

Fiscal Decentralization, Financial Performance, and Human Development: Evidence from Central Kalimantan

*Determinants of
Public Service
Efficiency and HDI*

Maria Trisna

Universitas Palangka Raya; Palangka Raya, Indonesia

Email: mariatrisna003@gmail.com

1911

ABSTRACT

Fiscal decentralization is increasingly recognized as a strategic instrument for strengthening local financial capacity and improving the quality of public service delivery, which ultimately plays a decisive role in enhancing human development index outcomes in regions such as Central Kalimantan. This study investigated the causal relationship between fiscal decentralization, financial performance, public service efficiency, and the human development index in Central Kalimantan. This study used a quantitative approach and Smart-PLS as analysis tools. Utilizing panel data from 14 districts/cities over the 2020–2024 period, the research reveals that both fiscal decentralization and financial performance significantly and positively influence public service efficiency and the human development index. Public service efficiency itself exerts a substantial direct impact on the human development index and serves as a significant mediating variable, amplifying the indirect effects of fiscal and financial governance. Model fit indices confirm the robustness of the structural model. The findings underscore that efficient public service delivery is a critical pathway through which fiscal capacity and financial management translate into human development outcomes. These insights provide a strategic foundation for enhancing fiscal autonomy, improving service delivery, and accelerating human development in decentralized regions.

Keywords: *Financial Performance, Fiscal Decentralization, Human Development Index, Public Service Efficiency.*

ABSTRAK

Desentralisasi fiskal semakin diakui sebagai instrumen strategis untuk memperkuat kapasitas keuangan daerah dan meningkatkan kualitas pelayanan publik, yang pada akhirnya berperan penting dalam meningkatkan capaian indeks pembangunan manusia di wilayah seperti Kalimantan Tengah. Penelitian ini menganalisis hubungan kausal antara desentralisasi fiskal, kinerja keuangan, efisiensi pelayanan publik, dan Indeks Pembangunan Manusia di Kalimantan Tengah. This study uses a quantitative approach with Smart-PLS as an analytical tool. Menggunakan data panel dari 14 kabupaten/kota pada periode 2020–2024, hasil penelitian menunjukkan bahwa desentralisasi fiskal dan kinerja keuangan berpengaruh positif dan signifikan terhadap efisiensi pelayanan publik dan Indeks Pembangunan Manusia. Efisiensi pelayanan publik juga memiliki pengaruh langsung yang kuat terhadap Indeks Pembangunan Manusia serta berperan sebagai variabel mediasi yang signifikan dalam memperkuat pengaruh tidak langsung dari tata kelola fiskal dan keuangan. Model fit indices mengonfirmasi ketepatan dan kekuatan model struktural yang digunakan. Temuan ini menegaskan bahwa efisiensi pelayanan publik merupakan jalur kunci yang menghubungkan kapasitas fiskal dan pengelolaan keuangan dengan peningkatan pembangunan manusia. Temuan ini memberikan dasar strategis untuk memperkuat otonomi fiskal, meningkatkan kualitas pelayanan, dan mempercepat pembangunan manusia di wilayah yang telah menerapkan desentralisasi.

Kata kunci: *Kinerja Keuangan, Desentralisasi Fiskal, Indeks Pembangunan Manusia, Efisiensi Pelayanan Publik.*

Submitted:
NOVEMBER 2025

Accepted:
DECEMBER 2025

JIAKES

Jurnal Ilmiah Akuntansi
Kesatuan
Vol. 13 No. 6, 2025
pp. 1911-1920
IBI Kesatuan
ISSN 2337 – 7852
E-ISSN 2721 – 3048
DOI: 10.37641/jiakes.v13i6.4527

INTRODUCTION

Fiscal decentralization represents a key foundation for achieving balanced development and enhancing public welfare in Indonesia following the implementation of extensive regional autonomy in the reform era. Through this policy, regional governments are granted broader authority to independently manage financial resources, particularly in formulating and distributing their Regional Revenue and Expenditure Budgets (*Anggaran Pendapatan dan Belanja Daerah/APBD*) according to local priorities (Hasan et al., 2025). In the context of Central Kalimantan Province, fiscal decentralization is expected to accelerate regional development by strengthening local government financial performance, which in turn can improve the effectiveness of public service delivery and ultimately contribute to higher Human Development Index (HDI) outcomes as a central measure of population well-being.

