The emergence of commercial television in Malaysia and its performance during the early period of its existence

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Introduction

Most Third World governments own their broadcasting systems, usually ruling out private ownership entirely (Head 1985). Broadcasting in Malaysia before the eighties had never been run on a commercial basis or by private individuals or groups. The general opinion was that commercial broadcasting would never come into existence. During the British colonial period broadcasting was meant to be an instrument of public persuasion, although liberalism, in referring to the entertainment component, benefited the public a great deal, especially in the absence of television. Presently, broadcasting as a whole is still in government control. However, its component, television, as of June 1, 1984 entered a new era (Social Forum 1984). The Malaysian government had considered it appropriate for the country to have a commercial television, specifically to serve the consumer public. A new channel, TV3, owned and operated by the Sistem Television Malaysia (STMB) or Television System Malaysia Limited came into existence. This, then, ended the government’s 23-year absolute monopoly of the electronic media. The introduction of commercial television caught many observers.

Objective

On June 1, 1991 commercial television in Malaysia turned seven. Yet, at this

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budding age, it has achieved unprecedented popularity among the viewing audiences. This, no doubt, would be unachievable without the support of the people who turned to this privatized channel for entertainment and information. This study has the objective of providing a retrospective glimpse of the factors that led to the formation of a commercial television channel and the related aspects that supported or threatened its continued existence. This includes factors that contributed to the shift in government policy with regard to broadcasting. This study will also attempt to provide evidence that will support the viability of the commercially-funded television operation.

Broadcasting for national development

In the early phase of nationhood, Malaysia, as a developing country, endeavoured to create a well-informed society. The government, through the Ministry of Information and Broadcasting, assumed the responsibility of constantly keeping the people informed about matters of national development, infusing the spirit of modernization as well as fostering close relationship between cultural traditions and new ideas in various fields of human endeavours (Malaysia 1971).

The electronic media were made to serve two main purposes: to bring about close communication and rapport between the people and the government, and for development purposes, for example, to arouse interest in development projects, to guide farmers to more efficient methods of farming, to explain hygiene and child care to women, to provide extra resource for classroom teachers, and so on (Lent 1978).

The section on Development and Agriculture Service (DAS) had the important role to orientate the public to the government's New Economic Policy and its community development drive. The DAS worked closely with government ministries, departments and semi-government bodies involved with local and national development projects (Adhikarya 1977). Programs directed at farmers were broadcast or televised daily to keep them informed about how they could go ahead in achieving their objectives.

Industrialization

A few months after gaining independence from the British, Malaysia's leaders were aware of the potentials industrialization could offer to the country. The government decided to grant pioneer status to manufacturing industries. As a result, a number of industrial zones were created, in Petaling Jaya near the capital Kuala Lumpur, and two others in the central and northern part of the country. Thus, the introduction of television in late 1963 coincided with the steady growth of industrialization. While radio, an inexpensive medium which was suited to the needs of the traditional agricultural-based economy, television served the convenience of those involved in the industrial progress of the nation.

In the early 1980s, Malaysia was in the fourth phase of its development plan which had the objective of realizing the New Economic Policy, that is, the equi-
table distribution of the country's wealth to every segment of the people. Throughout the 1970s it was able to sustain the rate of per capita Gross Domestic Product at about eight per cent (Malaysia 1971). This success was largely due to the close relationship existing between the government and the private sector. They shared a common aim of meeting the stated objective. In 1985, the industrial sector produced its first locally-manufactured automobile aptly called Proton Saga.

This innovative phase of the country's industrialization, together with the opening of new sea ports at strategic locations, were an indication of Malaysia's economic progress. According to the Labor Department, the private sector provided most of the job openings in Malaysia; out of 2834 vacancies, 2568 were from the private sector (Social Forum 1984).

The intensification of industrialization was significant to television because it increased the demand for time slots for advertisements. In 1975, both television channels of the Radio-Television Malaysia, RTM1 and RTM2, carried advertisements on an average of three per cent of the total weekly program output (Adhikarya 1977). Obviously, this level could not be maintained as the private sector progressed. Manufacturing and business firms, either on their own or through advertising agencies, had to find other outlets for their commercials.

