

Internet and the New Media: Predator of Indonesian News Agency

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Abstract

Internet based digital technology that generates network media group subsidizes news agency in Indonesia and its role diminishes to the point of bankruptcy. However, the presence of a news agency in a country with wide geography like Indonesia is needed for the distribution of information, as an equalizer of news coming from the dominant network conglomeration media. This study presents a descriptive-qualitative analysis in a case study in Indonesia news agency, Antara, as an information distributor which builds various news channels for survival. Unfortunately, this action is not responded well by the subscribers of the news agency, primarily by conglomeration media group. In the end, it is a government's intervention through public service obligation that helps saving the existence of Antara news agency, although its contents cannot attract customers. In conclusion, network media group is a predator for news agency in Indonesia.

Keywords: *Internet; News agency; Predator; Descriptive-qualitative; Public service obligation*

1. Introduction

News agencies in Indonesia meet heavy pressure in their operations since the presence of digital technology which generates network media group. News agency customers, in particular printed mass media which is regarded as the most elite in Indonesia as stated by Siregar [1], stop their subscription since they can get news supply from network media group provider or social media and citizen journalism. "If you can get free news from the internet, why should you pay for it," says Chief Executive Officer of *Antara* news agency, Saiful Hadi [2] quoting the reasons of customers ceasing to subscribe to *Antara* news agency.

Although newspapers cease to subscribe to news provided by news agencies, they do not lack of news since there are an abundance of information supplies in the internet. Following the development of digital technology, various newspapers provide news portals for immediate access of users in the hope that their newspaper brandings keep attached to the users. This pattern of building portal is not only the monopoly of newspaper, but also of radio, television and later it is also followed by news agencies, including *Antara*, so that local newspapers get their news from *Antara* through the free of charge *antaranews.com*.

Internet based digital technology also alters the habit of Indonesian people in consuming information from reading printed media in the morning while sipping their coffee or tea to accessing information using online social networking services (SNSs). Choi [3] and Shima *et al.* [4] also mention that users use mobile devices to access news, as Quinn, quoting Ross [5], affirms that Internet based digital technology also alters the habit of Indonesian people in consuming information from reading printed media in the

morning while sipping their coffee or tea to accessing information using online social networking services (SNSs). Choi and Shima *et al.* also mention that users use mobile devices to access news as quoted by Quinn. Ross also mentions that journalists universally use web and email in performing their reportage duties. The fact that users accessing information produced by journalists from web or portal also occurs in Indonesia. Mass media users leave the habit of reading physical newspaper to reading e-newspaper. This is reflected in the Survey conducted by Gallup, Washington in July-August 2012 with the sample of 3000 Indonesian from 15 years up, as mentioned by Saif [6]:

[...] The dominance of TV, however, is facing a rising challenge from mobile technology, with 81 percent of Indonesians now indicating they have a phone in their home, 63 percent reporting owning a personal mobile device, and roughly half (49.8 percent) reporting using SMS technology for news.

[...] Social networking is highly popular among Indonesian Web users. Facebook, in particular, registers exceedingly widespread use, with a little over a fifth of Indonesians, and 99.9 percent of all Internet users, using the Web site. [...] The Internet is also being used for news, with 72 percent of Web users reporting using the Internet for staying current with the latest developments.

Following the development of digital technology and alteration in public pattern of reading with the spreading of networking services, news agencies in Indonesia is obliged to create news portal to serve the population without any charge. This means the news agencies obtain no income but must pay some expenditure which surely encumbers their finance. This worsens the already worse financial condition of news agencies and may end in the death of the news agencies.

The death of news agencies in Indonesia has materialized in the closure of Indonesian National News Agency (*Kantor Berita Nasional Indonesia* – KNI) in 1998, and Armed Forces News Agency (*Pemberitaan Angkatan Bersenjata* – PAB) in 1999. Actually, the fading or death of national news agencies does not only strike Indonesia, but also other parts of the world. Sterling [7] mentions that in the whole world there are more than 100 news agencies, the majority of which are national news agencies, which in general are in close connection with each country's government, in particular in developing countries. UNESCO [8] finds that the majority of news agencies in developing countries are in unhealthy condition. Boyd Barrett and Rantanen [9] also discuss the similar condition in news agencies in Europe. However, things are a little different in China according to Xin [10] who reports that the market of news agencies and newspapers in the country is growing.

Today, there is only one news agency left in Indonesia, namely *Antara*, which is supposed to serve 1,254 Indonesian mass media with the total sale of 22,340,175 copies [11]. However, of all 1,254 printed media, only 280 subscribe to *Antara* so that the income of the news agency is not sufficient [12] to finance the operational cost of news agency possessing journalists in all 34 provinces of Indonesia and five bureaus abroad [13].

With limited financial condition in the last five years, the role of *Antara* news agency keeps diminishing. As an archipelagic state with 13,466 islands, 1,922,570 km² land width, and 3,257,483 km² ocean width, [14], Indonesia needs the service of news agency to distribute news to all of its areas as the equalizer for news information spread by media group conglomeration through their mass media network.

That is why the death of KNI and PAB news agencies is in truth a big blow to Indonesian press, particularly those 286 printed media, the non-members of press

conglomerate group or conglomerate press group, in the form of newspaper, magazine and tabloid [15] in all areas of Indonesia.

Wibisono in Mastoem [16] distinguishes Press Conglomerate and Conglomerate Press. Press Conglomerate refers to press company, build from the beginning until becoming colossal press company. Meanwhile, Conglomerate Press is Press Company constructed and financed by conglomerate colossal fund.

Conglomerate Press and Press Conglomerate dominate mass media in Indonesia, which is segmented into divisions of conglomerate owned mass media groups. They dominate news distribution so much that it leads to media oligopoly, such as Jawa Pos, which in total owns 122 newspapers/magazines/tabloids in various areas, and Kompas Gramedia group, which in total owns 81 newspapers/magazines/tabloids in Indonesia [17] as described in Table 1.

