

## **ALGORITHMIC DOMINANCE AND PLATFORM CAPITALISM: A POLITICAL ECONOMY ANALYSIS OF NETFLIX IN INDONESIA**

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**Abstract:** This study analyzes the political economy of Netflix within the context of globalization in Indonesia using Vincent Mosco's (2014) framework of commodification, spatialization, and structuration. The identified research gap lies in the limited number of studies examining how Netflix's algorithm influences the local content industry. The analysis draws on data from the Indonesian Netflix catalog, pricing policies, and digital consumption patterns. The findings indicate that Netflix reinforces audience commodification through its personalization algorithm, which transforms user consumption data into an economic asset. In the Indonesian catalog, more than 70 percent of recommended content originates from North America and Europe, while local content appears in only about 10-15 percent of primary recommendations. The shift from traditional broadcasting to on-demand platforms further widens the gap between global content and underrepresented local narratives. The study also finds that weak regulatory oversight amplifies Western cultural dominance and limits the competitiveness of local television industries within an algorithmically biased digital ecosystem. Although Netflix's pricing strategy aligns with the Indonesian market and facilitates rapid penetration, it is not accompanied by strong local distribution or production rights. The study concludes that Netflix represents the paradox of new media capitalism: a platform that drives innovation yet simultaneously intensifies media centralization and global market dependency, potentially undermining the diversity and sustainability of Indonesia's local content ecosystem.

**Keyword:** Political Economy; New Media; Netflix

**Abstrak:** Penelitian ini menganalisis ekonomi politik Netflix dalam konteks globalisasi di Indonesia dengan menggunakan kerangka komodifikasi, spasialisasi, dan strukturasi dari Vincent Mosco. Research gap terletak pada minimnya studi yang menelaah bagaimana algoritma Netflix memengaruhi industri konten lokal. Analisis dilakukan terhadap katalog Netflix Indonesia, kebijakan harga, dan pola konsumsi digital. Hasil penelitian menunjukkan bahwa Netflix memperkuat komodifikasi audiens melalui algoritma personalisasi, di mana data konsumsi menjadi aset ekonomi. Dari katalog Indonesia, lebih dari 70 persen konten yang direkomendasikan berasal dari Amerika Utara dan Eropa, sementara konten lokal hanya muncul sekitar 10 hingga 15 persen dalam rekomendasi utama. Pergeseran konsumsi dari siaran tradisional menuju platform on-demand semakin memperlebar jarak antara konten global dan narasi lokal yang kurang terangkat. Penelitian juga menemukan bahwa kurangnya regulasi memperbesar dominasi budaya Barat dan mempersulit industri televisi lokal bersaing dalam ekosistem digital yang bias algoritmik. Kebijakan harga yang mengikuti segmentasi pasar Indonesia turut memudahkan penetrasi Netflix, namun tidak diimbangi

hak distribusi atau produksi lokal yang kuat. Studi ini menyimpulkan bahwa Netflix adalah paradoks kapitalisme media baru: menghadirkan inovasi sekaligus meningkatkan sentralisasi kuasa media global, sehingga berpotensi menekan keberagaman serta keberlanjutan ekosistem konten lokal di Indonesia.

**Kata kunci: Ekonomi Politik; Media Baru; Netflix.**

## INTRODUCTION

The growth of digital media over the last decade has accelerated significantly, alongside the advancement of communication technology and digital globalization. New media has become a major force in shaping the global media landscape, with significant implications for social, cultural, economic, and political transformations.<sup>1</sup> The presence of this new media, on the one hand, makes it easier to access information, speed up the communication process, and reduce uncertainty. However, on the other hand, this speed often comes at the expense of accuracy and accountability, thus giving rise to a paradox of information in society.

The development of digital media does not occur in a vacuum. Globalization has created an infrastructure that allows media to cross geographical boundaries and integrate various social spaces simultaneously.<sup>2</sup> New media represent the results of global integration, reconstructing the way humans produce and consume information.<sup>3</sup> Previously, people relied on conventional media as the primary source of information; now, digital media has become an integral part of the daily lives of global society, including in Indonesia.<sup>4</sup>

In this context, Mosco offers a framework of media political economy that remains relevant, with three main pillars of analysis: commodification, spatialization, and structuration. Mosco emphasized that the media is not just a communication channel, but an economic and political institution that produces, distributes, and controls communication resources. Commodification refers to the process of converting content, audiences, and data into commodities that have economic value. Spatialization is related to the media's efforts to overcome space and time constraints through the use of technological infrastructure. Meanwhile, structuring highlights the reciprocal relationship between the media, social institutions, and capitalist agents in shaping the power structure.<sup>5</sup>

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<sup>1</sup> Nick Couldry and Andreas Hepp, *The Mediated Construction of Reality* (Cambridge: Polity Press, 2017).

