Politization of Local Government Budget Allocations in 2017 Election

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Abstract. *This paper discusses about the election of regional heads to the regional government budget allocation. Election simultaneously of regional heads still lead to pros and cons in the community. That reason because the budget spent is fairly fantastic. This study discusses the regional budget in the period before local election and during the local election. Comparison is done by comparing the average expenditure comparison before and during the local election period by using paired sample t-test. The sample in this study in Indonesia carried out the post-conflict local election in 2017. The results of this study showed that basically before the post-conflict local election and at the post-conflict local election. There was a decrease in the allocation of grant spending during the post-conflict local election compared to the previous year. Besides that, there was no difference in the allocation of social assistance expenditure. This can improve the renewal and regulatory system in Indonesia, thus indicating that budget politicization is not proven.*

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INTRODUCTION

After Regional Head Elections held simultaneously in Indonesia on 15 December 2015, the Government through the General Election Commission (KPU) held another Regional Head Election (Pilkada) on 15 February 2017. Not much different from the regional head general elections held in 2015, in 2017 general elections were held in 7 provinces, 71 districts and 18 cities in Indonesia. The purpose of the local election implementation is to elect regional heads whose term of office has ended. Election of regional heads is a venue for the realization of democracy in Indonesia. Since the enactment of Law No. 8 of 2015 about Election of Governors, Regents and Mayors mandating that the democratic party elections for Regional Heads are held every 5 (five) years and simultaneously in the Unitary State of the Republic of Indonesia (NKRI). Before enactment Act No. 8 of 2015 in force, in 2005 the regional head general election was held for the first time. Act Number 23 of 2004

concerning Regional Government is the basis for the implementation of the election. Before the Regional Head Election is held, the Regional Representative Council (DPRD) determines the appointment of the regional head and his deputy in leading an area.

In 2015, the Directorate General of Regional Autonomy of the Ministry of Home Affairs that Regional Head Elections were held simultaneously in 170 Regencies, 26 Cities and 8 Provinces in Indonesia on 9 December 2015. The simultaneous elections caused different perceptions in the community. The communities who are contradictory to the general election simultaneously assume that the implementation of the General Election of Regional Heads directly impacts the inefficiency and financial effectiveness of local budget (APBD). Operation of the state should be based on value for money (Mardiasmo, 2005). Based on these assumptions, some parties assume that the financial burden of local government that carry out the elections is quite large, so the

need for an evaluation from the Central Government and legislature (DPR) on the Regional Head Election carried out simultaneously.

The process of implementing local elections requires a significant amount of money, it can be seen on the stage of preparations for the elections, selection of candidates who will register as regional heads and deputies, and logistical costs during the general election and vote counting process, and if there are disputes over the results of the election. In 2017, reported by website kpu.go.id, the budget used in carrying out elections amounted to Rp 3,298,261,729,495 (Three trillion two hundred ninety eight billion two hundred sixty one million seven hundred twenty nine thousand four hundred nine fifty five rupiah). The budget is quite fantastic.

The increase in total regional expenditures have an impact on the budget needed by local governments (Setiawan and Rizkia, 2017). In the other side, Setiawan and Setyorini (2018) in their research showed that the regional head did increase the budget, the increase was focused on grant spending. This shows to increase the budget, regional heads use their discretionary rights by involving the use of grant funds. Other research that supports the increase in the budget carried out at the time of the post-conflict local election can be seen in the research conducted. Sjahrir et al., (2013) which states that there is a significant budget cycle in direct elections where the district head has discretion, if he is going to run again he will use their discretionary funds to increase the likelihood of being re-elected. The politicization of the budget took place in direct elections.

Research by Winoto and Falikhatun (2015) revealed that there were budget differences one year before and two years before the local election. Based on the results of these studies indicate that there is no difference in the use of the budget before to the implementation of the local election. Winoto and Falikhatun's research (2015) in the testing period was carried out in the period of the year before the local election, it is hoped that further research

could be carried out by looking at the impact of the budget during the local election year and after the local election year. In addition, research conducted by Lewis and Hendrawan (2018) states that the positive effect of increasing the budget for public services only lasts for two years of leadership, after which it disappears. The research was conducted on the subject of a majority coalition in the DPRD during the legislative elections in 2014. Based on this it is indicated that the majority of the legislative council, as having the authority to grant the budget, carried out opportunistic actions. The assumptions are related to Law No. 23 of 2014 concerning Regional Government, where the task of the regional leadership in this case is the regent, one of whom is to compile and submit a draft Perda on APBD, a draft Perda on changes to the APBD, and a draft Perda on accountability for implementing the APBD to the DPRD to be discussed together. Related to this, the elected regional leaders promoted by the majority party have the authority to regulate their budget and discretionary rights.

