

ABSTRACT

This study aims to analyze the factors that affect transparency in provincial local governments in Indonesia using legitimacy theory to generate testable hypotheses and from testing these hypotheses provide empirical findings. The factors that affect transparency in this study are focused on fiscal pressure, capital expenditure and equity participation financing.

This study uses secondary data obtained from www.komisiinformasi.go.id and www.djpk.kemenkeu.go.id with a population of 38 provinces in Indonesia for the period 2020-2022. By using the purposive sampling method, the sample obtained was 31 provincial local governments in Indonesia. The analysis method used in this research is multiple linear regression analysis.

Based on statistical tests that have been carried out in this study, it shows that fiscal pressure has a positive and significant effect on transparency, while capital expenditure and equity participation financing have no effect on transparency.

Keywords: Fiscal Pressure, Capital Expenditure, Equity Participation Financing, Transparency.