



PUBLIC FUNDING IN THE PROPOSED POLITICAL FINANCE ACT

BERSIH

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OUTLINE

- The Sections
- Allocation by Type and by Region
- Allocation (Vote-based) by Recipient
- Allocation based on Vote Shares – Parliamentary Elections
- Allocation based on Vote Shares – State Elections
- Allocation to encourage Women’s Representation
- Why the German model?
- Why Include State Elections?
- Why Only Parties?
- Main References

• THE SECTIONS

PART V ALLOCATION TO POLITICAL PARTY

Section 37 Commission's duty to allocate

Section 38 Total allocation from the fund

Section 39 Allocation based on Vote Shares

Section 40 Allocation to encourage women representation

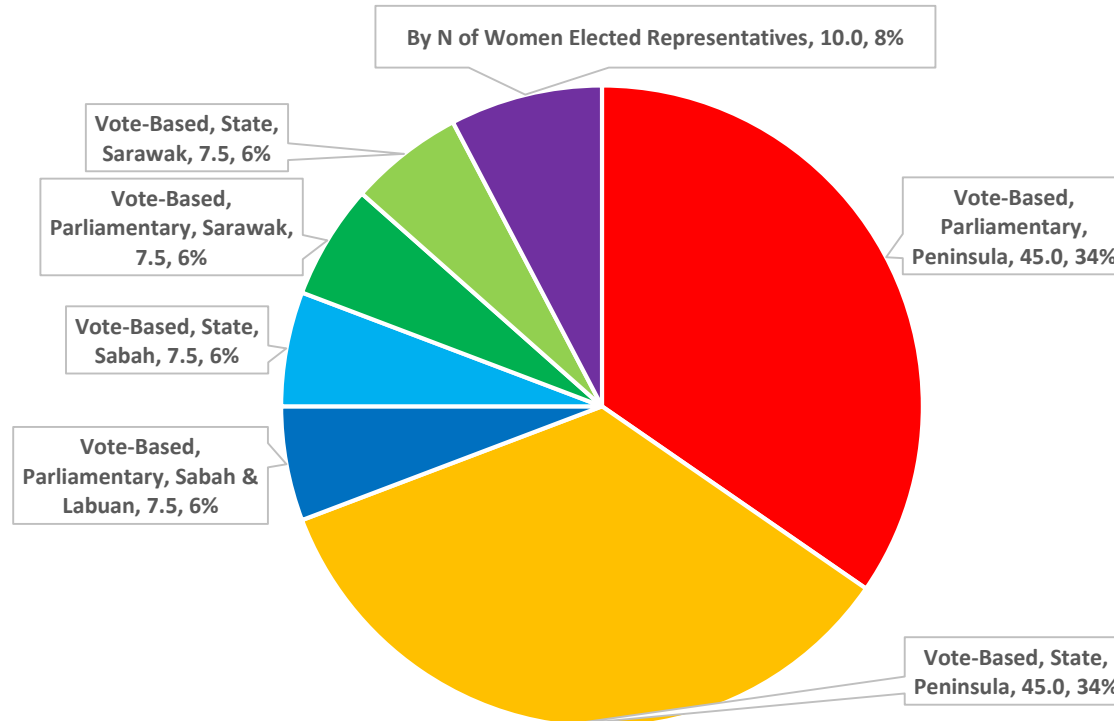
Section 41 Spending on policy development research

