



Public Perceptions of Local Budget Governance and SDG Implementation in West Sulawesi

Ardiansyah Ardiansyah* and Andi Ratna Sari Dewi

Hasanuddin University, Makassar, Indonesia
*ardiansyah24a@student.unhas.ac.id

Abstract. This study investigates the relationship between budget transparency, public participation, and trust in government in shaping the perceived effectiveness of local government budgets in achieving Sustainable Development Goals (SDGs), with empirical evidence from West Sulawesi, Indonesia. Drawing from agency theory and participatory governance frameworks, the research employs a quantitative survey method involving 200 respondents and analyzes the data using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings demonstrate that both transparency and participation significantly and directly influence citizens' perceptions of budget effectiveness. Moreover, trust in government functions as a significant mediator, strengthening the indirect pathways from transparency and participation to budget effectiveness. These results underscore the importance of citizen-centered governance in achieving SDG-related outcomes, particularly in emerging regions with institutional constraints. However, contextual analysis reveals challenges in the implementation of digital governance initiatives, inconsistency across government units, and issues of symbolic rather than substantive public participation. These limitations potentially weaken trust and compromise policy legitimacy. This study contributes to the literature by integrating empirical governance data with public perception and sustainability objectives, highlighting the conditional nature of governance effectiveness. Future research should consider longitudinal and comparative analyses across provinces to better understand how participatory and transparent governance can support long-term development goals.

Keywords: Budget Transparency, Public Participation, Trust In Government, SDGs, Local Governance.

1 Introduction

Achieving the Sustainable Development Goals (SDGs) at the local level critically depends on the quality of public financial governance. Local budgets are not merely fiscal instruments, they are strategic tools for directing inclusive, equitable, and sustainable development. In this context, transparent and participatory budgeting practices are essential for enhancing policy effectiveness, resource efficiency, and public trust in local governments [1, 2, 3].

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However, the implementation of good governance principles in public budgeting remains a significant challenge in many regions of Indonesia, particularly in underdeveloped areas such as West Sulawesi. Limited access to budgetary information, low levels of civic engagement, inadequate technological infrastructure, and entrenched bureaucratic culture continue to constrain meaningful public participation and fiscal transparency [5, 6, 7]. These shortcomings are particularly concerning, as existing studies consistently demonstrate that citizen participation in budgeting improves policy legitimacy, accelerates alignment with local needs, and fosters accountability [7, 1, 8].

Public trust in local government has emerged as a critical mediating factor in linking governance practices with budgetary effectiveness. Research has shown that transparency and citizen participation significantly influence public trust, which in turn enhances the perceived effectiveness of budget allocations, particularly in relation to achieving SDG-related outcomes [9, 10]. Yet despite the strategic importance of these relationships, there remains a substantial research gap. Most empirical studies in Indonesia still emphasize administrative or economic dimensions of budgeting, while neglecting the public's perception and its implications for sustainable development—especially in the eastern provinces [11, 10].

Furthermore, studies that integrate governance variables with the SDG framework using robust empirical models such as Structural Equation Modeling - Partial Least Squares (SEM-PLS) are extremely limited. This methodological gap limits our understanding of how citizens' trust mediates the relationship between governance attributes and the broader effectiveness of public financial management.

Against this backdrop, this study aims to examine the influence of budget transparency and public participation on trust in local government, and how this trust subsequently affects the perceived effectiveness of local budget management in supporting SDG achievement. Using SEM-PLS and primary survey data from residents in West Sulawesi, this study makes several contributions. First, it addresses a critical gap in the literature by empirically linking citizens' perceptions of budget governance with sustainable development outcomes. Second, it offers a novel integration of public governance theory and the SDG framework through a perception-based empirical model. Third, the study provides evidence-based policy insights that can help strengthen participatory and trust-driven fiscal governance at the local level.

2 Literature Review

2.1 Budget Transparency and Public Trust: Agency Theory and Empirical Evidence

Budget transparency has long been regarded as a foundational element in building public trust and enhancing governmental accountability. Within the framework of agency theory, transparency functions as a control mechanism in the principal-agent relationship, where citizens (as principals) delegate authority to elected officials and bureaucrats (as agents). This delegation inherently generates information asymmetry and potential misalignment of interests, especially in public budgeting, which involves complex technical decisions and substantial resource allocation. To address this

asymmetry, budget transparency allows citizens to access, monitor, and evaluate fiscal decisions, thereby increasing the government's accountability and legitimacy.

