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A COMPARISON OF THE TELEVISION BROADCASTING BUSINESS IN THE UNITED STATES OF AMERICA AND INDONESIA

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ABSTRACT

The television broadcasting industry is a significant business in all countries around the world. It does not only have socio-political, but also economic objectives. Therefore, all states have an interest in it, which they pursue by arranging their broadcasting industry based on the political system, the benefits, and the social conditions of their society. Accordingly, each country will have a different broadcasting system, even if based on the same democratic concepts. This article is based on the results of a comparative study between TV broadcasting in the United States of America and Indonesia. The methods used are evaluation and a review of articles. Although both the countries are democracies, broadcasting is different in the two countries. America is liberal, while Indonesia is not, but uses a different system, namely Pancasila. The regulatory board in America is more independent and active in its role than its counterpart in Indonesia. In the United States the extensive imposition of penalties on broadcasting companies and those who show indecency on television enable broadcasters to be more cautious in running their businesses and adhere to regulations set by the broadcasting regulator.

Keywords: Monitoring, Ownership, Political System, Regulatory Institution, Television Broadcasting Business, Violation of Broadcasting

INTRODUCTION

The United States of America (USA) and Indonesia are both democratic nations and included in the G20 group of countries, although they have different economic systems. America is known as a country with a liberal business system (Rothman, 1992) while Indonesia embraces the Pancasila economic system. In general, America is known as a developed country while Indonesia is a developing country. In 2016, America had the world's largest GDP, while Indonesia's GDP is half America's, and was ranked 16th in the world. Interestingly, on average, economic growth in Indonesia in 2015 and 2016, was much higher than in the United States,

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with Indonesia recording 4.9% and 5% economic growth, while America only recorded 2.6% and 1.6% (Bank Indonesia, 2016). However, the income of both countries is not the same. According to the World Bank, America is in the high-income country group, while Indonesia is still in the low-middle income group.

The USA and Indonesia have a sizeable population. In 2016 the United States of America had 325 million people, ranked third in the world, while Indonesia was just below it, with a population of 255.5 million people (Population Reference Bureau, 2017). The large population is a potential market for the television media business. According to the Central Bureau of Statistics of Indonesia, 87.20% of the population of Indonesia has a TV set (Kominfo, 2016a), slightly lower than in the United States, where the figure is 96.7% (AC Nielsen, 2016). In terms of TV watching habits, the average Indonesian watches 5.5 hours per day (Hendriyani, 2012), more than an average American, who only watches 2-3 hours per day (Lapierre, Piotrowski, & Linebarger, 2012; Pérez et al., 2011; Saelens et al., 2002).

Compared to Indonesia, the American television industry contributes more labour. In the U.S.A, television industry provides 1.47 million employees and generated revenues of US$ 1.19 trillion (Wood & Poole Economic, 2015). Meanwhile, in Indonesia, this sector could only provide 142.227 thousand workplaces (Pangestu, 2008) and just generated US$ 5.4 billion (Marketline, 2017b).

A large population and a supportive political system mean the television broadcasting business is developing in both America and Indonesia. How does the television broadcast business run in these two countries? What are the differences between the television broadcasting systems in these nations? This paper presents a comparative analysis of American and Indonesian television, using a literature review analysis and a comparative evaluation of the following elements: the political basis; the ownership of media; the regulatory institution; the tasks, functions, and authority of the institution; the supervision of television broadcasting in the USA and Indonesia.

LITERATURE REVIEW

The television business is part of the press business, which is a subsystem of the social system in which it operates together with other subsystems. The television media does not exist independently, but is influenced and influences other social institutions. The press itself was born to fulfill social needs for information. Hence it became a social institution (Siebert, Peterson, & Schramm, 1956). The existence of the television business is strongly influenced by the press system, which is determined by the philosophy and political policy of the government where the media operate (Fischer, 1976). Therefore, we can find a variety of television broadcasting

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systems. All countries have always attempted to protect their domestic interests as regards broadcasting.

Fred S. Siebert, Theodore Peterson, and Wilbur Schramm write that there are four primary press systems, namely an Authoritarian Press, a Libertarian Press, a Social Responsibility Press, and a Soviet Communist Press. The press in the authoritarian system is overseen by the government and is charged with supporting the government. This method is set up by the authorities to create ideal conditions in the country by filtering information to protect and maintain social harmony (Triyono, 2013). Consequently, the licensing of television broadcasting is controlled by the government, which may revoke the license at any time. The media is under the authorities' hegemony. Therefore, the press cannot run its business freely (Ishadi, 2011; Wahyuni, 2007). As a result, freedom of expression and creative opportunities are limited. Saudi Arabia, Singapore, and Chile (under Pinochet) are examples of countries using this system.