Section 42 Political party

Section 43 Interpretation of Part V

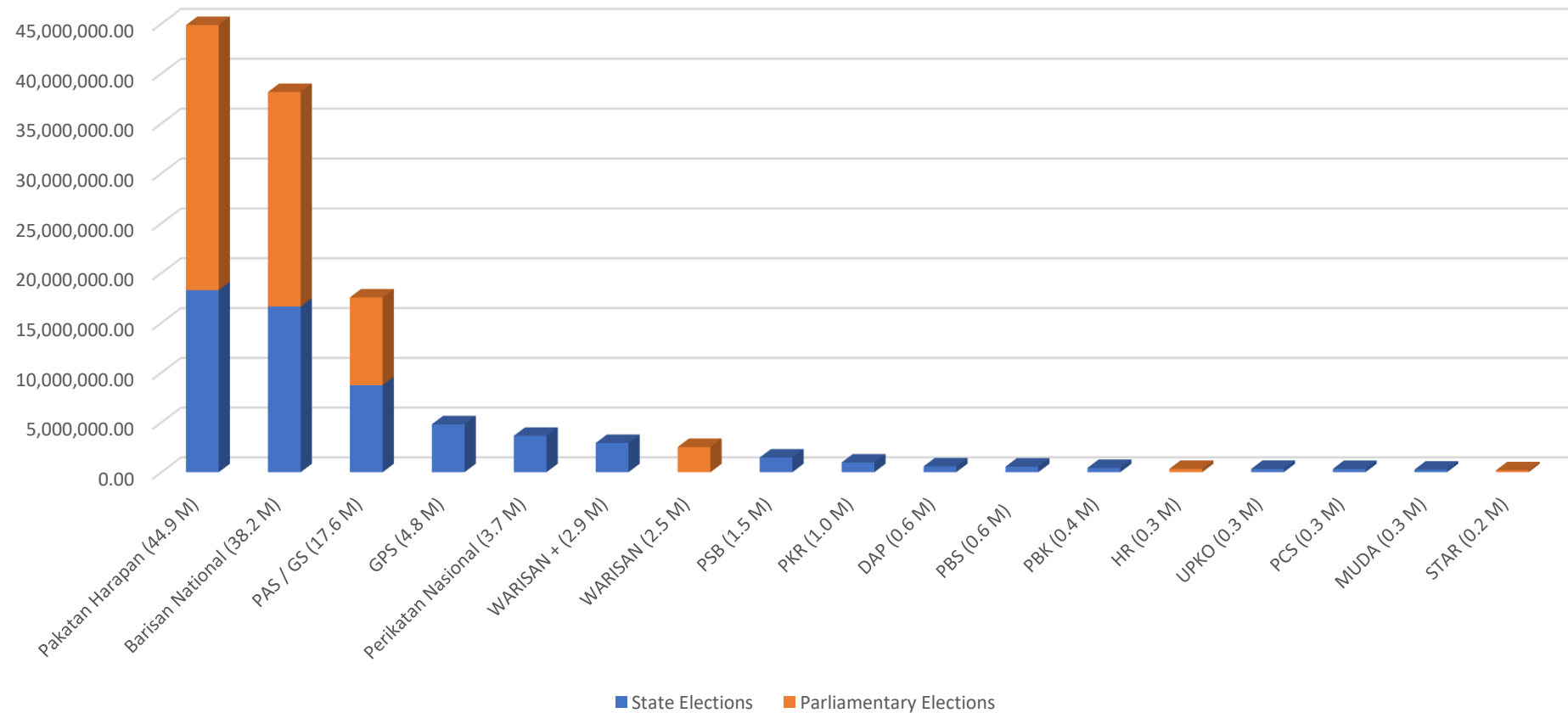
ALLOCATION BY TYPE & REGION

Proposed Annual Allocation for Political Parties (RM 130 Million)

