



The Influence of Media Conglomerates in the Context of Migration from Analog to Digital Broadcasting: Analysis from a Media Political Economy Perspective and Its Impact on Society

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Abstract

This research discusses the role of media conglomerates in the context of migration policies from analog to digital broadcasts. Media conglomerates often have great influence in the media industry, and migration policies such as these can affect the way information is delivered and accessed by the public. This research analyzes the tendency of media conglomerates to report information that suits their interests, their impact on society, and how they respond to digital migration policies. The political economy of communication theory, especially the concepts of commodification, spatialization, and structuration, is used to explain these dynamics. Some media conglomerates reject the migration policy, considering it a threat to their dominance in the media industry. However, migration policies also open up opportunities for new entrants in the broadcasting industry. In conclusion, it is important to understand how the dynamics of the political economy of the media influence media policies that affect society.

Keywords: Media Conglomerates, Digital Migration, Media Political Economy, Media Policy

1. Introduction

In 2022, the Coordinating Minister for Political, Legal and Security Affairs, Mahfud MD, stated that Indonesia was behind other ASEAN countries in implementing the migration of TV broadcasts from analog to digital. Several countries in Southeast Asia have already stopped analog TV broadcasts, such as Brunei, Malaysia, Singapore, Thailand and Vietnam. In fact, several countries in the Asia-Africa region such as Algeria, Mauritius, Namibia and Zambia have stopped broadcasting analog TV since 2014. This reflects the big challenges faced by Indonesia in adopting digital television broadcast technology.

In 2016, at the International Telecommunication Union (ITU) forum, 119 member countries took the decision to encourage the end of analog broadcasts before 2015. However, Indonesia is still lagging behind in this regard. On November 2 2022, Indonesia will replace analog television broadcasts with digital television broadcasts, which have existed for almost 60 years. The main factor that has caused delays in achieving the target of 100% migration to digital broadcasting in Indonesia is the broadcasting regulations contained in "UU Number 32 of 2002 concerning broadcasting." This regulation only recognizes four types of broadcasting institutions that can have a spectrum license, namely Public Broadcasting Institutions, Private Broadcasting Institutions, Community Broadcasting Institutions and Subscription Broadcasting Institutions. There are no specific provisions governing digital broadcasting in this regulation, although digital broadcasting has additional aspects that need to be considered, such as multiplex operators. Unfortunately, the terms 'multiplex operator' or 'multiplexing' are not mentioned in the current Broadcasting Law, so their legal status is still unclear (Supadiyanto, 2021).

Developments in communication technology often occur faster than existing regulations. Regulations usually have difficulty keeping up with rapid and massive technological developments. When regulations or policies are finally passed or implemented, technological developments often exceed existing regulations. Digital broadcasting is a clear example of the development of communication technology which provides new alternatives in media broadcasting. One of the main advantages of this technology is the better efficiency of using the frequency spectrum, which allows the provision of more diverse and more efficient broadcast programs compared to analog broadcasts, which have been the standard in the broadcasting industry for so long (Andriyanto & Amir, 2022).

Digitalization of broadcasting has become a necessity and is considered a solution to overcome limitations and increase the efficiency of analog broadcasting. Analog technology is no longer able to meet the needs of the broadcasting industry in the distribution of broadcast programs which continues to grow, especially due to the limited frequency channels available. Apart from that, the analog broadcasting infrastructure is not yet efficient because it has not yet reached the realm of convergence. In the analog broadcasting system that is still in effect today, each broadcasting institution has its own broadcasting infrastructure, including transmitter towers and antennas, which results in high maintenance costs, large electricity usage and inefficient land use. In addition, broadcast quality in analog systems is uneven, even within the same service area (Adda & Ottaviani, 2005).

Steps to digitalize broadcasting in Indonesia began in 2007, with the Minister of Communication and Information Regulation No. 07/Per/M.Kominfo/3/2007 concerning Digital Terrestrial Broadcasting Standards for Fixed Television in Indonesia. Then, these steps were continued with the Minister of Communication and Information Technology Regulation No. 39/Per/M.Kominfo/10/2009 concerning the Basic Framework for the Implementation of Terrestrial Digital Television Broadcasting for Fixed Non-Pay Revenue. Furthermore, there is Minister of Communication and Information Regulation No. 21/Per/M.Kominfo/4/2009 concerning Digital Broadcasting Standards for Radio Broadcasting in the Very High Frequency (VHF) Band in Indonesia. There is also Minister of Communication and Information Regulation No. 22/Per/M.Kominfo/11/2011 concerning the Implementation of Terrestrial Digital Television Broadcasting for Fixed Unpaid Reception (Free to Air), although it was later canceled by the Supreme Court.

