

Digital Governance on Broadcasting Industry

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Abstract: *The development of media based on the internet has not dampened the existence of television broadcasts, because the penetration of information through television is still the highest. In terms of broadcast infrastructure quality, Indonesia lags behind other countries. Indonesia still uses analog channels while other countries have turned off analog broadcasts and switched to digital broadcasts. On top of that, it is necessary to describe the migration policy of analog television broadcasts to digital broadcasts that supports the improvement of television broadcast quality in Indonesia, and the prospects for the post-migration broadcast industry from analog television to digital broadcasting. The result is an analog switch off (ASO) which encourages efficient use of frequency bands in Indonesia. However, it is suspected that the implementation of digital television free-to-air (FTA) migration could damage the broadcast business structure. By 2022, there will be 103 licensed digital broadcasters and 728 broadcasters who will migrate to digital. The number of broadcasts will have an impact on the level of competition between broadcasting institutions to get cake as a source of life. In terms of nice breadth, niche overlap, and nice, all major broadcasts will still dominate the competition map in the broadcast industry. Meanwhile, local broadcasting institutions that are established in the regions will find it difficult to compete.*

Keywords: *Governance, Digital Broadcasting, Industry.*

Introduction

Television is still the most widely consumed medium by the public. The development of the internet is indeed very rapid, but the level of penetration of information through television is still the highest (Baudrillard, 1995). This is because television is still the easiest device to reach and use. In addition, consuming television broadcasts is much cheaper, without having to incur additional costs such as credit or data

quota. So, anyone can access television easily.

Television broadcasts are also believed to have the least negative impact compared to internet-based new media (Bauman, 1993). In Indonesia itself, television broadcast content is monitored very closely. The production of television broadcast content must comply with the signs regulated in Law Number 32 of 2002 concerning Broadcasting.

Meanwhile, in terms of the quality of broadcasting infrastructure, Indonesia

lags behind other countries. Indonesia still uses analog channels while other countries have turned off analog broadcasts and switched to digital broadcast.

Referring to the results of the 2006 International Telecommunication Union (ITU) conference, it was decided that 119 member countries of ITU Region-1 must complete the analog switch off (ASO) by 2015. Meanwhile, at the regional level, ASEAN committed to completing the ASO by 2020. Meanwhile, in Indonesia, the ASO is targeted for completion in 2022.

So far, the broadcasting industry has only grown in big cities. It is believed that with the shift from analog broadcasting to digital broadcasting, which has many advantages, it will encourage the growth of the broadcasting industry, including the local broadcasting industry. Digital broadcasting will also encourage the growth of a new broadcasting ecosystem, not only in big cities, but also in small towns (Giddens, 1979). Supporters of the broadcasting industry, from production houses to human resources, will be born.

From the production aspect, digital broadcasting allows one transmitter to be used by 13 different programs, which will stimulate the broadcasting industry players to produce as much broadcast content as possible. Meanwhile, Indonesia is a country with the largest number of free-to-air (FTA) television stations in the world. There are 728 public broadcasting institutions (LPP) and private broadcasting institutions (LPS) spread across 34 provinces. That does not include licensed digital broadcast television, which has as many as 103 units. For the Indonesian Broadcasting Commission, this is a challenge in conducting supervision.

From the consumption aspect, digital broadcasts will reach a much wider area but are able to target a more specific audience as a result of the diversity of broadcast content.

Meanwhile, from the technological aspect, it is not only the government that must prepare the infrastructure (Rauniar et al., 2013), but also the broadcast industry players who must have technology that is in accordance with the needs and standards of digital broadcasting.

Therefore, this study aims to describe the scenario of switching analog broadcasts to digital broadcasts in the context of improving broadcast quality from a technical point of view, and broadcast quality from a content perspective. The research questions to guide the analysis are outlined as follows:

- 1) How does the migration policy of analog television broadcasts to digital broadcasts encourage the improvement of television broadcast quality in Indonesia?
- 2) What is the prospect of the broadcasting industry after the migration from analog television broadcasting to digital broadcasting?

The contribution of this research is to provide literature on digital broadcasting policies to encourage the quality of television broadcasts, especially in Indonesia. This study seeks to identify and describe the broadcast migration policy process, identify the barriers to full digital broadcasting, identify the impact of policies on improving broadcast quality, and identify the prospects of the broadcasting industry in the digital broadcast era.

