

Public Readiness and Acceptance Towards Implementation of Sarawak Digital Economy: A Case Study in Kuching, Sarawak

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Abstract

Sarawak's Digital Economy Strategy has become vital to the state since its implementation in 2018, which outlined 47 strategic plans in eight economic sectors, namely agriculture, manufacturing, tourism, smart city, digital health, e-commerce, digital government, sports, social, arts and culture. This initiative is one of the efforts to transform the state's economy into a digital economy by 2030. With the rise of entrepreneurial culture in today's era, it is crucial to encourage society to keep up with world trends on a global scale. This study aims to examine the public readiness and acceptance toward the implementation of the Sarawak Digital Economy, in which a total of 384 questionnaires were distributed to the public in Kuching, Sarawak. The result of this study shows a positive reaction toward accepting Sarawak's Digital Economy initiative, as the result suggests that the public does not show any signs of reluctance to embrace the digital world. Therefore, investing in telecommunication infrastructure and encouraging the public to become digital entrepreneurs can drive the state economy to achieve high-income status and become a developed state by 2030 which is through digital transformation. This is also to ensure that the state is not left behind as most developing countries are already at the forefront of the digital economy.

Keywords: Digital Economy; Public Acceptance; Public Readiness; Digital Transformation

INTRODUCTION

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The world is increasingly utilising digital technology, and nearly all nations—particularly developed and emerging nations—have begun to use and experiment with it. Digital technology has been used in various sectors, including the economic sector. Many countries have been moved to the transition of the digital economy, such as the United States, Sweden, Singapore, Switzerland, Denmark (Institute for Management Development, 2020), and many other countries as well, including Malaysia. The digital economy contributes an essential role in enhancing the economy's growth and contributing to the betterment of people's quality of life. Moreover, with the increasing digitalization, the ICT and ICT-enables services sector is expected to keep growing. The economy of countries investing and promoting the digital products and services within their territory is bound to grow – directly through ICTs, and indirectly when ICTs support other industries (Mentsiev et al., 2020).

The digital economy refers to three primary elements: the infrastructure of E-business, Electronic business, and Electronic commerce (e-commerce) (Bukht & Heeks, 2019). Digital Economy also can be defined as to form, embrace, and innovate digital technologies and services relating to socio-economic functions to enhance the creation of wealth, productivity, and quality of life driven by all sectors and citizens (Malaysian Digital Economy Corporation, 2019). The Sarawak state government under the administration of Chief Minister, Tan Sri Abang Johari Openg has taken a further step ahead in ensuring that the state keeps up with the growth of technological advancements where the Sarawak Digital Economy Strategy is made to achieve a high-income status which is through digital transformation. Any policy made by the government must consider the public's reaction to the policy. In moving towards a digital economy, many processes and considerations from all aspects need to be considered. Therefore, it is not an easy process to go through the government to move forward in the realization of the digital economy.

In the Malaysia Context, Malaysia is leading the development of the digital economy through Malaysia Digital Economic Corporation (MDEC) and Sarawak through its Sarawak Digital Economic Corporation (SDEC). The ultimate goals of Malaysia are focused on growing the digital economy, producing creative talents for the industry, and boosting the adoption of digital technology among people and businesses (Low et al., 2019).

Without the people's acceptance, the efforts to make a digital transformation in the economy would go to waste. With more Malaysians embracing the digital lifestyle, any policy or actions made by the Government to enhance the digital economy will receive tremendous and more positive support from the citizens. The people's acceptance of the policy or initiatives is crucial as it can help determine its success level. Policy acceptance is driven by the policy preferences and other factors such as the processes used to make the Policy (PytlikZillig et al., 2018). In addition, Sarawak is still facing a problem where the public is yet to accept the digital world. This is due to different income gaps. Different level of income group has a different level of acceptance towards the implementation of Sarawak Digital Economy. Low-income groups have yet to fully utilise the availability of the digital economy compared to high-income groups (Edirin , 2018). Hence, this study aims to investigate the public acceptance and readiness towards the implementation of the Sarawak Digital Economy. In narrowing down the scope of the study, the researchers will only be focusing on the public in Kuching, Sarawak.

LITERATURE REVIEW

Digital Economy

The researchers have presented several viewpoints and notions to comprehend the general meaning of the digital economy and its concept based on past studies regarding it. There are four dimensions of the digital economy as explained in the report of Economist Intelligence Unit in its report where it could be separated into a) ICT infrastructure's connectivity, b) business environment, c) social and cultural environment, and d) consumer and business adoption (Rashid et al., 2017). Next, it appears from additional studies that they are employing the same idea and notion. They illustrate the foundations of the digital economy by using the Economist Intelligence Unit 2010 studies. The digital economy contributes evenly to each sector of level in the communities where it can bring betterment towards everyone's lives as a whole (Uddin & Uddin, 2020). In addition, the digital economy can increase growth and productivity and lead to more development. When there is growth, it must be accompanied by elements of factors that contributed to the change. Thus, in referring to the digital economy, for the country's economic growth and productivity, it is demonstrated by the large number of consumers adopting the digital technology, firms, and governments although at varying rates across sectors and countries (Dahlman et al., 2016).