Agency theory posits that transparency reduces the risk of opportunistic behavior by aligning the incentives of agents with the expectations of principals through public oversight. When governments disclose budgetary information in an accessible and timely manner, it enables external scrutiny and strengthens institutional checks and balances. This relationship has been empirically demonstrated across diverse national contexts. A cross-country study by Bisogno and Cuadrado-Ballesteros [12] revealed a significant positive correlation between budget transparency and the overall quality of governance. In their findings, countries with higher transparency levels were consistently associated with stronger accountability systems, better service delivery, and higher public confidence in government institutions.

In addition to its theoretical grounding, recent empirical studies offer compelling evidence of the practical benefits of transparency in public finance. Transparency not only contributes to improved governance outcomes but also plays a critical role in fostering public trust. Citizens are more likely to place confidence in institutions that operate openly and provide clear justifications for their spending decisions. Cuadrado-Ballesteros and Bisogno [13] argue that budget transparency contributes directly to the enhancement of human development outcomes by improving the alignment between public expenditure and societal needs. These benefits are particularly pronounced in decentralized systems where local governments are directly responsible for service provision and resource management. Mahdalena, Andry, and Haliah [8] add that local budget orientation, when guided by clear, transparent policy frameworks, strengthens the perceived fairness and responsiveness of fiscal decisions, especially in the context of limited regional fiscal capacity.

The digitalization of government processes further amplifies the impact of transparency. E-government initiatives, such as online budget portals and participatory planning platforms, have become increasingly relevant in expanding citizen access to financial information. Bisogno, Cuadrado-Ballesteros, and Santis [14] show that digital tools significantly improve budget transparency by lowering technical barriers to information and facilitating real-time public engagement. E-participation technologies not only democratize access to data but also enable citizens to participate more actively in monitoring budget implementation, thereby reinforcing trust and policy responsiveness. Yusuf, Haliah, Kusumawati, and Irwansyah [15] underscore that in Indonesia, the adoption of digital tools such as e-budgeting systems has led to higher service efficiency and increased citizen satisfaction with local governance—benefits that are particularly visible in regions undergoing bureaucratic modernization.

These findings are particularly relevant in the context of emerging economies and underdeveloped regions, where institutional capacity remains a concern. In places like West Sulawesi, transparency initiatives could serve as a cost-effective and impactful strategy to rebuild civic trust and improve governance effectiveness. When citizens are informed and involved, they are more likely to perceive local budgets as credible instruments for delivering development outcomes—especially those aligned with the Sustainable Development Goals (SDGs). Farhana, Labdhameirina, and Mediaty [16] emphasize that the application of digital systems in public management, such as e-

HRM, not only supports internal efficiency but also acts as a structural catalyst for enhancing outward transparency and accountability.

In sum, both theoretical and empirical literatures converge on the view that budget transparency is a crucial lever for improving public sector performance. Rooted in agency theory, transparency addresses systemic inefficiencies by reducing information asymmetries and promoting accountability. Empirical studies support its multifaceted impact—not only in enhancing governance quality and citizen trust, but also in contributing to broader human development and institutional resilience. These insights reinforce the argument that transparency must be at the heart of any public finance reform aimed at achieving sustainable development, particularly in decentralized and resource-constrained environments.

2.2 Public Participation and Trust: Policy Legitimacy in Developing Countries and Rural Development

Public participation plays a vital role in enhancing the legitimacy of government decisions, fostering public trust, and improving the overall effectiveness of development policy—particularly in developing countries and rural areas where institutional capacity and civic engagement are often limited. It is increasingly recognized not merely as a democratic ideal but as a practical instrument to strengthen the relationship between governments and citizens, especially in contexts where public institutions face a legitimacy deficit. Through participatory mechanisms, communities are empowered to voice their needs, engage in co-creation processes, and hold decision-makers accountable.

Within the context of public financial management, participation enhances the quality of governance by embedding citizens into budget planning and monitoring processes. Guarini et al. [1] note that participatory governance is critical to localizing the Sustainable Development Goals (SDGs), as it aligns development priorities with actual community needs. When citizens actively engage in budgetary decision-making, such as through participatory budgeting, it fosters a sense of ownership and inclusion. This, in turn, legitimizes policy choices and reinforces public trust in local governments. Similar findings were also presented by Bednarska-Olejniczak et al. [7, 17], who demonstrated that participatory budgeting in rural Poland not only improved development outcomes but also catalyzed civic mobilization and trust-building.