Furthermore, the research process carried out through the analysis of documents, literature, qualitative data, and secondary statistical data is

presented. Information, news, and reactions to digital broadcasting policies are presented in the results section. The results of the research findings are discussed, and at the end, the discussion concludes.

Method

The method used is descriptive, with a qualitative approach. The descriptive method is to illustrate, describe, or explain the state of the object under study as it is, according to the situation and conditions when the research was conducted (Sugiyono, 2017: 59). A qualitative approach is a research work mechanism that is guided by non-statistical or non-mathematical subjective assessments (Creswell & Creswell, 2018), where the value measure used is not score numbers, but value categorization or quality (Sugiyono, 2017: 53).

The study begins by collecting data from various official reports on the research topic. The data collected from these various perspectives is then analyzed qualitatively to find a systematic impact and prospect of the policy for implementing digital broadcasts.

Results and Discussion

Technical Reasons for Migration

Digital TV has been implemented in Malaysia since 1997, Germany in 2003, Singapore in 2004, England in 2005, France in 2010, and Japan in 2011. Meanwhile, the United States has completely migrated since 2009. Indonesia itself only started the study in 2004 by starting a pilot test. first in 2007. As a result, broadcasts using digital TV broadcasts are of much better quality than analog broadcasts.

On August 13, 2008, the soft launching of digital TV was carried out at the TVRI Jakarta studio, with a grand

launching planned for May 10, 2009. However, it was canceled because Indonesia does not yet have a legal umbrella for the implementation and implementation of digital TV.

The process of implementing digital TV can only run after Law Number 11 of 2020 concerning Cipta Karya is present, as stated in Article 60A. Broadcasting is carried out by following technological developments, including broadcasting migration from analog technology to digital technology, and stopping analog broadcasts (analog switch off) is completed no later than 2 (two) years from the entry into force (ratification) of this law. This means that ASO must be completed by November 2, 2022, at the latest.

The rapid migration from analog broadcasts to digital broadcasts is also encouraged by the increasing number of internet users in Indonesia. While the frequency band is limited, this is because the radio frequency spectrum used by analog TV and internet services is in the same band, which is 700 MHz. With the migration to digital TV, there is a savings in frequency bands that can be used for mobile broadband services to increase internet speed, and the realization of 5G signals for the internet.

Technically, digital TV broadcasts are the same as analog TV broadcasts. That is, you don't need credit, the internet, or pay; everything is free. The difference is only in terms of display quality, namely the quality of the picture (video) and sound (audio) is better and clearer. In addition, in an analog system, one channel can only be used or filled by one broadcast channel. Whereas in a digital system, it is possible to widen the frequency, so that one channel can be filled by 13 channels at once.

In line with that, increasing the capacity of television broadcasting operations will require new policy breakthroughs. The existing Broadcasting Law is considered not to be in accordance with the latest developments. Meanwhile, the Broadcasting Bill has not yet been finalized. Instead, use the Job Creation Act and its technicalities through government regulations.

Broadcasting regulations will undergo many changes as the capacity of the broadcasting business increases. Tadayoni & Skuby (Wibawa et al, 2010) state that the shift to digital broadcasting is not simple, as it introduces various interrelated political, economic, and technical challenges. Some of these challenges are specific to satellite, cable, or terrestrial distribution modes, with the latter having particular problems and potential. Technological innovations such as digitization, audio and video coding technology, computerization and broadband infrastructure, such as cable and satellite networks, enable the provision of cross-sectoral services. It also poses new political and regulatory challenges and makes a rethink and redesign of the existing regulatory framework for communication a necessity.

According to Braet and Ballon (2008: 211), the digital broadcasting business model requires careful attention to the following elements:

(1) Phase of organizational design

Organizational design involves defining the scope of the business (what customers we are trying to reach and how), identifying specific competencies, and making business governance decisions (make versus buy).

(2) The technological design phase.

Technology design entails defining the technology scope by determining what

technical design we are attempting to develop and how; identifying the systemic competencies that will contribute to the business strategy; and determining IT governance (how we will develop or acquire the required technical competencies).

