

## The effect of information content of the welfare of on incumbents' reelection

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### Keywords

The welfare of society, rational choice theory, Human Development Index, poverty, unemployment.

### Abstract

*The electoral accountability demands the voters to be more intelligent by utilizing the information of the regional government performance as their consideration to elect. The research aimed to examine the direct effects of Human Development Index, poverty, unemployment on incumbents' reelection in the regional head elections in Indonesia. This research used the quantitative approach. The research object was the regional head election being participated by the incumbent's regional heads that ran for the second term in governmental affairs. The research data were the secondary data with the research sample as many as 80 regional governments of provinces/regencies/cities which were selected using the purposive sampling technique. The data were analyzed using the logistic regression analysis and were processed using the program of Econometric Views (views v.9). The research results indicated that the Human Development Index has the positive and significant effect on the incumbents' reelection. While the poverty and unemployment does not have the significant effect on the incumbents' reelection. The research conclusion indicates that regional head election in Indonesia have not functioned effectively as electoral accountability framework, in which the voters only utilize the regional government performance information related to Human Development Index and ignore other performance such as poverty, unemployment.*

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### Introduction

An election is a type of democratic process that is a part of the legitimacy of the power to elect the regional head and the head's deputy directly by the people who have met the requirements stipulated by the Constitution. Voters have a retrospective characteristic that evaluates the performance of Incumbents' in their tenure and rewards or punishes their performance. The concept of electoral accountability is an important feature of democracy that gives people the power to re-select candidates for good performance or punish heads of Incumbents' regions with poor performance during their tenure in government. Electoral accountability provides community accountability expectations, the right to retain or replace policymakers that will lead to better public policy for community welfare (Asworth, 2012; Perez et al., 2012; Skoufias et al., 2011).

Electoral accountability requires voters to be more intelligent by utilizing information from local government performance as their judgment in choosing. Well informed voters will influence their political attitudes and preferences and are more likely to accept, understand, and retain such information where appropriate. Information is used as a basis for consideration in determining political choice and providing voters with knowledge to evaluate and evaluate the performance of the previous chief then use the information as a consideration in determining their choice in local elections (Hamid, 2011; Boyne et al., 2009; Romli 2008). Each information has a value or meaning (information content) that is able to influence the decision of voters in the election of regional heads. This study attempts to examine the effect of information content on the performance of local government in the field of community welfare that are Human Development Index, poverty, and unemployment towards the re-election of Incumbent's chief in the second period of his government.

Disclosure of information increases electoral accountability (Ferraz & Finan, 2008) and voters use that information to reward their good performance or punish those who perform poorly. The information user immediately reacts to the published accounting information and the information content of the financial statements provides accounting information that influences the decision making of users of the

accounting information (Ball & Brown, 1968) One form of accounting information that can be seen by voters in terms of local government financial performance that are in terms of regional independence, effectiveness, and efficiency of local spending (Suryaningsih, Utama & Yasa, 2015, Hamid, 2011).

On the other hand, the performance of local governments can also be seen from indicators of the performance of the community welfare field (human development index, poverty and unemployment) that provide information on how well the local government has worked to improve the welfare of its people. Provides disclosure of information that affects the electoral accountability of Incumbents'.

Research on community welfare or social security analysis especially in South Sulawesi province, Indonesia has conducted by Mediaty (2015). This research aims to analyze the poverty, education, and health in social security system model based on accounting perspective using empirical study on South Sulawesi Province. Issued Law No. 40 for 2004 regarding National Social Security System is one of attentions from government about social welfare. Accounting as a social science deserves to create social security mechanisms. One of the crucial mechanisms is social security system. This research is a grounded exploratory research which attempts to explore forms based on social security system. The level of social security system increases in which the expenditure level for education. This research is a development study undertaken by Mediaty (2016) Entitled Analysis of Regional Financial Ability, Poverty, Human development index and economic growth In Model Assessment of Welfare Society System

In South Sulawesi. The purpose of this study was to analyze the performance of the local government in this case the regional financial ability in South Sulawesi Province, include economic growth, poverty, and human development index in each region. The result of this study as follows 1) overall level of financial independence districts / cities in the province is still very low at below 25% with a pattern of relationships instructive. The pattern of this relationship illustrates that the intervention of the central government is still dominant. 2) Almost the region is less efficient in spending their budgets. This shows that all regions are likely to want to spend the reception it receives without regard to the concept of efficiency. 3) Although the total GDP each year has increased, but the GDP growth tends to decline. 4) Overall for the province of South Sulawesi highest poverty, the mean of the average level of the Poor for three years of research, namely 9.89%. 5) The level of IPM in all regions has increased. Model of local government performance measurement is expected to provide guidance to increase the performance of local governments, thus the public accountability of local government especially in South Sulawesi and generally in Indonesia get better.

