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The role of transparency in influencing revenue generation, public participation, and allocation efficiency in Ghana

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Abstract---Transparency in governance plays a crucial role in promoting accountability, efficiency, and citizen engagement. However, its impact on revenue generation, public participation, and allocation efficiency remains underexplored in the Ghanaian context. This study examines the mediating role of transparency in shaping these governance outcomes. The study aims to assess how transparency influences revenue generation, public participation, and allocation efficiency in Ghana. It also explores the extent to which institutional quality, economic development, and political stability interact with transparency to shape governance outcomes. The study employs quantitative secondary data analysis spanning from 2010 to 2022, sourced from the World Bank, the Bank of Ghana, and international governance indices. The data is analyzed using descriptive statistics, correlation analysis, stationarity tests, and multiple regression models to establish the relationship between transparency and governance performance. The results reveal that transparency significantly enhances public participation while showing a positive but marginally insignificant effect on revenue generation. However, transparency alone does not significantly influence allocation efficiency without strong institutional and political

frameworks. Economic development negatively affects both revenue generation and allocation efficiency, highlighting governance challenges in growing economies. The study recommends strengthening digital transparency initiatives, enhancing institutional quality, and integrating emerging technologies like AI-driven audits and blockchain-based public finance tracking. Additionally, policies should promote participatory governance to enhance citizen engagement while ensuring that transparency reforms are embedded in broader governance structures.

Keywords---Transparency, Governance, Revenue Generation, Public Participation, Allocation Efficiency, Ghana, Institutional Quality, Economic Development, Political Stability.

Introduction

Transparency is a fundamental principle of good governance that ensures accountability, enhances trust, and fosters public confidence in government institutions (Harrison & Sayogo, 2014). It entails making government decisions, financial transactions, and policies accessible, comprehensible, and publicly available (Rios, Guillaón, & Benito, 2024). In an era of increasing demands for accountability and public trust, transparency has emerged as a crucial determinant of governance effectiveness (Nagriwum et al., 2023). Governments that embrace transparency are better positioned to prevent corruption, improve decision-making, and enhance overall governance outcomes (Aziz & Wediyanto, 2024).

In many developing countries, particularly Ghana, challenges related to governance transparency persist despite significant policy efforts to promote open governance (Nagriwum et al., 2023). Corruption, mismanagement of public funds, and limited access to government information continue to undermine governance efficiency (Muthomi & Thurmaier, 2021). As Ghana continues its efforts toward digitalization and e-governance, understanding the role of transparency in local governance is essential to ensure that technological advancements translate into tangible governance improvements (Kim & Lee, 2017).

Transparency in revenue collection systems fosters public confidence, improves tax compliance, and enhances government revenue generation capacity (Saadu, Yerima, & Jamo, 2023). When government financial activities are openly accessible, taxpayers are more likely to comply with tax obligations, reducing tax evasion and fraud (Salman et al., 2022). For example, studies in West Africa indicate that transparency in tax revenue collection significantly boosts government income by minimizing leakages and enhancing public trust (Rotimi & Abdul-Azeez, 2013).

Furthermore, in Ghana, weak financial transparency has been linked to revenue losses in both local and national tax systems (Nagriwum et al., 2023). Corruption and lack of accountability within tax administration offices deter voluntary tax compliance, which hinders revenue mobilization (Touchton, Wampler, & Peixoto,

2021). Implementing robust transparency mechanisms, such as open budget initiatives and digital tax platforms, can enhance tax collection efficiency and ensure that government revenues are properly utilized (Harrison & Sayogo, 2014). Public participation in governance is a fundamental aspect of democracy that enhances citizen engagement in decision-making processes (Kim & Lee, 2019). Transparency facilitates public participation by providing access to information that empowers citizens to engage in governance affairs actively (Kim & Lee, 2012). When governments openly communicate policies, budgets, and development plans, citizens are more likely to contribute to governance processes and demand accountability (Arkorful et al., 2021).

In Ghana, transparency plays a significant role in fostering participatory governance at both the local and national levels. A lack of information and opaque government operations have historically hindered citizen involvement in governance activities (Seetharam Sridhar et al., 2020). However, transparency initiatives such as e-governance platforms, online citizen engagement forums, and public consultations have increased citizen participation in governance matters (Tran & La, 2022). Moreover, research indicates that greater transparency leads to more inclusive decision-making processes, where citizens feel empowered to engage with government institutions (Rebolledo, Medina, & Rodriguez-Virgili, 2016). By promoting open governance, Ghana can strengthen citizen participation and reinforce democratic principles (Firman et al., 2024).

Allocation efficiency in governance refers to the optimal distribution of government resources to maximize public service delivery and development outcomes (Benito, Guillamón, & Ríos, 2021). Transparency ensures that public funds are allocated appropriately, reducing the risk of mismanagement and corruption (Yuniarta & Purnamawati, 2020). Research suggests that higher levels of fiscal transparency correlate with improved allocation efficiency in government spending (Røge & Lennon, 2018).

In Ghana, the misallocation of public funds remains a persistent governance challenge, particularly at the local government level (Cifuentes-Faura et al., 2023). Corruption, nepotism, and inefficient budgetary processes have led to suboptimal resource distribution, affecting essential services such as healthcare, education, and infrastructure (Bakhtiar, 2021). However, transparency mechanisms such as open budget reporting and public expenditure tracking can enhance allocation efficiency by ensuring that funds are directed toward their intended purposes (De Simone et al., 2019). Furthermore, transparency in procurement processes plays a crucial role in minimizing resource wastage and ensuring cost-effective public investments (Rocha Valencia, Queiruga, & González-Benito, 2015). By institutionalizing transparency measures, Ghana can improve fiscal management and ensure that government resources are allocated efficiently to meet the developmental needs of its citizens (Suwanda & Suryana, 2020).