Nowadays, the authoritarian system has developed a new form, namely new authoritarianism, which has occurred in countries which tend to be strict (Applebaum, 2015; Corrales, 2015). The nations that embrace this system are Turkey, Iran, and Tanzania. The freedom of speech restriction leads to dissatisfaction in society at the authoritarian system, thus raising the desire for liberty and formalized liberalism. In a general sense, in a liberal system the press - including television media - is free from government influence and acts as the fourth estate, after the executive, legislative and judicial institutions. Television is mostly owned by private organizations which make their business priorities the search for profit and finding their audience in the marketplace. The media becomes a big business, dominated by the media elite to convey its interests (Oswald, 2009). Liberal systems can found in the United States, Britain, Canada, Sweden, Germany, the Netherlands, Belgium, France, Austria, Australia, New Zealand, Switzerland, Norway, Denmark, Ireland, Italy, and Israel, in addition to the highly developed and westernized countries, such as Japan (Oswald, 2009)

There are other press systems that can be found in Asian countries such as in Indonesia, which has a different press system, namely the Pancasila press system. This system does not recognize opposition but attempts to reach consensus. Pancasila treats rights and obligations in a balanced way, in contrast to liberalism which accentuates individual rights, and to authoritarianism which ignores private claims. The balance between rights and duties is a guideline for responsible freedom (Yin, 2008) (Muhaimin, 2013). The media is located as a bridge between the government and the public.

CONCEPTUALIZATION

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Each country has its own broadcasting system, to protect the interests of the country. The broadcasting system may vary from state to another, even those operating under the same political system. The United States of America is a country with a liberal democratic system which is more liberal in broadcasting, while Indonesia adheres to the ideology of Pancasila democracy, and therefore has a system of broadcasting which follows this ideology. The arrangements in each country are used to accommodate and protect domestic interests.

METHODOLOGY

The methodology used in this study is a literature review method and evaluative research, i.e., a systematic assessment of information to provide feedback on certain objects of study (Rossi, Lipsey, & Freeman, 2003). The data analyzed include the political system, the constitution governing television broadcasting, the institution of the regulation of television broadcasting, and media ownership, and the supervision and sanctions from the regulatory institutions of the USA and Indonesia.

RESULTS

Political System

The United States of America and Indonesia are democratic countries, which have presidential systems. The president has enormous powers as head of state and head of government, but America uses an indirect presidential election system through the allocation of electoral colleges in each state, while Indonesia uses a direct presidential election system. Also, in parliamentary systems, Indonesia uses a unicameral system, while Americans use a bicameral one.

Freedom of expression in America and Indonesia is guaranteed by law. In America, freedom is assured in the Freedom of Speech Act, while in Indonesia it was declared in the UUD in 1945. However, the freedom of speech in America, based on the Telecommunications Act of 1996, is more liberal than in Indonesia. The Federal Communication Commission (FCC) states that anyone can enter the communications business, and compete in the market against any other entity. Based on a democratic system, both countries allow television broadcasting businesses owned by the public besides those owned by the government. The United States has 1,384 commercials TV stations, 394 of which are public television companies (FCC, 2017), while Indonesia has 763 private TV stations, one national public TV and 23 local public stations (Kominfo, 2016b).

The television broadcasting business in the United States adopts a decentralized policy, maintaining the diversity of opinions and difference of media ownership. For this purpose, the government assigns an independent committee called the Federal Communication Commission

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(FCC). As in America, Indonesia also has a decentralized television broadcasting policy. However, the principle of Indonesian decentralization tends to exist in theory only, because television broadcasting tends to be “Jawa centric” and "Jakarta centric" (Riyanto et al., 2012).

“Jawa-centric" is a term that describes the contents of television broadcasts dominated by various things about Jawa (part of Indonesia), while "Jakarta-centric" is a term that describes the bias of television broadcast content dominated by Jakarta's perspective and culture. The phenomenon is not appropriate because it does not reflect social reality in Indonesia, which is culturally diverse and is formed from 1,340 tribes, although the largest tribe is the Jawa.