Furthermore, there is Minister of Communication and Information Regulation No. 23/PER/M.Kominfo/11/2011 concerning Radio Frequency Master Plan for Terrestrial Digital Broadcast Television Purposes in the Radio Frequency Band 478–694 MHz, and Minister of Communication and Information Technology Regulation No. 5/PER/M.Kominfo/2/2012 concerning Terrestrial Digital Television Broadcasting Standards for Free-To-Air Fixed Reception. In addition, steps include the division of zones through the Minister of Communication and Information Technology Regulation No. 17 of 2012 concerning the Implementation of Determinations on the Implementation of Multiplexing Broadcasting.

However, some of these steps were canceled by the Supreme Court through the State Administrative Court (PTUN) on March 5 2015 because they were deemed not in accordance with Law Number 32 of 2002 concerning Broadcasting.

Given the importance of digitalization of broadcasting in improving efficiency, broadcast quality and use of the frequency spectrum, legal and regulatory challenges must be overcome so that Indonesia can continue to develop its digital broadcasting infrastructure and respond to the demands of the growing broadcasting industry. In this context, it is necessary to identify appropriate and adequate solutions to achieve a successful digital broadcasting migration.

Research conducted by Ahmad Budiman in 2020 revealed that the formulation and discussion of policies in the draft amendment to the Broadcasting Law was one of the materials that sparked significant debate in the context of broadcast digitalization regulations in Indonesia. The steps in preparing and discussing the Broadcasting Bill began during the 2009-2014 DPR period. However, until the term of office for this period ended, material related to broadcast digitalization had not yet resulted in a clear decision. This debate is largely related to competing interests between members of the DPR for the 2009-2014 period and the Government, against the background of a battle of interests between the public sector and private broadcasting institutions.

Broadcasters have pressure on the Government, based on various reasons, including their victory in the tender for multiplexing (the combination of several broadcast channels into one digital channel) and the investments they have made in broadcast infrastructure. They also hope to gain profits as multiplexing managers. The time required to formulate and discuss broadcast digitalization policies indicates the complexity and high level of conflicts of interest that exist around it.

One of the factors slowing down digital broadcasting policy in Indonesia is media conglomeration. The practice of broadcast media monopoly has existed since the post-collapse era of the New Order and the start of the reform era in Indonesia. Research conducted by Arsam in 2014 shows that there are strong indications that oligopoly and monopoly in mass media in Indonesia are a reality. Groups of media owners who have strong financial backgrounds have exercised control over the mass media, in some cases even controlling more than one or two TV stations or other broadcast media.

Most media markets tend to form oligopolistic forces, where a few media companies control the industry by limiting opportunities for new competitors. This media monopoly practice emerged along with the commercialization of the mass media industry, where capital owners in the media industry have made great efforts to reduce their business risks. In this context, this research aims to explain how the migration policy from analog to digital broadcasting in Indonesia is influenced by the interests of media conglomerate groups, which have a significant impact on the development of digital broadcasting in this country.

2. Research methods

In this article, the type of research used is literature study. The literature study method involves a series of activities related to collecting library data, reading and recording information, and managing research materials. This data collection technique involves careful study of books, literature, notes and reports that are relevant to the problem to be

explained. This technique is used to obtain the basics and views that have been expressed in writing in the literature related to the research problem.

The data sources used as references in this article are journals and other records, such as books, media, and other sources that discuss digital broadcasting, digital broadcasting policy, media conglomeration, and the political economy of media. This reference includes literature published within a maximum period of the last 10 years. Due to the limited number of journals discussing digital broadcasting policy in Indonesia, this article does not limit itself to referencing individual works or classifying publications based on journal ranking.

The literature study approach in this research allows the author to collect data from various trusted sources and present diverse views on the topics discussed in the article. This method allows the construction of a strong conceptual and analytical framework, which allows this article to provide in-depth insights into the debates and issues related to broadcast digitalization, media policy, and the influence of media conglomerates in the Indonesian context.

