers also need to target a certain market share. The desires of the audience and the needs of these advertisers have greatly contributed to the development of media with the local market.

Next is the product market. The product market is also divided into 2 namely the content market and audience market. The content market consists of 2 types, namely upstream or wholesale and downstream or retail. The upstream content market is a market where programs are purchased from program producers. While the downstream content market is a market where programmers try to sell or deliver their content to audiences. Then the audience market can be divided into two: local and national. For the local audience market, the buyer is a local advertiser, while the seller is a local programmer. Whereas in the national audience market, the buyers are national advertisers, the sellers are national programmers.

C. Media Conglomeration in Indonesia

Since the reformation, the spirit of democracy has continued to be echoed in Indonesia. Citizens must have full involvement and high participation in the process of policymaking which concerns the public interest. In reality, democratic public spaces are not formed, since digital media tends to give birth to media oligarchies. The implementation of mass media ownership in Indonesia does not reflect democratic practices that are free from monopolistic practices.

This can be seen from the research results by Merlyna Lin [15] who mapped the condition of media ownership in Indonesia. In her research, she found that media ownership in Indonesia was dominated by 13 groups, the state (public status) and 12 commercial media. There are 12 groups that control almost 100 percent of advertising on national television. The groups also own 5-6 high-circulation newspapers, 4 of 4 well-known online media, a well-known entertainment radio network in Jakarta, and have a significant portion of local television. Also, some of these groups control digital TV services and other related businesses, such as telecommunications, information technology, and content production and distribution. Media companies have also expanded their business to the non-media sector, thereby making their owners have strong political and economic power.

Rahayu [16] also explains that the ownership of private-sector broadcasters in Indonesia was dominated by five conglomerates: Global Mediacom through MNC Group and INews TV (formerly known as SindoTV) subsidiaries; CT Corp through its subsidiary TransGroup; Bakrie Global Venture through its subsidiary Viva Group (also known as Visi Media Asia); Elang Mahkota Teknologi (EMTek) Group and Media Indonesia Group. Besides, there are 2 smaller
conglomerates, namely Jawa Pos Group (JPMC) and Kompas Gramedia Group (KGG) which only have local TV stations.

When conglomeration occurs, unhealthy monopolistic and oligopolistic practices tend to arise. The problem exists when journalism must make capitalism or a media system supported by advertising into the news with high objectivity for the public. As Chesney explains in his writing that oligopolistic corporate control and reliance upon commercial advertising to support tend to undermine the media’s capacity to fulfill their democratic function [17]. Journalists prefer to consider the words of officials and business figures assuming that their statements are more valuable to the news and give strong legitimacy to the compiled news. This practice of journalism is easier for journalists to do and benefit publishers. This kind of activity helps them reduce the costs involved in the news reporting process.

D. Political Economy of Indonesian Media with Study of Law No. 32 of 2002 on Broadcasting

At this stage, the practice of the political economy of media begins to take place. Chesney emphasizes that political economy of media has three main components [18]. First, it addresses in a critical manner how the media system interacts with and affects the overall disposition of power in society. Second, it examines how market structures, advertising support, labor relations, profit motivation, technologies, and government policies shape media industries, journalistic practices, occupational sociology, and the nature and content of the news and entertainment. The detailed examination of the policymaking process is the third core component.

This kind of practice provides a great opportunity for politicians and public figures to manipulate reporting since its role as a news source is crucial. So that journalism tends to adjust to the interests of the elite in discussing important political issues. They tend to refuse to confront these circles. The worst thing is the results of studies show that the more people consume commercial news, the lower their ability to understand political issues and the public interest. The media business bombards people with advertising and other commercial matters regardless of whether people like it or not. This situation is ironic regarding the current developments where entertainment and journalism in the world are increasingly dominated by various large companies. The main concern of these companies is nothing but profit and they make the position of global market politics as the main theme of this century. This all has bad implications for democratic political life.

In this context, the principle of media regulation, namely the principle of diversity of sources, content, and exposure has been violated at once. Where the media no longer presents news with diversity in terms of content as they have been influenced both politically and economically with power at that time. As well as exposure, content exposure to the community also did not materialize, so pluralism was not achieved. While ownership of several media at the same time also gives birth to the lack of objectivity in reporting because the capital is owned by the same media. So the norms, values, and news content produced also tend to be the same and may provide support to the political or capitalist values that support the media industry.