There is a tendency in Indonesia for media owners to be involved in politics. This phenomenon has existed since the era of President Soeharto, and the assumption has been that politicians have privileges, both open and disguised. Media owners go into politics to strengthen their positions in business while building political power through media support. For example, Surya Paloh (the owner of Metro TV) became chairman of the Nasdem party, Harry Tanoesudibyo (the owner of RCTI, MNC, and Global TV) became chairman of the Perindo party, and Aburizal Bakrie (the owner of TV One) became chairman of the Golkar Party (in 2009-2014). This situation disrupts media independence. The media is used to build political power rather than to fight for public aspirations.

Regulatory Institutions in Television Broadcasting

In the United States, the television broadcasting system is supervised by The Federal Communications Commission (FCC), which was established under the Communications Act of 1934 and operates as an independent body under Congress supervision. This institution is the only regulatory institution in US broadcasting, and it has a primary duty to organize international and interstate broadcasting, either via radio, television, wire, satellite, or cable in fifty states and all territories, including the District of Columbia. The FCC has the authority to assign frequencies, set station operating times, and dictate standards for transmission apparatus.

The FCC commission has five board members, consisting of two commissioners from the ruling party and three from the opposition party, but all commissioners have no connection with the broadcasting business. The FCC length of tenure is five years, and the chairman is elected by the president. This commission is responsible for implementing and enforcing the laws and regulations on communications in America (FCC, 2016). The FCC rules are stated in The Code of Federal Regulations 47 (FCC, 2013).

The FCC has several rights; it is authorized to set the frequency, the time of station operations, transmission equipment standards, to regulate international and international communications via wires, satellites, and cables, to award and revoke licenses to local television stations, and to

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develop broadcasting guidelines, especially for free-to-air broadcasting. For instance, it prohibits the broadcast of programs with adult content between 6 a.m. and 10 p.m., although this content can mostly be found on pay TV networks. The FCC, moreover, also makes rules regarding obscene, indecent or profane content featuring television actors/actresses and imposes high fines on those who violate these rules. Broadcasting obscene content is prohibited by law at all times of the day. Indecent and profane content is prohibited on television and radio broadcasts between 6 a.m. and 10 p.m. In this period children may be watching television and listening to the radio. In Indonesia, broadcasting channels are supervised by two institutions, namely the Indonesian Broadcasting Commission (Komisi Penyiaran Indonesia) and the Ministry of Information and Communication (Kominfo). KPI members are selected by the House of Representatives for a three-year term through a fit and proper test mechanism. The candidates for commissioner are recruited with certain qualifications, including not being from political parties, not being a member of the legislature or the judiciary, and having no affiliated interests with the related broadcasting business. The chairman is then selected, based on the deliberations of the members. The KPI has the authority to arrange the standard broadcasting regulations, oversee all categories of radio and television stations (public, private, subscribed, and community), as well as sanctioning violations, while the Ministry of Information and Communication of Republic of Indonesia is authorized to regulate frequency and licensing.

The regulation of Indonesian television broadcasting, meanwhile, was formulated by the DPR (House of Representatives) with government approval and detailed in the Broadcasting Act, No. of 32 of 2002. The KPI does not regulate the use of communication frequencies and the institution of the broadcasting companies but is restricted to arranging guidelines for broadcasting content and broadcast program standards. As regards the license, however, the KPI does not have full authority. This institution is restricted to giving a recommendation to the government as the main authority (Riyanto et al., 2012). In consequence, television broadcasting companies tend to undervalue the KPI. The owners of TV stations prioritize their relations with the Ministry of Information and Communication as a determinant of licensing, a process which is consequently influenced by political lobbies and open negotiation opportunities, which, moreover, take advantage of the weakness of regulation (Agung, 2011). The renewal of ten national private televisions broadcasting licenses by the government in 2016 amid many public complaints is evidence that the process of granting and revoking licenses is influenced by political interests.

The KPI regulations on the guidelines for broadcasting are contained in the decision of 02/P/KPI/03/2012 (KPI, 2012), and for standard broadcast programs in the commission decision of 03/2007 (KPI, 2007).