Table 1. Ownership of Media Group over Newspaper/Magazine/Tabloid

No.	Group	Number of Newspaper/Magazine/Tabloid
1	Jawa Pos	122
2	Kompas Gramedia	81
3	Femina	11
4	Bali Pos	7
5	Mugi Rekso Abadi	8
6	Pinpoint	14
7	Pikiran Rakyat	8
8	Sari	5
9	Bisnis Indonesia	7
10	Suara Merdeka	5
11	Pos Kota	3
12	Media Indonesia	2
13	Subentra Citra	4
14	Gatra	3
15	Tempo Inti Media	3
16	Kedaulatan Rakyat	4
17	Mahaka Media	4
18	Media Nusantara Citra	3
Total		286

Source: Indonesia Press Council, 2006

In addition to the 286 printed media, conglomeration media groups in Indonesia also have television stations, radio stations and news portals, along with various non-media companies. Indeed, some of media conglomerates expand to politics by commanding political parties, such as Mr. Surya Paloh, the owner of Media Indonesia group, Mr. Hary Tanoesoedibyo, the owner of Media Nusantara Citra, and Mr. Aburizal Bakrie, the holder of majority stocks of Visi Media Asia that controls news television TVOne.

Outside conglomerate group, there are in total 968 newspaper/tabloid companies in various areas of Indonesia. They self-support the printed media, but their existence reflects Indonesian idiom: "*hidup segan, mati tak mau*" (disincline to live, disincline to die).

This non-group printed media with their limited financial capacity are customers of *Antara*, but lately they also resign their subscription since they can access news from the free of charge *Antara* news portal. Thus, printed presses subscribing to *Antara* are only

280 from the 968 non conglomerate group media. This income from subscribers is of course insufficient for the operational cost of the news agency.

Conglomeration press groups do not subscribe to *Antara* news agency since they get their information supply from their own reporters who are distributed to various areas in a network. Jawa Pos group, for instance, establish center for collecting and distributing news called Jawa Pos News Network (JPNN) with the main duty of supplying news from various areas to the members of the group. Kompas Gramedia group do similar thing by publishing local newspapers that they create. Not to be left behind, 68 H Radio station also does the similar; forming radio station network in the entire Indonesia to search and broadcast radio news.

The miserable financial condition of *Antara* is the object of discussion of this paper. Many efforts have been taken by *Antara*, but they do not help until the government intervenes by conferring public service obligation grant which until now is the main source of income for the news agency. In other words, *Antara*'s existence is in reality government liability, since the network presses do not subscribe and not all non-network presses subscribe to *Antara*.

In general, this paper discusses the problem met by news agency in Indonesia by presenting a descriptive-qualitative analysis in form of case study in *Antara* news agency.

From the analysis conducted, this paper is expected to give contributions, such as:

- a. Presenting an analysis of the survival of news agency in Indonesia that have financial trouble since the presence of network media group;
- b. Exploring the efforts taken by *Antara* news agency and Indonesian government for the survival of *Antara* news agency;
- c. Analyzing public service obligation news conferred by the government of Indonesia which do not attract newspaper's interest.

The organization of this paper is as follow: section 2 discusses matters related to new agency (related works). Section 3 explains material and method. Section 4 presents the discoveries of the study, while the conclusion of this paper is given in section 5.

2. Related Works

This section will discuss how a news agency finances its operational cost by selling news to its subscribers which in Indonesia generally are newspaper/tabloid/magazine, and also radio and television stations.

A news agency is essentially a business entity, apart from social political entity, with the role of spreading information to various regions and abroad. As a business entity, a news agency sells news to acquire income for its continuation, thus, Fernandez *et al.* [18] declares news agency as one of the main actors in news business. News agency's existence heavily depends on the income acquired from selling news, although in general national news agencies receive government subsidy such as the case of *Antara*. In Europe, for instance, the national news agency HINA is financed by Croatian government, [19] apart from acquiring income from selling news or other income. Selling information, be it news, financial data report, graphical information, journalistic photograph, or journalistic video is the business of news agencies, both the national or international scale like Thomson, Reuters, AFP, AP and others.

Peter [20] remarks information as a commodity and many kinds of information are spread through the internet quickly and cheaply now. In the same tone, Straubhaar dan La Rose [21] call news agency as news wire which functions as source of news for newspaper. Meanwhile, Oliver Boyd-Barrett and Terhi Rantanen [22] reckon news agency as a form of journalism of information which is distinguished from journalism of opinion shown in newspaper or magazine.

McLuhan [23] believes that mass media is the extension of human senses. Borrowing from this view, news agency is indeed a helping hand for newspaper in collecting information from various places beyond their reach. News agency supplies information for mass media that for some reasons cannot obtain the news. Indonesia, for instance, is a vast archipelago so it is certainly hard and expensive to collect news from all its provinces. Placing correspondents in all 34 provinces of Indonesia requires high cost, so it will be less expensive to subscribe to news agency.

In its operation, news agencies employ technology for spreading the news to this day. Today, digital technology has faded the role of news agencies as a result of internet and other social media usage, as is conveyed by Reich [24]. Moreover, news agency's past powerful domination, since newspapers depended on them for news supply, is now diminishing, in particular national news agencies.

Johnston [25] specifically analyzes domination of AAP news agency in Australia in distributing information. However, things have changed now. News agencies everywhere, including Europe, receive heavy pressure as is disclosed by Boyd-Barrett (26). The number of international and national news agency keeps decreasing (27). The core problem is that the development of technology has changed the market of news agency as is stated by President of European Alliance of News Agencies (EANA), Clive Marshall [28] at EANA annual conference in Sofia, Bulgaria, in 2015:

[...] "the big challenge for news agencies is that their markets are fragmenting into different platforms, such as social networks, mobile and digital ones, which raises the need of providing compelling content for each of them".

This alteration of news agency market also occurs in Indonesia. Newspapers managed by conglomerate press or press conglomerate as traditional customers of *Antara* news agency are unwilling to subscribe anymore. Quite contrary, they see an opportunity to obtain news easily and inexpensively, simultaneously gaining profit, by using the model of news agency. They establish newspapers in various areas and build news distribution network utilizing internet. This network press then covers news in its area to be reported in their local newspaper. However, if the event in the area has high news value, it will be distributed to the network to be published by other members of the group.

This modus operandi of network media is a model of news agency work pattern which searches for news in various areas and then spreads it to all subscribing mass media, both domestic and abroad. News agency subscribers from abroad are usually international news agency or group of regional news agency organization.