Understanding the role of transparency in governance is particularly relevant for Ghana, where corruption and inefficiencies in public administration remain critical challenges (Nagriwum et al., 2023). As the country continues to implement digitalization initiatives, transparency will play a key role in determining the success of governance reforms (Kim & Lee, 2017). This study seeks to provide empirical insights into how transparency mediates the relationship between digitalization, revenue generation, public participation, and allocation efficiency.

Moreover, the study's findings will have significant policy implications, guiding local and national government institutions in designing transparency-enhancing mechanisms to improve governance outcomes (Harrison & Sayogo, 2014). By identifying the critical factors that influence transparency, policymakers can develop effective strategies to promote accountability, boost revenue generation, and enhance citizen engagement in governance processes (Aziz & Wediyanto, 2024). In essence, transparency is an indispensable element of effective governance, influencing revenue generation, public participation, and allocation efficiency. By addressing the existing gaps in governance transparency, Ghana can strengthen its democratic institutions and foster sustainable development. This study will contribute to the ongoing discourse on good governance by highlighting the transformative impact of transparency in shaping governance outcomes.

Objectives of the Study

The following are the objectives of the study:

1. To examine the role of transparency in influencing revenue generation
2. To examine the role of transparency in influencing public participation
3. To examine the role of transparency in influencing allocation efficiency

Literature Review

Transparency in governance is a fundamental pillar of democratic accountability, economic efficiency, and public trust in government institutions. It ensures that government operations, financial management, and decision-making processes remain open and accessible to the public, thereby reducing corruption and enhancing service delivery (Harrison & Sayogo, 2014). Across various governance dimensions, transparency plays a crucial role in revenue generation, public participation, and allocation efficiency. This literature review critically examines the influence of transparency on these governance aspects, with a particular focus on Ghana.

The Role of transparency in influencing revenue generation

Revenue generation is a critical function of government, as it ensures the availability of financial resources for public service delivery and infrastructure development. Transparency in tax collection, financial reporting, and public expenditure enhances the efficiency and effectiveness of revenue generation systems (Saadu, Yerima, & Jamo, 2023). When governments provide clear, accessible, and timely financial information, they build taxpayer confidence, reducing tax evasion and increasing voluntary compliance (Salman et al., 2022). Empirical studies have demonstrated that transparency significantly impacts tax revenue performance. For instance, a study by Rotimi and Abdul-Azeez (2013) on Nigeria's oil and gas industry revealed that enhanced transparency through initiatives like the Nigeria Extractive Industries Transparency Initiative (NEITI) led to increased tax compliance and improved revenue inflows. Similarly, Talib, Ismail, and Adelabu (2017) found that transparency in Malaysia's local government administration was a key factor in improving internally generated revenue. This suggests that in Ghana, where revenue leakages remain a

persistent problem, strengthening transparency mechanisms could significantly boost tax collection.

Moreover, transparency in revenue generation discourages corrupt practices within tax administration. Rios, Guillamón, and Benito (2024) argue that the presence of open data and public disclosure requirements reduces opportunities for bribery and fraud in tax systems. In Ghana, studies indicate that the lack of transparency in tax assessment and collection processes has contributed to revenue shortfalls (Nagriwum et al., 2023). Therefore, adopting transparent digital tax platforms, open budget initiatives, and public expenditure tracking systems could enhance government revenue collection efficiency.

Additionally, participatory budgeting and transparent financial reporting improve citizens' willingness to pay taxes (Touchton, Wampler, & Peixoto, 2021). When citizens are aware of how their tax contributions are utilized, they develop greater trust in government institutions, fostering a culture of tax compliance (Harrison & Sayogo, 2014). This underscores the importance of transparency in revenue generation and highlights the need for Ghanaian policymakers to integrate transparency-enhancing measures into their fiscal policies.

The role of transparency in influencing public participation

Public participation is a cornerstone of democratic governance, allowing citizens to engage in decision-making processes and hold government institutions accountable. Transparency is a prerequisite for meaningful public participation, as it ensures that citizens have access to relevant and accurate information necessary for informed decision-making (Kim & Lee, 2019). Governments that promote transparency through open data, participatory platforms, and freedom of information laws tend to experience higher levels of citizen engagement (Kim & Lee, 2012).

Several studies have highlighted the strong correlation between transparency and citizen participation. Kim and Lee (2017) emphasize that e-participation mechanisms, when accompanied by transparent governance structures, significantly enhance citizen trust and engagement. Similarly, Arkorful et al. (2021) found that in decentralized governance systems, transparency increases public trust, thereby encouraging citizens to participate actively in governance processes. In the Ghanaian context, decentralization reforms have sought to promote public participation, yet the lack of transparency remains a key impediment to effective citizen engagement.

Furthermore, transparency fosters inclusive governance by ensuring that marginalized groups have access to decision-making platforms. Seetharam Sridhar et al. (2020) argue that when governments provide clear and accessible information, they empower vulnerable populations to engage in governance processes. Research by Tran and La (2022) in Vietnam demonstrates that transparency in local governance improves trust in public institutions, increasing citizen participation in policy discussions and development projects.

In Ghana, limited access to government information has historically constrained citizen involvement in governance. Rebolledo, Medina, and Rodríguez-Virgili (2016) assert that governments with low transparency levels often experience

weak public engagement, as citizens are unable to monitor government actions effectively. To address this challenge, Ghana has introduced e-government platforms aimed at improving transparency and citizen engagement. Firman et al. (2024) emphasize that digital governance initiatives, when coupled with transparency-enhancing measures, lead to more participatory governance structures.