Evidence showed that advertising was lucrative to the public broadcasting sector before the advent of TV3. In 1984, the Ministry of Information collected about S$63 million from its sales of commercial spots via both radio and television. This was an increase of about S$9 million from the previous year's figure of S$54 million (Social Forum 1984) and a jump from S$16 million collected in 1975 (Adhikarya 1977). From this, it could be inferred that the country needed another television channel, either by adding another channel to the two existing ones, or by allowing a private operator to do it to meet the increasing volume.

Television in Malaysia

Television in Malaysia began on December 28, 1963 after a cabinet sub-committee examined the possibility for such a service (Adhikarya 1977). It provided entertainment, information, and educational programs for viewers. This service was integrated with the already advanced radio broadcasting service under the Department of Broadcasting or commonly known as Radio-Television Malaysia (RTM).

Television plays a significant role in the multi-racial nation. Close relationship between the various races, despite forces trying to erode it, has been maintained through a spirit of harmony and compromise. Customs and traditions are safeguarded. Healthy communal interests are allowed to co-exist with the larger national interests.

The three channels, RTM1, RTM2, and TV3 accommodate the various languages—Malay, Chinese, Tamil, and English (Asmah 1985). The government attempts to acquaint the people with each other's culture through RTM's programs for holiday and religious festivals such as National Day, the MuslimId,
Christmas, the Chinese New Year and the Hindu Deepavali. Usually, however, in each program there are also renderings by presenters belonging to the different ethnic groups, so that no single community is portrayed as seemingly to go on its own way (Asmah 1985). The people's desire to preserve their primordial characteristics—their language, culture, and group aspirations, are respected as long as they do not endanger national unity.

Ownership
In the developing countries, there are three forms of ownership: public, private or commercially-run station, and the mixed system. For example, in the 1970s, Latin America adopted the mixed system whereby the government assumed responsibility in educational and cultural programming while private operators provided commercial broadcasts (Head 1985). As stated earlier, Malaysian broadcasting system is the legacy of the British colonial administration, and adapted to the development objectives of the nation. Among the countries of the Association of Southeast Nations (ASEAN), it is only Brunei and Singapore whose broadcasting operations are wholly government controlled. Singapore now has a third television channel, but it is a part of the Singapore Broadcasting Corporation's operations (Combroadcast No. 63, 1984).

Control of broadcasting is subjected to readjustments; as a country undergoes the process of economic transformation, the government may consider it appropriate to let a private concern to start a broadcasting service. This has happened in Malaysia. It is understandable for the government to be cautious in its decision to allow the commercial television operation so as to avoid any abuse on the part of the station operators.

The TV3's management hierarchy comprised of prominent individuals in the nation. For example, the general manager, Tawfik Ismail, is the son of one of the country's illustrious leaders, a Deputy Prime Minister cum Minister of Internal Affairs (Social Forum 1984). Many of the staff were recruited from the service of RTM, for example, the director of programming, Ahmad Merican, was the former RTM programmes director. This personnel structure, perhaps, contributed to the willingness of the government to let the private channel to operate. It was run by individuals who were familiar with the wishes of the authorities and were quite aware of the various broadcasting restrictions in the country.

Commercial television
Such television operation is advertiser supported (Reel 1979). This means that in the final analysis the bill is paid by the sponsor or advertiser. What the advertiser buys is the promise of an audience, its size, its demographic position, its purchasing power. A commercial station sells commercial spots as well. As for attracting sponsorships, if the station operator did not have access to a rating system from which to base a TV series' popularity, the operator probably would have to depend on the series' potential or its popularity in other countries. Such a basis
for selection was quite reasonable if the rival station did not pose any competition during the time slot a particular program is shown.

