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THE EFFECT OF FISCAL STRESS ON CHANGES IN SOCIAL AID SHOPPING WITH LEGISLATURE SIZE AS MODERATING

Empirical Evidence from Regency/City Governments in Sumatra

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ABSTRACT

This study aims to examine the effect of fiscal stress (FS) on changes in social assistance expenditure budget (BBS) with legislature size (LS) as a moderator in local governments on the island of Sumatra. The sample used is 154 districts/cities with purposive sampling technique. Secondary data is taken from local government financial reports which have been audited by the Supreme Audit Agency of the Republic of Indonesia (BPK RI). The analytical method used in this research is Moderated Regression Analysis. The results of this study prove that FS affects changes in BBS and LS has an effect on changes in BBS. However, the LS does not moderate the effect of fiscal stress on changes in BBS.

INTRODUCTION

Budget changes to local governments (called APBD or regional revenue and expenditure budgets) are an integral part of the concept of public budgeting, in which government organizations allocate their resources into public service functions and bureaucratic operations. This allocation involves the regional head and regional apparatus as executives and the Regional People's Representative Council (DPRD) as the legislature, which results in an agreement which is stated in a regulation called a regional regulation (Perda). In practice, the APBD needs to be revised due to inaccuracies in the estimation process in the preparation process in the previous year.

The budget revision process is in principle the same as the initial budget preparation process (Anessi-Pessina, et al., 2012). The implication of the implementation of fiscal decentralization in Indonesia is the wider authority of local governments (Pemda) in financial management, including in determining budget policies. Article 1 Government Regulation (PP) No. 12/2019 emphasizes that local governments have the authority to prepare APBD and determine priorities in the use of resources in regional expenditures. One of the important budget policies relates to assistance to the poor or poor in the form of social assistance spending (BBS). BBS budgeting is the authority of the autonomous region, which aims to help the poor or from falling into poverty.

Although the goal is very noble, BBS budgeting is inseparable from the interests of the parties involved (budget actors). Some interesting phenomena that occur can be seen in several cases using the APBD data and their responsibilities for the following 2019 fiscal year. First, the local governments of Bener Meriah (Aceh province), Sibolga (North Sumatra), and Bukittinggi and Padang (West Sumatra) increased the BBS budget so that the total BBS budget after the change was greater than the amount in the pure budget, but the realization of the budget until the end of the year turned out to be smaller than the pure budget value. That is, why make changes if the possibility of realization is actually below the initial budget?

Second, the Regional Government allocates zero BBS in the pure budget, then adds the BBS

budget allocation in the Revised APBD. This happened in Pariaman Regency (West Sumatra province), Dumai City (Riau province), and Banyuasin Regency (South Sumatra province). That is, why is it not budgeted in the initial APBD for something that definitely has to be spent? Third, until the end of the year, the performance of the BBS budget was not very good, although it was important in supporting the effectiveness of implementing local government policies to stimulate community economic activity. In addition, changes are usually made to improve budget performance (Forrester & Mullins, 1992).

Changes in the BBS budget can be in the form of additions or reductions in allocations (Amran, et al., 2015). Revision becomes a necessity when the assumptions set when preparing the APBD (at the end of the previous year) are not the same as the real conditions at the time of implementation in the current year. The real cash position at the end of the previous year, which was carried over as the remaining budget in the current year's revenue, was not yet a definite figure, so it would have an impact on adjustments in the current year's APBD when the results of the audit of last year's financial statements were released (Abdullah, 2018).

According to Rafli & Sari (2021), the APBD changes are part of the local government's efforts to adjust its financial plans to developments in the field. This means that changes in the BBS budget occur because of the local government's financial capacity and other strategic matters and/or the opportunism of decision makers, which is carried over to the completion of the accountability report on the implementation of the APBD. FS is a condition of financial difficulty that requires the local government to save on its expenditures (Aldag, et al., 2019), where local revenues are unable to finance spending needs during the current year, for example due to the non-realization of the predetermined income. Table 1 presents information on the phenomenon of local governments experiencing fiscal stress and making changes to the BBS budget.

