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Broadcasting Law 32/2002: A Case of the Indonesian Government's Indecisiveness towards the Implementation of Radio Network

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Abstract: Even though the growth of radio networks in Indonesia has only reached number 15, these networks have branches in all major cities by transferring the ownership of local radios. Radio network is regulated but only in terms of quantity and share of ownership. Broadcast licenses are issued only for limited areas, but with the development of technology, broadcast coverage area becomes unlimited. The 2002 Indonesian Broadcasting Law No.32 manages the amount of local content percentage, and regulatory process and actions for violating local content regulations are difficult to do. The duality of regulatory authority between the Ministry of Communication and Informatics of the Republic of Indonesia and the Indonesian Broadcasting Commission causes the regulations to be very flexible, leaving gaps that tend to benefit radio owners and exclude public interests. This article investigates the extent of the implementation of the Indonesian Broadcasting Law on radio network in Indonesia. This study uses a critical paradigm to uncover the reality and criticism of the dominant system formed by a series of social, political, and economic factors. Mosco identifies the existence of relations between social agents and social practices in which structuration in the theory of political economy of the media means building relationships for the interests of the capitalists. This is reinforced by Antonio Gramsci's concept of hegemony, stating that the authorities want to dominate profits. The discussion on networked radio in this article identifies that regulatory loopholes are used by established radio owner groups for opportunities to concentrate radio ownership nationally.

Keywords: Indonesian Broadcasting Law, Media management, Political economy of communication, Radio network

Introduction

The growth of radio network since the issuance of the 2002 Broadcasting Law No.32 is followed by the increasing number of radio ownership concentration in Indonesia (Rianto et al., 2014). The issuance of the Law replaced the 1997 Broadcasting Law as a result of reform after the fall of President Soeharto in 1998. The Law is actually a form of ratification of guarantees of citizens' rights to freedom of expression, freedom of speech, and freedom of press. This is a very important universal principle for media democratization, including the public's rights to obtain a variety of useful and educational information. Broadcast media, according to the 2002 Broadcasting Law No.32 not only functions as entertainment media but also as educational medium, which has currently become the means of social control.

Radio network broadcasts uniformed contents, despite the fact that each radio branch should broadcast a different local content. Radio network is merely owned by elite groups, indicating radio ownership concentration. The principle of Broadcasting Law is democratization in which diversity of ownership will produce diversity in content. Media owners must have understood that when broadcasting permit is issued, it means that in using public domain the owner must provide benefits for the local public.

This fact is conflicted with the the principle of the democratization of Broadcasting Law which contains a diversity of ownership. When there was a conflict between actors who favored the government and those who defended the interests of the community, the government issued several government regulations (Wahyuni, 2006) one of which was the 2005 Government Regulation No.50 (*Peraturan Pemerintah* No.50) that regulates radio network model. The 2002 Broadcasting Law No.32 and the 2005 Government Regulation No.50 are contradictory in terms of how radio stations should be managed. Both regulations are used by owners as a privilege to manage the radio which actually showed government's partisanship. The two regulations are thus entry points for radio owners to force their radio network authority. They switched radio license through the majority of shares of local ownership and established radio network used as hegemony configuration of controlling minority group. This condition alienates the diversity of ownership and content, which is in principle the goal of the Broadcasting Law issuance.

There have not been many researches conducted on Indonesian radio network, including an examination from a critical point of view. Media research focuses more on the target market and independent media regulator that supervises broadcast content. This article helps to reduce the research gap by investigating the extent of the implementation of radio broadcasting regulations on radio network. Empirical research on radio network has not been extensively examined from a critical perspective. This paper thus seeks to fill this gap. This study raises the point of views of radio owners and managers as well as regulators on both *KOMINFO* and *KPI* regulations. This study reveals that there is a split in roles and responsibilities on both regulators in media supervision.

This empirical study will discuss the growth of radio network since the issuance of the 2002 Broadcasting Law No.32 with Prambors network as its subject. Prambors network holds the widest youth target in Indonesia, aged between 15 to 29 years old. This particular millennial age group was chosen not only from demographic (Dominick, 2009), but also from psychographic side. This millennial age group was targeted as they hold the highest number in radio listeners group (57%), according to the 2016 Nielsen survey. They are also potential buyers (Lim, 2011: 27) and consumers in the future whom the majority of advertiser products targeted (Interview with Ade Suryawan, June 4, 2018). Prambors network lacks local content, and furthermore, it holds the highest number of relay hours compared to other radio networks. It even tends to exceed the determined rules (a maximum of 40%). Prambors network formed a network by taking over the majority of local radio shares, resulting in radio ownership concentrated only in a certain group of people.