The commercial station

TV3 was started on June 1, 1984 with an operating capital of about $32 million (Social Forum 1984). In the first year of its existence, TV3 was serving about two million viewers in the Klang Valley area where the nation’s capital city, Kuala Lumpur, was situated. Television signals were relayed by a 90-meter earth satellite antenna at Sungai Besi Hill. Wider coverage had not been undertaken because of the shortage of funds and facilities. Moreover, as a commercially funded operation, its expansion was dependent on the profitability consideration and approval by the government (Social Forum 1984). The station owner, STMB, had to abide by the regulations set by the Ministry of Energy, Posts and Telecommunications which controlled the allocation of frequencies. There was a scarcity of VHF frequencies and TV3 was considering the utilization of UHF frequencies, even though this is more expensive and less efficient.

In order to assess its own capability to meet audience tastes and preferences, TV3 started as a pilot service until its official inauguration on January 1, 1985. This was planned so as to provide valuable data to help in formulating its operational objectives and goals.

According to the general manager, TV3 presented a healthy competition to the two public television channels, RTM1 and RTM2, so as to motivate RTM to improve the quality of its programming. Consequently, this would influence the government to reassess its role in television broadcasting: should it focus on providing information and educational programmes while its counterpart, TV3, assumed the responsibility of providing entertainment?

At the early stage, almost one hundred per cent of TV3’s programmes were imported. These programmes were subjected to the approval of the Film Censorship Board (Social Forum 1984). TV3 provided the rationale for its liberal programming; it argued that it had to pander to public tastes to combat the video craze in the Kuala Lumpur area (New Straits Times August 31, 1984). Furthermore, if the viewers were pleased with TV3’s programmes, this in turn would attract the advertising.

TV3 welcomed positive criticisms and comments. It assigned 60 persons of various age levels as members of a selection panel to judge as well as to select suitable programmes. Series containing material sensitive to the local society would be rejected. This was to ensure that its offerings would not only receive good ratings, but also reflect its responsibility to society (Social Forum 1984).

The commercial station then started to produce its own programmes such as drama series, forums, children, cultural and educational programmes, quiz shows, etc. (Star 31 August, 1985). It sent the first batch of its technical personnel for training and refresher course in England and Australia. Veteran broadcasters were employed to train announcers in the style of delivery and voice control. This
initiative was timely because the government called for a 30 per cent ceiling of local content on TV3 (New Straits Times Annual 1985).

TV3's distinctive feature was its Beritaks service which ran daily from 4.20 to 5.20 in the evening. This was the teletext system, a form of electronic publishing which was constantly updatable (Commbad No. 59 1983). It gave up-to-the-minute comprehensive financial news, concise news reports and information for those wishing to keep pace with the latest urban lifestyle.

**Privatization Policy**

The commercial station's survival depended upon its capability to sustain the public's appreciation for its programmes after the novelty period expired. The idea to introduce a commercial television service surfaced in late 1983. The government was revising its national economic policy when the country was deep in the Fourth Malaysia Development Plan, extending between 1981 and 1985. In Parliament, the Prime Minister, Dr. Mahathir Mohamed, spelled out the specifics of his new policy, amongst which were the reduction of dependence on the exports of primary products by promoting the manufacturing sector and export-oriented industrial programme that emphasized on heavy industries (Ali 1984). This was in line with the premier's Look East Policy — a philosophy for the third phase of capitalism in independent Malaysia. The strategy was to emulate the industrial performance and social progress of Japan and South Korea, and Japanese values such as the willingness to work hard, to be dedicated, to be loyal and to apply themselves fully to whatever it is that they are faced with (Ali 1984). However, he pointed that the road to take was not to seek any radical transformation of the basic economic structure, but by working within the fully existing paradigm of laissez-faire capitalism (Ali 1984).

In his attempt to conceptualize the Japanese economic success in Malaysian terms, the Prime Minister (Bass 1984) patented a policy innovation called the privatization of government services such as telephones, railways, electricity, water and television (Mauzy & Milne 1983-1984). TV3 was established in June 1984 as a private station. Malaysia Telecommunications Co. Ltd. was privatised in January 1986 (Utusan Malaysia November 1985). At present, the Water Department is awaiting a willing buyer from the private sector.

