

Evaluation of Election Cost-Value for Money Based Toward Good Government Governance

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Abstract— The General Election Commission (KPU) as an official institution in charge of the election in Indonesia has a substantial mission in realizing a successful election. To support the execution of its duties, the Commission requires an enormous portion of the state budget. Responsibility of using these funds will be assessed for the accountability and transparency. It is also required to take into account the principle of value for money which is efficient, effective and economical.

This study aims to evaluate the efficiency and effectiveness of using the cost of election which has been issued. The research methodology used is by interview and documentation study. Besides recording interviews, documents of the implementation of the Commission budget, prints and electronic media of previous studies are also used. Qualitative descriptive analysis technique is used to draw conclusions on the exploration of the field and data collected.

The results showed that the accountability and transparency based on the principle of value for money could be increased in line with the improvement of the systems and regulations, as a basis of each Commission program. High providence can be reached if simultaneous Regional Head Election can be implemented successfully. Many costs items will be eliminated, but objectives can still be applied effectively.

Keywords— *election cost, value for money, good government governance*

I. INTRODUCTION

Since the concept of representation in democracy began to be known and implemented, we know the term election is an instrument to elect representatives who will play a role in the parliament and government. Thus, political party was born and their presence is used as a tool to fight for the inspiration of people. [1]

In practice, the election process was not as simple as the process of choosing representatives. Reference [2] explains that Indonesian citizens will follow the election for 4 (four) times to select state officials who will reign for 5 (five) years; namely: 1) the legislative election to select people representatives (DPR, DPD, Provincial and Regency/Municipality) that are held throughout Indonesia; 2) the presidential election to choose the head of state that is held simultaneously throughout Indonesia; 3) election to choose a governor or head of the provincial governor which is held

before the expiration of the previous governor; and 4) Election of Regent/Mayor which is held towards the end of the period of the previous Regent/Mayor. Funding becomes the political parties' problem and also the Government. The government should allocate enormous funds through the state budget as well as the budget of provincial and municipality/regency. According to [2] the election financing is divided into 1) financing elections conducted by the hosting organization of elections; 2) funding election conducted by election of participants; and 3) financing that arise in the community as a result of elections.

The election process is conducted by the General Election Commission (Komisi Pemilihan Umum/KPU), hereinafter called Commission. In the national level, the Commission has a responsibility to conduct national legislative/parliament (DPR) election and presidential election. The commission in the provincial level is responsible for conducting provincial parliaments (DPRD level I) and governor election. Also, in the municipality/regency level, the Commission has a responsibility to conduct municipal parliament (DPRD level II) and mayor/regent. In addition, the organizers of the election also come with the Election Supervisory Body (Badan Pengawas Pemilu/BAWASLU).

In order to improve the life of the people and the nations, the democratic process in the reform era needed huge political cost, especially in conducting the election. Another research result said that increasing the frequency of elections improves the cost of elections [3]. At this time, the management of the election process cost was still not yet **effective, transparent, and accountable**. This situation is certainly vulnerable for abusing the election's budget. To minimize the risk of political cost misuse, especially that come from the national or local budget, this research is needed to identify and measure the effectiveness of the election cost usage using the concept of Value for Money to support and increase transparency and accountability. Therefore, the purposes of this research were: 1) describe the cost of elections in Indonesia; 2) describe the way to increase the efficiency and effectiveness of election cost in Indonesia.

II. LITERATURE REVIEW

A. *Democracy and the Preconditions*

The essence of democracy is government of the people, by the people and for the people. It means that the power is in the people's hand and the state action is determined by the people. Huntington in [4] stated that the political system can be called as democratic when the most powerful of collective decision making comes from fair and honest election that is held periodically. In that system, the candidates compete to get votes, and almost all the adult citizens are eligible to vote.

The quality of the election will depend on how the maturity of democratic government manages those preconditions. Also, it was stated that the Coalition governments may be unstable, especially in budget setting [4].

B. *Political Costs*

In this study, political cost is associated with the expenses in conducting the election by the Commission. These costs consist of pre-election, election, and post-election cost. The high election cost phenomenon is a matter that cannot be denied [3,5].

Reference [5] stated that the high cost of election spent by the political parties led to the emergence of political cartels, abuse of the budget, and corruption. Therefore, the regulation for campaign fund became the focus of attention for the government. Law no. 8 of 2012, article 129 paragraph 2 states that campaign funds could come from three sources, namely political parties, DPR and DPRD's candidates, and from lawful donations from other parties.

