A Comparison of Incumbent Regional Expenditure Allocations: Before vs. During The 2024 Regional Head Election

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ABSTRACT
This study aims to analyze the effect of regional head elections on regional budget allocations in regions led by incumbent regional heads in Java. The analysis was conducted comparatively between budget allocations in the period before the election and the period during the election. The method used was the Wilcoxon signed-rank test to compare the average regional spending allocations, which include grant spending, social assistance spending, goods and services spending, and capital spending. The research sample consisted of 40 districts/cities in Java whose regional heads were running again in the 2024 Regional Head Elections (Pilkada). The results of the study show that incumbent regional heads tend to be opportunistic by utilizing budget discretion for electoral interests. This is reflected in the significant differences in the allocation of grant spending, social assistance, and capital spending between the periods before and during the 2024 election.

ABSTRAK
Penelitian ini bertujuan untuk menganalisis pengaruh pemilihan kepala daerah terhadap alokasi anggaran belanja daerah di wilayah yang dipimpin oleh kepala daerah petahana di Pulau Jawa. Analisis dilakukan secara komparatif antara alokasi anggaran pada periode sebelum pemilu dan periode saat pemilu berlangsung. Metode yang digunakan adalah uji Wilcoxon signed-rank untuk membandingkan rata-rata alokasi belanja daerah, yang mencakup belanja hibah, belanja bantuan sosial, belanja barang dan jasa, serta belanja modal. Sampel penelitian terdiri dari 40 kabupaten/kota di Pulau Jawa yang kepala daerahnya mencalonkan diri kembali dalam Pemilihan Kepala Daerah (Pilkada) tahun 2024. Hasil penelitian menunjukkan bahwa kepala daerah petahana cenderung bersikap oportunistik dengan memanfaatkan diskresi anggaran untuk kepentingan elektoral. Hal ini tercermin dari perbedaan signifikan dalam alokasi belanja hibah, bantuan sosial, dan belanja modal antara periode sebelum dan saat pemilu 2024.

A. INTRODUCTION

Regional autonomy is now merely seen as a complement in governance. Moreover, when heading for the 2024 Presidential Election (Pilpres), the issue of regional autonomy did not blow as loudly as it did in the previous Presidential Election (Maksum, 2023). In fact, Law Number 23 of 2014 concerning Regional Government explains that the basis for the implementation of regional autonomy is the delegation of government authority. This clearly proves that regional autonomy is a wedge that cannot be separated from the practice of state governance at the central level.

Several issues then emerged regarding how the public viewed the implementation of regional autonomy. In the view of stakeholders, regional autonomy needs to be tightened and must be in the corridor of national policy (Jati, 2012; Maksum, 2023; Sofiani & Magriasti, 2023). However, in the view of some circles, regional autonomy is considered necessary to be maintained because one of the reasons is the model of regional head elections (pemilukada) directly involving the community as voters. This is not without reason because the election is a means of practicing democracy as well as a means of dirty practices such as corrupt practices (Hayati & Noor, 2020; Maksum, 2023; Qodir, 2016).

According to data published by the Indonesian Corruption Watch (ICW), throughout 2023, the number of corruption cases that can be recorded is 791 cases in which there are 1,695 suspects and potential state losses of IDR 28.4 trillion (ICW, 2024a). Of the many corruption cases, the number of cases is dominated by those who have a background in local government such as employees, village officials, BUMDs, to the regional heads themselves.

Table 1. Number of Corruption Cases by Position of Suspects in 2023

Position of Suspect	Number of Cases
Private	441
Local Government Employee	419
Village Head	204
Employees of Ministries/Institutions/State Agencies	153
Village Devices	89
SOE Employee	73
BUMD Officials	54
BUMD Employee	51
Regional Head	16

Source: (ICW, 2024a)

When referring to the mapping of corruption cases in table 1, there has been diversification in terms of the background of corruption suspects. The dominance of cases in the local government sector is due to the fact that local governments have many sectors that become wetlands for corrupt practices (Directorate General of Regional Finance Development, 2011; KPK, 2024). Indonesian Corruption Watch (ICW) also noted that from 2004 to 2024, around 196 regional heads have been prosecuted by the KPK for alleged corrupt practices. If detailed, starting from 2004 until January 3, 2022, the KPK has cited at least 22 governors and 148 regents/mayors (ICW, 2024b; Zabar, 2022).