The purpose of this article is to investigate this matter, since it has been carried out by dominant groups which have an impact on public and minority radio owners. This article provides answers on how the implementation of broadcasting regulations in Indonesia and on how Prambors network is practiced.

Literature Review

After more than 15 years since the issuance of the 2002 Broadcasting Law No.32, the study of broadcasting media systems, especially radio network was very limited. Previous studies tended to discuss pro-market policies from private broadcasters (Singarimbun et al., 2018; Lim 2012; Nugroho et al., 2012; Sudibyo, 2004), those research discuss the macroeconomic approach in Herman & Chomsky (1998). Politization of broadcasting by media owners (Masduki, 2014; Pambudi, et al., 2015), highlighted on television and articles that discuss the liberal broadcasting system in Indonesia (Masduki, 2007), adds colors to research-based approach on the policies in Broadcasting Law.

The 1999 Press Law No.40 was published in the transition era of media liberalization by minimizing the government's role in the media industry (Hidayat, 2000). The Law was replaced by the issuance of the 2002 Broadcasting Law No.32 as a continuation of reform with the establishment of an independent institution (*the Indonesian Broadcasting Commission*/*KPI*) in the first period since the enactment of the 2002 Broadcasting Law. The 2002 Broadcasting Law No.32 mandated the establishment of independent institution (*KPI*) as part of the reform process since the fall of the Soeharto regime (Kitley, 2008). *KPI* is one of Indonesia's established institutions in the reform period that was called to contribute to the separation of powers in the Indonesian government (Asshiddiqie, 2006: 232-3). However, the petition submitted by a group of media communities to the Supreme Court stipulates that as a state institution, *KPI* does not have the authority to exercise legislative, executive, and judicial power. Consequently, the authority to draft government regulations must be fully returned to the government.

The idea of an independent institution that is able to deal impartially between industry and the government has therefore failed. *KPI* has important responsibilities. However, broadcasting licensing was removed from *KPI* and was replaced by the executive (*Kementrian Komunikasi dan Informatika RI/KOMINFO*), which is dodgy and open to abuse. Broadcasting supervision domain is on *KPI* (Rianto, 2012), that should have the sole authority. Its responsibility is then limited nothing more than a media watch institution with a slightly greater power. Broadcasting licenses are still issued by *KOMINFO*, and *KPI* has only limited authority to provide recommendations for extending or issuing permits.

Research on Indonesian radio network highlights the optimization of the media in changing the Delta radio network tagline (Maulana, 2013) and the management of radio network in response to the current dynamics of the media industry (Zarkasi, 2015). On the contrary, the United States' researches on radio network and the effects of the 1996 Telecommunication Act on broadcasting regulations are quite varied. Dunaway's (2014) study discussed the formation of radio network as economic interests of their owners, while (Saffran, 2011) discusses the impact of regulations that harm local entrepreneurs and listeners, and the growth of radio listeners populations that are related to radio targets (Polinsky, 2007).

The management of radio network in Indonesia is mostly owned by radio groups that have several radios in the same area, better known as "radio groups". This type of ownership concentration is done by merging two companies (Whitaker, 2012: 7-8) to produce more capital so that the company has the opportunity to achieve a larger scale of operation by reducing operational costs. This merger creates a larger company and increases market power (Alexander et al., 2004). Ownership concentration can occur vertically, meaning that the owner takes control of the production up to distribution so that product specifications can be controlled directly by combining all resources both labor, capital, and product distribution processes so that companies get more profits with little expenditure (Severin & Tankard, 2000).

Radio network practices in Indonesia are carried out through (1) radio networks in the telecommunications system and affiliated ownership to the center such as the Indonesian government radio (*Radio Republik Indonesia/RRI*), (2) radio in the form of "rap network" which is only networked in sales, (3) radio network in syndicated programs that are made together or by one party, (4) radio network in all the above aspects (Masduki, 2007: 9). Of the four practices, the most widely carried out in Indonesia is the fourth type, where product content and sales are carried out by the main radio network so that the company can save many resources (Lane, King & Russell, 2009).

