

Revealing The Relation between Global Capitalism and Television Industry

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ABSTRACT

The television industry is a broadcasting industry that requires much higher investment than other media. This is due to the need to provide broadcasting infrastructure, television technology that continues to grow, and because of the funding needs of the program. This need will become even bigger in line with increasing competition. The implication of these conditions is the creation of entry-barriers for independent investors with limited capital so that more likely to enter the market are large investors who have networks with broader business systems, which are very likely to initially be engaged in core businesses that are not related to the media. This paper is intended to reveal the relationship between global capitalism in the television industry which is increasingly troubling at the moment. The problem raised is how is the relation between the interests of global capitalism in the television industry in Indonesia? Such ownership patterns ultimately have an impact on broadcast content. Commercial television stations cannot be expected to present content that challenges policies that benefit large capital owners while harming labor interests. Thus, the tendency of the media to only present content that is not critical of capitalism cannot by itself be read as the fruit of the orders of the owners of capital or because of the ideology of media workers who are indeed pro-capitalism.

Keywords: Capitalism; Industry; Television.

ABSTRAK

Industri televisi adalah industri penyiaran yang membutuhkan investasi jauh lebih tinggi daripada media lain. Hal ini dikarenakan kebutuhan akan penyediaan infrastruktur penyiaran, teknologi pertelevisian yang terus berkembang, maupun karena kebutuhan pembiayaan program. Kebutuhan ini akan menjadi semakin membesar sejalan dengan meningkatnya kompetisi seiring dengan munculnya pemain baru, baik itu di tingkat lokal maupun nasional. Implikasi dari kondisi tersebut adalah terciptanya entry-barrier bagi pemodal independen dengan modal terbatas sehingga yang lebih mungkin memasuki pasar hanyalah para pemodal besar yang memiliki jaringan dengan sistem bisnis lebih luas, yang sangat mungkin semula bergerak dalam bisnis inti yang tidak terkait dengan media. Paper ini ditujukan untuk mengungkap relasi antara kapitalisme global dalam industri televisi yang semakin meresahkan saat ini. Permasalahan yang diangkat adalah bagaimana sesungguhnya relasi antara kepentingan kapitalisme global dalam industri televisi di Indonesia? Pola kepemilikan yang demikian pada akhirnya berdampak pada isi siaran. Stasiun televisi komersial tidak dapat diharapkan menyajikan isi yang menggugat kebijakan yang menguntungkan para pemilik modal besar seraya merugikan kepentingan buruh. Dengan demikian, kecenderungan media untuk hanya menyajikan muatan yang tidak kritis terhadap kapitalisme tidak dengan sendirinya dapat dibaca sebagai buah dari perintah pemilik modal atau karena ideologi para pekerja media yang memang pro-kapitalisme.

Kata Kunci: Kapitalisme; Industri; Televisi.

A. INTRODUCTION

Capitalism, etimologically, is derived from the word capital which means equity. In this case, equity is a means of production such as land/property and money (Huda, 2016). In the 18th and 19th century, the term capitalism is narrowly used only for capital productive. Karl Marx had a big contribution in shaping it into a central concept which is called the way of production.

According to Marx, capital is a system of commodity production. Marx with his expertise in economy stated that the concept of capitalism is a socio-economy system built to gain profit derived from the process of production, not from trading, interest, blackmailing, or stealing directly. The profit, instead, is derived from organizing the production mechanism measurably in order to reduce the cost of production. Profit can also be gained through mode of production. In the end, the profit gained help create the power to conform and control labors (Bahari, 2010).

There are some key elements related to capitalism. The key elements are system, capital, individual ownership, process of production, competition, free market, investment, and profit. Capitalism tends to involve individual rights and groups of individuals acting as "legal persons" or corporations which trade in capital goods, labors, and money (Jan, 2010).

Basically, Globalisation was the fruit of capitalism. Capitalism which began to only operate in a country but then expanded to other countries to

market a product and to gain profit in order to accumulate capital. While during colonial era capitalism colonized in order to search for raw material and market expansion, in post-colonial era capitalism operated by utilizing technology advance and knowledge. Globalization, as the fruit of capitalism, does not only penetrate economy through its privatization package, but also invades mass media.

The order of the advancement shaped and influenced by globalization is not free from values. Global system invading communication industry has affected some aspects. One of the impacts is the emergence of corporate ideology. Corporate ideology in contemporary mass media is the accumulation of capital and profit. Logical consequence of media capitalism, apart from market expansion and technology capacity, also involves the expansion and increasing of the volume of the capital through the diversification of modern mass media goods and services.