<sup>2</sup> Ramon Lobato, *Netflix Nations: The Geography of Digital Distribution* (New York: New York University Press, 2020).

<sup>3</sup> Henry Jenkins, Sam Ford, and Joshua Green, *Spreadable Media: Creating Value and Meaning in a Networked Culture* (New York: New York University Press, 2018).

<sup>4</sup> Michael Wayne and Dal Yong Jin, *Netflix and the Re-invention of Television* (New York: Routledge, 2021).

<sup>5</sup> David Elkins, "Media, Structure, and Power: Revisiting Structuration in the Digital Age," *Journal of Media Theory* 11, no. 3 (2019): 44–60.

This phenomenon is particularly evident in the expansion of global streaming platforms such as Netflix, which has transformed into a capitalist entity with significant global dominance.<sup>6</sup> Netflix not only distributes entertainment content, but also builds a digital capitalism ecosystem through a strategy of commodifying content and audiences. With a *subscription-based business model* and personalization algorithm, Netflix is transforming media consumption behavior into an economic asset that can be monetized.<sup>7</sup> The spatialization process is evident in how Netflix removes geographical boundaries by utilizing OTT (*Over-The-Top*) technology, which enables the global distribution of content without requiring physical infrastructure in each country.<sup>8</sup> However, this strategy is still controlled through market segmentation, geo-blocking policies, and regional preferences.<sup>9</sup>

Structuring is also evident through the involvement of various social actors, such as local producers, content creators, and influencers, who consciously or unconsciously become capitalization agents that expand Netflix's hegemony at multiple levels of society.<sup>10</sup> Through organic promotional campaigns and social media penetration, Netflix builds a social structure that strengthens its power relations in the global media landscape.

At this point, a *significant research gap* emerges that warrants attention. There have been few studies that comprehensively compare Netflix's political economy strategy in Indonesia with that of other countries from the perspective of Mosco. Existing studies tend to focus on the cultural impacts or changes in consumption patterns, but have not systematically examined the differences in commodification, spatialization, and structuring across countries. This gap is significant because Indonesia's position as a developing country renders the experience and dynamics of digital media power relations distinct from those in countries that are the centers of global content production.

Based on this background, this study aims to answer three main questions: (1) how Netflix in Indonesia carries out the form of commodification, (2) how spatialization practices are carried out in the context of local regulations and infrastructure, and (3) how Netflix's structuring takes place through the social actors, institutions, and power relations that make up the platform's dominance in Indonesia.

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<sup>6</sup> Camila Fernandes and Luis A. Albornoz, "Global Platforms, Local Realities: Netflix and the Transformation of Cultural Industries," *International Journal of Cultural Studies* 26, no. 2 (2023): 134–152.

<sup>7</sup> Dal Yong Jin, "Platform Imperialism in the Age of Netflix," *Media, Culture & Society* 45, no. 1 (2023): 67–83.

<sup>8</sup> Ramon Lobato, *Netflix Nations: The Geography of Digital Distribution* (New York: New York University Press, 2020): 56.

<sup>9</sup> Michael Wayne and Kobi Ribke, "Netflix and Regional Power: The Politics of Platform Distribution," *Critical Studies in Television* 19, no. 1 (2024): 22–38.

<sup>10</sup> Camila Fernandes and Luis A. Albornoz, "Global Platforms, Local Realities: Netflix and the Transformation of Cultural Industries," *International Journal of Cultural Studies* 26, no. 2 (2023): 145.

