

ABSTRACT

The government has a personal motive to remain in power. To fulfill this motive, it utilizes its authority to implement policies that enhance its acceptability in the eyes of voters. This use of authority includes leveraging fiscal instruments. This study empirically examines the impact of annual fiscal spending on the electoral outcomes of incumbents by analyzing data from Indonesia's third-wave regional elections (Pilkada) from 2015 to 2018. Using two estimation methods, Probit and OLS, this study finds that social assistance expenditure is correlated with the probability of re-election, although its impact may vary across years. Additionally, this study finds that social assistance spending in the year prior to the election is positively correlated with the incumbent's vote share in the regional elections.

Keywords: *Political Economy, Elections, Government, Political Budget Cycles*

