Chapter 2
The Wave of Digital Convergence on ICT Adoption and Application in Malaysia

ABSTRACT

How much Malaysian convergence policy has achieved in response to global reform since 1990 is intriguing. The chapter discusses policy and regulatory implications as well as the nature of new mode of governance with particular focus on policy networks. The analysis draws on the scope of collective action that has been compared with the widening of policy participation. Main sources include Malaysian government policy documents and semi-structured interviews with key policymakers, regulators, and experts of Malaysian ICT and convergence initiatives. It is found that those policy network structures are clearly reflected in the design of the current ICT framework. In view of recent institutional and regulatory reforms, the political process toward the removal of analogues laws also exhibits the weaknesses of policy in the networked governance. In sum, both the National IT Council (NITC) and the Malaysia Communication and Multimedia Commission (MCMC) remain vulnerable to pressures from politicians and other ministries.

INTRODUCTION

One of the fundamental questions concerning the future of Malaysia’s national “e-agenda” is how to reform the regulatory framework and achieve good governance. It is acknowledged that good governance depends critically on the ability of state actors—be it public, private or civil communities to utilise information and communications technologies (ICTs) by making use of regulatory networks and engaging in multiple levels of interactions. The concept of ‘policy community’ involves the process which allows members to share resources and experience through the ‘complex web of interactions as well as participate in the process of policy making and refinements’ (Humphreys, 1994). In light of this concept, the issue is whether this could be applied to Malaysia’s case or not.

The major lines of the debate in general commentaries are whether the development of Malaysia digital convergence policy is viewed as
successful in promoting a new mode of governance or not. Most previous studies seldom went beyond legal texts and policy practices, drawing little attention to wider institutional or socio-political circumstances. The notion of ‘command and control’ or ‘top-down’ approach in policy making among Malaysian administrators and politicians is widely mentioned, rapidly became an object of criticism without any substantive examinations, thus obscuring its success stories.

Aiming to become a post-industrial society (Salloma, 2008; Haslinda et al, 2011) and leveraging on the global march for Information Age agenda, Malaysia is compelled to make efforts towards a more open and integrated policy environment. There is an atmosphere for a cooperative partnership between public, private and community sectors to achieve the Vision 2020 developed through a national-scale policy framework, or the so-called ‘National IT Agenda’-NITA- (Azzman, 1998). It is widely believed that digital convergence will be an increasingly important policy avenue in the years to come as the industry has sustained very rapid volume of growth rates over the last decade and its share of total ICT sector continues to climb.

A good deal of debate exists between those who see those changes as significant and those who were skeptical about the development, especially amid the worst financial and political crisis which struck the region in 1997/8, when the MSC was still in its formative stage. For example, Kamarulzaman and Aliza (2001, p. 6) commented that: “since 1997, it has passed a number of acts and legislatures aimed to create the right environment for the development of the communications and multimedia (C&M) industry and to position Malaysia as a major hub for the C&M information and content services.” From the viewpoint that Multimedia Super Corridor (MSC) needs to be supported by a high-capacity, digital telecommunications infrastructure designed to the highest standards in capacity and reliability, Hishamudi and Khatibi (2004, p. 309) contended that multimedia environment and telecommunication industry will play an important role to ensure the success of the MSC.

Yet, Alvin Toffler, an influential member of the MSC’s International Advisory Panel had openly criticised Dr Mahathir’s style (ex-Prime Minister) in dealing with the crisis, arguing that the viability of the project would be at stake under a “climate of political repression” (Matthew, 1998). To clear any doubt, rather than retreating from such high-priced ventures, it is worth noting that Malaysia has opened its market much earlier than most countries in Asia and today it has one of the most competitive telecommunication markets of any developing nation (Minges & Gray, 2002). This meant that Mahathir’s administration viewed that the growth in the IT and C&M industry as critical for future development of the country.

Against this background, this chapter aims at discussing how successful was the development of Malaysian ICT and digital convergence policy since the middle of 1990s with particular focus on the networked governance structures in the policy process. Our analysis is directed to the NITA - based on the motto ‘turning the ripples into tidal waves’ in Malaysian ICT policy (NITC, 2000; Fariza, et al., 2011) since it was conceived to be ‘a major milestone’ towards digital convergence. Eventually, there were numerous public and private sector initiatives taken (Ramasamy, 2010). More importantly, various policy, regulatory and institutional reforms were initiated, such as the creation of the Communication and Multimedia Act (CMA,1998) and the Malaysian Communication and Multimedia Commission Act (MCMCA,1998) to promote the development of the new digital convergence industry, and the introduction of industry forums to promote self-regulatory environment (MAIT, 2002; COMNET-IT, 2004). It is argued that digital convergence is a rapidly growing sector which is unprecedented in the Malaysian economic history, extending the penchant for information society rhetoric.