The Role of Human Development in Improving Local Government Performance Through Good Government Governance

by Abid Djazuli

ARTICLE

The Role of Human Development in Improving Local Government Performance Through Good Government Governance

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Abstract: The quality of audit opinion results of local government financial statements in 2015–2020 has increased. Still, non-compliance with laws and corruption cases has increased, indicating that the implementation of Good Government Governance (GGG) has not gone well. This paper provides empirical evidence of the role of human development in realizing GGG and its effect on the performance of local governments in Indonesia. The research was designed as associative quantitative research, an organizational unit of analysis. The total population is the regency and city government in Indonesia, as many as 514 local governments, and the sampling technique is purposive sampling. The qualified samples were 268 local governments, with data observed from 2018 to 2020, or 3 years, so the number was 804. The data was sourced from the Regional Government Implementation Performance Evaluation report. The GGG variables were measured using indices and local government performance variables use scores. The main analysis uses SEM PLS and additional analysis with panel regression. The results showed that GGG had a significant effect on the performance of local governments. Novelty, the dimension of human development can strengthen the GGG variable so that its influence on the performance of local governments is even greater. This research has theoretical, managerial, policy, and practical implications. In addition, the completeness of the research data, which is still lacking in information, is a limitation of this study. Furthermore, recommendations for local governments so that human development receives special attention to increasing competitiveness by increasing the allocation of labor budgets.

Keywords: good government governance; local government performance; human development.

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1. Introduction

New Public Management (NPM) forms a concept of thought to improve public service administration by incorporating business principles into government bureaucracy. NPM is expected to improve aspects of efficiency in public sector organizations, further increase the responsiveness of public institutions to the public, and can contribute to government performance (Christensen & Lægreid, 2015). Fair public services can be realized through NPM (Walker & Andrews, 2015). NPM has an impact on trust in the government, thus contributing to the perception of government performance (Andrews & Van de Walle, 2013).

The performance of local governments is the result of work measured through the implementation of government affairs in accordance with the authority's responsibilities within a predetermined time. Performance achievements of local government administration, including macro performance achievements, performance achievements in the implementation of local government affairs, and performance accountability achievements. The focus of local governments is to provide public services to improve welfare. Public service innovation can be created through the combination of dimensions of technological and administrative innovation aimed at overcoming social problems in the fields of health and education (Pratama, 2019). Innovation comes from education, and education is a determining factor in health (Erlyn et al., 2022). The legal basis of regional innovation is integration of planning, human resources, and budget (Herlina et al., 2021). Governance innovation focuses on simplifying quality public services (Sudrajat & Andhika, 2021). Strengthening innovation programs in public services will focus on real problems, so that public trust increases (Hutagalung & Hermawan, 2018).

Local governments (cities and regency districts) must be able to increase citizen satisfaction and trust of local government residents, especially in basic needs services such as education and health (Lanin & Hermanto, 2018). Collaboration with various parties such as academia, business, community, institutions, and society to participate in government programs in the fields of education, outreach, campaigns, and improved nutrition and sanitation (Erlyn et al., 2022). Key indicators of local government performance are compliance with legal rights and processes, fiscal health monitoring for sustainability, service monitoring, and citizen satisfaction with local services (Shah, 2014). The performance of local governments can be achieved/measured through minimum service standards by implementing good government governance (GGG).

The focus of local governments is to provide public services to improve welfare so that performance measurement is carried out in a multidimensional manner. Minimum Service Standard (SPM) is the performance of local governments as measured through 6 mandatory matters related to basic services, namely: a). educational affairs, b). health affairs, c). Public Works and Spatial Planning Affairs, d). public housing affairs and residential areas, e). social affairs, and f). matters of peace, public order, and protection of society. Innovation must pay attention to the characteristics of local governments and the minimum service standards of their respective regions (Herlina et al., 2021).

