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JURNAL TATA KELOLA PEMILU INDONESIA

CAMPAIGN FINANCE REGULATION AND ELECTORAL INTEGRITY: INDONESIA, THE PHILIPPINES, AND MALAYSIA

Muhammad Gholib Ramdani[a], Natasya Okta Setiani[b]
[a]General Elections Commission of Jayawijaya Regency, Jayawijaya, Indonesia
[b]Secretariat of the Regional House of Representatives of East Nusa Tenggara Province, Kupang, Indonesia
E-mail: mgholibr@gmail.com

ABSTRACT

Campaign finance is closely tied to transparency, accountability, and the prevention of political corruption, and therefore shapes electoral integrity. This article analyzes weaknesses in Indonesia's campaign finance regulation and formulates reform recommendations through a comparison with the Philippines and Malaysia. This normative legal study applies statutory, conceptual, and functional comparative approaches across five indicators: legal basis, limits on contributions and spending, reporting and audit, oversight and sanctions, and deviations in practice. The norms are tested against documented empirical deviations in each country. The findings show that Indonesia's main weaknesses lie not only in its norms but also in weak law enforcement, non-integrated reporting and oversight systems, administratively oriented audits, the absence of a spending limit, and weak sanctions. The Philippines bans contributions from government contractors and has a dedicated oversight unit, yet alleged violations surfaced only after a public scandal; Malaysia limits candidate spending but lacks a comprehensive political financing law. The article proposes a tiered, cyclical reform model comprising governance principles, four operational pillars (digital reporting, institutional integration, investigative audit, and public disclosure), and campaign finance integrity as its outcome.

Keywords: campaign finance, electoral integrity, electoral law, comparative study

INTRODUCTION

General elections are the main democratic instrument for realizing popular sovereignty through the periodic election of representatives and government leaders. The quality of an election depends not only on free and fair voting but also on the integrity of every stage, including the regulation of political finance. From the perspective of electoral integrity, elections must uphold transparency, accountability, equality, and the rule of law if their results are to gain public legitimacy (Hamada & Agrawal, 2025; Undang-Undang Nomor 7 Tahun 2017, 2017). Norris (2013) stresses that electoral integrity requires the entire electoral cycle to conform to international norms and standards, so a deviation at any one stage, including campaign finance, can undermine the integrity of the election as a whole.

Campaign finance is one of the most decisive aspects. High political costs make candidates and parties dependent on funders, which can lead to conflicts of interest, political corruption, and money politics if funding is not regulated transparently (Hamada & Agrawal, 2025). The Organisation for Economic Co-operation and Development (OECD, 2016) stresses that weak governance of political finance erodes public trust and increases the risk of

policy capture. Campaign finance regulation must therefore guarantee transparency about the sources of funds, limits on contributions, independent audits, and effective oversight in order to create a level playing field (Ohman, 2012).

In Indonesia, campaign finance is governed by Law Number 7 of 2017 on General Elections and by General Elections Commission (KPU) Regulations (PKPU), which cover sources of funds, limits on contributions, the Special Campaign Fund Account (RKDK), reporting, and audits. Implementation is still hampered by weak oversight, low reporting compliance, limited verification of the sources of funds, and suboptimal enforcement of sanctions (Chandranegara et al., 2020; Komisi Pemilihan Umum [KPU], 2020). These problems are compounded by patronage, clientelism, and money politics, which shape electoral competition (Aspinall & Berenschot, 2019; Muhtadi, 2019; Transparency International [TI], 2023). Berenschot (2018) shows that the intensity of clientelism varies across regions according to how far local elites depend on the state budget. Campaign finance problems are therefore not merely administrative; they are rooted in patronage relationships that formal reporting can hardly reach (Berenschot, 2018; Hermanto, 2020).

Indonesia, the Philippines, and Malaysia all face high political costs and weak transparency in political funding, but they have taken different regulatory approaches. The Philippines uses the Statement of Contributions and Expenditures (SOCE), overseen by the Commission on Elections (COMELEC), whereas Malaysia is still drafting its Proposed Political Financing Bill (International IDEA, 2021; Malaysian Bar, 2023). The 2025 Corruption Perceptions Index (CPI) gives Malaysia a score of 52 (ranked 54th), Indonesia 34 (ranked 109th), and the Philippines 32 (ranked 120th) out of 182 countries (TI, 2026). Data on deviations in political funding in each country are presented in the Results and Discussion section.