Prior research conducted by Ferraz & Finan (2008) provides strong support for information and the importance of local media in promoting electoral accountability. Some empirical literature examines the role of information flow in shaping electoral accountability and public policy and how access to information affects the government's response.

### **Aim of research**

Given this background, the purpose of this research is to know the influence of the performance of local government in the field of community welfare (Human Development Index, poverty and unemployment), to the level of Incumbent's re-election in Indonesia.

### **Method of research**

#### ***Research Model***

This research uses quantitative approach, and based on the purpose of explanative research is to get an explanation of the relationship (causality) between variables, through hypothesis testing.

#### ***Population and Samples***

The population used in this study are the elections held in Indonesia in 2015 followed by the Incumbents' region either running for joint, parted political coalition or just one of them (Head of Region or Deputy Head of Region) with the amount of 141 local governments. The sample of this research concludes of 80 local governments consisting of provincial, regency, and city governments.

The sampling technique used is purposive sampling based on criteria desired by the researcher. The sample criteria in this study are the general election of regional heads in 2015 which involves the head of Incumbents' region which is the head of the region who served in the previous period in the same area.

*Data Collection Method*

This study uses literature study as a method of data collection. Data collection is done by observing data from supported publications, literature and books, then collected, recorded, and calculated to produce data related to this research. The data used in this research is secondary data that is data which have been processed by other party.

*Data Analysis*

The influence of local government welfare performance (Human Development Index , poverty, unemployment) used in the research will be analyzed using Logistic Regression Analysis (LRA) with the help of eViews program for Windows Operating System version 9. The feasibility of the regression model is tested using Hosmer-Lemeshow's Goodness of Fit Test. The significance value of Hosmer and Lemeshow's Goodness of Fit Test statistics greater than 0.05, it can be concluded that the model has been able to predict the observed value and is acceptable because it has been matched with the observation data.

**Analysis and discussion***Feasibility Test of Regression Model*

The feasibility of the first regression model was tested using the Hosmer-Lemeshow's Goodness of Fit Test. The Hosmer-Lemeshow's Goodness of Fit Test tests whether the empirical data has matched the model (there is no difference between the model and the data, so the model is fit). The significance value of Hosmer and Lemeshow's Goodness of Fit Test statistics is greater than 0.05, it can be concluded that the model has been able to predict the observed value and is acceptable because it has been matched with the observation data. The results of the analysis show that the significance value of Hosmer-Lemeshow test is  $0.3636 > 0.05$ , indicating that the model has been able to predict the observed and acceptable value because it has been matched with the observation data, and good for use in further model interpretation.

*Accuracy of Classification*

Table 1. Logistics Regression Model Matrix Classification

Observation	Prediction Results		Total
	Chosen (1)	Non Chosen (0)	
Chosen (1)	177	39	216
Non Chosen (0)	42	62	104
Total	219	101	320

Source: data processed in May 2017

The classification matrix in Table 1 shows the predictive power of the regression model to predict the likelihood of the election of the Incumbents' Region Head candidate. The results of the analysis show that from 104 observations where the regional head is not re-elected (number 0), 62 predicted by the logistic regression model the panel is also not re-elected, and 42 predicted by the logistic regression model re-elected. In other words, this research model predicts unselected regional head (number 0) correctly at 62/104 or 59.62%. On the other hand, the results of the analysis show that from 216 observations where the re-elected regional head (number 1), 177 predicted by the logistic regression model were also re-elected, and the remaining 39 predicted by logistic regression models are not re-elected. In other words, this study model predicts the re-elected district head (number 1) correctly by 177/216 or 81.94%. Overall, the classification accuracy rate  $(62 + 177)/(104 + 216)$  or 239/320 was 74.69%. Although the value of support (R square) is low, but the accuracy level in the logistic regression model is very large that is 74.69%, meaning the result of the use of logistic regression analysis panel to predict the accuracy of classification in determining the election of Incumbents' prospective head is very high, and good for use in interpretation further models.