Good governance makes government more effective, the quality of regulation, and the implementation of the rule of law better, reflected in accountability and democracy advancing (Stanica & Aristigueta, 2019). Good governance must be supported by two main aspects, namely, society and the state (Apriani, 2015). The implementation of public services by local governments is still faced with an ineffective and efficient government system and inadequate quality of human apparatus resources (Putra, 2012). The quality of GGG can be measured by culture, religion, and law (Haggard & Haggard, 2010). Low financial transparency creates information asymmetry, so it has a strong and positive relationship with democracy (Krah & Mertens, 2020). GGG can improve the efficiency of government spending, especially health, education, and infrastructure, and ultimately improve the performance of local governments (Wardhani et al., 2017). GGG is necessary to realize a healthy and highly competitive country

that can sustainably create added value through responsible resource management so that state credibility and global competitiveness are built. GGG is internalized in government agencies (local governments). Governance is a process, and new public management is an output (Nofianti, 2016; Peters & Pierre, 1998).

GGG positively affects the performance of local governments (Jauhari et al., 2015; Nofianti & Suseno, 2014; Susanto et al., 2015). The principles of transparency, accountability, and public participation affect the performance of local governments but are not significant. Fairness and accountability significantly affect the government's performance (Pratolo et al., 2018). The competence of local government officials and the professionalism of government internal control officials positively affect the implementation of GGG and performance accountability (Nofianti & Suseno, 2014). Good governance impacts public service delivery quality (Susanto et al., 2015). Transparency is influenced by audit opinions and the political environment and contributes to the quality of financial statements (Adiputra et al., 2018). Some studies explain that the competence of human resources determines the quality of financial statements. Corruption control is related to people's happiness, which can create good governance (Matei & Enescu, 2013). Effectiveness, political stability, corruption prevention, and regulatory quality affect human development (Philip & Daganda, 2013).

Based on the report on the results of the examination of local government financial statements in 2015-2020 shows an increase in the quality of audit opinions provided by the Financial Audit Agency. However, the amount of non-compliance with laws and regulations and the number of corruption cases has increased, which shows that the implementation of GGG has not gone well.

Other research on GGG has no impact on local government performance (Hutapea & Widyaningsih, 2017). The principles of transparency, accountability, and participation play no role in the performance of local governments. Most of the GGG research measured using 9 (nine) dimensions: namely participation, legal culture, transparency, responsiveness, the orientation of community interests, justice, efficiency and effectiveness, accountability, and strategic vision.

GGG with 9 dimensions has the disadvantage that it has not accommodated human resources as an element of GGG. Therefore, this research includes a novelty or one-dimensional novelty, namely human development, as a basis for consideration to realize an advanced and competitive Indonesia both regionally, nationally, and internationally and has high public service innovation, so that district and city governments must prepare for human development, with the hope of better local government governance.

The addition of this principle of human development is based on several things: a) the president's directive in the National Development Plan Deliberation (Musrenbangnas) is to realize nation-building the main focus is human development, b) research results that explain that human development has an important role in alleviating poverty and improving welfare (Amaluddin et al., 2018), c) Furthermore, human development's economic, social, and environmental aspects focus on balancing intragenerational well-being and maximizing well-being (Liu & Lin, 2012), d) Good governance can sustain human development, which means human development can be considered in policy (Quang-Thanh, 2017), and e) some countries use the good governance index, using elements of human development, for example: the Ibrahim Index of African Governance, the World Governance Index (Kaufmann et al., 2011).

The GGG measurement uses 10 dimensions, namely the addition of the human development dimension. With this addition, it is hoped to strengthen GGG, measuring local government performance using minimum service standards. The difference between this study and previous research is the addition of human development dimensions in measuring GGG using the calculation instrument of GGG, then the measurement of local government performance so far uses the performance evaluation score of local government administration, the efficiency of regional spending, public

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service delivery, but in this study performance measurement is measured with minimal service standards.

2. Methods

The study includes data on the calculation of the Performance Evaluation of Local Government Implementation sourced from the Ministry of Home Affairs of the Republic of Indonesia, aspects of policymakers that are used as the basis for compiling a good governance index, and finally, the performance of local governments measured from the performance achievement component of aspects of policy implementation, which include: minimum service standards. The time dimension needed in this study was panel data covering 2018 to 2020 with a population of 1542 people (514 local governments). The sampling method was purposive sampling, with some criteria not being met, so the number of samples that met the criteria was 268 governments, counties, and cities, or 804 samples.

