

Communication Sovereignty: Indonesia Commercial Television Case

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Abstract: Discourse of sovereignty is an important concern amid globalization and development of information and communication technology. Broadcast media become a spotlight in public sovereignty because it uses public frequencies of electromagnetic spectrum. The spectrum is regarded as an absolute state sovereignty controlled by the state, on the other side, globalization force the electromagnetic spectrum open to public and it has been commercialized. Globalization allows and interferes the local broadcast industry for Foreign ownership, content, media workers and technology. This study proposes and discusses about the measurement that could give the portion of the sovereignty on broadcast industry as a part of communication sovereignty. Two of commercial televisions have been chosen according to the annual report that could be found in the official website of television. By using a convergent parallel mixed methods design this study reveals that the chosen commercial televisions give low portion on communication sovereignty for Indonesia.

Key words: Communication sovereignty, globalization, media television, mixed methods, spectrum

INTRODUCTION

Sovereignty broadcasting industry such as television is important because it uses limited spectrum resource. In the Indonesia Law on Broadcasting No. 32 of 2002, it states that the frequency of electromagnetic spectrum is controlled by the state and it should be used mainly for citizen welfare. However, the low quality of television content in Indonesia (Kriyantono, 2007; Surbakti, 2008) indicates the frequency spectrum is not entirely aimed to achieve the prosperity. Neither does it educate citizen. Viewers are treated merely as consumers rather than as respectable citizens. Media commodifies the content as a part of taking business profit (Nugroho *et al.*, 2012). The media television has not become a public medium, hence, the regulation of broadcast industries should be set appropriately (Rahayu *et al.*, 2015).

Applying the strict regulations on the broadcasters has been conducted by several countries. For example, United States of America forms Federal Communication Commission (FCC) to maintain the diversity of ownership and content. United Kingdom gives a mandate to British Broadcasting Company (BBC) as a public service institution not to give entertainment only but to have responsibility for providing knowledge and educating people (Scannell, 1990). Canada has also a policy that restricts ownership of media in order to give cultural sovereignty. While in Indonesia, the Foreign capital may have maximum of 20% of total capital in the broadcasting industries. Several studies indicate that Foreign capital could affect the content and ownership (Nugroho *et al.*,

2012; Siregar *et al.*, 2014). The effect of capital on content can be seen from ANTV, commercial television case. In 2005, 20% of ANTV shares have been purchased by STAR TV. Star TV that has a head quarter office at Hongkong is part of news corp network owned by Rupert Murdoch. After 9 years, in 2014, ANTV re-runs Foreign content of star one Mumbay with presenting three India popular television drama series titled “Mahabarata”, “Mahadewa” and “The adventure of Hatim”. Star one mumbay itself is acknowledged as a part of star TV network. In addition, the three India popular television drama series run in prime time’s schedule at antv. As the result, the programs have the highest rating measurement by AGB Nielsen in mid-2014.

According to Indonesia Law on Broadcasting, the content should be 60% produced in local country. The official language of program must use Bahasa Indonesia correctly and properly. A study showed that any Foreign television program that used content with different language could give alternative entertainment (Ida, 2012). However, Foreign program in local television could give new attention to local audience and create new pattern of Indonesia broadcasting industries (Ida, 2012).

Other aspect that should be concerned on broadcast industry is human resource. The Indonesia Broadcasting Law regulates Foreign worker which they should be only on finance and technical division. In order to technology aspect there is no specific regulation on technology transfer. In fact, most of technology broadcast comes from countries that initiate broadcasting industries. At the same time, the measurement about public response was

monopolized from the rating which never considers about audience appreciation. Lack of measurement, the integration and the evaluation on communication sovereignty on broadcasting industry such as television initiates this study to fulfill the vacant. Therefore, this study constructs the discussion on measurement for the communication sovereignty especially on television broadcasting industry that uses public frequency on electromagnetic spectrum. The measurement may indicated the level of communication sovereignty on the aspects of capital ownership, content, human resources, technology and public response.