According to some previous research [5-7], there are several ways that must be done in order to prevent high-cost elections, namely: 1) the implementation of simultaneous election; 2) strengthening the campaign fund regulation; 3) e-Voting and e-Counting implementation.

III. RESEARCH METHODOLOGY

The objects of this study are the types of election cost from State Budget (APBN), Local Government Budget (APBD), and non APBN/APBD. The results of this study are recommendations for national and local governments based on the evaluation of efficiency and the effectiveness in managing the election cost (using Value of Money principles). This result will become the foundation for further research in comprehensive measurement of the efficiency and effectiveness in managing election cost, as well as cost and benefit analysis of the entire series of election process in Indonesia.

A. *Data Collection Techniques*

This research used interviews and documentation study to collect data. The documents needed for this study were the latest regulations, Commission agreement, as well as the results of previous studies in print and electronic media.

B. *Data Processing Methods*

Data processing is prepared through data management of all data collected from the various methods used.

• Interview

The purpose of the first study is to know the types of Election expenses that have been incurred in the executions of election since the reform era up to the present. This research was conducted through in-depth interviews (depth interview) with the actors directly involved in the election process in Indonesia. It also explores the details of the theoretical approach through interviews with relevant academics and practitioners.

• Documentation Review

Descriptive analysis was conducted on documents and reports related to the realization of the 2014 election budget and performance agreements of the Commission 2015 to obtain empirical evidence about the cost of the election management in Indonesia. Whereas, the other supporting documents were used to strengthen the research base and enrich the analysis of the research results.

IV. FINDINGS AND DISCUSSION

There are 3 types of Elections in Indonesia, namely:

1. General Election of DPR, DPD and DPRD
2. The election of President and Vice President
3. Election of Governor and Vice Governor, Election of Regent/Mayor and Vice Regent/Vice Mayor (Regional Election)

The purpose of the general election [8] can be formulated in four parts, namely:

1. To allow well-organized and peaceful elections of the government leadership.
2. To allow changes of officials who will represent people's interests in the legislature.
3. To implement the principle of popular sovereignty.
4. To implement the principle of citizens rights.

The election organizers [9-10] are 1) the General Election Commission (KPU) and its staff are election management bodies in charge of organizing the election; 2) Elections Supervisory Board (Bawaslu) and its staff are administering agency in charge of supervising the election implementation of; 3) Honorary Council Election (DKPP), is the agency responsible for handling violations of the Election code of ethics and is an integral function of the elections implementation.

A. *Implementation of Cost Election*

Some of the costs are fixed and independent of the frequency of elections, for example, registration costs, voter list maintenance, and other costs associated with election operational procedures. On the other hand, variable cost is composed of costs that depend on the frequency of elections such as those costs associated with the preparation and printing of voting tools and ballots and of operating and

policing the polling places. Another component of the variable cost is the time cost to voters of voting and of being informed as to the candidates and issues. The positive relationships are held between the frequency of elections and these variable costs [3].

Funds involved in the elections implementation can be divided into funds from the state budget and non state budget. Likewise, they can be divided based on funds managed by: 1) election management bodies (KPU, Bawaslu, and DKPP); 2) the political parties (participant of the elections).

1) *Political Parties, the financial problems of Political Parties Elections in Indonesia are generally categorized into four issues, among others [11-12]:*

- a. Total revenue official (legal revenues) is very small;
- b. Spending patterns do not reflect the function of political parties; the largest expenditure is used to fund Congress/National Conference, the nomination process, and election campaign. In addition, there are also expenses for operational activities of the secretariat and political education activities. There are almost no activities that represent political parties function (recruitment, regeneration). Fund allocation for those activities occupy a very small portion of both in terms of time and budget.
- c. Bookkeeping and accountability of revenue and expenditure budgets are not transparent and accountable;
- d. Enforcement provisions on political party finances is weak, because financial regulations governing political parties still contain many legal vacuum and there is no institution that is authorized to enforce these provisions

2) *The Commission divided its activities based on election implementation stage in accordance with Constitution, which is as follows [9-10]:*

- a. Implementation of accountability in Finance Administration Management at the Commission Secretariat.
- b. Data Management, Documentation, Procurement, Distribution, and support Facility Inventory.
- c. Implementation of Planning and Data Management.
- d. Human Resources Development, Services and Administration Officer.
- e. Implementation of Operational and Maintenance Office (KPU).
- f. Preparation of draft of Commission's regulation, advocacy, dispute resolution, and education of legislation regulation in implementing the election.
- g. Guidelines, Technical Guidelines and Technical Guidance/Supervision/Publications/ Dissemination of Elections Implementation and Voter Education.