3. Data Presentation and Analysis

3.1. Challenges in Digital Broadcasting Regulations in Indonesia

Indonesia still faces regulatory uncertainty in the context of digital broadcasting. As explained by Feintuck, broadcasting regulations include three main aspects, namely form regulations, sales action regulations, and content regulations. Form regulations relate to the ownership of broadcast equipment by the market, market action regulations cover the governance of the use of property in competition, and content regulations regulate broadcast material that may or may not be broadcast. To maintain diversity of ownership, diversity of content, and freedom of opinion, it is important to regulate broadcasting wisely (Owen, 2003).

However, the problem in the legal map of broadcasting in Indonesia is the overlapping regulations between analog and digital broadcasting. Since the enactment of Law Number 32 of 2002 concerning Broadcasting until 2020, there have been no regulations that strictly regulate digital broadcasting, so the government still refers to Broadcasting Law No. 32/2002 which only regulates broadcasts using an analog system. The Ministry of Communication and Information is trying to overcome this regulatory vacuum by issuing various ministerial level regulations governing digital broadcasting. However, even though these efforts have been made, the policy has not been implemented effectively (Irvin & Stansbury, 2004).

In the context of broadcasting regulations or the transition from analog to digital TV broadcasts, there is a need for new policies that are in line with the digital era. Law Number 32 of 2002 concerning Broadcasting, which is more than 20 years old, is no longer relevant in the context of digital broadcasting which is characterized by the digital situation and media convergence. The birth of digital technology, which provides unlimited frequencies, has created a new revolution in the world of broadcasting in Indonesia.

Media convergence has erased the boundaries between old and new media. Changes in mass media technology have also changed the way broadcasting works and have given rise to old problems and new challenges. Therefore, new laws are needed that are able to provide concrete solutions to various problems that arise in the digital broadcasting era. The hope is that this new law can overcome these challenges, provide a stronger system, and make broadcasting increasingly relevant in the life of the Indonesian information society (Hanna, 2010).

Looking at the experiences of the United States and Europe, commercial broadcasting regulations must be oriented towards serving the public interest. This ensures that public authorities play an important role in the development of digital broadcasting for the benefit of society as a whole. Regulations must reflect the government's efforts to put public interests above market interests. Thus, regulations must be oriented towards the public interest and reflect the government's commitment to protecting and serving the public in the context of digital broadcasting (Croteau & Hoynes, 2006).

Digital broadcasting regulations in Indonesia must be able to capture technological developments and act as a watchdog that protects the interests of the public. In addition, policies must reflect the values of democracy, freedom of expression and fairness in digital broadcasting. A strong and relevant regulation will help overcome the challenges that arise in the transition to the digital broadcasting era and ensure that the Indonesian people can access information and entertainment in a good and balanced manner.

3.2. The Long Journey of Digital Broadcasting Policy to Being Integrated in the Job Creation Law

The journey towards digital broadcasting policy in Indonesia has gone through a long series of stages. The first soft launching of digital television was carried out in Jakarta on August 13 2008 by Vice President M. Jusuf Kalla. Initially, the migration from analog to digital broadcasting was planned to be completed in 2017, when all broadcasting in Indonesia would be digital-based. This migration road map is divided into three stages.

The first phase (2008-2012) involved a moratorium on analogue broadcasting permits, the introduction of digital television, and limited migration in large cities. The second phase (2013-2017) involves moving all analog broadcasting to digital, especially in large cities and certain areas, as well as granting new licenses for digital broadcasting. The third stage (2017) was marked by the migration of all analog broadcasting to digital (cut off) (Moazeni, 2017).

However, this plan has experienced delays because there is no policy that comprehensively regulates migration from analog to digital systems. The formulation and discussion of broadcast digitalization policies in Indonesia have undergone lengthy discussions in the legislative body of the Republic of Indonesia. In fact, information regarding the discussion of the draft revision of Broadcasting Law no. 32 of 2002 which discusses digital broadcasting migration policies was carried out by members of the DPR for the 2009-2014 period and then started again in the DPR for the 2014-2019 period. This shows that the urgency of the digital broadcasting policy that has been agreed upon by countries in the world through ITU is not in line with developments in Indonesia. There are certain indications that indicate a deliberate delay in ratifying the migration policy from analog to digital broadcasting systems.

In its development, the conclusions of more than two periods of DPR RI membership show that discussions on the revision of the broadcasting law have not yet reached a common ground. Finally, the digital broadcasting policy was included in "Article 60A of the Job Creation Law" which stipulates that broadcasting must follow technological developments, including migration from analog to digital technology. Furthermore, migration from analog technology to digital technology and the termination of analog broadcasts (analog switch off) must be completed no later than 2 years after the entry into force of this Law.