As far as the business sector was concerned, it had exhibited its readiness in the transfer of ownership; within a few months of the premier's announcement, the commercial television station became a reality. Thus, TV3 became the first product of the privatization policy.

The viewing public hailed its arrival for it meant an alternative to what they considered as poor programming of RTM. The government-owned station had been criticized for letting itself to be engulfed by a flood of imported programmes. It failed to intensify the production of its own shows or to show local films. It alleged that this shortage was due to the government's unwillingness to open its doors to the works of local artists; by supporting local talents; this would revital-
ize the declining Malaysian film industry (Utusan Malaysia, January 8, 1986).

**Education**

Malaysia has a young population. Only about four per cent were between the ages of 65 and above (Kurian 1984). The country's enrollment in secondary schools had increased from 19 per cent in 1960 to 53 per cent in the 1980s. Admission into higher institutions had increased from one per cent in 1960 to five per cent in the 1980s. They were in the age group of between 20 and 24 years old (Kurian 1984). According to Adhikarya (1980), most of the journalism educators in the ASEAN countries, including Malaysia, were educated in US universities. The knowledge they received in the US was transferred for utilization in their own countries. This knowledge was then absorbed and adopted by the students as the model of communication in business enterprise. He says,

> There seems to be little doubt that there is a strong dominance of US communication thinking among communication scholars in the ASEAN countries (Adhikarya 1980: 131).

The availability of a pool of communication graduates from the local universities, tutored in the Western model, might have provided the rationale for the early emergence of TV3. Such openings in the private sector gave the communication graduates suitable jobs; otherwise, they would have to enter into irrelevant ones either in the civil service or industrial firms.

**Urbanization and consumerism**

The country was experiencing a rising annual growth rate in urbanization. In the 1960s the urban population was only 25 per cent as compared to 30 per cent in 1982 (Kurian 1984). Rising affluence (although this is truer for the urban population) is reflected by the Per Capita Consumer (PPC) Index. It measures the growth in total private and public expenditure in a nation (Kurian 1984). Malaysia's PPC Index for 1970 was 133.1. This was 11.4 higher than the average index prevailing in developing countries, that is, 121.7. This put the country in the upper-middle bracket among consumer nations.

The manufacturing sector showed a significant growth from $941 million in 1970 to $2.9 billion in 1981 (World Development Report 1984). This growth attracted the transnational corporate giants which dealt in advertising, such as McCann-Erickson, Burnett, Bates, Ogilvy and Mather, and Kenyon and Eckhart (Janus and Roncaglio 1979). This testifies to the attractiveness of the Malaysian consumer market. The transnationalization of advertising agencies exercised a profound influence on mass media functions (Janus & Roncaglio 1979). This implied that at the early period of a country's development, the government assigned the mass media only the function of spreading the content of its development strategy, but as the country developed economically, the role of the mass
media had to adjust to the developing consumer culture and the ever growing presence of advertising (Janus & Roncagliolo 1979). The authors state:

Transnational advertising has a direct influence on development policy-making because, by stimulating demands for non-essential goods, it pressures governments into giving priority to the investments necessary to produce them. Since consumer products are those that traditionally require heavy campaigns ... its rapid growth implies a corresponding boom in advertising expenditure...As a result, the expansion of production and advertising budgets surpassed the available time and space in the media. Media costs are driven up, leaving transnationals as the major buyers of valuable media time and space. Then the function of the nation's media system, instead of being one of education and communication progress, becomes one of persuading the masses to join the consumer lifestyle. (Janus & Roncagliolo 1979: 96).

The above demonstrated the inevitability of a changing media presence, depending on the unobstructed growth in social and economic affluence. For RTM, to fully serve the interests of the private sector would be to neglect its primary duty to development principles, that is, to explain in depth and with the widest possible coverage government policies and programs to ensure maximum public understanding, to promote unity and the propagation of a Malaysian culture and identity (Adhikary 1977).

Forms of social pressure

The survival of TV3 depended on the management’s capability to deal with the government, political parties, and religious groups:

1. The Minister of Information, who was constantly monitoring TV3, had directed that foreign programmes be reduced to the 30 per cent level, either by producing its own or by purchasing them from local independent producers (Utusan Malaysia 1 August, 1986).