Mackay (2017) states that the occurrence of FS affects the allocation of local government spending. The same thing was also stated by Junita and Abdullah (2016) who stated that the occurrence of FS shows the local government's low ability to

adjust its budget, so it is likely that changes to the budget, especially spending.

One of the functions of the DPRD is the budget function, namely the DPRD's authority to discuss the APBD draft proposed by the regional head before it is stipulated by a regional regulation (Perda) (Abdullah, 2018: 3). On the other hand, DPRD members also have the authority to propose budget allocations as a form of the council's main ideas (Pokir). This means that each member of the council has the right to propose certain activities or expenditures related to the interests of the people/constituents, which can be in the form of BBS (Abdullah, 2012). This causes the allocation of regional expenditures to be affected when the Pokir is not included in the local government work plan (RKPD).

According to Nurhasmah, et al. (2015), the legislature should have an active role in budgeting, including in revising the budget. The legislative budget function also applies to the budget amendment process during the current year, which can lead to an increase or decrease in regional expenditure allocations. According to Abdullah (2012), the number of legislative members has an influence on spending allocation policies. Not many previous studies have analyzed the causes of changes in the BBS budget, especially from the aspect of financial condition and budget politics. Studies on changes in the existing budget generally analyze the revision in operational expenditures or capital expenditures (Abdullah & Nazry, 2014). The similarities are in the independent variables that vary from each researcher. While the difference between this study and previous research is that this study uses legislature size as a moderator.

The budgeting process involves members of the board who have the function of budgeting and supervising the implementation of the current year's budget. Then the difference in the dependent variable in this study examines more specifically, namely changes in BBS which in previous studies have studied more generally, namely changes in regional spending. Another difference between this research and previous research is that this research expands the object of research, namely the island of Sumatra.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Stewardship theory

Stewardship theory is suitable for use in non-profit organizations, especially government organizations, which prioritize service to the community as the ultimate principal. This theory was put forward by Donaldson & Davis (1989) which is based on human traits such as being trustworthy, honest, responsible and having integrity.

Stewardship theory explains the relationship between stewards and principals. Stewards act as management as a government that prioritizes common interests in achieving organizational goals and principals as a community. That is, stewardship theory is able to describe a strong relationship between community satisfaction and organizational success (Arfiansyah, 2020).

Stewardship theory is a theory based on behavior, human behavior and psychological mechanisms (motivation, identification, and power) in an organization that places leadership as an important aspect in achieving goals. This theory has its roots in psychology and sociology, leading to a position to serve (Donaldson & Davis, 1991).

Stewardship theory is one way of looking at (perspective) the management of an organization. Whereas in the management of the organization, the organization is considered as a common property and there is no personal interest that may harm other parties (Donaldson & Davis, 1991). This theory also explains the relationship between the success of the organization in protecting, improving its performance, and the interests of the owners (Arfiansyah, 2020), assuming that all parties have the same goal for the benefit of the organization.

Stewardship theory assumes that there is a close relationship between the manager and the trustee in the organization (Donaldson & Davis, 1991). According to Raharjo (2013: 41) and Said (2015:14), a public organization in carrying out its duties must prioritize the interests of the community rather than the interests of individuals in the organization. In addition, all parties must be prepared to face the existing risks.

One of the objectives of the local government, as part of a public organization, is to achieve the maximum possible budget absorption (realization). Achieving these goals requires the active role of the local government as a driving force in managing and being responsible for regional development (Wulandari & Fauzihardani, 2022).

The next link between stewardship theory and this research can explain the existence of the legislature (steward) as an institution that can be trusted and carries out tasks for the welfare of society (principal). The legislature is the (steward), while the community (principal) is the owner of the funds in the form of BBS. The relationship between the two can be seen from each member of the council having the right to propose certain activities or expenditures related to the interests of the people/constituents, which can be in the form of BBS.

In this case the legislature in carrying out its duties must be able to realize the goals in accordance with the goals of the owner, namely the community. Social Assistance Spending Change BBS budgeting sourced from the APBD is guided by regional head regulations that regulate the procedures for budgeting, implementation and administration, accountability and reporting as well as monitoring and evaluation of grants and social assistance (Abdullah, 2018: 111).

