

#### **Ekonomi Media, Session 03**

# GLOBALISASI DALAM INDUSTRI MEDIA

#### **TUJUAN INSTRUKSIONAL KHUSUS:**

Agar setelah mempelajari bab ini, mahasiswa dapat memahami, mendiskusikan dan termapil dalam:

- 1. Acting Globally, Regionally, and Nationally
- 2. The Global Media
- 3. International Regulation

#### REFERENCE:

- STRAUBHAAR, Joseph & Robert LaRose (2006). Media Now: Understanding Media, Culture, and Technology. Belmont, CA: Thomson Wardsworth. 554 pp.
- ALBARRAN, Alan B. (1996). Media Economics: Understanding Markets, Industries and Concepts. Iowa: Iowa State University Press/Ames. 227 pp.

Ekonomi Media, Session 04

Lecturer, Z. Hidayat, MM, MSi. 1

# ACTING CLOBALLY, REGIONALLY, AND NATIONALLY

- The global aspect of media is very striking.
- Australian media magnate Rupert
   Murdoch's various companies reach about three-fourths of the
  globe with satellite TV signals and even more countries with movies
  and TV programs.
- Global media are not just a Hollywood monopoly anymore, because in fact, some major US media companies are or have recently been owned by Japanese (Sony), Canadian (Warner Records) and French (Vivendi-Universal) companies; Mexican and Brazilian soap operas (telenovelas) reach as many countries as Friends and are fat more popular in some places such as Latin America, Eastern Europe, Central Asia and South-east
- When SBC (Southwest Bell Communication) invests in or starts foreign telecommunication compete, it has to compete closely with British Telecom (Great Britain), France Telecom (France), and Telephonica (Spain) both abroad and in USA.
- Although American-made programs
   remain attractive to world audiences, we are seeing the
   emergence of global, regional, national, and local communication
   industries, audiences, and regulatory bodies, with a wide variety of
   ideas, genres, and agendas.

Ekonomi Media, Session 04

- Globalization of media is probably most persuasive at the level of media industry models—ways of organizing and creating media. The world is becoming a much more integrated market based in capitalist, that is, marketplace economics
- If they produce program by drawing on US, British, or Japanese models and genre ideas, the those "national" media products are still at least somewhat globalized. Roland Robertson (1995) calls such combinations glocal—local production done with global forms and ideas. Glocal is combining global ideas or forces with local ones.

1865	ITU (International Telecommunication Union) started as the International Telegraph Union	1976 - 1983	UNESCO hosts critical discussion for proposals for a New World Information Order
1914 - 1918	World War I permits the US to pull ahead of other film producers and distribution	1983	US pulls out of UNESCO to protest its critique of the global media irregularities across borders
1948	<b>UN</b> founded, <b>ITC</b> incorporated into it	1990	<b>Satellite TV</b> begins to compete with national control of television
1970s	Corporate trans-border data flow begins to connect global operations even before Internet	1994	The Zapatista revolt issues it communiqués by fax and Internet to bypass the Mexican government and reach sympathizers around the world
1972	UNESCO study finds that most countries import a large percentage of their TV from the US	2003	ITU hosts World Summits on the Information Society to promote use of Internet in poorer countries

Ekonomi Media, Session 04

Lecturer, Z. Hidayat, MM, MSi. 3

# Regionalization

- Regionalization of media is growing as well. In several region of the world (such as Europe, North America, and the Middle East), magazines, newspapers, and books have transported easily across borders for centuries. Today, radio, television, and satellite television signals also spill directly from one country to its neighbor.
- Regionalization links nations together based on geographic, cultural, linguistic, and historical commodities.
- In ASEAN, APEC, EU and NAFTA (North American Free Trade Agreement) regions, many agreements have negotiated to handle such media border crossings.

## **Cultural Proximity**

- Cultural proximity is the desire for cultural products as similar as possible to one's own language, culture, history, and values. Now, the people there and elsewhere tend to look for television programming, Internet sites, and music that are more culturally proximate.
- Cultural proximity is the preference of audiences for media in their own language and culture.
- Besides language, Other aspects of culture are important in defining audiences such as jokes, slang, historical references, political references, gossip about stars, and remarks about current people and events are often culture specific.
- In many cases, cultural-linguistic markets are emerging at a level smaller than global but larger than national. The market build on common languages and common cultures that span borders.

Ekonomi Media, Session 04

## **National Production**

- Although global and cultural linguistic markets for media are all increasingly important, the main point at which media are created, regulated, and consumed remains the nation state.
- However, nations very considerably in what they can or will do to create more media content than small, poorer nations. National governments can help media grow or can hinder them. National goals for media, reflected in government policies, are often very different, and they significantly affect how media are structured and what they create.