Understanding of communication sovereignty:

Sovereignty conceptually invites a debate on the contemporary era (Bartelson, 2006) and its understanding continues to change over time. Sovereignty is a very complex concept (Grande and Pauly, 2007). The concept of sovereignty is related to state territory. For example, in politics, the sovereignty is the awareness about territory that is regulated by political institution in global political culture (Nagan and Haddad, 2012). The political institution should be controlled and has authoritative component to use state competency. The combination of complexity between authoritative and government controlled is described as sovereignty.

Theory of sovereignty was found on Aristotle's Politics and Classical Roman Law (Merriam, 2001). Sovereignty refers to the fact that supreme power in the government should be in one, several or many people. In the context of state, it will have a sovereignty if the state has a supreme power which is free from the intervention of other state power (Ghani *et al.*, 2005).

Then, sovereignty is not only about globalization power and international relations but sovereignty should be as an instrument to serve citizens. Annan also said that sovereignty in individual level is a freedom of expression for citizens in their country.

As the result, sovereignty becomes a central debate from interdisciplinary perspective with changing in institutional, time and space (Bartelson, 2006). For example, the sovereignty that related to supreme power could be discussed specifically in food (Hariyadi, 2012), energy (Tumiran, 2013), education, information (Gong, 2005), data, satellite space (Hertzfeld and Dunk, (2005), cyberspace (Marguiles, 2013), telecommunication (Radford, 2005) and communication (Calabrese, 1999).

However, globalization and development of technology that related to information exchange, telecommunication and global economics are considered to reduce nation or state sovereignty (Quiggin, 2001). Total >60.000 transnational corporation expanded rapidly

in the last century and the current domain is disturbing economic sovereignty of countries. The intervention to sovereignty for developing countries could be indicated from Foreign aid in building domestic economy. While the developed countries can get benefit from mastery of the economic status and violate the sovereignty of another country's economy in the form of neocolonialism.

The gap between de facto and de jure sovereignty (Ghani *et al.*, 2005) can be seen from 10 variables of state functions: violence protection, administrative control, public finance management, human resources investment, policy of citizen right and obligation, provision of infrastructure service, market development asset management, international relations and law regulation. De jure sovereignty can be indicated from territory while de facto sovereignty of state can lose its power against cultural imperialism and capital mobility (Calabrese, 1999).

In case of communication sovereignty, communication industry can be indicated from content (Uche, 1988), human resources/worker (Compa, 1993), ownership, public response (Winegar, 2006) and technology (McDowell, 2012). According to Indonesian Law on Broadcasting, Foreign content is maximum 20% for industry television. Human resources on broadcasting industry can be seen from the composition between Foreign worker and local worker. The ownership may refer to the ratio of Foreign shareholder from total asset. While public response refers to audience appreciation. The audience appreciation could be also identified from audience share and public awards. Then, technology can be indicated from the country source of technology which also affects the content production and adoption (Uche, 1988).

MATERIALS AND METHODS

To observe the five concepts proposed as communication sovereignty this study applied convergent parallel mixed methods design (Creswell *et al.*, 2010). This study collected data quantitative and qualitative at the same time. Data quantitative have been collected from annual report to identify number of stocks that owned by Foreign and local shareholders, ratio between Foreign and local worker. In addition, content analysis is also conducted to categorize the proportion between Foreign and domestic programs. At the same time, data qualitative were conducted on identification of speaking language in Foreign programs. While in domestic programs, qualitative approach was applied to label title and content programs that are fully Bahasa Indonesia or using mixed languages (Bahasa Indonesia

and English). Identification of speaking language was conducted, since there is no transcript on recorded audio visual programs. Besides labelling analysis, covert observation and short interview were conducted to identify Foreign workers on television offices. Several workers including security and cleaning services officers were asked and confirmed whether they could acknowledge the presence of Foreign workers at low, middle and top level of management.