The authority that the regional head has in allocating the budget is sometimes beneficial for several parties. Ritonga & Alam (2010) stated in his research that there was an increase in potential deviations in the Regional Budget of Revenue and Expenditure (APBD) conducted by regional heads whose term of office would end and would run again in the next post-conflict local election. That is because when the incumbent regional head wants to compete again in the election contestation, the regional head must be able to maintain his position so that he can be re-elected in the upcoming election. Chortareas, Logothetis, & Papandreou (2016) found that there were allegations of deviations in the budget through the practice of budgeting politics carried out by incumbent regional head candidates who would participate in the regional head elections in the next period. The incumbent regional head candidate has an advantage over other competitors, where the incumbent has more power over the allocation of resources. The regional head as the head of the regional government is the holder of

regional financial management authority in the ownership of separated regional assets, so that as the holder of regional financial management authority has the authority to determine policies regarding the implementation of APBD (Government Regulation of the Republic of Indonesia Number 58 of 2005 concerning Regional Financial Management). Based on the government regulation, the incumbent regional head candidate has the opportunity to further utilize the policies he obtained through the preparation of the budget in the APBD to re-run.

The policy management used in the budget is the grant expenditure post and social assistance expenditure. Ritonga & Alam's research (2010) states that grant expenditure and social assistance expenditure are part of the indirect expenditure component in which the distribution is not through programs and activities, these two types of expenditure are also non-binding and continuous, according to Permendagri Number 59 of 2007. Grants and social assistance expenditure is expected by incumbent candidates to re-draw the attention of the community so that they will re-elect them in the next post-conflict local election.

In addition to allocations to grant expenditure and social assistance expenditure, another expenditure component that is allegedly used by prospective regional heads is the allocation to capital expenditure and goods and services expenditure. The implementation of capital expenditure allocations related to programs to improve infrastructure and the implementation of public services, it gives the impression that the prospective head of incumbent region has led his government to run successfully. The impression is expected by the incumbent regional head candidate to be re-elected in the next post-conflict local election. Setiawan & Setyorini (2018) in their research revealed that by increasing capital expenditure, it would increase productivity.

Capital expenditure can also be used by prospective incumbent regional heads to realize their physical projects. Prospective incumbent regional heads in allocating

budgets for project implementation can use colleague connections, this is carried out with the aim that people "around" incumbent candidates and successful teams become implementers, then the approach to attracting community sympathy can be realized properly.

Based on the phenomena and previous studies, the formulation of the problem in this study is whether there is a difference in the allocation ratio of grant expenditure, social assistance expenditure, capital expenditure, and expenditure for goods and services in the period before and during the post-conflict local election. In this study also will examine differences in the allocation of the regional budget when there are candidates for incumbent regional heads who will advance again in post-conflict local elections and incumbent regional head candidates but do not run again in the next post-conflict local election.

The objectives of this study are as follows: (1) Knowing the impact of regional head elections (regional head elections) on regional government budget allocations. This study makes a comparison between the regional budget in the period before the post-conflict local election and at the post-conflict local election; (2) Comparing regional budget allocations led by incumbents who advance in post-conflict local elections and regional budget allocations led by incumbents but not re-nominating as regional heads. Comparison is done by comparing the average proportion of expenditure before and during the post-conflict local election using paired sample t-test.

LITERATURE REVIEW

Based on Law Number 17 of 2013 concerning State Finances, the Regional Government Budget (APBD) is an annual financial plan that is approved by the House of Representatives (DPR) and is used for the implementation of regional government for a period of one fiscal year. The period for using the budget begins on January 1 and ends on December 31. Finance used for the implementation of local government related to

rights and obligations must be valued in money. Based on this, the preparation of the APBD must pay attention to the availability of sufficient revenue, and each APBD expenditure must be based on the accompanying law. The legal basis used in preparing the APBD is listed in Permendagri No. 26 of 2006 which contains the main points of policy including synchronizing government policies with local governments, principles and policies for APBD preparation, technical APBD preparation, technical preparation of APBD changes, and other special matters that must be considered / guided by the Regional Government in the preparation of general APBD policies. In preparing the APBD, the priority level of a program and the Provisional Budget Ceiling (PPAS) need to be considered.

