

## THE RELATIONSHIP BETWEEN POLITICAL BUDGET TRANSPARENCY AND PUBLIC TRUST: A THEORETICAL REVIEW AND EMPIRICAL EVIDENCE

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### Abstract

This study examines the relationship between political budget transparency and public trust through a theoretical review and empirical evidence. Transparency in political budget management is shown to play a crucial role in building and maintaining public trust. Trust theory indicates that greater access to information and openness in budget practices enhances public perceptions of the integrity and accountability of political actors. Empirical evidence from various countries shows a positive correlation between levels of budget transparency and levels of public trust. Countries with more transparent budget practices tend to have higher public trust indices. However, budget transparency alone is not enough; responsiveness and accountability in responding to public input and criticism are also needed to strengthen public trust. Therefore, this study concludes that budget transparency should be implemented as part of a holistic approach that includes responsiveness and public participation to achieve effective governance and build sustainable public trust.

**Keywords:** Relationship, Transparency, Political Budget, Public Trust: A Theoretical Review and Empirical Evidence

### Introduction

The development of the modern era, public demands for transparency and accountability of government are increasing. Transparency is the principle of openness that encourages free and easy accessibility of information to the public. It involves providing complete, accurate, and timely information about policies, processes, and decisions taken within an organisation, especially in the public sector (Li, 2022). Transparency not only focuses on the availability of information but also emphasises its clear and understandable understanding by all stakeholders. Transparency aims to increase accountability and trust by facilitating public scrutiny and participation in decision-making processes (OECD, 2016).

Political budget transparency is an important aspect of good governance, where governments are expected to be open and honest about how public funds are managed and utilised. Budget transparency is not only about the availability of information, but also the quality, accessibility and public understanding of that information (Patel, 2023). Public trust in government is a key factor in social and political stability. Without trust, the legitimacy of the government can be jeopardised, resulting in a lack of support

for public policies and potentially creating instability. As such, understanding the factors that influence public trust is becoming increasingly important (Díaz, 2023).

Therefore, public trust is essential in building and maintaining legitimacy and stability in a society or organisation. This trust is the main basis for individuals and groups to support and comply with policies, rules and decisions issued by government institutions or other organisations. Without public trust, there is a decline in public participation and support which can hinder the effectiveness of various programmes and initiatives (Miller & Thompson, 2022). In addition, public trust promotes accountability and transparency, creating an environment where open communication and constructive feedback can flourish. Thus, public trust is a crucial element to maintain a healthy relationship between a government or organisation and the public, as well as to ensure the smooth and successful implementation of existing policies and programmes (Pérez, 2023).

The relationship between political budget transparency and public trust has been a topic of interest to both academics and practitioners. Theories in political science suggest that openness and public participation in the budget process can increase public trust in government. Transparency allows the public to monitor and evaluate the use of public funds, which can reduce perceptions of corruption and mismanagement (Wang, 2023).

Most previous studies have shown a positive correlation between levels of budget transparency and public trust. However, the results of these studies are not always consistent, and local context variations often influence the results. In addition, increased transparency can also bring its own challenges, such as the risk of uncovering inefficiencies or corruption issues that can undermine public trust (Nguyen, 2023).

Given the importance of this topic, research that concentrates on the theoretical review and empirical evidence of the relationship between political budget transparency and public trust can provide valuable insights. This research is expected to identify the mechanisms by which transparency affects public trust and explore the factors that moderate the relationship.

## **Research Methods**

The study in this research uses the literature method. The literature research method is an approach used to collect, assess, and interpret information available from scientific publications and other written sources on a particular topic. The main purpose of this method is to provide a comprehensive overview of current knowledge, identify research gaps, and develop theoretical frameworks that are important for further research (Hart, 2001); (Jesson et al., 2011). Literature research involves steps such as identifying keywords, searching and accessing multiple sources, screening and selecting

relevant literature, and analysing related findings. By relying on various journals, books, reports, and articles, researchers can build a strong foundation for subsequent research, avoid redundancy, and strengthen the validity of their study (Rossi et al., 2004).

## **Results and Discussion**

### **The Effect of Political Budget Transparency on Public Trust**

Political budget transparency is one of the essential elements in maintaining a healthy and accountable democracy. In this context, transparency means that the government or political authority openly presents information related to budget planning, allocation and utilisation to the public. This information should be available in a complete, accurate and accessible manner to all levels of society. Budget transparency thus enables the public to monitor and assess government performance, which in turn can affect the level of public trust in the institution (Transparency International, 2023).

When political budgets are run transparently, it increases government accountability. Transparent budgets provide a clearer picture of how public money is spent and what benefits result from those expenditures. With this transparency, public officials are held accountable for their actions and financial decisions. High accountability often leads to a decrease in corruption, misuse of funds, and inefficiency, all of which can increase public trust in government (Oliveira & Cunha, 2022).