In addition, public response dimension was identified from audience share and public awards. The percentage of audience share is added with the percentage of public awards number with the maximum total of percentage is 100. The above of 100% is still counted as 100 points.

Finally, technology dimension was identified from the source or "made in" of country's manufacture. Any identification of technology that comes from Foreign or made in International Corporation is counted on one point with a 100 as a maximum point. The technology of television broadcasting can be identified from the use of satellite, fiber optic backbone, the transmission system and news production and broadcast system.

The proposed of five variables as a communication sovereignty on broadcasting industries were weighted and scored based on Focused Group Discussion (FGD) by applying Analytical Hierarchy Process (AHP) and Group Decision Making (GDM). The agreement of FGD members concluded that ownership Variable (Vo) was weighted 40%; human resources (Vh) and content Variables (Vc) were weighted 20% of each; public response (Vp) and technology Variable (Vt) were weighted 10% of each. The equation of Communication Sovereignty (CS) is:

$$CS = (0.40Vo) + (0.20Vh) + (0.20Vc) + (0.10Vp) + (0.10Vt)$$

RESULTS AND DISCUSSION

Indonesia has 15 national televisions including 14 commercial televisions and one public broadcasting called Television of Republic of Indonesia (TVRI). This study chose two commercial televisions which have published the annual report as public document. The first commercial television is "Indosiar" and the second is "SCTV". Indosiar is the popular name for television that previously had legal corporate name called "PT. Indonesia Visual Mandiri (IVM)". IVM that founded in 1995 is a subsidiary from a holding company "PT. Indonesia Karya Media Tbk (IKM)". Meanwhile, "SCTV" is the popular name for commercial television that owned by "PT. Surya Citra Televisi" that founded in 1993. In 2004, "PT. Surya

Citra Media (SCM)" acquired fully (100%) of SCTV's stocks. However, in 2013, SCM merged with IKM. In this case, IKM is integrated in SCM. As the result, SCM has Indosiar and SCTV as two entities of commercial broadcasting television.

SCM is owned 61.80% by "PT. Elang Mahkota Teknologi Tbk (EMTEK)" and 38.20% by public/society. In EMTEK there are three types of Foreign shares of total shareholders. The first type is Foreign trust company (Northern Trust Corporation) on behalf of Foreign company (Archipelago Investment Pte. Ltd., 8.07%). The second type is Foreign bank company (Standard Chartered Bank SG PVB clients AC-7.84%). The final type is Foreign bank and trading company (ING Bank NV SG Branch) on behalf of Indonesia company (PT Prima Visualindo 7.89%). In this case, the shares are still owned by Indonesia company. However, one person at top level of management are Foreigner who has 0.01% of shares. This makes both Indosiar and SCTV are owned 15.92% by Foreigners (both companies and individual shareholders). As the result, the score of ownership (Vo) for both televisions is 33.63.

In case of ratio between Foreign and local worker, the annual report indicated that top management (board of commissioners and board of directors) on SCM has one Foreign worker. SCM hired Foreign worker for commissioner. Since, there are nine people at top level of management they give 12.50% of human resources Variable (Vh). As the result, the score of ratio between Foreign and local worker for both Indosiar and SCTV is 17.78.

On the third variable, content of Indosiar is relatively similar to SCTV. Both have program and news that comes from in-house and out-house productions. Both Indosiar and SCTV program have 10 categories. However, based on the title of program and news as content Variable (Vc) analysis, Indosiar got the score of 10.36 while SCTV got 12.24 score for Indonesia title of program.

In term of public response Variable (Vp), Indosiar got 11.9% of audience share while SCTV got 17.1% of audience share. At the same time, Indosiar got four awards and SCTV got seven awards from public for their programs. As the result, Indosiar got 15.9% while SCTV is 24.1%. This percentage leads to 1.59 point for Indosiar's score and 2.41 point for SCTV's score.

