

The Influence of Local Government Financial Performance on Public Welfare in Banten

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Abstract:

This study aims to examine the effect of financial performance in local governments on public welfare in Banten Province in 2010-2023. The results of financial performance measured based on the regional independence ratio, fiscal decentralization ratio, and regional dependency ratio have a significant effect on public welfare as measured by the Human Development Index (HDI), unemployment rate, and poverty rate. In addition, the spending alignment ratio as a moderator variable also has a significant effect on public welfare. Meanwhile, the interaction between the spending alignment ratio and local government financial performance does not have a significant effect on public welfare.

Keywords:

local government financial performance, public welfare, HDI, unemployment rate, poverty rate.