Moreover, participatory transparency in governance fosters trust between citizens and public officials. Muthomi and Thurmaier (2021) propose an engaged budgeting model where transparency serves as a mechanism for citizen oversight in local governance. This model is particularly relevant for Ghana, where local government authorities often struggle with accountability issues. Strengthening transparency mechanisms could enhance citizen participation in governance, ultimately leading to more inclusive and responsive policymaking.

The role of transparency in influencing allocation efficiency

Allocation efficiency refers to the effective distribution of government resources to ensure maximum public benefit. Transparency plays a vital role in resource allocation by minimizing corruption, improving financial accountability, and ensuring that funds are used for their intended purposes (Benito, Guillamón, & Ríos, 2021). Governments that uphold transparency principles are more likely to allocate resources based on public needs rather than political or personal interests (Yuniarta & Purnamawati, 2020).

Studies have demonstrated that transparency enhances fiscal efficiency by reducing public sector wastage. Røge and Lennon (2018) found that internal transparency mechanisms within local governments lead to more efficient budgeting and financial management practices. Similarly, Cifuentes-Faura et al. (2023) argue that transparency improves municipal governance by ensuring that public funds are allocated in a manner that maximizes developmental outcomes.

In Ghana, inefficiencies in resource allocation have been attributed to weak transparency measures. Bakhtiar (2021) points out that corruption and opaque budgeting processes have resulted in misallocation of public funds, affecting key sectors such as education, healthcare, and infrastructure. De Simone et al. (2019) suggest that fiscal transparency is critical in addressing these inefficiencies, as it promotes responsible financial management and reduces opportunities for fund misappropriation.

Additionally, transparency in procurement processes enhances allocation efficiency by ensuring competitive bidding and cost-effective public investments. Rocha Valencia, Queiruga, and González-Benito (2015) assert that transparent procurement policies prevent favoritism and wastage in government contracts, ultimately improving service delivery. In Ghana, reforms aimed at improving public procurement transparency, such as the establishment of the Public Procurement Authority (PPA), have been instrumental in curbing corruption and improving resource allocation.

Furthermore, transparency fosters public oversight of government expenditures. Suwanda and Suryana (2020) emphasize that when citizens have access to

budget reports and expenditure tracking mechanisms, they can hold public officials accountable for inefficient spending. This is particularly relevant for Ghana, where civil society organizations and watchdog groups have played a crucial role in advocating for greater fiscal transparency.

Theoretical Framework

A strong theoretical framework is essential for understanding the role of transparency in influencing revenue generation, public participation, and allocation efficiency in governance. The relationship between transparency and governance outcomes can be explained through various theories, including Agency Theory, Public Choice Theory, and Stakeholder Theory. These theories provide a foundation for analyzing how transparency enhances accountability, minimizes corruption, and fosters public engagement in governance.

Agency Theory and Transparency in Governance

Agency Theory, first introduced by Jensen and Meckling (1976), explains the relationship between principals (citizens) and agents (government officials) in governance. According to this theory, government officials act as agents who are entrusted with resources and responsibilities on behalf of the public, who are the principals (Eisenhardt, 1989). However, in the absence of transparency, agents may engage in opportunistic behavior, such as corruption, rent-seeking, or misallocation of public resources (Ross, 1973).

Transparency serves as a mechanism to reduce information asymmetry between government officials and the public, ensuring that agents act in the best interest of citizens (Fox, 2007). When governance structures are transparent, citizens have access to critical information about how public funds are managed, reducing the likelihood of financial mismanagement (Harrison & Sayogo, 2014). In the context of Ghana, weak transparency mechanisms have been associated with poor financial accountability, leading to revenue leakages and inefficient allocation of resources (Nagriwum et al., 2023).

Furthermore, studies have shown that implementing transparency measures, such as open budget reporting and e-governance systems, strengthens the principal-agent relationship by increasing government accountability (Aziz & Wediyanto, 2024). Therefore, within the framework of Agency Theory, transparency acts as a control mechanism that aligns the actions of government officials with public interests, ultimately enhancing revenue generation and allocation efficiency.

Public Choice Theory and Citizen Participation

Public Choice Theory, as developed by Buchanan and Tullock (1962), argues that political decision-making should be analyzed through an economic lens, where individuals act in self-interest (Mueller, 2003). This theory suggests that government officials, like market participants, seek to maximize their own benefits, which may not always align with the public interest (Downs, 1957). Consequently, a lack of transparency in governance can create opportunities for rent-seeking behavior, inefficiencies, and misallocation of resources (Ostrom,

1990). Transparency, however, mitigates these inefficiencies by enabling citizens to monitor government activities and participate in decision-making processes (Kim & Lee, 2019). Public Choice Theory suggests that when governments are transparent, citizens have the necessary information to make informed political choices, hold public officials accountable, and influence policy outcomes (Kim & Lee, 2012).

In Ghana, transparency deficits have historically limited citizen participation in governance (Arkorful et al., 2021). However, recent digitalization efforts have sought to bridge this gap by introducing e-participation platforms and open government initiatives (Tran & La, 2022). Research indicates that when citizens are well-informed about governance issues, they are more likely to participate in budgetary processes, policy debates, and electoral activities (Rebolledo, Medina, & Rodríguez-Virgili, 2016). Thus, within the Public Choice Theory framework, transparency strengthens public participation by equipping citizens with the knowledge and tools to engage in governance.

Stakeholder Theory and Resource Allocation Efficiency

Stakeholder Theory, first introduced by Freeman (1984), posits that organizations, including government institutions, must be accountable to multiple stakeholders rather than just shareholders. In governance, stakeholders include citizens, businesses, non-governmental organizations, and international development partners (Donaldson & Preston, 1995). The theory emphasizes that transparency enhances trust and cooperation among stakeholders, leading to more efficient decision-making and resource allocation (Mitchell, Agle, & Wood, 1997).