In truth, cooperation between newspapers group is not a new thing. In New York in 1846, five of the city's newspapers did similar effort to obtain coverage on Mexican War sooner than postal service. This cooperation is the beginning of Associated Press (AP) news agency which today has become international news agency with 1,500 U. S. newspapers as members and 280 staffs operating in more than 100 countries [29].

This model of AP news agency establishment was imitated by 11 Indonesian newspaper in 1966 by establishing *Kantor Berita Nasional Indonesia* (KNI) in order to obtain news simultaneously at low cost. However, contrary to AP which grows into international scale news agency, KNI perished in 1998 since they cannot compete in the market. A similar thing happened to *Pemberitaan Angkatan Bersenjata* (PAB), an Indonesian military owned news agency, which until extinguished in 1999 still distributed news to customers in the form of printed bulletin, not using wire technology like KNI and *Antara*. PAB news agency helplessly succumbed to the fierce market of mass media in Indonesia.

In fact, all printed media, be it members or non-members of conglomeration group in Indonesia, are traditionally subscribers of news agency prior to news liberalization and the emergence of internet based digital technology giving birth to cyber journalism. The presence of the new technology gradually demolishes the cost of news distribution which

previously is very expensive since it must be done through telegraph technology, charged by the number of words sent.

By the presence of internet, members of media conglomeration group do not need charged news supply from news agency since they have network newspaper almost in the entire areas of Indonesia ready to distribute news to all members of the network all the time.

Prior to cyber journalism, news agencies in Indonesia are like “pretty girls who are always targeted by boys”. Their news sent through telex channel, in particular local and abroad news, is expected and glanced at by editors of newspapers, radio and television every day. The role and function of news agencies are so vital that political agents fought with each other to make them political channels such as occurring during the dominance of communism in 1962 to 1965 era. At the time, they controlled *Antara* news agency by having their cadre at the top of leadership of the news agency. Similar thing happened around 1966 to 1998 when the New Order military government controlled the news agency by placing their generals as the leaders of *Antara* news agency.

The primary income of news agencies in Indonesia derives from subscription fee from their customers who need national and international news. Today, this scheme is still in effect. However, even in the past, income from news selling was never sufficient to cover all the expenses. Therefore, news agencies in Indonesia cannot be said prosperous. They exist in simplicity like the majority of Indonesian people who is financially poor. Similar thing was actually transpired to the majority of printed media, prior to press industry period started in the early 1980's.

To fight this poverty, Indonesian Government in the past supported the press by granted subsidy to buy paper, and fashioned legal base for news agency by forbidding foreign news agencies from distributing news straight to the mass media. Foreign news agency must cooperate with national news agency in distributing their news. This stipulation was based on Decree of Minister of Information of Republic of Indonesia Number 22B/Kep/Menpen/1972, a legal foundation which becomes the “strength” of Indonesian news agency in collecting money effortlessly.

KNI news agency distributed news and photographs generated by Associated Press (AP) while *Antara* spread similar news from *Reuters*, United Press International (UPI), and *Agence France Press* (AFP) news agencies.

What about *Pemberitaan Angkatan Bersenjata* (PAB)? The Indonesian military news agency with its nationalism stayed from becoming agent of international news and was supported by the Army fund the whole of its existence.

With liberalization of press following the fall of General Suharto in 1998, the Decree of Minister of Information of Republic of Indonesia Number 22B/Kep/Menpen/1972 was declared ineffective so that international news agencies can straightly supply news to national and regional newspaper in Indonesia. This decision perplexes news agencies since their income is diminishing. The first victim is KNI, followed by PAB, while *Antara* is just buying time before waving SOS (save our souls) flag.

The problems for news agencies grow with the presence of digital technology which resulted in the explosion of internet use with all its derivatives, such as social media. News agencies subscribers diminish day by day since they can access information freely from various existing online sites. They even precisely capitalize on citizen journalism news with all its advantages and flaws.

After being left behind by KNI and PAB, *Antara* news agency keeps trying to prolong its existence, even in unhealthy condition since their obligations are bigger than the assets they possess. The income of the news agency established in 1937 from selling news product through the year keeps diminishing. In 2012 for instance, from the profit target of IDR 13.5 billion, only IDR 1.4 billion or 11% of the plan was realized. The rate of usage of the news generated by *Antara* by subscribing media until 2013 is only at 20 percent [30].

This phenomenon of little usage of news generated by *Antara* is not a new one since it has been started at the early 90's. A research by Harsono Suwardi in 1993 has revealed how low the permeability of *Antara* news among newspapers was, both in the capital and in the provinces. Similarly, the research of Ignas Kleden in 2001-2002 disclosed that permeability of *Antara* news by newspapers such as *Bisnis Indonesia* is only at 2.3%; *Kompas* 3.7%; *Pikiran Rakyat* 27.3%; *Jawa Pos* 30.1%, and *Jakarta Post* 36.6% [31].

In fact, the condition faced by *Antara* news agency also happened to the news agency of Islamic country, International Islamic News Agency (IINA) which was established with the grant from Organization of Islamic Cooperation (OIC). The news agency established in 1972 in Jeddah, Saudi Arabia is in poor condition since its existence relies on contributions of the 57 members of OIC which is 3000 USD for each country. This contribution by OIC members does not come fluently so that the news agency was once ensnared in debts [32].

What about *Antara* news agency? To keep the present subscribers, simultaneously to avoid the threat of discontinuity, the management of *Antara* news agency conducted several changes by creating new information channels which is aimed at keeping the subscribers. Then, *Antara* repositioned itself by producing various contents through formation of various strategic business units and establishing cooperation with third party. These information channels include: (1) News Service; (2) channeling news and data generated by international news agencies; (3) stock exchange data service; (4) journalistic photographs service; (5) journalistic video, and various commercial activities.

The management of *Antara* performs fundamental effort, namely changing the legal status of the news agency from "unclear" to "clear". Previously, the legal status of *Antara* was unclear since it was not private company, but also not government owned. This unclearness is changed into clearness by positioning it as a news agency entirely owned by the Government of Republic of Indonesia. This is conducted by the publication of the Decree of the Government of Republic Indonesia Number 40 year 2007 on the forming of *Antara* news agency as State-Owned Enterprises.

