Fiscal Transparency Online and Public Trust: An Exploratory Study on Baimiao Township Government

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Abstract

It is widely believed that fiscal transparency by means of information and communication technologies (ICTs) will ensure public trust in the digitalization era. However, there is little empirical knowledge about the effects of such online fiscal transparency practices, and why they should occur, in non-Western countries. We investigate the empirical relationship between fiscal transparency online and public trust by undertaking a trace processing case study on the Baimiao township government from Sichuan province in mainland China. The findings reveal that fiscal transparency online may result in better public trust in China. However, improvement in stakeholders' trust depends on the local development leapfrogging rather than political accountability. Moreover, the use of ICTs plays a vital role in attracting and inspiring multiple stakeholders during this process to mitigate the intense state-society

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relations. Correspondingly, governmental performance might be improved dramatically if government's capacity for resource mobilization and people's sense of gain can be enhanced to make successful use of ICTs and image building online. This paper contributes to the literature through the finding that ICTs can be used to mitigate the state-society relations regarding the impact of fiscal transparency on public trust in China in the digital governance era.

China's rapid modernization has been accompanied by tense state-society relations, as rural inhabitants tend not to trust grassroots government.[1] Despite this pervasive and difficult-to-resolve issue, there is hope across the globe that transparency will help to improve trust in government in the era of digital governance.[2] Nevertheless, little is known about how local governments rebuild public trust by promoting transparency in non-Western countries.

In China, the central government has made unprecedented efforts in the past few decades to implement public access to financial information.[3] In 2007, the State Council of China launched the "Regulation of Open Government Information" (State Regulation of OGI), which requires almost all public-sector bodies to release their fiscal information. After the 18th Party Congress, the Chinese central government issued a set of policies to facilitate good governance in rural area through digitalization, such as the "Internet Plus Action Plan" of 2015, "Social Credit System Construction Plan" (2014–2020), and "Digital Village Development Strategic Plan."[4] Since then, more and more local governments have begun to utilize information and communication technologies (ICTs) for quality governance. For instance, observers of Chinese politics note that local governments have developed online communication channels such as the mayor's hotline, the official Weibo, and electronic petition platforms via WeChat or other social media.[5] Regarding fiscal transparency, a number of local government began to disclose fiscal information online, even including the highly sensitive local debt information since 2019, to restore declining public trust from the bottom up. Today, various kinds of ICTs are used by the government to alleviate the information asymmetry within the bureaucracy, prompting socioeconomic development and mitigating social unrest. In other words, ICTs have made it easier for the public to access government-related information and scrutinize cadres.[6]