Transparency in government financial management ensures that resources are allocated in accordance with public priorities, minimizing corruption and inefficiencies (Benito, Guillamón, & Ríos, 2021). According to Cifuentes-Faura et al. (2023), municipal governments that adopt transparent budgetary practices experience higher levels of fiscal efficiency and reduced resource wastage. Similarly, Røge and Lennon (2018) argue that transparency in procurement processes prevents nepotism and promotes cost-effective public spending.

In the Ghanaian context, inefficiencies in resource allocation have been linked to a lack of transparency in public finance management (Bakhtiar, 2021). However, the introduction of e-procurement systems and digital expenditure tracking mechanisms has improved budgetary transparency, ensuring that public funds are utilized effectively (De Simone et al., 2019). Stakeholder Theory highlights the importance of inclusive governance, where transparency enables different stakeholder groups to contribute to resource allocation decisions, thereby enhancing governance efficiency (Rocha Valencia, Queiruga, & González-Benito, 2015).

Integrating Theoretical Perspectives in Governance Transparency

While Agency Theory explains how transparency mitigates information asymmetry between government officials and citizens, Public Choice Theory underscores the

role of transparency in fostering public engagement. Meanwhile, Stakeholder Theory highlights the importance of inclusive decision-making in ensuring efficient resource allocation. By integrating these theoretical perspectives, a more comprehensive understanding of transparency's role in governance can be developed.

In Ghana, the interplay of these theories is evident in the country's governance reforms. Digitalization efforts, aimed at enhancing government transparency, align with Agency Theory by ensuring accountability in financial management (Nagriwum et al., 2023). Similarly, the expansion of participatory governance mechanisms reflects the principles of Public Choice Theory, as citizens are increasingly involved in governance processes (Kim & Lee, 2017). Finally, Stakeholder Theory is applicable in efforts to promote inclusive decision-making through collaborative governance initiatives involving civil society and the private sector (Aziz & Wediyanto, 2024).

Moreover, the empirical evidence supports the notion that transparency is a key determinant of governance effectiveness. Studies indicate that countries with high levels of transparency tend to experience stronger revenue generation, greater citizen participation, and more efficient resource allocation (Harrison & Sayogo, 2014). By leveraging transparency-enhancing measures, Ghana can strengthen its governance structures, reduce corruption, and improve public service delivery.

In a nutshell, the theoretical framework of this study is grounded in Agency Theory, Public Choice Theory, and Stakeholder Theory. Each theory provides a distinct yet complementary perspective on the role of transparency in governance. Agency Theory highlights the importance of accountability in public financial management, while Public Choice Theory emphasizes the role of transparency in facilitating citizen participation. Stakeholder Theory, on the other hand, underscores the necessity of inclusive governance in resource allocation. Together, these theories provide a robust foundation for analyzing the impact of transparency on revenue generation, public participation, and allocation efficiency in Ghana. As the country continues to implement governance reforms, integrating transparency into public administration will be essential for achieving sustainable development. This theoretical framework will guide the empirical investigation of transparency's role in governance, offering insights into how policy interventions can be designed to enhance accountability, civic engagement, and efficient resource distribution.

Methods

Data Collection

This study employs a quantitative research approach, utilizing secondary data to examine the role of transparency in influencing revenue generation, public participation, and allocation efficiency in Ghana. The data will be sourced from the World Bank Open Data, Bank of Ghana Economic Reports, Our World in Data, and government transparency indices. These sources offer reliable and standardized metrics for governance performance and transparency (Willson & Miller, 2014). In order to ensure the accuracy and validity of data, a structured data collection approach will be employed, cross-referencing data from multiple institutional sources. This method enhances the credibility of governance-related statistics and minimizes inconsistencies (Morgan & Harmon, 2001). The dataset

spans 2010 to 2022, capturing temporal trends in transparency and governance outcomes (Mazhar et al., 2021).

Sample Population

The sample population consists of governance-related data covering 2010 to 2022, focusing on Ghana. This timeframe is chosen because it includes major policy shifts in governance transparency, digitalization, and fiscal reforms (Majid, 2018). The dataset includes annual measures of transparency indicators, revenue generation figures, public participation indices, and allocation efficiency metrics, sourced from government agencies, international organizations, and research databases (Stratton, 2021). This approach ensures that the sample reflects key governance trends and provides empirical evidence for analyzing transparency's impact.

Measures

The study employs structured variable measurements, with each governance component operationalized using standardized indices.

Table 1: Measurements of Variables

Variables	Definitions	Acronym	Measurements	Data Source
Transparency in Governance	Government openness, accountability, and anti-corruption efforts	TRANSP	CPIA Transparency, Accountability, and Corruption Index (1-6 Scale)	World Bank Data Metrics
Public Participation	Citizen engagement in governance and decision-making	PUBPART	Political Participation Index (Index-based Score)	Our World in Data
Revenue Generation	Government fiscal income from taxes and grants	REVGEN	Log of Total Revenue & Grants (Millions of Ghana Cedis)	Bank of Ghana Economic Reports
Allocation Efficiency	Optimal distribution of government resources	ALLOCEFF	IDA Resource Allocation Index (1-6 Scale)	World Bank Data Metrics
Institutional Quality (Control Variable)	Effectiveness of governance institutions	INSTQUAL	World Governance Indicators – Government Effectiveness Score (-2.5 to 2.5 Scale)	World Bank Governance Indicators
Economic Development Level (Control Variable)	Level of economic progress	ECONDEV	GDP per Capita (PPP, current international \$)	World Bank Economic Data
Political	Absence of	POLSTAB	Political Stability	World Bank

Variables	Definitions	Acronym	Measurements	Data Source
Stability (Control Variable)	violence and government stability		and Absence of Violence/Terrorism Index (-2.5 to 2.5 Scale)	Governance Indicators
ICT Infrastructure (Control Variable)	Digital connectivity and technology access	ICTINFRA	ICT Development Index (0-10 Scale)	International Telecommunication Union (ITU)
Educational Attainment (Control Variable)	Level of formal education in society	EDUATTAIN	Mean Years of Schooling (Years)	UNDP Human Development Reports

Model for the Study

In order to examine the mediating role of transparency in the relationship between digitalization, revenue generation, public participation, and allocation efficiency, the study adopts an econometric regression model. This model assesses the direct and indirect effects of transparency on governance outcomes using panel data analysis.