Besides, with the existence of media conglomeration, the competition also takes place unfairly. New and small media companies will surely lose out in competition with media conglomerates who have invested their media everywhere. It also makes the community or local media unable to develop properly because they have to compete with an already large national media. In addition, with the presence of large media, advertisers or investors also find it difficult to be attracted to small media. The small pioneering new media finally could not survive due to unfair competition.

The Indonesian government has tried to regulate this trend through the Republic of Indonesia Law No. 32 of 2002 on Broadcasting. This law has many obstacles in its drafting, especially related to the concept of Broadcasting Network for television, which was rejected by the media industry as stated by Nugroho [19]. Although the law was finally legitimated by the Parliament, President Megawati never signed it as a form of disapproval. Nevertheless, this law is still in force and is legally binding.

Several articles clearly prohibit monopoly and conglomeration. Article 5 G states that "Broadcasting shall be directed to prevent monopoly of ownership and promote fair competition in the broadcasting field". Then in Article 16, it is stated that “LPS shall be a commercial broadcasting institution in the form of a juristic person established under Indonesian law, whose field of business shall only operate radio or television broadcasting services.” This is crucial considering that media conglomeration is not only in the horizontal sector, cross-media industry, but also vertically, and controls the mass media industry from upstream to downstream. Article 18 paragraph 1 further states that “Concentration of ownership and control of Private Broadcasting Institution by one person or one juristic person, either in one broadcast area or in several broadcast areas shall be restricted”. While paragraph 2 states “Cross-ownership between Private Broadcasting Institution that provides radio broadcasting services and Private Broadcasting Institution that provides television broadcasting services, between Private Broadcasting Institution and print media companies, and between Private Broadcasting Institution and the private broadcasting institution of other broadcasting services, either directly or indirectly, shall be restricted.”

Not only that, but related to broadcasting content has also been regulated in article 36 regarding broadcast content, which states: (1) Broadcast contents shall contain information, education, entertainment, and benefits for the formation of intellectual, characters, morals, advancement, nation’s power, maintenance of unity and integrity, and practice of religious values and Indonesian cultural values; (2) Broadcast contents from television broadcasting services, operated by Private Broadcasting Institutions and Public Broadcasting Institutions, shall contain a minimum of 60% (sixty percent) of domestic programs; (3) Broadcast contents shall provide protection and empowerment to a particular audience, namely children and teenagers, by broadcasting the programs at an appropriate time, and broadcasting institutions shall state and/or mention the audience classifications in accordance with the broadcast contents; (4) Broadcast contents shall be kept neutral and shall not prioritize the interests of certain groups; (5) Broadcast contents shall not: a. contain slanderous, inciting, misleading, and/or false materials; b. contain elements of violence, obscenity,
gambling, narcotics, and illicit drug abuse; or c. polarize ethnicity, religion, race, and inter-group relations; (6) Broadcast contents shall not denigrate, demean, harass, and/or ignore religious values and dignity of Indonesian citizens or harm international relations. From these paragraphs, it can be seen how diversity in content seems to be maintained and controlled by the government.

Under this law, a new institution was formed called the Indonesian Broadcasting Commission (KPI). KPI was formed as an independent state institution that regulates matters regarding broadcasting, at the central and provincial level. KPI has the authority to stipulate regulations related to broadcasting. KPI is expected to be a neutral institution, but in practice, KPI seems like it has lost fangs. Besides, the law also includes related criminal provisions, where violations of Article 18 will get a maximum of five years of imprisonment and or a maximum fine of ten billion rupiah for television broadcasting. Yet in reality, the application of this regulation has never been smooth.

Law No. 32 of 2002 on Broadcasting indeed prohibit cross-ownership, but not enough to prevent the acquisition of the media industry that gave birth to Indonesian media conglomerate. Nugroho also explains that the current capitalization of the media industry in Indonesia looks similar to what happened in the 1980s from its pattern and strategy: the media industry is starting to grow, but ignoring existing policies [19]. Certainly, there are differences in coverage and direction, but the similarity of patterns is clear. The way the media industry responds to political and economic challenges is almost typical. In both situations, policies have failed to be implemented and enforced.