The Technical Bulletin of Government Accounting Standards No. 10 states that BBS budgeting is only allowed for activities that have met all BBS criteria in terms of understanding, objectives, requirements for recipients, providers and characteristics. Budget preparation is the starting point in the budgeting process, so that errors in budget preparation both from classification, designation and recipients will affect the implementation and accountability of the budget.

The budget that has been prepared usually changes during the implementation of the budget. Budget changes usually occur annually, these budget changes arise largely due to managerial needs and environmental pressures (Forrester, 1993). Budget changes also occur for several reasons, including economic, political, and social, but are generally caused by financial factors and fiscal needs (Forrester & Mullins, 1992).

Changes to budget allocations are the most important part of budget revisions. Budget changes are an attempt by the local government to adjust its financial plans to the development of the situation and conditions that occur, as well as to reduce budget variances or increase budget absorption at the end of the year (Abdullah & Muthia, 2017). Budget changes were made to adjust the targets and allocations with the latest developments in the field (Abdullah & Rona, 2014). For example, due to a change in assumptions that affect the estimation of revenues and expenditures, so that with the adjustment, the predetermined target can be achieved with the previous expectations.

Forrester & Mullins (1992) explained that budget changes are important because every mid-year the needs of the community change. Good budget quality can be seen from the proper and appropriate budget preparation process, and budget preparers involved in the budget preparation process can wisely formulate and determine a program and activity based on community aspirations (Octariani et al., 2017).

The government in achieving its performance, needs to make changes to the budget. With the change in the budget, the budgeted funds for revenues and expenditures will also change along with the adjustment of regional needs with regional financial capabilities (Abdullah & Muthia, 2017). According to Forrester & Mullins (1992), budget changes are needed so that the activities carried out are useful, adjust performance targets and are in line with needs during the current year.

Fiscal Stress

Fiscal stress or fiscal pressure is a budget condition that occurs due to limited regional revenues (Junita & Abdullah, 2016). Dinapoli (2016:2) explains that fiscal stress is an assessment of financial conditions that must consider a unique situation. Zhang, et al. (2017) describe fiscal stress as the government's inability to meet current obligations and claim that each measure of fiscal pressure will have advantages and disadvantages. Kurniawan & Arza (2019) explained that fiscal stress is a fiscal pressure that occurs when revenues are unable to cover expenditures made by the region. Fiscal stress is an assessment of the general financial condition where the local government is having difficulty funding its operations, and is

experiencing increasing budget problems (Lhutfi, et al., 2019).

Mackay (2017) suggests that fiscal stress can be caused by several things, including poor management, investment losses, litigation, natural disasters, and rising costs of public servants. Fiscal stress can also occur when there are fewer transfers provided by the central government to LGs. Fiscal pressure reflects the need for large expenditures, but is not matched by the ability to obtain a balanced income (Ratifah & Nuraeni, 2021). Local governments experiencing fiscal stress can look for alternative ways to cover budget shortfalls. According to Mackay (2017), to overcome resource shortages, local governments can raise taxes, withdraw cash from reserve funds, or issue debt securities. The government can also make changes or revisions to the budget. According to Arnett (2012) the measurement of fiscal stress is seen from the budget deficit which can be seen in the budget realization report.

Legislature Size

Legislature size reflects the political aspects of budgeting (Junita & Abdullah, 2016). DPRD is a regional representative institution in Indonesia, which is an institution filled by people who are elected by the people through general elections to represent their interests in government (Abdullah, 2018:75). The legislature has a large role and influence in budgeting, this is due to the large number of planned activities to be implemented (Posner & Park, 2007).

Law No.27 of 2009 concerning the MPR, DPR, DPD, and DPRD as stated in Article 69 states that one of the functions possessed by the DPRD is the budget function. The DPRD budget function can be interpreted as the DPRD's authority to be involved in discussing budget proposal documents submitted by regional heads (Abdullah, 2018:75).