Model Specification

The baseline regression model is formulated as follows:

$$Y_{it} = B_0 + B_1DIG_{it} + B_2TRANSP_{it} + B_3PUBPART_{it} + B_4REVGEN_{it} + B_5ALLOCEFF_{it} + \sum \gamma_k X_{kit} + \epsilon_{it}$$

Where:

- Y_{it} Represents governance outcomes for country iii at time t .
- DIG_{it} Is digitalization, measured by the Digital Adoption Index.
- $TRANSP_{it}$ is transparency, measured by the CPIA Transparency Index.
- $PUBPART_{it}$ is public participation, measured by the Political Participation Index.
- $REVGEN_{it}$ is revenue generation, measured by total government revenue.
- $ALLOCEFF_{it} + \sum \gamma_k$ is allocation efficiency, measured by the IDA Resource Allocation Index.
- X_{kit} Represents a set of control variables (institutional quality, economic development, political stability, ICT infrastructure, and education).
- ϵ_{it} is the error term.

Estimation Techniques

In order ensure the robustness of the analysis, the study employs a range of data analysis techniques:

- **Descriptive Statistics:** This technique summarized and described the basic features of the data, providing insights into trends and patterns.
- **Multicollinearity Test:** This test checked for correlation among independent variables to prevent statistical distortions in regression analysis.

- **Stationarity Test:** Given that this study used time-series data, it was necessary to ensure that variables did not exhibit unit roots (non-stationarity). The Augmented Dickey-Fuller (ADF) test was applied.
- **Normality Test:** This test verified whether the data followed a normal distribution, which was required for many statistical procedures. The Shapiro-Wilk test and Kolmogorov-Smirnov test were used.
- **Heteroscedasticity Test:** The Breusch-Pagan test was applied to check for constant variance across the dataset, ensuring the reliability of regression analysis.
- **Ordinary Least Squares:** In order to estimate the relationships between transparency in governance, revenue generation, public participation, and allocation efficiency, the study employed the Ordinary Least Squares (OLS) regression method. OLS was chosen for its efficiency in providing unbiased and consistent estimates under the assumption of no endogeneity. This method allowed for the examination of the direct impact of transparency on governance outcomes while controlling for institutional and economic factors. To ensure robustness, the study also conducted diagnostic tests for heteroskedasticity, multicollinearity, and normality to validate the reliability of the OLS estimates.

Data Quality Measures

In to ensure data integrity and reliability, multiple quality measures were implemented. Data from reputable sources like the World Bank and Our World in Data were cross-validated for accuracy. Missing data points were handled using imputation techniques to minimize bias, while outliers were identified and addressed to prevent statistical distortions. These measures collectively strengthened the study's credibility and ensured robust, reliable findings.

Results

Descriptive Statistics

The mean values provide insights into the central tendencies of the variables over the period from 2010 to 2022. Transparency in governance has a mean of 3.62, indicating a moderate level of openness and accountability in governance. Similarly, public participation shows an average value of 6.07, suggesting moderate to high citizen involvement in governance. Meanwhile, revenue generation (log-transformed) has a mean of 4.43, reflecting the financial inflows of the government. Allocation efficiency averages 3.61, signifying relatively stable resource allocation efficiency. Examining the minimum and maximum values, transparency ranges from 3.00 to 4.00, indicating that governance transparency remained within a relatively narrow range. Revenue generation fluctuates between 3.95 and 4.85, showing some level of variation in government income collection. Public participation exhibits greater variability, ranging from 5.00 to 6.67, suggesting shifts in citizen engagement levels over the years.

The standard deviations indicate the level of dispersion in the dataset. Public participation has the highest standard deviation (0.73), implying more variability in citizen involvement, while transparency in governance and allocation efficiency have lower standard deviations (0.30 and 0.17, respectively), showing more

consistency over the years. The skewness and kurtosis values help assess the normality of the data. Most variables exhibit slight negative skewness, indicating that their distributions are slightly left-tailed, meaning values tend to be concentrated around the upper range. However, allocation efficiency has a positive skewness of 0.45, suggesting a slight rightward concentration. The Jarque-Bera test results confirm that all variables exhibit normal distributions, as the probabilities exceed 0.05, meaning we fail to reject the null hypothesis of normality. Overall, these statistics highlight stable governance trends in Ghana, with moderate transparency, relatively efficient allocation of resources, and fluctuating public participation levels. The relatively low variability in transparency suggests consistent governance efforts, but variations in revenue generation and citizen engagement warrant further analysis to understand underlying trends.

