


DOES THE SOCIAL ASSISTANCE BUDGET REALIZATION AFFECT INCUMBENTS' VOTES? (STUDY IN INDONESIA LOCAL ELECTION)

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 04 October 2022</p> <p>Accepted 20 December 2022</p>	<p>Purpose: The objectives of this study are: (a) to examine the association between political budget and incumbents' regional head votes, (b) to examine the moderating effect of political competition in the association between political budget with incumbents' regional head votes.</p>
<p>Keywords:</p> <p>Social assistance Budget; Incumbents' Votes; Political Competition; Local Election.</p> <div data-bbox="172 913 480 1160" style="text-align: center;">  </div>	<p>Theoretical framework: This article examines whether social assistance budget is associated with incumbents' votes in Indonesia's local elections.</p> <p>Design/methodology/approach: The samples are 212 regencies and cities in Indonesia that conducted local elections in which the incumbent regents or mayors were taking part. Hypotheses are tested using moderated regression analysis (MRA).</p> <p>Findings: The result found that social assistance budget directly affects the incumbent votes in the local elections.</p> <p>Research, Practical & Social implications: This study which examines the effect of the political budget on incumbents' votes. Local elections cannot avoid candidates' rivalry, thus also examined its role when interacting with social assistance budgets.</p> <p>Originality/value: Political competition occurs; its interaction with social assistance budgets negatively affects the incumbents' votes.</p> <p>Doi: https://doi.org/10.26668/businessreview/2022.v7i6.636</p>

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A REALIZAÇÃO DO ORÇAMENTO DE ASSISTÊNCIA SOCIAL AFETA OS VOTOS DOS TITULARES? (ESTUDO NAS ELEIÇÕES LOCAIS DA INDONÉSIA)

RESUMO

Finalidade: Os objetivos deste estudo são: (a) examinar a associação entre o orçamento político e os votos dos chefes regionais dos incumbentes, (b) examinar o efeito moderador da competição política na associação entre o orçamento político e os votos dos chefes regionais dos incumbentes.

Estrutura teórica: Este artigo examina se o orçamento de assistência social está associado aos votos dos titulares nas eleições locais da Indonésia.

Desenho/método/abordagem: As amostras são 212 regências e cidades na Indonésia que realizaram eleições locais nas quais os regentes em exercício ou prefeitos estavam participando. As hipóteses são testadas usando a análise de regressão moderada (MRA).

Conclusões: O resultado foi que o orçamento de assistência social afeta diretamente os votos dos candidatos em exercício nas eleições locais.

Pesquisa, implicações práticas e sociais: Este estudo examina o efeito do orçamento político sobre os votos dos titulares. As eleições locais não podem evitar a rivalidade dos candidatos, portanto, também examinou seu papel ao interagir com os orçamentos de assistência social.

Originalidade/valor: A competição política ocorre; sua interação com os orçamentos de assistência social afeta negativamente os votos dos candidatos a ocupantes.

Palavras-chave: Orçamento de Assistência Social, Votos dos Incumbentes, Competição Política, Eleição Local.

¿AFECTA LA REALIZACIÓN DEL PRESUPUESTO DE ASISTENCIA SOCIAL AL VOTO DE LOS TITULARES? (ESTUDIO SOBRE LAS ELECCIONES LOCALES EN INDONESIA)

RESUMEN

Propósito: Los objetivos de este estudio son: (a) examinar la asociación entre el presupuesto político y los votos a la cabeza regional de los incumbentes, (b) examinar el efecto moderador de la competencia política en la asociación entre el presupuesto político con los votos a la cabeza regional de los incumbentes.

Marco teórico: Este artículo examina si el presupuesto de asistencia social está asociado con los votos de los titulares en las elecciones locales de Indonesia.

Diseño/metodología/enfoque: Las muestras son 212 regencias y ciudades de Indonesia en las que se celebraron elecciones locales en las que participaron los regentes o alcaldes titulares. Las hipótesis se comprueban mediante un análisis de regresión moderada (ARM).

Resultados: El resultado es que el presupuesto de asistencia social afecta directamente a los votos de los titulares en las elecciones locales.

Investigación, implicaciones prácticas y sociales: Este estudio examina el efecto del presupuesto político en los votos de los titulares. Las elecciones locales no pueden evitar la rivalidad de los candidatos, por lo que también se examina su papel cuando interactúa con los presupuestos de asistencia social.

