



Contents lists available at ScienceDirect

The Social Science Journal

journal homepage: www.elsevier.com/locate/soscij



What citizens want to know about their government's finances: Closing the information gap

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ARTICLE INFO

Article history:

Received 4 February 2015

Received in revised form 21 April 2016

Accepted 29 April 2016

Available online xxx

Keywords:

Public participation

Citizen engagement

Financial reporting

Information gap

ABSTRACT

There is an information gap between citizens and their governments when it comes to government finances. The inherent complexity of fiscal policy makes it exceedingly difficult for effective public participation. Effective public participation in fiscal decision making must address informing or educating the citizenry with accurate and meaningful government financial data. Better understanding citizen wants and perceptions is critical to closing the information gap between users and providers of financial information. This study uses information gathered from focus groups with residents of Norfolk, Virginia that asks what government financial information they want and how to make that information useful. Results suggest that citizens are interested in some types of information over others and that such information must be timely, made relevant and contextualized.

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1. Introduction

As early as 2004, Osborne and Hutchinson (2004) point to local, state and federal governments facing their worst fiscal crises since World War II. The fiscal crises have worsened following the burst of the housing bubble and the subsequent economic recession. In the face of, and likely precipitated by, recent fiscal crises, citizens are demanding greater public accountability, particularly regarding stewardship of public resources. Results of the American National Elections Studies show declining values of trust in government. In 2008, the trust in government index was 26, the lowest value since 1958 (American National Election Studies, 2010b). For the same year, 72% of survey respondents agreed that people in the government waste a lot of money paid in taxes (American National Election Studies, 2010a). In contrast, in 2002, the value of the trust in government index was 42, and only 48% of those surveyed thought

that people in the government waste a lot of money paid in taxes.

An important question, then, is: How can governments increase citizen trust, enhance accountability, and improve citizen perceptions of government performance? One possible answer would be to better engage the public in the process of government decision making, especially with regard to fiscal policy. After all, decision and policy solutions with the greatest correspondence with public values will be the most publicly attractive and acceptable, thus being easier to implement and administer (Walters, Aydelotte, & Miller, 2000). Engaging citizens and incorporating public participation into the decision making process for determining solutions to the fiscal crises could potentially increase citizen support for different solutions and alleviate public concerns about government waste. But, citizens need to be educated and informed before they can effectively engage in decision making and governance. Yet, for many policy issues, such as fiscal policy, citizens often lack access to the necessary information to be thus educated and informed.

The premise of this study is three-pronged. First, by better understanding the information desires of citizens

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as they relate to government fiscal policy, administrators will be better equipped to address the information gap between users and providers of government financial information. Second, by providing citizens with information they want and can access, public participation is more likely to be effective. Finally, encouraging citizen engagement and incorporating public participation into the fiscal policy process could potentially increase citizen support while at the same time alleviating public concerns about government waste.

In order to examine the information gap between citizens and administrators, the study asks the following research question: What government finance information do citizens want? This study answers these questions by conducting in-depth qualitative research utilizing citizen focus groups. The findings highlight the types of information that citizens want, the need for relevance and context, and information timeliness that depends on information source and purpose.

The next section discusses the literature that supports the research premise that citizens are lacking information necessary for them to effectively participate in fiscal decision making. It describes the research gap and highlights the relevance of the research question. A discussion of the qualitative research methodology follows, then a discussion of the results in terms of citizens' perception of the necessary information to be informed. Finally, the conclusion summarizes the findings, introduces the possible role of popular financial reporting, raises implications for policy and practice, and issues a call for further research.

2. Background

2.1. The role of public participation

With the increasing shift from government to governance, the role of public participation, especially at the local level has evolved significantly from traditional hierarchical decision making structures (Bingham, Nabatchi, & O'Leary, 2005). From an organizational perspective, this shift presents a number of unique opportunities and challenges. The extant literature on public participation suggests that public involvement may facilitate policy and decision making through educating the public, assessing and measuring public acceptance of certain policy alternatives, and legitimizing final outcomes or decisions. By encouraging participation and designing mechanisms to promote engagement, administrators can both better educate citizens and be more responsive to their needs and concerns (Denhardt & Denhardt, 2003). Empowering and including citizens in the policy decision process can facilitate cooperation between government and citizenry in a manner that can provide a more efficient use of resources and a more representative expression of the public will (Bovaird, 2007). Public participation may serve as a way to persuade citizens to support a particular policy, legitimize policy decisions, build public trust, and create alliances with citizens and interest groups that can help to solve public problems (Irvin & Stansbury, 2004). Through public participation, awareness can be increased, fostering a more transparent, engaged, and collaborative

partnership between citizens and administrators (Mergel, 2015).

Burby (2003) suggests several reasons for involving the public in decision making. These include: (1) generating information, understanding, and agreement on problems and their solutions; (2) educating public stakeholders about poorly understood problems and policy issues; (3) empowering these stakeholders with a sense of ownership; and (4) generating political support that reduces controversy and creates support for implementation of the decision or solution. All four reasons underscore the role of public participation in overcoming the current public distrust of government, enhancing accountability, and improving citizen perceptions of government. Franklin and Ebdon (2007) suggest that such public participation helps citizens understand how public resources are spent, provides a venue for citizens to offer input, and increases their ability to evaluate the performance of government officials.

2.2. Effective public participation

Designing and incorporating public participation has long been a challenge for local government administrators (Bryson, Quick, Slotterback, & Crosby, 2013). In examining the tension between public participation and organizational stability, MacNair, Caldwell, and Pollane (1983) call local government participation "an exchange that follows the principles of power and reciprocity" (p. 521). When local government is strong it is more likely to "avoid citizens...to maintain organizational stability" yet when an agency has little power it is more likely to turn to citizens to build up organizational strength (p. 521). A key challenge in either case is how "to bring about mutual understanding, minimize or resolve potential disputes, and achieve consensus on a course of action" (Franklin & Ebdon, 2007, p. 34).

Effective public participation "implies more than simply finding the right tools and techniques for increasing public involvement in public decisions... it requires rethinking the underlying roles of, and relationships between, administrators and citizens" (King, Feltey, & Susel, 1998, p. 317). Administrators must design structures that both encourage and take advantage of civic engagement in a way that appeals to and makes the process meaningful for citizens (Denhardt & Denhardt, 2003). Ebdon and Franklin (2004) identify timely input as a necessary criterion for effective public participation. Officials must create processes so that citizens receive information in a timely manner for meaningful interaction and participation in decision making. Recent technological advances and web-based participation mechanisms have effectively lowered the barrier to public participation (Robbins, Simonsen, & Feldman, 2008). For their part, citizens are expected to be informed participants (Weeks, 2000), but even then, broad representation is imperative in order to balance out the potential concern of the process being co-opted by a few particularly charismatic or partisan individuals (Irvin & Stansbury, 2004). Whereas participation has been found to positively impact citizen perceptions and trust in government (Cook, Jacobs, & Kim, 2010), some questions remain over whether

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