Nugroho also added that with its form as a legal entity, the media industry is 'hiding' behind the Limited Liability Company Law which legalizes the practice of mergers and acquisitions that are prohibited in the Broadcasting Law [19]. These two policies are not aligned in regulating and managing the development of the media industry in Indonesia, which means that policymakers fail to regulate the media industry thus produce monopolistic practices that lead to Indonesia's current media conglomerate. Currently it was decided that investment in the media sector was not regulated by the Ministry of Communication and Information, but through the Investment Coordinating Board (BKPM) following the Ministry of Communication and Informatics Regulation No. 50 of 2009 which is currently being enforced. That certainly contributes to the long series of broadcasting and media industry issues in Indonesia which must be resolved.

This is made clear by Tapsell [20] where digitalization enables rich and powerful media companies to expand their networks. Multiplatform convergence allows for increased concentration and industrial conglomerate, making the media landscape increasingly oligopolistic. In short, digitalization allows bigger media to expand. Digitalization is a tool for media oligarchs to consolidate industries and reduce the diversity of viewpoints in mainstream news or mainstream media. Three major trends have emerged relating to media oligarchies in Indonesia: media owners are becoming politically stronger, media owners are generally getting richer, and media companies are becoming more and more disinclined.

Another thing that is not less alarming is when media owners then plunge into politics. It is common knowledge that Aburizal Bakrie (owner of Bakrie Global Ventura) is active in the Golkar Party, Surya Paloh (owner of the Media Group) through the Nasdem Party, and Hary Tanoesoedibjo (owner of MNC Group) through the Perindo Party, as written in the article on Tirto.id [21]. That makes the media have dominant power in both industry and legislative. No doubt, regulations which are considered to be detrimental cannot be implemented smoothly. At this stage, the press democracy which was glorified at the beginning of the reformation had faded or even died. The press considered the fourth pillar in a country, which is neutral and pro-people is dead and obey capitalism and ambition to gain power. Who is the victim? Certainly the Indonesian citizens.

Political conflicts through media cause unbalanced news. This kind of practice provides a great opportunity for politicians and public figures to manipulate reporting due to its role as a news source is crucial. So that journalism tends to adjust to the interests of the elite in discussing important political issues. Journalism that should be neutral and balanced began to shift to suit the interests of certain parties (both economically and politically). The public does not get neutral and balanced information.

It is still clear in mind how the Indonesian political situation was the night after the 2014 election. At that time, there were 2 candidates and each of them had supporting media. Each media uses surveys from various institutions. On the evening after the election, Candidate President Prabowo made a victory claim through TVOne. Then Jokowi also declared his victory through Metro TV. Each claimed that there was manipulation in the election. At that time, the public was faced with a chaotic situation in the national television media. The public did not get neutral and balanced coverage.

Moreover, in the 2014-2019 election of the President and Vice President of the Republic of Indonesia, there was also a coalition between the media in Indonesia. This coalition followed the views of these media owners. When one of the media owners was in a coalition with one of the presidential and vice-presidential candidate pairs, then the media underneath would provide positive news about the pairs supported, otherwise, the opposing pair would be reported negatively. This also happened to the coalition for other couples.

Then after the representatives of the media won the election and stepped into the Indonesian Parliament (DPR) in Senayan, the media began to enter the legislative realm. Based on news from Kabar24 [22], the DPR RI's DPRD Completion Tool (AKD) for 2019-2024 that was just ratified, several parties held positions in certain commissions. Two parties with a background in media conglomerates were also included in the list. By having direct representation in the legislature, media conglomerates can also influence policymaking in Indonesia. By engaging directly as a member of the legislature, it is feared that a 'regulatory capture' already occur openly where regulations are used for the benefit of certain parties that increasingly benefit monopolistic business practices. Especially with great economic power, supported by political power today.

Even now the revision of the Law No. 32 of 2002 on Broadcasting has never been smooth. Based on kpi.go.id [24],
since 2010 a special team has been formed to deal with broadcasting revisions, but to date, no results have been seen. It is important because this law regulate every broadcasting activities in Indonesia. It certainly needs seriousness and cooperation of all parties, requires a lot of power and effort to escape the complicated and deeply embedded political media economy of the media.