2. The youth wing of the ruling political party, the United Malay National Organization, reminded TV3 that “other than making money, it should also be thinking of its obligations to the nation,” to be responsive to the sensitivities of religious and cultural groups. This should be manifested in the selection of imported serials and the presentations of news programmes. They complained that TV3 news was not sensitive to Muslim feelings toward events in the Middle-East (Star June 25, 1985).

3. The Malaysian Indian Congress, a component of the ruling coalition party, National Front, contended that the Indian community had been discrimi-
nated against because Tamil films were never shown. The MIC, through its Maha Holdings, had a 10 per cent investment in the commercial station (*Star* October 8, 1984).

4. The commercial station was also under constant surveillance by the various religious institutions. The Catholic Bishop Conference of Peninsular Malaysia protested over the intention to show the mini-series *Thorn Birds*. Although the matter was resolved by the Information Minister by directing TV3 to postpone its screening (*Star* November 17, 1984), it goes to show that TV3 was accountable to the multi-religious nature of the Malaysian society.

5. TV3 had also to face criticisms from the Muslim Youth Movement of Malaysia (ABIM)\(^2\) with reference to its programmes, especially entertainment.

ABIM sought representation in the Panel for Monitoring Private Broadcasts (PPPS).\(^3\) PPPS was proposed by the Information Minister on January 29 1985 (*Berita Harian* January 30, 1985) and supported by the Committee for the Advancement of Islamic Affairs, headed by the Deputy Prime Minister.

The Youth Movement contended that such a representation, either as an advising capacity or to determine the suitability of programs, was vital. Considering the various supporting and critical factors, sufficient parties favoured the continued existence of TV3. It also depended on the credibility of TV3’s explanations in neutralizing its critics.

Factors in defense of TV3 are as follows:

1. TV3 was the outcome of the privatization policy of the Malaysian government. The latter had given every support to the commercial station. It is noted that when the government wanted to implement the new policy, bids were invited from a number of public enterprises; but no one came forward to place an application (Bass 1984). The STMB was the first to accept the offer. The government was obviously aware what a commercial station might bring to the public. The early programmes that TV3 adopted as its staple, require a more liberal attitude on their part (Ahmad 1985). Only if such a condition existed would it be able to realize its ambition to implement the privatization scheme, as far as commercial TV broadcast was concerned. It can be deduced that the government preferred to maintain the *status quo* in the manner that will be acceptable to STMB, to itself and to the pressure groups.

2. There is evidence to show that TV3 was able to lure video watchers back to normal television viewing. The Malaysian Dealers Association confirmed this trend (*Malay Mail* June 5, 1984). Sales of video cassette recorders (VCR) had plummeted since TV3 came into the picture. Potential buyers waited to see what kind of programme fare was available on the commercial station before committing themselves to buying the higher priced item. As RTM revamped its programming to match that of TV3’s, its program offerings became more attractive to the former video watchers as well. The two serv-
ices, in effect, complemented each other. While the favorite programmes on TV3 were foreign made, most of the highly rated shows of RTM were locally produced. This enabled the audience to be selective. There would be less reasons for complaining when the viewer had a choice of turning off the program that he or she dislikes and watches the one preferred most.

3. Regarding the 30 per cent target imposed by the Information Ministry for the percentage of local programmes, TV3 remedied it by overcoming the shortage of equipment. It entered into an agreement with a local merchant bank which furnished it with a $27 million leveraged lease facility to acquire TV production equipment for its daily operations (New Straits Times August 8, 1984). The positive trend in viewer preference for local programs as revealed by the Malaysian Survey Research group (Utusan Malaysia November 7, 1985), certainly had come to the knowledge of TV3’s executives. The research group, an independent data gathering organization, found that out of 10 favorite programmes shown by RTM, only two were foreign made (Utusan Malaysia November 7, 1985).