Karl Marx in some of his criticisms on capitalism did not talk much about mass media considering that he lived in the era where mass media had not developed as a massive business. Not until the 20th century that theorists using Marx's idea (neo-Marxis) focused their attention on commercial media as the exploitative means of the reproduction of the ideology of capitalism.

Neo-Marxist thinkers view commercial mass media as an important means to influence the way people think and their attitude. Ultimately, this will

only strengthen the dominance of the bourgeois and proletariat. Therefore, commercial mass media cannot be seen as the power of independence and autonomy. It is seen as an ideological means used by investors instead. The content for the media is not made for the sake of public interest or public need, but for the sake of the media owners. The media exist to serve the political and economic interest of the owners, who are mostly businessmen having special connection to other corporate economic interest. Television industry basically has revealed more of its business side than its broadcast content. Various tv shows programs which are educative but have low rating view will definitely defeated by television shows which is less educative but liked by the viewers.

The discussion about the economic and political perspective of media has ever written by Kamaruddin Hasan and Deddy Satria M. According to them, the relation among mass media, dominance groups, and society indicates a hegemonic one. Hegemony tries to instill obedience by using political leadership and ideology. Hegemony is not a dominance relation using power, but an agreement relation and consensus instead. For that reason, mass media can be interpreted as, first: a medium where ideas or discourse of political and ideological leadership spread, second: as an arena where diverse practices of discourse were performed in order to build consensus with the weakened parties (Hasan, & Satria M, 2019).

Meanwhile, in another study on this topic, Desliana Dwita elaborated that media is a means of dominance and people hegemony. The process of hegemony shows the presence of mass spread and communication activities highly influenced by economic and political structure of the people involved. The logical implication is that the reality created by media is bias and distorted. As a consequence of monopoly, the ownership of media of media content is hard to prove, however, there is concern that potential monopoly of media owners may threaten freedom of press and consumers' choice (Dwita, 2014)."

Another study by Chaterine Chaput explained how and where television media gained its huge profit from: "from its inception, television programming has operated in ways that challenge Marx's general formula of capitalist production, and yet we can still understand its economic structure through his labor theory of value. Borrowing its model from the magazine industry, television sells products to consumers below cost, but sells its audiences to advertisers at steep prices in order to garner an overall profit" (Chaput, 2011).

Based on the explanation aforementioned, the author will discuss a problem about how is the relation among global capitalism interest in television industry in Indonesia? This question will be discussed by using political economic approach. The theories used will be directed to an approach which focuses more on economic structure than ideological content of media. This theory reveals that ideological

dependence on economic power and concerns with the analysis of ownership structure and work mechanism in television media industry in Indonesia.

In macro scale, Peter Golding and Graham Murdock have shown that economic perspective of media politics can be divided into two types of paradigms. Those two are political economic perspective in liberal paradigm and political economic perspective in critical paradigm.

Golding and Murdock said that critical political economic perspectives different from main school in economics in terms of holisms, balance between capitalist business with public intervention and its relation with morality problems such as the issue of justice, equality, and public kindness (Golding, & Murdock, 2018). Holism in this perspective is one of some considerations made in context of critical political economic perspective. Holism here means showing that there is relation of mutual influence among economic organizations and political, social, and cultural life. The analysis is historical. Morally, it shows its relation with the issue of public kindness. Historical aspect in holism of critical political economic perspective centers on the analysis of media growth, network expansion and the coverage of media corporation, commodification, and the role of the country (Curran & Gurrevitch, 1991).

B. DISCUSSION

In the present era of media industry, media ownership typically is no longer in the hand of idealistic journalists who build media with noble goal.

The ownership of media share can be distributed to a number of investors who are most likely to have business in other fields. Media owners typically establish, buy, or invest their share in media corporations merely to earn financial gain. In this context, it is understood that the idea of media as "the agent of enlightenment" is never taken seriously.

In addition, television stations are a media which need much more investment than any other media because television media need to provide broadcasting infrastructures, to cope with continuously developing television technology, and to fund the program. These needs will become bigger as the increase of competition with the newly raised players either in local or national scope. The implication of this condition is the creation of entry-barrier for independent investors who have limited funds, so only investors with big amount of funds can have bigger chance to enter the market. Most of these investors have wide business networks whose initial core business is most probably not related to media whatsoever (Armando, 2016).