In their empirical work, Bednarska-Olejniczak and colleagues found that local grant schemes and village-level participatory budgets created accessible platforms for civic engagement, especially among previously passive populations. Transparent procedures and the absence of excessive bureaucracy allowed communities to propose, evaluate, and implement local initiatives, resulting in a tangible increase in both trust and perceived government responsiveness. The participatory model proved particularly effective in supporting SDG-related targets, such as inclusive institutions, improved quality of life, and sustainable rural development.

This perspective aligns with findings from Indonesian studies. Hamzah et al. [6] and Aziz & Wediyanto [4] emphasize that local governments' financial performance is closely linked to the degree of public involvement in budgeting and planning. Their

work highlights that transparency without participation may not suffice to build public trust, as citizens must also feel that their input shapes policy outcomes. In Sulawesi and other eastern provinces, however, participation remains hampered by bureaucratic inertia, limited digital access, and weak institutional frameworks. Such constraints hinder the transformative potential of participatory governance and reinforce public skepticism.

In parallel, Hasan et al. [10] and Hartanto et al. [9] reinforce the mediating role of trust in policy implementation. Their studies show that trust serves as a bridge between citizen participation and policy effectiveness, especially when governments demonstrate responsiveness and inclusiveness. In the absence of trust, participatory practices risk being perceived as tokenistic or symbolic. Conversely, when participation is authentic, citizens are more likely to perceive government policies as legitimate and effective.

Taken together, these findings suggest that participatory governance must be situated within a broader institutional context that prioritizes openness, responsiveness, and mutual accountability. Participation is not merely an administrative formality but a relational practice that builds trust over time. This is particularly relevant in the Indonesian context, where decentralization has expanded local fiscal authority, but challenges remain in building the civic infrastructure needed to sustain inclusive policymaking.

In conclusion, public participation functions as a key enabler of policy legitimacy and trust in local governance. Grounded in both international and Indonesian empirical evidence, it has been shown to strengthen the quality of development interventions and bridge the gap between policy intent and public perception. In underdeveloped and rural regions such as West Sulawesi, fostering participatory mechanisms that are transparent, accessible, and genuinely influential may serve as a critical strategy to support SDG achievement and rebuild public confidence in government institutions.

2.3 Trust as a Mediator between Governance and Perceived Budget Effectiveness for Achieving the SDGs

Public trust is increasingly acknowledged as a critical mediating variable that links governance quality to policy outcomes, particularly in the context of public budgeting and the pursuit of the Sustainable Development Goals (SDGs). Trust functions not merely as an abstract sentiment but as a mechanism through which citizens interpret, support, or resist policy implementation. In recent governance literature, the role of trust has gained prominence due to its capacity to translate institutional transparency and participation into perceived legitimacy and policy effectiveness.

Drawing from empirical evidence, numerous studies have affirmed that good governance practices—particularly transparency, accountability, and public participation—exert a positive influence on trust in government institutions. This trust, in turn, enhances the perceived effectiveness of budgetary decisions and increases public support for policy initiatives. For instance, Mansoor [18] demonstrates that the provision of quality public information, especially during periods of uncertainty such as the COVID-19 pandemic, significantly boosts public trust and encourages

compliance with government policy. Similarly, Hong et al. [20] emphasize that knowledge and perceived efficacy of public policies are strongly mediated by trust in government, underscoring trust's role as a bridge between governance inputs and citizen acceptance.

In the specific context of SDGs, trust plays a decisive role in shaping the perception of governmental efforts toward sustainable development. Governance practices aligned with openness, inclusiveness, and digital innovation are vital in creating an enabling environment for trust to flourish. Meuleman [20] and Massey [21] argue that SDG achievement, especially SDG 16 (Peace, Justice, and Strong Institutions) and SDG 17 (Partnerships for the Goals), is contingent upon the presence of strong, trustworthy institutions that foster collaborative governance and policy coherence.

Further empirical insights by Zhang et al. [22] confirm that citizens' support for sustainability agendas is shaped not only by their knowledge of SDGs but also by their trust in the institutions tasked with delivering them. In their study, trust amplifies the positive effects of SDG-related awareness on policy acceptance. In a similar vein, Lyulyov et al. [23] demonstrate that e-governance systems can significantly enhance public trust by increasing transparency, minimizing bureaucratic friction, and fostering a participatory digital environment. These technological advances, when combined with institutional commitment to openness, help position trust as a cornerstone of sustainable development governance.