*Hypothesis Testing*

Table 2. Logistic Regression Analysis of Information Content of Local Government Performance Influential Back Against The election of Patahana

Variabel Independen	Coeffisient	Z-stat	Significance
Constant	-1.453.083		
X1	84.92311	2.563.177	0.0104
X2	-2.249875	-0.920996	0.3571
X3	-0.078720	-0.422900	0.6724

Source: data processed in May 2017

Hypothesis test results are shown in table 2. These results indicate that the Human Development Index has a significant and positive influence on the re-election of the candidate head of the Incumbents' region. The regression coefficient obtained is 84.92 with the value of Z-stat 2.56 and significance 0.010. This indicates that there is a significant and positive influence between the Human Development Index on the re-election of the Incumbents' chief candidate. The higher the index of human development, the higher the level of re-election of candidate chief of Incumbents' region.

The influence of poverty on the re-election of Incumbents' regional head candidate shows the regression coefficient of -2.24, with the value of Z-stat -0.92 and significance 0.357. These results indicate that there is no significant effect of poverty on the re-election of the candidate head of Incumbents' region. No matter how high the poverty rate, it will not affect the level of re-election of the candidate for the Incumbents' regional head.

The results of this study is different from the results of research conducted by Mediaty (2015) which states that the information content of poverty can affect sisyem community welfare. Overall for the province of South Sulawesi highest poverty, the mean of the average level of the Poor for three years of research, namely 9.89%.

The effect of unemployment on re-election of the Incumbents' regional head candidate obtained by regression coefficient equal to -0.07, with value of Z-stat -0.42 and significance of 0.672. These results indicate that there is no effect of unemployment on the re-election of the Incumbents' regional head candidate. This means that no matter how high or low the unemployment rate, this will not affect the level of re-election of candidates for the Incumbents' regional head.

In this study found that there are some local government performance information that affects the Incumbents' re-election in the regional head election in Indonesia that is the development index. Human Development Index influences the re-election for the regional head candidates of Incumbents'. Thus, this study shows that the better performance of local governments in improving the Human Development Index in their regions will further increase the level of Incumbent's re-election in the regional head elections.

The Human Development Index contains important information in measuring the success and efforts of local governments in improving and building the quality of human life in their areas in three basic dimensions of human development, which are longevity and healthy living, knowledge and decent standard of living. These results received support from research by Boyne et al. (2009) who found that local government performance influenced Incumbent's re-election.

The results of this study is different from the results of research conducted by Mediaty (2016) which states that the information content of poverty can affect system community welfare. The level of IPM in all regions has increased. Model of local government performance measurement is expected to provide guidance to increase the performance of local governments, thus the public accountability of local government especially in South Sulawesi and generally in Indonesia get better. Voters will act rationally on the basis of their preference in elections with a desire for improved welfare that is a reflection of Incumbent's performance during his tenure (Asworth, 2012).

Poverty has no direct influence on the re-election of the regional head candidates of Incumbents'. That is, how good or bad the performance of local governments in poverty alleviation, and will not affect the re-election of Incumbents' in general election of regional head. These results indicate that voters do not use the information in their decision-making in the voting booths because voters are not interested in

performance information achieved by the local government (Christensen & Skaerbaek, 2008). On the other hand, the practice of money politics becomes a social exchange of the Incumbent's power (Hill, 2012; Mietzner, 2010).

Unemployment has the same result as poverty which has no direct effect on the re-election of the regional head candidate of Incumbents'. Thus, the performance of the local government against the unemployment rate will not affect voters in re-election Incumbents' in local elections. High unemployment will reduce people's income so that purchasing power, especially in meeting the need for education and health to improve the quality of human resources, is inadequate (Baeti, 2013). Rumayya (2015) gives the same conclusion by not finding any significant influence from the unemployment rate on the re-election of Incumbents' regional head candidate in Indonesia. Yet other research shows that unemployment is a voter consideration (Yulianti, 2017) in re-election in Incumbents' local elections. Money politics is the reason why the hypotheses are not fulfilled. The practice of money politics by politicians is part of political exchanges (Hill, 2012; Mietzner, 2010).

### Conclusion

Electoral accountability in local elections in Indonesia from the perspective of local government performance in the field of community welfare (Human Development Index, poverty and unemployment), has not functioned effectively. The performance of local governments considered by voters in the field of community welfare, only Human Development Index has an influence on the re-election Incumbents', while the other two variables namely poverty and unemployment do not show the same thing.

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