IV. CONCLUSION

The practice of the media industry in Indonesia has strayed from the spirit of democracy with the emerge of media conglomeration. The problem occurs when journalism must make capitalism or a media system that is supported by advertising into the news with high objectivity for the public. The political economy conditions of the media occur when the media cannot be separated from the political element by becoming non-neutral and the economy element by being part of capitalism. This conglomeration also rejects the principle of media sustainability (diversity). Media that should be able to guarantee diversity of information for the public become less objective. The diversity of sources is lost when various media ranging from print, online, and television are owned by certain large companies. Then the content is also not diverse since it comes from the same large company. it could be that one media displays the same content as other media so that the public cannot get diverse information. As well as exposure, content exposure to the community also did not materialize, so pluralism was not achieved.

The Indonesian government has tried to regulate broadcasting in Indonesia through Law No. 32 of 2002 on Broadcasting. The law prohibits monopolies and conglomerates. Besides, media cross-ownership is also limited. Furthermore, the content of the broadcast has also been arranged to be educational, neutral and maintain national unity. This regulation has been violated on many sides. In addition to this law, it is felt to be flawed in content because it does not regulate the development of the media industry in Indonesia, so conglomeration can occur. In terms of implementation, it also seems that there is no strength, it can be proven from the role of KPI which is considered not sharp in regulating broadcast content. KPI is also filled by many governments, so their independence is questionable. Although there are already criminal provisions in this law related to media ownership, it cannot be implemented because it collides with the Limited Liability Company Law which permits the acquisition of company shares.

In addition, since the media industry relies heavily on advertising, media content is also beginning to lead to mere entertainment which strengthens capitalism. Journalists become reluctant to create deep content and are investigatory because that is not what the market and advertisers want. The media industry now tends to display entertainment-only content, with the primary goal of preserving revenue from its main source, namely advertisers which indirectly creates a society of consumerism and affirms capitalism.

It will be a prolonged dilemma when then conglomerates enter politics and openly become the General Chairperson of a particular Political Party. Thus the principle of neutrality is completely gone and replaced by the political agenda to gain power. Regulations and law enforcement are needed that are independent and free from the interruption in the media industry to bring forth a healthy media industry. It is time for KPI as an independent institution to be authorized with powers like the KPK in eradicating corruption. KPI must issue a regulation related to broadcasting activities as affirmed in the Broadcasting Law that KPI has the right to issue a Broadcast Program Standards and Broadcast Code of Conduct. The standard should have legal force as well and there is a fine if it is not implemented. Maybe in the future, there needs to be a regulation that prohibits media owners or those directly related to the media to enter politics and use their media as a campaign tool. If that still happens, it could be that Indonesia retreats to the New Order era, where the media was used as a propaganda tool.

Also, it is necessary to ensure that the regulatory process is transparent, accountable and free from the influence of the political economy. As well as the firmness of the judiciary in Indonesia, if one day a fraud is found. Besides, the community as the main connoisseurs of the media also began to care and show their attitude to the mass media. The participation of Indonesian people in general as critical Indonesian citizens is also needed. Either by not watching shows that do not reflect the value of the nation or making a petition which is expected to influence media ratings, so that the media industry can improve itself.

REFERENCES

[1] R. Indonesia, “Undang-Undang Republik Indonesia Nomor 32 Tahun 2002 tentang Penyiaran,” 2002. [Online]. Available: https://jilid.kominfo.go.id/produk/lukum/view/id/5076/undangundang-nomor-32-tahun-2002-tanggal-28-desember-2002

[2] W. L. Neuman, Social research methods: qualitative and quantitative approaches, Boston: [Mass.]: Pearson, 2011.

[3] S. W. Littlejohn and K. A. Foss, Theories of human communication (10th ed.). Long Grove, IL: Waveland Press, Inc, 2011.

[4] D. McQuail, McQuail’s Mass Communication Theory (6th edition), London: Sage, 2010.

[5] E. Griffin, A First Look at Communication Theory (8th Edition), New York: The McGraw-Hill Companies, Inc., 2012.