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Ownership of Broadcast Media

As a democracy and a country that involves the private sector as a significant player in the economy, America gives people the freedom to own media broadcasters. The application for a broadcasting license is subject to specific procedures established by the FCC. States can change the cross-ownership of television stations based on the broadcast coverage percentage. For national television stations, the FCC limits cross-ownership to no more than 39% of broadcast coverage (before 2003 this was only 35%, and in 1985, 25%). If an individual has more than one national TV station, the broadcast coverage of all TV stations should not exceed 39% of U.S. TV households. For local television stations, on the market with at least 20 independent "media voices" (television, radio, cable, and newspaper), the entity can have one TV station and seven radio stations or two TV stations and six radio stations. When in the market with at least ten independently owned "media voices," an entity can have up to two TV channels and four radio stations. In the smallest market, a business entity can have two TV stations and one radio station (FCC, 2015).

Like America, Indonesia also implements freedom of media ownership. Communities may have TV broadcasting permits, provided they fulfill certain requirements and mechanisms. Foreign ownership of broadcast media is limited to no more than 20%. Cross-ownership is allowed on the condition that one company has at most two licensed television stations located in two different provinces. The ownership share of the TV station is 100% for the first TV station ownership, but for the second the ownership share can be 49% at most, with 20% for the third TV station ownership, and 5% for a 4th TV station, and so on. The ownership should be spread across different areas. However, the provision does not apply if the public wants to have television stations in the border areas of the country and remote areas. In these regions, ownership may be between 49% and 90% for the ownership of the second, third, and second stations (Kominfo, 2009).

The United States market share of broadcasting and cable TV is the largest of any region in the world at 38.7%, followed by the Asia Pacific with 28.2%, Europe with 23.3%, and other areas with 9.7% (Marketline, 2017b). Meanwhile, in Indonesia, the market penetration of television broadcasting is still low, currently standing at only 56% across the country. This means there is ample space for growth in the Indonesian market (Marketline, 2017a).

In America, media ownership is controlled by a handful of people or companies, specifically cross-ownership media groups, whose activities can include broadcast television, cable TV, radio, newspapers, book publishing, video games, and various online business activities. Research shows an increase in media consolidation, which means the industry is dominated by a handful of companies (Djankov, McLiesh, Nenova, & Shleifer, 2003). Across America, there are

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1,384 commercial television companies, consisting of 394 public TV, and 6,203 cable TV companies. In commercial television, however, only four major stations have strong networks, namely Time Warner Inc., Comcast Corporation, Viacom Inc., and The Walt Disney Company.

The Philadelphia-based Comcast Corporation owns television businesses such as the NBC Network and the Telemundo Network, as well as cable television, telecommunications, movie and amusement businesses (The Walt Disney, 2016). The second major US television company is Time Warner Inc., a business giant with the Turner Broadcasting System (TBS) that operates more than 180 channels, including TBS, Turner Sports, TNT, Adult Swim, truTV, Turner Classic Movies, Cartoon Network, Boomerang, CNN, and HLN. Time Warner also has a Pay TV Home Box Office (HBO) business that owns and operates premium paid multichannel television services, including entertainment via the internet, and a world-class film company, the Warner Bros Entertainment Inc./Warner Bros (Time Warner, 2016).

The third major company that controls the American television network is Viacom Inc. The company has three major businesses, namely the Global Entertainment Group, the Nickelodeon Group, and BET Networks. The Viacom Media Network operates over 250 programs and television stations, including Paramount Channel ™, Nickledeon®, SPIKE®, Comedy Central®, Channel5®, Logo®, Nick Jr.®, Nick at Nite®, Nicktoons®, TeenNick®, TV Land®, CMT®, VH1®, BET®, MTV®, both inside and outside the United States, as well as having an entertainment channel business over the internet net (Viacom, 2016).

The fourth major television network is The Walt Disney Company which is well known for producing cartoon films. This company developed through its activities in media networks, parks and resorts, studio entertainment, consumer products, and interactive media. The company has ESPN cable TV networks, the Disney Channels, Deportes (a Spanish language TV network), and ABC. ESPN has 19 TV networks outside the United States (primarily in Latin America) that reach more than 60 countries and territories in 4 languages. It also has a subscription service (Subscription Video on Demand/SVOD), including the providers of Multi-Channel Video Programming Distributors (MVPD), a satellite business, the broadband service provider (Digital MVPD), and an advertising business (The Walt Disney, 2016).

Public television in America, meanwhile, is dominated by five television network companies, namely the Sinclair Broadcast Group which has its headquarters in Hunt Valley, Maryland and currently controls 167 local television stations. The Nexstar Broadcasting Company has its headquarters in Irving Texas and has 108 local television stations. Media General, based in Richmond, Virginia has 75 local TV stations. Gray Television has 73 local TV stations, and The Tribune Co., based in Chicago, has 42 local television stations (Matsa, 2016).