Corruption cases that ensnare regional heads in Indonesia have occurred long before the issue of regional autonomy. Very high political costs then become the root cause of the rampant corruption practices among regional heads. In the regional head election process, the political costs of regional head candidates swell due to money politics in the form of political dowries (nomination buying) and vote buying practices (Atnan, 2014; Dharayanti et al., 2024; Sholikin, 2019; Sjafrina, 2019). In fact, according to a study from the Research and Development of the Ministry of Home Affairs, regional head candidates require political costs of at least IDR 20-30 billion for regent/mayor candidates and IDR 20-100 billion for governor candidates. In fact, the average salary earned by regional heads is only around Rp5 billion in one period (Kemendagri, 2015). Therefore, the practice of corruption has become a way

for some regional heads to cover the amount of political costs that have been incurred in the election process.

In the process of regional elections and corrupt practices, there is another phenomenon that arises when an incumbent or incumbent runs as a candidate for the next period of regional head, namely the potential for misuse of the budget in the APBD to facilitate his victory again (Dharayanti et al., 2024; Sjafrina, 2019; Utami et al., 2022; Widawati & Widagdo, 2020). This is from the basic concept of regional autonomy with the delegation of concurrent government authority so that the regions can manage their own government affairs, including in the budgeting process (Muin, 2014). In fact, according to Government Regulation of the Republic of Indonesia Number 12 of 2019 concerning Regional Financial Management, a regional head such as a governor or regent / mayor is the power of financial management in his area who can determine policies related to regional financial management including the determination of APBD budgeting policies.

Therefore, an incumbent regional head who runs again in the second period of the election process always has the privilege of having budgetary "resources" as well as "resources" of bureaucratic support to be able to retain power. According to the findings of researchers from the Indonesian Forum for Budget Transparency (FITRA), there are several loopholes that are usually used by incumbents in committing APBD irregularities for election capital (FITRA, 2018), including: 1) Increased grants and social assistance funds (bansos) to the community; 2) Buying and selling "Ijon" or unclear "goods" for government projects to third parties, usually in the form of promises of project awards and ease of granting permits; 3) Decrease in the number of Regional Original Revenue (PAD); 4) Utilizing the remaining budget surplus (SILPA); 5) At the provincial level, incumbents usually provide direct cash assistance to the incumbent's vote base areas; 6) Focusing APBD posts on development activities such as road infrastructure programs and others that seem impromptu; and 7) The potential utilization of village funds for the benefit of incumbents in garnering community support.

In addition to the use of grants and social assistance, other expenditure items in the APBD also have the potential to be used to support the smooth running of incumbents in winning regional election contests. Capital expenditure posts can be used by creating public service programs and infrastructure development. This is done because it can provide a good image for the incumbent that the previous government he led looks successful (Setiawan & Setyorini, 2018). Budget misuse can also target goods and services expenditure posts. The existence of interest factors, kinship relationships, and success teams can lead to budget plots for physical project procurement, provider selection, and tender winners to investors so that incumbents will get additional capital as payment for the promises made (Windarti, 2015).

Differences in budget allocations before and during local government election years are real and occur in many regions in Indonesia. Many studies in the form of research were conducted to analyze the proportion of budget use by local governments during the election year. Among them, the results of research found by Utami, et al. (2022) state that the expenditure items for grants and social assistance have different proportions and even increase significantly when before and during the 2020 simultaneous regional elections in the second level regions throughout Sumatra Island (Utami et al., 2022).

Other evidence is found in a study researched by Setiawan and Setyorini (2018) which explains that the proportion of grant expenditure items, social assistance expenditure items, and capital expenditure items before and during the election has an average difference in allocation. Incumbents who participated in the 2015 simultaneous regional elections tended to sacrifice social assistance expenditure and capital expenditure to increase the grant expenditure budget. The study also confirmed that incumbents usually take opportunistic actions when the election takes place so that their positive image will increase in the eyes of the public. Where, these things are in accordance with the theory of political budget cycles (Setiawan & Setyorini, 2018). Research by Kartiningsih, et al. (2024) which examines the performance of incumbents who win in their second period confirms that incumbent governments experience a decrease in post-election financial flexibility due to a lack of mitigation in the provision of financial resources including increased revenue and debt capacity (Kartiningsih et al., 2024).