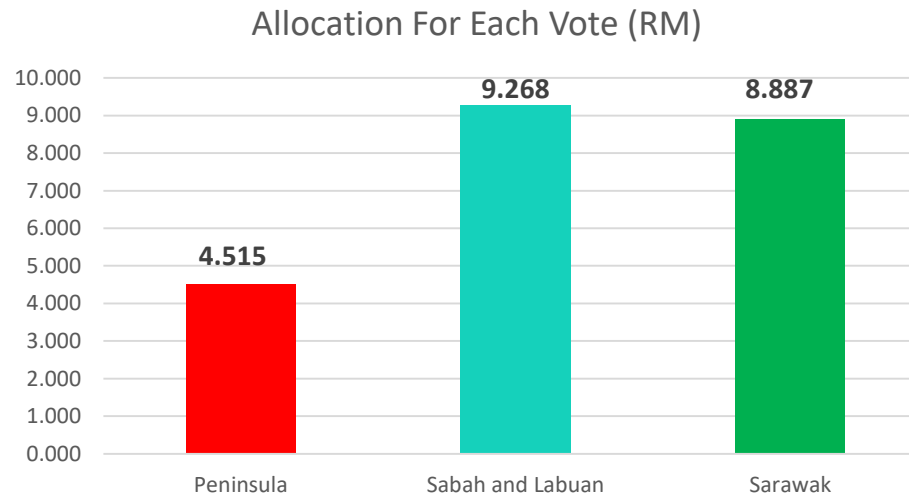
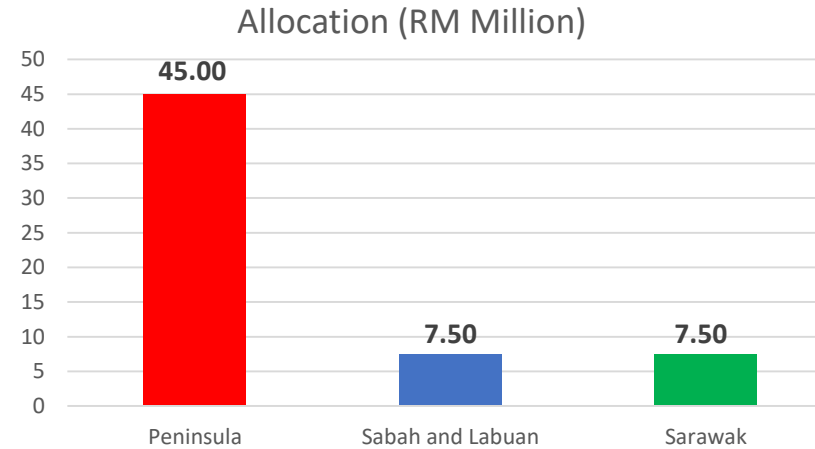
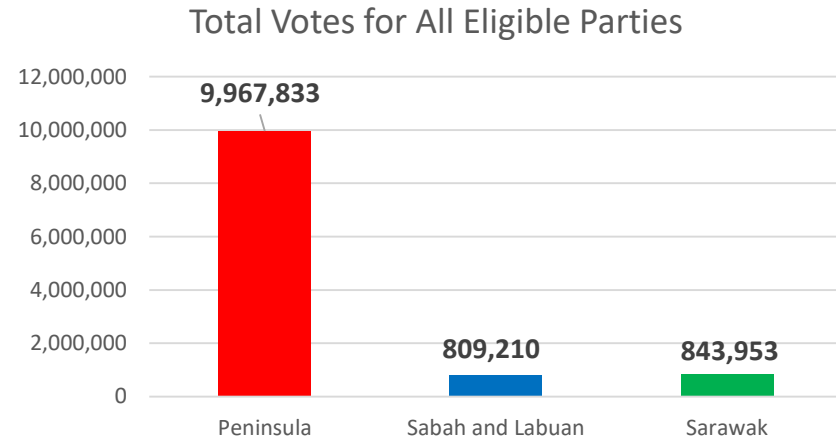


ALLOCATION (VOTE-BASED) BY RECIPIENT

Simulated Allocation in 2023 based on Federal and State Elections, 2018-2022
(Total: RM 120 Million)



ALLOCATION BASED ON VOTE SHARES – PARLIAMENTARY ELECTION (2018)



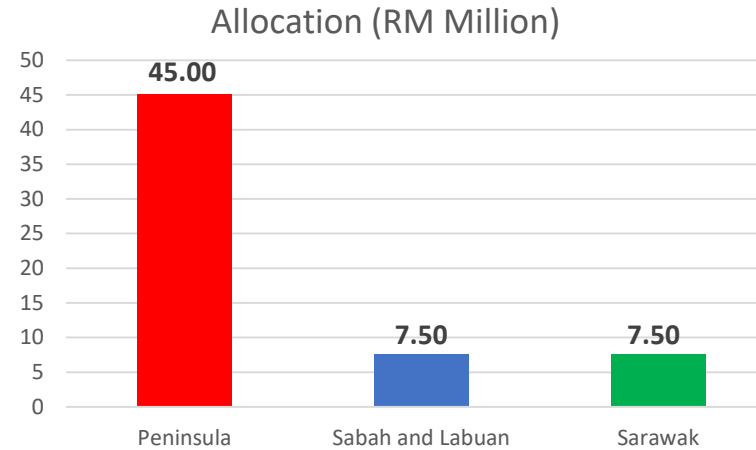
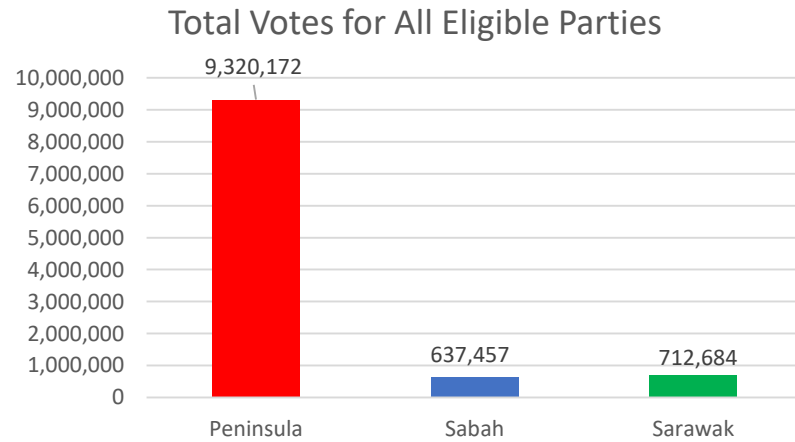
Threshold: 2%
(Regional)