Originalidad/valor: Existe rivalidad política; su interacción con los presupuestos de asistencia social afecta negativamente a los votos de los titulares.

Palabras clave: Presupuesto de Asistencia Social, Votos de Los Titulares, Competencia Política, Elecciones Locales.

INTRODUCTION

Budget is a controlling tool for an organization to achieve its goal and mission. However, in the public sector, politicians probably spend government budget for their interests. Incumbent governors or mayors who run for local re-elections use their budgetary powers to win the elections (Blais and Nadeau, 1992; Akhmedov and Zhuravskaya, 2004; Drazen and Eslava, 2010). A regional head increases the budget component which is directly related to the

electorates prior the local election to indicate that he is competent to lead again (Blais and Nadeau, 1992; Akhmedov and Zhuravskaya 2004; Drazen and Eslava, 2010).

Politicians, including mayors and the regents, are agents and voters are principals. The agents will act on behalf of the principals (Zimmerman (1977). However, as a rational individual, the incumbent regents and mayors will maximize their utilities, including electoral interests in the next election. Previous studies in several countries found that the use of budgets by regional heads for political purposes had affected the results of the incumbent's votes (Ahmedov and Zhuravskaya, 2004; Drazen and Eslava, 2010, Aidt et al., 2011; Chortareas et al., 2016). In Canada, the provincial governments increase their expenditure for social services ahead of the election (Blais and Nadeau, 1992). Local governments in Russia increase public expenditure that is directly related to the voters (Ahmedov and Zhuravskaya 2004). The same goes to incumbent regional heads in Colombia (Drazen and Eslava, 2010). Public expenditure received by voters affects the increasing popularity and the possibility of incumbent regional leaders to be re-elected (Ahmedov and Zhuravskaya 2004, Drazen and Eslava, 2010). In Greece municipalities, incumbents' opportunistic policies also influence the re-election prospect (Chortareas et al., 2016.)

The budget for the political interests of regional head elections also take place in Indonesia. Financial regulation in Indonesia allows regional heads to allocate "budgets" that are not directly related to development programs and activities. The regional head of a regency or city is allowed to give social assistance expenditure in the form of money or goods. Incumbent regional heads increase total administrative expenditures and other administrative expenditures one year before direct local elections take place (Sjahrir et al. 2013).

In Indonesia, Sedana (2014) found that the regent of Gianyar regency in the province of Bali often distributed relief goods to small traders, motor drivers, parking officers who became constituents in the year leading up to the election. The incumbents gave social assistance expenditures and expected that people who received would vote them in the election. The mayors and regents use their budgetary authority for political interest, including their electoral interests. The social assistance fund is a budget component that is not directly related to development programs, but aid budgets in the form of money or goods directly to people or societies. Therefore, this type of budget is the most easily used to support the political interest of the incumbent local government head.

Voters are rational voters who are motivated to fulfill their economic interests (Downs, 1957). However, voters also have asymmetric information about the incumbent regional head activity. Voters who receive the gift from the incumbent will perceive that the head incumbent

would concern and care. The retrospective voting theory explains that voters will vote the incumbent that provides benefits during his rule. Thus, the realization of social assistance budget has a positive effect on the incumbent votes.

An election is a political event so that political competition between candidates is inevitable. Political competition among candidates will influence the relationship between social assistance expenditures and incumbent votes.

In the electoral competition, the citizens compare the candidate's "platform" and vote the one whose platform is preferred (Ferejohn, 1986). Non-incumbent candidates as the opponent will use various ways to defeat the incumbent. The opponents will use their resources to defeat an incumbent candidate.

They also give short-term benefits to voters, such as "money politics" to gain political power (Simandjuntak, 2012). Besides offering programs and short-term benefits, opponents criticized the incumbent policy, especially social assistance expenditures. Through various ways, such as newspapers, internet or leaflets, non-incumbents will inform voters of the incumbents' policies, thereby reducing asymmetric information. Political competition moderates and reduces the social assistance budget's effect on incumbent votes.

Indonesia is a young democracy country that just started direct local elections in 2005. The research that analyzes the effect of political budget to incumbents' votes is rare. Sjahrir et al. (2013) only examined the existence of a political budget cycle in Indonesia, but was not specific on the social assistance budget and did not test its effect on the incumbents' votes.