3. Material and Methodology

This study employs descriptive-qualitative approach in the form of a case study in an Indonesian news agency, namely *Antara* news agency which is also the main subject of the study.

Qualitative approach is selected since as an inquiry; this kind of study emphasizes and interprets non-numerical data in order to thoroughly understand the object of the study.

Meanwhile, the data of the study is collected from participant observation. In addition, secondary data is collected from various document sources, including personal experience. This is possible due to the position of the researcher as an *Antara* journalist from 1988 to 2012.

4. Result and Discussion

Antara news agency was established on 13 December 1937 when Indonesia was still called Dutch East Indie as a colony of the Netherland. Its founders, among others Mr. Adam Malik who was later the Vice President of Indonesia at 1978-1983 periods, established the news agency as a tool for liberating Indonesia from Dutch colonization.

One of the milestones of *Antara* news agency is the broadcasting of Republic of Indonesia independence proclamation on 17 August 1945 from Batavia (Jakarta today) using Morse code which at that time monitored in the east coast of the U. S. and Australia until it was spread to various countries.

The politically important meaning of *Antara* news agency for Indonesia is in the effort to distribute news from Jakarta to various regions and vice versa. As an archipelago with

the second longest shoreline in the world and with the distance between its west and east borders equal to that between San Francisco to Bermuda Islands [33], Indonesia needs a tool for distributing information through mass media into all of its regions which spread between Indian and Pacific oceans.

This distribution effort is vital to execute as an equalizer of the domination of news distribution from network group press owned by press conglomeration through their newspapers in the regions. In fact, media owner businessmen in Indonesia sometimes are political actors who shamelessly use media (and public frequency on television station they own) for their political or business interests.

In the overseas, the presence of *Antara* as flag news of Indonesia is also vital, materialized in the form of some commercial or non-commercial broadcast cooperation with news agencies from friendly countries. For instance, *Antara* news agency cooperates with AAP (Australia), Thomson Reuters (England), AFP (France), DPA (German), Kyodo (Japan), Bernama (Malaysia), Xinhua (China), CIC (Colombia), NAMPA (Namibia), EFE (Spain) and other news agencies.

Moreover, *Antara* news agency is also active in several regional news agency organizations and exchanges news non-commercially with ANEX (ASEAN News Exchange), OANA (Organization of Asia Pacific News Agencies), NANAP (Non-Aligned News Agencies Pool), and International Islamic News Agency. *Antara* also becomes observer for other news agency regional organization such as The Mediterranean Alliance of News Agencies (AMAN), and European Alliance of News Agencies (EANA).

At the time of its establishment in 1937, *Antara* news agency was a legal private corporation, *Naamloze Vennootschap* (NV) based on the Dutch law. However, 17 years after Indonesian independence, in 1962 President Sukarno took over *Antara* news agency through Presidential Decree Number 307 and put it straight under the President's authority.

This action was conducted by President Sukarno to save *Antara* from being fought over by various political powers of the time. The political situation at the time inclined to the control of the leftist faction so they targeted *Antara* as the tool for their propaganda. The effort by the communist gained success as they were able to place on their cadre, Mr. Djawoto, as the Head Editor of *Antara* prior to his appointment as the Indonesian Ambassador for China where he lived in exile in Beijing until his death as a political fugitive of the New Order.

Although being under the authority of the president, *Antara* did not have a clear legal standing since both President Sukarno and his predecessor General Suharto never clarified *Antara*'s position as state owned news agency. Distinguished from Republic Indonesia Television (TVRI) and Republic Indonesia Radio (RRI) which become working units of Ministry of Information of the Republic Indonesia which were funded by State Budget (APBN), *Antara* news agency was not a working unit under Ministry of Information and consequently did not receive funding from state budget. Even if there is state budget fund for *Antara*, it came from "aid" post which is also given to other non-governmental organizations, such as Indonesian Islamic Scholar Assembly (MUI) or Indonesian Red Cross (PMI).

Ever since its birth, *Antara* news agency obtains money by selling news to its customers. In its entire existence, the news agency has always been in simplicity. Its expenses are far beyond its income as can be seen in its annual report of 2012 where income was only at 85% while realization of burden was amounted to 90%. The realization of profit before tax of 2012 was only IDR 1.4 billion from the initial target of IDR 13.5 billion, which means profit only reaches 11% [34].

Although in 2014 *Antara* obtained profit as much as IDR 8.36 billion after enduring a loss of IDR 2.99 billion in 2013 [35], this profit in fact derived from the job conferred by the government to generate news through public service obligation. Without this PSO

fund, *Antara* news agency would not have survived and in all probability would follow the steps of its two colleagues, KNI and PAB.

The poor financial condition of *Antara* news agency in truth has transpired for a long time, since news agency business is not a profitable business. Therefore, in Indonesia, media businessmen are not fascinated by news agency business. This cannot be said to newspapers, tabloids, news portals, radio broadcasting stations, let alone television broadcasting stations, which never run out of media businessmen's interest.

Although not attracted to the news agency business, media businessmen, joining conglomerate press and press conglomerate, copy the work pattern of news distribution performed by news agency from various areas in Indonesia. They make news collecting model conducted by news agency as their model of information distribution business by creating network group as is conducted by Jawa Pos group through Jawa Pos News Network (JPNN), and Kompas Gramedia group. The private radio station 68 H also executes similar thing: creating radio station network to search and broadcast radio news [36].

Jawa Pos group for instance, operates in the entire country by publishing local newspaper in various districts/cities. The newspapers they published are called "Radar" or "Post" as its first name, followed by the name of the district/city as its second name, such as "Radar Bekasi", "Radar Tarakan", "Berau Post", "Bontang Post" and others. The JPNN local newspaper publication generates news to be published in each newspaper, to be sent to JPNN network for usage by other members of the group. The transmittal model is by using the internet, so the cost for distribution is low.

With this pattern, "Radar Bekasi" in West Java for instance, publishes news inside JPNN network covered by "Radar Timika" in Papua about an event happening there. "Radar Bekasi" is not required to open bureau office in Papua nor to place a reporter there. It works both ways, when an event occurs in Bekasi, "Radar Timika" can publish the news. In this context, both "Radar Timika" and "Radar Bekasi" work efficiently and effectively in acquiring news which affects their benefit. Low cost, fast, effective and heterogeneous news from the entire country are the positive aspects of utilizing internet technology obtained by network newspaper group.