Radio network can reach an extensive area, and its program content is produced by the main office and is distributed through radio streaming. Radio network systems benefitted from using the same broadcast content for all stations (Rivers, Peterson & Jensen, 2003). The network system targets its audience sharply by broadcasting a single broadcast in several cities at once. The more cities that are targeted and the wider the area of coverage, the more advertisers are interested in buying broadcast time.

The media is used as a message distribution for the public and as a medium that composes social community. The media acts as a major player in spreading ideology to the society so that the media can be used as a means of spreading dominant class ideology to carry out their interests. The power of the media to support this ideology is much criticized by the theories of media communication. Hegemony theory by Gramsci analyzes the relationship of power and oppression by the capitalists to dominate society (Ritzer & Goodman, 2005). Mass media is a public awareness control tool where the media business operated to two different markets which are consumer and advertiser (Albarran, Olmsted & Wirth, 2006). Media is a place to fulfill the public's needs for demand and supply (Croteau & Hoynes, 2001).

The development of radio network has grown ever since the issuance of the 2002 Broadcasting Law No.32, which according to Vincent Mosco through the structuration concept of the theory of the political economy of the media stated that there is a power relation between the media, the authorities, and society. The concept of the relationship stated by Mosco is the extent to which the media takes a position in the interests and ideology of the dominant group (Mosco, 2009: 24). The mass media cannot be separated from aspects of economy, power, and politics. A political economy communication approach is used to criticize this radio network which examines social relations and power that can shape production systems, distribution systems, and consumption.

Method

This study uses qualitative research methods with a critical paradigm through in-depth interviews on the highest executives from radio stations, regulators government represented by *KOMINFO* and *KPI*, both central and regional. These groups of professionals were chosen as the subject of research because of their central position in running radio business and supervisors of broadcasting (Knuth et al., 2013) and because it is relevant to the topic being studied (Hsieh & Shannon, 2005). Secondary data were obtained from documents, consisting of company profiles, websites, and social media. This research was conducted in May to July 2018.

Table 1. Research Informants

No	Name	Details
1	Malik Sjafei	Founder/CEO of Prambors Network & Masima Corporation
2	Candra Novriadi	Commissioner of PT Tomasi Cipta Karya
3	Imansyah Iwoch	President Director of Prambors Network
4	Agung Suprio	Commissioner of Indonesian Broadcasting Commission (*KPI*) 2016-2019
5	Puji Hartoyo	Commissioner of DKI Jakarta Indonesian Broadcasting Commission *(KPI)* 2018-2021
6	Buyung	Ministry of Communication and Informatics (KOMINFO
7	Ade Suryawan	Radio Lead for Mindshare World Indonesia

This study uses critical paradigm to reveal a flexible reality from time to time formed by a series of social, political, cultural, economic, ethnic, and gender factors which then crystallize into a series of structures (Denzin & Lincoln, 2009: 136). This paradigm does not merely criticize the dominant system of injustice, but rather a paradigm to change systems and structures to be equitable.

Research questions were explored in more detail from informant perspectives through 60-90 minutes of in-depth interviews (Denzin & Lincoln, 2009). The interviews cover the process of establishing radio network and classification of regulators' authority of *KOMINFO* and *KPI* in radio network broadcasting. A general interview guides that move to specific questions depends on participants' answers and they develop based on the informant's perspective. This approach helps researchers to be more flexible and adaptive in interviewing informants (Turner, 2010).

All interviews were digitally recorded, and interview transcripts were then analyzed. To test the validity of the data, researchers used a triangulation technique with interpretive data analysis where data reduction had been done since the initial data was obtained. Data presentation was done by displaying data that had been analyzed and were considered to be related to research problems, including grouping data based on data findings. Thematic analysis (Miles and Huberman, 1994) was applied to explore data on the forming ownership concentration, the establishment of the radio network, and the extent of the impact of regulation on the practices.

Result and Discussions

Democracy at the Crossroads: Radio Ownership Concentration

Looking back on the Indonesian media development in the past few decades, advertisers targeted only on three media choices: radio, newspapers, and outdoor media (OOH/out-of-home). Radio outperforms news delivery speed to the public compared to other media such as newspapers, Indonesian television (*TVRI/Televisi Republik Indonesia*), and outdoor media.