[6] S. W. Littlejohn and K. A. Foss, Encyclopedia of Communication Theory, Thousand Oaks, California: SAGE Publications, Inc., 2009.

[7] C. Fuchs and V. Mosco, Marx and the Political Economy of Media. Leiden: Koninklijke Brill NV, 2016.

[8] E. Dal Bó, “Regulatory capture: A review,” Oxford Rev. Econ. Policy, vol. 22, no. 2, pp. 203–225, 2006, doi: 10.1093/oxrep/grj013.

[9] M. R. Borges, “Regulation and Regulatory Capture,” XIV Int. Colloquium-Papers, pp. 1–18, 2017.

[10] L. Wren-Lewis, “Chapter 7 . Regulatory Capture: Risks and Solutions,” 2011, [Online]. Available: https://www.researchgate.net/publication/265962949_Regulatory_Capture_Risks_and_Solutions.

[11] P. M. Napoli, “Deconstructing the diversity principle,” J. Commun., vol. 49, no. 4, pp. 7–34, 1999, doi: 10.1111/j.1460-2466.1999.tb0285.x.

[12] R. G. Picard and V. Pickard, “Essential Principles for Contemporary Media and Communications Policymaking,” Reuters Inst. Study Journ. Univ. Oxford., no. April, 2017.

[13] P. Rayner, P. Wall, and S. Kruger, Media Studies. London and New York: Taylor & Francis e-Library, 2004.

[14] P. M. Napoli, Foundations of Communications Policy - Principles and Process in the Regulation of Electronic Media. Cresskill, New Jersey: Hampton Press, Inc., 2003.

[15] M. Lim, “The League of Thirteen: Media Concentration in Indonesia. Research Report,” pp. 1–20, 2012, [Online]. Available: http://www.public.asu.edu/~mlim/files/Lim_IndoMediaOwnership_2012.pdf.%0Ahttp://www.public.asu.edu/~mlim/files/Lim_IndoMediaOwnership_2012.pdf.
[16] T. P. Rahayu, “Indonesia’s digital television migration: Controlling multiplexing, tackling competition,” *Int. J. Digit. Telev.*, 2016, doi: 10.1386/dtv.7.2.233_1.

[17] R. W. McChesney, “Media and Democracy: The Emergence of Commercial Broadcasting in the United States, 1927–1935,” *OAH Mag. Hist.*, vol. 6, no. 4, pp. 34–40, 1992, doi: 10.1093/maq/6.4.34.

[18] A. N. Valdivia and R. W. McChesney, “The Political Economy of Communication,” *Int. Encycl. Media Stud.*, vol. I, 2012, doi: 10.1002/9781444361506.wbiems031.

[19] Y. Nugroho, M. F. Siregar, and S. Laksmi, “Memetakan Kebijakan Media di Indonesia,” Jakarta, 2012.

[20] R. Tapsell, *Media Power in Indonesia Oligarchs, Citizens and the Digital Revolution.* London: Rowman & Littlefield International Ltd, 2017.

[21] “Partai Politik dalam Belantara Media Sosial - Kolumnis Tirto.ID - Tirto.ID.” https://tirto.id/partai-politik-dalam-belantara-media-sosialeZG (accessed Apr. 02, 2020).

[22] “Ini Susunan AKD di DPR, 4 Partai Tak Dapat Jatah Ketua Komisi - Kabar24 Bisnis.com.” https://kabar24.bisnis.com/read/20191019/15/1160925/ini-susunan-akd-di-dpr-4-partai-tak-dapat-jatah-ketua-komisi (accessed Apr. 02, 2020).

[23] “Daftar 13 Staf Khusus Presiden, dari Milenial, Politisi hingga Aktivis Halaman all. - Kompas.com.” https://www.kompas.com/tren/read/2019/11/22/142951865/daftar-13-staf-khusus-presiden-dari-milenial-politisihingga-aktivis?page=all (accessed Apr. 02, 2020).

[24] “KPI Akan Kawal Revisi UU Penyiaran.” http://www.kpi.go.id/index.php/id/siaran-pers/2524-kpi-akan-kawal-revisi-uu-penyiaran (accessed Apr. 02, 2020)