However, in the 2017 regional election studied by Widawati and Widagdo (2020), there were differences in the proportion of expenditure items that experienced an increase. In their findings, there were no significant differences in social assistance and capital expenditure items. Goods and services expenditure posts experienced an increase in proportion before and during the 2017 regional elections. Interestingly, grant expenditure actually experienced a significant decline during the 2017 election year. Widawati and Widagdo (2020) concluded that there was no budget politicization in the 2017 regional election due to improved regulations and high awareness of incumbent regional head candidates (Widawati & Widagdo, 2020).
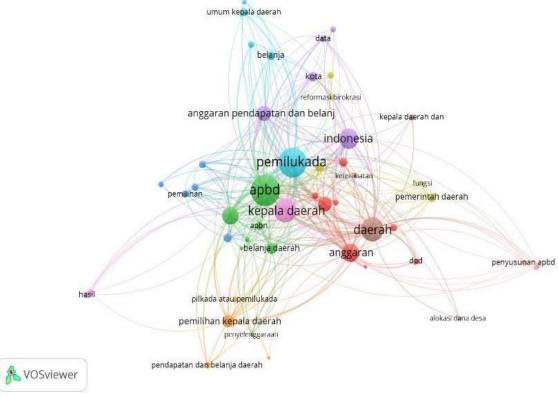

Figure 1. Bibliometric Analysis of Relevant Previous Research
Source: processed by researchers using VOSviewer, 2024

Based on the results in figure 1 of bibliometric analysis using VOSviewer software, many studies have been conducted to examine the discretionary use of

budgets by incumbent regional head candidates in election contestation in Indonesia. The average research conducted used case studies in the 2015, 2017 and 2020 regional elections. Meanwhile, in the 2024 simultaneous regional elections, there has been no research that examines the discretionary use of regional budgets by incumbent candidates. Moreover, one of the regions where many regional heads are running for re-election in the 2024 simultaneous regional elections is the Java Island region.

Therefore, with the gap in several previous research results and also the gap in the absence of research on the 2024 regional election, researchers are interested in examining how the comparison of budget allocations before and during the 2024 regional election takes place in incumbent regions at the district/city level throughout Java. This research then has a research question that departs from the formulation of the problem in the form of "are there differences in the allocation of regional expenditures in the form of grant expenditures, social assistance expenditures, capital expenditures, and expenditures on goods and services when before and when the 2024 Regional Election takes place in the incumbent regions in Java Island?". Then, this study aims to obtain empirical evidence related to the comparison of the proportion ratio on regional expenditure items at the district / city level when an incumbent returns to contest the simultaneous regional election.

B. LITERATURE REVIEW

Political Budget Cycle (PBC) Theory

A political leader who has an opportunistic model in making decisions and is influenced by the political cycle is the basis of the PBC theory published by Nordhaus in 1975. In essence, this PBC Theory explains how budget users behave when an election year is approaching. Furthermore, when a politician who is also a regional head has the intention to run again in the next election, he will use economic policies so that the public sees the "results" of their performance in the previous period. The use of more regional budgets will certainly make more work programs visible to the public. Thus, incumbents hope that the public will see and give a positive image of them as capital in the next election (Nordhaus, 1975).

The PBC theory has a presumption that the public as voters will make their choices based on the results of the economic performance that has been passed and only one term of office of the incumbent is taken into consideration (shortsighted model). If elaborated again, this theory explains the economic manipulation carried out by politicians either by cutting or increasing money income to achieve their own personal goals, usually taking place when approaching regional head elections. Therefore, when entering the election year, incumbent candidates will showcase their performance and try to build a good image with various impromptu projects (Wibhawa et al., 2023).