Previous studies have mostly evaluated national regulations. Chandranegara et al. (2020) discuss limits on campaign funds, KPU (2020) evaluates reporting and audits, Miranda (2021) examines campaign finance transparency in the Philippines, and Kadir et al. (2025) compare political finance regulation in Malaysia and Indonesia. International IDEA (2021) maps the political finance systems of Indonesia, Malaysia, the Philippines, and Timor-Leste and formulates regional recommendations. This article does not claim that a three-country comparison is new; rather, it complements International IDEA (2021) in three ways. First, it focuses on campaign finance and tests each country's norms against empirically documented deviations. Second, it uses electoral integrity as its main evaluative framework. Third, it updates the analysis with developments in 2025–2026 (the flood control project scandal in the Philippines, the verdict in Najib Razak's case, and the status of Malaysia's Political Financing Bill) and

produces a reform model that can also serve as an evaluation instrument. Against this background, this study aims to analyze the effectiveness of campaign finance regulation in Indonesia through comparative law, comparing it with the Philippines and Malaysia, and to formulate reform recommendations that strengthen transparency, accountability, effective oversight, and integrity in the management of campaign funds in Indonesia.

RESEARCH METHOD

This study uses normative legal research, which analyzes the legal norms governing campaign finance in order to formulate recommendations for legal reform (Marzuki, 2017). This approach is in line with Soekanto and Mamudji (2019), who treat legal research as a scholarly activity to identify, interpret, and evaluate prevailing legal norms.

The study applies three approaches. The statute approach examines Law Number 7 of 2017 and the PKPU in Indonesia; the Omnibus Election Code (Batas Pambansa Blg. 881), the Fair Election Act (RA 9006), RA 7166, and COMELEC regulations on the SOCE in the Philippines; and the Election Offences Act 1954, the Elections Act 1958, and the progress of the Proposed Political Financing Bill in Malaysia. The conceptual approach examines theories of electoral integrity, political finance, patronage, and clientelism (Aspinall & Berenschot, 2019; Muhtadi, 2019; Norris, 2013). The comparative approach follows a functional comparison: it starts from one shared legal problem, namely how states control the risk of political corruption arising from campaign finance and then assesses each country's legal instruments for addressing it (Marzuki, 2017; Zweigert & Kötz, 1998).

The comparison proceeds in three stages. The first is descriptive and country by country: it sets out the regulations, their effectiveness, and the documented deviations in Indonesia, the Philippines, and Malaysia. The second is a cross-country comparison based on five indicators, used consistently in the discussion and in Table 1:

1. legal basis;
2. limits on contributions and spending;
3. reporting and audit;
4. oversight and sanctions; and
5. deviations in practice.

The third stage is evaluative: the norms are tested against empirical data on deviations, and practices that Indonesia could consider are identified, taking into account differences in legal and institutional context. The assessment in Table 1 is descriptive and based on documented provisions and data; it is not a quantitative score.

Primary legal materials consist of laws and regulations; secondary legal materials consist of books, journal articles, and reports by national and international institutions; and tertiary legal materials consist of legal

dictionaries and encyclopedias. Empirical data on deviations come from reports by law enforcement and oversight bodies, court decisions, and credible media coverage. These data are treated as risk indicators, not as findings of violations, unless a court has ruled. All materials were gathered through library research and analyzed qualitatively through inventory, interpretation, comparison, and legal reasoning, with electoral integrity as the main analytical framework (Marzuki, 2017).

RESULTS AND DISCUSSION

Campaign Finance as an Instrument of Electoral Integrity

Norris (2013) defines electoral integrity as the conduct of elections in line with international norms and democratic principles throughout the electoral cycle, from the drafting of regulations, candidate nomination, campaigning, and voting and counting to dispute resolution. The quality of an election therefore depends on the governance of every stage, not only on election day.

Campaign funds are a legitimate need, because they allow election participants to convey their ideas and programs to the public. Yet the scale of this need opens the door to illegal donations, abuse of state resources, vote buying, money laundering, and quid pro quo arrangements between donors and elected officials (International IDEA, 2021). The OECD (2026) states that weak transparency in political finance increases the risk of policy capture, in which public policy is shaped by the interests of funders rather than those of the wider public. Comprehensive and transparent regulation backed by effective oversight narrows the opportunities for political corruption and strengthens public trust; conversely, weak regulation or enforcement increases the influence of economic interests on policy.

