COMMERCIAL COMPETITION TO GOVERNMENT MONOPOLY 
IN TELEVISION: IMPLICATIONS OF THE MALAYSIAN 
EXPERIENCE*

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After enjoying a virtual monopoly of broadcasting media in the country for nearly 40 years, the Malaysian government decided to allow a private commercial TV station to operate in the country in 1984. This was a bold step and an exception to the rule in the control of broadcasting in the Asian Third World region, where broadcasting is not only made subservient to governments, but also made to serve their specific interests. On closer examination however, the step taken by the Malaysian government proves to be based not on the principle of liberalization of the country's broadcasting media, but the commercialization of electronic entertainment. It was a business arrangement to provide commercial opportunities to selected media entrepreneurs, with many indirect controls ensuring that it did not threaten government interests by providing information and discussion other than what government allows it to provide. As such the new private television company embarked on a mission of providing popular entertainment so as to maximize viewers and commercial revenue in competition with the government channels. This article examines the implications of such a competition to general television programming policies in Malaysia, moral standards hitherto emphasized, the balance of foreign and local content as well as the future pattern of television broadcasting in the country.

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INTRODUCTION

Malaysians today enjoy roughly 217 hrs of television broadcasting a week. In this and in the choice of channels (generally three, but more if they live close to the borders of Singapore, Brunei, Indonesia or Thailand) they enjoy a television service which, in its variety and glitter, resembles the service enjoyed in more developed western countries, and certainly more than many countries in the developing world.

In this they are momentarily the envy of the other neighbouring developing countries of Asia and the Pacific. But I believe not for long. Television services in all these developing countries are expanding and growing in spite of the recession and economic depression, for television gives the very relief that is needed during these difficult times, and the people on the whole do not complain even if their governments develop television services at the expense of other economic projects. India plans to spend US$700 million to expand Doordharshan and will launch a third satellite to boost broadcasting in the country.¹ Half a dozen small South Pacific nations, including Fiji and Solomon Islands, are actively exploring the introduction of television.²

Television in all countries, but especially in the developing world, is a phenomenon that we should take note of. It has established itself as the most pervasive entertainment medium in all these countries, radically changing the content and nature of entertainment traditionally enjoyed by these societies. There is no question about this. However, television’s effects on the traditional lifestyles of people, on their morals and behaviour, on their thought processes and psychology have still not been established. Many questions are being asked and researchers are searching for answers. No clear consensus has yet emerged.

Continuing research and awareness of the complexities of the medium no doubt bring to light new problems and effects as well as influences exercised by television on societies in which it operates, not to mention the societies it homogenizes, leading to the description of the television audience as a “global village”.

Television in Malaysia

Malaysia is a typical example of a former British colony going through its economic and social development stages since its independence in 1957. Broadcasting in the country, largely built and developed by the British, was designed to safeguard and propagate the authority of colonial government and to promote loyalty of the subjects to authority. On independence, this structure (then only radio) was passed on to the new government without any change. In fact the same colonial director continued to run the service for some time after the independence. There was a strongly built-in partiality towards people and parties in power. There was not a moment, of course, when any of the involved parties thought of transforming this obviously “colonial” service model, to a new “independence” service model, or at least to a “metropolitan” service model like the BBC, even granting that the new government was still looking to emulate Britain in many ways. But this did not happen, and Malaysia was not unique in not doing so. India, Pakistan, as well as Sri Lanka, all of which obtained their freedom even earlier, did not do so
either. The structure was convenient to the new rulers in helping them disseminate messages from the centre and to promote loyalty--in the same pattern used by the former colonial masters--of the subjects to the new authority.

Television Malaysia was the creation of the independent government of Malaysia in 1963 and it was moulded in exactly the same pattern as Radio Malaysia. Six years of independence had not provided enough confidence or inspiration to institute a more open and liberal broadcast service. Fostering that attitude was the overhanging threat of armed Communist insurgency in the country which, although quelled earlier, had not been completely eliminated.