Provisional Budget Ceiling (PPAS) contains the priority of the program to be implemented, as well as the maximum budget limit that will be submitted to the Regional Work Unit (SKPD) related to the program to be submitted. Furthermore PPAS was compiled into a Work Plan and Regional Work Unit Budget (RKA-SKPD) to assess its feasibility, the assessment included, objectives, targets, inputs, outputs and outcomes of the budgeted program. The RKA-SKPD is then discussed by the SKPD and the TAPD (Local Government Budget Team), the results of the agreement between the two parties will become a guideline for the APBD Regional Regulation Draft.

The APBD Regional Regulation Draft discussion is carried out by the Regional Head and DPRD, but before the process takes place it is necessary to socialize the APBD Regional Draft Regulation to the public. The community needs to know this information, with the hope of increasing public participation, which will have an impact on better performance of government officials. The motivation is because the community knows the rights and obligations of government officials in implementing programs in using the APBD.

Floating hypotheses in this study are based on political budget cycles (PBC) theory proposed by Nordhaus (1975). Political Budget Cycles (PBC) is depicted by the regional head who will run for re-election (incumbent), using economic policies in imaging his performance. The budget is used by the incumbent regional head candidates to show the quality of their performance while leading. The incumbent will create more work programs when he leads, so it is indicated to use the budget excessively. It is expected that by increasing the work program, the incumbent can have an excessive impact on the community, so that the incumbent can give a positive impression in the eyes of the community on the performance carried out during the leadership period. In the end by giving a positive impression to the community, the incumbent hopes to be re-elected.

Previous studies related to political budget cycles have been conducted by several researchers. Evidence related to the existence of political budget cycles during the 2015 post-conflict local election, using the budget raised by Setiawan and Rizkia (2017). However, contrary to research that shows results supporting an increase in the budget during the post-conflict local election, the study of Winoto and Falikhatun (2015) states that there is no indication of budget misuse with the political objectives of regional heads prior to the Pemilukada. In addition, research conducted by Ritonga and Nature (2010) found that in order to be re-elected in the nomination of regional heads in the next period, incumbents used their right of discretion through the use of the budget.

The budget allocation for grant expenditure, social assistance, capital expenditure, expenditure for goods and services in the regions is a budget that has a probability of being used by the regional head during the post-conflict local election (Setiawan and Setyorini, 2018). Discretionary rights attached to prospective regional heads (incumbent) are expected to be able to provide benefits during the post-conflict local election process. Thus, this study will examine whether there are differences in the average expenditure of grants, social spending, goods

and services expenditure and capital expenditure in the period before the post-conflict local election and post-conflict local election. Based on previous studies, the hypotheses in this study are as follows:

H1: There is a difference between the average proportion of regional grant spending between before and during the post-conflict local election.

H2: There is a difference between the average proportion of regional social assistance expenditure between before and during the post-conflict local election.

H3: There is a difference between the average proportion of regional capital expenditure between before and during the post-conflict local election.

H4: There is a difference between the average proportion of expenditure of goods and services between before and during the post-conflict local election.
Furthermore, this study also examines the impact of incumbents who decide to progress to the second period and incumbents who are not advanced in post-conflict local elections in 2017.

H5: There is a difference between the average proportion of regional grant spending, for incumbents deciding to advance (not progressing) to the next period, between before and during the post-conflict local election

H6: There is a difference between the average proportion of regional social assistance expenditure, for incumbents deciding to advance (not progressing) to the next period, between before and during the post-conflict local election.

H7: There is a difference between the average proportion of regional capital expenditure, for incumbents deciding to advance (not progressing) to the next period, between

before and during the post-conflict local election.

H8: There is a difference between the average proportion of expenditure of goods and services, for the incumbent decides to advance (not advance) to the next period, between before and during the post-conflict local election.

METHODOLOGY
Definition of Variable Operations
Grant Shopping

Permendagri No. 14 of 2016 concerning Guidelines for the Grant of Grants and Social Assistance Sourced from the Regional Revenue and Expenditure Budget explains that grants are giving money / goods or services from regional governments to the central government or other regional governments, State-Owned Enterprises / Regional-Owned Enterprises, Agency, Institutions and social organizations incorporated in Indonesia, whose specific designation has been determined, are not mandatory and not binding, and are not continuously aimed at supporting the implementation of regional government affairs.