Ekonomi Media, Session 04

Lecturer, Z. Hidayat, MM, MSi. 5

# THE GLOBAL MEDIA

- A handful of firms dominate the globalized part of the media system. The six largest are Time Warner (US), Disney (US), Bertelsmann (German), Viacom (US), Rupert Murdoch's News Corporation (Australian), and SonylColumbia/TriStar (Japanese). The other five main global firms are Comcast (US), Microsoft (US), and two media groups that are part of larger industrial corporation: General Electric/NBC/Universal (US) and Seagram-Universal (Canadian). Of the top 10 global media firms, then, six are American.
- Behind the top global firms is a second tier of three of four dozen media firms that do between \$1 billion and \$8 billion yearly in media-related business. These forms tend to have national or cultural-linguistic strongholds or to specialize in specific global niches, as the BBC specializes in news. Some are American (including Gannett, Advanced, and Cox). Most of the rest come from Europe (Hachette, Havas, EMI, Reuters, TFI, Mediaset, NTL, RTL, BBC) or Canada (Rogers, Shaw), and a handful are based in East Asia (NHK, TVBB, Fuji, Nippon TV, Asahi, Chinese Central TV) and Latin America (TV Globo, Televisa, Clarin/Argentina).
- It is no stretch to add computer
   media, and telecommunications so we should as Google,
   Yahoo!, game companies Nintendo and Electronic Arts, and SBC,
   Verizon, Deutche Telecom, France Telecom, and Telefonica.
- Some media industries, such as the Hollywood film and TV studios represented by the Motion Picture Association of America, have long been global in their operation and scope. They have controlled a number of companies in other countries that distributed and exhibited (in theaters) the films produced in the US.

Ekonomi Media, Session 04

Record companies are similarly structured except that they have a more diverse set of origins and an even more international ownership. More of the big five are officially based in the US; the main firms are: Warner-EMI (Canada), Sony Music Group (Japan), Vivendi-Universal (France), and Bertelsmann's BMG Entertainment (Germany). Major recording companies are also based in Great Britain (Thorn) and the Netherlands (Philips). These companies have consolidated across borders. Philips now owns PolyGram (formerly of the united Kingdom), Bertelsmann now owns RCA (formerly of Matsushita-Japan, originally US).

# **News Agencies**

- News has been flowing across
   borders in one medium or another for a long time. Many early newspapers and newsletters installed correspondents in other countries so that they could publish foreign news for their readers.
- International news flow took a
   Significant Step forward in speed and volume with the development, in the 1980s, of newswire services based on the thennew technology of the telegraph. The Associated Press (AP) developed as a cooperative of American newspapers. Reuters grew to cover international news for the British Empire. Agence France Presse (AFP) was a joint government-private agency that served primarily France and its former colonies but also grew into third primary international news source.
- As radio and television became the dominant news media in many countries, the wire services developed material for them, and, later, so did satellite news channels like CNN. Now, news agencies, particularly Reuters, are beginning to bypass the middleman, like newspapers and TV networks, and reach readers directly via the Internet.

Ekonomi Media, Session 04

Lecturer, Z. Hidayat, MM, MSi. 7

# **Radio Broadcasting**

 Broadcast media take on increased importance, because the print media's reach is limited in many countries by low literacy and income levels, such as in Asia and Africa.

#### International radio

- In some of poorest countries, where domestic radio stations don't cover all the country, people in remote area listen to international broadcasters. Such international radio is usually on shortwave frequencies that can carry across thousands of miles, compared to the limited range of FM and AM radio such Africa One, Voice of America (VoA), Radio France, and the BBC.
- Most international radio has been broadcast by governments over shortwave for largely political and public relations purposes—what has sometimes been called *public diplomacy*—trying to reach and influence public opinion in other countries. The main examples historically were VoA, Radio Moscow, and Radio Havana. Some international radio also has been broadcast for religious reasons (by Vatican Radio and several American Protestant groups, for instance) and for commercial entertainment, news, and advertising (such as Radio Monte Carlo, run in the Middle East by the French company Sofirad).

#### **National radio**

• In More developed countries, national and local radio becomes much more important than international radio. However, radio in most places is tending to become more local. Radio is a good local medium because its production costs are only fraction of those for television. Audience desire local news, local weather and information, local talk shows, and local music. In Wales, England, some radio stations try to attract people to listening in Welsh in order to help keep the language alive, and sell ads to the locals. In Jakarta and other big cities, we find the Radio Dangdut TPI network as a special local music.