Thus, Netflix is a tangible manifestation of the political economy of digital media in Indonesia, where commodification, spatialization, and structuring are no longer separate, but are integrated into a hegemonic digital capitalism system.<sup>11</sup> The implication extends not only to changing media consumption patterns but also to cultural dominance, which subtly creates global standards that often overlook the diversity and sovereignty of local media.<sup>12</sup>

## **METHOD**

This study employs a qualitative approach, utilizing a case study method, to analyze the political economy dynamics of the Netflix streaming service within the digital globalization landscape. This approach was chosen because it allows researchers to delve deeply into the social, economic, and cultural processes behind Netflix's dominance as a global media platform. The Netflix case study is considered relevant because the company represents a new media business model that combines digital technology with a worldwide market capitalization strategy, thus creating a new form of media hegemony through an integrated digital distribution network.<sup>13</sup> This approach focuses attention on how Netflix not only distributes content transnationally, but also shapes market structures, cultural tastes, and power relations in the global media ecosystem.<sup>14</sup>

The data corpus in this study includes the Netflix Indonesia catalog from 2022 to 2024, Kominfo regulation and policy documents related to digital broadcasting and OTT platforms, site traffic statistics from Alexa Internet, articles and online media reports on the development of the streaming industry, as well as primary literature on the political economy of media and digital platforms. This data was selected to provide a comprehensive overview of Netflix's commodification, spatialization, and structuring practices in Indonesia and to allow comparisons with the context of other countries.

The analysis step is carried out in three stages. First, data reduction is performed to filter out information irrelevant to the research focus, including content distribution patterns, pricing strategies, regulations, and digital consumption dynamics. Second, the data is categorized based on Mosco's three analytical pillars, namely commodification, spatialization, and structuring, to facilitate

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<sup>11</sup> Dal Yong Jin and Michael Wayne, "Digital Capitalism and Global Media Power: Netflix as Cultural Hegemon," *Television & New Media* 22, no. 8 (2021): 755–772.

<sup>12</sup> Merja Myllylahti, "Media Capitalism: Concentration, Competition, and Power in the Digital Era," *Digital Journalism* 9, no. 3 (2021): 389–407.

<sup>13</sup> Sergio Gómez and Juan Muñoz Larroa, "The Global Expansion of Netflix: Cultural Power and Media Capitalism," *Global Media and Communication* 18, no. 4 (2022): 421–440; Ramon Lobato, *Netflix Nations: The Geography of Digital Distribution* (New York: New York University Press, 2020).

<sup>14</sup> Higson, Andrew. "Netflix: The Curation of Taste and the Business of Diversification." *Studia Humanistyczne AGH* 20, no. 3 (2021): 59–70.

the identification of patterns and power relations in Netflix's operations. Third, a comparative analysis was conducted between Indonesia and several other countries, including the United States, South Korea, and India, to assess the differences in market structure, distribution strategies, and negotiation positions of each country within the digital capitalism network.

The validity of the data is maintained through triangulation of sources, which involves comparing findings from platform catalogs, industry reports, academic literature, and government regulations. It ensures that the interpretation of the data is not dependent on a single type of source, but is verified through multiple perspectives and relevant documents. Thus, the analysis process becomes more robust and able to describe the dynamics of Netflix's political economy more accurately.

### **THEORETICAL FRAMEWORK**

In the contemporary globalized landscape, the transformation of digital media and communication technology is the primary foundation in shaping the global media ecosystem. The globalization of digital media is not only the expansion of technological penetration, but also creates integration, interconnection, and cross-border dependency that affect the dynamics of information production and consumption.<sup>15</sup> In the context of this article, the theoretical focus is directed at three main pillars: the political economy of the Moscow media, the concept of the imperialism platform, and the global mechanism of digital distribution.

First, the political economy of Mosco media offers an analytical framework that emphasizes how media work through processes of commodification, spatialization, and structuring. Second, the concept of the imperial platform shows that media companies from the central country control the global digital infrastructure, while redefining the power relations between developed and developing countries.<sup>16</sup> Third, the global theory of digital distribution explains how global platforms, such as Netflix, distribute content without geographical boundaries through OTT infrastructure, while still exercising control through geo-blocking and market segmentation.<sup>17</sup> These three theories are intertwined in explaining Netflix's dominance as a capitalist actor that restructures the global media industry.

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<sup>15</sup> Dal Yong Jin and Michael Wayne, *Digital Media and the Global Communication Order* (New York: Routledge, 2021).

<sup>16</sup> Dal Yong Jin, *Platform Imperialism: Power and Cultural Production in the Digital Age* (Urbana: University of Illinois Press, 2021).

<sup>17</sup> Ramon Lobato, *Netflix Nations: The Geography of Digital Distribution* (New York: New York University Press, 2020).