B. *Description of Efficiency and Effectiveness of Cost of Election Implementation*

Implementation of elections in Indonesia is a big event that requires a very large cost anyway. The amount of the charge needed is a consequence of the characteristics of the area, geographical conditions, socio-political culture, as well as the electoral system used. Referring to the statement of Ms. Wahidah, a researcher from the Partnership NGO:

"Yes, the system, very spacious, with a geography that is different from other countries. Our country consists of land and seas, so before we talk about the system, the geography we have, our socio-cultural and political condition, all of them make expensive elections. Why did I say socio political culture? Because it is associated with the division of the election regions, the provinces with the diversity of cultures will become a serious consideration in making election region; of course, the wider the election region, the higher the budget; so, that's reality ... "

The total area is mostly dominated by the oceans, with thousands of islands spread that will bring consequences of high costs of transport and accommodation. In addition, the zoning system that is based on constituencies will also trigger a high budget required. Besides these two factors, there are still other factors such as: population distribution which is relatively uneven, particularly in the eastern part of Indonesia, which has caused the number of voters in one polling station unable to be optimized, as illustrated by Mr. Purwoto as Head of Planning Commission:

"There were only 27 householders in one village, KPSS is not allowed to join among the villagers. Well, if it was only 27 householders and we combine them with another region only because of the amount of 2 million to 3 million, it will impact the election results. So, efficiency is used later."

C. *Description of Commission Budget Realization Report*

As a public organization, the Election Commission is responsible for organizing all of the electoral process in Indonesia, both the Legislative and Presidential Elections that have been implemented in 2014. The preparation for the 2014 election actually began in 2013. To implement the national event, the Commission received a budget allocation of 7.5 trillion IDR from the state budget for 2013 and 15.4 trillion IDR from the state budget for 2014, approved by the Commission II of the House. Thus, the Commission managed a total of 22.9 trillion IDR of the state budget funds for the implementation of the Election. This is still quite reasonable as shown by the opinion of the leader of NGO Transparency International Indonesia (TII) in the following statement:

"... it is fair that with ideal ambition that would be achieved on the opportunities of the rise of future leaders, even political party is still needed as a vehicle for delivering them. For example Ridwan Kamil, the parties are faced with the reality of such public negotiation, finally it was not fully in transaction deals; this is the wisdom or benefit that we can feel from direct election."

Year 2013 is the second stage of the 2014 election; among the activities are updating voter data, mapping of electoral

districts and the allocation of seats, socialization, campaigns, technical assistance voting and counting, validating ballots, the procurement of polling stations, etc. Because the election stages and the procurement of goods and services have not all been set in the 2013 budget, there are some activities that cannot be implemented in 2013, including printing the voter list, multiplication book module polling and counting, as well as some areas that have not been able to provide polling station equipments. Realization of Commission Budget in 2013 is depicted in Table 1.

TABLE I. COMMISSION REALIZATION IN USING STATE BUDGET 2013

No.	Program	Budget Limit (IDR)	Realization (IDR)
1	Management Support and technical task implementation program	6,329,177,116,000	5,201,323,188,979
2	Commission officer facility improvement program	163,252,448,000	94,107,077,127
3	Democracy institutional strengthening and political process improvement program	1,049,032,396,000	614,646,571,962
TOTAL		7,541,461,960,000	5,910,076,838,068

Source: *The Commission Accountability Report Year 2013*

D. Analysis of inefficiency and ineffectiveness of the elections implementation budget

Based on the analysis of the use of the budget in 2013 and 2014, which is in the process of organizing national elections in 2014, the uses was only 78.2% in average of the budget provided. The gap is partly caused by the discrepancy between election stages with the stages of realization of the budget itself. The election is a series of several processes that must be run in a linear and systematic way. Therefore, every time an election will be held, the Commission in the first place will schedule the implementation stage of the process from preparation to implementation. The implementation of each phase/process that has been set is certainly in need for financial supports. This is where problems often arise, when a stage has to be carried out, but the funds needed are not available yet, nor submitted to the Commission, for a variety of reasons. As a result, the process/phase cannot be implemented on the basis of the ideal, as it refers to Mr. Purwoto's information of the Commission:

"..... Actually it can be ideal but because of lack of planning so the result can not be ideal. I've told the Local Director of finance, why do we have to argue first but in the end money always has been given anyway?"