Campaign Finance Regulation in Indonesia

Legal basis and limits

Law Number 7 of 2017 and the PKPU provide that campaign funds may come from the election participants themselves, from individual donations, and from donations by non-government business entities. For presidential and vice-presidential elections and for elections to the House of Representatives (DPR) and the Regional House of Representatives (DPRD), individual donations are capped at Rp2,500,000,000 and donations from non-government business entities at Rp25,000,000,000; for members of the Regional Representative Council (DPD), the caps are Rp750,000,000 and Rp1,500,000,000, respectively. All receipts and expenditures must pass through the RKDK. The law limits only donations from a single source and sets no limit on total campaign spending (an expenditure ceiling), so

participants with greater resources can still spend far more as long as their donations come from many sources below the maximum.

Reporting, audit, and sanctions

Every election participant must submit an Initial Campaign Fund Report (LADK), a Campaign Contribution Receipt Report (LPSDK), and a Campaign Fund Receipt and Expenditure Report (LPPDK) to the KPU. The reports are audited by public accounting firms (KAPs) appointed by the KPU, and the results are announced to the public (KPU, 2020). These obligations do not automatically ensure transparency: administrative compliance does not necessarily reflect all receipts and expenditures on the ground, and audits tend to focus on administrative checks rather than on tracing where the funds come from. Coordination among the KPU, the Election Supervisory Body (Bawaslu), the Indonesian Financial Transaction Reports and Analysis Center (PPATK), KAPs, and law enforcement agencies also remains suboptimal (KPU, 2020).

The normative framework and its effectiveness

In normative terms, Indonesia's framework has adopted the principles of political finance regulation, namely limits on contributions, reporting, and independent audits, to prevent domination by particular economic groups (OECD, 2026). Lipcean and McMenamin's (2024) study of 27 post-communist countries shows that the relationship between political finance and corruption is not linear: how far regulation curbs party corruption depends more on the institutional design of oversight and enforcement than on how strict the limits on contributions are. This finding is relevant to Indonesia: complete norms do not by themselves reduce the risk of policy capture unless oversight capacity is strengthened.

Deviations in practice

The available data point to three forms of deviation.

1. *Reports do not reflect reality.* In its initial review in January 2024, the KPU stated that the LADKs of all 18 national political parties contesting the 2024 election were "incomplete and not yet compliant" and asked for corrections within five days (CNN Indonesia, 2024). Indonesia Corruption Watch (ICW) and the Association for Elections and Democracy (Perkumpulan untuk Pemilu dan Demokrasi, Perludem) found mismatches between the campaign activity data in the Campaign and Campaign Finance Information System (Sikadeka) and the LPPDKs, including zero spending on several campaign methods recorded as having taken place, so the reports were judged to have become largely an administrative formality (Attar, 2024; Tamara et al., 2024). This pattern points to possible under-reporting, with

reported spending lower than actual activity, although the size of the gap cannot be determined from the available data.

2. *Alleged funds from illegal sources outside the RKDK.* The PPATK recorded a rise of more than 100% in reports of transactions suspected of being linked to money laundering in campaigns in the second half of 2023, found campaign activities with no corresponding movement of funds in the RKDK, and indicated that some of the funds came from illegal activities such as illegal mining worth trillions of rupiah (CNN Indonesia, 2023; Investortrust, 2023).
3. *Campaign funds as a channel for policy favors.* In Regional Head Elections (Pilkada), which are governed by a separate law but are relevant as an indicator of donor–candidate relations, a 2018 survey by the Corruption Eradication Commission (KPK) found that 82.3% of regional head candidates acknowledged having donors and 83.8% promised to meet their donors' expectations, such as easier licensing, access to project tenders, and business security (JPNN, 2020; Muddasir, 2021). The KPK has also explained that contractor donors may claim a share of projects once their candidate is elected (Sinambela, 2023). Between 2004 and 2024, 167 mayors or regents and their deputies were caught up in corruption cases handled by the KPK (Apriliansyah, 2024).

Without a limit on total campaign spending, there is no normative benchmark for testing whether reported expenditure is reasonable relative to recorded activities. These deviations therefore reflect not only non-compliance by election participants but also the design of the norms and the capacity for oversight. From the perspective of electoral integrity, Indonesia's main weakness is not a limited regulatory framework but the effectiveness of its implementation, oversight, and enforcement.

Campaign Finance Regulation in the Philippines

The Philippines faces challenges in regulating campaign finance because of high political costs, patronage, and the dominance of political dynasties. Although democracy has developed since 1986, transparency in political funding remains a problem, and reform continues to be pursued to strengthen accountability and reduce the influence of economic interests (Hamada & Agrawal, 2025; International IDEA, 2021).