Radio broadcast transmission through air frequencies can be accessed from conventional media such as compo and radio on a car while driving. The radio broadcast is easy to reach as everyone has a radio in their home. News delivery speed and flexibility on news changing benefit advertisers when using radio station as media promotion. This situation causes commercial radio to be flooded with advertisements and at this time radio stations have a large income, while newspapers, *TVRI*, and outdoor media (OOH) require a long process of content production due to unavailability of technology.

During this golden period, in fact, radio owners were able to invest in broadcast devices, attend conventions or seminars abroad to enrich their knowledge, as well as build a company management system, but they invested on others not related to the radio business (Interview with Malik Sjafei, November 7, 2017). This led to the unpreparedness in terms of public needs in technology development. In other words, as technological developments progress, only a small percentage of the owners were able to adopt this technology and use them as part of the radio.

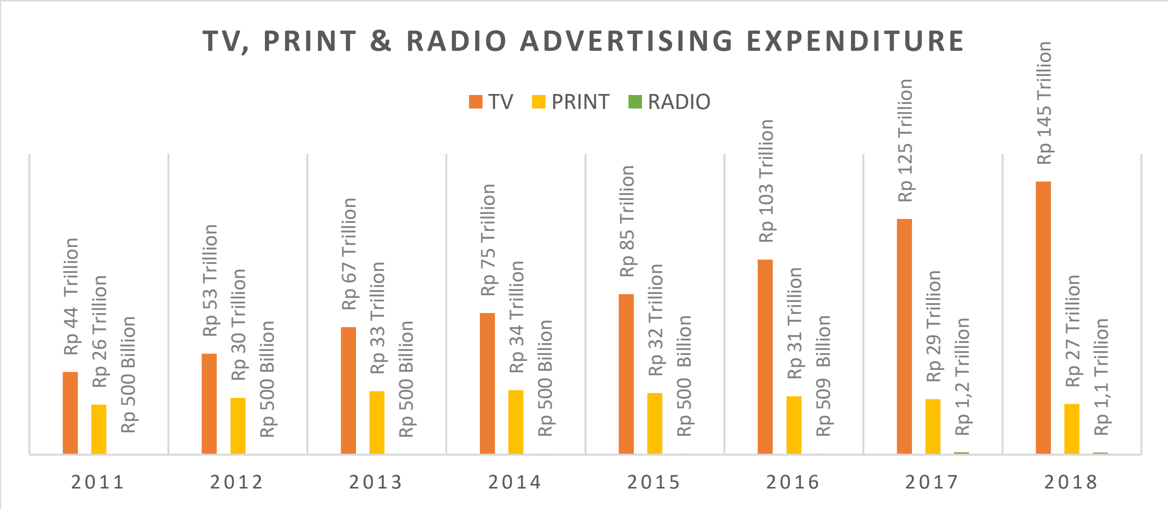
Just like the availability of human resources, the quality and the quantity are also limited. Radio professional resources from directors, managers, to DJs are still the same people since a decade ago. Individual interest in working on the radio has diminished, even though the radio industry in Indonesia continues to grow. Radio managers in Jakarta experienced a continuous decline in number of applicants (Interview with Imansyah Iwoch, March 4, 2018). Undergraduates tend to choose a large corporation in terms of salary, allowances, and chances than radio companies. Student works on radio station and leaves the company for more promising companies after completing their undergraduate education (Interview with Chandra Novriadi, May 4, 2018). Working in a radio company is a stepping stone to work on other media such as television or print media.

The Indonesian radio industry has a complicated problem, one of which is the lack of investment, making the company unable to anticipate technological developments that have an impact on the number of listeners. Similarly, the decrease in the number and quality of human resources has an impact on the program quality and creativity, so listeners continue to decline, while on the other hand, new media continue to present new potential things to attract radio listeners. Limited knowledge and experience of radio owners and managers, in this case in predicting public behavior and the needs of new generation of listeners, caused a decrease in the quality of program which has implications for the advertisers.

Radio revenue tends to decrease every year, even the earning of Indonesian radio advertising expenditure (RADEX) is less than 1% of total media advertising. This condition has occurred since 2009, and the revenue of television is the highest compared to print and radio. On Table 2 below the 2011-2018 ADEX on television, print, and radio is provided:

Table 2.