Local government performance measurement instruments are measured using minimum service standards, including six dimensions: a) educational affairs; b). health affairs; c). public works and spatial planning; d). public housing and settlement areas; e). matters of peace, order, and protection of society, and f). social affairs. Furthermore, good governance is measured using the GGG Index, using dimensions: a). participation, b). legal culture, c). transparency, d). responsiveness, e). orientation of public interest, f). justice, g). efficiency and effectiveness, h). accountability, i). strategic vision, and j). human development.

Human development as a novelty is measured using the budget of the Regional Apparatus Work Unit, the number of national programs, and the number of development planning documents in the education, health, and employment sectors. The control variables in this study are a). shopping area, b). regional revenues, and c). area status, the main data analysis method used is Structural Equation Modeling Partial Least Square (SEM PLS) analysis. The reasons for choosing SEM PLS as the main analytical tool are a). the full power analysis method because it can be applied to all data scales and does not require assumptions, b). can be used for structural modeling with reflective or formative indicators, c). can see the relationship of manifestation variables (indicators) with dimensions and latent variables (endogenous and exogenous. To answer the hypothesis, Good Government Governance significantly affects local government performance. By using the main analysis, the empirical model of the equation is:

$$LGP = \alpha_0 + \beta \, GGG + e \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (1)$$

To find out the role of human development in realizing GGG and its effect on the performance of local governments is to use a sensitivity test. The sensitivity test will be carried out by comparing the coefficient of determination (R2) before and after the addition of the human development dimension measured through 9 indicators, with the hope that after the addition of this dimension, the role of good governance will be stronger more significant.

An additional analysis used in this study is the regression analysis of panel data, hoping that this analysis can later strengthen the hypothesis testing results from the SEM-PLS analysis results. The panel data regression model equation is:

$$LGP_{it} = \beta_0 + \beta_1 GGG_{it} + \beta_2 TRE_{it} + \beta_3 TLR_{it} + \beta_4 RS_{it} + \text{\euro}_{it} \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (2)$$

3. Results and Discussion

Table 1 shows that the minimum average value was 1.07, and the maximum average is 4.0. Then the average value was 3.65, and the average standard deviation was 0.59. That is, the data quality is said to be good because the average value was greater than

the average value of the standard deviation. This also happens in all dimensions of GGG.

Table 1. Descriptive Statistics of Variable Dimensions of GGG

Dimension	N	Range	Minim	Maxim	Mean	Std. Deviation	Variance
Participation	804	3.00	1.00	4.00	3.40	1.03	1.06
Legal Culture	804	3.00	1.00	4.00	3.98	0.20	0.04
Transparency	804	3.00	1.00	4.00	3.98	0.17	0.03
Responsiveness	804	3.00	1.00	4.00	3.51	1.11	1.22
Importance Orientation	804	3.00	1.00	4.00	3.80	0.59	0.35
Justice	804	3.00	1.00	4.00	3.85	0.47	0.22
Efficiency and effectiveness	804	3.00	1.00	4.00	3.15	0.65	0.42
Accountability	804	3.00	1.00	4.00	3.63	0.57	0.33
Vision Strategy	804	3.00	1.00	4.00	3.40	0.71	0.51
Human Development	804	2.30	1.70	4.00	3.81	0.39	0.15
Average	804	2.93	1.07	4.00	3.65	0.59	0.43

Source: *Data Processing Results (2022)*

Human development is measured through the education sector (SKPD budget, number of national programs, and development planning documents), b). health sector (SKPD budget, number of national programs, and development planning documents), and c). employment sector (SKPD budget, number of national programs, and number of development planning documents.

Table 2 shows that the average score of GGG indicators in general over the past three years has increased. GGG's increased indicators are participation, responsiveness, fairness, accountability, strategic vision, and human development. The district and city governments have provided the best service for the six indicators. The indicators that have declined since the last two years are: legal culture, transparency, public interest orientation, and effectiveness and efficiency.