This research contributes as a preliminary study which examines the effect of the political budget on incumbents' votes. Local elections cannot avoid candidates' rivalry, so we also examine its role when interacting with social assistance budgets. For the second contribution, we propose that political competition moderates the influence of the social assistance budget on incumbents' votes.

Literature Review

Agency Theory in Local Government

The agency problem occurs in various types of organizations and organizational level. In the company, the agency problem occurs between the owner as a principal and the manager as agent (Jensen & Meckling, 1976; Zimmerman, 1977). In government organizations, either central or regional governments, the agency problem occurs between politicians, either the legislative or the executive with the voters (Zimmerman, 1977).

Politicians (elected officials) are the agent, and the voters are one of the principal for politicians (Zimmerman, 1977). Politicians in Indonesian local governments are regents/vice-regents or mayors/vice mayors as executives and each province and regency/city has its own legislature. Politicians are assumed to be rational, evaluative, and may make the best use of their interests. The maximization of 'politician's welfare depends on the likelihood of reelection, advancement, and current and future income (Zimmerman, 1977).

Voters' ultimate control over their elected agent is at the ballot box. However, since any individual voter can influence the election only if his vote is decisive (a highly unlikely occurrence), then each voter will incur a small expected cost if he does not vote incorrectly. "The small probability that a voter can influence an election, the ballot box is not likely to eliminate all of the political entrepreneur's perquisites (Zimmerman, 1977)".

Retrospective Voting Theory

Retrospective voting states that voters base their perceptions of the past performance of the parties and candidates in governing (Reed and Cho, 1998; Campbell et al., 2010). Under retrospective voting, voters will re-elect incumbent politicians in elections based on perceptions of past performance by parties or incumbent candidates (Campbell et al., 2010).

The electorate is a rational individual, and the election is a method of the people to elect the politicians who will be holding the government. The voters will re-elect the beneficial government (Downs, 1957). According to retrospective voting theory, voters will vote incumbents with excellent programs and performance and will not vote incumbents with short programs and performance.

Prior Studies on Political Budget and Incumbent Votes

Local government budgeting is a political process that involves politicians legislature (local legislative) and executive politicians (Regional Head) which are the agents of local voters. Politicians in a democracy formulate policy strictly as a means of gaining votes. They do not seek to gain office in order to carry out specific preconceived policies or to serve any particular interest groups. Instead, they formulate policies and serve interest groups in order to gain office (Downs, 1957).

The regional heads who will run for the regional head re-election for the second period have the opportunity to do a political budget to increase the likelihood of winning the election (Drazen and Eslava, 2010). According to Rogoff (1990), a regional head incumbent has a chance to be biased in the pre-election fiscal policy of government expenditure. As citizens

have the asymmetric information, they conclude on the competence of an incumbent leader based on the political budget made before the election (Rogoff 1990).

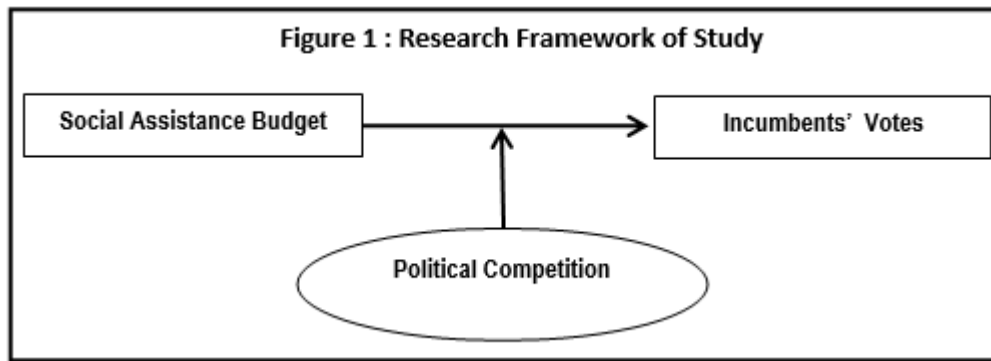
Akhmedov and Zhuravskaya (2004) found that there is the likelihood of opportunistic use of the budget ahead of local elections in young democratic countries. In local elections in the state of Russia, the incumbents' change the composition of the budget by increasing public expenditure. The political budget for the governor election increases the popularity and the possibility of re-elected incumbents.