Job Creation Law no. 11 of 2020 is an important milestone for the development of the Indonesian broadcasting industry. This Omnibus Law confirms Indonesia's direction towards digital broadcasting. With article 60A, this Law emphasizes that migration from analog to digital broadcasting must be carried out no later than 2 years after the passing of this Law, which is marked by Analog Switch Off (ASO). The consequences of the enactment of Law no. 11 of 2020 is ASO, where all television stations that previously used an analog system will switch to digital broadcasts.

Analog Switch Off is a sign of the migration to digital broadcasting. In simple terms, broadcast digitalization is the process of transferring and compressing analog signals into binary code. One of the advantages of this technology is the ability to regulate frequencies more efficiently compared to analog technology. Efficient use of frequencies is the main advantage of switching from analog to digital (Sharma, 2010).

The Minister of Communication and Information, Johnny G. Plate, stated that the Job Creation Law really supports the National digital transformation program. The migration from analog to digital TV broadcasts with digital broadcasting policies will bring significant changes to the telecommunications and broadcasting sectors in Indonesia. This will also have an impact on job creation and national economic growth. Through the Job Creation Law, it is hoped that the digitization of broadcasting can be carried out well and produce positive benefits for the telecommunications and broadcasting industry as well as the utilization of limited resources such as the radio frequency spectrum for the national interest (Press Release No. 127/HM/Kominfo/10/2020 2020). Even though the law only regulates matters related to analog switch off, stricter regulations are needed to regulate other aspects related to the digital broadcasting industry so that the implementation of broadcast digitalization can run well. Support from academics, experts, stakeholders and community participation is very important to ensure that the digital broadcasting transition process can run smoothly.

3.3. Criticism of Analog Switch Off (ASO) and its Impact

The Analog Switch Off (ASO) policy, which stops analog television broadcasts and switches completely to digital television broadcasts on November 2 2022, has received various criticisms, especially from the MNC Group, which owns media such as Sindonews.com. Some of the criticisms and problems expressed by MNC Group regarding the ASO policy are as follows:

- a). High Level of Public Disapproval The results of a survey conducted by the Indonesian Poltracking Institute stated that the majority of the public did not agree with the ASO policy. More than 40% of respondents do not agree with stopping analog TV broadcasts. Only around 33% said they agreed with the policy.
- b). Digital Signal Quality Problems and Set Top Box (STB) Prices One of the main problems highlighted is the problem of uneven digital signal quality and the high price of Set Top Boxes (STB), which is the main device for televisions that do not support digital broadcasts. Complaints about high STB prices ranked first with a percentage of 31.4%, while complaints about uneven digital signal quality reached 16.4%.
- c). Criticism from Members of Commission I DPR Member of Commission I DPR, Nurul Arifin, criticized the ASO policy by stating that this policy was causing difficulties for the people. He believes that this policy must be implemented consistently and evenly throughout the national territory. Nurul Arifin pointed out that the impact of this policy could result in many children crying and finding it difficult to adapt.
- d). Creative Protests on Social Media Several people who are dissatisfied with ASO policies expressed their disappointment via social media. A number of individuals carried out creative protests, such as wrapping their tube televisions in cloth like corpses and even burying them as a form of protest against this policy. They find it difficult to get a digital TV signal after buying an expensive STB.

In facing these criticisms, the government and broadcasting regulators need to pay attention to issues of digital signal quality, affordable STB prices, as well as a more inclusive and comprehensive approach to ensure that the migration from analog to digital systems runs smoothly and provides benefits to society as a whole.

3.4. Media Ownership Monopoly in Indonesia

The dominance of large media groups or monopolies in the media industry has a significant impact on migration policies from analog to digital broadcasting. Although the government claims that this policy is in accordance with statutory regulations and has involved lengthy discussions, the media owners who dominate the market often see it as a threat to their position.

First, they tend to oppose these changes because they see them as detrimental opportunities. Large media owners, such as the MNC Group, argue that migration to digital TV will only benefit certain parties, such as manufacturers or sellers of set-top boxes (STB), while making people 'miserable' because they have to buy additional devices. They are concerned that this migration will shift their dominant position in the analog television broadcast market. Their ability to attract advertising with the largest audience share and significant advertising revenue in the advertising economy is considered threatened by the emergence of new competitors in the digital era.