Table 2. Trend of Changes in Score Dimensions of GGG

Dimension	Average Score		
	2018	2019	2020
Participation	3.37	3.61	3.71
Legal Culture	3.70	3.77	3.75
Transparency	3.96	3.99	3.98
Responsiveness	3.17	3.17	3.22
Importance Orientation	3.34	3.49	3.47
Justice	3.47	3.51	3.52
Efficiency and effectiveness	3.10	3.30	3.08
Accountability	3.61	3.73	3.76
Vision Strategy	3.21	3.40	3.57
Human Development	3.48	3.64	3.70
Average Trend/Year	3.44	3.56	3.58

Source: *Data Processing Results (2022)*

The highest average value is the transparency dimension of 3.98, with indicators of the existence of government social media that the public can access, the existence of a personnel information system, and the existence of e-procurement, while the lowest average score is the responsiveness dimension of 3.22, which is measured by the timeliness of determining the Regional Revenue and Expenditure Budget, the ratio of civil servants to residents, and the conformity of the Regional Apparatus Work Unit (SKPD) with the Republic of Government Regulation Indonesia No. 41 of 2007.

Referring to the distribution of answers for each indicator, overall, the average answer with a score of 1 (the lowest answer) is 62 samples. The average answer with a score of 4 (the highest answer) is 597 samples, with an average achievement

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percentage of 87.96. This means that most of the sampled answers lead to the highest answer (4), while 12.04% are spread over 3.2, and 1 answer.

Table 3 shows that with a total sample of 804, the average value range is 86.78, the minimum average value is 13.22, and the maximum average value is 100.00. Then the average value is 72.66, and the average value of the standard deviation is 18.42. That is, the quality of the data is said to be good since the average value of the average is greater than the average value of the standard deviation. This is also the case with the six dimensions used to measure the performance of local governments.

Table 3. Descriptive Statistics Distribution of Performance Variable Dimensions

Dimension	N	Range	Minim	Maxim	Mean	Std. Deviation	Variance
Education Affairs	804	70.74	31.03	100.00	77.03	13.01	169.27
Health Affairs	804	84.26	15.74	100.00	82.27	15.73	247.41
Public Works and Spatial Planning	804	83.40	16.60	100.00	67.39	19.30	372.67
Public Housing and Residential Areas Affairs	804	87.33	12.67	100.00	77.42	16.50	272.14
Public order peace and community protection Affairs	804	87.17	12.83	100.00	76.20	15.32	234.65
Social Affairs	804	91.73	8.27	100.00	60.03	25.23	636.49
Average	804	86.78	13.22	100.00	72.66	18.42	352.67

Source: *Data Processing Results (2022)*

The performance score (Table 4) from 2018 to 2020 has improved, with the highest score of 78.30. This shows that the local government has provided basic services to the community well. Over three years, all dimensions of government performance improved. The highest average score for the government performance dimension is education affairs, which is 92.42. The lowest score is public works affairs, which is 63.60.

Table 4. Trend of Change in Performance Dimension Score

Dimension	Average Score		
	2018	2019	2020
Education Affairs	89.97	93.39	92.42
Health Affairs	84.93	88.02	90.62
Public Works and Spatial Planning	62.24	60.85	63.60
Public Housing and Residential Areas Affairs	81.99	83.50	86.32
Public order peace and community protection Affairs	66.02	66.84	69.08
Social Affairs	58.28	60.79	67.75
Average Trend/Year	58.28	60.79	67.75

Source: *Data Processing Results (2022)*

Measurement of local government performance with six dimensions consisting of 32 indicators. The average score was 80.13 (78.30), then the highest score was 99.72 (92,42), namely on the Advanced School Rate (APS) SD/MI indicator, and the lowest score was 35.92 on the green open space indicator per unit area with the status of building rights management.

Table 4 shows that the highest average trend was 78.30, the lowest score for each dimension of social affairs was 58.28, and the highest dimension score was Education at 93.39.