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In Indonesia, there are 1,251 television stations, consisting of 24 public broadcasters, 763 private broadcasters, 437 broadcasting subscribers, and 27 community broadcasting organizations. Although some TV broadcasting stations are large, the majority are small and weak businesses. Many of them join a television network with strong TV broadcasting or a national television broadcasting capability. In this country, the television broadcasting industry tends to be oligopolistic and controlled by several groups of companies. Table 1 shows in more detail the media ownership situation in Indonesia.

Table 1: The main commercial broadcasting companies in Indonesia

Group Media	Television		Radio	Print Media	Online Media
	National	Local/cable			
MNC	RCTI, Global TV, MNC TV	Indovision, Sky Vision, iNews TV network, Oke Vision, Top TV	Trijaya, Sindo Radio, Radio Dangdut Indonesia, ARH Global Radio, V Radio	Koran Sindo, Genie, Tabloid Mom & Kiddie, Sindo Weekly, Just for Kids, Highend, Network	Okezone.com; Sindo.news
EMTEK	SCTV, Indosiar	O'Channel, Elshinta TV, Nextmedia	Elshinta FM	Elshinta, Gaul, Kort, Mamamia	KMK Online
Visi Media Asia	ANTV, TV One	Channel (V)	-	-	Vivanews.com
Trans Corp.	Trans TV Trans 7	Transvision, CNN Indonesia	-	-	Detik.com
Media Group	Metro TV	-	-	Media Indonesia, Lampung Post, Burneo News	Femina, Gita Cinta, Ayahbunda, Gadis, Parenting
Kompas Gramedia	-	Kompas TV network	Sonora Radio Network,	Kompas, Warta Kota, 21 local newspapers,	28 websites, (Kompas.com,

			Smartfm network, Raka FM, Ria FM, Kalimaya Baskara FM, Eltira FM, BPost Radio, Prima FM, Jess FM, Radio Palupi FM, Bposfm, Manado FM, DBFM, Serambi FM	45 magazines & tabloid,	wartakotalive.com, tribunnews.com, suryaonline.com, etc.).
Mahaka Media	-	Jak TV, Alif TV, RMV	JakFM, Pambros FM, Delta FM, Female, Gen FM	Republika, Harian Indonesia (Mandarin) Parents Indonesia (Mandarin), Golf Digest	Republika online, rileks.com; Rajakarcis.com
JawaPos	-	40 TV lokal di bawah Jawa Pos Multimedia	Fajar FM	165 newspapers (Jawa Pos, Rakyat Merdeka),8 magazines, 11 Tabloid,	Jawa Pos Digital Edition
Bali Post	-	Jaringan Bali TV (8 TV lokal)	Bali Radio, Swara Denpasar, Radio Nasional Denpasar, Radio TV Denpasar, Global Kinijani, Genta FM, Global FM, Lombok FM, Fajar FM, Suara	Bali Post, Bisnis Bali, Suluh Indonesia, Bisnis Bandung, Bisnis Jakarta, Suara NTB, Bali Travel News, 4 Tabloid (Tokoh, Wayang, Lintang, Mandala)	Bali Post

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			Besakih, Singaraja FM, Nagara FM		
Lippo	-	First Media, Berita Satu TV	-	The Jakarta Globe, Investor Daily, Suara Pembaharuan, Investor, Globe Asia, Campus Asia,	Jakarta Globe Online, suarapembaruan.com

Note: The list does not include ownership stakes in multiplexing channels. The 13th in the league is TVRI and RRI, not included in the list. Source: Data based on Ambardi (2014) with the author's own editing.

Supervision and sanctioning

In the USA, the FCC has authority in broadcasting supervision. In such efforts, the FCC has encouraged social participation through a variety of channels. Communities can submit their complaints relating to broadcast television to the FCC. Similarly, the KPI as a supervisory television broadcasting institution is also open to the involvement of the community.

Although both have a supervisory function, the scope of supervision is different. The FCC oversees not only radio and television broadcast content, but frequency usage, including communications companies, as well; meanwhile, in Indonesia, the KPI's supervision is limited to radio and television broadcasting.