Public Sector Budgeting

The concept of public sector budgeting is related to the cycle of distributing the proportion of funds for each program post that has been planned previously. In public sector organizations, this budgeting cycle occurs when the planning and strategy formulation process has been completed (Suripatty et al., 2024). According to the Governmental Accounting Standards Board (GASB), a budget is a financial

implementation plan which includes estimates of proposed expenditures and specified sources of income in meeting financing in a certain period (Ningsih et al., 2018). In that sense, budgeting is a procedure in preparing a budget.

In the district/city and provincial levels of government, the results of budgeting are outlined in the Regional Budget (APBD) document. This document is a series of annual financial plans owned by local governments whose validity period starts from January 1 to December 31 of the same year. The APBD is one of the local government regulations (perda) passed by the head of the region which has been approved by the DPRD beforehand. In the APBD document, all series of regional financial plans are included, including all rights and obligations of the region that can be valued in money to organize their government (Setiawan & Setyorini, 2018).

Grant Expenditure

In the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 77 of 2020 concerning Technical Guidelines for Regional Financial Management, grant expenditure can be interpreted as budgeting in the form of providing grants in the form of cash or goods / services aimed at the government or other local governments, individuals, or groups of people whose recipients have been previously determined. The amount of the budget for grant expenditure can be determined in the APBD by adjusting to the financial capacity of the region which is also in accordance with the relevant laws and regulations. Grant expenditure is unbound assistance and its use must be adjusted to the requirements contained in the regional grant agreement text.

Social Assistance Expenditure (Bansos)

Social assistance expenditure when referring to the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 77 of 2020 concerning Technical Guidelines for Regional Financial Management, is budgeting in the form of providing assistance in the form of money and / or goods. Social assistance expenditure is aimed at individuals, families, and/or community groups with a selective nature and is not given continuously except in certain circumstances. The existence of a budget for social assistance expenditure is expected to protect the community from social risks such as the impact of natural disasters, political crises, social crises, and so on. Social assistance expenditure can be sustainable by providing it every fiscal year until the recipients of social assistance are free from social risks.

Goods and Services Expenditure

Referring to the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 77 of 2020 concerning Technical Guidelines for Regional Financial Management, regional expenditure is interpreted as budgeting for the procurement of government goods/services that have a use value of less than 1 year (12 months). Goods and services expenditure is also included in the procurement of goods/services that will be sold or provided to the community or other parties. This expenditure item is described in the object of expenditure in the form of goods, services, maintenance, official travel, money and/or services that will be transferred to the community or other parties. In the APBD structure, the local government will budget for goods and services expenditures in the relevant SKPD. Examples of goods and services expenditures in the form of giving money to the community or other parties are competition prizes, scholarships, awards for achievements, and so on.

Meanwhile, goods expenditures can be in the form of consumable, non-consumable goods, or even used goods.

Capital Expenditure

According to Government Regulation (PP) Number 12 of 2019 concerning Regional Financial Management, capital expenditure is budgeting for expenditure carried out in the procurement of fixed assets and other assets. Capital expenditure budgeted for fixed assets must be the acquisition price or the total price until the asset is ready for use. This expenditure item is included in direct expenditure which aims to meet the financing and investment needs of the region. More broadly, capital expenditures are expenditures where the use value will be more than one fiscal year, add assets to the government concerned, and will cause an increase in maintenance costs. Some components of expenditure in capital expenditure include land expenditure, building and structure expenditure, road, irrigation, and network expenditure, equipment and machinery expenditure, and other fixed asset expenditure as regulated by legislation

Based on the results of a review of various relevant literature and previous research, researchers suspect that there are differences in the average of grant expenditure items, social assistance expenditure items, goods and services expenditure items, as well as capital expenditure items when an incumbent runs for re-election in the 2024 election contestation. The hypotheses that will be tested as temporary presumptions in this study are:

1. H1: There is a difference in the average proportion of regional grant expenditure items when before and when the incumbent runs again in the 2024 Regional Election on Java Island.
2. H2: There is a difference in the average proportion of regional social assistance expenditure before and after the incumbent runs for re-election in the 2024 regional election in Java Island.
3. H3: There is a difference in the average proportion of regional goods and services expenditure before and when the incumbent runs for re-election in the 2024 regional election on Java Island.
4. H4: There is a difference in the average proportion of regional capital expenditure when before and when the incumbent runs for re-election in the 2024 regional election in Java Island.