In the measurement model analysis, all the outer loading values on the manifest variable on the dimension construct and the outer loading value of the dimension construct on the good governance variable are above 0.7. However, there are some whose value above 0.5 is still maintained because it produces a reliable construct value. For example, the human development dimension of the nine valid indicators is only three because it has an outer charge above 0.708, namely PM 5 and PM 6, while the outer load of PM 9 is 0.546. However, its reliability is met The AVE value produced

in each construction of the dimensions and variables of good governance is also above the value of 0.5, so it can be said that the convergent validity of the variables of good governance and its manifestations is met. All the squared values of the correlation between the latent constructs < the AVE of each of the related constructs, so it can be said that the latent variables of good governance meet the validity of the discriminant (Fornell & Larcker, 1981).

In the analysis of the Measurement Model, all the outer loading values on the manifest variable on the dimension construct, as well as the outer loading value of the dimension construct on the good governance variable, are above 0.7, So it can be said that the convergent validity of the variables of good governance and its manifestations is met. All the squared values of the correlation between the latent constructs < the AVE of each of the related constructs, so it can be said that the latent variables of good governance meet the validity of the discriminant (Fornell & Larcker, 1981).

The results of the revision of the measurement model on the Local Government Performance variable can produce validity and reliability parameter values that meet the rule of thumb. All external loading values on manifest variables on the dimension construct and outside loading values on dimensional construction on Local Government Performance variables are above 0.7. The resulting AVE value on each dimension construct and the Local Government Performance variable is also above the value of 0.5, so it can be said that the convergent validity of the Local Government Performance variable and its manifestations are met. This means that the second order cannot be used to construct the Local Government Performance variable, but the first order is used. Structural Model Analysis, Figure 1. indicates that all indicators on each variable are statistically significant (T-value > 1.96), meaning that all indicators in the model can explain latent variables. The final result of the direct relationship between GGG and KPD was 0.589, with a statistical t of 21.147. The complete tabulation of the test results of the overall structural equation model (full model) is described based on the path coefficient or the relationship between latent variables.
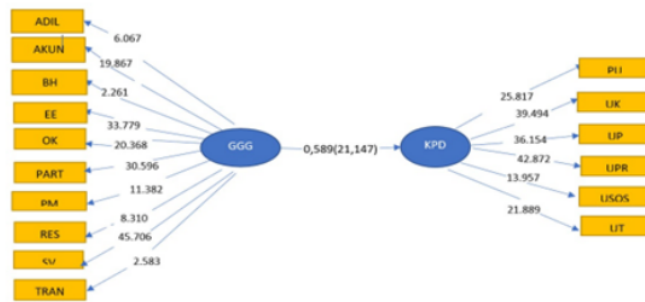

Figure 1. Structural Model of GGG Effect on LGP

Table 5 shows that the better 'good government governance' will be, the better the performance of local governments. These results show the dominant influence of good governance on the performance of local governments. Sensitivity testing is performed to determine changes or differences in influence before the Human Development dimension is included in the GGG variable and after the PM dimension is included in the GGG variable, using simple regression models before the addition of dimensions of human development.

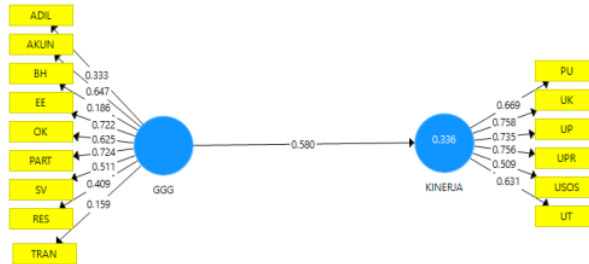**Table 5.** Value of Path Coefficients, T-Statistics Significance, P-Value

Relationship	Predicted Sign	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Information
GGG -> LGP	+	0.589	0.591	0.028	21.147	0.000***	Accepted

Note: *) 0.05 significance value, **) 0.025 significance value, ***) 0.001 significance value

Source: Data Processing Results (2022)