Crucially, trust mediates the pathway through which governance attributes affect the perceived effectiveness of local budget allocations. Citizens are more likely to perceive budgetary spending as effective and aligned with community needs when it is administered by institutions they trust. This perception, in turn, influences their support for long-term development policies, including those targeting environmental resilience, poverty alleviation, and inclusive infrastructure—core pillars of the SDG framework.

In developing and decentralized contexts such as Indonesia, this relationship becomes even more critical. Studies by Hartanto et al. [9] and Hasan et al. [10] show that in regions with limited institutional capacity, trust becomes the essential connective tissue between participatory processes and tangible development results. Without trust, even well-designed governance reforms may fail to elicit the public cooperation required for policy success.

In conclusion, trust is a pivotal mediating force that connects governance quality to perceived policy effectiveness, especially in fiscal matters linked to SDG achievement. Good governance practices, supported by transparency, citizen engagement, and digital innovation, lay the groundwork for trust. This trust, in turn, enhances citizens' acceptance of government policies, their perception of budgetary impact, and their willingness to participate in sustainable development efforts. In regions such as West Sulawesi, where public skepticism and governance gaps persist, fostering institutional trust must be viewed as a strategic imperative for SDG localization and fiscal legitimacy.

2.4 Hypotheses Development

Transparent and participatory governance is expected to enhance citizens' perception of budget effectiveness. Transparency enables public monitoring and accountability [12], while participation promotes ownership and policy alignment [7].

- H1: Budget transparency has a positive and significant effect on perceived budget effectiveness.
- H2: Public participation has a positive and significant effect on perceived budget effectiveness.
- Citizens are more likely to trust public institutions when governance practices are inclusive and transparent [1, 6]. Trust, in turn, becomes a key intermediary in interpreting governance legitimacy.
- H3: Budget transparency has a positive and significant effect on public trust in local government.
- H4: Public participation has a positive and significant effect on public trust in local government.
- Trust is posited to act as a mediator that channels the effects of governance variables toward perceived policy effectiveness. When people trust their institutions, they are more inclined to evaluate public budgeting as legitimate and effective in meeting SDG targets [20, 23].
- H5: Budget transparency positively affects perceived budget effectiveness through the mediation of public trust.
- H6: Public participation positively affects perceived budget effectiveness through the mediation of public trust.

3 Methodology

This study employed a quantitative survey approach targeting the general public in West Sulawesi, Indonesia, aiming to examine the structural relationships between budget transparency, public participation, institutional trust, and perceived budget effectiveness in supporting Sustainable Development Goals (SDGs). Data were collected using a structured questionnaire with a five-point Likert scale, comprising three to five indicators per construct, adapted from prior validated instruments [24, 25]. A sample of 200 respondents was selected through stratified sampling based on administrative regions to ensure proportional representation and generalizability [26]. Data analysis was conducted using Structural Equation Modeling based on Partial Least Squares (SEM-PLS) with SmartPLS v4 software, which is particularly suitable for predictive, non-normal, and survey-based data structures in public governance studies [25, 27]. Measurement validity and reliability were assessed through outer loadings, Average Variance Extracted (AVE), Cronbach's Alpha, and discriminant validity [2], while mediation effects were tested using bootstrapping with 5,000 resamples to determine the significance of indirect paths [25]. This methodological approach aligns with contemporary practices in social policy research, offering robust and flexible

estimation for complex governance models in decentralized public administration contexts.

4 Result

The evaluation of the proposed model was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0. The analysis consisted of two main stages: the assessment of the measurement model (outer model) to test the validity and reliability of indicators, and the structural model (inner model) to examine the significance of hypothesized relationships between constructs, including direct and mediated effects.

Table 1. Demographic Profile of Respondents

Demographic Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	102	51.0%
	Female	98	49.0%
Age Group	18–25 years	45	22.5%
	26–35 years	63	31.5%
	36–45 years	52	26.0%
	46 years and above	40	20.0%
Education Level	High School	38	19.0%
	Bachelor’s Degree	104	52.0%
	Postgraduate	58	29.0%
Occupation	Civil Servant	45	22.5%
	Private Sector	66	33.0%
	Entrepreneur	43	21.5%
	Other	46	23.0%

Source: Primary Data (2025)

The measurement model evaluation demonstrated that all constructs met the criteria for convergent validity and reliability. As shown in Table 2, all indicator loadings exceeded the minimum threshold of 0.700, and the Average Variance Extracted (AVE) for each construct was above 0.500, confirming convergent validity [25, 26]. Additionally, the composite reliability (CR) and Cronbach’s Alpha values for all constructs were greater than 0.700, indicating high internal consistency. Discriminant validity was also confirmed through the Fornell-Larcker criterion, with the square root of AVE for each construct being higher than its correlation with other constructs.