The incumbents' local governments in Colombia also changed the composition of the budget that affected voters (Drazen and Eslava, 2010). Blais and Nadeau (1992) also found changes in budget allocations primarily on social service expenditure at provincial governments in Canada in the election year. The political budget is also found in Indonesia's direct elections, but not for indirect election through local legislative members (Sjahrir et al. 2013). Incumbent regional heads increased other administrative expenditures one year before local elections took place (Sjahrir et al. 2013).

Voters will elect candidates based on the platform and choose the best candidate according to them (Ferejohn, 1986). Political competition in the election is similar to the competition between companies: the tighter political competition, the more responsive the party/candidate to become the majority (Alfano et al., 2013). In Indonesia, incumbents' candidates backed by some political parties that control the council seat are more likely to win the elections (Lewis, 2019).

In the election, candidates will offer future programs and provide various short-term benefits to voters. According to the retrospective voting theory, people will tend to vote incumbent candidates due to their current leadership performance and short-term pleasures through social assistance expenditure that has been received by the people during incumbent leadership.

Non-incumbent candidates will use various ways to defeat the incumbent. They use their resources to get votes beyond the incumbent. They criticized incumbent policies, including the provision of social assistance. Criticism of the opponents through various media will inform voters about the real policy of the incumbent, thereby reducing asymmetric information about the incumbent. The political competition will weaken the effect of social assistance expenditure on incumbents' votes. Based on the discussion, we formulate the research framework of the study in Figure 1.



Hypotheses Development

During election years, governments at all levels perform political budgets through government expenditures that are easily seen or perceived by the people (Rogoff, 1990). Heads of regions, including politicians in local government are agents who represent and act on behalf of the people as their principal (Zimmerman, 1977). Because the head of the region is rational, he/she tends to maximize their utility (Jensen & Meckling, 1976; Zimmerman, 1977).

Indonesian law allows the regional head to allocate a budget that is unrelated to the program or activity called "social assistance budget." Social assistance expenditure is directly received by the beneficiaries in the form of cash or goods so that the recipient can use the aid directly without going through an activity. Provision of social assistance to the society depends on the policies of local government officials to have the opportunity to be used for the benefit of regional head political interest.

Through social assistance budget, the regional head uses its budgetary powers for electoral interest. Downs (1957) argues that voters are rational individuals who are motivated to fulfill their economic interests. According to the retrospective voting theory, voters will vote the incumbent that provide benefits during his reign. Government expenditure before the election year is a signal of regional leader to their constituencies that he has the competence to lead the region in the next period (Rogoff, 1990; Drazen and Eslava, 2010). A political budget for citizens increases the popularity and incumbents' votes (Blais and Nadeau, 1992; Akhmedov and Zhuravskaya 2004; Drazen and Eslava, 2010).

When voters got benefits from the social assistance budget of incumbent regional heads, voters then will consider that the regional heads pay attention to their interests. As a rational individual, the electorate elects the incumbent, who has noticed his interests (Downs, 1957). Thus, the realization of social assistance budget positively affects to incumbents' votes in Indonesia's local elections. Based on the preceding discussions, the following hypothesis is:

H1: The social assistance budget realization positively affects incumbents' votes in Indonesia's local elections.

Political power affects the budgeting process (Syakhroza, 2004). The political competition also affects budgeting and accounting (Giroux 1989; Carpenter, 1991; Hanusch, 2012) because politicians, including regional heads, attempt to influence budgetary and accounting policies for their political interests. Winning in the next election is the political interests of politicians (Downs, 1957).

Governments with broad coalition support will increase the political budget (Hanusch, 2012). The higher the political support, the easier a regional head uses the authority to do the political budget. On the contrary, it will be more difficult for a regent/mayor to do the electoral interests in order to be re-elected if he gains less political support and is involved in tighter political competition. Political competition does not only affect the magnitude of the political budget but also affects the probability of a re-election of an incumbent.

An election is a political contest between candidates to get voters' votes. The efforts of each candidate to compete for the voters' votes will create a political competition. Political competition between the candidates make each candidate mobilize his/her resources to win the popular votes. Candidates' political resources can be ethnicity, political networks, popularity, and money.