C. RESEARCH METHOD

This research uses a descriptive method with a research approach in the form of a quantitative approach. According to Silalahi (2015), a quantitative approach is used by collecting data using instruments which are then assisted by numerical information for the data analysis process. Meanwhile, the descriptive method was chosen because it is able to provide data depictions to describe phenomena that occur in the field. The goal is that a study can describe accurately, and systematically related to concrete things or describe in detail a phenomenon.

Population and Sample

This study has a population of 113 districts / cities which are second-tier regions on the island of Java which held simultaneous regional elections on Wednesday, November 27, 2024. The purposive sampling technique was used by researchers as

a sampling technique in which the sample was selected based on the assessment of characteristics that were in line with the research objectives. The number of samples used by researchers was 40 districts / cities out of 113 predetermined populations. For sampling criteria or indicators set by researchers, namely districts or cities on the island of Java whose regional heads (regents or mayors) are running again as incumbent candidates in the 2024 regional election and have complete expenditure data. See table 2.

Table 2. Results of Research Sampling Techniques

Indicator	Total
Regencies/cities in Java that hold simultaneous regional elections in 2024 (**Population**)	113
Regencies/cities throughout Java Island whose incumbent regional heads are not running for re-election in the 2024 simultaneous regional elections.	(73)
Sample Quantity	**40**

Source: Processed by researchers, 2024

Types and Data Analysis Techniques

Observation data in a span of 2 years, namely data from 2023 to 2024 is used in this study as secondary data to be analyzed. The secondary data in question consists of: (1) Data on the organization of district / city regional head elections in 2024 originating from the official website of General Election Commission (KPU); (2) Data on the proportion of regional expenditure items in the district / city APBD document obtained from the official website of the Directorate of Fiscal Balance, Ministry of Finance of the Republic of Indonesia; and (3) Data on the status of district / city level regional heads originating from the Ministry of Home Affairs of the Republic of Indonesia

The data analysis process will use SPSS 25 software with the technical stages of data analysis as follows: (1) Descriptive statistical analysis to produce mean values, maximum and minimum values, and standard deviation values; (2) Normality test with Kolmogorov Smirnov which uses a significance level of 0.05, in other words if the significance value or probability is> 0.05 then the data is normally distributed and vice versa; and (3) T-test will be used to test the difference between two paired samples. This test will also test the hypothesis by comparing the relationship between the two samples tested with a decision-making basis of 5%.

RESULTS AND DISCUSSION
Research Results
Descriptive Statistical Analysis

Table 3 below illustrates the descriptive statistics of the data in this study which includes the average value of the proportion of regional expenditure in each expenditure post, the minimum and maximum values in each expenditure post, and the standard deviation for the proportion of grant expenditure posts, capital expenditure posts, goods and services expenditure posts, and social assistance expenditure posts. This descriptive statistical data table 3 is presented in descriptive data for the years 2023 and 2024.

Table 3. Descriptive Statistical Analysis Results

Description	Total	
	2023	**2024**
Proportion of Grant Expenditure		
Mean	0,0394613	0,0521883
Std Dev	0,01427723	0,01751246
Min	0,01851	0,00977
Max	0,08766	0,09427
Proportion of Social Assistance Expenditure		
Mean	0,0060919	0,0050371
Std Dev	0,00554244	0,005149933
Min	0,00008	0,00003
Max	0,02084	0,01919
Description	Total	
	2023	2024
Proportion of Goods and Services Expenditure		
Mean	0,2957897	0,2944046
Std Dev	0,07658969	0,07035504
Min	0,20199	0,16822
Max	0,50498	0,46536
Proportion of Capital Expenditure		
Mean	0,1396249	0,1225910
Std Dev	0,04508841	0,04319780
Min	0,07152	0,05978
Max	0,26808	0,24861