(3) The phase of service design.

Service design involves selecting a certain value proportion to users, which implies selection for a particular strategic scope,

(4) Phase of financial design.

In the final phase, financial morality is formalized in a binding contract that clearly describes the responsibilities of each partner, and the financial or other benefits they will receive in return.

Wibawa et al. (2010) stated that the organizational phase focuses more on the different roles of each partner and what resources are provided by each player in the business. Equally important is what kind of collaboration model emerges in the provision of enabling broadcast content. Stakeholders who are expected to be involved in the digital broadcasting model include three important parts: business actors, roles in business; and business relationships between actors. Digital content services allow the availability of interactive channels that provide space for viewers to request certain information that is not conveyed in the broadcast of a program.

The Migration Policy From Analog To Digital

The Analog Switch Off (ASO) encourages the efficient use of frequency bands in Indonesia, specifically the use of frequency bands designated for all television stations can be reduced to 176 Megahertz, leaving 112 Megahertz for other sectors, one of which is fast internet that supports 5G networks.

After switching to digital, one transmitter can be used for 13 different broadcast programs that are broadcast live and simultaneously to various regions with much better broadcast quality compared to analog broadcasts. The government guarantees that digital broadcasts are able to reach the leading, disadvantaged, and outermost (3T) areas with good broadcast quality.

However, the transition from analog TV (broadcast) to digital TV (broadcast) requires a major restructuring of the broadcasting sector and requires the government to rethink legal policies related to the communications industry, particularly broadcasting.

Meanwhile, the Information Society Development and Empowerment Institute (LPPMI) views that the implementation of free-to-air (FTA) digital television migration, which refers to the Minister of Communication and Informatics Regulation Number 11 of 2021, and Law Number 11 of 2020 concerning Job Creation, is indicated to be problematic. LPPMI views that there is an abuse of power, which is suspected to damage the order of the broadcasting business.

The Minister of Communication and Information issued Circular Letter Number 4 of 2015 which delayed (moratorium) the licensing process for Digital TV Principle Licensing holders. 4/2015 cannot be upgraded to Digital TV Fixed IPP until all ASO stages are completed on November 2, 2022, and all existing Analog IPP intern LPS have received broadcast slots on available multiplexed channels. Thus, there is no legal certainty and guarantee that LPS holding a Digital TV Principle Permit can be upgraded to a Fixed IPP for Digital TV. Fixed IPP Digital TV will only be

processed if there are still available slots in the multiplexing infrastructure. Meanwhile, in the midst of the moratorium that is still in effect, the Ministry of Communication and Informatics has issued Fixed Digital IPPs for the periods 2019 and 2020 to 8 LPS whose broadcast areas are not in the 3T area.

Reflecting on the experience of the transition from analog TV to digital TV in the United States and Britain, Hernan Galperin (2004: 275-276) reveals, through in-depth study, that in these two countries, contrary to what many people think, the transition to digital TV has become a means of strengthening government control over broadcasting and, as a result, has strengthened pre-existing differences in the organization and regulation of communications in industrialized countries. Observations show, not deregulation, but reconfiguring government mechanisms to manage the broadcasting sector according to new industry parameters (increased spectrum availability, convergence of networks and services, distributed intelligence, etc.). Thus, there is little evidence of a gradual convergence of media regimes in the United States and Britain. The resilience of such a national media system should come as no surprise. In a sense, our modernist fascination with technology often obscures the fact that, while technological innovations are universal and somewhat easily transferable across borders, the economic and political arrangements that determine how these innovations are implemented or not.

Hernan Galperin (2004: 279-280) identifies three types of state control over communications: The first is a type of sponsor control. Governments often use their powers to promote the development of communications infrastructure and

support certain services. Sponsorship is most common in the early phases of new technology development. The BBC, BT, ITV Digital, and other companies pioneering new technology in the UK benefit from direct government support in the form of license fee revenues, protection from market entry, preferential access to public resources, and low-cost credit. The same can be said of AT&T, RCA, members of the HDTV Grand Alliance, and several other companies that have, over the years, benefited from US government sponsorship in their efforts to introduce innovation in the communications sector. Even BSkyB, often cited as a prime example of an unsponsored market entrant, benefited from the enthusiasm of the Thatcher administration to develop competition to challenge the BBC. To say that the Internet would not thrive without critical sponsorship from the US government is now commonplace. The early period in digital TV history, most closely associated with the development of various HDTV systems in the United States, Europe, and Japan in the late 1980s, was marked by widespread state sponsorship.