Table 2: Descriptive Statistics Results

Sample: 2010 2022

	Transparency in Governance	Revenue Generation (Log)	Public Participation	Allocation Efficiency	Institutional Quality	Political Stability	Educational Attainment	Economic Development Level (Log)
Mean	3.615385	4.425703	6.070769	3.607052	-0.198163	0.023478	7.587040	3.729969
Median	3.500000	4.492597	6.670000	3.575000	-0.187149	0.060606	7.587040	3.717218
Maximum	4.000000	4.845697	6.670000	3.900000	-0.090009	0.169902	7.587040	3.857877
Minimum	3.000000	3.945018	5.000000	3.366667	-0.319947	-0.195025	7.587040	3.586077
Std. Dev.	0.299572	0.303599	0.734648	0.168388	0.090720	0.118223	0.000000	0.071419
Skewness	-0.057270	-0.333005	-0.534492	0.445554	-0.167416	-0.464865	NA	-0.161550
Kurtosis	2.604592	1.846664	1.544192	2.401225	1.476928	2.036381	NA	2.909881
Jarque-Bera	0.091795	0.960783	1.766972	0.624327	1.317258	0.971186	NA	0.060946
Probability	0.955140	0.618541	0.413339	0.731862	0.517560	0.615332	NA	0.969987
Sum	47.00000	57.53414	78.92000	46.89167	-2.576117	0.305212	98.63152	48.48959
Sum Sq. Dev.	1.076923	1.106067	6.476492	0.340254	0.098762	0.167720	0.000000	0.061208
Observations	13	13	13	13	13	13	13	13

Source: Field Data (2025)

Correlation Analysis

The correlation analysis reveals significant relationships between transparency in governance, revenue generation, public participation, and allocation efficiency. Transparency in governance is positively correlated with revenue generation (0.56) and allocation efficiency (0.76), suggesting that greater transparency enhances government revenue collection and improves the efficiency of resource distribution. Additionally, transparency shows a strong positive relationship with institutional quality (0.66) and political stability (0.53), indicating that accountable governance fosters stable and well-functioning institutions. Conversely, public participation exhibits a negative correlation with transparency (-0.71) and revenue generation (-0.85). This implies that higher citizen engagement in governance may be associated with lower revenue collection, possibly due to increased scrutiny of government financial decisions or resistance to taxation. Similarly, public participation is negatively correlated with allocation efficiency (-0.69), suggesting that excessive bureaucratic involvement could slow down effective resource allocation.

Interestingly, economic development level (log) is strongly negatively correlated with revenue generation (-0.91) and allocation efficiency (-0.76), implying that as the economy grows, government revenue collection and resource allocation efficiency may experience challenges. The positive correlation between allocation efficiency and political stability (0.67) suggests that a stable political environment supports effective resource management. Overall, these findings highlight the complex interplay between governance transparency, economic growth, and public engagement, suggesting the need for balanced policies to optimize governance outcomes.

Table 3: Correlation Analysis Results

	1	2	3	4	5	6	7
1. Transparency in Governance	1.000000						
2. Revenue Generation (Log)	0.560145	1.000000					
3. Public Participation	-0.712299	-0.845623	1.000000				
4. Allocation Efficiency	0.760335	0.630406	-0.694402	1.000000			
5. Institutional Quality	0.661075	0.198850	-0.547512	0.589956	1.000000		
6. Political Stability	0.532924	0.165256	-0.219673	0.667692	0.317764	1.000000	
7. Economic Development Level (Log)	-0.490352	-0.907607	0.742190	-0.763239	-0.236396	-0.266228	1.000000

Source: Field Data (2025)

Stationary Tests

The stationarity tests assess whether the variables in the study exhibit a unit root, which is crucial for ensuring that the data used in the analysis is stable over time. The results from Levin, Lin & Chu t-test (-6.91564, $p = 0.0000$), Im, Pesaran and Shin W-stat (-5.71040, $p = 0.0000$), ADF-Fisher Chi-square (53.2785, $p = 0.0000$), and PP-Fisher Chi-square (51.7871, $p = 0.0000$) all strongly reject the null hypothesis of unit root presence. This confirms that all the variables in the dataset are stationary at their levels. A stationary time series implies that the mean, variance, and covariance remain constant over time, making the dataset suitable for regression analysis and predictive modeling. The absence of a unit root means that governance transparency, revenue generation, public participation, and allocation efficiency exhibit stable trends, ensuring the reliability of inferential statistical analyses. Moreover, given that all stationarity tests yield a p-value of 0.0000, this strongly supports the robustness of the results. These findings are particularly important in governance studies, as they indicate that observed relationships between transparency, revenue collection, and allocation efficiency are not driven by random fluctuations but rather by consistent underlying trends. Consequently, the study can proceed with regression analysis without concerns about spurious correlations.

Table 4: Stationary Tests Results

Group unit root test: Summary				
Series: <i>Transparency in Governance; Revenue Generation (Log); Public Participation; Allocation Efficiency; Institutional Quality; Political Stability; Educational Attainment; Economic Development Level (Log)</i>				
Sample: 2010 2022				
Exogenous variables: Individual effects				
Automatic selection of maximum lags				
Automatic lag length selection based on SIC: 0				
Newey-West automatic bandwidth selection and Bartlett kernel				
Balanced observations for each test				
Method	Statistic	Prob.**	Cross-sections	Obs
Null: Unit root (assumes common unit root process)				
Levin, Lin & Chu t*	-6.91564	0.0000	7	77
Null: Unit root (assumes individual unit root process)				
Im, Pesaran and Shin W-stat	-5.71040	0.0000	7	77
ADF - Fisher Chi-square	53.2785	0.0000	7	77
PP - Fisher Chi-square	51.7871	0.0000	7	77

** Probabilities for Fisher tests are computed using an asymptotic Chi-square distribution. All other tests assume asymptotic normality.

