



## The Effect of Acceptance and Management of Political Party Funds on the Future of Political in Indonesia

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### ABSTRACT

The aim of this article was to analyze the effect of acceptance and management of political parties in Indonesia. To understand this study's problem, study the data we have done, including reviewing ten academic findings from international publications, observing and documenting data related to this topic. After the data was collected, we were then provided with analysis, including text analysis, description, coding, and immersion results. Every text is in a language, so we use a translation application to help us understand Indonesian. To determine whether the data constitutes a valid and reliable study finding, we review it and make sure we have answered the study questions. So the results we can report that the RSD framework has become a conceptual framework for the development of research skills for academic and educational needs. The result show that The sources of revenue for political party funds in Indonesia based on Law Number 2 of 2011, come from membership fees, donations, and state assistance. However, the majority of political party funding sources come from donors, including individual donors and business entities. There are still differences in the financial structure of political parties in the law and in daily political practice, indicating that regulations that discuss party funding (Law No. 2 of 2008 and Law No. 2 of 2011) fail to encourage political parties to raise funds to meet their operational needs

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### INTRODUCTION

In the context of the constitution, the role of political parties is very strategic. Political parties play an important role as the main pillar of democracy (Pridham, G. 2016; Wilensky, 2017; Kitschelt, H., & Kselman, 2013) In this role, political parties serve as a forum for the articulation, aspirations and political aggregation of the people; cadre and source of national leader cadres (*political recruitment*) (Murray, 2015); political education (*political education*) (Nilgun, et al., 2015); and means of political communication. In the process of developing political parties in Indonesia, the implementation of democratization in the real sense takes democracy as the main party, which did occur during the reform era. According to Pamungkas (2011), the

existence of political parties has a very deterministic role in determining the direction of national policies, both in the legislature (DPR / DPRD), executive, and judiciary, this is an important signal indicating that classical politics has undergone a transformation to political methods. modern.

In political dynamics, only a few countries ignore the importance of political parties in democratic life. The reason is that the absence of parties from the political arena raises two possibilities. First, a country may be ruled by a traditional dynasty (Kim, 2015; Ihalainen, 2019). In such a country, the power of the state is supreme, and the achievements are descriptive. Second, a country that will be controlled by a military regime. The military will be the ruler because they are the strongest and well-organized modern entity (Orfanus, D., de Freitas, E. P., & Eliassen, F. 2016), besides that the military has tools of violence that other groups do not have and cannot impose what it wants. A government without a party is a conservative government, while an anti-party regime is a reactionary regime.

As a logical consequence of the strategic role of political parties, a country, including Indonesia, must strengthen the role of parties from various stakeholders in a country. The state must pay attention to political parties. One form of state attention to the political party is the allocation of state funds to political parties (Mietzner, 2015; Vatanasakdakul, S., & Azka, M. F. (2021). As it is today, in the era of revolution 4.0, the financial problems of political parties should be an important theme in party management. The party's financial sources will greatly affect the characteristics of the party in carrying out its roles and functions, this is an effort to maintain democracy itself, which is done indirectly by strengthening the party from an institutional and financial perspective (Aspinall, 2014; Aspinall, 2015; Tambunan, 2015). On the other hand, another important policy maker is the community. Apart from the state, the role of the community is equally important, this which later became part of what is called political participation. According to Miriam Budiardjo (2008), political participation refers to the activity of a person or group of people who actively participate in political life, among others by choosing state leaders and directly or indirectly influencing government policies.

The community is essentially the most decisive party to come up with a model that can become its own standard of how the criteria for a good political party are desired and needed in a country. In a democratic political atmosphere, if the community actively participates in the political process, the quality of implementation and implementation of various political processes in Indonesia will look good, especially in this case is the pattern of participation in the context of being involved, building from the beginning the process of birth and enlargement of a political party. In Indonesia, the process of community participation like this is still very little. Although the form of supervision is an indicator of improving the quality of democracy and the political life of the country, most people only follow the general election process.

In fulfilling the functions and roles of political parties, both internal and external to parties, particularly political education and rehabilitation programs, the provision of funds for political work during the election process requires substantial financial support. At this point, state support and attention is needed, not just cadre contributions and donations individuals or groups that are full of political and economic interests, which then give rise to deep-rooted oligarchic problems.