Several recent empirical studies in show that fiscal decentralization has a positive and significant effect on regional economic growth and poverty reduction through increasing regional original income and the ability of regions to carry out government functions, including public services (Siburian et al., 2021; Siburian, 2022; Dang et al., 2025). Local governments that are able to manage their finances effectively and efficiently will provide more responsive and quality public services, thereby increasing service efficiency and regional competitiveness (Riswan & Affandi, 2014). The efficiency of public services is an important bridge in connecting fiscal policy with human development outcomes reflected in HDI.

The HDI in Central Kalimantan shows an increasing trend over the past five years, which is allegedly inseparable from better regional fiscal management and improvement in the quality of public services. However, to thoroughly identify the causal linkages between fiscal decentralization, regional financial performance, public service efficiency, and the HDI, an analytical method capable of illustrating both direct and indirect effects is required. Data for 2024 shows the realization of Central Kalimantan's APBD revenue of IDR 28,373.9 billion or 91.8% of the target, most of which comes from central transfer funds of IDR 24,165.2 billion (85.2%). Local Original Revenue (*Pendapatan Asli Daerah/PAD*) is still relatively low at IDR 3,208.2 billion, only 64.9% of the target. APBD expenditure was recorded at IDR 23,500 billion with a dominance of operating expenditure of 63.6%, indicating room for improvement in the efficiency of government administration, especially public services.

Good regional financial performance, which is reflected in optimal management of regional revenue and expenditure, is crucial to encourage the efficiency of public services, which ultimately has an impact on the quality of life of the community (Dimian & Barbu, 2012; Yasin, 2020). The HDI in Central Kalimantan shows a positive trend with an achievement of 74.28 in 2024, reflecting progress in the fields of health, education, and living standards. However, the causal relationship between fiscal decentralization, financial performance, public service efficiency, and HDI requires a comprehensive and systematic analysis to understand the mechanisms and pathways of influence between these variables. Quantitative approach was chosen because of its ability to test the direct influences of variables in the structural model, thus providing a more detailed picture of the dynamics of regional development.

This study conducts an in-depth analysis of district/city panel data in Central Kalimantan for the period 2020-2024. This study aims to examine the influence of fiscal decentralization, regional financial performance, and the efficiency of public services and HDI. This study fills the gap in local research with a strong causal approach and provides practical recommendations for fiscal management that support the acceleration of human development in autonomous regions.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

The Effect of Fiscal Decentralization on Service Efficiency

Public service efficiency reflects the ability of government institutions to utilize available resources optimally in order to provide services that meet public needs. Efficiency in the public sector is fundamentally assessed through the relationship between inputs and outputs, emphasizing cost-effectiveness and service quality (Gaebler, 1993). Improving public service efficiency is a key objective in the implementation of fiscal decentralization, where governance reforms are aimed at encouraging faster, more responsive, and more affordable services (Mardiasmo, 2009; Ibrahim, 2024). Efficient service delivery is often driven by effective budget management, transparency, accountability, and technological innovation, which strengthen the capacity of local governments to meet community demands (Saraswati et al., 2024; Omar et al., 2024).

Fiscal decentralization is widely recognized as an important determinant of public service efficiency. The theoretical foundation introduced by Oates (1972) explains that decentralization enables regional governments to respond more efficiently to local needs because they possess better information regarding local preferences. Empirical research supports this, indicating that fiscal decentralization enhances efficiency and accountability when accompanied by strong institutional capacity (Martinez-Vazquez & McNab, 2003; Saputra & Setiawan, 2021). Afonso et al. (2024) found that spending decentralization and strengthened regional authority contribute positively to service efficiency. Similarly, Christl et al. (2020) demonstrated that decentralization encourages productivity improvements in the public sector. In the Indonesian context, Utomo and Sumarsono (2009) emphasize that decentralization improves efficiency by enabling local governments to tailor services to local preferences, reduce budget deficits, and boost economic growth. Therefore, fiscal decentralization is expected to significantly enhance public service efficiency.