The DPRD budget function reflects the important role of DPRD members in regional budgeting. The role of the legislature in most countries is to check and ratify revenues and expenditures, and to ensure that the budget is executed properly (Stapenhurst, 2004:1). The DPRD budgets the amount of funds needed in the budget period, so the DPRD must be able to determine expenditures and be able to regulate the funds used to meet these expenses. This means that the DPRD

must be able to calculate the budget properly so that it is expected to create good services to the community (Kamela & Setyaningrum, 2020).

Article 20 of Law no. 17/2003 emphasizes that DPRD has a role to propose changes in the revenue and expenditure side of the Regional Budget submitted by the Regional Government. Suggestions for changes in budget discussions can be submitted individually in equipment meetings, including in budget discussions at the DPRD commissions and budget bodies. Legislature size or legislative size is a proxy for the power of the DPRD. Therefore, the number of DPRD members reflects the many interests in the legislature that influence decisions in budget changes (Junita & Abdullah, 2016).

In the public sector, the budget is a political tool that creates certain interests between the executive and the legislature (Ramadhani & Setiawan, 2019). Differences in interests between the government and the DPRD during the process of discussing the APBD draft often occur due to differences in their positions and interests. This is one of the effects of changes in spending in the APBD. Legislature size measurement indicator is the number of districts/cities DPRD members throughout Sumatra (Junita & Abdullah, 2016).

The Effect of Fiscal Stress on Changes in Social Assistance Expenditure

Last year's local government financial condition could affect budget adjustments in the current year (Amran, et al., 2015; Martunis, et al., 2014). According to Kurniawan & Arza (2019) changes in the BBS budget can be caused by the local government being unable to balance the annual budget with the current account. According to Rafli & Sari (2021) the occurrence of fiscal stress shows that the local government has a low ability to adjust the budget, so it is necessary to make changes to the budget, especially spending to meet the needs of all regions that are their responsibility. The existence of fiscal stress reflects the need for large expenditures, but is not followed by the ability to obtain a balanced income. This means that the flexibility of local governments in making adjustments to their expenditures is low when fiscal stress occurs (Junita & Abdullah, 2016).

Junita & Abdullah (2016), Ratifah & Nuraeni (2021), and Armawaddin, et al. (2020) states that

fiscal stress affects changes in spending. This means that when local governments experience fiscal pressure, adjustments will be made by making changes to the expenditure component. This also includes changes to the BBS budget allocation. Thus, the hypothesis about the effect of fiscal stress on changes in BBS can be stated as follows:

H1: Fiscal Stress has a positive effect on changes in social assistance spending (BBS).

The Effect of Legislature Size on Changes in Social Assistance Expenditure

The legislature has a supervisory function over government work units and ensures the achievement of the targets to be achieved, however, the fact is that the legislature has a short-term horizon in making policies (Lienert, 2013). In countries that have a large number of DPRD members, they have a strong existence in the budgeting process (Junita, et al., 2018). In the implementation of the budget must be in accordance with political interests, this aims to speed up the time of activities/programs. Budgets are made to decide on priorities and financial needs against those priorities (Ramadhani & Setiawan, 2019).

Differences in interests between the executive and the DPRD always occur in the APBD preparation process because of the different perspectives between the two parties (Abdullah, 2012; Abdullah, et al., 2019). This is a dynamic that gives birth to commitment, before being formally stipulated in the form of a regional regulation. Ideally, in accordance with the oath when inaugurated, DPRD members fight for the interests of their constituents in making government policies, which are ultimately accommodated in the APBD (Abdullah, 2012).

Based on the previous description, a logical thought can be drawn that there is an influence of legislative size on changes in BBS. According to Junita & Abdullah (2016) and Ratifah & Nuraeni (2021), legislature size has an influence on changes in spending policies. This means that the greater the number of legislators, the greater the changes in the budget that will occur. Thus, the hypothesis about the effect of LS on changes in BBS can be stated as follows:

H2: Legislature Size has a positive effect on changes in BBS.