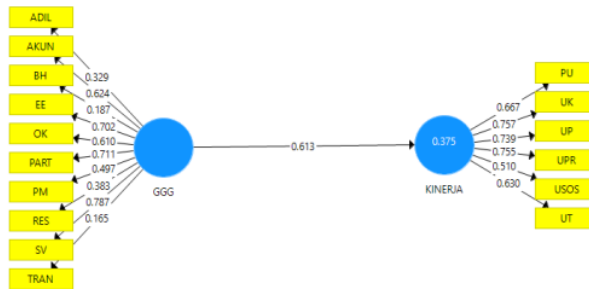Sunardi, Djazuli, Handayani, Hidayat, Saksono. (2022). Jurnal Bina Praja, 14(3), 571–582

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Before the PM dimension was included, the GGG variable had an effect of 0.580 on the performance of local governments, with a coefficient of determination (R2) of 0.336. Model after the addition of dimensions of human development.

Figure 2. Structural Model Before the Addition of the Human Development Dimension

Source: *Data Processing Results (2022)*

Figure 3. Structural Model After the Addition of Dimensions of Human Development

Source: *Data Processing Results (2022)*

After the human development dimension was included as an element of GGG, the GGG variable had an effect of 0.613 on the performance of local governments with a coefficient of determination (R2) of 0.375. This means that GGG's role in improving local governments' performance is getting bigger. Meanwhile, with the addition of the human development dimension, most other dimensions have also decreased. This condition indicates that the inclusion of PM dimensions will weaken the role of each dimension in explaining GGG variables. Thus, with the addition of the dimension of human development, the influence of GGG on the performance of local governments is getting bigger, and the coefficient of determination (R2) is getting bigger. This proves that the dimension of human development as a novelty is acceptable.

Table 6. Coefficient of Control Variable GGG

Dependent Variables		Local Government Performance	
Independent Variables	Expected Sign	Coefficient	Sign
Constant		16.005	0.001
GGG	+	0.680	0.000
Control variables			
TBD	+	0.382	0.000
TPAD	+	0.326	0.000
SD	+	0.393	0.000
F. Test Sign		0.000	
Adjusted R Square		0.174	
N		804	

Source: *Data Processing Results (2022)*

Additional analysis using panel regression to examine the effect of GGG on local government performance, along with three control variables, can be seen in Table 6.

The test results prove that the hypothesis is accepted. This shows that the greater the good government governance index, the better the performance of local governments. The results of this study are in line with the findings that is increase cost efficiency (Agwor & Akani, 2017; da Cruz & Marques, 2014; Pratolo et al., 2018; Said et al., 2016; Shah, 2014; Sharma et al., 2014; Wardhani et al., 2017). GGG can reduce the inefficiency of government spending, cost efficiency to maintain or achieve effectiveness according to local government priorities, public service delivery, citizen empowerment, transparency, and accountability, and a good GGG can reduce the level of fraud. However, it requires the competence and professionalism of the local apparatus. Structure, performance, and related indicators are the main scope in organizing local government work. This aspect is then easily used by the public in assessing the performance of the government (James & Van Ryzin, 2017). In its development, this concept can become important concepts such as responsiveness and transparency (Bearfield & Bowman, 2017). Strategies to increase government transparency can be carried out by forming organizational collaborations. This is considered more broadly conducive to the creation and circulation of knowledge. Second, a collaboration between organizations operating in the same area will provide different but complementary services. Third, cooperation between similar public institutions in the same geographic area can increase the efficiency of economies of scale (Arsandi, 2022).

The performance of local governments is the achievement of government results on mandatory affairs related to basic services. This means that the better the implementation of GGG in local governments, the mandatory affairs of basic services can be provided properly, effectively, and fairly. In addition to the poor implementation of GGG, the mandatory affairs of basic services cannot be achieved properly. Local government is key to providing basic services and as an engine of local development (Reddy, 2016). The government, in this case, has an important role in organizing an effective and efficient education system oriented towards mastering science and technology and evenly distributed throughout the country (Firdaus et al., 2022). The success of the government can be seen from its public services (Hidayat et al., 2022).