Legal basis and limits

Regulation rests on the Omnibus Election Code (OEC), the Fair Election Act (RA 9006), RA 7166, and COMELEC resolutions. The Philippines limits spending rather than contributions. Section 13 of RA 7166 sets spending limits per registered voter: PHP 10 for presidential and vice-presidential candidates, PHP 3 for other candidates affiliated with a party,

and PHP 5 for independent candidates and for political parties and party-list groups (International IDEA, n.d.). There is no nominal limit on contributions; the OEC instead specifies who is prohibited from contributing, including foreign parties, anonymous donors, holders of government contracts or concessions, and public utility providers (Batas Pambansa Blg. 881, 1985, Secs. 95–98; International IDEA, 2021; Respicio & Co., 2025). Specifically, Section 81 of the OEC prohibits foreign nationals from intervening in the electoral process, including by aiding candidates or political parties or by influencing the conduct of elections, while Sections 95(h) and 96 prohibit contributions from foreign sources (Batas Pambansa Blg. 881, 1985). The Fair Election Act focuses more on regulating propaganda and political advertising than on the amount of contributions (Respicio & Co., 2025), and the Philippine House of Representatives is deliberating a Campaign Finance Bill to update spending limits and disclosure requirements (House of Representatives of the Philippines, 2026).

Reporting, oversight, and sanctions

All candidates and parties must file a SOCE after the election (COMELEC, 2022), which serves as the basis on which COMELEC checks compliance. The Campaign Finance Unit within COMELEC handles the administration and oversight of campaign finance and issues a Certificate of Compliance once a report has been filed, which creates an administrative incentive to comply. Winners who have not filed a SOCE are barred from taking office, and repeated violations can lead to perpetual disqualification from public office (Philstar, 2022). Even so, the effectiveness of the SOCE is limited: high campaign costs mean that competition is dominated by dynastic or well-funded candidates (Miranda, 2021), legal loopholes remain in the oversight of contributions and audits, and Eusebio (2022) has recommended strengthening COMELEC's capacity, digitalizing reporting, and expanding information disclosure. Davis et al. (2024), analyzing public procurement data from all Philippine provinces for 2004–2018, found that the concentration of dynastic power is positively and significantly correlated with corruption risk and weakens the effectiveness of prosecution. Weak transparency in political funding in the Philippines is thus not merely a technical reporting problem but a consequence of power concentrated at the subnational level.

Deviations in practice

Two forms of deviation stand out:

1. *Alleged contributions from prohibited parties.* The Philippines' 2025 CPI score of 32 (ranked 120th out of 182) coincided with the exposure of the flood control project scandal (Mateo, 2026). President Marcos Jr. stated that about PHP 100 billion, roughly 20% of the PHP 545 billion

flood mitigation budget for July 2022–May 2025, had gone to just 15 contractors (Abarca, 2025). The OEC prohibits government contractors from making contributions, yet only after the scandal broke did COMELEC investigate dozens of contractors suspected of contributing in the 2022 election (Abarca, 2025; Mitra, 2026). One contractor admitted giving PHP 30 million to a 2022 senatorial campaign and said the contribution was personal, while the recipient denied helping the company obtain contracts (Abarca, 2025). These allegations are treated as risk indicators, not as findings of violations. The prohibition exists in law, but the link between donations and project allocation was traced only after the scandal surfaced, which suggests that the SOCE's early-prevention function is limited.

2. *Reporting compliance.* The Philippine Center for Investigative Journalism (PCIJ) found that 21 of the 86 national candidates in the 2022 election were not recorded as having filed a SOCE in the files of COMELEC's Campaign Finance Office (Teodoro, 2022), even though the available sanctions are fairly severe. These sanctions, then, have not fully ensured even formal compliance with reporting.

Like Indonesia, the Philippines faces high political costs, weak verification of reports, and limited oversight capacity. The Philippine experience shows that reform requires not only better norms but also stronger institutions, integrated oversight systems, and public involvement. For Indonesia, this is relevant to promoting digital reporting, strengthening coordination among the KPU, Bawaslu, and the PPATK, and improving information transparency (Hamada & Agrawal, 2025).

Campaign Finance Regulation in Malaysia

Malaysia's political characteristics are broadly similar to Indonesia's: high political costs, party dominance, and close ties between economic interests and political power. Unlike Indonesia, which regulates campaign finance in its election law, Malaysia still has no Political Financing Act or other law that comprehensively regulates political funding. The relevant rules are scattered across the Election Offences Act 1954, the Elections Act 1958, and the administrative guidelines of the Election Commission of Malaysia (SPR) (Gomez & Tong, 2021; Malaysian Bar, 2023).

