REGULATION MATTERS: A COMPARISON OF MALAYSIAN- INDONESIAN'S E-HAILING REGULATION FRAMEWORK

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Peer-review under responsibility of 4th Asia International Multidisciplinary Conference 2020 Scientific Committee

<http://connectingasia.org/scientific-committee/>

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Abstract

E-hailing, which is also known as ride-hailing or ride-sourcing, has been on the rise across the globe. However, it is known as a disruptive innovation as unregulated services have triggered major disruptions and led to certain setbacks in the transportation industry. It has been blamed for the rise in privacy and safety issues, unfair business competition and a decline in demand in the traditional taxi industry. In response to these issues, certain countries have started to regulate the e-hailing industry. The objective of this study is to identify, analyze and contrast on the form and enforcement of Malaysian-Indonesian's e-hailing regulation framework by using qualitative-comparative research. In this study, literature have been gathered from credible online sources. Based on the results of the study, there are commonalities and differences between the Malaysian and Indonesian's e-hailing regulation framework. Furthermore, implications of the study have been discussed. For instance, the current state of the e-hailing industry is underregulated rather than unregulated. Policy makers should seek to improve existing regulation framework rather than starting new regulations from ground up to minimize the risk of overregulation that might eventually diminish the industry.

Research Highlights

- This research provides evidence for issues caused by unregulated services in the e-hailing industry;
- The Malaysian-Indonesian's e-hailing regulation framework is analyzed based on Cortez's (2014) important aspects of regulatory measures which are form and enforcement (Mutiarin, et al., 2019);
- The study highlights the commonalities and differences between Malaysian-Indonesian's e-hailing regulation framework;
- The findings contribute to the study primarily comprising new e-hailing regulations creating more issues and frictions among the industry.

Graphical Abstract

“Form-enforcement” Framework

Research Objectives

General Objective

The general objective of conducting this research is to analyze the commonalities and differences of Malaysian-Indonesian's e-hailing framework in terms of the important aspects of regulatory measures. The two important aspects of regulatory measures are form and enforcement (Mutiarin, et al., 2019).

Specific Objectives

1. To identify and categorize the regulation framework on Malaysian-Indonesian's e-hailing industry.
2. To compare and contrast Malaysian-Indonesian's e-hailing regulation framework.

This study will contribute to the society as it will help the public to have better understanding towards the Association of Southeast Asian Nations (ASEAN) countries contexts agenda 2030. In addition, it also helps the public to enhance their knowledge in disruptive technologies and its issues. Moreover, this study will help the users of e-hailing services in every country to be aware of the importance of the enforcement of regulations and policies on the e-hailing industry.

Methodology

This study is a qualitative-comparative research. To analyze the Malaysian-Indonesian's e-hailing regulation framework, data on the transportation industry of each country are gathered. There are more than 70 past literature, legal and policy documents, reports, websites, articles and other documents, which range within the period of 2014-2019, are gathered and analyzed. The analysis is done based on Cortez's (2014) important aspects of regulatory measures (Mutiarin, et al., 2019). For the ease of understanding, two components are compared namely form and enforcement. Form aspect is to identify the form of regulations on Malaysian-Indonesian's e-hailing industry namely policy and statute. Enforcement aspect is to look into whether the current formulated regulations and policies benefit various stakeholders. Then, those data were classified into either regulation or policy based on three categories such as riders, drivers and operators on privacy, safety and business issues.

Results

Based on the important aspect of regulatory measures such as form and enforcement, there are commonalities and differences between the Malaysian and Indonesian's e-hailing framework. In other words, although the e-hailing regulations and policies for the riders, drivers and

operators in Malaysia and Indonesia are almost on par, but there are still differences between them.

Findings

Based on the results, both Malaysia and Indonesia indeed put great efforts in imposing regulations to govern the e-hailing industry. The primary objective of new e-hailing regulations is to create fair play and healthier competition in the industry (Aziz, 2019). However, it somehow has created even more issues and frictions among the industry. For instance, compliance costs, reduced business revenue and other negative impacts towards e-hailing users.

Acknowledgement

This study has been completed successfully with the assistance and cooperation of various parties. Their guidance has lead me to successfully complete my study. Hence, I would like to take this opportunity to express my sincere gratitude to all of them. Firstly, I would like to express my deepest gratitude to my supervisor, Dr. Goh Hong Lip for his effort and time in guiding and providing precious advice to me on conducting this study. This study would not be done successfully without his assistance. Other than my supervisor, I would also like to thank Universiti Tunku Abdul Rahman (UTAR) Institute of Postgraduate Studies and Research (IPSR) for the research grant provided for us to complete the study.

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Author's Biography

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