4. Related to the third factor, was the training of TV3’s technical and production personnel. On October 16, 1984, a team of American filmmakers were engaged for this purpose. It comprised a director, a cameraman, a set designer, an audioman, and a video editor (Malay Mail October 17, 1984). They also guided in the making of a magazine show called the Golden Door which was meant for bringing to the viewers the latest in urban lifestyle.

TV3 production personnel have indeed shown their ability. In October 1984, it released for showing a documentary feature called The Battle for the Skies - a 42-minute programme with an indepth look at the unsuccessful request by the Malaysian Airline System (MAS) for a fifth weekly flight to London. Its first dramatic feature was Maria (Malay Mail October 11, 1984). Since the beginning of 1985, it had been producing its own programmes on a regular basis (Star August 31, 1985).

The supportive factors cited should be weighed against the following critical factors:

1. Concerning the dissatisfaction over the showing of films irrelevant to some ethnic groups, TV3’s general manager replied that the management was not discrimination against a specific community. He was referring to the Malaysian Indian community. TV3 did screen several Hindi movies. It was not able to screen them because of the lack of sponsors for Tamil films. Furthermore, the station was still in its trial period and financial priorities predominated. Once the company broke even, it would then screen Tamil programs and movies (Star September 26, 1984).

2. Regarding criticisms and protests from religious bodies, TV3 regarded these as sensitive social issues. In a multireligious country, such occurrences were not unusual. To prevent its recurrence, selection of programmes should not
only be based on popularity ratings, but also on moral judgment. However, fixing criteria for the selection of programmes would weaken TV3’s independence as a commercial station. It should be remembered that it was the lack of such freedom in the first place that hampered RTM’s creative personnel in providing drama series of fine quality.

3. The allegation that TV3 was only interested in maximising its profits was dispelled by the fact that the commercial station was run by responsible people who like to protect its image in a positive way, that is, by showing its sincerity to become a socially responsible organization in bringing about its objective of “developing a more informed society.” There was no doubt that the management realized that they were not isolated from the social mainstream. Excessive commercialization would only foster a profit-seeking image. This was a very significant factor as TV3’s transmission reached the smaller towns in the northern and eastern parts of Malaysia.

Based on this reasoning, the evidence strongly favored the continued existence of TV3 as a commercial station.

Conclusion

Whatever flaws that are attributed to TV3, in the programme line-up or its motivation, it has shown its tenacity to continue operating as the most viable commercial station, and whose primary aim was to serve the consumer public. This is mainly due to its responsiveness to the public and willingness to listen to its critics. It has exhibited its capability in presenting, in an interpretative way, significant current issues affecting the nation. It is producing its own programmes on a regular basis, and by doing so, it has lessened its dependence on the imported product which had been the basis of public criticism. If TV3 could discard the profit-motive image and also prove to the nation that it is working for the good of the society, to entertain, to inform and to educate, then this leading national network will no doubt have the support of the public.

Notes

1. According to the MacBride Report, an analysis of the cultural flows between countries shows how serious the imbalance was. The media in developing countries take a high percentage of their culture and entertainment content from a few developed countries, and chiefly from a few large producers in those countries (MacBride 1980: 163).

2. It is the most significant group to date, although it maintains an outwardly neutral political posture. It has organizational sophistication and critical attitude on a number of issues ranging from corruption to the whole ethos of the New Economic Policy which it opposes as being contrary to Islamic teachings (Barralough 1984).
It comprised the Information Minister, the Deputy Minister of Internal Affairs, the Secretary General of the Information Ministry, the Director General of the Broadcasting Department, the Director General of the Ministry of Culture, the Secretary General of the Ministry of Posts and Telecommunications, and three others representing the advertising industry, the press and higher institutions (Berita Harian January 30, 1985).

It was signed by STMB (the lessee) and the Arab-Malaysian Merchant Bank Limited, with the participation of Utama Wardley Limited. The lessee facility would be managed by the KUOK-GATX Leasing (Malaysia) Pvt. Ltd., together with BCB Leasing Pvt. Ltd. There are several packages involved in the deal. The first package involves the leasing of an outside broadcast van and a teletack and a slide file system (New Straits Times August 8, 1984).

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