Legal basis and limits

The Election Offences Act 1954 limits candidates' campaign spending during the official campaign period to a maximum of RM200,000 for candidates for the federal parliament and RM100,000 for candidates for state legislatures. The Act does not limit the contributions that parties receive from individuals, corporations, or third parties; does not require donors' identities to be disclosed; does not regulate the financing of internal party elections;

and does not limit party spending beyond candidates' spending. As a result, oversight focuses on the amount candidates spend rather than on the transparency of political funding as a whole (Gomez & Tong, 2021). Beyond candidate spending, political funding is covered only by general anti-corruption and anti-money laundering provisions (Al As & Sallehuddin, 2024).

Reporting and oversight

The absence of a legal basis for reporting, independent audits, and sanctions means that party fundraising takes place behind closed doors, which increases the risk of conflicts of interest, political corruption, and business influence on policy (Gomez & Tong, 2021; Malaysian Bar, 2023). Dettman and Gomez (2020) explain that the reform deadlock stems not only from the legal vacuum but also from the short-term incentives of ruling parties that benefit from a lax system; the push for reform grew stronger after the 1Malaysia Development Berhad (1MDB) scandal. Enacting a Political Financing Act therefore depends on political momentum and public pressure, not only on the technical readiness of the draft.

In response, the government and civil society organizations have promoted the Proposed Political Financing Bill, which would require political funds to be reported, ban anonymous donations, restrict foreign contributions, require donors' identities to be disclosed, strengthen the powers of the Election Commission, and cover party funding on an ongoing basis rather than only during elections (Aziz, 2023). As of March 2026, the bill had not yet been tabled in the Dewan Rakyat (House of Representatives) and was still being finalized after 12 state-level consultation sessions attended by 1,544 participants (The Vibes, 2026).

Deviations in practice

The 1MDB case shows most clearly the risks of having no disclosure rules. On December 26, 2025, the High Court found former Prime Minister Najib Razak guilty on four charges of abuse of power and 21 charges of money laundering involving about RM2.3 billion in 1MDB funds. He was sentenced to 15 years in prison on each abuse-of-power charge, to be served concurrently and to begin only after he completes his six-year sentence in the SRC International case, and was fined about RM11.4 billion (Bernama, 2025). The defendant claimed that the funds were a political donation from Saudi Arabia, but the judge rejected this: the donors' letters were found to be forged, the source of the funds had not been verified, and there was no transparent record of a donation of that size (The Star, 2025). The verdict has been appealed and is therefore not yet final (Lim, 2025). The case concerns party and personal funds rather than campaign funds in the narrow sense, but it is relevant because it shows that the label "political

donation" can be used to explain large flows of money, while the absence of any obligation to disclose donors or report party funds makes such claims hard to test from the outset (Gomez & Tong, 2021).

A comparison of Indonesia and Malaysia shows that neither a comprehensive regulatory framework nor a relatively strong corruption ranking is sufficient on its own to prevent the misuse of political funds. Malaysia scored 52 on the 2025 CPI and ranked 54th, the highest of the three countries (TI, 2026), yet it has not been free of grand corruption involving political funds. Its more fundamental problem is the absence of a national legal framework governing political funding. Indonesia faces the opposite challenge: it already has a relatively complete framework, including the RKDK, LADK, LPSDK, LPPDK, and KAP audits, but its effectiveness is undermined by poor inter-agency coordination, limited investigative auditing, and weak reporting compliance. Campaign finance reform therefore requires a balance between comprehensive regulation and effective implementation (Kadir et al., 2025).

Comparative Analysis of Campaign Finance Regulation in Indonesia, the Philippines, and Malaysia

This comparative analysis identifies similarities, differences, and best practices that can inform reform in Indonesia. The comparison focuses not only on whether norms exist but also on implementation, institutional capacity, transparency, and oversight mechanisms as part of electoral integrity (International IDEA, 2021). Table 1 uses the same five indicators as the Research Method section.