Table 2. Measurement Model Evaluation

Construct	Indicators	Outer Loading	AVE	CR	Cronbach’s Alpha
Budget Transparency	BT1	0.812	0.648	0.875	0.798

Construct	Indicators	Outer Loading	AVE	CR	Cronbach's Alpha
Public Participation	BT2	0.833	0.671	0.887	0.813
	BT3	0.790			
	BT4	0.803			
	PP1	0.825			
	PP2	0.801			
	PP3	0.837			
	PP4	0.802			
Trust in Government	TR1	0.826	0.683	0.891	0.823
	TR2	0.819			
	TR3	0.849			
	TR4	0.808			
Perceived Budget Effectiveness	PBE1	0.844	0.695	0.897	0.832
	PBE2	0.826			
	PBE3	0.864			
	PBE4	0.812			

Source: Primary Data (2025)

The structural model assessment confirmed the significance of four out of six hypothesized direct relationships (refer to Table 3). Budget Transparency exhibited a positive and statistically significant effect on both Trust in Government ($\beta = 0.354$, $t = 5.201$, $p < 0.001$) and Perceived Budget Effectiveness ($\beta = 0.311$, $t = 4.268$, $p < 0.001$). Likewise, Public Participation was found to have a significant and positive influence on Trust in Government ($\beta = 0.326$, $t = 4.786$, $p < 0.001$) and Perceived Budget Effectiveness ($\beta = 0.287$, $t = 3.965$, $p < 0.001$). These findings demonstrate that both transparency and participation serve as critical drivers of trust and perceived performance. Additionally, Trust in Government positively affected Perceived Budget Effectiveness ($\beta = 0.326$, $t = 5.112$, $p < 0.001$), reinforcing its role as a mediating and predictive construct within the model.

Table 3. Structural Model Results

Hypothesis	Direct Path	Path Coefficient (β)	t-value	p-value	Result
H1	Budget Transparency → Budget Effectiveness	0.311	4.268	< 0.001	Supported
H2	Public Participation → Budget Effectiveness	0.287	3.965	< 0.001	Supported
H3	Budget Transparency → Trust in Government	0.354	5.201	< 0.001	Supported
H4	Public Participation → Trust in Government	0.326	4.786	< 0.001	Supported

Source: Primary Data (2025)

These results validate hypotheses H1 through H4, showing robust direct paths between both transparency and participation with trust and perceived budget effectiveness.

The mediation analysis using bootstrapping (5,000 resamples) revealed significant indirect effects of both Budget Transparency and Public Participation on Budget Effectiveness through Trust in Government (see Table 4). Specifically, the indirect effect of Budget Transparency via Trust was significant ($\beta = 0.137$, $t = 3.482$, $p < 0.001$), as was the indirect effect of Public Participation through Trust ($\beta = 0.126$, $t = 3.091$, $p = 0.002$). These results support hypotheses H5 and H6, indicating that Trust in Government partially mediates the relationships between governance variables and perceived effectiveness of budgeting for sustainable development goals (SDGs).

Table 4. Mediating Effect of Trust in Government

Hypothesis	Indirect Path	Indirect Effect (β)	t-value	p-value	Result
H5	Budget Transparency \rightarrow Trust in Government \rightarrow Budget Effectiveness	0.137	3.482	< 0.001	Supported
H6	Public Participation \rightarrow Trust in Government \rightarrow Budget Effectiveness	0.126	3.091	0.002	Supported

Source: Primary Data (2025)

Together, these findings highlight the critical mediating role of trust in translating good governance practices into improved public perception of budget performance and alignment with local SDGs priorities.

5 Discussion

The findings of this study offer important theoretical and practical insights into the dynamics of local governance, public trust, and budget effectiveness in the context of sustainable development goals (SDGs), particularly in underrepresented regions such as West Sulawesi. The results confirm that both budget transparency and public participation have significant and positive effects on the perceived effectiveness of budgeting for SDGs. Moreover, trust in government serves as a meaningful mediating variable in both relationships, aligning well with the theoretical propositions drawn from agency theory and participatory governance frameworks.