Non-incumbents as the opponents will use various ways to defeat the incumbents. Non-incumbents inform voters about incumbents' policies, thereby reducing asymmetry. People get more information and able to compare platforms between candidates to get the best. Thus, when the competition is high, the influence of the social assistance budget on incumbents' votes will weaken. Based on the preceding discussions, the following hypothesis is:

H2: Political competition weakens the influence of social assistance budgets on incumbents' votes

Research Method

Data and sample

Local governments in Indonesia consist of provinces, regencies (Indonesian: Kabupaten) and cities (Indonesian: Kota). Regency and city are local governments directly administrated under a province. The difference between regency and a city lies in differing demographics, size, and economics.

We collect the data of social assistance budget realization from the statement of budget realization that is audited by the supreme audit board of the Republic of Indonesia (Indonesia:

Badan Pemeriksa Keuangan / BPK). The data of incumbent regional heads who participate in local elections for the second period came from the General elections Commission (Indonesia: Komisi Pemilihan Umum / KPU) and ministry of home affairs. The research sample is 40.46% of all local governments in Indonesia. A local election is conducted once in 5 years for one local government. Because the election observation year was only three years, this research only observes one election in every local government. Therefore, the data of this research are cross-section. We explain the sample selection procedure in the following table:

Description	2010	2011	2012	Total
Local governments conduct local elections	210	63	60	333
Minus				
provincial governments conducting local elections	(7)	(4)	(4)	(15)
Local elections (regencies & cities) without incumbents	(41)	(26)	(27)	(94)
Total local elections (regencies& cities) with incumbents	162	33	29	224
Minus				
Regency or city with incomplete data	5	2	0	7
Complete samples	157	31	29	217
Outlier				5
Total samples used for analysis				212

Note: we categorize a sample as outlier whenever the standard residual is ± 3 when tested the regression model

Research Model

A Moderated regression analysis (MRA) is used to determine the interaction effects (Cohen and Cohen, 1983; 1984; Hartmant and Moers, 1999), and two-way interactive model is applied to examine the main effect and interaction effect for independent variables.

$$iVote = \beta_0 + \beta_1 SABV-1i + \beta_2 Comp + \beta_4 HDIi + \beta_5 TBi + TLG + \epsilon_i \quad (1)$$

$$iVote = \beta_0 + \beta_1 SABV-1i + \beta_2 Comp + \beta_3 Comp * SABV1-i + \beta_4 HDIi + \beta_5 TBi + TLGi + \epsilon_i. \quad (2)$$

Where:

- iVote : percentages of Incumbent votes
- SABV1-i : Social assistance budget per voter, one year before election
- Comp : Political competition

Control Variables:

- HDI : human development index
- TB : Total Budget of regency or city
- Type_LG : Type of local government

Variable definition

Social Assistance budget (SABV) is a local government budget in the form of money or goods transferred directly to people or community. We measure the incumbent donation of social assistance by dividing the amount of social assistance budget realization from the statement of budget realization is divided by the number of voters registered in the general election commission of each local government. The result is social assistance budget per voter. (SABV). Several months before the elections, a regional head is required to take leave of office to conduct campaigns. We assume that the head of a region uses the social assistance budget instrument in one year before the elections (y-1) because on average, it is more effective to persuade the public to vote him/her.

We count social assistance budget per voter with the following formula:

$$\text{SABV-1} = \text{SABR-1} / \text{NRV}$$

Where:

SABV-1 : Social assistance budget realization per voter one year before the election

SABR-1 : Social assistance budget realization one year before the election

NRV : Number of the registered voter for a local election.

Political Competition (comp) is a competition between candidates (parties or election/election participants) to obtain votes in elections (Carpenter, 1991, Alfano et al., 2013). We measure the political competition as the level of tightness between the winner and the candidate with the second most significant votes in the local elections. Political competition is high or tight if the difference between the winner and the runner-up is small, and vice versa. The formula of political competition is as follows

$$\text{Comp} = \frac{1 - (\text{percentages of the winner} - \text{percentages of the second winner})}{100}$$

If the value of comp close to 1, it means the level of political competition between the winner and the second winner is high.