The addition of the dimension of human development in the variable of GGG as a novelty, it is proved that the influence of GGG on the performance of local governments is getting stronger (0.580 to 0.613) as well as the coefficient of determination (R2) is getting bigger (0.336 to 0.375), this shows that the addition of human development through planning documents, national work programs, and budgets can increase regional and state competitiveness so that it will have an impact on improving standards minimum service in Indonesia.

Human development through education affairs can increase accountability, transparency, participation, fairness, and responsiveness. This is also in line with research results. Education positively affects performance accountability (Erawan et al., 2021). Human development can improve a person's education and competence, thereby reducing cheating. On the other hand, the quality of transparency in the city is better than in the district, thus, human resources in the city government are better (Sunardi et al., 2020). In the current era of globalization, Indonesians demand increased accountability, transparency, and community participation. One of the applications of information technology to realize more professional government services and support the industrial revolution 4.0 is the E-Government (Rahmadany, 2021). The existence of e-government is a form of the demands of the times and political demands of policy issuance (Huda & Yunas, 2016). Thus, inevitably the central and local governments and their ranks must prepare all the resources to build such a system.

Web-based budget allocation information is a manifestation of transparency and accountability of local governments in allocating budgets so that the public knows the funds spent for the needs and interests of the community. The results of this study indicate that to achieve the performance of local governments, regional heads must

behave well in the public interest and manage the resources mandated by the people to maximize the community's prosperity. In other words, according to stewardship theory, the government must implement GGG properly so that basic services can be provided to the community properly. This result was reinforced by the increase in the average answer score across all dimensions of GGG, followed by an increase in the average answer score of local government performance for three years.

In line with the theory of stewardship (Donaldson & Davis, 1991), Regional heads run their organizations for the benefit of the organization, not the interests of individuals, so they must adopt the spirit of new public management, which is intended to improve the administration of public services by applying good governance. In line with the objectives of good public governance, among others, it is to: a) encourage the effectiveness of state organizers based on the principles of democracy, transparency, accountability, legal culture, and fairness and justice, b). encourage the implementation of legislative functions and supervision of executives, judiciary, and non-structural institutions to carry out their duties and authorities based on high moral values and compliance with legislation, c). encourage the emergence of awareness and responsibility to advance and prioritize the welfare of the people, d) increase the competitiveness of a healthy and high nation (Jatmiko & Lestiawan, 2016).

The importance of having and practicing good governance and honest and competent government institutions is an important condition for economic progress and strengthening people's welfare (Rasul & Sharma, 2014). Economic aspects seem to drive the need for good governance performance (Rincón-Moreno et al., 2021). This is understandable if we see the existence of the concept of governance as one of the demands of the development of the world monetary economy, where the presence of a well-managed government will have an impact on effectiveness and efficiency in managing the life sector (Nurdin et al., 2021).

4. Conclusion

Good governance has a positive and significant effect on the performance of local governments. This condition shows that the greater the index of good governance, the higher the performance of local governments. The addition of the dimension of human development to good governance with nine indicators (education SKPD budget, health SKPD budget, labor SKPD budget, number of national education programs, number of national health programs, number of national programs in the field of employment, education planning documents, field planning documents, health and employment planning documents) turned out to have a stronger influence than before the addition of dimensions. The coefficient of determination is also getting bigger. Good governance with ten dimensions is expected to be an instrument for measuring new variables of good governance, improving community welfare and regional and national competitiveness.

Sustainable human development can strengthen Good Government Governance. The theoretical implication is that adding a dimension of human development strengthens legal culture, transparency, and strategic vision. The policy implication for local governments is the development of existing institutions or new institutions to evaluate the implementation of GGG, considering that the average score of the good governance index in certain districts and cities is still relatively low. Practical implications, as a guide in the ranking of good governance.

Recommendations for local governments, Good Government Governance, must be implemented from the lower level to the highest level of government, not a compulsion but a necessity. Furthermore, human development becomes part of Good Government Governance to realize high national/regional competitiveness.

1. Chancellor of Muhammadiyah University of Palembang
2. Chairman of the Institute for Research and Community Service, University of Muhammadiyah Palembang Students who have helped in calculating the Good Government Governance Index

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