The significant influence of budget transparency on trust and perceived effectiveness reinforces the argument that openness in fiscal matters enhances accountability, reduces information asymmetry, and enables citizens to better evaluate government performance. This is consistent with prior empirical research showing how transparency improves the quality of governance and fosters public confidence [28, 29]. In West Sulawesi, initiatives such as SIPAMANDAR and SPBE reforms are examples of digital-based transparency tools. Yet, the uneven implementation across government units, especially the performance gap between provincial agencies and institutions such as the DPRD, reflects a systemic challenge that threatens the perceived credibility of

such reforms. This mirrors findings in other studies that highlight how partial transparency can generate skepticism rather than trust [6, 9].

Similarly, public participation also demonstrates a significant positive relationship with both trust and perceived budget effectiveness. This aligns with previous research suggesting that meaningful citizen engagement leads to greater ownership, policy legitimacy, and institutional trust, particularly in rural and developing settings [7, 18]. However, in the case of West Sulawesi, the findings also expose a paradox: despite high electoral participation, substantive involvement in budgetary planning remains largely symbolic. This resonates with existing literature on participatory distortion in top-down planning systems, where citizens are more often passive recipients than active shapers of development priorities [4, 1]. As such, the challenge is not simply to promote participation, but to improve its quality and impact. Tokenistic participation may not only fail to strengthen public trust but may actively erode it.

The mediating role of trust in government further underscores its pivotal function in linking governance processes with citizen perceptions. The findings are consistent with studies by Mansoor [18] and Hong et al. [19], which show that public trust emerges as a consequence of good governance practices and, in turn, facilitates stronger public support for government programs. In the context of SDGs, this mechanism is particularly vital: without trust, citizens are less likely to support long-term developmental policies or perceive budget allocations as effective and fair. The trust pathway validated here echoes the foundational logic of SDG 16, which emphasizes strong institutions, transparency, and participatory decision-making as critical enablers of sustainable development [20, 21, 22].

Nevertheless, the mediation effect of trust is not immune to disruption. In West Sulawesi, instances of corruption and uneven implementation of e-governance tools illustrate the fragility of institutional trust. The case of misappropriated funds in projects like Stadion Manakarra has the potential to undermine even the most well-intentioned transparency initiatives. As noted by Lyulyov et al. [23], the success of e-governance depends not only on technological sophistication but also on political commitment, cross-sector collaboration, and consistent policy enforcement. Trust, while essential, is easily eroded by institutional failures, and rebuilding it requires more than digital platforms—it necessitates demonstrable accountability.

Taken together, the findings suggest that while the conceptual model connecting governance, trust, and effectiveness holds theoretical validity, its empirical manifestation is highly context-dependent. In West Sulawesi, the intended impacts of transparency and participation are often constrained by structural and cultural barriers, including bureaucratic inertia, public skepticism, and fragmented implementation. These results reaffirm the argument that governance is not simply a matter of institutional design, but also of execution quality, citizen perception, and political will. Ultimately, achieving budget effectiveness for SDGs requires more than reform declarations. It demands a sustained effort to embed transparency, enable meaningful participation, and build trustworthy institutions that are responsive to the evolving needs of society.

6 Conclusion

This study examined the complex relationships between budget transparency, public participation, trust in government, and perceived budget effectiveness in the context of sustainable development goals (SDGs), using empirical data from West Sulawesi. The findings underscore that both transparency and participation significantly contribute to how citizens perceive the effectiveness of local budgeting, supporting the foundational premises of agency theory and participatory governance. Moreover, the mediating role of trust in government was validated, highlighting its critical function in translating good governance into perceived policy success.

While the statistical results offer strong theoretical support, the contextual realities of West Sulawesi reveal key implementation challenges. High political participation is not matched by substantive involvement in budgeting processes, and ongoing issues such as fragmented digital governance and corruption undermine the positive impacts of transparency and participation. These findings suggest that in order to achieve meaningful progress toward the SDGs, especially SDG 16 (strong institutions) and SDG 17 (partnerships), governments must go beyond formal compliance and foster genuine public trust through consistent policy execution, inclusive engagement, and credible anti-corruption efforts.

This research contributes to the literature by integrating public perception, SEM-PLS analysis, and SDG-oriented governance in a regional Indonesian context—an area often underrepresented in global academic discourse. Future studies are encouraged to replicate and extend this model across other provinces, incorporating longitudinal data and mixed-method approaches to better capture the dynamics of institutional change and its real impact on sustainable development.

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