Advertising Expenditure (ADEX) from 2011-2018



Source: Nielsen *Ad Intel*, 2017-2019

Table 2 shows that radio advertising is the smallest among other media, which are television and print. Since 2011, the Indonesian economic growth continues to decline, despite an increase in 2017 only for 0.01% (Nielsen Research, 2017). Nevertheless, the latest data received from Nielsen media research shows that there was an increase in ADEX (advertising expenditure) in 2018, but not followed by an increase in RADEX (radio advertising expenditure).

The Indonesian economy has a slow pace, and the weakening of purchase power ultimately has an impact on the reduction purchases on media advertising. The spread of radio advertisements proportion on several major cities has caused a decline in local radio revenues, causing radio owners to take steps to save their companies. To keep the business running, some owners collaborated with large radio companies.

One of the large radio companies in Jakarta, Prambors network, is the subject of this research. Unlike other radio networks that are managed as family business, Prambors radio has been professionally managed since 1990. Prambors radio management adjusted it into an established company, while finance and human resources department were formed to maintain the sustainability of the company. Prambors radio owner's success in managing the company was marked by the broadcast of Prambors syndicated programs on dozens of local radio stations in Indonesia and provided substantial revenue. The success in managing this radio was spread among other radio company owners, and they were offered to manage local radios.

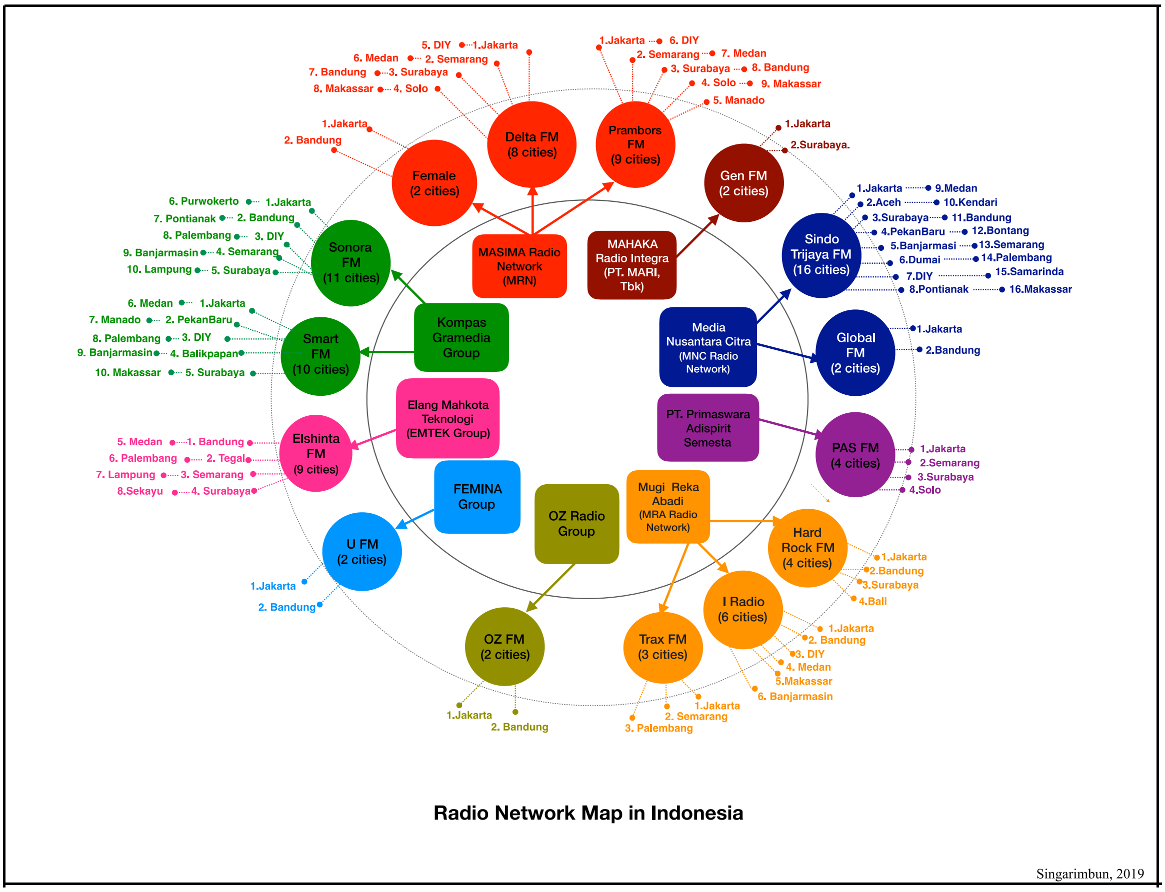
As an established company, in terms of experienced and assets, Prambors network has managed several local radios by improved human resources quality, broadcast production, and radio products sale. One of the main obstacles for local radio is to get advertisements from Jakarta advertiser companies. With this pattern of operational cooperation, local radio was marketed simultaneously to Jakarta advertising agency. This management system raises advertiser trust, thereby increasing radio advertisements revenue.

