

ABSTRACT

Government performance in Indonesia is a serious problem. The problem requires a comprehensive handling strategy. Poor government performance will lead to social problems such as poverty and low quality of public goods and services. This study aims to investigate the effect of good governance, fiscal independence and corruption prevention on government performance. This study involves local governments (districts and cities) in Indonesia between the period 2021-2022. Based on the criteria used in purposive sampling, this study collected 892 observational data. Data analysis used path analysis conducted by Structural Equation Model-Partial Least Square (SEM-PLS) with WarpPLS 7.0 statistical testing tool. The results of this study indicate that good governance, fiscal independence, and corruption prevention have a positive influence on government performance. In addition, corruption prevention is proven to mediate the relationship between good governance and fiscal independence on government performance. Theoretically, this study contributes to the understanding of how good governance and fiscal independence can reduce the risk of corruption in government and then improve performance. From a practical point of view, this study can provide alternative ways to improve government performance and reduce the occurrence of corruption in local governments by implementing good governance and fiscal independence.

Keywords: good governance, fiscal independence, corruption prevention, government performance, local government