Grant expenditure in this study is the allocation of grant expenditure in APBD for the 2016 and 2017 fiscal years in districts / cities where prospective incumbent regional heads will advance (not progress) in the next post-conflict local election. The proportion of grant expenditure is measured by comparing the budget allocation for grant expenditure with the total regional expenditure, using a unit of percentage (%). The formula for calculating the proportion of grant spending is as follows:

PBH = (BH: TBD) X 100%.
PBH: Percentage of grant expenditure
BH: Shopping grant
TBD: Total regional expenditure.

Shopping for Social Assistance

Permendagri No. 14 of 2016 concerning Guidelines for the Grant of Grants and Social

Assistance Sourced from the Regional Revenue and Expenditure Budget explains that social assistance is the provision of assistance in the form of money / goods from local governments to individuals, families, groups and / or communities that are not continuous and selective which aims to protect against the possibility of social risks. Social assistance expenditure in this study is the allocation of social assistance expenditure in APBD for the 2016 and 2017 fiscal years in regencies / cities where incumbent regional head candidates will advance (not progress) in the next post-conflict local election.

The proportion of social assistance expenditure is measured by comparing the budget allocation of social assistance expenditure with total regional expenditure in percentage units (%). The formula for calculating the proportion of social assistance expenditure is as follows:

PBS = (BBS: TBD) X 100%.
PBS: Percentage of social assistance expenditure
BBS: Shopping for social assistance
TBD: Total regional expenditure.

Shopping for Goods and Services

Regulation of the Minister of Finance Number 101 / Pmk.02 / 2011 Concerning Budget Classification, explains that Shopping for goods and services constitutes Expenditures for the purchase of consumable goods and / or services to produce marketed and non-marketed goods and / or services as well as procurement of intended goods to be submitted or sold to the community outside the criteria for social assistance expenditure and travel expenditure.

Spending on goods and services in this study is the allocation of spending on goods and services in the regional budget for the 2016 and 2017 fiscal years in districts / cities where incumbent regional head candidates will advance (not progress) in the next post-conflict local election. The proportion of capital expenditure is measured by comparing the budget allocation for goods and services expenditure with the total regional expenditure in percentage units (%). The formula for calculating the proportion of grant spending is as follows:

PBBJ = (BBJ: TBD) X 100%.
PBBJ: Percentage of goods & services expenditure
BBJ: Shopping for goods & services
TBD: Total regional expenditure.

Capital Expenditures

Regulation of the Minister of Finance Number 101 / Pmk.02 / 2011 Concerning Budget Classification explains that capital expenditure is an expenditure for the acquisition of assets and / or adds value to fixed assets / other assets that benefit more than one accounting period and exceeds the minimum capitalization limit of fixed assets / other assets determined by the government.

Capital expenditure in this study is the allocation of capital expenditure in APBD for the 2016 and 2017 fiscal years in districts / cities where the incumbent regional head candidate will advance (not progress) in the next post-conflict local election. The proportion of capital expenditure is measured by comparing the allocation of the capital expenditure budget with the total regional expenditure in percentage units (%). The formula for calculating the proportion of capital expenditure is as follows:

PBM = (BM: TBD) X 100%.
PBM: Percentage of capital expenditure
BM: Capital expenditure
TBD: Total regional expenditure.

Incumbent

Incumbent is defined as the holder of regional financial management authority (Setiawan and Setyorini, 2018). In this study, incumbent is a regional head from a regency / city who still holds office in 2016 and wants to re-nominate himself as a regional head for a term in the next period, namely in the implementation of the 2017 post-conflict local election.

Population and Sample

The population in this study are districts / cities in Indonesia which hold simultaneous local elections on February 15, 2017. Sampling in this study uses purposive sampling technique. The samples used in this study were 90 regencies / cities in Indonesia. This study uses observational data for two years, namely 2016 and 2017.

Data analyzed in this study are secondary data which includes: (1) Data on the implementation of district / municipal elections in Indonesia in 2017 sourced from the General Election Commission (KPU); (2) Data on the status of Regency / City regional heads sourced from the Ministry of Home Affairs (Ministry of Home Affairs); (3) Data on the allocation of expenditure grants, social assistance, capital expenditure and service goods expenditure in the District / City APBD in Indonesia in the 2016 and 2017 Fiscal Year.

Data analysis method

This study compares the regional budget in the period before the post-conflict local election and at the post-conflict local election. Next, this research compares the regional budget allocation led by incumbent who is advanced in post-conflict local election and regional budget allocation which is led by incumbent who does not participate in post-post-conflict local election and at post-conflict local election. Comparisons are made by comparing the average proportion of expenditure before the post-conflict local election and at the post-conflict local election using paired sample t-test.