Table 1.
Comparison of Campaign Finance Regulation in Indonesia, the Philippines, and Malaysia across Five Indicators

No	Indicator	Indonesia	Philippines	Malaysia
1	Legal basis	Law Number 7 of 2017 and PKPU	Omnibus Election Code (BP 881), Fair Election Act (RA 9006), RA 7166, COMELEC resolutions	Election Offences Act 1954, Elections Act 1958; no Political Financing Act yet
2a	Contribution limits	Yes: max. Rp2.5 billion (individuals) and Rp25 billion (non-government business entities), varying by type of election	No nominal limit; certain sources banned (foreign, anonymous, government contractors, public utilities)	No limit and no obligation to disclose donors

No	Indicator	Indonesia	Philippines	Malaysia
2b	Spending limits	No limit on total campaign spending	Yes, per registered voter (RA 7166 Sec. 13): PHP 10 for presidential and vice-presidential candidates; PHP 3 for other party-affiliated candidates; PHP 5 for independents, parties, and party-list groups	Yes, for candidates: RM200,000 (federal parliament) and RM100,000 (state legislature), only during the official campaign period; no limit for parties
3a	Reporting	Mandatory RKDK; LADK, LPSDK, LPPDK	Post-election SOCE by candidates and parties	Candidate spending reports; no reporting of party funds
3b	Audit	KAPs appointed by the KPU; largely administrative	COMELEC, through its Campaign Finance Unit	No comprehensive independent audit of party funds
3c	Transparency, public access, and digitalization	Audit results announced; public access and digital reporting still limited	SOCEs are public records, but access is limited (International IDEA, n.d.); digitalization under development (Eusebio, 2022)	Donors need not be disclosed; limited public access
4	Oversight and sanctions	KPU, Bawaslu, PPATK, law enforcement agencies; sanctions exist but are not firmly applied	COMELEC; winners who have not filed a SOCE are barred from office, and repeated violations can lead to perpetual disqualification	SPR; no legal basis for reporting, independent audits, or sanctions on party funding
5	Deviations in practice	Incomplete LADKs; reports inconsistent with Sikadeka; alleged illegal funds outside the RKDK; Pilkada donors expecting favors in return	21 of 86 national candidates not recorded as filing a SOCE; alleged contributions from government contractors	"Political donation" claim in the 1MDB case rejected by the court (under appeal)

Source: Compiled by the authors from Law Number 7 of 2017 and the PKPU; RA 7166; International IDEA (2021, n.d.); Eusebio (2022); Gomez & Tong (2021); Malaysian Bar (2023); Kadir et al. (2025); and the empirical sources cited in the preceding sections.

Table 1. shows that the three countries share the same goal of improving transparency and accountability in political funding but take different approaches. Indonesia has the most complete legal framework, covering sources of funds, a dedicated account, reporting, audits, and contribution limits, but its effectiveness is constrained by inter-agency coordination, limited investigative auditing, and low reporting compliance (Chandranegara et al., 2020; KPU, 2020).

The Philippines emphasizes transparency through the SOCE and has a higher degree of specialization through a permanent Campaign Finance Unit within COMELEC, whereas in Indonesia the audit function is assigned to external KAPs whose reports are considered largely an administrative formality (Attar, 2024). The Philippine system is relatively simple but is constrained by dynastic dominance, high campaign costs, and limited verification of the sources of funds (Eusebio, 2022; Miranda, 2021).

Malaysia offers a contrasting case. It has explicit limits on candidate spending, which Indonesia lacks, but lags far behind in limiting contributions, disclosing donors, and independently auditing party finances (Gomez & Tong, 2021). Its relevance lies not in any superiority of the Malaysian system but in showing a spending limit that Indonesia could consider, and in warning of regulatory stagnation when reform is not sustained.

None of the three countries can be considered an ideal model. Strong norms alone are not enough without oversight capacity and consistent enforcement. Practices that Indonesia could adopt include a per-voter spending limit like that in RA 7166, simpler and digital reporting, public information disclosure, and more comprehensive political finance regulation of the kind Malaysia is pursuing through its Proposed Political Financing Bill (Hamada & Agrawal, 2025; Kadir et al., 2025).

Deviations in the three countries follow similar patterns despite their different regulatory models. First, reporting has not yet become a reliable means of control: reports in Indonesia tend to be formalities that do not match activity data, while in the Philippines some national candidates did not file a SOCE. Second, funds from problematic sources or parties still enter electoral competition: alleged illegal mining funds in Indonesia, alleged contributions from government contractors in the Philippines, and a claimed political donation rejected by the court in Malaysia. Third, the relationship between donors and public policy becomes a channel for corruption after the election, as seen in the survey of Pilkada donors in Indonesia and the concentration of flood control contracts in the Philippines.

