ABSTRACT

Term limits for local leaders theoretically sever electoral accountability and may alter local government budgetary behavior. This study empirically examines differences in budgetary expenditure allocations between lame-duck and non-lame-duck incumbents in Indonesia. The analysis uses pooled cross-section data on 735 observations of regency heads and mayors in 2015, 2017, 2018, and 2020, estimated using Pooled Ordinary Least Squares with province and year fixed effects. The expenditure structure covers four main categories: capital expenditure, social assistance, personnel expenditure, and goods and services expenditure, where the lame-duck incumbent is measured using a dummy variable for a definitive regional leader serving a second term of office. The estimation results show that lame-duck incumbents are positively associated with total local government expenditure and with the share of social assistance expenditure. No statistically significant association is found for capital, personnel, or goods and services expenditures.

***Keywords**: Lame-duck; Local Budget Allocation; Term Limits; Regional Election*
***JEL**: D72; D73; H72; H76*

UNIVERSITAS DIPONEGORO
SEMARANG
FEB UNDIP