The same thing is performed by Kompas Gramedia group which publishes local newspaper in various areas under the first name "Tribun" or "Post", for instance "Tribun Jabar" in Bandung, West Java, "Pos Kupang" in Kupang, Nusa Tenggara Timur province. Of course, there are other names with different pattern, such as "Serambi Indonesia" in Aceh, "Surya" in Surabaya.

This working pattern executed by network newspaper group has begun in 1987 when JPNN was formed with 80 group members and 40 printing offices. The network rapidly expands with utilization of internet as news distribution channel for all members of the group. Today, there are 95 members of JPNN network (data of January 2015), comprise of daily newspapers, tabloids, and magazines published and circulated around the whole country [37].

With this work pattern, network media group practically does not need news from *Antara* news agency, while for international news they subscribe to international news agencies, such as *Thomson Reuters*, AFP, AP and other international news agencies. *Antara* news agency only serves the rest of the newspapers which are not members of press conglomerate or conglomerate press.

Antara's income from news selling to international news agencies also diminishes since they now can sell straight to mass media without having to pass mediation of *Antara* news agency as was in the past. In this era of internet and press freedom today, *Antara* news agency becomes mere customer of international news agencies, something very different from the previous eras.

In the New Order era, the governing regime nullified press freedom by controlling media content. Foreign news agency may not broadcast their news straightly to mass

media, but through national news agencies which were fully under the government control.

This condition opened a gap for *Antara* to acquire money by becoming an agent for international news. The government forbade foreign news agency to supply news straight to mass media on the basis of the Decree of Minister of Information of Republic Indonesia Year 1972 Number 22B/Kep/Menpen/1972. With this magical letter, *Antara* news agency became the news agent of Reuters, AFP, UPI and other international news agencies.

Following the fall of New Order government in 1998, Indonesia entered a new era in its press by the presence of press freedom. On the other hand, information technology has developed so rapidly by the use of internet. Within a short time, newspaper, tabloids and magazines grew in Indonesia amounted to 1.254 with the total prints of 22.340.175 copies in 2013 [38]. However, the income of *Antara* did not increase although the number of news generated stays the same.

No less than 3000 overseas news coming from the working partners and about 250 news covered by its own reporters are distributed by *Antara* each day using communication technology such as seperti very small aperture terminal (VSAT) and digital video broadcast (DVB), and other internet based technology such as websites and file transfer protocol. In addition to selling news from international news agencies, *Antara* cooperates with Thomson Reuters and Bloomberg in selling global market data and information services.

To acquire income, *Antara* reporters are mobilized to find advertisement in regions to be published in local news portal. The tantalizing 15% of total advertisement income is given to reporter who succeeds in finding advertisement. One *Antara* reporter from Gorontalo province bureau deplores this practice he finds opposed to journalist independence, so he decides to resign from *Antara* [39].

[...]Not only that, he (bureau head) even asks us to actively lobby advertiser candidate or cooperate in coverage with local government. A 15% commission is promised for every advertisement achieved by each reporter as the lure.

On the other hand, *Antara* management makes the attempts to obtain income from various subscribers by creating various news content channel or business units, which in detail is as follows:

a. Antara News Portal (www.antaranews.com). This channel contains web based *Antara* news distribution services in various categories 24 hours daily in Indonesian and English.

b. Picture News Portal (www.antarafoto.com). Photograph News Portal contains collection and distributes various news and event photographs from various themes, such as: politics, economy, sports, socio-cultures, environment, and human interest, both local and abroad.

c. Antara's Public Relation-WIRE. A service of composing and distributing news and photographs quickly and easily to the whole world through *Antara* subscribers' network

d. Antara's TV. A business unit in multimedia sector producing hard news, features, news magazine, documentary footage and studio rental and audio visual product manufacturing services

e. Indonesian Market Quotes (IMQ). Provides financial information in real time, application, and business solution for stock market

The management of *Antara* news agency also creates business units which are not straightly related to the activities of *Antara* news agency to acquire income, including:

f. Antara's Publishing. This unit serves publication and printing of books, internal magazines, brochures, leaflets and various printing services.

g. Museum and Journalistic Photographs Gallery. The service of journalistic photographs exhibition and training for beginner

h. Antara School of Journalism. The service of journalistic, media and public relation educational course

Despite the many channels or business units, the income of *Antara* still cannot cover the operational cost since big newspapers stop their subscriptions after they create group network as has been discussed above.

Meanwhile, financial aid from the government cannot be expected since the amount is so small. The government of Republic Indonesia confers grant of minimum amount under IDR 10 billion (about 1,000,000 USD with the rate of IDR 10,000 per one US Dollar).

Antara financial position was on the edge in 2006. At the time, *Antara* was led by Mr. Asro Kamal Rokan, a senior reporter who was a close acquaintance of President Susilo Bambang Yudhoyono. The income of the business was not sufficient anymore to cover the operational of *Antara*, which prompted President Yudhoyono to have a cabinet assembly to discuss the problem faced by *Antara* on 22 May 2006 [40].