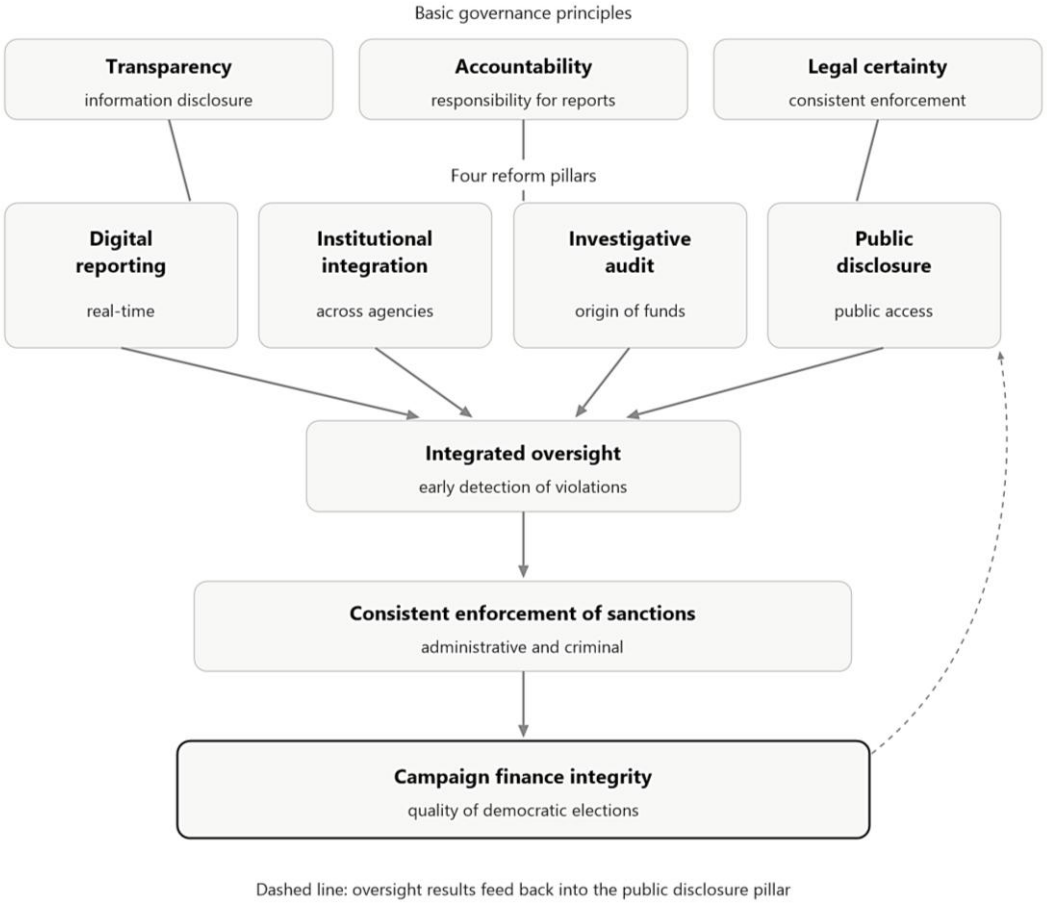
The existence of norms does not equal their effectiveness. Indonesia has the RKDK and three types of reports, yet the suspicious transactions identified by the PPATK did not pass through the RKDK, and the absence of a spending limit removes a benchmark for examining reports. The Philippines

prohibits contributions from contractors and requires SOCEs, yet alleged violations came to light only after a scandal. Malaysia has no comprehensive political finance law, so claims that large sums were donations cannot be tested through donor disclosure. The gap between norms and implementation is thus a shared problem with different causes: weak enforcement in Indonesia, after-the-fact tracing in the Philippines, and a legal vacuum in Malaysia. International standards likewise stress integrating limits, disclosure, and enforcement, including regular disclosure of information that the public can access, not only final reporting (OECD, 2026).

A Reform Model for Campaign Finance Regulation in Indonesia

The comparison shows that effective regulation depends not only on complete rules but also on institutional capacity, transparency, and effective oversight. Indonesia has a relatively complete legal framework, but its implementation is hampered by weak verification of reports, suboptimal inter-agency coordination, and limited public access to information on political funding (Hermanto, 2020).

Figure 1.
A Reform Model for Campaign Finance Governance in Indonesia



Source: Compiled by the authors, 2026.

This study proposes a reform model that treats its recommendations as a mutually reinforcing system rather than a list of separate measures. The model consists of three layers.