In America, the FCC's supervision is rigorous and firm. The FCC reviews each complaint from the public. If the accusation is acted upon, the FCC will conduct an investigation and send a Letter of Inquiry (LOI) to the broadcasting station. TV stations are given the opportunity to respond to the complaint by providing copies of recordings or transcripts of programs which have allegedly violated the guidelines. In the supervisory procedure, fines may be imposed on the performers and broadcasters, and not only on the broadcasting company. Meanwhile, the KPI is weak in imposing sanctions, because the punishment is mostly a written reprimand. The most severe penalty is a suspension of broadcast programs, but fines are never imposed. Unlike the United States, Indonesia has not been clear on penalties, including who will be subject to penalties, i.e., the broadcasting institution or the person who performs in the broadcast.

In general, compliance with broadcasting regulations among Indonesia commercial TV stations tends to be low. Violations tend to continue to increase, despite repeated warnings given by the

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KPI (Figure 1). The number of violations remains high, even though the KPI has repeatedly imposed sanctions. In 2016, the violations fell slightly, but the total is still higher than in 2012. In addition to sanctioning, throughout 2016 the KPI also sent out 150 reminding letters containing information on various issues, ranging from entertainment and news to commercials, and including other guidelines relating to broadcasting behavior.

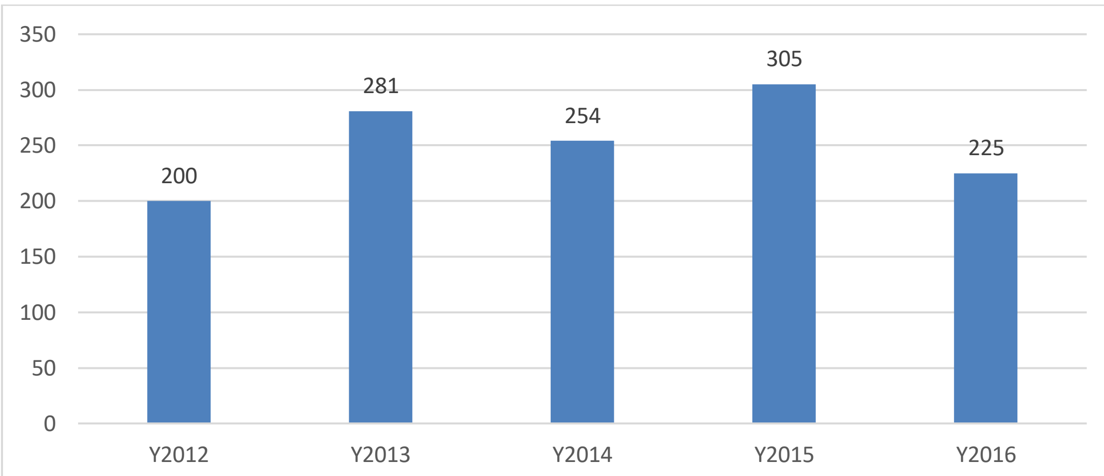

Fig. 1: Number of sanctions on Indonesia private television broadcasting
Source: Author's own calculations, based on KPI data 2012-2016

According to the KPI (2016), violations by broadcasting companies tend to repeat the same pattern and are carried out by all television broadcasters, both those focused on entertainment and those concentrating on news, and by old private television stations (i.e., RCTI), as well as young ones (i.e., Trans TV). The most significant violator of entertainment-focused broadcasting is Trans TV, while in the news television category, the most frequent violator is Metro TV (Figure 2). Regarding compliance with reprimands, in general, Indonesian broadcasters tend to ignore the KPI.

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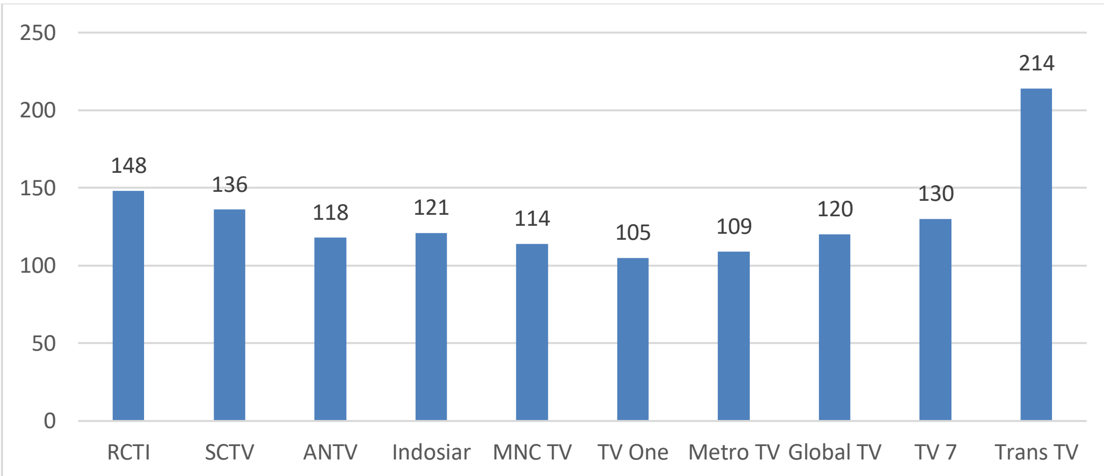