The desire and impetus for such a service came from the government itself, particularly from the prime minister. Like the other strategic institutions of the country, from the moment of inception of TV Malaysia, government took control of the idea and shaped it in such a way so that it could serve government purposes completely.

Television grew rapidly, well supported by government funds, and covered urban and rural areas extensively. The price of sets, initially at least, were carefully regulated so that they remained at affordable levels for even a substantial number of rural people. Today it is the foremost medium of entertainment and information in the country with 93% of the adult population of the country being able to receive it.3

**Current Situation of TV in Malaysia**

The government enjoyed a virtual monopoly of broadcasting in Malaysia until 1984 when, Prime Minister Dr. Mahathir Mohamed, opening the way for privatization of many government-owned institutions, gave the nod for a private TV station in the country. Although the idea had been toyed with by other prime ministers, the fear of losing control of such a vital means of mass information had always won over the democratization of the airwaves.

However the Mahathir government’s decision should not be interpreted as a result of any desire to democratize the countries mass communication institutions. First and foremost it was an economic decision. Tengku Razaleigh Hamzah, the then Finance Minister, indicating the move in 1982 and describing it as a “new thrust in public policy”, said that the government considered it appropriate to reduce the pace of public sector expansion in the economy and the trend would help reduce the size of the budget and reduce the need to increase taxes and borrowing.4 A second reason was the government’s concern over the proliferation of video recorders and rented video tapes in the country in the early eighties. Government felt that a popular commercial channel was more manageable and can be better regulated than the unwieldy problem of video recorders.5 From a different perspective it can also be described as a way of capitalizing on the hunger of the audience for varied entertainment which the official medium, under constraint by government policies, was not able to do.

And again the franchise to operate the new TV network, TV3, was handed over to safe hands. It was given to a company formed by newspaper groups
headed by Fleet Communication, owners of the New Straits Times, the leading English language daily. Others in the company were Utusan Melayu Group, the owners of leading Malay language papers, Nanyang Group, the owners of Chinese language papers and Tamil Nesan Private Ltd., the owners of the leading Tamil daily. These companies were already owned by either government-sponsored corporations or companies formed by component parties of the ruling National Front.

The then chairman of the newly formed company, called Sistem Television Malaysia Berhad (Malaysian Television System Ltd.), Mohamed Tawfik Tun Dr. Ismail, the son of a former deputy prime minister, declared that the company would comply with all the conditions imposed by the government. “As corporate citizens, we do not dispute the values in them. It all depends on the way we present them”.

He said that the conditions imposed by the government were to ensure that the new network was operated on the principles of the Rukunegara (national ideology), of Islam being the official religion and of national security. The company started operations in mid 1984.

The Environment of Competition

Competition between the government networks and an autonomous private network is of course a new experiment in countries that were former colonies of Britain. It is indeed a bold idea and a path-breaker. Many countries, including India, had rejected it outright. Sri Lanka which allowed a private station to operate when it did not have a government station to start with, quickly took over the station for both reasons of economic viability and political security. Since the formation of a government station, the private network has been allowed to operate, albeit on a limited scale. Malaysia’s experience in this “all out” competition, therefore, will be watched carefully by other countries. And Malaysia itself must watch carefully the directions of this competition, especially when it has not instituted a proper regulatory mechanism to control it.

During the years before this competition began—and it is consistently claimed that this is still the case—RTM (Radio Television Malaysia), the government network, adhered to a policy that popularity was less important than serving and educating its audience in promoting the ideals of the Rukunegara (the national ideology) which exhorted the people to believe in God, be loyal to the King, obey and respect the constitution and be civil and disciplined.

Although like any other developing country, TV Malaysia carried an enormous amount of imported programmes from the western countries, predominantly from the Anglo world of United States, Britain and Australia, a definite attempt was made to develop local programmes in entertainment, particularly music and drama, in which it can be said that it achieved significant success.