In this context, the synthesis of the concept of Mosco can be formulated operationally as follows: commodification refers to the transformation of user data and content into economic assets that are monetized through personalization algorithms; spatialization refers to the use of OTT infrastructure and geo-blocking techniques to expand distribution while controlling the market; and structuring illustrates how Netflix leverages social actors, local creative industries, and global power relations to strengthen its hegemony. This process makes Netflix not only an entertainment provider but also a shaper of the global digital cultural landscape.

The phenomenon of *global villages* and *the international public sphere* is now realized through digital platforms that connect the world's citizens in a *real-time content distribution space*.<sup>18</sup> However, within this space, a contest of cultural power exists, where global platforms like Netflix challenge national media authority and dominate the flow of international content.<sup>19</sup> With operations in more than 190 countries, Netflix represents the face of aggressive media capitalism,<sup>20</sup> Manipulate the flow of information production, distribution, and consumption on a global scale.<sup>21</sup> In many cases, developing countries are placed as consumers of digital culture, while the center of global capitalism retains control of production and distribution channels.<sup>22</sup> Strengthening the pattern of the platform of imperialism in the global media order.

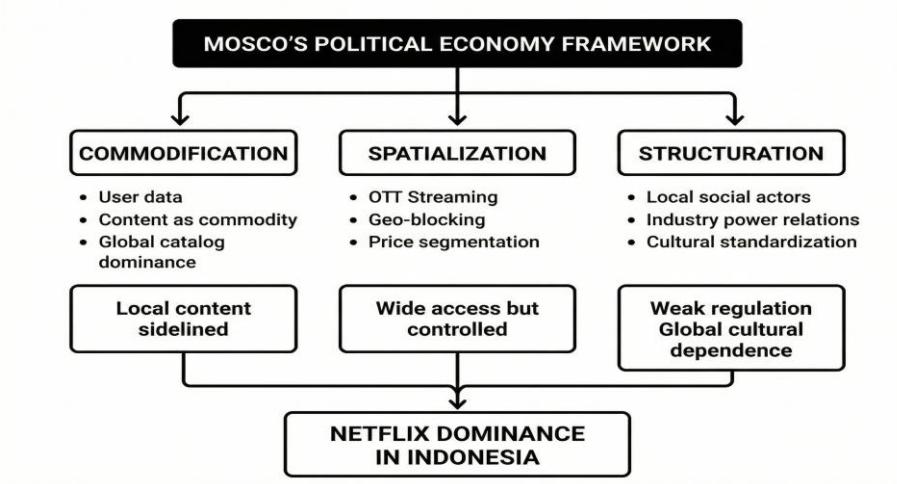


Figure 1. Mosco's Political Economy Framework

<sup>18</sup> Jenkins, Henry, Sam Ford, and Joshua Green. *Spreadable Media: Creating Value and Meaning in a Networked Culture*. New York: NYU Press, 2018.

<sup>19</sup> Camila Fernandes and Luis A. Albornoz, "Global Platforms, Local Realities: Netflix and the Transformation of Cultural Industries," *International Journal of Cultural Studies* 26, no. 2 (2023): 134–152.

<sup>20</sup> Sergio Gómez and Juan Muñoz Larroa, "The Global Expansion of Netflix: Cultural Power and Media Capitalism," *Global Media and Communication* 18, no. 4 (2022): 421–440.

<sup>21</sup> Dal Yong Jin, "Platform Imperialism in the Age of Netflix," *Media, Culture & Society* 45, no. 1 (2023): 67–83.

<sup>22</sup> Sujin Kim, "Platform Capitalism and the Peripheral Media Economies," *Asian Journal of Communication* 32, no. 5 (2022): 412–428.

## RESULTS AND DISCUSSION

Discussing the political economy of new media is incomplete without prioritizing Vincent Mosco's analytical framework, particularly in relation to its three main pillars: commodification, spatialization, and structuring. These three dimensions become critical tools for understanding how new media, including Netflix, operates its power in the flow of digital globalization. Commodification, as a first step, is understood as the process of converting *use-value* into *exchange value*. In practice, media like Netflix package content, data, and even audiences into commodities that can be monetized in the global market. In fact, Netflix has become a new commodity in the digital world, adopting a capitalist style. Here are the top 10 rankings for the *shopping* category:

No.	Site	Daily Time on Site	Daily Pageviews per Visitor	% of Traffic From Search	Total Sites Linking In
1.	Amazon.com	8:08	8.56	21.30%	827,984
2.	<b>Netflix.com</b>	<b>2:13</b>	<b>1.81</b>	<b>7.60%</b>	<b>19,134</b>
3.	Ebay.com	9:44	7.89	21.10%	174,023
4.	Amazon.co.uk	6:39	7.94	26.30%	118,558
5.	<a href="https://www.etsy.com">https://www.etsy.com</a>	7:36	6.28	25.50%	175,616
6.	Walmart.com	4:30	3.90	39.80%	36,253
7.	Store.steampowered.com	2:55	3.07	32.10%	44,065
8.	Ikea.com	8:16	9.62	34.80%	43,292
9.	Bestbuy.com	3:58	4.09	33.50%	17,134
10	<a href="https://www.humblebundle.com">https://www.humblebundle.com</a>	3:38	3.56	10.80%	2,120

Table 1: Top 10 Global E-Commerce and Streaming Sites Ranked by Visit Time, Page Interaction, and Search Traffic Source

Source: Alexa.com, October 15, 2022

The table shows that most global platforms, such as Amazon and other e-commerce sites, derive economic value from the length of time users spend on the platform and the number of pages they visit. This indicates that user attention remains the primary commodity being monetized, a form of audience commodification within the media's political economy. Netflix's economic model doesn't rely on clicks, but on viewing data and recommendation algorithms, which are a deeper form of data commodification. With that data, Netflix controls what is watched, how tastes are formed, and how global culture is circulated.

In terms of spatialization, all the platforms in the table operate across countries. However, Netflix stands out more because it can distribute content globally without relying on physical infrastructure, using OTT and geo-blocking. Meanwhile, in terms of structuring, platforms like Amazon have a significant economic influence (as evident from the number of sites that link to them). In contrast, Netflix has a substantial cultural influence. This means that Amazon controls the global economic chain, while Netflix controls the global cultural narrative.

## **Commodification**

In Indonesia, Netflix's commodification extends beyond entertainment content to encompass a deeper penetration of audience commodification. Dallas Smythe's concept of audience commodity<sup>23</sup> This becomes particularly relevant here, where users are not just consumers of content, but also products that are sold based on data about their viewing preferences and digital behavior. This is reinforced by the use of personalization algorithms, which make media consumption no longer a matter of freedom of choice but the result of data-driven taste engineering.

In terms of payment commodification, Netflix in Indonesia utilizes a digital-based transaction model (credit card, e-wallet, PayPal), which makes it easier to penetrate the market.<sup>24</sup> However, this dependence on global financial infrastructure actually strengthens the dominance of developed economies, as most of these digital payment instruments are still controlled by corporations from the United States. Meanwhile, in countries such as India and Brazil, Netflix is adapting by offering more flexible payment schemes, including mobile-only packages and cash payment systems through local partners.

In addition, the commodification of content in Indonesia remains heavily influenced by global preferences, with English-language shows and Western cultural nuances dominating Netflix's catalog.<sup>25</sup> Although Netflix has started producing local content,<sup>26</sup> The dominance of global content remains the primary factor that has created the phenomenon in the long term, contributing to the "Americanization" of Indonesian consumption culture.<sup>27</sup> This differs from South Korea, where Netflix leverages the popularity of K-content (dramas, movies, variety shows) to enhance its global market penetration.<sup>28</sup>

## **Spatialization**

Spatialization, as the second dimension within the framework of Moscow, explains how platforms like Netflix can remove geographical boundaries by distributing digital content. With its OTT (Over-the-Top) infrastructure, Netflix can reach users in different countries without the need

<sup>23</sup> Nick Couldry and Ulises A. Mejias, *The Costs of Connection: How Data Is Colonizing Human Life and Appropriating It for Capitalism* (Stanford, CA: Stanford University Press, 2019).

<sup>24</sup> Siti Safitri, "Digital Payment Ecosystem and Streaming Market Penetration in Indonesia," *Journal of Indonesian Digital Economy* 3, no. 2 (2021): 45–59.

<sup>25</sup> Andrew Higson, "Streaming the World: Netflix and the Reconfiguration of Global Cinema," *Journal of British Cinema and Television* 18, no. 2 (2021): 145–165.

<sup>26</sup> Cahya Intan, N. "Shifting Viewing Preferences and Digital Media Transformation in Indonesia Due to Netflix Dominance." *Journal of Information Systems Management Economics* 6, no. 2 (2024).

<sup>27</sup> Andrew Higson, "Streaming the World: Netflix and the Reconfiguration of Global Cinema," *Journal of British Cinema and Television* 18, no. 2 (2021): 145–165.

