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Monetizing Politics: Financing Parties and Elections in Malaysia

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Abstract

This paper assesses the patterns of financing of political parties and elections in Malaysia. The poor regulation of the activities of parties and elections has contributed to allegations of covert funding of parties from both Malaysian and foreign sources. Since parties have grossly restricted access to funds, this has led to unfairness in federal and state elections. This paper also deals with two fundamental issues in the financing of politics in Malaysia. First, corporate enterprises have entered a trend known as 'political business'. Second, money-based factionalism, known as 'money politics', is threatening the existence of parties and undermining confidence in government leaders. Party factionalism is based not on ideological differences but on which political leader has the greatest capacity to capture grassroots-level support. Two core issues contribute to extensive monetization of politics. First, existing disclosure requirements fail to adequately restrict the covert funding of politics or ensure electoral fairness. Second, public institutions that oversee electoral competition are not autonomous to act without favour. Finally, this paper reviews the development of transparency built into current legislation, the pattern of financing of parties and electoral campaigns, and the relevant regulatory bodies' institutional capacity to ensure fairness and accountability during elections. The paper presents legislative and institutional reforms to ensure electoral fairness, within and between parties.

Defining the problem

In Malaysia, voluntary private funding of parties and poor regulation of their financing have contributed to the increasing monetization of politics. The volume of private money seeping into the party arena has been growing, although some parties have far greater access than others to these funds, leading to unfairness in federal and state elections. Disclosure is useless when faced with allegations of corporate funding of political parties in Malaysia as we have seen. The general literature on party funding and resources of party funding is an important factor in the outcome of elections. First, corporate enterprises use their corporate assets to fund elections and media coverage. Then there is the issue of donations within political parties. There is a great deal of corruption within Malaysian political parties during general elections, and the use of money politics to capture grassroots support. Money politics, is the basis for which political parties control the government. It is widely acknowledged that money politics undermines the integrity of the system. Malaysia say too little about corruption and the abuse of funds in this light institution. If we look at the growth of money politics in Malaysia, we see that certain parties have greater access to private funds than others. This has contributed to the unfairness in elections.