H1: Fiscal decentralization has a significant effect on public service efficiency.

The Effect of Financial Performance on Service Efficiency

Financial performance is a fundamental concept in public sector management, reflecting the capacity of local governments to manage fiscal resources prudently and sustainably. Mardiasmo (2009) emphasized that regional financial performance represents the government's ability to maintain fiscal health, commonly assessed through indicators such as liquidity ratios, solvency, and spending efficiency. In line with this, regional financial performance also denotes the effectiveness and efficiency of financial management in supporting public services and development functions. Haryanto (2024) further clarified that financial performance can be measured through regional revenue and expenditure realization ratios, as well as the ability to maintain fiscal balance. These indicators are not merely technical measures but also determine the scope and quality of public services that local governments are able to deliver to their communities.

The relationship between financial performance and public service efficiency has been widely discussed in prior studies. Regions with strong fiscal performance are generally better equipped to finance essential public services and development programs, ensuring continuity and adequacy of service provision (Mardiasmo, 2009; Haryanto, 2024). Moreover, effective financial management encourages transparency, accountability, and responsible use of public funds, which directly enhances service quality and public trust (Saraswati et al., 2024). Empirical evidence also suggests that accountable and transparent fiscal practices improve public satisfaction and operational efficiency in service delivery (Saraswati et al., 2024; Purba et al., 2024). Therefore, sound regional financial performance is consistently viewed as a key determinant in strengthening the efficiency of public services and improving overall community welfare.

H2: Financial performance has a significant effect on public service efficiency.

Factors Influencing of Human Development Index

The Human Development Index (HDI) represents a multidimensional measure encompassing health, education, and standard of living, serving as a primary benchmark for evaluating the success of public policies and regional development outcomes. Improvements in HDI indicate rising welfare levels driven by the capacity of local governments to provide quality services and ensure equitable access to basic needs. HDI outcomes are closely linked to the efficiency of public services and the strength of regional fiscal capacity, showing how governance performance translates into measurable human development achievements.

Fiscal decentralization is recognized as a key determinant of HDI because it delegates decision-making authority and resource control to subnational governments, enabling them to tailor development strategies to local needs (Oates, 1972). Empirical research demonstrates that decentralization enhances human development outcomes when accompanied by institutional capacity, responsiveness, and accountability mechanisms (Martinez-Vazquez & McNab, 2003; Daud & Soleman, 2020). Studies show that fiscal decentralization positively influences HDI, including evidence of a significant hump-shaped relationship where optimal decentralization levels maximize human development performance (Jin & Jakovljevic, 2023). Additional findings confirm that decentralization strengthens competition among regions, improves service delivery efficiency, reduces inequality, and advances welfare (Hung & Tanh, 2022). Meanwhile, partial fiscal decentralization shows a significant positive impact on HDI in Indonesian regions (Pramartha et al., 2023). Therefore, fiscal decentralization is expected to enhance human development.

Regional financial performance is another crucial determinant because effective fiscal management increases the government's ability to fund education, health, and infrastructure services essential for improving life quality (Mardiasmo, 2009; Haryanto, 2024). A strong independence ratio correlates with improved regional welfare as community participation in local taxation reflects stronger development capacity (Fauzi & Widarjo, 2021; Ramadhan & Setiawati, 2022). Thus, strong financial performance is expected to positively affect HDI. Finally, efficient public services ensure optimal resource allocation, transparency, and responsiveness to community needs, ultimately providing faster and higher-quality service delivery that directly supports improvements in education, health, and living standards (Gaebler, 1993; Mardiasmo, 2009; Hardana & Nasution, 2022; Saraswati et al., 2024).

H3: Fiscal decentralization has a significant effect on human development index.

H4: Financial performance has a significant effect on human development index.

H5: Public service efficiency has a significant effect on human development index.