Joint company management experiences by Prambors generate in the share radio ownership shifting so that by the end of 1995, Prambors managed three radios in Jakarta. Radio companies that are under the MASIMA corporation flag name are: Prambors radio, Delta radio, and Bahana radio. Prambors was ready to thrive while other radios encountered management problems (Interview with Chandra Novriadi, May 4, 2018). The decline of radio advertisements make running radio businesses difficult. These issues assign some local radios in shifting their shares and ownership to Prambors, or, in other words, Prambors takes over local radio companies.

This was the beginning of radio ownership concentration which certainly also occured in almost all major cities. The concentration of radio ownership is beneficial in terms of operational cost efficiency through emphasis on the number of human resources, marketing division, and production. Radio sales concentrate on selling all radio products under one roof, while production department only produces one product used by all radio stations. The regional scale concentration of ownership or known as a "radio group" lasted until the beginning of 2000 where Broadcasting Law had not specifically regulated the concentration of ownership.

Radio ownership concentration has carried out in two ways, by a formal application for a broadcasting license or the shifting of the radio company's shares. The shifting of the radio company's shares occurs in most Indonesian regions with investors from Jakarta as state capital and the center of the economy. Investors divert the company majority shares, replacing the broadcast format and station call which then forms radio network. Radio station changed all administrative process data, company address, and other technical data through the Director General of Resources and Equipment of Post and Information Technology (*Direktur Jenderal Sumber Daya dan Perangkat Pos dan Informatika*). The ease of company shares shifting led to the growth of radio concentration ownership in Indonesia, with larger radio companies in Jakarta taking over some local radio shares and forming a radio network. The map of the Indonesian radio network is in Figure 1 as follows:

Figure 1. Radio Network Map in Indonesia



Source: Primary Data, 2018

There are three formats on the fifteen radio networks as shown in Figure 1: (1) 6 youth targets of Prambors radio, I radio, Trax FM, Global FM, OZ FM, and Gen FM; (2) 5 news radio network format: Sindo Trijaya FM, Elshinta radio, Sonora radio, Smart radio and PAS FM radio; and (3) 4 adult radio targets: Female radio, Delta FM radio, U FM and Hard Rock FM radio. Young radio listeners are the highest advertisers' target, causing the number of youth radio networks to be more than the other listener's target. Prambors network is the widest, located in nine major cities in Indonesia namely Jakarta, Bandung, Semarang, Solo, Surabaya, DI Yogyakarta, Medan, Makassar, and Manado.

Prambors formed a network station since 2000. The region selection was those of major cities in Indonesia, which are included in the Nielsen media research area (11 cities). In an interview, Malik Sjafei stated that the consumption patterns and lifestyles of the local community greatly determine the purchase of local media advertisements so that both of these are the main requirements for Prambors management in selecting broadcast areas.

Prambors management comprehends the quantity of radio ownership rules. Therefore, in anticipation of the 2002 Broadcasting Law No.32, in which each company may only have a maximum of seven radios with 100% shares, Prambors owners formed several legal entities known as limited liability companies (*Perseroan Terbatas/PT*). These companies were established to buy the majority of local radio shares as a way to transfer radio ownership. In this case, *PT. Tomasi Cipta Karya* (*PT. TCK*), *PT. JDFI* and *PT. Masima Cipta Karya* (*PT. MCK*) were established to buy local radio shares. It means that the legal entity as local radio permit holder remains the same, but this legal entity is owned by Prambors Jakarta. All local radio shares are owned by *PT Tomasi Cipta Karya* (*PT. TCK*) with a percentage of 80%-99% shares. Other shares were bought by *PT. JDFI* and *PT. Masima Cipta Karya* (*PT. MCK*). The shifting of majority share ownership of this way is not listed in the broadcasting regulations. After the radio ownership transfer process was carried out, the next step was to change the local radio station call to Prambors radio. Prambors' owner established domination by exploiting local radio owner.