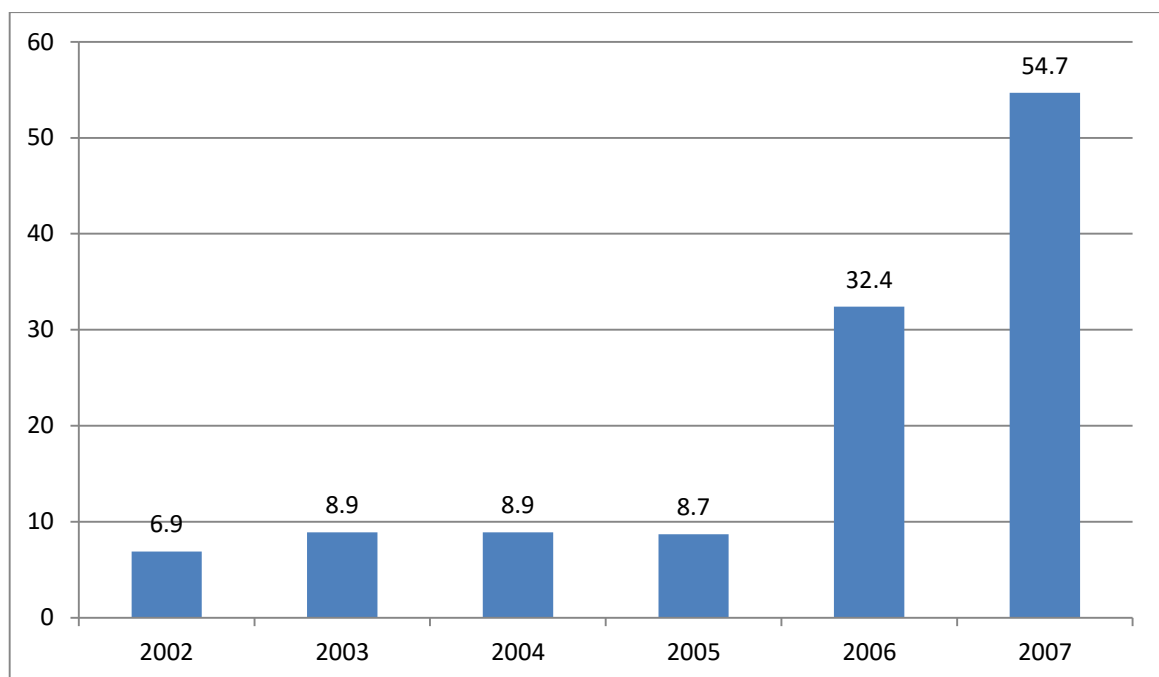


Figure 1. Government of Indonesia Aid for *Antara* news Agency Prior to becoming State-Owned Enterprises (in billion IDR) (Ritonga, (2007))

From Figure 1, the financial aid for *Antara* increased sharply from IDR 8.7 billion in 2005 into IDR 32.4 billion in 2006, and further increased in the next year (2007) into IDR 54.7 billion (However, since it is an “aid”, although the number is increased, its continuity is not guaranteed, since it is only a policy, not stipulations such as Government or President Decree which has legal power.

Seeing the unstable aid that could be stopped any time, and taking advantage of the unclear legal status of *Antara*, the management came up with the idea of changing legal status as a way to legally obtain state budget fund by the law. Therefore, in 2006 there emerged the idea of changing *Antara* status into public corporation in the shape of state-owned enterprises, a close company with all its capital owned by the state of Republic Indonesia and not segmented into stocks.

In truth, the idea of changing the legal status of *Antara* had been around since 1999 when *Antara* was led by Mr. Parni Hadi, a senior *Antara* reporter. Mr. Parni Hadi, who just as

other leaders of *Antara* had close acquaintance with the president, led the news agency at the era of President Mr. Baharuddin Jusuf Habibie. Mr. Parni Hadi at the time wished to revert *Antara* back into private company just as it was at the initial establishment in 1937. This plan of Mr. Parni Hadi did not materialize since the governance of Mr. BJ Habibie lasted only a short time that Mr. Parni Hadi did not have enough time. Not long after, when Mr. Abdurrahman "Gus Dur" Wahid was appointed as President of Republic Indonesia, he appointed one of his close friends, a culture observer and anthropologist, Mr. Mohamad Sobary to replace Mr. Parni Hadi.

Mr. Sobary did not care about the legal status of *Antara* and during his five year tenure of the news agency, there was no effort to change *Antara*'s legal status. Business as usual, *Antara* was operated with diminishing income so that its condition got worsened since the government aid at the time was only as much as IDR 2 billion, a sum that Mr. Parni Hadi once refused for its insignificant amount.

Although President Abdurrahman Wahid was dethroned and replaced by his vice president, Mrs. Megawati Sukarnoputri in 2001, Mr. Sobary was lucky enough to stay at his position. The leader of *Antara* was never replaced until President Megawati tenure was up and Susilo Bambang Yudhoyono took Indonesian presidency in 2004. Mr. Sobary's "luck" was a "disaster" for *Antara* since its financial position got worse, leaving behind a huge burden for the next management led by Mr. Asro Kamal Rokan.

In Mr. Asro's leadership, the financial condition is in a mess with limited liquidity and more obligations than assets. Therefore, the plan to change *Antara* news agency's legal status is rekindled with the aim of overcoming liquidity as a short cut.

Dissimilar to Mr. Parni Hadi's dream of making *Antara* a private business, Mr. Asro plans on making *Antara* part of the government. His reason, if the news agency becomes private business, it cannot possibly survive since its business always incurs losses.

This reason makes sense, because even with the aid from the government, *Antara* still cannot obtain profit, let alone without it. Inappropriate legal status change once befell *Televisi Republik Indonesia* (TVRI) when President Abdurrahman Wahid liquidated Ministry of Information of Republic Indonesia, its parent, in 1999. TVRI turned into corporation which cannot use the fund from state budget, almost resulted in bankruptcy before its legal status was changed into public broadcasting institution (public television) which all activities funded by state budget.

Contemplating the experience of TVRI, the management of *Antara* focuses on its goal: "whatever the form is, the news agency must be under the government to acquire state budget fund". Prior to the final form of state-owned enterprises, *Antara* news agency was even proposed as an organ of the government with its employees become public servants and its leader chosen by the president himself as is happened all the time.

However, the final decision is on state owned enterprises as the best form since its ownership is 100% by the government in the shape of separated state wealth, not segmented into stocks. In this position, *Antara* cannot be privatized or its stocks sold to other parties.

After two year discussion, in 2007 the Decree of the Government of the Republic of Indonesia Number 40 is published, clarifying *Antara* news agency as state owned enterprises of the Republic of Indonesia.

Under this legal status, *Antara* news agency is tasked to create news from government perspective with budget derives from APBN in public service obligation. The task from the government is stipulated in Article 3 paragraph (1) Decree of Government Number 40 Year 2007 which in detail is [41]:

The government specifically assigns the task for the Enterprises to conduct coverage and distribution of quick, accurate and vital information to the entire regions of the Unitary States of the Republic of Indonesia and international world.

This assignment to cover and distribute information or news is the basic for issuing state fund from state budget to “pay” for *Antara* news. With this assignment, the financial crisis of *Antara* can be overcome.