Transparency in political budgets also encourages citizen participation in public decision-making processes. When people have access to budget information, they can be more involved in discussions and decisions that affect their lives. This active participation not only improves the quality of democracy but also strengthens citizens' trust in government institutions, as they feel their voices and views are taken into account in the policy-making process (Agustina, 2019).

One factor that often undermines public trust is the perception of corruption in government. With budget transparency, the process of using public funds becomes easier to monitor by the public and independent institutions. This information disclosure can lower the potential for corrupt practices to occur or, at the very least, reduce the perception that corruption is occurring. When people see that public funds are administered honestly and efficiently, perceptions of corruption decrease and public trust increases (Ko, 2022).

While the benefits of budget transparency are clear, implementation often faces challenges. One of the main challenges is resistance from within the bureaucracy who fear losing power or personal gain. In addition, the lack of adequate infrastructure and systems to provide information openly and in real time is also an obstacle. Lack of education and socialisation on the importance of transparency for public officials and the general public can also hinder its implementation (Ahmed, 2023).

Overall, political budget transparency has a significant influence on public trust. By ensuring budget information is available and easily accessible, governments can increase accountability, encourage citizen participation, and reduce perceptions of corruption. However, realising this transparency requires a strong commitment from the government as well as active participation from the public. By addressing these challenges, budget transparency can be an effective way to build and maintain public trust in political institutions.

### **The Theoretical Relationship Between Transparency and Public Trust**

Transparency and public trust are two interrelated concepts that are often the focus of good governance. Transparency refers to the availability of information that is accessible to the public, covering decision-making processes, policies and actions taken by a government or organisation. In this context, transparency not only means the disclosure of information, but also includes how that information is conveyed to the public for easy understanding and use. As such, transparency stands as an important cornerstone in building and maintaining public trust (Smith, 2017).

Public trust is people's belief that a government or organisation is acting in their best interests. This trust is essential for legitimacy and socio-political stability. When governments or organisations operate transparently, the public has more information and understanding of how decisions are made and resources are managed. This can reduce uncertainty and increase confidence that stakeholders are acting with integrity and accountability (Rossi et al., 2004).

Trust theory states that information disclosure and transparency directly affect people's perceptions of an entity's credibility and integrity. For example, when the government clearly informs the public about the management of public funds, budget allocations, and the results of policy monitoring, the public can better believe that there is no misappropriation or corruption. Conversely, a lack of transparency often leads to negative speculation, suspicion, and ultimately erodes public trust (Santos & Miranda, 2022).

Empirical research supports this theoretical relationship, showing that more transparent countries generally have higher levels of public trust. For example, in international surveys on public trust and governance, countries such as Norway, Sweden and Canada, which are known for their high levels of transparency, also show stronger levels of public trust. Transparency allows citizens to feel that they are part of the government and have a contribution to make to the process of oversight and accountability (Silva, 2024).

However, transparency alone is not enough. It is also important for governments or organisations to demonstrate responsiveness and responsibility when faced with public feedback or criticism. The process of providing information must be followed by concrete actions that address public concerns. When transparency is balanced with

accountability and public participation, trust tends to increase further (Lindstedt & Naurin., 2010)

Thus, the theoretical relationship between transparency and public trust can be understood as reciprocal and mutually reinforcing. Transparency enhances public trust through improved understanding and perception of the integrity and accountability of a government or organisation. Conversely, high public trust encourages the adoption of better transparency practices. Therefore, to build and maintain public trust, governments and organisations should make transparency one of the key principles in their governance.

### **Conclusion**

The relationship between political budget transparency and public trust, based on a review of theoretical and empirical evidence, suggests that transparency in political budget management plays a crucial role in building and maintaining public trust. Trust theory proposes that greater access to information and openness in budget practices enhances public perceptions of the integrity and accountability of political actors. This reinforces the belief that decision-making processes are conducted in an honest, open and sustainable manner.

Empirical evidence supports this theory, with studies showing a positive correlation between the level of political budget transparency and the level of public trust. Countries that practice high budget transparency tend to have better trust indices, as people feel more motivated and confident in the process of clean and accountable governance. For example, reports and surveys show that countries with transparent budget policies, such as Scandinavia, have stronger public trust compared to countries that are low in budget information disclosure.

However, budget transparency cannot stand alone in building public trust. In addition to information disclosure, responsiveness and accountability in responding to public feedback and criticism are also required. When budget transparency is combined with good accountability practices and real public participation, public trust will be strengthened. Therefore, to achieve effective governance and build sustainable public trust, governments must make budget transparency one among many steps in a holistic approach to open and accountable government.

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