Formula =

$$\frac{\text{Party's Votes}}{\text{Total Votes for All Eligible Parties}} \times \text{Regional Allocation}$$

Section: 39(4)

ALLOCATION BASED ON VOTE SHARES – STATE ELECTION (2018-2022)

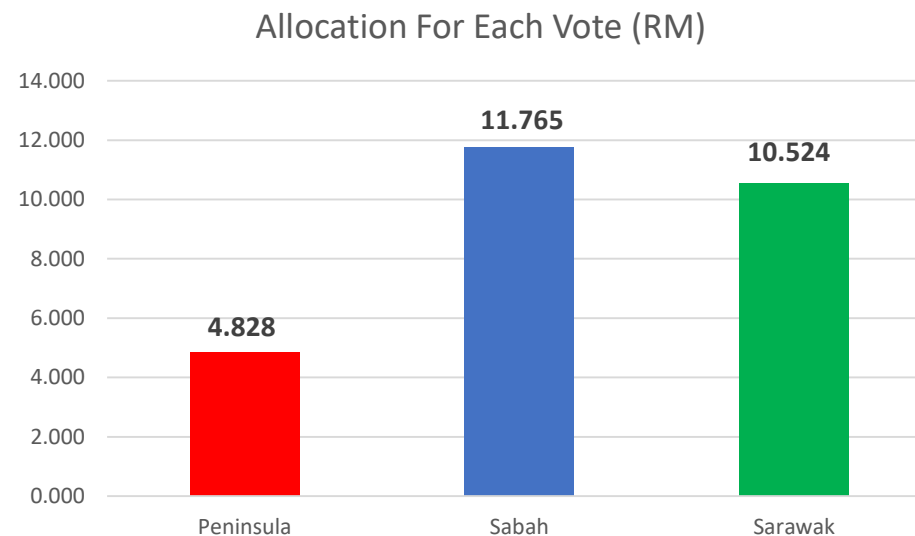


Threshold: 2%
(Regional)

Formula =

$$\frac{\text{Party's Votes}}{\text{Total Votes for All Eligible Parties}} \times \text{State Allocation}$$

Section: 39(5)



ALLOCATION TO ENCOURAGE WOMEN'S REPRESENTATION (2018)

Coalition/ Party	MPs (2018)	Non-MP ADUNs		Total Women Representatives	Eligible Allocation (RM Million)
		12 States (2018)	Sarawak (2016)		
PH	20	33	2	55	5.50
BN	10	22	5	37	3.70
PAS	1	3		4	0.40
WARISAN	1	3		4	0.40
Total	32	61	7	100	10.00

Threshold: 1 MP /
1 State Assemblyperson

Formula =

$$\frac{\text{Party's Women Elected Representatives}}{\text{N of All Women Elected Representatives nominated by Parties}} \times \text{RM 10 Million}$$

Section: 40

Note: Christina Liew of PKR is counted as 1 despite being both MP and ADUN.

WHY THE GERMAN MODEL?

- It has a clear cap. This invalidates objection based on continuous growth of fund.
- It covers various elections, hence demonstrating how parties at different levels may benefit from it.
- Party-based as the idea is to encourage healthy growth and functioning of parties.
- Modification: no matching fund to avoid abuse.