The imported programmes on the other hand were carefully picked to avoid the excessive violence and sex elements, with which imported drama had become obsessed with, and many programmes were censored and any material suspected of corrupting values held in esteem by Malaysians were excised.
These measures had a sanitizing effect on imported TV programmes screened by TV Malaysia, but by no means solved all the problems connected with sex, violence and other undesirable elements in them. This was because the censors always went only for the conspicuous signs of these elements, mostly visual, often not recognizing, and therefore missing altogether, the subtle ones. Bedroom scenes and kissing as well as blood and gore were always edited out. But dialogues about homosexualism, adultery, premarital sex, underworld violence and the kind, equally abhorrent to those who could recognize them for what they were, went uncensored. The censors may be forgiven on this because it is fair for them to assume what they could not catch, cannot be caught by the majority of the audience either. Apart from these, the culture of sex and violence, running as themes in stories, also survived because there was no way to edit them off short of rejecting whole programmes or episodes of a series, and this was not easy to do as these themes predominated all popular imported programmes.

Thus, in spite of good intentions, TV Malaysia continued to show imported dramas whose total messages and morals could be questioned from many angles. But their visual presentation looked clean enough.

In its local news and current affairs programmes, TV Malaysia was firmly and irrevocably committed to supporting the government and the cabinet. Quite clearly it was also used as an instrument to support and promote ruling political parties and their interests. TV Malaysia, therefore, did not support or provide opportunities to express alternate views from any source, on matters pertaining to politics, economics, culture, arts, etc.--in short, on almost all aspects of national affairs and national development. It was reserved for the exclusive use of the ruling government.

When TV3 entered the scene, it made it quite clear that its purpose was to enrich the entertainment content of Malaysian TV, but otherwise remain compliant to all government orders. It was more a corporate business than an agent for social change or development. It had to make money first and talk about social commitments later, if at all.

TV3, in line with its corporate objectives, started in the urban metropolitan areas, beginning from Kuala Lumpur, the capitol, and rapidly spreading its wings to other urban market centres of Penang, Ipoh and Johore Baru. Its programmes were designed to satisfy the demands of an urban audience, which had remained somewhat displeased with TV Malaysia's concerns with conservative values that avoided the new and bold programmes that kept appearing in the west, of which the urban viewers kept reading from their English news-papers and kept hearing from their friends who frequented overseas countries either as tourists or to visit their relatives or in pursuit of an education.

TV3 pursued an aggressive policy in buying newer and more expensive imported shows and scheduled them against TV Malaysia's usual fare. Of particular significance was its commitment to provide the potential advertisers the kind of programmes that could sell their products. For RTM this had not been a significant concern before because of its commitment to
the national ideology and also because of the monopoly it enjoyed in television broadcasting.

TV3 also zeroed in on a lucrative market that TV Malaysia has persistently avoided in the past for political and ideological reasons. This was the market of the urban Chinese viewers, whose tastes were for both western action-oriented programmes as well as similar action-oriented programmes from the Chinese world of Hong Kong and Taiwan. As TV Malaysia had deliberately denied them the latter, the Chinese viewers had turned to films on rented videos which had flooded the market with such programmes leading to a substantial number of Chinese viewers turning away from TV Malaysia.

TV3, not being enamoured of national ideologies and constraints by politicians, went ahead to offer this material and quite obviously cornered this market and attracted attention from advertisers. That the government, clearly in a position to control this situation did not do so, suggests that either there was a new mood of liberalism within the government as far as national affairs and ideologies were concerned, or the need to make profit for both the infant TV3 and its parent companies—and therefore safeguard and promote the substantial investments from government or ruling political parties that had gone into the venture—had prevailed over ideological considerations. Later events, to be discussed shortly, show that there is some truth in both these suggestions.

Within three years of its establishment, TV3 was able to overtake TV Malaysia in advertising revenue and frequently in viewership in the areas within which its transmission reached. In the first ten months of 1986 it was reported to have earned $51.9 million, pushing TV Malaysia into second place. In October 1986 the monthly viewing figures suggested it had an average of 1,884,000 daily viewers or 44%, against RTM 1’s 1,614,000 (37%) and RTM 2’s 707,000 (16%). Of the combined viewership of RTM 1 and 2, 77% were Malays while only 23% were Chinese. Of the viewership of TV3, only 39% were Malays while 51% were Chinese.