Multicollinearity Check

The Variance Inflation Factor (VIF) test is used to detect multicollinearity among the independent variables, which occurs when predictor variables are highly correlated, potentially distorting regression estimates. The centered VIF values provide a more accurate measure of collinearity, with a threshold of 5 generally considered problematic. From the results, Revenue Generation (Log) has the lowest centered VIF (1.33), indicating minimal correlation with other predictors. Similarly, Political Stability (1.77) and Institutional Quality (2.21) have low VIF values, suggesting little concern for multicollinearity. However, Transparency in Governance (3.99) and Public Participation (3.11) exhibit moderate VIF values, implying some level of correlation with other variables, though still within acceptable limits.

The Economic Development Level (2.16) also falls within an acceptable range, showing that economic progress is not excessively correlated with other predictors. Notably, the constant term (C) has a VIF of 11.55, but this is expected and does not indicate multicollinearity issues within the independent variables. Overall, since all variables have VIF values below 5, the results confirm that multicollinearity is not a significant concern in this study. This ensures that the regression model will produce stable and reliable coefficient estimates without the risk of inflated standard errors.

Table 5: Multicollinearity Test Results

Variance Inflation Factors			
Sample: 2010 2022			
Included observations: 12			
Variable	Coefficient Variance	Uncentered VIF	Centered VIF
D_Economic Development Level	3.145451	4.089329	2.163948
D_Institutional Quality	0.301102	2.206328	2.206295
D_Political Stability	0.076333	1.802532	1.771608
D_Public Participation	0.016124	3.483543	3.110951
D_Revenue Generation	0.561447	5.101638	1.327801
D_Transparency in Governance	0.055163	4.113625	3.999357
C	0.009683	11.55278	NA

Heteroskedasticity Test

The Breusch-Pagan-Godfrey heteroskedasticity test examines whether the variance of the residuals remains constant, ensuring the reliability of regression estimates. The F-statistic (2.225893) and its corresponding probability (0.1989) indicate that the null hypothesis of homoscedasticity (constant variance) cannot be rejected at the 5% significance level. Similarly, the Obs*R-squared statistic (8.731200) with a probability of 0.1893 further supports the absence of heteroskedasticity. Additionally, the Scaled Explained Sum of Squares (0.761502, $p = 0.9931$) suggests that variance in the residuals does not systematically change with explanatory variables. This confirms that heteroskedasticity is not a significant issue, meaning that the model's residuals exhibit stable variance across observations.

Examining the individual coefficients, Institutional Quality (-0.0574, $p = 0.0271$) is the only variable significantly affecting the variance of residuals, implying that governance quality may slightly impact the distribution of errors. However, other variables, including Transparency in Governance ($p = 0.3118$) and Revenue Generation ($p = 0.7295$), do not significantly contribute to heteroskedasticity. Since the Durbin-Watson statistic (2.99) is close to 2, it suggests that there is no strong evidence of serial correlation. Overall, the results confirm that the model is well-specified, with no major heteroskedasticity concerns, ensuring reliable regression estimates.

Table 6: Heteroskedasticity Test Results

Heteroskedasticity Test: Breusch-Pagan-Godfrey				
F-statistic	2.225893	Prob. F(6,5)	0.1989	
Obs*R-squared	8.731200	Prob. Chi-Square(6)	0.1893	
Scaled explained SS	0.761502	Prob. Chi-Square(6)	0.9931	
Test Equation:				
Dependent Variable: RESID^2				
Method: Least Squares				
Sample: 2011 2022				
Included observations: 12				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.008403	0.003332	2.521566	0.0531
D_Economic Development Level	-0.112572	0.060063	-1.874233	0.1198
D_Institutional Quality	-0.057434	0.018583	-3.090611	0.0271
D_Political Stability	0.005268	0.009357	0.563068	0.5977
D_Public Participation	-0.003690	0.004300	-0.858109	0.4300
D_Revenue Generation	0.009282	0.025376	0.365775	0.7295
D_Transparency In Governance	0.008946	0.007954	1.124758	0.3118
R-squared	0.727600	Mean dependent var	0.004191	
Adjusted R-squared	0.400720	S.D. dependent var	0.004387	

S.E. of regression	0.003396	Akaike info criterion	-8.241059
Sum squared resid	5.77E-05	Schwarz criterion	-7.958197
Log likelihood	56.44635	Hannan-Quinn criter.	-8.345785
F-statistic	2.225893	Durbin-Watson stat	2.994583
Prob(F-statistic)	0.198870		

Regression Analysis

The role of transparency in influencing revenue generation

The regression analysis examines the impact of transparency in governance on revenue generation while controlling for economic development level, institutional quality, and political stability. The R-squared value (0.8875) indicates that approximately 88.75% of the variations in revenue generation are explained by the independent variables, confirming a strong model fit. The adjusted R-squared (0.8312) further suggests that the explanatory power remains high even after adjusting for the number of predictors. The coefficient for transparency in governance (0.3997, $p = 0.0780$) is positive but marginally insignificant at the 5% level, suggesting that greater transparency is associated with increased revenue generation. This supports the argument that enhanced openness in governance fosters taxpayer trust and compliance, ultimately boosting government revenue. However, economic development level (-3.4544, $p = 0.0004$) exhibits a strong negative relationship with revenue generation. This implies that as economic development increases, government reliance on direct revenue collection may decline, possibly due to tax exemptions or structural shifts in the economy.

Meanwhile, institutional quality (-0.6364, $p = 0.2680$) and political stability (-0.5158, $p = 0.1903$) do not significantly impact revenue generation. The F-statistic (15.77403, $p = 0.0007$) confirms the overall significance of the model. In conclusion, transparency plays a crucial role in revenue generation, but economic development dynamics must be considered in taxation policies.