RESULT AND DISCUSSION

The following table 1 shows the descriptive statistics of this study which include the mean, standard deviation, minimum and maximum value for grant expenditure, social expenditure, capital expenditure, and goods and services expenditure. This descriptive statistical data is presented based on total data which is then divided into descriptive data for 2016 and 2017.

PBH = Percentage of grant expenditure, PBS = Percentage of social assistance expenditure, PBBJ = Percentage of goods & services expenditure, PBM = Percentage of capital expenditure. The data above is presented in the form of proportion (percentages).

Table 1 shows that the average total expenditure on grants decreased at the time of the post-conflict local election. Furthermore, that social assistance at the time of post-conflict local elections increased compared to social spending in the year before the post-conflict local election. This indicates that the Regional Head in Indonesia increased the budget allocation for social spending during the post-conflict local election. The total expenditure for goods and services has increased during the post-conflict local election. The increase in the allocation of service goods expenditures was followed by both incumbents who advanced (not advanced) for the next period. Finally, capital expenditure decreased compared to capital expenditure in the period before the post-conflict local election. This indicates the government is reducing spending in order to increase capital.

Table 1. Descriptive Statistic

	Total		Incumbent who participate the Election		Incumbent who did not participate the Election	
	2016	2017	2016	2017	2016	2017
PBH						
Mean	4.3677	2,9891	4,0960	2,4149	4,5755	3,4282
Std Dev	2,35992	2,22602	2,23627	1,47157	2,45172	2,59241
Min	0.00	0.22	2.03	0.61	0.00	0.22
Max	13.86	12.69	13.86	6.84	11.46	12.69
PBS						

Mean	1,4128	1,4532	0,9129	1,5798	1,7950	1,3565
Std Dev	4,95109	3,05080	1,51918	3,33155	6,44483	2,84775
Min	0.00	0.00	0.00	0.00	0.00	0.00
Max	45.06	20.06	7.52	20.06	45.06	16.13
PBBJ						
Mean	19,7031	23,1246	20,6330	24,4375	18,9920	22,1206
Std Dev	6,32044	6,16774	5,80057	6,62991	6,65925	5,65103
Min	6.77	11.22	8.13	11.45	6.77	11.22
Max	37.33	39.39	31.08	38.69	37.33	39.39
PBM						
Mean	25,3568	22,9579	25,1914	22,6246	25,4832	23,2129
Std Dev	6,66084	5,76082	6,40993	6,00697	6,90717	5,61216
Min	10.47	9.69	15.39	13.21	9.69	10.47
Max	42.28	42.82	42.82	42.28	42.60	37.37
N	90	90	39	39	51	51

Source: Secondary data analysis from APDB data, 2019.

In table 2 we will see the average grant expenditure at the time of post-conflict local election implementation has decreased compared to the period before the post-conflict local election. The proportion of incumbent regional grant expenditure that advanced in post-conflict local elections by 2.4149 and the proportion of grant expenditure for incumbent regions prior to post-conflict local elections was 4.0960. On the other hand, for areas led by incumbents who did not participate in the post-conflict local election at the time of post-conflict local election has an average value of 3.4282 and before the post-conflict local election has an average value of 4.5755. The significance value of the test results shows <0.05, which means that there is a difference between the proportion of grant expenditure before and during the post-conflict local election. H1 and H5 are accepted. However, this proportion has decreased, so it is indicated that tighter regulations have an impact on the prudence of regional heads in managing the budget allocation for grant expenditure.

Table 2. H1 and H5 Tests: Comparasion of Grant Expenditures between the period before The Election and when the Election

	Total	Incumbent who participate the Election	Incumbent who did not participate the Election
PBH 2016	4,3677	4,0960	4.5036
PBH 2017	2,9891	2,4149	3.6479
t_{hitung}	5,740		
Sig. (2-tailed)	0,000		

Source: Secondary data analysis from APDB data, 2019.

Table 3. H2 and H6 Tests**:** Comparasion of Social Assistance Expenditure between the period before The Election and when the Election

	Total	Incumbent who participate the Election	Incumbent who did not participate the Election
PBS 2016	1,4128	0,9129	1,7950
PBS 2017	1,4532	1,5798	1,3565
t_{hitung}	-,067		
Sig. (2-tailed)	,947		

Source: Secondary data analysis from APDB data, 2019.