The second type of state control is restrictive. As new technologies develop, governments begin to develop mechanisms to contain the behavior of dominant market participants and impose obligations to secure the realization of social and political goals. Formerly state-sponsored companies are now seen as powerful beings that need to be controlled to prevent abuse of market power. Tariff regulations and general operator obligations were deemed necessary to prevent AT&T and BT from abusing their "natural monopoly" positions. As television became central to modern social and political life, controls

over programming, editorial, ownership, and advertising were put in place to prevent a handful of broadcast licensees from manipulating public opinion and abusing their control over "naturally" rare radio frequencies. These and other command-and-control regulations formed the core of the old communications regime, a regime that emerged as a way to contain the behavior of the handful of government-endowed companies that, in every national market, dominated communications throughout the 20th century.

The third type of government control is arbitration. In this case, instead of imposing constraints on a few dominant firms, the state seeks to manage competition between several market participants and achieve social goals through targeted efforts. This type of control has evolved in line with increasingly complex communication networks and technological challenges to government-approved cartels of operators. The key to this type of control lies in understanding that many of the traditional goals of communication policy can be achieved by embracing the complexity and openness of networks. In this regard, states oversee network interconnection, promote standardization, and manage access requirements to essential physical and intangible resources (from digital TV terminals to premium content rights) to maintain competition and protect openness. While arbitration often requires a relaxation of the rules associated with restrictive control, it does not necessarily mean a state retreat. In fact, this type of control can be just as interventionist as the other two controls. What sets it apart is the idea that the role of the state is to manage the ecological parameters of open

communication, rather than directly plan for it.

As Hernan Galperin (2004: 281) explains, in the context of transition, the government began to dismantle controls designed for the broadcast industry, which are characterized by spectrum shortages, poor analog terminals, and clear market demarcations, replacing them with controls that are more suitable to address problems associated with digital convergence, access congestion, and global networks. The migration from restriction to arbitration is most visible in the UK, where the government has taken significant steps to adapt the broadcast regime to the growing industry complexity associated with digital TV and digital broadband networks in general. However, regime adaptation does not imply the abandonment of fundamental principles. Arbitration controls have been introduced precisely to renew the government's capacity to preserve the unique combination of commercial and public services that characterizes UK broadcasting. The problem in the United States is that the abolition of ownership restrictions and other restrictive controls has not been accompanied by reforms in favor of structural decentralization of control in the broadcasting sector or the phasing out of new instruments for state access arbitration (Emerson et al., 2012). As a result, debates about broadcasting reform are often a zero-sum game between those who advocate dismantling old restrictive regimes and those who wish to preserve at least some of them, when the real debate should be about the fundamental goals of media regulation and how to enable (not disable) states to achieve them. in a post-transition context.

Prospects of the post-migration broadcasting industry

The structure of analog TV broadcasting is vertical, that is, TV stations, as broadcasting institutions, also act as content producers and transmit their own broadcast programs, all of which are controlled by the broadcasting organization. This is in contrast to digital TV broadcasting, which is horizontal.

Digital broadcasting technology allows one channel to load up to 13 frequencies at once. In terms of budget or funding, starting from investment capital to build infrastructure and facilities, working capital to build human resources, and working capital to produce content, will be very difficult for TV stations (broadcasting institutions/organizers).

Infrastructure and facilities are the basic capital that must be fulfilled by broadcasting providers (TV stations). Meanwhile, human resources and content production do not have to be entirely fulfilled by television stations. Third parties, such as production houses, can be involved in human resources and content creation.

In addition to being capital intensive, the digital TV broadcasting business also talks about the competition between private broadcasters (LPS) in fighting over advertising space. Competition between TV stations is very high. In 2022, there will be 103 licensed digital broadcasting units, not to mention the addition of 728 broadcasters spread across 34 provinces. If you take the average broadcaster activating only two channels, there are already more than 1500 channels.