This ownership pattern in the end will affect the content of the broadcast. Commercial television stations cannot be expected to broadcast programs against policies which benefit big investors and at the same time harm labor's interest. Therefore, the tendency of media to only broadcast contents which are not critical to capitalism is not automatically seen as the order of the investors, or because the ideology of media workers really is pro-capitalism. When watching television programs, we must understand

that current development of television has followed economic order; prioritizing individualization and demand. Here, television has become a real example of how powerful the role of political offer (Sanityastuti, 2007). From this perspective, the birth of many television stations which, in the end, merely become business opportunity for media businessmen is the analogy of living creatures which fight for sources of life : namely, capital/modal (for example income from advertisement), types of content and types of target audience (Wibawa, Affi, & Prabowo, 2010)

According to Smythe, media content emerges because for media managers, audiences are commodity which must be sold to the advertiser. The relation among mass media, advertisers, and audiences in a commercial media system is unique. Basically, as a mutual relation, audiences are commodity while mass media are producers, and advertisers are buyers. In order to grow happily, mass media must be able to persuade advertisers to promote their products in their media, and for that reason, media must be able to sell the image that the programs they broadcast are the right means for advertisers to speak to their potential buyers (Smythe, 1977).

In economic term, the members of audiences are non-durable product of media producers which is bought and used to market advertisers' products. (Smythe, 1977). According Smythe, members of audiences basically work for advertisers by learning to buy certain brands of consumer goods and by

spending their income according to what they have learned.

In this case, inevitably, commercial television stations will be dominated by programs with high entertaining value targeted to middle class citizens without demanding for a better structure. It is even can be said that commercial television stations serve as drugs to lull its viewers so that they forget the fact that the structure of politics and economics is not equal and exploitative.

Media directly or indirectly influence the life of their audiences. The theory of Media Ecology believes that media change perception and control people's life. McLuhan stated that media are strong enough to influence our perception of the world. He proved his point by showing how many people unconsciously are manipulated by television. Our attitude and life influenced directly by what we see on television, and our belief system can also be influenced negatively by television (Andung, Sjuhro, Liliweri, & Hadisiwi, 2018).

Another factor contributing to the uncritical media is media routine. Media routine is where media applied patterns of organization considered ideal that has been proven successful. In case of Indonesia, for example, those who build a commercial television station will be able to use module of private television development which refers to settled patterns developed by those who initially developed commercial system. As for example, commercial system in America teaches that the most reasonable funding pattern is that each program is funded by

advertisement attached in between the broadcasting hour of the program. For this reason, television programs are divided into some segments with short duration and some dramatization climax (Armando, 2016). In this case, it is understandable that private television programs must be directed to a formula that attracts viewers to sit in front of certain television channel for a quite long period of time, without changing the channel to another channel during the programs or during advertisements break. Serious programs such as discussion about public issues will finally modified into a debate show which is characterized with "limited discussion of the background, less risk, and political marginalization. Even a program talking about mass poverty must be presented as attractive, dense, and brief as possible, without associating the poverty to its structural causes.

It can be said that current media businesses merely act as general businesses that run without paying attention to the content they make. This content is in fact an important value for people's life. As people power, the urgency of media is as watchdog of the government or a means of social control (Toni, 2016).

However, Edward Herman argued that the presence of commercial television stations will only bring a series of negative externalities. One of them is plutocratization of politics or tendency to the narrowing of political power only to elite groups who are quite rich to fund for campaign through media (Herman, 2012). In commercial television system,

campaign through television media is not free at all so that only those who are rich or those who are willing to serve the interest of the rich can spend huge amount of money to advertise on television. This will in turn make their candidate have more chances to win. In this case, winning in election is no longer determined by planned programs of a candidate, but by how the figure of the candidate is shaped and marketed through commercial advertisement.

In global capitalism mechanism, mass media have an important role as a means which is needed in the process of capital accumulation of west industrialists, particularly developed countries which have interest in promoting and then marketing their goods to developing countries. This is in accordance with what Schiller said as "the internationalization of commercial broadcast" as an effort to support the establishing of global capitalism system which involves the interest of USA businessmen, military, and investors (Armando, 2016).

In Schiller's argument, all effort to promote ideas about the freedom of information flow characterized by the acquisition of management broadcast frequency to private party is the form of implied blending of capitalism led by American investors. Commercial television will become a means needed by the producers of consumer goods in order to reach the audience world. Through free-value entertaining means, giant corporations can influence people's life style, values, and norms around the world. This in turn will benefit the

corporations to market their products considering that most of the corporations are centered in developed countries.

Jean Baudrillard mengatakan, dunia televisi adalah dunia yang sarat pencitraan, yakni realitas sosial senantiasa dimainkan dalam sebuah ruang pencitraan. Karena itu, televisi seringkali menggambarkan realitas sosial melebihi realitas yang sebenarnya. Jean Baudrillard said that the world of television is a world full of imaging, which means that social reality is manipulated through imaging. Thus, most of the time televisions present social reality which is way beyond the real situation (Soedarsono, 2011-2012). By doing this, the products offered by the corporations will look very attractive to television viewers, thus making them become more consumptive.