Vincent Mosco structuration concept relates to society, social processes, and social practices (Mosco, 2009; 189). The structure can be described as a process where social structures are mutually enforced by social agents in this case regulators and media. These social agents become part of the structure and act to serve other parts by building relationships. Prambors radio expanded its network because regulations were unclear in placing social agents and social structures. Both law and government regulations do not explain in detail the management of the radio network. The regulations do not explain how radio network should run. Therefore, Prambors radio can continue to add and acquire local radio to become part of the network. Chances and facilities seem to take sides on the dominant group for their benefit.

Prambors radio, which is run by a well-established radio company in Jakarta, can easily acquire local radio which has difficulties in running their business. In this regard, the dominant group formed a concentration of national ownership where they preserved its power and eliminating minority groups (McQuail, 2010). Antonio Gramsci's hegemony concept that the leading group desire to dominate its profits (Ritzer & Goodman, 2005: 175-176), in this case Prambors network, does so through local's broadcasting permits. Prambors network reveals wider public acknowledgment and this will reduce the minority groups/local radio owners to reach audiences even in their own broadcast areas.

Law Implication for Practice in Radio Industry

The number of ownership concentration by establishing radio network has been growing since the issuance of the 2002 Broadcasting Law No.32. Station ownership sells their company's share, where they keep the same broadcasting permit's holder (name of the legal entity or corporation), as the broadcasting permit has given legal entities in the form of *PT*, not individuals. The broadcasting license only stated the name and address of the company listed as the permit holder.

The shifting of radio ownership has been done by many radio owners and is difficult to avoid. Even though the Broadcasting Law states that the permits may not be transferred, but in reality, what owners do is took over the company shares, not the radio permit (Interview with Buyung, March 1, 2018). This can cause the number of radio ownership to exceed the regulatory provisions by owning shares in different legal entities.

Supervisions in running radio broadcast are divided into two regulators: *KOMINFO* and *KPI*. An administrative selection is carried out before permit issuance by the government through *KOMINFO*, whereas anything related to broadcast content is supervised by *KPI* (Interview with Agung Suprio, March 18, 2018). Classification of tasks and responsibilities among these two institutions can also be exploited by radio owners since both regulators have a different obligation and do not support each other in the prosecution. *KPI's* responsibility is only on the broadcasting conduct, while revocation of permits as the prosecution of violations by the broadcasting station is carried out by *KOMINFO* (Interview with, Puji Hartoyo, February 23, 2018). In addition to this problem and a lack of supervision on broadcasting stations, *KPI* only focuses on television rather than radio stations, which further alienates them from prevailing the act of violation.

The 2002 Broadcasting Law No.32 is actually incompatible with current development of information and communication technology. The complex process of revising the Law that has been carried out by the House of Representatives of the Republic of Indonesia (*Dewan Perwakilan Rakyat/DPR*) since 2012 has not yet been completed. Changes in the periodization of *DPR* add to the time period to revise the law. The Broadcasting Law revision is motioned by *DPR*, since *DPR* is the legislator that will submit the revised draft for discussion with *KOMINFO* (Interview with Buyung, March 1, 2018).

The use of communication technology in the radio industry has not been regulated. The radio industry applies new technology through media convergence on its radio station. This new technology replaced the system and the use of old equipment which turned out to create new forms and formats. Unfortunately, even though applied new technology is rapidly being adopted by this industry, regulations related to the use of various new technologies in the field of radio industry do not yet exist. As a result, a lot of technological uptakes have been carried out, but there is no legal basis for it. This condition is quite risky, considering the broadcast radio industry has always had an impact to the public.

The development of information and communication technology has led to consolidation and industry concentration (Chon, 2003). The media use media trends in converging to expand the distribution of their products and grow the market by capturing the existing audience base, and they have been developed by other media (Chan-Olmsted, 1998). Streaming radio has been applied to new technology in this industry. The ability of radio stations to greet their listeners through different platforms as an applied form of media convergence does not yet have a legal foundation concerning broadcast content and distribution. As a result, radio managers were free to use other platforms than air networks to reach wider audiences by broadcasting the same content. Streaming radio is a tool for local branches to broadcast from the Prambors main office that actually exceeds local content regulations (maximum 40%) if referred to regulations of Indonesian Broadcasting Commission concerning code of ethics in broadcasting and its programs *Pedoman Perilaku Penyiaran (P3) dan Standar Program Siaran (SPS)* or *P3 SPS* Article 1 (15) as a broadcasting guidelines program. Marcuse states that technology is used to control modern capital communities, which is used by the dominant groups to maintain and improve the continuance of their dominance (Ritzer & Goodman, 2003: 180).