Television advertising spending in 2021 was IDR 202.5 trillion. Maybe advertising spending in 2022 and the following years will continue to increase or it will decrease. Television advertising spending may decrease because the online media business (online services

category) continues to grow. In 2021, the online services category will increase by 67% compared to the previous year, with a value of IDR 42.8 trillion. Thus, the advertising cake is getting smaller.

Basically, there are three main sources that support the life of the media industry, namely: capital (capital), types of media content (types of content), and types of target audiences (types of audience). The nature of the interaction depends on three factors (Kriyantono, 2012: 275-277):

1. *iche Breadth: the area or space of life support resources occupied by each individual or the level of relationship between the population and the supporting resources.*
2. *iche Overlap: the use of the same and limited life support resources by two or more living things so that there is an overlap or degree of ecological equality or competition between populations in fighting for supporting resources.*
3. *iche All: the total number of resources that can be used by the entire population. Niche theory examines how interaction and competition between television stations compete for audiences based on niche breadth, niche overlap, and niche all factors. Scramble gets the number of audiences related to the number of ads it gets. While advertising itself is a source of livelihood for the sustainability of television stations. Thus, every television station must produce broadcast programs that can generate income.*

To produce broadcast programs, capital is needed. However, capital alone is not enough because it also requires the types of programs (types of content) that are liked by the audience. And to be effective in targeting audiences, television

stations also consider the types of audiences.

In terms of niche breadth, broadcasters domiciled in Jakarta will dominate, because the space for life support resources or the level of relationship between the population and supporting sources is there. In terms of niche overlap, competition between broadcasters for supporting sources is indeed very tight in Jakarta compared to other areas, including big cities such as Bandung, Surabaya, Medan, Semarang. However, the use of life support sources for broadcasting institutions, one of which is advertising, is located in Jakarta. In terms of niche, most of the quality resources used are also concentrated in Jakarta.

Thus, it can be said that the broadcasting industry after the transition from analog television broadcasting to digital has not brought significant changes. Big broadcasters, such as RCTI, MNC, GlobalTV, SCTV, Indosiar, ANTV, TVOne, MetroTV, TransTV, Trans 7, Kompas TV, Net TV, iNews will still dominate the competition map. Meanwhile, local broadcasting institutions that are established in the regions will find it difficult to compete.

Conclusion

Analog Switch Off (ASO) encourages efficient use of frequency bands in Indonesia. On the other hand, the transition from analog to digital broadcasts will encourage diversity of content, and be able to reach the leading, underdeveloped, and outermost (3T) regions with good broadcast quality. However, the transition from analog TV (broadcast) to digital TV (broadcast) requires a major restructuring of the broadcasting sector and requires the government to rethink legal policies

related to the broadcasting industry. Meanwhile, the Information Society Development and Empowerment Institute (LPPMI) views that the implementation of free-to-air (FTA) digital television migration is suspected to damage the broadcasting business structure.

The world of television is a capital-intensive industry, starting from investment capital to build infrastructure and facilities, working capital to build human resources; and working capital to produce content. Infrastructure and facilities are the basic capital that must be fulfilled by broadcasting providers (TV stations). Meanwhile, human resources and content production do not have to be entirely fulfilled by television stations. Third parties, such as production houses, can be involved in human resources and content creation.

In addition, the digital TV broadcasting business also talks about the competition between private broadcasters (LPS) in fighting over advertising cakes. Competition between TV stations is very high. By 2022, there will be 103 licensed digital broadcasting units, not to mention the addition of 728 broadcasters spread across 34 provinces. If you take the average broadcaster activating only two channels, there are already more than 1500 channels. Meanwhile, television advertising spending in 2021 is IDR 202.5 trillion. Perhaps advertising spending in 2022 and the following years will continue to increase or it will decrease. Television advertising spending may decrease because the online media business (online services category) continues to grow. In 2021, the online services category will increase by 67% compared to the previous year, with a value of IDR

42.8 trillion. Thus, the advertising cake is getting smaller.

In terms of nice breadth, niche overlap, and nice everything, big broadcasters will still dominate the competition map in the broadcasting industry. Meanwhile, local broadcasting institutions that are established in the regions will find it difficult to compete. This can be an illustration that the broadcasting industry after the transition from analog television broadcasting to digital has not brought significant change.

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