Fig. 2: KPI sanctions on ten commercials TV stations

Source: Author’s own calculations, based on KPI (2016)

The lack of respect for the KPI among TV broadcasters is shown, for example, when a station merely changes the name of a television program that has been terminated by a KPI sanction. The famous talk-show program running on Trans 7 since 2005, "Empat Mata," was terminated by a sanction of the KPI on 25 August 2008 due to indecency and excesses, re-aired under the name of "Bukan Empat Mata." The format, the content, and the performer in "Bukan Empat Mata" were not significantly different. The infotainment program entitled "Silet" on the RCTI TV station, which was stopped by the KPI because it considered its disaster news coverage was insensitive, returned with a similar concept but a different name ("Intens") in 2010. The comedy TV program, "Extravaganza" on Trans TV was given the name "New Extravaganza" in 2011, after termination by the KPI due to rude humor, implied indecency, and a tendency to harass women. The same TV station broadcast the program "Yuk Kita Sahur," which was stopped due to human rights issues after showing violence but re-aired under the title "Yuk Keep Smile" in 2013. The abbreviations of the two television programs are the same, i.e., "YKS."

In America, there are also violations of FCC regulations by television broadcasters. Each week the FCC records thousands of complaints from the public on television broadcasting (FCC, 2016). FCC sanctions data on television are not available, except for public complaints data. Based on complaints data, 2004 was the year of most claims (Figure 3), especially after the wardrobe malfunction case involving Janet Jackson at the Super Bowl XXXVIII event in Texas, which was broadcast live by the CBS TV broadcasting network. The incident seemed to give the FCC the momentum to reformulate the Broadcast Decency Enforcement Act (BDEA).

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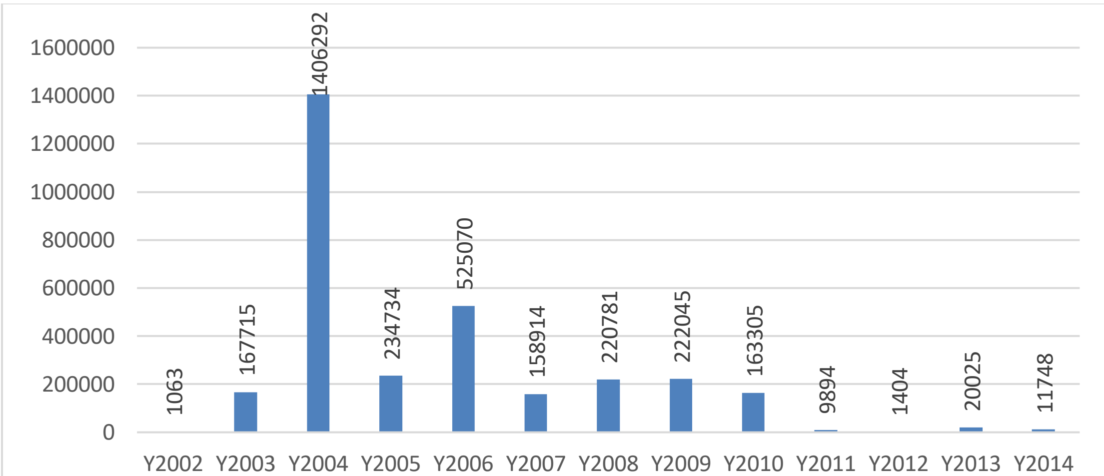

Fig. 3: Community complaints against broadcasting in America, 2002-2014.