In this case, the provisions of broadcast relays that should not exceed 40% of total broadcast hours are neglected. Even though the 60% local content has not been fulfilled due to the limitations of the broadcast monitoring tool to prove violations of the percentage of local content, it still makes it difficult for local *KPI* to act. The lack of infrastructure, both equipment and human resources to supervise broadcast content does not only exist in regional *KPI* but also in the Jakarta.

The disjunction of broadcasting regulators authorities among *KOMINFO* and *KPI* provided a gap that led to violations of broadcasting rules. As mentioned earlire, *KPI's* authority is limited to the content of broadcasts and recommendations for the issuance and extension of broadcast licenses, while *KOMINFO's* authority is on issuing broadcast licenses. Central and regional *KPIs* are coordinative so that each carries out their authority accordingly. The authority of central *KPI* in supervising national network broadcasting also collided with the authority of *KPI* in Jakarta, which is where all network radios were located.

Prambors radio continues to add branches to its network, seeing that regulations are not clear in placing social agents and structures. Broadcasting regulations do not explain in particular the running of radio network. Although the rules regarding radio network management models are stated in broadcasting regulations, this rule is so flexible that it can be interpreted differently by various parties. Agents, in this case radio owners and managers, take advantage of this loophole. Radio managers deal with regulations governing the quantity of radio ownership by building several legal entities in the form of acquisition of local station.

The relation between the elite (the government) and the dominant group, in this case, the media owner, determines how the regulation is interpreted and implemented. Although regulators (*KOMINFO* and *KPI*) also have relations with other larger social structures (the public), relations between regulators and media owners are stronger, making them ignorance to public interest. As a regulatory supervisor, *KPI* is not aware of its ideological position which is to defend public interest, not as an intermediary for the interests of the public, the government, radio owners, and managers. As an independent institution that represents the community, *KPI* collaborates with the public in gathering strength to reject media domination. But in this case, *KPI* as an authorized actor is in a hegemonic situation related to the working mechanism of the capitalist system, where interests of media owners are preferred.

Conclusion

The rise of radio industry in Indonesia is increasingly visible through the growth of broadcasting licenses with commercial radio slowly forming a concentration of ownership both at regional (radio group) and national level through the establishment of radio network. Prambors network broadcasts the same Jakarta-centric content, ignoring local content. Even though broadcasting licenses were issued to raise local public benefit, radio network practices actually encourage the concentration of ownership and uniformity of broadcast content, causing the diversity of ownership and diversity of content to be non-existent.

Indonesian Broadcasting Laws were issued on the basis of the democratization; the capitalists are stronger to defeat democracy itself. Changes in Boadcasting Law were marked by the issuance of several regulations, including law regulation for commercial broadcasting (2005 Government Regulation No. 50), providing benefits to radio owners rather than protecting public interest. This signifies a shift in the orientation of interests from public interest to the orientation of power. This allows large capitalist groups to expand their interests through the concentration of radio ownership. The concentration of radio ownership is carried out through regulatory loopholes. In short, it can be said that the issuance of the 2002

Broadcasting Law No.32 and other regulations afterwards provide policies for capitalists to build their dominance in the radio industry, which slowly diminishes the power of local or single radio owners. Competition for controlling radio industry occurs only in a handful of people. In the future, this fierce competition can lead to a greater concentration of ownership.

Further research is needed to determine the extent to which local radio can survive and develop in Indonesia amidst the dominance of radio network and the growth of information and communication technology.

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Interview with Imansyah Iwoch, President Director of Prambors Network (March 4, 2018)

Interview with Agung Suprio, Commissioner of Indonesian Broadcasting Commission (KPI) 2016-2019 (March 18, 2018)

Interview with Puji Hartoyo, Commissioner of DKI Jakarta Indonesian Broadcasting Commission (KPI) 2018-2021 (February 23, 2018)

Interview with Buyung, Ministry of Communication and Informatics (KOMINFO) (March 1, 2018)

Interview with Ade Suryawan, Radio Lead for Mindshare World Indonesia (June 4, 2018)