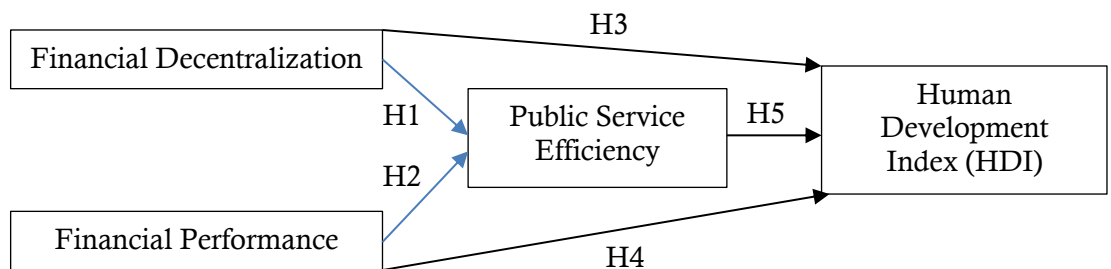


Figure 1. Research Model

Figure 1 explains the causal relationships among fiscal decentralization, regional financial performance, public service efficiency, and the HDI. Fiscal decentralization and financial performance are proposed to directly enhance public service efficiency by strengthening fiscal capacity and resource management at the local level (H1, H2). Furthermore, fiscal decentralization, financial performance, and service efficiency are

expected to directly improve HDI, as stronger local autonomy, sound financial governance, and efficient service delivery support better outcomes in health, education, and economic welfare (H3, H4, H5). Public service efficiency also functions as a mediating mechanism that reinforces the influence of fiscal policies and financial capacity on human development.

RESEARCH METHODS

This research is structured to examine how fiscal decentralization and regional financial performance affect public service efficiency and HDI in Central Kalimantan Province. The study employs a quantitative method with a descriptive-analytical orientation and applies a causal modeling approach. The research population consists of all district/city governments in Central Kalimantan, namely 14 administrative area units. The research uses a total sampling technique, including all districts/cities as samples, with panel data from 2020 to 2024, yielding 70 total observations (14 districts/cities × 5 years).

The study employs quantitative secondary data comprising fiscal decentralization and regional financial performance derived from local government financial statements, APBD documents, and APBD Realization Reports issued by the provincial government and the Directorate General of Fiscal Balance, Ministry of Finance. Data for public service efficiency, including service time, costs, and service output indicators, are sourced from local government performance reports and community satisfaction surveys. Meanwhile, HDI data are obtained from Statistics Indonesia of Central Kalimantan Province, which publishes annual HDI figures. Data collection is conducted through documentation methods, including downloading and organizing financial and HDI data from official government portals, as well as reviewing archives and literature to obtain public service efficiency indicators and supporting documents. Finally, data validation procedures are performed to test consistency and completeness, ensuring that all information used is accurate and reliable prior to analysis.

Fiscal decentralization (X1) is measured by the proportion of regional original revenue to total regional revenue, reflecting the region's financial independence. Regional financial performance (X2) represents the effectiveness of regional financial management, measured through the ratio of realized regional revenue and expenditure to the budget allocation. Public service efficiency (M) refers to the level of resource optimization in delivering government services, assessed through a service efficiency index that considers cost, time, and service output. The human development index (Y), as the final outcome variable, is measured using official HDI, representing a composite indicator of health, education, and living standards.

The core analytical method applied the SmartPLS software to estimate the structural model. This technique made it possible to examine the direct effects of fiscal decentralization (X1) and regional financial performance (X2) on public service efficiency (M), as well as the direct effects of X1, X2, and M on the Human Development Index (HDI) as the dependent variable (Y). The significance of hypothesis testing was assessed using a 5% significance level (p-value < 0.05) to determine whether the relationships among variables were statistically meaningful. The final stage involved evaluating the Goodness of Fit to ensure that the proposed model aligned with the empirical data, confirming that the structural model was appropriate for the study.

RESULTS

Validity and reliability testing were conducted to ensure the accuracy and consistency of the research variables, including fiscal decentralization, regional financial performance, public service efficiency, and the HDI. The validity assessment employed convergent and discriminant validity through SmartPLS, showing that all indicator loading factors exceeded 0.70 and the Average Variance Extracted (AVE) values were above 0.50, demonstrating strong convergent validity for each construct. The reliability evaluation used Cronbach's Alpha and Composite Reliability, both of which produced values greater than 0.70, indicating that the variable indicators met the requirements for internal

consistency. Based on these results, the data used in this study are considered valid and reliable according to established quantitative research standards.