The Effect of Fiscal Stress on Changes in Social Assistance Expenditure with Legislature Size as Moderator

Budget allocation usually pays attention to regional financial capabilities by taking into account the principles of justice, propriety, rationality, and benefits for the community (Habibie, et al., 2018). Regional financial capacity can be viewed from sufficient government money to meet its obligations. The budget is a document developed by the government and the legislature through mutual agreement and determined by local regulations (Yuesti, et al., 2020).

The budget also serves as the government's commitment to carry out its mandate that the government carries out its duties and functions as a public servant (Syafzal & Akbar, 2018). The role of DPRD in the budgeting process and budget adjustment is very large (Abdullah, 2018:23). Article 54 PP No. 12/2018 states that the DPRD can provide input on the budget draft submitted by the executive, both the pure APBD and the revised APBD, and propose the DPRD's main thoughts. When the DPRD proposes revisions or corrections to the APBD draft, the DPRD should consider the regional government's financial capacity (Purwanto, 2016). One of them can be seen from the performance of the previous year's budget, especially the budget deficit (Septira & Prawira, 2019).

The DPRD will maximize the use of information from financial reports, especially the Budget Realization Report, to make decisions on changes to the budget. Based on the previous description, a logical thought can be drawn that LS moderates the influence of FS on changes in BBS. This is in accordance with the results of research by Junita & Abdullah (2016) which proves that LS has a positive effect on changes in spending. This means that when financial difficulties or fiscal stress occur, the DPRD as the legislature has the authority to propose changes, one of which is BBS. The change in BBS is a form of DPRD's efforts to prosper the community. Then based on the theory of stewardship, the legislature as the steward is given trust by the community as the principal owner of the BBS funds. The relationship between the two can be seen that each member of the council has the right

to propose certain activities or expenditures related to the interests of the people or their constituents, which can be in the form of BBS.

Based on the theory and the results of previous studies, the hypothesis about the effect of fiscal stress on changes in BBS with legislature size as moderating can be stated as follows:

H3: Legislature Size moderates the effect of Fiscal Stress on changes in BBS.

RESEARCH METHODS

Population and Sample

The population in this study were all regencies/cities in Sumatra, totaling 154 regencies/cities, consisting of 120 regencies and 34 cities. The sample was selected purposively with the criteria of districts/cities experiencing a deficit and making changes to the BBS budget in 2019. Finally, 35 local governments were selected as samples in this study. Secondary data in the form of APBD changes data is obtained through the website of the Directorate General of Fiscal Balance, Ministry of Finance of the Republic of Indonesia: <https://djpk.kemenkeu.go.id/>. The data used to calculate fiscal stress is sourced from the Audit Result Report (LHP) of BPK RI which contains audited local government financial reports (LKPD).

Variable Operations

This study uses 3 (three) types of variables, namely the dependent variable (named Changes in the Social Assistance Budget Expenditure/BBS), the independent variable (named Fiscal Stress/FS), and the moderating variable (named Legislature Size/LS). Here are the definitions and indicators for each variable:

The dependent variable in this study is the Change in Social Assistance Expenditure (BBS) which is defined as the adjustment of the BBS made by the local government in accordance with the conditions and needs of the region at the time of budget execution. This variable is measured by the number of the difference between BBS in the revised APBD and BBS in the initial APBD (ratio scale). This difference is then absolute (no minus value).

The independent variable in this study is fiscal stress (abbreviated as FS) which describes the

condition of the government's inability to generate sufficient income to meet its expenditures in the same year. FS is measured by the deficit figure in the budget realization report (LRA) which has been audited by BPK RI. For data processing, the minus or negative sign is omitted.

The moderating variable in this study is the legislature size (abbreviated as LS), which shows the magnitude of the legislative influence in the process of discussing the APBD draft that can change policies and priorities, as well as the allocation of resources in the APBD. The indicator for this FS variable is the number of DPRD members in the district/city government in Sumatra. The number of DPRD members reflects the number of interests in the legislature that influence decisions on budget changes. The scale used is the ratio scale.

Analysis Method Multiple linear regression models used in hypothesis testing are:

1. $BBS = + b_1FS + b_2LS + e$
2. $BBS = + b_1FS + b_2LS + b_3FS.LS + e$,

where BBS is the change in the social assistance budget, a is the constant, b_1 , b_2 , and b_3 are the regression coefficients, FS is the fiscal stress, LS is the legislature size, and e is the error terms.