<sup>28</sup> Dal Yong Jin, "Korean Media Industries and the Netflix Effect," *Media, Culture & Society* 45, no. 4 (2023): 732–749.

for a physical office or traditional distribution network. This distribution pattern enables global content to circulate quickly, instantly, and uniformly across hundreds of markets simultaneously, creating an increasingly transnationally integrated media space.

In the Indonesian context, Netflix's spatialization is facilitated through the use of national digital infrastructure, which enables widespread access to content. However, this penetration still depends on specific adaptations to local policies, particularly those related to content censorship, electronic system operator (PSE) registration obligations, and regulations governing digital broadcasting. Additionally, the use of *geo-blocking* makes some global content unavailable in Indonesia, thereby still shaping the user experience through country-level regulatory restrictions.

These differences in conditions demonstrate that spatialization does not occur uniformly around the world. In countries like the United States and the United Kingdom, Netflix operates with greater flexibility because digital media regulations are more lenient. In contrast, in Indonesia, the process of spatialization must be negotiated with stricter and culturally sensitive policy dynamics. This confirms that although Netflix operates globally, its spatialization practices remain contextual and are heavily influenced by the power relations between the digital platform and the countries in which it operates.

### **Structuration**

The third dimension, structuring, refers to the reciprocal relationship between the social structure and the agents involved in it. In the Indonesian context, Netflix's structure can be observed through its collaboration with local actors, including celebrities, influencers, and content creators, who indirectly become capitalist agents that strengthen the platform's dominance. Through *endorsements* and promotions that are organically packaged on social media, these actors help expand Netflix's market penetration in Indonesia. This contrasts with the strategy in Western countries, where Netflix tends to focus more on producing original content and making direct investments in the local creative industry. In Indonesia, Netflix relies more on audience consumption patterns and collaborations with social actors who act as distributors of digital culture.<sup>29</sup>

In the context of social structuring, Indonesian people often act as passive agents in Netflix's digital media ecosystem. Consumers in Indonesia are more targeted for consumption than as producers of digital culture. Unlike countries in Europe or South Korea, which have strong creative ecosystems and are at the center of global content production, Indonesia remains in a position as a

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<sup>29</sup> Ramon Lobato, *Netflix Nations: The Geography of Digital Distribution* (New York: New York University Press, 2020).

cultural consumer supplied by the center of international media capitalism.<sup>30</sup>

Through this Mosco framework, Netflix in Indonesia is a concrete example of how new media forms an asymmetrical global power structure.<sup>31</sup> The commodification of audiences, the spatialization of digital distribution, and the structuring of local social agents are integral strategies that show the practice of media political economy in the face of aggressive digital capitalism.<sup>32</sup> However, the difference with developed countries lies in the lack of local sovereignty in media production and regulation, thus strengthening Indonesia's position as a subordinate consumption market in the global digital capitalist network.

Indonesia's position is vulnerable, yet it holds a promising market share, but is weak in terms of local penetration. This can be observed in the differences with developed countries, such as the United States, South Korea, and India.<sup>33</sup> Comparing with some of the following countries can at least help us understand that the political economy of the global media is a non-homogeneous process and is highly dependent on the power relations and structural position of each country in the network of digital capitalism.<sup>34</sup> The following are the key differences between Indonesia and several countries in terms of their political economy and media.

Mosco's Approach	Indonesia	United States	South Korea	India
<b>Content Commodification</b>	Global content (American & Western) dominates Netflix's catalog. Local content is still minimal and symbolic.	The production of original content is massive, becoming the center of global digital culture production (Stranger Things, Bridgerton).	Strong focus on local content production (K-Drama, Korean Movies) for domestic & global export markets.	Adapting local content at a low price, but still dominated by global content (Bollywood is only partial).
<b>Audience Commodification</b>	Netflix monetizes Indonesian audience data, but the audience is more of a "passive market."	Audiences in the US are the center of algorithmic experimentation & <i>premium subscription models</i> .	Domestic audiences are involved in shaping content trends (K-pop & K-drama global fandom).	Large audiences but with low purchasing power responded with ultra-cheap & mobile-only plans.
<b>Commodification of Payments</b>	Depends on global payment systems (PayPal, credit cards, e-wallets).	Based on an established financial infrastructure, it	A robust digital payment system, adaptive with mobile banking & local e-	Netflix will have to adjust to cash payment methods &

<sup>30</sup> Mike Wayne and Kobi Ribke, *Global Media and the Political Economy of Power* (London: Routledge, 2024).