Source: Processed by researchers, 2024

The results of the descriptive statistical analysis in table 3 show that the average allocation of grant expenditure before the 2024 election amounted to 3.9% of total regional expenditure and 5.2% of total regional expenditure in 2024. Furthermore, it is known that the average allocation of social assistance expenditure at the 2024 election was 0.51% and the average social assistance budget allocation in the previous year amounted to 0.60% of total regional expenditure. Table 3 also illustrates that the goods and services expenditure budget during the 2024 regional election had a total allocation of 2.94% while the goods and services expenditure budget in the previous year amounted to 2.295%. On the other hand, on average, incumbent candidates provide a proportion of 1.22% for capital expenditure during the 2024 election year and a proportion of 1.39% for capital expenditure in the previous year from the overall average capital expenditure in Java.

Normality Test

This test is carried out in order to see how the data distribution is normal or not. Because the number of samples> 30, the Kolmogorov-Smirnov Test was used to test the normality of the research data with a significance level of 0.05.

Table 4. Normality Test Results

Description	Significance
Proportion of Grant Expenditure (PBH)	
PBH Before 2024 Election	0,096
PBH during the 2024 election	0,172
Proportion of social assistance expenditure (PBBS)	
PBBS Before 2024 Election	0,014
PBBS during the 2024 election	0,000
Proportion of Goods and Services Expenditure (PBBJ)	
PBBJ Before 2024 Election	0,002
PBBJ during the 2024 election	0,017
Proportion of Capital Expenditure (PBM)	
PBBJ Before 2024 Election	0,161
PBBJ during the 2024 election	0,073

Source: Processed by researchers, 2024

The Kolmogorov-Smirnov test results in table 4 show that the data for grant expenditure and capital expenditure are normally distributed because> 0.05. Meanwhile, social assistance expenditure and goods and services expenditure are not normally distributed because the significance value is <0.05. It can be concluded that the overall data in this study is not normally distributed. Therefore, the hypothesis testing will use a non- parametric statistical test in the form of the Wilcoxon Signed-Rank Test.

Hypothesis Test (Wilcoxon Signed-Rank Test)

Table 5. Wilcoxon Signed-Rank Test for Grant Expenditure Items

Test Ranks		N	Mean Rank	Sum of Ranks
Current PBH - PBH Before	Negative Ranks	6[a]	14.33	86.00
	Positive Ranks	34[b]	21.59	734.00
	Ties	0[c]		
	Total	40		

a. Current PBH < Previous PBH
b. Current PBH > Previous PBH
c. Current PBH = Previous PBH

Test Statistics[a]	Current PBH - PBH Before
Z	-4.355[b]
Asymp. Sig. (2-tailed)	.000
a. Wilcoxon Signed Ranks Tes	
b. Based on negative ranks.	

Source: Processed by researchers, 2024

Table 5 shows a comparison of grant expenditure allocations in incumbent regions in Java Island before and during regional head elections. The data tested comes from 40 districts / cities throughout Java Island whose incumbent regional heads are running again in the 2024 regional elections. As a result, 34 regions experienced an increase in the proportion of grant spending when the 2024 election took place. Meanwhile, 6 other districts / cities actually decreased their grant expenditure allocations during the 2024 election year.

The results of the hypothesis test using the Wilcoxon Signed-Rank Test on the allocation of grant expenditure resulted in a Z value of -4.355 and a significance value of 0.000. Therefore, because the significance value is smaller than the predetermined

significance level of 0.05, it means that hypothesis 1 Ha is accepted. It can also be concluded that there is a significant difference in the average proportion of grant expenditure in incumbent regions before and during the 2024 regional elections.

Table 6. Wilcoxon Signed-Rank Test for Social Assistance Expenditure Items

Test Ranks		N	Mean Rank	Sum of Ranks
Current PBBS - PBBS Before	Negative Ranks	27[a]	21.52	581.00
	Positive Ranks	13[b]	18.38	239.00
	Ties	0[c]		
	Total	40		

a. Current PBBS < Previous PBBS
b. Current PBBS > Previous PBBS
c. Current PBBS = Previous PBBS

Test Statistics[a]	Current PBBS - PBBS Before
Z	-2.298[b]
Asymp. Sig. (2-tailed)	.022
a. Wilcoxon Signed Ranks Tes	
b. Based on negative ranks.	