Finally, the technology Variable (Vt) was identified when both Indosiar and SCTV used transponder from Palapa C satellite from Indosat corporation. Indosat is a multinational corporation that 65% of shares owned by Ooredoo Asia Pte. Ltd. Indosiar and SCTV also rented air fixed reception from national corporation, PT. Bank Central Asia Tbk (BCA). At the same time, Indosiar and

SCTV used fiber optic backbone for internet and information technology infrastructure service from national company, Bitnet. In term of the transmission system, Indosiar and SCTV upgraded from MPEG2 to MPEG4 that comes from international patent license. Finally, for news production and broadcast system, Indosiar and SCTV utilized High Definition (HD) technology that come also from international patent license. As the result, Indosiar and SCTV have 2.5 points for the score of technology variable.

Table 1 shows the score of five variables on communication sovereignty for Indosiar and SCTV as commercial television broadcasting industry. There are two variables that Indosiar and SCTV has different score on communication sovereignty: content and public response. SCTV has higher score than Indosiar on total score of communication sovereignty. Moreover, SCTV got higher score than Indosiar on content and public response variable.

This study shows that both SCTV and Indosiar have <75% to concern about communication sovereignty. As broadcasting industries that use public frequency of spectrum electromagnetic, Indosiar and SCTV has concerned on three of five variables on communication sovereignty: ownership, human resource and content. However, the three variables did not reach the line of acceptable value limits on each variable of communication sovereignty. Therefore, the plan of Indonesia government to limit and to evaluate the Foreign ownership on 20% of maximum shares must be run and considered. Moreover, the limitation of Foreign ownership on broadcasting industries including commercial television is also regulated in other country such as Australia with not exceed 20%. Broadcasting Service Act 1992 of Australia also regulates and limits the Foreign directorship not to exceed 20%.

Indosiar and SCTV are subsidiary companies from SCM. However, SCM as a holding company has not concerned on increasing the communication sovereignty on public response and technology aspect. The use of local and Bahasa Indonesia on the program title is still low while Foreign language such as English is considered to attract audience to watch the program. Interestingly, in several cases, the program title combines and mixes local, Bahasa Indonesia and English to get attention from potential audience.

Public response based on audience share or rating which is low to contribute on communication sovereignty is still maintained. In fact, to subscribe the result of rating from monopolized company is considered expensive (Pandjaitan and Iqbal, 2006). The effort of broadcasting industry to get public appreciation was not high enough. For example, Indosiar only get four awards in

Table 1: Five variables on communication sovereignty for two television broadcasting industries

Variables	Indosiar's score	SCTV's score
Ownership	33.63	33.630
Human resource	17.78	17.780
Content	10.36	12.240
Public response	1.59	2.410
Technology	5.00	5.000
Total	68.36	71.060

four categories during 2015. In addition to SCTV, although the television got seven awards but four awards were got during one event (Bandung Film Festival).

The simple reason from television manager is no alternative or choice of reliable and quick data on audience response. Moreover, the data would be used to confirm and negotiate the placement of television advertising not only daily basis but second basis from ads agency and industry.

In addition, the use of Foreign technology and international patent license of technology on television broadcasting industry shows the intervention of globalization. Moreover, technology is increasingly important element of globalization. At the same time, the leader or top level of management in broadcasting corporation decided to use high technology that available on global market (Zuckermen, 2006). As the result, developing countries invent more technologies to interfere other countries while they could not get the land. Technology is also an undeniable product to increase human capital and economic growth of developed countries.

CONCLUSION

This study initiated the measurement of communication sovereignty. The measurement applied five variables about ownership, human resources, content, public response and technology. Ownership, human resources are easily identified to support communication sovereignty. Meanwhile, content and public response should be developed in long term in order to get good appreciation and reputation in content program. Unfortunately, technology is the most difficult aspect to support communication sovereignty. Especially for (developing) countries that depend on other (developed) countries. Technology is a trend and a part of globalization which can interfere the sovereignty of state.

This study found that the content and public response were not much explored. Therefore, further research should be focused how the content and public response give more contribution on communication sovereignty especially in television broadcasting industries.

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