In the state budget and local budget of the government spending, we must really take into account time of the work execution and time required to conduct the procurement process. Therefore, if the time is not expected to be met due to delays, the implementation of a program or activity may be

canceled. Cancellations of programs or activities become a reason that the realization of the Commission budget is lower than the budget.

The whole process of organizing the 2014 election has been implemented and can be said to be successful, so a lower budget should be assumed that the Commission was in the process of a large-scale efficiency. This outlook refers to the Speaker of the NGO Partnership, Mrs. Wahidah, who stated

"... If I think our elections are forced to carry out as much as possible on a minimum budget, actually even if it is minimal, actually, the elections can still do the savings".

Meanwhile, from the standpoint of political parties it can be seen that the amount of campaign funds needed each time even election campaign only happens every time the election has much larger than the operational funds of political parties [13-14]. The lack of sustainable sources of funding support (such as membership fees) as well as state aid made the political parties contesting the election tend to act violate the law by illegally accessing funds to cover the high cost of the campaign. These conditions are supported by the election campaign funding mechanisms that are still loose, so money laundering grows increasingly in the election. Study of Center of Financial Transaction Reports and Analysis (PPATK) showed the increasing trend of Suspicious Transaction Reports (LTKM) during the election of 2004 to 2005 for 145%, and in 2008 to 2009 increased by 125%. Financial transaction structuring patterns is used in contributing funds through the accounts of Election participants.

In funding campaigns of legislative election (Parliament/Council) and executive elections (President/Head of Region), setting of campaign funds is generally associated with the limits on sources of funding (source allowed), restrictions nominal/amount of donation, and the prohibition donations (the source of which is prohibited). The regulations concerning the sources and limits of campaign funds exist in Act No. 8 of 2012 on the legislative elections (Act of legislative election), Act No. 42 of 2008 on the Election of the President (Act of Presidential Election) does not guarantee free of illicit money of the source of campaign funds. Table 2 describes an Agreement of Commission budget performance for year 2015 that was arranged correspondingly with stage of Election.

The role of that money plays in elections in various contextual and conversion is sensitive. It may vary from race to race and state to state. It can be reduced in certain circumstance as well [16].

To improve the efficiency of the elections implementation in Indonesia, one of the efforts is to arrange local elections simultaneously. This is also confirmed by Ms. Wahidah of NGO Partnership which stated:

"...I had really agreed that holding the elections simultaneously is one solution to try to decrease the electoral budget waste, so it can be imagined that the four times election become simultaneously whether it is national and national, legislative and legislative, surely it will greatly reduce the outflow budget, which is actually

four times or could be twice as much, such as the expenditure for logistics, election supervision including technical supervision..."

TABLE II. BUDGET PERFORMANCE AGREEMENT OF GENERAL ELECTION COMMISSION YEAR 2015

Work Unit	Budget (IDR)
General Secretariat	1,615,758,642,000
Bureau of Planning and Data	23,687,854,000
Financial Bureau	10,656,787,000
Legal Bureau	9,338,222,000
General Bureau	64,512,169,000
Bureau of Human Resources	21,530,800,000
Bureau of Technical and Public Participation Relations	26,526,399,000
Logistics Bureau	5,849,966,000
Inspectorate General Secretariat	9,855,861,000

Source: 2015 Commission Performance Agreements [15]

These are in line with previous researchers [3] that said "The choice of election frequency can be constructed as a problem of cost minimization."

As mandated in the Act. No. 8 of 2015, a new form of election will commence in 2015 or precisely on December 9, 2015, with the Commission as organizers. The electoral process will be held simultaneously. In the early stages, it will be carried out in 2015; the process has been planned since 2013. Furthermore, simultaneous elections will be held in 2017. In 2019 the Commission will focus on the organization of legislative elections and the president, so that there are no simultaneous elections. The next simultaneous elections will be held in the year 2023. It is expected that the elections in Indonesia can be performed entirely simultaneous in 2027, as its information is submitted by Mr. Purwoto of the Commission:

"... Oh yes, we designed 2013, 2015, 2017 and then we will stop in 2019 because of the president election. Year 2013 and 2017 there will be 2 elections; so, the election in 2019 unite legislature and president election will be finished. Then in 2017... oppsss...2027, there are only 2 elections. First it will be in 2015, continued in 2019, 2023, 2027 and later 2 regional elections; now it met its efficiency, but later, it will be for the provincial governors and the regents combined."