In table 3 that the average expenditure for social assistance during the post-conflict local election implementation slightly increased compared to the period before the post-conflict local election. The proportion of incumbent regional social assistance expenditure that advanced in post-conflict local elections by 1.5798 and the proportion of grant expenditure for incumbent regions prior to post-conflict local elections was 0.9129. On the other hand, for areas led by incumbents who did not participate in the

post-conflict local election at the time of post-conflict local election has an average value of 1.3565 and before the post-conflict local election has an average value of 1.7950. The significance value of the test results shows> 0.05 meaning that there is no difference between the proportion of grant expenditure before and at the post-conflict local election. H2 and H6 are not accepted. This can be due to an increase in the proportion of the budget that occurs every year.

Table 4. H3 and H7 Tests: Comparasion of Goods & Services Expenditure between the period before The Election and when the Election

	Total	Incumbent who participate the Election	Incumbent who did not participate the Election
PBBJ 2016	19,7031	20,6330	18,9920
PBBJ 2017	23,1246	24,4375	22,1206
t_{hitung}	-9,670		
Sig. (2-tailed)	,000		

Source: Secondary data analysis from APDB data, 2019.

Table 5. H4 and H8 Tests: Comparasion of Capital Expenditure between the period before The Election and when the Election

	Total	Incumbent who participate the Election	Incumbent who did not participate the Election
PBM 2016	25,3568	25,1914	25,4832
PBM 2017	22,9579	22,6246	23,2129
t_{hitung}	4,174		
Sig. (2-tailed)	,000		

Source: Secondary data analysis from APDB data, 2019.

In table 4 that the average expenditure of goods and services during the post-conflict local election implementation has increased compared to the period before the post-conflict local election. The proportion of incumbent regional goods and services expenditure that advanced in post-conflict local elections during the post-conflict local election was 24.4375 and the proportion of expenditure expenditure for incumbent regions prior to post-conflict local elections was 20.6330. On the other hand, for areas led by incumbents who did not participate in the post-conflict local election during the post-conflict local election has an average value of

22.1206 and before the post-conflict local election has an average value of 18.9920. The significance value of the test results shows <0.05, which means that there is a difference between the proportion of goods and services expenditure before and during the post-conflict local election.

Therefore, in table 5 that the average capital expenditure during the post-conflict local election implementation has decreased compared to the period before the post-conflict local election. The proportion of incumbent regional capital expenditure that advanced in post-conflict local elections by 22.6246 and the proportion of grant

expenditure for incumbent regions prior to post-conflict local elections was 25.1914. On the other hand, for areas led by incumbents who did not participate in the post-conflict local election at the time of post-conflict local election has an average value of 23.2129 and before the post-conflict local election has an average value of 25.4832. The significance value of the test results shows <0.05, which means that there is a difference between the proportion of capital expenditure before and during the post-conflict local election. The results of hypothesis testing indicate that there are six accepted hypotheses, namely there are differences in grant aid expenditure, the purchase of goods and services and capital expenditure between the period before the post-conflict local election and when the post-conflict local election.

CONCLUSION

Regional heads use not to use their discretionary rights through the social spending budget in the period before the post-conflict local election and during the post-conflict local election. This is indicated through the absence of differences in the budget allocation.

For the allocation of the grant expenditure budget, goods and services expenditure and capital expenditure there is a proven difference in the period before the post-conflict local election and at the post-local election. However, what is interesting is the allocation of grant funding where there is a decrease in the allocation of grant spending during the post-conflict local election occurrence compared to the period before the post-conflict local election. This indicates that there was no politicization of the budget, it could be due to the improvement in rules and regulations. On the other hand, indications of a lack of budget politicization in the lead-up to the 2017 post-conflict local election are the increasing awareness of prospective regional heads regarding responsibility for managing the regional budget and strict sanctions for misappropriation of the regional budget, following the number of arrest of corruption cases directly (OTT) by the KPK. differences

in capital expenditure budget allocations in the two years after the election took place.

The central government as the highest hierarchy at the level of the government system be firm and systematic in preparing the constitution in Indonesia. The positive impact of the improved rules and laws in Indonesia, one of which can be seen in the 2017 post-conflict local election, namely by not finding budget politicization in the 2017 post-conflict local election. This is expected to be sustainable not only at the level of regional heads but in all lines of the state apparatus, so the rules and the law will narrow the space for the state apparatus to act opportunistically in utilizing the budget for its own sake.

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