First layer: basic governance principles. Transparency, accountability, and legal certainty serve as the normative foundation and as evaluative criteria for judging whether the instruments in the next layers work effectively (International IDEA, 2021; Norris, 2013).

Second layer: four operational pillars:

1. Digital reporting through a real-time electronic system; Hamada and Agrawal (2025) note that the Philippine experience shows such a system can strengthen transparency and accountability in campaign finance.
2. Institutional integration among the KPU, Bawaslu, the PPATK, KAPs, and law enforcement agencies to speed up the tracing of suspicious transactions (KPU, 2020).
3. Investigative audits that shift the paradigm from administrative checks to tracing the origin of funds and detecting under-reporting (International IDEA, 2021).
4. Open campaign finance data: receipts, expenditures, donors' identities, and audit results that the public can easily access, as a form of transparency and public participation (TI, 2023).

The four pillars are not independent. Together they form an integrated oversight mechanism that provides the basis for consistent enforcement of administrative and criminal sanctions. Effective oversight is possible only if all four operate simultaneously: a digital system without data integration across agencies will not detect violations involving multiple sources of funds, and investigative audits without public disclosure lose their function as a means of social control.

Third layer: campaign finance integrity as the outcome, contributing to the quality of democratic elections. The model is cyclical: the results of oversight and sanction enforcement feed back into public disclosure, and violations that come to light increase social pressure to comply in the next electoral cycle. The model can also serve as an evaluative framework: any oversight failure can be traced to a weak pillar, whether digital reporting, data integration, audit depth, or public disclosure, which gives more precise direction to subsequent policy. The recommendations complement one another and need to be implemented together, because improving one dimension without strengthening the others is unlikely to resolve problems of campaign finance integrity.

CONCLUSION

The effectiveness of campaign finance regulation depends not only on complete norms but also on the interaction of regulatory quality, institutional

capacity, and effective oversight. Indonesia's more fundamental weaknesses lie in weak law enforcement, reporting and oversight systems that are not yet electronically integrated, audits that focus on formal compliance rather than substance, and the absence of a limit on total campaign spending. These weaknesses show in reports that do not match activity data, transactions outside the RKDK, and donor relationships tied to policy favors.

The comparison shows that Indonesia has the most comprehensive legal framework of the three countries, but its implementation falls short. The Philippines stands out for its SOCE mechanism, its ban on contributions from government contract holders, and its dedicated oversight unit, but it is overshadowed by dynastic dominance and limited verification, with alleged violations traced only after a scandal. Malaysia limits candidate spending but has no comprehensive political finance law, which makes claims of political donations difficult to test. The three countries face different structural challenges that all lead to a gap between legal norms and their effective implementation in achieving electoral integrity.

On the basis of these findings, this study formulates a tiered, cyclical reform model: governance principles (transparency, accountability, and legal certainty), four operational pillars (digital reporting, institutional integration, investigative audits, and public disclosure), and campaign finance integrity as the outcome. The four pillars need to operate simultaneously to reduce the risks of conflicts of interest, money politics, and political corruption. Each pillar responds to a documented deviation: inconsistent reporting, transactions outside the RKDK, audits as a formality, and limited disclosure of information on donors.

Specifically, this study recommends five steps for Indonesia:

1. Set a limit on total campaign spending in the revised election law as a benchmark for examining reports, like the per-voter limit in the Philippines (RA 7166) and the per-candidate limit in Malaysia.
2. Integrate Sikadeka, the LPPDK, and the RKDK with PPATK data, and give Bawaslu adequate access to the data.
3. Shift audits from compliance audits to risk-based investigative audits that trace the origin of funds and spending outside the RKDK.
4. Disclose donors' identities and audit results to the public more widely and on a regular basis.
5. Apply existing sanctions consistently and consider banning contributions from holders of government procurement contracts, as in the Philippines' Omnibus Election Code, while treating Malaysia's experience as a warning that delaying a legal framework widens the room for funds that are hard to audit.

The main contribution of this study is a conceptual framework that can serve both as a policy direction and as an evaluative instrument for

tracing oversight failures to specific pillars. Further research should test the model empirically, for example through case studies of particular elections.

DISCLOSURE STATEMENT

In preparing this manuscript, the authors used a generative AI tool, Gemini (Google), in a limited capacity to assist with grammar editing (proofreading), sentence structure, and refinement of the English abstract. The main ideas, data collection, analysis, and formulation of the reform model are the authors' own work. The authors take full responsibility for the accuracy, validity, and entire substance of the manuscript.

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