Other saving measures that can be done are to increase community participation to oversee the electoral process independently. Community involvement as a volunteer in a variety of election process can reduce the cost of organizing the election itself. This is in line with the information submitted by Mrs. Wahidah of NGO Partnership:

"..... .. For example is last year's election; have you heard a million volunteers movement? The movement of a million volunteers is initiated by Bawaslu of this period; I can say that it's a very good spirit involving the community to participate."

Still according to Mrs. Wahidah, other efforts that can be done to reduce the cost of elections implementation is the use of information technology. Although in the early stages of implementation, this alternative requires significant investments, but in the next election the costs will be substantially reduced.

"Actually, there needs to be innovations of the organizers for minimizing the budget; for example, by extending the use of information technology in terms of socialization; it must have the extra budget first, because they are all computerized. But in the future it will be very, very effective; we do not need to print any documents or letters. Information could be passed through IT. They are able to utilize information technology for data presenting through online, receiving complaints online. It is the system. I think it would save money, energy and time; now it is one way to streamline."

In addition to the implementation of information technology, the efficiency of election cost can also be done by simplifying the process of counting. During the counting process, the results will be from polling stations and delivered and recapitulated in the Village. From the village, the vote counting process is then recapitulated in the district. Thus, to improve the efficiency and transparency of the counting process, it can be reduced without going through the village or the village office, but from polling stations direct to the District Office. If possible, it can go directly to the District. This discourse was delivered by Ms. Wahidah of NGO Partnership, as quoted in her opinion below:

"... Oh yes, one way to also save the budget is actually a little bit mixed up. In the election voting stages, previously the voting results from a village polling station will be delivered to the sub-district and continue to the district. The more postal ballot boxes are, the higher the recapitulation activity in budget. Now it can also be shortened, from polling station to the district; now we are even trying to star with the plan from polling stations directly to the district. The village level used to be the place where manipulations of the results of the calculation happened. Because the number of the party official is just a few; if many people in the polling station are watching, the chances of this manipulation will be low. That's one way to bypass the manipulation and the possibility of large cost."

V. CONCLUSION

A. Description of Election Cost in Reform Era:

1. The sources of election funds can come from the state budget (APBN) and non-state budget (non- APBN). From the usage point of view, the funds can be managed directly by the election organizers (KPU, Bawaslu, and DKPP), and the fund that is managed by political parties.
2. The three month's periodic reports of donation reception at Commission that come from political parties and DPD's candidates in every level (national, provincial, and city level) are matched with the contributor's data. This reports serves as a political accountability tool, as well as positive

advertising, in compliance with the election's financial issues, especially campaign fund.

3. Political parties' fund are mostly used for Congress activities and the nomination process and election campaign.
 4. APBN/APBD's fund has been used for conducting 500 elections for 5-year period.
 5. The Commission used APBN's fund for managerial support program and other technical tasks, Commission's personnel facilities and infrastructure improvement program, and strengthening the democracy institution and political process improvement.
 6. The handbook, technical instructions, and technical guidance/supervision/publication/socialization of election and voters' education used the biggest portion of APBN in 2014, and the absorption of the budget was the biggest as well, which is 90.75%.
 7. Data processing, documentation, purchasing, distribution, and inventory of facilities and infrastructure are the second with the biggest limit for fiscal year 2014, but the absorption of the budget is the lowest, which was 56.1%.
 8. From 33 provinces in Indonesia (not including North of Kalimantan), for fiscal year 2014, Aceh, Southeast of Sulawesi, West Sulawesi, and West Papua provinces had budget absorption of more than 90%.
- B. Description of the Effort to Improve the Efficiency and Effectiveness of Election Cost:*
1. In year 2013 and 2014 budgetary usage, i.e. for the national election in year 2014, the Commission only used an average of 78.2% of the budget. This gap is partly due to the discrepancy between the election and the realization of the budget.
 2. The whole election process in 2014 was done successfully. However, the allegation of the realization, which was lower than its budget, could be due to the efficiency in the election process.
 3. The contribution of the state budget assistance to political parties that had seats in the House of Representatives election results in 2009 amounted to only 1.32% of the total budget needed by political parties, or only Rp. 540, - out of Rp. 40.807 of the cost needed for gaining one vote.
4. The Commission strategic objectives for fiscal year 2015 include improving the quality of conducting elections, increasing the capacity of the election process, and the improvement of the quality of electoral regulations.

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