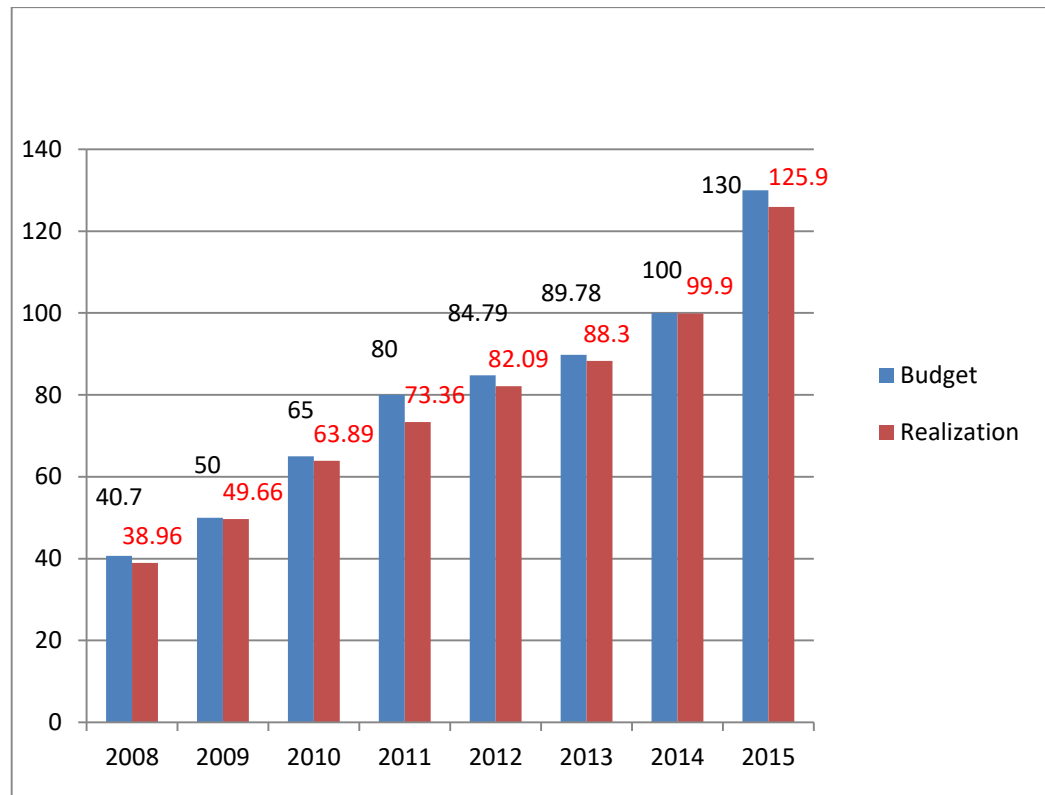


Chart 2. Budget Limit of Public Service Obligation and its Realization for *Antara* News Agency after becoming *Stated-Owned Enterprises* (in billion IDR)

Source: from various sources

From Figure 2, the initial PSO fund was IDR 40.7 billion in 2008, lower than the “aid” of previous year which is amounted to IDR 54.7 billion. However, after 2008 the sum of PSO fund increases each year, even amounted to IDR 138 billion in 2016.

Dissimilar to the news generated before 2007 where *Antara* was free to decide which news to write, since 2008 the government through the PSO fund determines the form and kind of news *Antara* must produce. Of course, apart from this PSO news, *Antara* is still allowed to produce its own news, but this news outside PSO criteria cannot be billed to the government.

As for the news assigned by the government, such as in 2009, concerns with (1) democratization and general election; (2) development and policy of Indonesian economy in the middle of global economy crisis; (3) Millenium Development Goals (MDGs); (4) national characteristics; (5) national image.

For 2013, the government assigned *Antara* to generate news in politics, law and order, economy, and public welfare. The number of news ordered by the government in 2013 includes 145,000 text; 1,100 articles; 17,000 journalistic photographs; 50 episodes of television features; and 4000 episodes of television hard news with the total sum of IDR 88.3 billion.

Unfortunately, the generated news does not responded by newspapers subscriber of the news agency since network newspaper groups are still not interested to subscribe to *Antara* and non network group members still prefers to quote *Antara* news from the free of charge *Antaranews.com*.

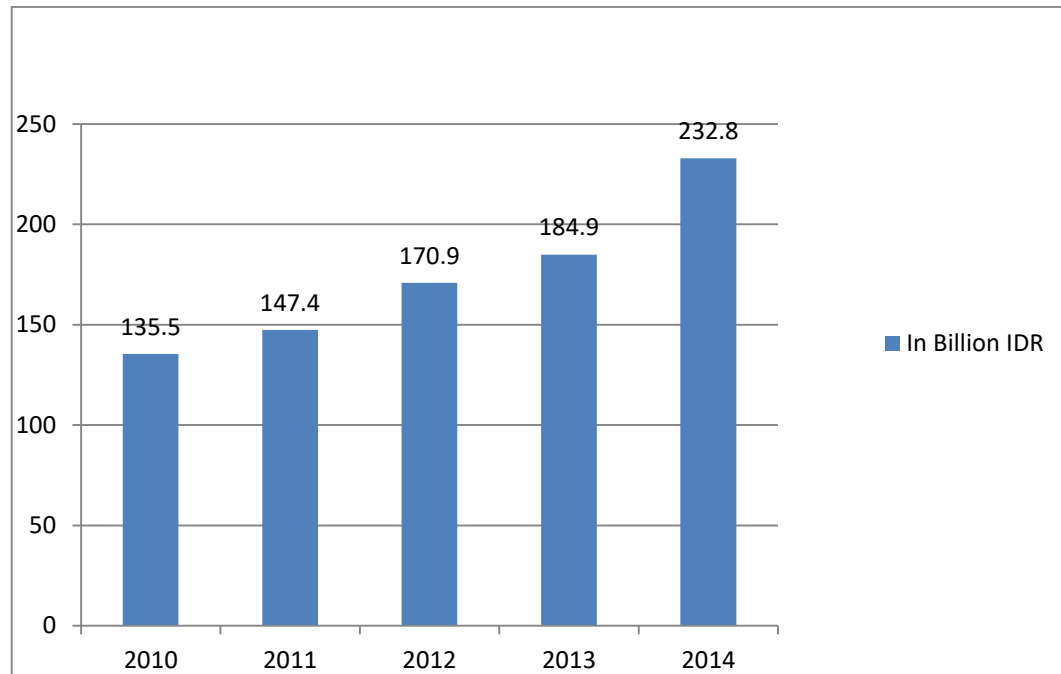


Figure 3. Antara News Agency Income

Source: 2014 Annual Report of Antara News Agency

From Figure 3, this can be seen from the low income of *Antara* during 2010-2014 periods, namely only about IDR 135.5 billion to IDR 232.8 billion. In financial report, PSO is positioned under income, so it is the biggest component of *Antara* income.