- **Most Recent Elections (qualifying threshold):**
 - Federal (0.5%)
 - European (0.5%)
 - State (1%)
- **Rates:**
 - €0.85 per vote for first 4 million votes
 - €0.70 thereafter



- **Monetary Contributions :**
 - Membership dues
 - Contribution by Elected Representatives
 - Other Legally-Obtained Donations
- **Rate:**
 - € 0.38 for every €1

WHY INCLUDE STATE ELECTIONS?

- To demonstrate how parties can benefit from state-election-based funding, inducing state-level push if no federal provision
- Necessary as state elections are increasingly de-aligned from federal elections



WHY ONLY PARTIES?

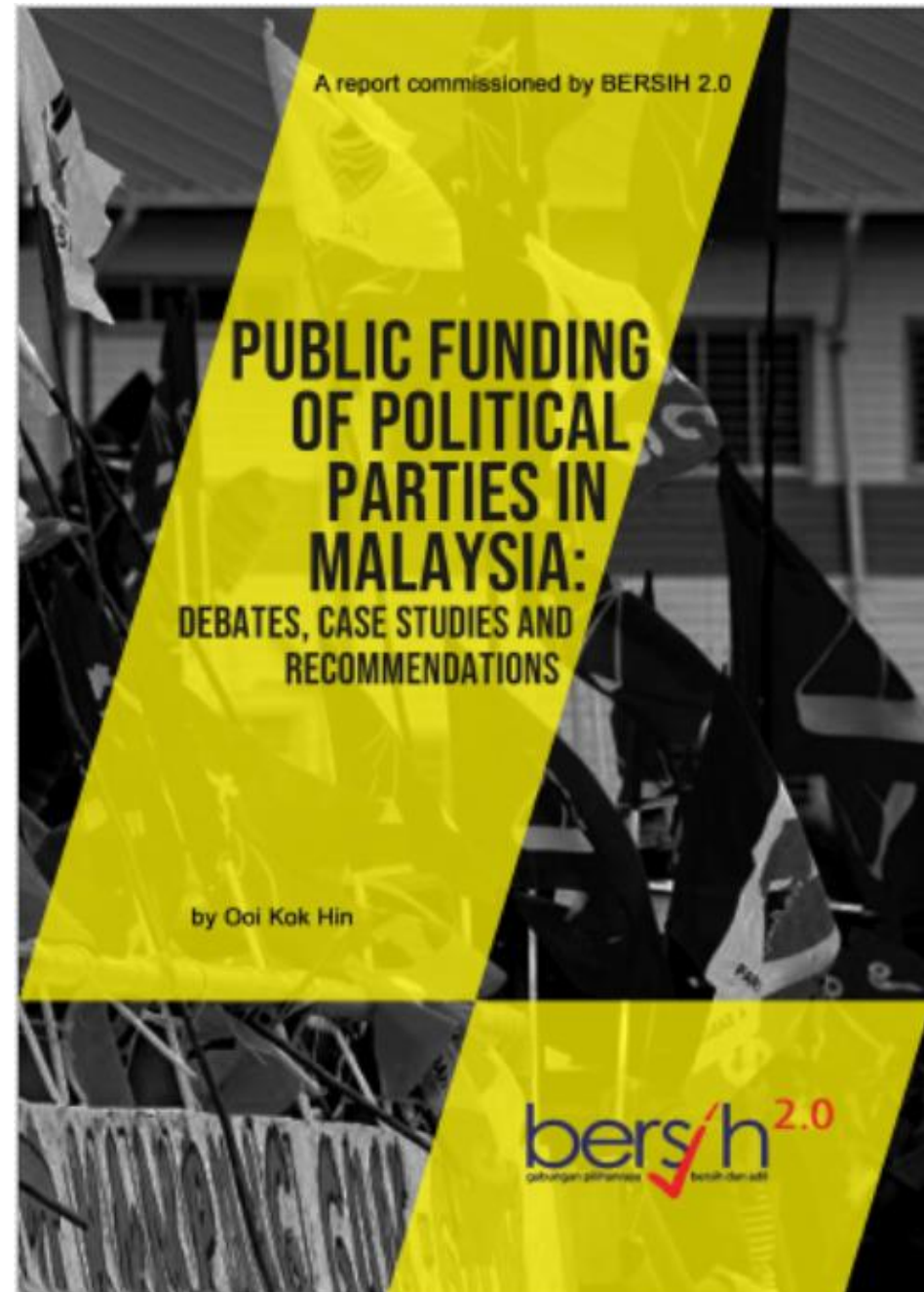
- With a fixed and limited amount of RM 130 Million, parties are the natural basis for funding
- Even with a low regional threshold of 2%, no independent candidate can possibly qualify
- With successful implementation of this proposal, it is possible to switch from a fixed total to one of per-vote basis.