<sup>31</sup> Vincent Mosco, *To the Cloud: Big Data in a Turbulent World* (Boulder: Paradigm Publishers, 2014).

<sup>32</sup> Dal Yong Jin, *Globalization and Media in the Digital Platform Age* (New York: Routledge, 2021).

<sup>33</sup> Dal Yong Jin and Yoonmo Sang, "Platform Imperialism in the Age of Netflix," *Media, Culture & Society* 44, no. 3 (2022): 567-583.

<sup>34</sup> Daya Kishan Thussu, *International Communication: Continuity and Change*, 3rd ed. (London: Bloomsbury Academic, 2021).

<b>Mosco's Approach</b>	<b>Indonesia</b>	<b>United States</b>	<b>South Korea</b>	<b>India</b>
	The digital divide is still significant.	supports seamless digital payment & recurring billing.	wallets (KakaoPay, NaverPay).	bundling with local operators.
<b>Distribution Spatialization</b>	Netflix must comply with content regulations and government censorship; geo-blocking is often applied.	Unlimited free distribution, Netflix holds complete control over the catalog & domestic distribution.	The government supports K-Content globalization, and Netflix is actively building local production centers.	Netflix must compete with Hotstar's dominance & catalog adaptation, offering competitive prices & strict regulations.
<b>Structure</b>	Local influencers & artists as passive promotional agents ( <i>endorsements, reviews</i> ). The creator ecosystem is still weak.	Netflix US leverages a large community of creators (YouTubers, filmmakers) to shape digital culture.	The structure of local creators is robust, and Netflix collaborates with local producers & studios for global production.	Structuring based on collaboration with local telecom operators & content houses.

Table 2: Comparison of Netflix's Media Political Economy Strategies in Indonesia, the United States, South Korea, and India from the Perspective of Mosco

Source: Processed from various sources, 2025.

Based on this table, it can be inferred that Indonesia is in a subordinate position, where Netflix focuses more on creating a consumption market in Indonesia rather than establishing it as a center for digital cultural production. This is in contrast to South Korea, where Netflix is actively developing a local content industry to support its global expansion. Government regulations significantly influence Netflix's spatialization model in Indonesia, whereas in the US, Netflix largely dominates distribution without external intervention. Netflix's structuring in Indonesia relies on external forces (influencers and celebrities), in contrast to the US and South Korea, which have strong local creator ecosystems. India has a unique critical position, where Netflix must adapt to uneven digital infrastructure conditions and fierce regional competition, forcing the company to adjust its pricing and distribution strategy.

While Netflix's spatialization in Indonesia works through the use of OTT (Over-The-Top) infrastructure that allows content distribution without the company's physical presence,<sup>35</sup> Unlike developed countries, the spatialization process in Indonesia is greatly influenced by regulations issued by the Ministry of Communication and Informatics.<sup>36</sup> Since the enactment of the 2020 Private

<sup>35</sup> Ramon Lobato and Amanda D. Lotz, "Netflix, Globalization and the Digital Television Revolution," *Television & New Media* 22, no. 2 (2021): 131–148.

<sup>36</sup> Ministry of Communication and Informatics (Kominfo), *Regulation of the Minister of Communication and Informatics No. 5 of 2020 concerning Private Scope Electronic System Operators* (Jakarta: Kominfo, 2020).

Scope PSE rules and their update in 2022, Netflix is required to register its platform, provide a mechanism for handling problematic content, follow the rules for terminating access, and comply with an independent censorship system.<sup>37</sup> These regulations create spatialization boundaries not encountered in the United States or the United Kingdom, where Netflix operates without platform registration requirements or local norm-based content restrictions.