RESULTS AND DISCUSSIONS

Classic Assumption Test Results

The data in this study uses a natural logarithmic transformation, on the grounds that the pure data in this study does not meet the requirements of the classical assumption test. According to Ghozali (2018) data that are not normally distributed can be transformed to become normal. The results of the classical assumption test after the transformation, in this study can be seen in Table 2.

Based on Table 2, it can be concluded that this study has met the requirements of the classical assumption test. First, the Asymp-Sig value is 0.200 (greater than 0.05), this means that the residual data is normally distributed. Second, this study has a tolerance value greater than 0.1 and a Variance Inflation Factor (VIF) <10, so it can be said that there are no symptoms of multicollinearity between the independent variables in this study. Third, in each variable obtained the value of sig.>0.05, it is concluded that there is no heteroscedasticity.

Hypothesis Testing Results

Multiple linear regression model was used to determine the effect of FS and LS on changes in the BBS. The results of this research hypothesis testing can be seen in Table 3.

The multiple linear regression equations constructed from Table 3 are:

$$BBS = 0.205 + 0.603FS + 1.964LS + e,$$

where statistically each independent variable, namely FS and LS, has an effect (significantly at the level =5%) on changes in the BBS. The FS coefficient value of 0.603 means that a change of 1 unit will cause a budget change of 0.603 units or 60 percent, assuming the value of other variables does not change. This effect is important and cannot be ignored at a significance level of 5%. It is based on the sig value. FS variable which is 0.004, smaller than 0.05. That is, the hypothesis which states that *FS has a positive effect on changes in the BBS budget* cannot be rejected.

The LS coefficient value of 1.964 means that a change of 1 unit will cause a budget change of 1.964 units or 196 percent, assuming the value of other variables does not change. It is based on the sig value. The obtained FS variable is 0.022, smaller than the 0.05 degree of significance ($\alpha=5\%$) which is used as a benchmark. That is, the hypothesis which states that *LS has a positive effect on changes in the BBS budget* cannot be rejected.

The test results show that the sig. value is $0.534 > 0.05$ ($\alpha=5\%$), so the hypothesis which states that: *Legislature Size moderates the effect of Fiscal Stress on changes in BBS*, is rejected. This means that LS does not moderate or weaken the effect of FS on BBS.

Statistically, the research model on the effect of FS and LS on BBS (statistically significant at =5% with an F value of 6.531 and a sig. value of 0.004) is quite good. These two variables have an effect (R^2) of 29% on BBS for district/city government data in Sumatra. That is, 71% change in BBS is explained by other variables that are not used in this research model. This study also examines the effect of LS on the relationship between FS and BBS.

To test the regression with moderating variables, we used Moderate Regression Analysis

(MRA). The results of processing the regression data for each moderation can be seen in Table 4.

Based on Table 4, the following multiple linear regression can be derived: $BBS = -33.744 + 2.050FS + 11.987LS - 0.427FS*LS + e$ Based on Table 4 related to the moderation regression test, it can be concluded that the test results show that the tcount value is $-0.630 < t_{table}$ value is 2.03693 and the significance value is $0.534 > 0.05$ ($\alpha=5\%$). So, the third hypothesis is rejected. That is, LS does not moderate or weaken the influence of FS on BBS Changes.

DISCUSSIONS

The Effect of Fiscal Stress on Changes in Social Assistance Expenditure Budget

Based on the results of hypothesis testing, it shows that FS has an effect on changes in BBS in regencies/cities throughout Sumatra. This is in line with the hypothesis that has been formulated previously, namely FS has an effect on changes in BBS. That is, the higher the level of FS, the greater the change in the BBS budget. This shows that the district/city governments in Sumatra that experience FS have flexibility in budget adjustments.