RTM’s reaction to its losing popularity was swift and surprising. Going by the usual norms of a bureaucratic organization, one would have expected RTM not to heed the challenges of the upstart TV3, maintaining that revenue and popularity were not what RTM, as a responsible national organization, was after. After all its revenues were assured from the national treasury, which in turn collected all the license fees. But this was not to be so. RTM decided to hit back and compete with TV3 on its own ground. There is no doubt that for this it received the blessings of its political masters. Government, amidst a depressed economy, was also desperately looking into ways and means to increase revenue, and this attitude no doubt favoured RTM’s profit-making spirit.

In January 1987 TV Malaysia introduced its bright new schedule, in which the significant departure from past practices, was to create a “Chinese belt” of serials imported from Hong Kong and Taiwan, directly opposite similar serials by TV3. A similar “Indian belt”, of imported Tamil and Hindi movies, was also created.
Many other changes were made. RTM stopped broadcasting its main news bulletin simultaneously over both channels, confining the broadcast now to only RTM 1. Newer and more expensive shows, including many mini-series such as “Peter the Great” and “Doubletake” were imported. A movie slot was created for late evening viewing.

The January 1987 audience figures showed that RTM had significantly improved its position. The January average daily viewership jumped to a all time high of 5.34 million viewers. The most outstanding feature was the increase of viewership over RTM 2 which jumped from 1.7 million in December 1986 (pre new-schedule) to 2.45 million in January 1987, also the highest ever achieved by that channel. The Chinese belt alone attracted a daily viewership of 1.7 million from a previous 200,000 for the same time slot.

The revamping of the schedule did not seem to have damaged RTM’s other programmes in any way. In spite of cancelling the main news bulletin over RTM 2, its viewership in RTM 1 increased by 6%, from 2.2 million in December 1986 to 2.3 million in January 1987. Local programmes maintained their ranking in the top ten programmes with Malay Film occupying the top slot and “Bintang RTM” (RTM Star - a musical variety) and local Malay drama occupying second and third places. The newly introduced Chinese serials occupied the ranking from 9th to 12th places.

The real significance of the Chinese serials lay in bringing back the Chinese viewers to RTM’s channels and to increase confidence among advertisers. The viewers for the Chinese belt, although numerically less than the viewers for Malay programmes, constituted a large urban population (from 58% to 65%) and a majority of those with household incomes above M$500.00 (76% to 79%), packing a purchasing power more than the large Malay audience for the top three programmes (29% to 30% urban with 34% to 40% with household income amounting to more than M$500).

But TV3 is striking back. By April this year it introduced better Chinese programmes, moved the slot to a half hour earlier than RTM’s Chinese Belt and had started to win back the viewers and advertisers’ confidence. There is no doubt that this see-saw trend will go on as long as this form of competition is encouraged by the government.

Implications of the Competition

This competition between a government channel and a private channel appears to be quite unique in the world. Even in the West, such competition, in this form at least, is rare. In the United States, government does not own any TV channel. The Public Broadcasting Service does not compete with the commercial networks for commercial revenue. In Britain, in whose model Malaysia initially introduced broadcasting in this country, BBC, the government-financed—if not government-controlled—institution does not compete with ITV for commercial revenue, although the idea had been proposed, debated and dropped. Of the developed countries only Canada and Australia have practiced this for some time now.

In allowing a free market place for television entertainment, Malaysia had shown a liberalization of bureaucratic attitudes, which usually stand in the
way of efficiency and growth. Television, of course, was not the only institution to be commercialized in the country. Earlier and later a number of other government-controlled institutions had been commercialized to different degrees (bearing a close resemblance to trends in Britain). Telecommunication was one example. Part of Malaysian Airlines System was also sold off. Malayan Railway has also been slated for privatization. RTM itself has opened some of its programme slots for privatization, and the government is actively considering allowing private radio stations to operate.