Multicollinearity testing through the Variance Inflation Factor (VIF) also showed that all independent variables, including Fiscal Decentralization and Regional Financial Performance, had VIF values below 5, which signifies that no substantial multicollinearity existed among the variables. The path model was tested using SmartPLS software, which estimated the path coefficients as follows in Table 1.

Table 1. Hypothesis Testing

| Path | Coefficient | P-value | Significance |
|---|-------------|---------|--------------|
| Fiscal Decentralization → Public Service Efficiency | 0.54 | 0.002 | Significant |
| Financial Performance → Public Service Efficiency | 0.48 | 0.005 | Significant |
| Fiscal Decentralization → HDI | 0.38 | 0.008 | Significant |
| Financial Performance → HDI | 0.32 | 0.011 | Significant |
| Public Service Efficiency → HDI | 0.42 | 0.001 | Significant |

Based on the path analysis model as shown in Table 1, the results demonstrate several significant direct effects. Fiscal decentralization and regional financial performance each show a positive and significant influence on public service efficiency, with path coefficients of 0.54 ($p=0.002$) and 0.48 ($p=0.005$), respectively. Both fiscal decentralization and financial performance also have direct positive effects on the HDI, with coefficients of 0.38 ($p=0.008$) and 0.32 ($p=0.011$). Additionally, public service efficiency directly contributes to improving HDI with a coefficient of 0.42 ($p=0.001$). The analysis further confirms an indirect effect, indicating that public service efficiency functions as a mediating variable that strengthens the influence of both fiscal decentralization and regional financial performance on HDI.

Table 2. Model Fit Evaluation (Goodness of Fit)

| Test | Value |
|--|----------------------|
| SRMR (Standardized Root Mean Residual) | 0.045 (< 0.08, good) |
| NFI (Normed Fit Index) | 0.92 (> 0.9, good) |
| Chi-square/df | 1.85 (< 3, good) |

The model fit assessment indicates strong compatibility between the constructed model and the empirical data obtained. Based on Table 2, the SRMR value of 0.045, which is below the recommended threshold of 0.08, reflects a good level of residual fit. Likewise, the Normed Fit Index (NFI) value of 0.92 exceeds the minimum requirement of 0.90, demonstrating that the model explains the observed data effectively compared to the baseline model. Additionally, the chi-square/df ratio of 1.85, which is below the acceptable limit of 3, confirms that the model has a satisfactory level of parsimony and does not deviate significantly from the observed data. These indicators affirm that the structural model is appropriate and reliable for explaining the relationships between the studied variables.

Fiscal decentralization and regional financial performance have a significant effect on the efficiency of public services, which in turn contributes significantly to increasing HDI. The efficiency of public services acts as a mediator of the influence of fiscal decentralization and financial performance on HDI, reinforcing the importance of fiscal management and service quality as key factors for human development in Central Kalimantan. Thus, fiscal decentralization and regional financial performance significantly improve the efficiency of public services, both directly and indirectly through the efficiency of public services, contributing to the increase in the HDI in Central Kalimantan during 2020-2024. The analyzed model tested is valid and in accordance with empirical data, supporting the cause-effect relationship studied.

DISCUSSION

The results of the study show that fiscal decentralization has a positive and significant effect on the efficiency of public services and HDI in Central Kalimantan. These findings are in line with the theory of fiscal decentralization, which states that the delegation of fiscal authority to local governments increases responsiveness and flexibility in the management of local resources (Oates, 1972; Tiebout, 2024). Fiscal decentralization is an effective tool to improve the efficiency of public services because local governments better understand the unique needs in their regions so that the budget can be allocated efficiently (Martinez-Vazquez & McNab, 2003; Arends, 2020).

Other empirical research that supports these findings is by Adam et al. (2014) and Sow and Razafimahefa (2015) which found that in developing and developed countries, fiscal decentralization contributes to improving the efficiency of health and education services. In Indonesia in particular, studies by Widodo (2019) and Maulana (2023) indicate that fiscal decentralization leads to the effectiveness of public spending and improved human development outcomes, although efficiency challenges still exist in the provision of bureaucratic services. In line with that, the increased efficiency of public services as a result of fiscal decentralization is an important foundation in advancing HDI through improving access and quality of basic services such as health, education, and decent living standards (Dick-Sagoe, 2020; Tümay, 2021).

