

ABSTRACT

This study examines the existence of political budget cycles during the third wave of mayoral elections in Indonesia. It empirically analyses whether or not total government expenditures and grant expenditures increase when an election approaches. The result showed that mayors increase budget indicators before elections, particularly government increases grant expenditure one year prior to the election and during the election year. The results might indicate a misuse of budget indicators during mayoral elections in Indonesia.

Keywords: political budget cycles; mayoral election; grant expenditure; Indonesia.

JEL classification: D72, H72