

## ABSTRACT

In the retrospective economic voting model, voting is a tool to reward or punish incumbent government. Assuming that voters are rational, strong economic performances increase incumbent's probability of winning. This study empirically examines the effect of economic performance on incumbent electoral performance by using data from the 2015, 2017, and 2018 mayoral elections in Indonesia. The results generally show that economic performance increases the incumbent's probability of winning; specifically, income per capita shows a positive correlation whereas poverty rate shows a negative correlation. However, in contrast to the hypothesis, unemployment rate has a positive correlation. This positive correlation might be due to vote buying and its correlation to social phenomena. This study also shows that incumbent mayors tend to win mayoral elections in Indonesia, implying the existence of incumbency advantage.

**Keywords:** mayoral elections, economic performance, incumbency advantage

**JEL classification:** D72; H11