Incumbent Votes (i-Vote) is the percentage votes of regency/city heads who participate in local elections. Incumbent votes are the dependent variable in this research.

Control variables

We use HDI (Human Development Index), TB (total Budget), and TLG (the type of local government) for control variables. HDI is a key performance indicator of regency/city governments listed in the Medium Term Development Plan (Indonesia: Rencana Pembangunan Jangka Menengah Daerah / RPJMD) and should be achieved by the regional head. The total Budget indicates the complexity and size of local government organizations. TLG (the type of local government) measure the characteristics of local governments using a dummy variable, which is 1 for regency and 0 for the city. The economic condition does not include a control variable, because, all local governments in Indonesia, we assume that the economic conditions of all regions on average are the same.

Robustness test

We perform a robustness test to analyze the consistency between the incumbent votes and the winning candidate. For robustness test, we perform probit/logit regression analysis to analyze the likelihood of regional head victories caused by social assistance budget and political competition.

Indonesian regulations state that the candidate who gets the most votes of at least 30 percent will win the election. However, sometimes even if votes are above 30 percent (e.g., 35 percent), the incumbent does not win the election because the opposing candidate gets more votes. However, in other cases, when the incumbent gets 30.01 percent, he/she is decided as a winner because the opposing candidate gains less than that. In this probit/logit analysis, the dependent variable is an indicator of incumbent's victory with dummy 1; for an incumbent who wins the election and 0 for incumbent losers.

RESULT

Descriptive Statistics

Table 2 demonstrates that the minimum value of SABV-1 was Rp964.92, occurring in Surabaya city in 2010. While the maximum value of SABV-1 was Rp2,021.840,- and it happened in Fakfak regency during the 2010 election. The mean value of SABV-1 is Rp321,919.00 higher than that of SABV of only Rp288,323.58. It is consistent with Sjahrir et al. (2013) who found that there was a political budget cycle one year before the local election.

The minimum value of i-Vote was 0.057. It happened in Bireuen regency of Aceh Province. The incumbent regent of Bireun was defeated in a local election and only got 5,7% of votes. The maximum value of i-Vote was 0.897.

Table 2 Descriptive Statistics

	Min	Max	Mean	Std. Deviation	Skewness
i-Vote	0.057	0.897	0.4274	0.145	.060
Comp2	0.1088	0.998	0.816	0.158	-1.810
SABV-1	964,92	2.021.840,00	152.699,01	321.919,00	3,949
Log(SABV-1)	2,984	6,305	4,761	0.566	.256
Log(SABV)	2,608	6,285	4,654	0.606	.046
N : 212					

If political competition is close to 1, it means that the level of political competition in the election is higher. The mean value of political competition (comp) is 0.609. The lowest score of political competition is 0.1028, which is experienced by the incumbent in East Ogan Komerling Ulu regency. The incumbent won easily. The highest political competition occurred in West Sumba District with a level of 0.84 which made the incumbent suffered defeat in the election.

Hypotheses Testing

Table 3 demonstrates that direct effect obtained F-statistic of 9.834 with significance 0.00 (<from alpha 0.01). It means that the direct model is valid. Table 4 also shows that coefficient SABV-1 is 0.027 with significance 0.1 (= <from alpha 0.1). It means that hypothesis 1 is supported significantly.

The direct model indicates a positive effect between social assistance budget to incumbent votes on the local election in Indonesia. It is consistent with Ahmedov and Zhuravskaya (2004), Drazen and Eslava (2010) that the social budget donation before the election affects the incumbent votes.

Table 3 Regression Analysis

Model	Hi	Model 1		Model 2	
		Direct		Moderating	
		coeff.	Sig coeff.	Coeff	Sig coeff
C		0.043	0.931	-1.185	0.093
SABV-1	H1	0.027	0.100*	0.277	0.009
Comp		-0.360	0.000	1.076	0.074
SABV-1*comp				-0.293	0.017**
HDI		0.009	0.588	0.009	0.573
TB		0.019	0.277	0.019	0.270
TLG		0.029	0.254	0.029	0.254
	R ²	0.193		0.215	
	Adjusted R2	0.173		0.192	
	F	9.834		9.353	
	F sig	0.00		0.00	

Dependent variable:
i-Vote (percentage of incumbent vote)
SABV-1: Social Assistance Budget per Voter one year before election;
Comp: Political Competition; HDI: Human Development Index;
TB: Total Budget; TLG: Type of local Government

ρ value : *significant level 10%; ** significant level 5%; ***significant level 1%

Model 2 shows when political competition interacts with the social assistance budget, the coefficient of SABV-1*comp is -0.293 (ρ -value =0.017, $\leq \alpha$ 0.05). we conclude that hypothesis 2 is supported.