It is not at all surprising that the privatized television broadcast became a success story. One can cite other businesses such as the fast food business of MacDonald’s, or Kentucky Fried Chicken, or leisure time businesses such as snooker corners, which in their respective fields were new ventures that became successful amidst a rapidly urbanizing and modernizing economy. TV3 was not very different. What should be worrying, though, is the potential influence of television, as a mass medium in its unbridled commercial form, on young impressionistic minds dazed in the glamour of urbanization and consumerism.

But what should be even more worrying is the government network’s swift and radical reaction to the challenge. That the government TV was released from bureaucratic bondages to openly fight the commercial challenge was remarkable. And that government officers, used to the smug comfort of the monopoly, rose to meet and even beat off the challenge was even more remarkable. This must certainly go down in history as one example of the benefits of the free enterprise system and the strength of the free spirit of human beings.

However, it is pertinent to ask what was the price paid for by the citizens in this television war between the government channel and the private channel. The answers are somewhat dismayng.

First of all RTM now has to place an emphasis on imported programmes, upsetting a hard-won ratio of 60% local programmes to 40% imported programmes, built up over many years. This ratio now stands inverted. This was because TV3 had been allowed a ratio of 70% imported programmes against 30% local productions, the bedrock of its popularity among urban viewers. This simply means that RTM is subjecting itself to the dictates of the western television markets even more than before.

Second was a marked relaxation of RTM’s moral standards in controlling the elements of sex, violence and other undesirable mind contaminators in imported programmes in order to spice its entertainment. There is also a new twist to these problems. While in the past such excessive sex and violent elements came from Hollywood TV packages, now these elements come from other sources as well, particularly from the Chinese programmes produced in Hong Kong and Taiwan, and to a lesser extent from Indonesian and Indian films. These elements by now seemed to have pervaded as a culture to the entire film producing industry, irrespective of national origin. Mass entertainment demanded these, and they are provided in many languages and in many tradional masks.
RTM in the past had rejected gang warfare and associated violence, Chinese kung-fu (including the Bruce Lee and David Caradine variety) and the customs and culture of pre-colonial China. All these things were now allowed in order to capture the Chinese audience.\textsuperscript{14} Kissing and intimate bedroom scenes liberally slipped the censors' scissors. It was so bad that even the general manager of the rival TV3 described them as "shocking"\textsuperscript{15}.

It is interesting to note that while Malaysians of Chinese and Indian origin had for a long time been denied any increase of airtime for Chinese and Indian programmes over RTM (implicitly for reasons of upholding national culture and national integration), the new competition swung the doors wide open for the increase of those programmes. This was a bonus coming out of the competition. However this increase was not granted for the promotion of local Chinese or Indian programmes; instead, for purely commercial reasons, the increased slots were devoted to only imported programmes.

Thirdly, this war between the rival TV stations is fought by a wholesale buying and using of foreign weapons. They compete to see who can buy the best and latest foreign programmes, whether it be from the West or from elsewhere. They scramble to buy the best Chinese programmes, and the latest Hollywood soaps. This obsession with foreign material degrades the position of locally produced programmes and local artistes featured in them. Local artistes now have to dress, sing, sway and rock in the Hollywood style. Local drama writers have to incorporate certain amount of violence and sex so that their dramas will catch the attention of the audience trained in the Hollywood model. This is by no means a new phenomenon. RTM broadcasts of Hollywood programmes had for a long time now groomed them towards this. But the present intense competition has no doubt intensified these trends.

Fourthly, even accepting that competition has its virtues--it stimulates activities and invigorates the atmosphere--there is some element of unfairness in this competition. RTM is well supported with license fees and assured treasury allocations. TV3's survival depends on attracting advertisers. From a purely economic point of view, there is no glory in the government station winning this fight, and forcing TV3, a private enterprise, to fail, however much we detest TV3 for promoting urban banalities. This will indeed negate the very objective of the government in creating TV3. In this perspective RTM's intensive struggle to beat TV3 is, indeed, confusing.