Communication sector, in this case television industry, is on vital position in the world economy considering that the economic value gained by producers of cultural products can be much higher than electronic or motor vehicle products which were a great profitable business in the past. On the other hand, cultural products are very profitable because of the factor of economic scale.

Mainly also because of this economy value, in advanced-stage capitalism, spatialisation process runs. Vincet Mosco in his book (*Political Economy of Communication*) explained that Spatialisation is "The process of overcoming the constraints of space and time in social life. Mosco explained 4 important issues in spatialisation consisting of

Communication and Concentration: Space as Institutional Extension, State, Globalization, dan Nationalism, Localism, and Socialism (Adila, 2011). It can be understood here that the process is an effort to make easy the significance of spatial distance as an obstacle for capital expansion.

In this capital expansion movement, investors extend organizational activities geographically and institutionally, in the form of horizontal and vertical integration (Gomery, 1989). In horizontal integration, corporations control additional units in each stage of the same production. As for example, a system which is horizontally integrated covers the possession of a number of media infrastructures at once such as the production of television programs, music recording, book publishing, film studios, cinemas, magazines, and so forth. In vertical integration, corporations control units in various different stages. For television industry, a system which is vertically integrated covers program production, its distribution, and final presentation.

The various integrations are achieved through the general mechanism of merger and acquisition, either in a country or across countries. One of its early examples is how Robert Murdoch (a businessman from Australia) succeeded in developing the fourth national television network (Fox Network) in USA, after for about 35 years, there had been a lot of people believing that there would only be 3 national television networks –CBS, NBC, ABC– that can sustained in the country.

Murdock's success can be realized because He has either studios producing programs (Twentieth Century Fox) or main outlets in the core television stations. In this process, Murdock bought not only Twentieth Century Fox giant studio, but also built Fox television station network, had a book publisher called Harper&Row, Premiere magazine, and TV Guide. By having various units in different stages, Fox can take advantage each strength generated from the integration of those various sources in order to reduce the cost of purchasing and transaction (Armando, 2016).

The tendency of the integration, in turn, will not stop in countries borders. Considering that global market has become more and more vital, it can be imagined that giant transnational media corporates also have interest to own outlets in countries such Indonesia. Therefore, in international communication structure, giant transnational media corporations do not only expand in term of its institutional scale, but also expand geographically.

In the next stage, the existence of commercial television industry has opened the market for imported television programs from entertainment industry. According to Hoskins, there are certain conditions contributing to this. First is the cheap price of USA television programs compared to the cost spent by television stations to produce programs by themselves or to buy from local producers. The second is stocks from American television programs which is reliable and always available so that the stations do not need to worry with the difficulty to

continuously fill in the broadcasting hours. The third is the stocks provided by the center of entertainment industry have relatively consistent quality which fulfills the standard of middle class society preferences (Hoskins, 1989).

One of the main examples is a program such as "Indonesian Idol" which was very popular in Indonesia. The economic benefit gained by transnational communication industries and the privatization of television will bring a series of externalities in broadcasting economic structure in related countries. The economic structure built will inevitably give wider space for the expansion of transnational corporations and the blending of the country into global capitalism system.

As a matter of fact, it must be admitted that besides strong economic aspect which strongly dominates the focus of television business resulting in consumptive behavior, the impacts generated from television broadcast is pretty concerning for its audiences. For teenagers, watching television can potentially increase violent and aggressive behavior, sexual behavior and belief, self-image, drugs abused, consumptive behavior towards food with high sugar level, obesity, conflicts with parents about buying the products advertised, and the initial behavior of smoking (Sitorus, 2014). From the impacts caused by television media business, either from economy or the other aspects, we should reconsider the principle of television. The principle of television is present as historical realism showing the dominance of economic interest from certain groups of investors.

Television has also shown inequality accepted factually. This sort of inequality occurs in the form of consumptive way of life which makes the poor become poorer and the rich become richer. Furthermore, social reality will be formed virtually through televisions programs accepted as correctness by its audiences then in turn will be held as a way of living or lifestyle.

C. CONCLUSION

The birth of television industry in a country directly or indirectly will affect media economic structure in certain ways. First, the structure of broadcast economy built is oligopolistic, in that a number of big scaled corporations which are possible near the center of power control the markets. The second, the structure aligns with global economic structure in broadcasting industry, in that there are a number of giant transnational corporations controlling global information.

Therefore, the presence of commercial television stations does not only provide markets needed by transnational entertainment industry. These transnational entertainment industries will continuously distribute their products every day nonstop. They also give chances for those corporations to multiply their potential profit by investing in the fast growing media industry. However, they also give all transnational corporate economy a means to persuade the citizen of the world to consume the products they made.

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