The result of hypothesis 2 indicates that political competition will weaken the impact of regional self-interest. Social assistance budget when interacting with political competition has a negative effect on incumbents' votes. Democracy becomes a useful control tool to reduce the "self-interest" of politicians. In high competition, the head of the region does not get the benefit of doing "self-interest" because people have better information from non-incumbent candidates.

Robustness tests

Table 4 describes the robustness test. The probit/logit regression shows consistency when political competition interacting with the social assistance budget negatively affects the incumbent votes.

Model 1 examines the effect of moderation with a measurement of political competition based on 1-herfindahl index, the coefficient of SABV-1 * comp is -7.084 (ρ value 0.046, $\leq \alpha$ 0,05). In model 2 which also analyze moderation effect by adding local government type as control variable (Type_LG), the coefficient of SABV-1 * comp is -7.208 (ρ -value 0.036, $\leq \alpha$ 0.05).

In model 3 dan 4, we use a different measurement of political competition that is the level of competition tightness. In model 3, the coefficient SABV-1 * comp2 is -6.355 (ρ -value 0.032, $\leq \alpha$ 0.05) and model 4 when added control variable type_LG coefficient SABV-1

* comp2 is -6.527 (p-value 0.031, \leq alpha 0.05). All model shows that that political competition weakens the impact of social assistance expenditure on incumbents' votes and consistent with the main test.

Table 4 Robusness test (Probit/Logit)

Model	Model 3		Model 4	
	coeff.	Sig.	Coeff	Sig.
C	-6.203	0.463	-33.629	0.032
SABV-1	0.452	0.086*	6.237	0.021
Comp2	-5.397	0.000	25.287	0.075
SABV-1*comp2			-6.527	0.031**
HDI	-0.149	0.589	-0.477	0.145
Totalbudget	0.333	0.263	0.363	0.235
Type_LG	0.363	0.374	0.468	0.261
Mc Fadden R ²	0.095			0.118
LR statistic	26.988			33.501
Prob LR Statistic	0.000			0.000
Obs with Dep 0= 82 Obs with Dep 1 = 130				
Win is dependent variable, which is dummy variable 1: the winner incumbent;				
0: the loser incumbent. p value : *significant level 10%; ** significant level 5%;				
***significant level 1%				

Discussion & Conclusions

Our result suggests that social assistance budget affects incumbents' votes directly. The incumbents use the government budget for their political interests. It support agency theory that the head of the region has a tendency of self-interest for their political interests. The voters responded positively to social assistance expenditure which was the self-interest behavior of the head of the region using his/her budget authority for electoral interests.

The results are also consistent with the retrospective voting theory. People will choose incumbents based on their past activities. The retrospective voting theory argues that voters will re-elect incumbent politicians based on the perception of incumbents' past performances (Campbell et al., 2010). The result is also consistent with Ahmedov and Zhuravskaya (2004) and Drazen & Eslava, (2010).

However, political competition plays a role in reducing the influence of the social assistance budget on incumbents' votes. The presence of non-incumbent candidates become a control tool for incumbent regional heads' policies. The societies obtain balanced information to be able to sort out that social assistance is not the actual performance of the incumbent. The impact of the social assistance budget will be negative as the level of political competition is higher.

Political competition in the democratic system is useful to reduce the "self-interest" of politicians. In electoral competitions, each candidate will offer the best program for the society

as well as providing complete information about their opponent candidates, including incumbent candidates. Information from opposing candidates will decrease asymmetric information about the incumbent so that the public gets complete information. Complete information allows voters to compare the incumbent performance of whether it is the actual performance or a fake one.

The limitation of this study does not include incumbents' long term performance in analyzing the effect of incumbents' votes. Performance is an achievement based on past incumbents' activities in the long run. Political budget only captures the short-term activity of the incumbents. Future research needs to consider the effect of performance factors on incumbents' votes.

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