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Malaysian General Election: Cash, Campaigns and Candidates

By Aira Azhari

SYNOPSIS

In Malaysia, the high cost of electoral campaigns means that candidates with limited access to resources face challenges in raising funds, hampering broader participation in politics. This commentary on election campaign funding draws largely upon field interviews with candidates from the Malaysian United Democratic Alliance (MUDA) and Parti Amanah Negara (Amanah).

COMMENTARY

The results of Malaysia's 15th General Election (GE15) saw Perikatan Nasional (PN) winning an unprecedented 74 seats (out of 222) in the Federal Parliament. Analysts and voters have wondered about the source of their political campaign funds. Prime Minister Anwar Ibrahim had asserted that PN funded its GE15 campaign through gaming companies. He alleged that a lot of money had been misappropriated when PN leader, Muhyiddin Yassin, was the country's Prime Minister. (It has since been clarified that the amount in question is RM92.5 billion.)

The deputy youth chief Wan Ahmad Fayhsal of Bersatu, a component party of PN, has refused to reveal the identity of PN's donors, arguing that no party is required to do so by law. In response to Anwar's allegation, the Ulama Wing Chief of the Pan-Malaysian Islamic Party (PAS), another component party of PN, accused Pakatan Harapan (PH), chaired by Anwar, of receiving foreign funds itself.

Much of the discussion on political finance regulation in Malaysia has focused on the need for transparency regarding funding sources and curbs on patronage and corruption. The 1Malaysia Development Berhad (1MDB) scandal, involving USD756 million, had been the main catalyst that sparked the debate to enact a Political Financing Act, although that proposed legislation remains elusive till today.

What is not getting sufficient attention is the fact that running an election campaign is itself expensive. For candidates who do not have access to resources such as the personal, grassroots and business networks that established candidates may have, raising funds to get elected into political office is challenging.

What Candidates Spend on During Campaigns

Minimally, every candidate competing in an election must pay deposits to two entities. Firstly, the candidate needs to pay a deposit to the local council – RM5,000 for a parliamentary seat and RM3,000 for a state seat – to put up posters, flags and banners, etc., which need to be taken down within two weeks after the election. Secondly, the candidate needs to pay a deposit to the Election Commission of Malaysia – RM10,000 for a parliamentary seat and RM5,000 for a State Assembly seat. The candidate would need to win at least 1/8 of the total votes cast in the contested constituency in order not to lose the deposit.

In reality, a serious campaign requires far more financial outlay than these deposits. The most visible is in the printing and placement of flags, bunting and posters. One respondent revealed that his campaign printed 22,000 flags, 10,000 posters and 40 billboard advertisements. Costs also need to be incurred in renting office spaces, and in hiring staff; even volunteers need to be provided with meals at the very least.

Candidates also pay for the hiring and training of Polling and Counting Agents (PACAs). They provide their own PACAs at every polling station where they contested, some having to mobilise as many as 300 PACAs who worked in shifts to cover the full day. Respondents revealed that they paid between RM50-100 for each PACA, but due to lack of funds, some had to make do with the same people doubling up for both polling and counting work from morning until late evening.

Some political parties provided a basic level of support through “candidate packages” which consisted of payments for deposits and quantities of flags, posters and miscellaneous items, which were not always sufficient, hence, forcing candidates in some instances to raise more funds to print more flags. Transportation was another cost item as many voters expected the party they supported to provide transport to the polling station.

Such campaign costs are taken in stride by more established candidates, but they can be prohibitive for new candidates with little or no resources of their own. This confers a degree of advantage to established parties and candidates, while raising barriers for others participating in frontline politics.

How Parties Financed their Campaigns

Campaign costs are burdensome for all parties and candidates, but some are better able to afford them than others.

Component parties of Barisan Nasional (BN), which had held power for more than six decades, have traditionally received funding support from their vast networks of businesses, owned by either the parties themselves, individuals within the parties, or proxies of the parties.

As for PH parties, they have historically raised funds through fundraising dinners, donations during rallies, contributions from elected representatives, and the sale of merchandise.

For PAS, voluntary monthly contributions from their members have been significant. The party had also tried out a co-operative business model in the form of *Koperasi Al-Hilal Malaysia Berhad* (Kohilal), where the profits were used to fund the party's political activities. The venture ended in failure.

MUDA and Amanah candidates who were interviewed relied upon a combination of methods such as fundraising dinners, online crowdfunding, and personal donations from family and close friends. Online crowdfunding was generally not effective as most of these candidates only managed to raise an average of approximately RM2,000 each.

MUDA supported their candidates with the basic candidate packages mentioned earlier, while Amanah helped only those candidates who were truly in need. Although Amanah is a component party of PH, monetary support for candidates' campaigns came from the party, not the coalition.

Personal donations seemed to have been the main source of campaign funds for all the candidates interviewed. It was noted that the amounts raised depended highly on the personality of the candidates themselves. For example, candidates who have built incumbency advantage through their time holding political offices previously might find it easier to raise funds for their campaigns than others.

Indeed, the only two candidates who won (out of seven interviewed), held some incumbency advantage through previous political positions in both federal and state governments. In fact, the presence of such personalities was said to be helpful at their fellow colleagues' 'pitching sessions' for funds. This reliance on high-profile personalities is not new in Malaysian politics and is amplified in new parties where resources are still largely tied to their most prominent leaders.

Lastly, being young or new does not necessarily mean that a candidate would have poor access to funds. With support from their parties, many young and new candidates ran well-funded campaigns. On the other hand, there were others, particularly independent candidates, who lacked access to well-heeled backers.

Conclusion

Campaign financing is just the tip of the iceberg in the funding of year-round political activities in Malaysia. While the proposed Political Financing Act (PFA) would help to curb political corruption, it would not necessarily make participation in politics less expensive. The PFA should consider Malaysia's personality-based political financing practices and go further to propose more sustainable solutions, such as a public funding model for political parties, to enable more equitable funding and participation in politics.

Aira Azhari is Senior Manager of the Democracy and Governance Unit at the Institute for Democracy and Economic Affairs (IDEAS), Malaysia. This commentary is part of RSIS Malaysia Programme's project on the Malaysian General Election.

S. Rajaratnam School of International Studies, NTU Singapore
Block S4, Level B3, 50 Nanyang Avenue, Singapore 639798
T: +65 6790 6982 | E: rsispublications@ntu.edu.sg | W: www.rsis.edu.sg