So far, most of the receipts for political parties in Indonesia have come from the political parties themselves. This creates a dilemma for political parties. On the one

hand, political parties need a lot of funds to raise funds for their activities, on the other hand, the donation process for political financing can interfere with the independence of political parties in fighting for the interests of the people. In other words, the amount of these contributions disturbs the existence of political parties as the people's mandate, because political parties only prioritize the interests of the donors, not the interests of the people. This phenomenon will have an impact, and the independence of political parties in carrying out their functions will be difficult to achieve. The aim of this article was to analyze the effect of acceptance and management of political parties in Indonesia.

## **METHOD**

The steps the researchers have taken are collecting the RSD framework literature and visiting ten international journal publications that have discussed the benefits and advantages of this research framework initiated by this Australian researcher. After the data is collected, we then analyze it by involving system coding, evaluating the resulting results and guidelines on study problems. The researchers believe that these findings are valid and reliable data based on the clear transparent findings that are very suitable in answering this model research question. Because this is current data, we do all processes by utilizing online data assisted by Google searching and editing applications to report research results. Likewise, we also follow this draft research by the experts' guidelines (Ridder, 2014; Engle, 2015; Sgier, 2012) in their working paper, qualitative data analysis, and review.

## **RESULT AND DISCUSSION**

Political parties as organizations that deliver politicians to legislative and executive positions, need a lot of budget funds to win the struggle for public office seats in the ongoing elections. The problems faced by these parties make the campaign funds that must be spent by candidates doubled. This is because the campaign agenda is not enough just to go in and out of the house, attend many meetings, put up posters and slogans, and appear in the mass media, especially mainstream media such as newspapers and television. However, it is also necessary to consolidate the organization, recruit members, absorb ambition, and build an image.

Initially, all the financial needs of a political party were met from membership fees. The strong ideological relationship between the party and its members makes it easy for the party to raise funds from its members. However, with the changing social structure and increasing complexity of a democratic system of government, currently almost no political party is living entirely from membership dues. The stagnation of public contributions and contributions caused by the role of the party is not optimal, and the party's image is another problem with this phenomenon.

According to Law No. 2 of 2011, the main sources of funding for Indonesian political parties can come from membership fees, donations, and state assistance. The first source is membership fees. This source of income is entirely from the internal autonomy of the party concerned, which is used to regulate the amount, including the time of collection. However, membership dues usually only apply to members of political parties who occupy legislative or executive seats through: salary reduction mechanism. At the same time, ordinary party cadres were relatively inactive.

The second source is legal donations from both individuals and commercial entities. Both can indeed be used as a potential source of income for political parties to fulfill all their needs. However, if this mechanism is used as the main source of

income, it will have an impact on the erosion of the party's internal autonomy. The reason is that political parties will depend on individuals or business entities that make their contributions, which in turn provides space for donors to intervene in party policies.

The third source is state financial aid. According to the APBN and APBD, state financial assistance to parties is prioritized for carrying out political education for party members. However, based on Government Regulation No. 5 of 2009 concerning Financial Assistance for Political Parties, it is explained that apart from political education, it can also be used to meet the operational needs of political parties. This assistance is only given to parties that get seats in the DPR and DPRD, the amount of which is calculated based on the party's votes.

However, the facts show that most of the funding comes from donors, including individual donors and business entities. However, if we trace the list of donors to political parties and the list of donors for campaign funds that have been reported by the General Elections Commission (KPU), the amount of funds reported is not significant compared to the estimated party costs or annual campaign costs during the general election.

In fact, party funds, especially those originating from the participation of members or constituents, will form a pro-people party because of its dependence on people's participation. On the contrary, funds from investor groups actually make the party not independent, but dependent on the funder. The impact can be seen in policy making that is no longer in favor of the people (Elin, Falquera, Samuel Jones and Magnus Ohman: 2016). Though, as public organizations, political parties have limited sources of funding. However, most of the political agenda and activities carried out in internal and external processes are carried out in luxurious places with hundreds or even thousands of participants. This certainly raises public suspicion about the hidden sources of funds.