The accountable and effective financial performance of local governments also has a positive and significant influence on the efficiency of public services and finally HDI. These results affirm the importance of good regional financial management as a prerequisite for providing quality and sustainable public services (Saraswati et al., 2024). Healthy financial performance, reflected in the ability to realize revenue and manage regional expenditures according to plan, allows local governments to allocate resources optimally so as to increase the efficiency of budget use (Andjarwati et al., 2021; Sessu, 2022). Well-performing regional financial management increases public sector output and supports the achievement of social development. Good financial performance allows for budget regularity, reduced waste, and increased transparency, which are essential for public trust and public satisfaction in public services (Rashied et al., 2024). Therefore, regional financial performance plays a key role in public service efficiency and its consequences on HDI in various districts/cities in Central Kalimantan.

In this context, service efficiency is the main mechanism that translates the impact of fiscal policy and financial performance into human development outcomes. In line with the international literature, Núñez-Barriopedro et al. (2024) it shows that efficient public services are an important intermediary that allows fiscal and financial management outcomes to have an optimal impact on indicators of public well-being. Oates (1972) and Weingast (1995) also affirms that fiscal decentralization improves the efficiency of public services, which ultimately improves social development outcomes. The research by Urip and Indahyani (2017), as well as the study Adam et al. (2014), confirms that although the improvement in fiscal and financial performance is important, without the efficiency of public services, the impact on HDI will be limited. Service efficiency ensures the right use of public funds and the reduction of waste that contributes to improving the quality of life of the community.

The results provide both empirical evidence and theoretical insight for the discourse on fiscal decentralization, reinforcing the importance of integrating strong fiscal management with high-quality public services to enhance community welfare. This study also offers strategic implications for policymakers to prioritize fiscal governance reforms and improvements in service delivery as key approaches to achieving sustainable development in autonomous regions. The analysis demonstrates that strengthening fiscal decentralization and regional financial performance leads to higher efficiency in public services, which in turn significantly elevates HDI. Public service efficiency serves as the essential link connecting fiscal capacity with human development achievements. Policies that combine optimal resource utilization and improved service quality can accelerate human development and enhance the welfare of communities in Central Kalimantan.

CONCLUSION

The study concludes that fiscal decentralization and regional financial performance play a crucial role in improving public service efficiency and enhancing human development outcomes in Central Kalimantan. The empirical findings confirm that the devolution of fiscal authority to local governments positively and significantly strengthens service efficiency and contributes to increased HDI. The results also demonstrate that accountable and effective financial governance enables optimal allocation and utilization of resources, thus supporting quality and sustainable public service delivery. Service efficiency emerges as the primary mechanism through which fiscal capacity translates into improvements in education, health, and living standards. These findings reinforce theoretical frameworks asserting that decentralized fiscal systems enhance responsiveness to local needs and stimulate social progress. The research provides important implications for policymakers, highlighting the urgency of strengthening fiscal governance, enhancing transparency, and improving service delivery mechanisms to accelerate human development. Strategic alignment between fiscal policy and service performance is essential for achieving equitable and sustainable development across regions.

Despite the strong results, this study has several limitations that require consideration. First, the analysis focuses solely on quantitative secondary data, which may not fully capture the qualitative dynamics of local governance practices and institutional capacity. Second, the study is geographically limited to Central Kalimantan, so generalizations to other provinces with differing socioeconomic or institutional characteristics should be made cautiously. Third, the research does not include moderating or contextual variables, such as political dynamics, digital governance, or community participation, which may interact with fiscal decentralization and financial performance in influencing HDI. Future studies are encouraged to incorporate mixed-method approaches to enrich understanding of implementation challenges at the local level and explore additional mediating or contextual factors. Comparative studies across provinces and longitudinal analyses could also provide deeper insights into the long-term effectiveness of decentralization policies. Further research incorporating governance quality, transparency systems, and participatory budgeting may yield more comprehensive policy recommendations for building resilient and inclusive development frameworks.