Ekonomi Media, Session 04

#### Music

- The strength of national & local radio
  has a great deal to do with a revival in national and local music around
  the globe. Music around the world seems to be both the most
  globalized and the most localized of media. Travelers to almost
  any country will hear a great deal of American and European music,
  but they will also hear an astonishing variety of local music—nearly all
  cultures (and economies) have a musical tradition (and market niche).
- There is a truly global music industry, based primarily in the US, that speaks to a globalized youth culture. But there are also thriving national and regional music industries, with a wide variety of genres and audiences, that also remain popular in most countries.
- The international music trade is dominated by several major international companies. These are Seagram-Warner, Universal, Sony, EMI, and Philips. They import and sell dominant American and European pop music around the world. In many countries and region, however they also record and sell works by national or cultural-linguistic market artists. So global firms end up selling both global and local music.

### **Film**

- Films are perhaps the most globalized and the most difficult to produce on a sustained national basis. First, film is a relatively expensive medium to produce. Second, the economic success of a film is never guaranteed, so it represents an expensive, risky investment to the producer, investors, and other funding sources. Third, the distribution channels that enable a film to make money have been globalized to a degree unlike that of any other medium.
- The US dominated international film
   production and distribution since World War I (a914-1918). Both world
   wars disrupted a number of the other major international film
   producers (Italy, Germany, Japan, France, and Great Britain) and cut
   off their industries from world trade in films.

Ekonomi Media, Session 04

Lecturer, Z. Hidayat, MM, MSi. 9

#### Video

In many countries, films are now most
commonly seen on video or on television, rather than in cinema houses.
In the more affluent parts of most countries, increasing numbers of the
middle class and economic elite have VCRs, DVDs, and satellite or
cable TV as well, since they are supplied by the same Hollywood
firms that dominate theatrical distribution.

#### **Television**

- Compared to print media, television broadcasting in many countries is far more divided among public, governmental, and private ownership. Because most broadcasters use the scarce of VHF of the radio spectrum, relatively radio channels are available and fewer people or groups can be involved. Television is also very expensive, too expensive for private media to make it profitable in some small, poor countries. Almost all governments get involved in planning who goes to own or operate radio or television stations, which also leads them to get involved in controlling content.
- In many countries, including most of Western Europe, either governments or not-profit public corporations have tended to operate television broadcasting, with little or no private competition. The goal of public broadcasters has been to use broadcasting to promote education and culture. An example is the BBC in Great Britain. The public broadcasters in Europe, Japan, and in USA by Public Broadcasting System (PBS) and National Public Radio in creating more educational, informational, and cultural programming. However in some countries, such as Italy, public broadcasters sometimes have let political parties control their news and information programs.
- State broadcasters are usually supported from government funds. Public radio and television networks are often supported by audience license fees. In Canada, Central America, and South America broadcasting has mostly been privately owned, in part because of the strong influence of US media corporations and advertisers, who promoted commercial approaches in the 1930-1940s.

Ekonomi Media, Session 04

# INTERNATIONAL REGULATION

- International media and telecommunications
  - systems are regulated differently from national media systems. As with most aspects of international law, there is no direct enforcement power, and regulation requires a consensus among nations that the proposed regulations or changes serve their various interests. International Telecommunication Union (ITU) is one of the organization that real established to technical standard, so that users of telegraph, telephone, fax, and electronic mail equipment in various countries can communicate with each other across borders.
- The ITU faces some of the same crucial regulatory problems that individual nations must solve within their borders. For example, radio spectrum frequencies have to be allocated to different uses in various nations to avoid interference between users.
- The Internet has posed interesting
   challenges to international regulation. It has required some new
   regulatory mechanisms for basic tasks like setting standards and
   assigning domain names, such as ICANN, ISOC, and IETF. Other
   tough regulatory issues for the global Internet like setting and collecting
   taxes in Internet commerce.
- The Internet is challenging not only global rules but regional ones like the privacy rules of the European Union. It is perhaps even more challenging to the internal rules of a number countries. Nations as varied as Saudi Arabia, China, and Malaysia have tried to create restrictions on access to and use of the Internet in order to protect political control, national cultures, and religious.
- China has been much observed and commented-on example of a country that has tried to embrace the Internet for electronic commerce, while restricting its use to the flow of political information into china. In contrast, Saudi Arabia has been more concentrated with the affront to Islamic values created by easy access to pornography over the Internet—an issue that also vexes many in the US Congress.

Ekonomi Media, Session 04