Source: Author's own calculations, based on the Quarterly FCC report (2016)

In 2015, the US government officially implemented the Broadcast Decency Enforcement Act (BDEA) which allows the FCC to issue fines up to 10 times higher than previously. For comparison, in the old rule the maximum penalty was $ 32,500 per incident, but under the new law, the fine may be up to $ 325,000 per violation. The BDEA Act has an impact on increasing self-censorship among television broadcasters, with firms firing both talent and producers who often infringe decency rules (Levi, 2008). The effect of the BDEA Act also succeeded in suppressing indecency violations, thereby decreasing the complaints against television stations in 2011 (Figure 4.). As a broadcasting supervisory institution in the United States, the FCC has succeeded in forcing broadcasters to comply with regulations.

Continued indecency cases resulting in court settlements were also significantly reduced. Table 5 shows that the number of cases where fines were issued by a court has dropped dramatically since 2005 despite rising in 2006, before declining significantly compared to before 2004 (Billiteri, 2012). The court's decision in 2006 was a violation case from the previous year. After 2006, cases of violations brought by the FCC to the courts have been very few. This indicates that the application of the BDEA Act makes broadcasting companies in the United States of America more cautious in running their business.

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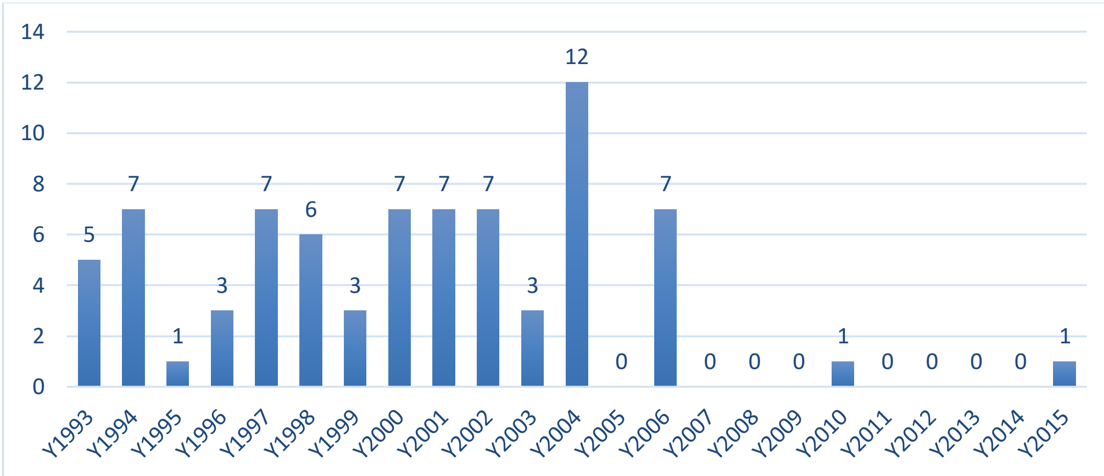

Fig. 4: Number of cases of broadcasting violations fined by the court, 1993-2015.

Source: Author's own calculations, based on Quarterly FCC report (2017).

CONCLUSION

As democratic countries, the USA and Indonesia are open to people wishing to set up private television ventures. This media also serves as a business and a socio-political institution to strengthen democracy, namely as the fourth pillar after the legislative, executive, and judicial bodies. Both countries have particular agencies dedicated to handling the area of television broadcasting. In the United States of America, this is the Federal Commission Committee (FCC), while in Indonesia it is the Komisi Penyiaran Indonesia (KPI). Both have the task of regulating broadcasting content guidelines and supervising broadcasting.

Although there are some similarities, the independence of these two regulatory institutions is different. The FCC is more independent and secure in its position, as it is authorized to organize the frequency and the time of broadcasting operations, as well as grant and revoke broadcasting television licenses. Meanwhile, in the same field, the more limited KPI only gives recommendations on granting and revoking licenses, because this remains a full government right. Finally, these circumstances affect the power of the institutions, especially when supervising any deviation from broadcasting standards. Broadcasters are more likely to obey the FCC than the KPI. In Indonesia, television broadcasting tends to continue its violations. In America, broadcasting companies and talent which cause offense are subject to fines. The large fines make the broadcasting and talent organizers more cautious in running their businesses and adhering to the rules set by the broadcasting regulator. It seems that the KPI in Indonesia needs to imitate the high penalties issued by the FCC in the United States. Unfortunately, in Indonesia,

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the sanctions are only given to the institution, not to individuals who violate regulations. As a result, employees have the less personal responsibility because the punishment from the KPI is only at the company level.

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