MAIN REFERENCE 1

Ooi, K.H. (2021). Public Funding of Political Parties in Malaysia: Debates, Case Studies and Recommendations. Bersih 2.0.

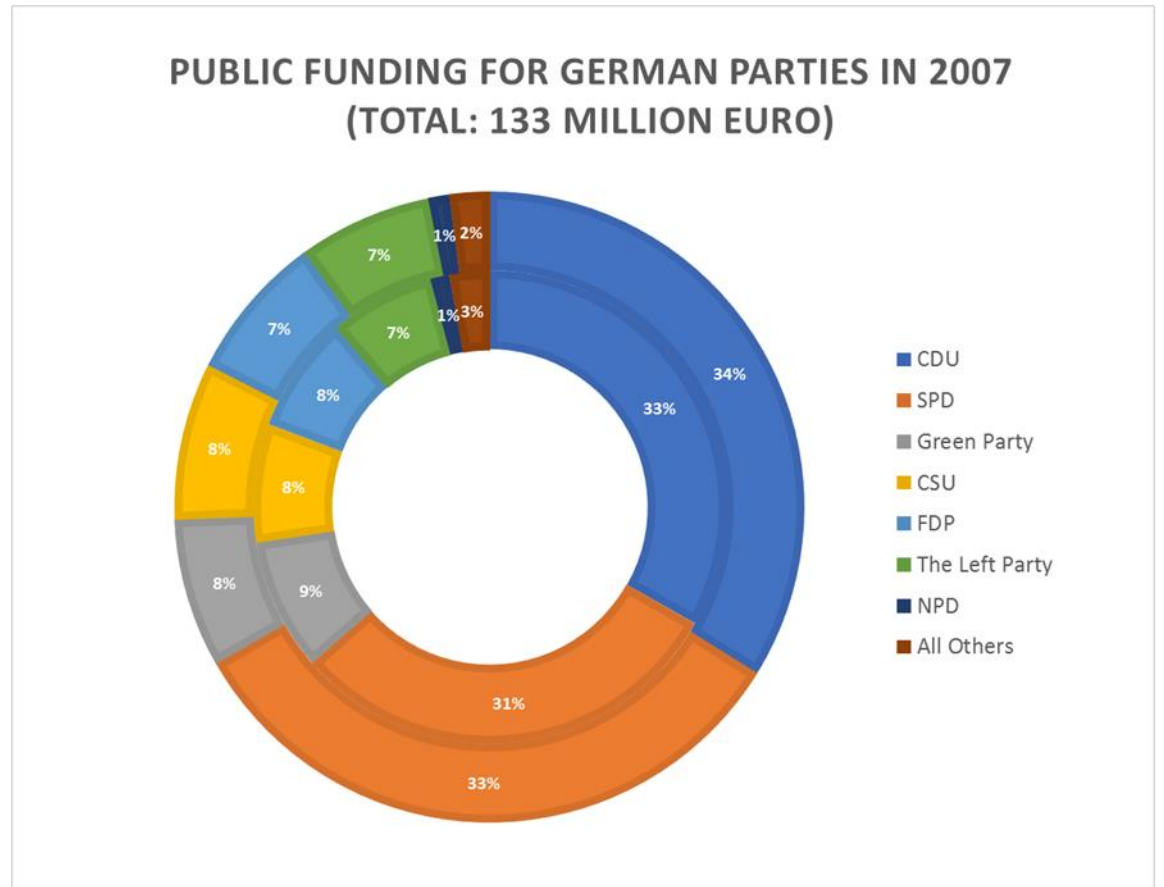
<https://www.bersih.org/wp-content/uploads/2021/01/Bersih-Policy-Research-Public-Funding-of-Political-Parties.pdf>



MAIN REFERENCE 2

Germany, Act on Political Parties

<https://www.bundestag.de/resource/blob/189734/2f4532b00e4071444a62f360416cac77/politicalparties-data.pdf>



Caps:

- Total for all parties up to 133M Euro (0.04% of Germany's Federal Budget in 2017)
- Each party cannot get more than its revenue