Electoral Funding of General, State and Party Elections in Malaysia

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Although one of the most controversial aspects of Malaysian politics today is the influence of money in electoral contests, the manner in which most political parties obtain funds to finance their activities remains rather opaque. Yet, as political campaigns become increasingly sophisticated and expensive, the need for the disclosure of sources of party funding has become imperative as membership dues and donations from private supporters—the traditional sources of political party funding—become secondary to the funds provided by leading corporate figures and business entities. Though it can be argued that all political parties may benefit from such funding, in view of the unequal distribution of wealth and concentration of political power in Malaysia, certain individuals and entities who can afford it have greater influence. Furthermore, since contributions to a party are normally calculated in relation to the anticipated political benefit forthcoming from it, most opposition parties have seldom obtained much funding from corporate figures and entities since the investment is unlikely to realize the expected return (Box-Steffensmeier and Dow, 1992). As Paltiel succinctly surmises, donations to political parties attempt to "surmount the democratic constraints of 'one man one vote' to gain disproportionate influence in the decision-making process" (quoted in Mendelow, 1992).

Since the impact of money on election outcomes has come to have such significance, the need for disclosure has become imperative. Political, parties, however, come under the purview of the Societies Act, which also covers all non-political societies; thus, the requirements for disclosure of sources of party funding are minimal. More importantly, even within existing election-related legislation, there is a necessity to ensure more stringent enforcement. In view of these deficiencies, separate legislation needs to be drawn up to govern the activities of political parties, especially on disclosure of funding and excessive expenditure during electoral campaigns.

Under Malaysia's election laws, the regulations regarding expenses during parliamentary and state elections are outlined in the Election Offences Act 1954. Candidates for a parliamentary seat are permitted election expenses up to a maximum of RM50,000 each, while the maximum amount allowed for a candidate contesting a state seat is RM30,000; despite these stipulated limitations, there is overwhelming evidence that expenditure during electoral campaigns, especially but not necessarily

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