Second, the migration to digital TV means new opportunities for new entrants in the broadcasting industry, which should increase the variety and choice of information sources for the public. However, for media owners who already dominate, this also means new competition to face. They will need to strengthen their strategies to remain competitive in an increasingly tight market.

With the migration to digital TV, broadcast frequencies will be more efficient and potentially open the door to more players in the industry. However, existing large media owners tend to see it as a threat to their dominant position in the media industry. This reflects the complexity of the relationship between policy, the interests of media owners, and the impact on wider society. In general, diversity in media ownership and healthy competition in the media industry can produce more and balanced information choices for society. On the other hand, media monopoly can result in bias in the offer of information and a lack of diversity of perspectives.

The migration from analog to digital broadcasting was a decision issued by the government, driven by technical and economic considerations. However, competition among media owners, concentrated media ownership, and considerations of personal gain often influence their views on such policies. In conclusion, media conglomerates' resistance to the Analog Switch Off policy reflects the complex dynamics within the media industry and policies that influence how information is delivered and accessed by the public.

The criticism raised is that the monopoly of media ownership in Indonesia has created an imbalance in the media industry. Some important points in this regard are:

- a). Concentration of Media Ownership The monopoly of media ownership in Indonesia creates an imbalance in the media industry, where only a few individuals or groups control the majority of mass media. This has an impact on the control of information and news by certain groups, who may have personal or business interests.
- b). Commercialization Policy The commercialization practice of the mass media industry has become one of the causes of media ownership monopoly. Media entrepreneurs tend to maximize their profits, which can result in the formation of oligopolistic forces in the media industry. Some media industries even create barriers to prevent new competitors from entering the market.
- c). Barriers to New Entrants Opportunities for new competitors to enter the media industry tend to be limited. Media markets tend to be dominated by large players who monopolize the necessary resources and infrastructure.
- d). Media Ownership Oligarchy Media ownership monopoly has resulted in an oligarchy in media ownership in Indonesia. This means that a small number of people or groups have a large influence on what is broadcast and published.
- e). Regulations in the Broadcasting Law No. 32 of 2002 concerning Broadcasting actually has regulations that limit the concentration of media ownership, but its implementation has not always been effective in stopping monopolistic practices.

Large groups in the media industry in Indonesia include MNC Group, Visi Media Asia, Elang Mahkota Teknologi, Jawa Pos Group, Kompas Gramedia Group, CT Group, Berita Satu Media Holdings, and Media Group. Some of them are members of the Indonesian Private Television Association (ATVSI).

The importance of talking about media ownership monopoly is to ensure diversity of information and news, and so that the interests of society take precedence over the interests of certain individuals or groups. Regulatory changes and tighter oversight may be needed to address this monopoly problem and return the media's focus to public service and the common good.

4. Conclusion

The data and analysis that have been presented highlight the complexity of the relationship between media ownership, migration policies from analogue to digital broadcasts, and their impact on society. The following conclusions can be drawn from this context:

- a). Media Conglomerate Dominance The term "media group" or media conglomerate refers to a large group of media owners who have several media entities under their auspices. This indicates the merging of small media

into one large unit. Media that are members of this group tend to provide uniform information, creating a uniform perception among the public.

- b). Tendency In the context of messages, media owned by conglomerates tend to present tendentious information according to the interests of their owners. Information is directed at influencing public opinion, which can obscure facts and trigger distorted perceptions.
- c). Political Economy of Communication Approach Theories such as commodification, spatialization, and structuring from Vincent Mosco provide insight into how the media industry operates in an economic and political context. For example, content commodification turns messages into marketable products.
- d). Resistance to Migration Policy Several media conglomerates, such as MNC Group, reject the migration policy from analog to digital broadcasts. They considered it a threat to their dominant position in the media industry, and criticized the policy as unbeneficial to society as a whole.
- e). Opening of the Digital Media Market The migration to digital TV opened the door for new entrants in the broadcasting industry. This can bring new variations in the sources of information and perspectives available to society.
- f). Final Conclusion The monopoly dominance of media ownership can influence the way information is delivered and accessed by the public. Concentrated media ownership can result in bias in information offerings and a lack of diversity of perspectives. Diversity in media ownership and healthy competition in the media industry are important to ensure the public has access to balanced and diverse information.

In conclusion, the migration policy from analog to digital broadcasting is not only about technology, but also involves the dynamics of economic, political and media ownership interests. Understanding these complexities is important to ensure that these policies provide the greatest benefit to society and respect the interests of various parties in the media industry.

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