REFERENCES

- [1] Adam, A., Delis, M. D., & Kammas, P. (2014). Fiscal decentralization and public sector efficiency: Evidence from OECD countries. *Economics of Governance*, 15(1), 17–49.
- [2] Afonso, A., Jalles, J. T., & Venâncio, A. (2024). Fiscal decentralization and public sector efficiency: Do natural disasters matter?. *Economic Modelling*, 137(1) 106-123.
- [3] Andjarwati, T., Budiarti, E., Soemadijo, P. S., & Yasin, M. (2021). Analysis of local own revenue and balancing funds on the financial performance. *International Journal of Economics and Finance Studies*, 13(1), 235-250.
- [4] Arends, H. (2020). The dangers of fiscal decentralization and public service delivery: a review of arguments. *Politische Vierteljahresschrift*, 61(3), 599-622.
- [5] Christl, M., Köppl-Turyrna, M., & Kucsera, D. (2020). Determinants of public-sector efficiency: decentralization and fiscal rules. *Kyklos*, 73(2), 253-290.
- [6] Dang, C., Tran, T. T. M., & Dinh, T. D. (2025). Spatiotemporal impact of fiscal decentralization and economic growth: evidence at provincial level in Vietnam. *Applied Economics Letters*, 32(21), 3157-3162.
- [7] Daud, N., & Soleman, R. (2020). Effects of fiscal decentralization on economic growth and human development index in the Indonesian local governments. *Management Science Letters*, 10(16), 3975-3980.
- [8] Dick-Sagoe, C. (2020). Decentralization for improving the provision of public services in developing countries: A critical review. *Cogent Economics & Finance*, 8(1), 180-192.
- [9] Dimian, G. C., & Barbu, A. (2012). Public services-key factor to quality of life. *Management & Marketing*, 7(1), 151-165.
- [10] Fauzi, H., & Widarjo, W. (2021). Financial performance and human development with control of regional characteristics. *Journal of Economics, Finance, and Accounting Studies*, 3(2), 190-201.
- [11] Gaebler, T. (1993). *Reinventing government: How the entrepreneurial spirit is transforming the public sector*. New York: Plume.