Perceive from net Loss/Profit acquired by *Antara* news agency in five years (2010-2014), the condition is more worrisome. The net profit of the company is so low, never reaches IDR 10 billion (see Figure 4), so that without PSO fund, the great loss suffered by *Antara* will potentially lead them to bankruptcy and diminishes the small number of assets.

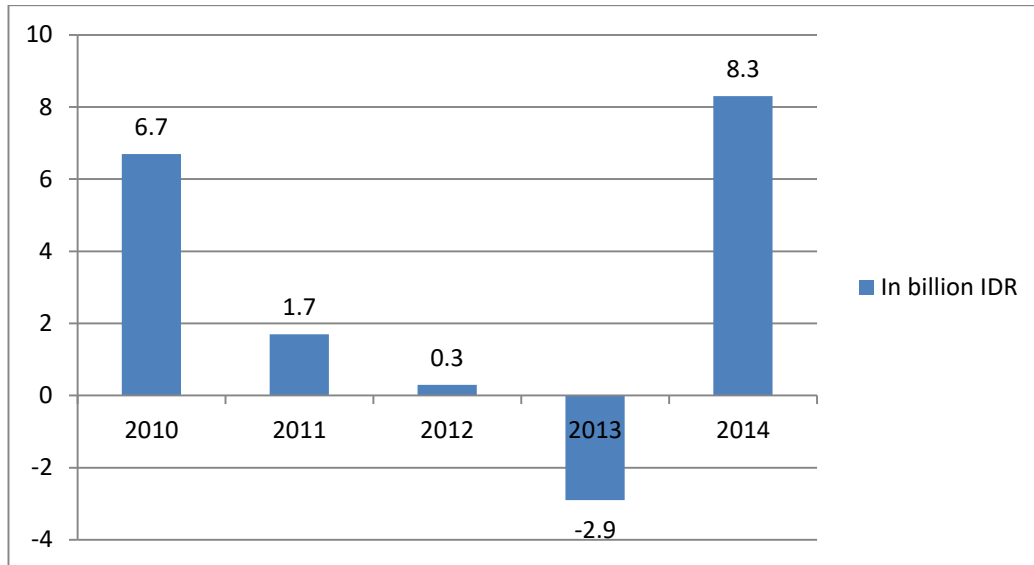


Figure 4. Profit/Loss of Antara News Agency

Source: 2014 Annual Report of Antara News Agency

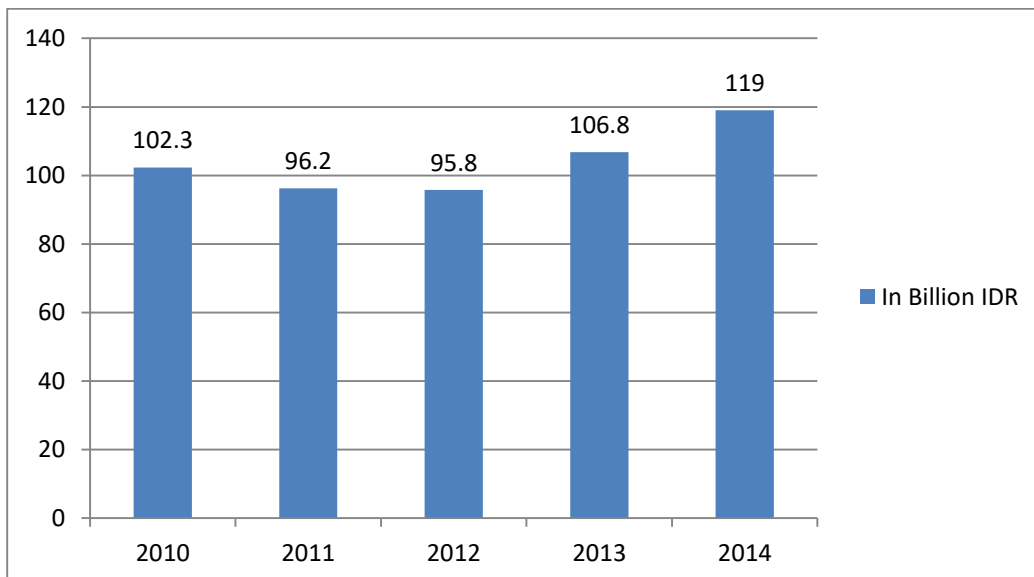


Figure 5. Total Asset of Antara News Agency

Source: 2014 Annual Report of Antara News Agency

In the end, government intervention through PSO fund saves the existence of the news agency, but the contents generated from government perspective cannot attract network or non-network mass media to become subscribers of *Antara* news agency.

5. Conclusion

Despite various efforts taken by constructing news channels, *Antara* income from news selling is still insufficient for their survival, so that the government helps the news agency by providing public service obligation fund by increasing the sum every year since 2008. However, the number of news generated still cannot attract the attention of

network media group which is shown by the unwillingness to subscribe to *Antara* news agency.

Government intervention through public service obligation (PSO) in the end saves the existence of *Antara* news agency by generating ordered news for consumption of non conglomerate press or press conglomerate member newspapers residing in various areas.

Thus, the conclusion drawn from this study is that conglomerate press or press conglomerate operating in Indonesia in networking manner is a predator for news agencies in Indonesia by copying the work pattern of *Antara* news agency while simultaneously refusing to subscribe to *Antara* news agency.

Network media group operated as if a real news agency is a predator for *Antara* news agency which without PSO fund will certainly die just as two other news agencies, KNI and PAB.

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