Source: Processed by researchers, 2024

Table 6 shows a comparison of social assistance expenditure allocations in incumbent regions in Java Island before and during regional head elections. The data tested comes from 40 regencies/cities throughout Java Island whose incumbent regional heads are running for re-election in the 2024 regional elections. As a result, 13 regions experienced an increase in the proportion of social assistance spending during the 2024 election. Meanwhile, 27 other districts/cities actually decreased their social assistance expenditure allocations during the 2024 election year.

The results of the hypothesis test using the Wilcoxon Signed-Rank Test on the allocation of social assistance spending resulted in a Z value of -2.298 and a significance value of 0.022. Therefore, because the result of the significance value is smaller than the predetermined significance level of 0.05, it means that hypothesis 2 Ha is accepted. It can also be concluded that there is a significant difference in the average proportion of social assistance expenditure in incumbent regions before and during the 2024 election.

Table 7. Wilcoxon Signed-Rank Test for Goods and Services Expenditure Items

Test Ranks		N	Mean Rank	Sum of Ranks
Current PBBJ - PBBJ Before	Negative Ranks	14[a]	21.07	295.00
	Positive Ranks	26[b]	20.19	525.00
	Ties	0[c]		
	Total	40		

a. Current PBBJ < Previous PBBJ
b. Current PBBJ > Previous PBBJ
c. Current PBBJ = Previous PBBJ

Test Statistics[a]	Current PBBJ - PBBJ Before
Z	-1.546[b]
Asymp. Sig. (2-tailed)	.122
a. Wilcoxon Signed Ranks Tes	
b. Based on negative ranks.	

Source: Processed by researchers, 2024

Table 7 shows a comparison of goods and services expenditure allocations in incumbent regions in Java Island before and during regional head elections. The data tested comes from 40 regencies/cities throughout Java Island whose incumbent regional heads are running for re-election in the 2024 regional elections. As a result, 26 regions experienced an increase in the proportion of goods and services expenditure during the 2024 regional elections. Meanwhile, 14 other districts / cities actually decreased the allocation of goods and services spending during the 2024 election year.

The results of the hypothesis test using the Wilcoxon Signed-Rank Test on the allocation of goods and services expenditure resulted in a Z value of -1.546 and a significance value of 0.122. Therefore, because the result of the significance value is greater than the predetermined significance level of 0.05, it means that hypothesis 3 Ha is rejected. It can also be concluded that there is no significant difference in the average proportion of social assistance expenditure in incumbent regions before and during the 2024 election.

Table 8. Wilcoxon Signed-Rank Test for Capital Expenditure Items

Test Ranks		N	Mean Rank	Sum of Ranks
Current PBM - PBM Before	Negative Ranks	26[a]	24.27	631.00
	Positive Ranks	14[b]	13.50	189.00
	Ties	0[c]		
	Total	40		

a. Current PBM < Previous PBM
b. Current PBM > Previous PBM
c. Current PBM = Previous PBM

Test Statistics[a]	Current PBM - PBM Before
Z	-2.971[b]
Asymp. Sig. (2-tailed)	.003
a. Wilcoxon Signed Ranks Tes	
b. Based on negative ranks.	

Source: Processed by researchers, 2024

Table 8 shows a comparison of capital expenditure allocations in incumbent regions in Java Island before and during regional head elections. The data tested comes from 40 districts/cities throughout Java Island whose incumbent regional heads are running for re- election in the 2024 regional elections. As a result, 14 regions experienced an increase in the proportion of capital expenditure during the 2024 election. Meanwhile, 26 other districts/cities actually decreased their capital expenditure allocations during the 2024 election year.

The results of the hypothesis test using the Wilcoxon Signed-Rank Test on capital expenditure allocations resulted in a Z value of -2.971 and a significance value of 0.003. Therefore, since the significance value is smaller than the predetermined significance level of 0.05, hypothesis 4 Ha is accepted. It can also be concluded that there is a significant difference in the average proportion of capital expenditure in incumbent regions before and during the 2024 election.