In addition, the expenditure of political parties that are not based on their function is to serve the people who in fact are the owners of sovereignty. In addition, the background of other problematic political parties is the weakness of laws and regulations regarding party spending which will actually lead to inequality and unfair competition between political parties. Differences in the financial structure of political parties in the law and in everyday political practice indicate that regulations that discuss party funding (Law No. 2 of 2008 and Law No. 2 of 2011) fail to encourage political parties to raise funds to meet their operational needs, so that it can make political elites in legislative and executive positions are involved in illegal fundraising cases.

In this case, the receipt of party funds should be accompanied by financial arrangements for political parties which must be distinguished from campaign finance arrangements. The financial arrangements of political parties regulate the income and expenses of political parties, and provide funds for the business activities of political parties throughout the year. These activities include secretariat financing, party meetings, political education and regeneration as well as *public expose* activities aimed at maintaining the existence of political parties, such as birthday celebrations, seminars, research, and social behavior. Meanwhile, campaign financing arrangements regulate expenditures and expenditures for campaign activities carried out during the election period.

According to Surbakti (2015) the main principles of party financial regulation are accountability and transparency. The principle of transparency requires that political

parties be open to all party financial management procedures political. Here, political parties must fulfill a number of obligations, such as opening a list of donors and making routine financial reports that record all income and expenses of political parties throughout the year. The purpose of opening a list of donors and financial reports to the public is to test the principle of accountability, namely to ensure that in the process of receiving and using political party funds, it is fully ensured that the party's responsibilities appear reasonable, ethical and do not violate regulations.

Without the principles of accountability and transparency, political parties will not only focus on the problem of corruption, but also threaten the future of democracy, because parties with poor governance will almost certainly fail to manage the state and government (Adiputra, et al., 2018; Agustin & Arza, 2019). In general, this should be realized by political parties in general. Especially the new parties such as the Indonesian Unity Party (PSI), the Indonesian Unity Party (Perindo), the Berkarya Party, and the Garuda Party. As new parties, these four parties must be able to use the transparency and accountability of their party management to make them a party that can be offered to the public and prospective voters. In addition, to create an image for the new party, the party's financial management must be transparent, clean, and professional.

Based on the description above, it can be said that the receipt of political party funds from various parties will be beneficial if it is also managed properly by political parties in Indonesia. However, the fact is that political party funding is dominated by donors, which of course will provide space and opportunity for donors to intervene in party policies. This, of course, will also have an impact on state policy.

If a political party is unable to filter and control the source of the received funds, it will have an impact on the electability of the party. Therefore, political parties must be smart in choosing donors who will donate their funds to their party. In addition, political parties must also be able to manage funds obtained from various sources (Sartori, 2015; Mietzner, 2015; Reuter, 2015). Incompatibility of fund management in political parties can cause problems for the party. If a political party is found to have violated the management of the source of funds obtained, it can have a negative effect on the future of the party. However, if a political party is able to utilize and also manage the sources of funds obtained properly, then the political party will be seen as a party that has a good image and will always win hearts in the community. Thus, the future of political parties in Indonesia is determined by the political parties themselves, where one of the determinants of the future of political parties in Indonesia is the management of the sources of funds they receive.

## CONCLUSIONS

From the explanation above, the following conclusions can be drawn: The sources of revenue for political party funds in Indonesia based on Law Number 2 of 2011, come from membership fees, donations, and state assistance. However, the majority of political party funding sources come from donors, including individual donors and business entities. There are still differences in the financial structure of political parties in the law and in daily political practice, indicating that regulations that discuss party funding (Law No. 2 of 2008 and Law No. 2 of 2011) fail to encourage political parties to raise funds to meet their operational needs. The main principles of party financial regulation are accountability and transparency. A party must be able to filter and control the source of the received funds so that the party obtains good electability. One of the determinants of the future of political parties in Indonesia is the

management of the sources of funds they receive. If a party can manage the receipt of funds well, then the party will get a good image in the hearts of the people. However, if a party is proven to be incompatible or violates the procedures for managing sources of funds receipts, then the party will not gain the trust of the general public. Therefore, it can be concluded that the future of a political party in Indonesia is determined by the political party itself.

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#### AUTHOR CONTRIBUTION STATEMENT

The research had done by Galih Puji Kurniawan (GPK). GPK finished processing the finding, evaluation of research, and finishing review process.

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