The amount of BBS allocation shows the local government's ability to accommodate the demands of public services submitted by the community. High fiscal pressure reflects the need for large expenditures (Junita & Abdullah, 2016), so the possibility of adjustments during budget execution is greater. The results of this study are in line or consistent with the results of previous studies, namely research by Junita & Abdullah (2016), Armawaddin, et al. (2020) and Ratifah & Nuraeni (2021) which prove that FS has an effect on changes in spending.

The results of this study are in line with the theory of stewardship, when an FS occurs, the local government is given the trust of the community in overcoming the problem. Therefore, the local government is responsible and able to accommodate the aspirations of the community so that the local government is expected to be able to provide public services well. One of the efforts made is to adjust the BBS so that the basic needs of the community can be met.

The Effect of Legislature Size on Changes in Social Assistance Expenditure

Based on the results of hypothesis testing, it shows that the legislative size has an effect on changes in BBS in regencies/cities throughout Sumatra. It can be concluded that DPRD has a role in the budgeting process, which includes making changes to the budget. The DPRD has a budget function and a supervisory function over the APBD. DPRD has a role in changing the BBS budget, therefore DPRD members are able to understand that the process of changing the budget from a pure budget has the same process (Anessi-Pessina, et al., 2012). DPRD members must be able to understand operational technicalities in the field, a more efficient decision-making process because they have mastered relatively complete information with a wider network (Abdullah, et al., 2020). The results of this study are in accordance with research by Junita & Abdullah (2016) and Ratifah & Nuraeni (2021) which prove that the legislature size affects the number of DPRD members, the greater the possibility of changes in the budget. As stated by Junita & Abdullah (2016), the greater the number of DPRD members in a country, the DPRD has a strong existence in the budgeting process.

The Effect of Fiscal Stress on Changes in Social Assistance Expenditure with Legislature Size as Moderator

The results of hypothesis testing indicate that LS cannot moderate the effect of FS on BBS. It can be concluded that, although the LS should have an influence on the process of changing the BBS budget, the condition of the FS in an area is not the reason for the DPRD to make changes to the BBS budget. The reason is because the DPRD has an opportunistic behavior in making changes and may not be able to maximize its functions. This is in line with agency theory which explains that DPRD has self-interest, but has weaknesses in mastering information (Abdullah, et al., 2019).

The results of this study are in line with the findings of Alptekin, et al. (2021) which proves that LS has no effect on the amount of public expenditure, and Haura (2022), that LS does not moderate the effect of FS on changes in BBS. LS as a proxy for the magnitude of parliament's influence on budgetary change policies requires further analysis,

so that the budget change process (rebudgeting) has a position as important as the initial (pure) budget preparation process. It is possible that the role of DPRD members cannot influence the relationship between FS and budget changes because DPRD members themselves do not understand how they should carry out their own functions optimally.

CONCLUSIONS

Some conclusions that can be drawn from the results of this study are: *first*, FS has a positive effect on changes in BBS. *Second*, LS has a positive effect on changes in BBS. *Third*, LS does not moderate the influence of FS on changes in BBS in regencies/cities throughout Sumatra.

Some of the limitations of this study are, *first*, the sample used is relatively small and only focuses on district/city governments throughout Sumatra. It is necessary to distinguish local governments with special autonomy status (eg Aceh) from other local governments that do not have special autonomy status.

Second, this study is not able to prove that the LS variable moderates the influence of FS on changes in the BBS budget, even though there are many defenses of DPRD members to their constituents through this BBS budget. Therefore, it is necessary to develop new indicators to measure this legislative effect.

Third, the measurement of FS by using the deficit in the previous year may not be too accurate to reflect the actual fiscal pressure, given the laziness of the local government to explore its own potential local revenue (PAD). This means that the proxy for the FS variable can be improved by incorporating aspects of the effectiveness of PAD collection by the local government.

Fourth, specifically for research in Aceh, a more in-depth study of BBS related to Otsus funds can be carried out. One of the priorities for using the Special Autonomy funds is to reduce poverty in Aceh, so that it is relevant to policies in BBS budgeting. Finally, the type of local government, namely district and city can be used as a differentiating variable (dummy), considering the differences between poverty in districts and cities (Wahyudi & Rejekingsih, 2013).

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