In many countries that have adopted the digital economy policy in their plan for the well-being of the economy and its people, they have their own goals to achieve and maintain; there goes for Malaysia, centred in three aspects or factors. According to the strategies and plan of Sarawak Digital Economy Policy, it provides several digital opportunities for consumers, citizens, businesses, and even to the governments itself whereby, the policy highlighted opportunities and benefits for every level and range of sectors without leaving anyone behind. To simplify, the Sarawak Digital Economy Policy is easing citizens and consumers' lives, shaping new business models for those in the commerce industry, and bettering the service provisions and enhancing the delivery of social welfare programs (Sarawak Digital Economy Policy, 2018).

In the broadest sense, the digital economy has transformed societies' work and play (Ahmad & Ribarsky, 2018). It is undeniable that the digital economy indeed has transformed everyone's lives where it contributes to easing people's daily lives, revolutionise production process and growth of the business markets and as well as the economy as a whole, and benefit the government in gaining influential and high

contributions in shaping and bringing the betterment to the country. However, despite the scale of the transformative effects, there will always be challenges in ensuring that everyone will benefit from it. Public acceptance, line coverage and public readiness are the determinants of Sarawak Digital Economy Policy, whereby these three determinants are essential in ensuring the effectiveness of the policy. Hence, ensuring that the public is benefiting and involved in it is quite hard due to some circumstances. Despite the challenges, the government had to play their roles by ensuring that it can get into everyone's ways and heart in moving together towards the digital economy. These challenges and the factors that contributed to each determinant will be discussed further below.

Public Readiness and Acceptance

Public acceptance can be defined as a judgment to measure or design an effective policy (Bicket & Vanner, 2016). Acceptance from the public is important for the successfulness and effectiveness of the policy and services made by the government. The technology acceptance model (TAM) will be used in this study to measure the public acceptance of digital economy policy that is based on the uses of digital technology (Jasimuddin et al., 2017). This study adapted five key items from the technology acceptance model (TAM) to measure the public acceptance towards Sarawak digital economy policy such as awareness, social influence, perceived ease of use, perceived usefulness, and perceived trust in government. The adjustment has been made to the questions so that it can be applied for the public acceptance towards Sarawak digital economy policy.

Acceptance is the most important determinant of Sarawak Digital Economy Policy. The acceptance from the public is an act to evaluate the outcome of performing Sarawak Digital Economy. The acceptance of the public could be either positive or negative. Thus, public acceptance is viewed as a critical attitude towards an issue which is expressed in a specific idea or action, such as support, affirmation and approbation (Kalantari et al., 2018). The acceptance from the public implies that a specific policy or concrete initiative is publicly or covertly accepted by an individual who may influence positively or negatively. Generally, acceptance from the public is a type of attitude that focuses on the public's interest and the rejection of novelties. The implementation of the policy will be successful if only the policy is accepted by the public; however, when the policy is opposing by the public, the government are likely to hesitate to support the Digital Economy policy. There are three main factors that influenced the acceptance of the policies: individual factor, the features of policy and demography factor (Ejelöv & Nilsson, 2020). In general, by relating to the topic, it is an act of willingness of the group people to adopt the digital economy. The judgment measured the level of

individual's acceptance on how they likely to react towards the policy made and whether there is various variable that influence the overall level of acceptance.

Next, public readiness refers to the developmental stage where it describes someone as willing, incline and prepares to act. It is also referring to the state of someone being ready or prepared for something. The readiness of someone can be shown in their tendency and willingness to act (Nasution et al., 2018). In this study, the term readiness is being used to refer to digital readiness to adapt to technology implemented by the Sarawak government.

A few specific key terms indicate readiness throughout the few previous studies, which is 'e-readiness' or digital readiness. The time is widely used in several studies to show the readiness for the digital economy policy, or anything related to the technology. There are similar patterns on how several researchers defined the meaning of digital readiness or e-readiness, which it has been used in their studies to imply the communities' readiness (individuals, public, institutions, industries and countries) in adopting as well as adapting with utilising the digital technology to obtain the benefits derived from the technologies (Samaranayake et al., 2017).

RESEARCH METHODOLOGY

This study used a simple random sampling technique in selecting a respondent. The total population in Kuching, Sarawak is estimated at 612,000 residents and Krejcie and Morgan (1970) suggested that the sample size for this study is 384 respondents. Therefore, a total of 384 questionnaires were randomly distributed to the public in Kuching, Sarawak. Respondents were asked to select their answers based on a five-point Likert scale ranging from 1 for “strongly disagree” to 5 for “strongly agree”. The data obtained from the questionnaire was then analysed using the Statistical Package for Social Science (SPSS).