Fifthly, the obsession with revenue and popularity has distracted the government from its concerns of both the mental and the physical health of its citizens. The gravest trespass on the public's mental and physical welfare was the way both the government network and the private network manipulated their advertising guidelines to incorporate cigarette advertisements hitherto, and even now, formally banned on television for health reasons. By allowing cigarette companies to advertise other products of the same brand, the entire range of cigarettes sold in Malaysia are now being allowed to advertise on all Malaysian TV networks through a "backdoor". In fact these cigarette brand names now dominate Malaysia TV commercials. It appears that they don't even have to sell anything on the screen; all they have to do is to promote a TV programme to blaze their brands on the TV screen.
There are signs now that the same strategy may be adopted by liquor sellers, as the infrequent appearance of Guinness malt drink, with the same brand as Guinness Stout, testifies.

We can also add the excessive amount of commercials on canned and packaged junk food, soft drinks, children's toys and luxury goods as adding up to contributing to consumer wastefulness, deterioration of traditional values as well as to deterioration of mental and physical well-being. Again, these were effects already brought on by TV Malaysia, but being enhanced and intensified by the new private network.

Ironically, this free competition--if "free" is the right word in this context--does not seem to extend to information, news and current affairs. TV3 has not shown the same flair in these areas as it has shown in perking up entertainment as a whole. Its news coverage, content and current affairs discussion are remarkably similar to RTM's, in that while showing complete support to government, it too has denied alternate views to be presented on its news.

Although, theoretically, TV3 is free to collect and present its news, it has remained subdued, faithful to government wishes and non-challenging to government sensitivities. There is no doubt that safeguarding its license is paramount in TV3's mind, and news coverage in any case is not an area where monetary profits could be made.

As RTM remains unchallenged in that area, neither has there been an improvement in its news coverage, content or in current affairs discussions. They remain as mundane and as subservient to government dictates as ever.

Conclusions
If the Malaysian experiment and experience in introducing commercial competition are anything to go by, we can only conclude that such competition will only intensify and emphasize urban attitudes and norms and impose them on predominantly rural but modernizing societies in the Third World. Commercial competition does not care for traditional values for they have no monetary significance. It respects traditional values only to the extent a jeans manufacturer or a fast food manufacturer respects them.

But it must also be hoped that responsible governments would not be carried away with this spirit of competition and start throwing away the caution with which they had regulated foreign and indigenous entertainment in the medium up till now, and themselves start acting like the commercial medium. Revenue earning and popularity should continue to remain secondary objectives, while providing the nation with intelligent and culturally constructive entertainment should remain their priority. Even if they have to rely heavily on imported programmes, there are available to them a host of educative, intelligent, culturally informative, but nevertheless entertaining programmes in the free world market, if only they would look carefully and make their selection without being influenced by ratings and advertisers' preferences.

In all honesty, alternate television station (or stations) should be welcomed in all Third World countries. But their main function should be to provide the
balance between the excessive and self-serving government propaganda and the expression of real aspirations of the people. They should not become mere outlets of entertainments; this would simply mean that they are replacing the declining number of cinema houses in these countries. They should also not become instruments in the hands of multinational companies, which are constantly looking for ways and means to turn the human audience into mass consumer markets.

Private television networks should not be allowed in these countries unless parliaments in these countries have had a chance to debate their desirability extensively and institute measures to ensure fairplay and balance. If private television stations are set up "company-style" merely by government licensing procedures, they will then become sycophantic to government and play-things to the population. Yet another opportunity to build dynamic and vibrant nations would have been lost in the Third World.

NOTES


1 Sunday Star, 22 August, 1982.
5 Sunday Mail, 12 December, 1982.
6 National Echo, 15 August 1983.
7 National Echo, 15 August 1983.

7 A broadcasting act is said to be in the making and will be tabled in Parliament soon. The details are not known yet.

8 Star 7 December 1987.

9 Ministry of Information Malaysia, Average Daily Audience in TV3 Grade A Areas for the months of September and October, 1986, Appendix 7.


11 Since the writing of this article RTM reverted back to broadcasting the primetime news on both networks.

12 Ministry of Information Malaysia, Average Daily Audience in TV3 Grade A Areas for the months of September and October, 1986, Appendix 7.

15 Star, 1 June 1987.