

ABSTRACT

Literature in political economics argues that political competition improves public goods provision. Assuming that voters vote for a party which gives the highest expected utility, parties compete in offering highest level of public goods to attract voters. As a result, the more competitive an election is, the higher is the level of public goods. This study empirically tests the argument by employing data from the 2014 and 2019 district legislative election outcomes in Indonesia. Using Herfindahl-Hirschman Index to measure political competition and panel data fixed-effects method, the results indicate that political competition increases public spending in education

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