- [12] Hardana, A., & Nasution, J. (2022). Pengaruh rasio keuangan pemerintah daerah terhadap indeks pembangunan manusia. *Global Financial Accounting Journal*, 6(1), 52-61.
- [13] Hasan, W., Abd Mutalib, S., Rahman, Z., & Abdullah, J. (2025). Regional fiscal health: an evaluation of the financial performance of Gorontalo Regency. *Jurnal Ilmiah Akuntansi Kesatuan*, 13(5), 1447-1558.
- [14] Hung, N. T., & Thanh, S. D. (2022). Fiscal decentralization, economic growth, and human development: Empirical evidence. *Cogent Economics & Finance*, 10(1), 210-224.
- [15] Ibrahim, A. H. H. (2024). Decentralization and its impact on improving public services. *International Journal of Social Sciences*, 7(2), 45-53.
- [16] Jin, H., & Jakovljevic, M. (2023). Fiscal decentralization and the human development index: a cross-border empirical study. *Sustainability*, 15(11), 8784-8795.
- [17] Mardiasmo, D.M. (2009). *Akuntansi sektor publik*. Yogyakarta: Penerbit Andi.
- [18] Martinez-Vazquez, J., & McNab, R. M. (2003). Fiscal decentralization and economic growth. *World Development*, 31(9), 1597-1616.
- [19] Maulana, S. (2023). Pengaruh desentralisasi fiskal dan ketergantungan keuangan daerah terhadap indeks pembangunan manusia di kabupaten/kota Provinsi Sulawesi Selatan. *Jurnal Metaverse ADPERTISI*, 2(2), 10-16.
- [20] Musgrave, R. A. (1959). *The theory of public finance: A study in public economy*. New York: McGraw-Hill.
- [21] Núñez-Barriopedro, E., Penelas-Leguía, A., López-Sanz, J. M., & Loranca-Valle, M. C. (2024). A public service management model as an antecedent for citizen satisfaction and fiscal policy. *Management Decision*, 62(2), 725-739.
- [22] Oates, W. (1972). *Fiscal federalism*. Florida: Harcourt Brace Jovanovich.
- [23] Omar, N. J. M., Qasim, N. H., Kawad, R. T., & Kalenychenko, R. (2024). The role of digitalization in improving accountability and efficiency in public services. *Revista Investigacion Operacional*, 45(2), 203-24.
- [24] Pramatha, I. M. A., Aryasa, I. P. G. C. A., & Putra, I. K. (2023). Fiscal decentralization and human development index: examining the moderating effect of capital spending in Bali. *Journal of Applied Sciences in Accounting, Finance, and Tax*, 6(1), 10-19.
- [25] Purba, S., Pardede, M., Pakpahan, E. R., Sebayang, A., & Simandalahi, A. (2024). Assessing the financial performance of Nias Local Government. *Journal of Applied Sciences in Accounting, Finance, and Tax*, 7(2), 80-95.
- [26] Ramadhan, A. V. G., & Setiawati, E. (2022). The effect of regional government's finance ratio to human development index of provincial government in Indonesia. *Prosiding University Research Colloquium*, 2(1), 325-335.
- [27] Rashied, A. S., Chyad, A. K., Qasem, W., & Abbas, N. H. (2024). The impact of financial management reforms on budget efficiency, transparency, and wastage reduction across diverse regions. *Journal of Ecohumanism*, 3(5), 743-762.
- [28] Riswan, R., & Affandi, A. (2014). Pengaruh kinerja keuangan daerah terhadap belanja modal untuk pelayanan publik dalam perspektif teori keagenan. *Jurnal Akuntansi dan Keuangan Universitas Bandar Lampung*, 5(2), 960-972.
- [29] Saputra, N. A. A., & Setiawan, D. (2021). Fiscal decentralization, accountability and corruption indication: Evidence from Indonesia. *Jurnal Bina Praja*, 13(1), 29-40.
- [30] Saraswati, R. S., Yadiati, W., Suharman, H., & Soemantri, R. (2024). Corporate governance, intellectual capital, and organizational culture: Their influence on lean manufacturing and firm value. *Cogent Business & Management*, 11(1), 238-250.
- [31] Sessu, A. (2022). Financial ratio analysis of regional revenue and expenditure budgets on financial performance in regional governments. *Jurnal Economic Resource*, 5(1), 134-142.
- [32] Siburian, M. E. (2022). The link between fiscal decentralization and poverty—Evidence from Indonesia. *Journal of Asian Economics*, 81(1), 101-115.
- [33] Siburian, M. T., Abdullah, M. A., & Firmansyah, A. (2021). Pengaruh pendapatan asli daerah, dana perimbangan, dan ukuran pemerintah daerah terhadap indeks pembangunan manusia di Provinsi Kalimantan Tengah tahun 2011—2018. *Tirtayasa Ekonomika*, 16(1), 1-26.
- [34] Sow, M., & Razafimahefa, M. I. F. (2015). *Fiscal decentralization and the efficiency of public service delivery*. New York: International Monetary Fund.
- [35] Tiebout, C. M. (2024). A pure theory of local expenditures. In *Public goods and market failures* (pp. 179-191). Oxfordshire: Routledge.
- [36] Tümay, M. (2021). The effect of fiscal decentralization on the human development index and its components: a panel data study. *Uluslararası Ekonomi ve Yenilik Dergisi*, 7(2), 357-373.
- [37] Urip, T. P., & Indahyani, R. (2017). Analisis *flypaper effect* pengelolaan keuangan daerah di Kota Jayapura. *Jumabis*, 1(2), 259-271.
- [38] Weingast, B. R. (1995). The economic role of political institutions: Market-preserving federalism and economic development. *The Journal of Law, Economics, and Organization*, 11(1), 1-31.
- [39] Widodo, B. T. (2019). Evaluasi dinamis dampak fiskal otonomi khusus terhadap efisiensi layanan publik dan pertumbuhan ekonomi di Provinsi Papua, Papua Barat dan Aceh tahun 2011-2017. *Kajian Ekonomi dan Keuangan*, 3(1), 31-53.
- [40] Yasin, M. (2020). Analysis of regional original revenues and routine expenditures on regional financial performance in East Java Regencies and Cities. *Jurnal Mantik*, 3(4), 64-69.

*Determinants of
Public Service
Efficiency and HDI*

1920