In terms of content distribution, Netflix in Indonesia is also bound by a *geo-blocking mechanism*, so not all global content is available. This makes the Indonesian catalog significantly different from the United States catalog. On the other hand, Netflix does not have ownership of local content in the complete sense; a lot of Indonesian content is under a limited licensing scheme (*non-exclusive licensing*), not *ownership* or *co-production*. As such, Netflix does not develop an extensive production infrastructure like in South Korea, where they built studios and created more than 20 original titles. In Indonesia, the distribution model relies more on non-production cooperation with local production houses, thus positioning Indonesia as a consumption market rather than a production center.<sup>38</sup>

The model of Indonesia's position as a market and its relationship with other countries can be explained in the following figure:

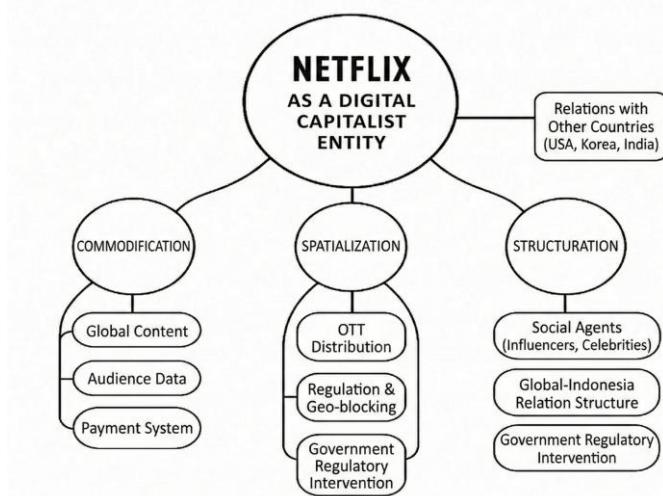


Figure 2: The Netflix Ecosystem in Indonesia in Its Relevance to Mosco's Perspective

<sup>37</sup> Ministry of Communication and Information Technology (Kominfo), *Regulation of the Minister of Communication and Informatics No. 10 of 2022 concerning Amendments to the Regulation of the Minister of Communication and Informatics No. 5 of 2020* (Jakarta: Kominfo, 2022).

<sup>38</sup> María Gómez and Ana Muñoz Larroa, "Netflix and the Political Economy of Global Streaming," *Media Industries Journal* 9, no. 1 (2022): 54–72.

## **CONCLUSION**

Within the framework of Vincent Mosco's media political economy, Netflix's expansion as a streaming television platform reflects the aggressive practices of digital capitalism, where the process of commodification is central to its business logic. Netflix not only commodifies content, but also makes user experience of access speed, personalization, and ease of viewing as commodities that have economic value. This confirms that media capitalism moves beyond just message production; It metamorphoses into a system that monetizes the audience's behavior, data, and free time.

The structuring process is also evident through the way Netflix mobilizes users and public figures as agents who, consciously or not, reinforce the dominance of global corporations. The practice of binge-watching, the virality of content, social media reviews, and organic promotion by influencers form a structuring network that supports the hegemony of American culture as a center of production. This consumption pattern illustrates how power relations in digital media capitalism operate: audiences become part of the capitalization machine through seemingly natural, everyday practices.

The situation becomes increasingly complex when viewed from the Indonesian context. The absence of a Permanent Business Entity (PBE) and an official representative office in the country means the company falls outside the scope of many national regulations, including taxation mechanisms and local industry contribution obligations. It describes the digital arena as a space where countries lag behind the pace of expansion of global platform capitalism. Netflix, thus, is a concrete example of the paradox in the political economy of digital media in Indonesia: the industry's growth is taking place rapidly, but not within the framework of state control or in a manner that contributes to the national cultural ecosystem in the long term.

The contribution of this article is to expand Mosco's analysis in the context of digital platforms in Indonesia, particularly by using Netflix as a case study to examine how commodification, spatialization, and structuring operate in a digitally regulated society. This analysis helps to clarify how global corporations can operate beyond the boundaries of state regulations, while also showing the inequality of position between global platforms and local creative industries.

Based on these findings, several policy recommendations can be proposed. First, the government needs to strengthen digital platform tax regulations, primarily through the enforcement of BUT obligations or cross-border taxation mechanisms. Second, it is necessary to implement local content production or investment obligations, as South Korea and India do, so that global platforms make a genuine contribution to the domestic creative industry. Third, more structured regulation is needed to protect the ecosystem of local creators, for example, through production incentives, long-term license-based collaborations, or national content quotas on OTT platforms.

This study has several limitations, primarily due to its lack of in-depth analysis of Netflix's recommendation algorithm and the limitations of the data, which are not fully transparent. In addition, the study has not involved in-depth interviews with content creators, regulators, or industry stakeholders to obtain a more empirical mapping of power relations. Therefore, further research can be directed towards more technical algorithmic analysis, cross-border comparative studies of OTT regulations, as well as ethnographic studies of local creators' experiences in negotiating with the power of digital platforms such as Netflix.

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