DISSCUSION

Based on the results of the hypothesis testing that has been carried out, there are three hypotheses that are accepted. The three hypotheses are that there is an average difference in regional expenditure on grant expenditure items, social assistance

expenditure items, and capital expenditure items before and during the 2024 regional elections in the incumbent regions of Java Island. This shows that on average the incumbent regional heads use their discretion to increase the budget allocation for grant expenditure items and reduce the expenditure allocation on social assistance expenditure items and capital expenditure items during the 2024 election year. The difference in the use of discretion is interesting because most incumbent regional heads put their main focus on granting during the election year. The main objective is none other than to garner a good impression from the public regarding performance and achievements during their tenure so that the public can cast their votes as capital for incumbent candidates to win back in the election contestation.

In addition, the budget for social assistance expenditure and capital expenditure actually decreased during the 2024 election. This indicates that the incumbent candidates consider policies related to grant expenditure posts to be much more impactful for their re- election capital, so they reduce their second expenditure budget and increase the budget for grant expenditure posts. This is also reinforced that the impact of policies related to capital expenditures is a long-term impact, while incumbent candidates want a faster impact to be seen by the public (Setiawan & Setyorini, 2018). In addition, this is also due to the expenditure post for grants and social assistance according to the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 77 of 2020 concerning Technical Guidelines for Regional Financial Management is an expenditure post whose distribution does not use activities or programs and there are no specific performance targets so that it has a high subjective nature. Meanwhile, the budget for goods and services expenditure has no difference in allocation before and during the 2024 regional election. This is interesting because goods and services expenditure items are expenditure items that are very vulnerable to being misused for dirty practices.

The findings in this study contradict similar research conducted by Widawati and Widagdo (2020). In the results of their research, in the 2017 regional election, the incumbent regional heads actually reduced the budget on grant expenditure, while this study found that grant expenditure actually increased significantly in the 2024 regional election. In addition, this study shows that social assistance expenditure and capital expenditure were reduced by incumbent candidates, while in Widawati and Widagdo's (2020) research, the two items did not have significant differences before and during the election. This then becomes a paradox between several research results which at the same time explains that the discretion of a regional head is very influential on the allocation of regional expenditure compared to tightening related regulations.

However, the findings of this study also confirm Nordhaus's (1975) statement in his theory of political budget cycles which states that when an incumbent runs again in a regional head election contest, they will utilize their discretion in the election year to improve their own performance impression. Although the results of this study are different from what was studied in the 2017 regional election, the findings of this study also confirm relevant previous research such as Setiawan and Setyorini (2020) in the 2015 regional election on Java Island, Utami, Rahayu, and Gowon (2022) in the 2020 regional election on Sumatra Island, and Kartiningsih, Furqan, Betty, and Megawati (2024) which state that incumbent regional head candidates use their discretion to support their re-election including in the allocation of regional

expenditure budgets which makes a difference in the allocation of regional expenditure when before and during the election.

D. CONCLUSION

Researchers can conclude that regional heads apparently utilize their discretionary power during the regional head election year. This is evidenced by the difference in the average proportion of regional expenditure in the form of grant expenditure, social assistance expenditure, and capital expenditure before and during the election. The regional head candidates focus on increasing the allocation of grant expenditure at the expense of the allocation of social assistance expenditure and capital expenditure. However, this discretion did not apply to goods and services expenditure, which did not change either in terms of a significant increase or decrease. Based on this, this study confirms the theory of political budget cycles, that regional heads tend to be opportunistic by using their discretion during election years in order to provide a positive image from the public.

The use of discretionary power by regional heads during the regional elections in this study is aimed at incumbent regional heads who are running again as candidates for regional heads in the 2024 regional elections. This research cannot be generalized to incumbent regional heads who are not running again in the 2024 regional election. Therefore, future research has the opportunity to deepen the research by conducting a comparison between incumbent regional heads who are re-running in the regional election contestation and incumbent regional heads who are not re-running in the 2024 regional election contestation. In addition, this study also implies that the central government is expected to pay more attention to the use of regional expenditure budgets during the election year so as to narrow the space for incumbent candidates to use their discretion in allocating regional expenditure budgets.

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