FINDINGS AND DISCUSSIONS

A total of 52.3% male and 47.7% female respondents took part in this study as shows in Table 1. Most respondents were in the 20-29 age group (75.3%) and the

lowest age group of 50-59 years was only 3.9%. Next, in terms of education, around 38.8% of respondents are Diploma/STPM holders, followed by 38.5% Degree/Master/Phd holders. Finally, respondents from the public sector are the largest with a contribution of about 38%, followed by others with 34.1%. and respondents from the private sector and self-employed groups are with 19.8% and 8.1% the minority (31 respondents).

Table 1: *Respondents Profile*

Descriptive of Items	Category	Percentage (100%)
Gender	Male	52.3%
	Female	47.7%
Age	Below than 20years old	2.1
	20-29 years old	75.3
	30-39 years old	12
	40-49 years old	6.5
	50-59 years old	3.9
Education level	UPSR	0.8
	SPM	21.9
	Diploma/STPM	38.8
	Degree/Master/Phd	38.5
Occupation	Public Sector	38
	Private Sector	19.8
	Self-employed	8.1
	Others	34.1

Next, Table 2 shows that the level of public acceptance has an overall mean value of 3.941 (SD = 0.539). This shows a positive inclination towards acceptance of the Digital Economy Policy by the Public in Kuching, Sarawak. Based on the result, it shows that all items had a high mean of over 3.50 and it shows that the whole public in Kuching accepts the Sarawak Digital Economy Policy positively. The two items with the highest average score are the third and fourth items, as the mean scores are 4.03 and 4.22 respectively. Therefore, based on the third item, the majority of the public tends to accept the policy based on its perceived ease of use, which consisted of its usefulness, simplicity, accessibility and use. Meanwhile, based on the fourth points, they agreed that using the government application like *SarawakPay* application makes it easier for them to do all kinds of tasks or payments

Table 2: Public Acceptance towards Sarawak Digital Economy

Items	Mean	Std. Deviation
I am well aware of the digital economy policy made by the government.	3.96	.609
I decided to use government e-service such as Sarawak ID because my family and friends are using it as well.	3.61	.793
I would like to use the digital services provided by the government because it is useful, simple, easily accessible, and easy to use.	4.03	.671
I can accomplish any types of payment or tasks more quickly by using the application of SarawakPay.	4.22	.738
I have a high level of trust to any service and policies provided by the government.	3.88	.676
Mean Acceptance	3.94	.539

Finally, Table 3 shows the public's readiness to implement Sarawak's digital economy, with the median being 3.89, indicating that the majority of the public agrees that they are keeping up with the latest technological developments. Next, the second items have a mean of 3.86, indicating a positive outcome where they can quickly figure out how to use the digital platforms and services. The third item, with an average value of 3.94, revealed a high willingness of the public to always be ready to use new technologies when presented to them. The result also showed that the majority of the public agrees that they can achieve a better quality of life with advanced technologies, as the mean score is 4.14. With an average value of 4.09, the majority of the public also shows great willingness because they believe that their everyday life will become more productive with the help of digital technology. Finally, after the last items that show a positive readiness of the population to be mobile with the help of digital technology, there is an average value of 4.08. Overall, the results show that the public in Kuching Sarawak shows a positive readiness to implement the Sarawak Digital Economy Policy and shows no significant signs of reluctance to embrace the digital world and accept the policy.

Table 3: Public Readiness Towards the Implementation of Sarawak Digital Economy

Items	Mean	Std. Deviation
I am keeping up with the latest developments in technology.	3.89	.732
I can easily familiarize myself with using the digital platforms and services.	3.86	.695
I'm always willing to use new technology when presented to me.	3.94	.700
I can achieve a better quality of life by using the advanced technologies.	4.14	.592
I believe that digital technology makes my everyday life more productive.	4.09	.600

CONCLUSION

In summary, this study has found a positive response of the public's acceptance towards digital economy in Kuching, Sarawak. The result has shown that the public are well prepared and ready to embrace digital technology thereby moving towards a quality lifestyle. The public in Kuching, Sarawak are also reflecting a positive trend of digital economy readiness, with most of them ready to adopt digital technologies in their daily lives. It can be concluded that the Sarawak government has made impactful effort to persuade its people to accept the implementation of the policy positively. Looking at the outcome, the majority of the public in Kuching, Sarawak are satisfied with the services provided by the government under the Sarawak Digital Economy initiatives and this influences their tendency to accept and adopt the policy. In short, the digital economy plays an important role in the evolution of Sarawak people to a cashless lifestyle.

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