Table 7: The role of transparency in influencing revenue generation

Dependent Variable: Revenue Generation

Method: Least Squares

Sample: 2010 2022

Included observations: 13

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Transparency in Governance	0.399739	0.197849	2.020422	0.0780
Economic Development Level	-3.454433	0.583756	-5.917600	0.0004
Institutional Quality	-0.636436	0.534574	-1.190548	0.2680
Political Stability	-0.515814	0.360467	-1.430962	0.1903
C	15.75141	2.591347	6.078466	0.0003

R-squared	0.887476	Mean dependent var	4.425703
Adjusted R-squared	0.831214	S.D. dependent var	0.303599
S.E. of regression	0.124729	Akaike info criterion	-1.041622
Sum squared resid	0.124459	Schwarz criterion	-0.824334
Log likelihood	11.77054	Hannan-Quinn criter.	-1.086284
F-statistic	15.77403	Durbin-Watson stat	1.177615
Prob(F-statistic)	0.000729		

The role of transparency in influencing public participation

The regression analysis assesses the influence of transparency in governance on public participation while controlling for political stability, institutional quality, and economic development level. The R-squared value (0.6619) indicates that 66.19% of the variation in public participation is explained by the independent variables, suggesting a moderate explanatory power. However, the adjusted R-squared (0.4688) implies that after adjusting for the number of predictors, the model's explanatory strength decreases, indicating potential variability in public participation that is not captured by the model.

Transparency in governance (1.3093, $p = 0.0287$) has a statistically significant positive effect on public participation, meaning that greater transparency encourages greater citizen involvement in governance. This aligns with the argument that openness in governance fosters civic engagement by providing citizens with the necessary information to participate in decision-making processes. On the other hand, institutional quality (-2.5367, $p = 0.0851$) and economic development level (-9.2011, $p = 0.0535$) exhibit negative relationships with public participation, though they are marginally insignificant. This suggests that higher economic development may not always translate into increased civic engagement, possibly due to bureaucratic inefficiencies or shifts in political priorities. The F-statistic (3.4269, $p = 0.0345$) confirms the overall statistical significance of the model. These findings highlight the critical role of transparency in fostering public engagement, emphasizing the need for governance policies that enhance openness and accessibility to information.

Table 8: The role of transparency in influencing public participation

Dependent Variable: Public Participation

Method: Least Squares

Sample (adjusted): 2011 2022

Included observations: 12 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Transparency in Governance	1.309339	0.477125	2.744225	0.0287

Political Stability	0.089025	0.803823	0.110752	0.9149
Institutional Quality	-2.536667	1.265846	-2.003930	0.0851
Economic Development Level	-9.201129	3.967265	-2.319262	0.0535
C	0.402998	0.129599	3.109585	0.0171

R-squared	0.661960	Mean dependent var	0.139167
Adjusted R-squared	0.468795	S.D. dependent var	0.420010
S.E. of regression	0.306119	Akaike info criterion	0.764653
Sum squared resid	0.655963	Schwarz criterion	0.966698
Log likelihood	0.412081	Hannan-Quinn criter.	0.689849
F-statistic	3.426907	Durbin-Watson stat	1.570820
Prob(F-statistic)	0.034493		

The role of transparency in influencing allocation efficiency

The regression results assess the influence of transparency in governance on allocation efficiency, while controlling for political stability, institutional quality, and economic development level. The R-squared value (0.9112) indicates that 91.12% of the variations in allocation efficiency are explained by the independent variables, suggesting a strong model fit. The adjusted R-squared (0.8668) confirms that the model maintains a high explanatory power even after adjusting for the number of predictors. Interestingly, transparency in governance (0.0679, $p = 0.5057$) has a positive but statistically insignificant effect on allocation efficiency. This suggests that while transparency is generally expected to improve resource allocation, its impact may not be immediate or direct. Instead, it could be mediated by other factors such as institutional structures or governance effectiveness.

On the other hand, political stability (0.5349, $p = 0.0168$) shows a significant positive relationship with allocation efficiency, implying that a stable political environment enhances effective distribution of government resources. Similarly, institutional quality (0.4875, $p = 0.1014$) also exhibits a positive influence, though it is marginally insignificant. However, economic development level (-1.2777, $p = 0.0022$) has a strong negative effect, indicating that as economic development progresses, efficiency in resource allocation may decline, possibly due to bureaucratic inefficiencies. The F-statistic (20.5199, $p = 0.0003$) confirms the overall significance of the model. These findings highlight that while transparency is essential for governance, its role in allocation efficiency may be indirect, requiring strong political and institutional frameworks to be fully effective.

Table 9: The role of transparency in influencing allocation efficiency

Dependent Variable: Allocation Efficiency				
Method: Least Squares				
Sample: 2010 2022				
Included observations: 13				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
Transparency in Governance	0.067928	0.097489	0.696774	0.5057
Political Stability	0.534929	0.177617	3.011694	0.0168
Institutional Quality	0.487455	0.263408	1.850573	0.1014
Economic Development Level	-1.277694	0.287642	-4.441964	0.0022
C	8.211262	1.276868	6.430783	0.0002
R-squared	0.911190	Mean dependent var		3.607052
Adjusted R-squared	0.866785	S.D. dependent var		0.168388
S.E. of regression	0.061459	Akaike info criterion		-2.457157
Sum squared resid	0.030218	Schwarz criterion		-2.239869
Log likelihood	20.97152	Hannan-Quinn criter.		-2.501819
F-statistic	20.51993	Durbin-Watson stat		2.556844
Prob(F-statistic)	0.000289			

Discussions

The findings of this study align with existing literature that highlights the significant role of transparency in governance in shaping key governance outcomes, including revenue generation, public participation, and allocation efficiency. However, there are notable differences in how transparency interacts with other institutional and economic variables, which merit further discussion. This study found that transparency in governance has a positive but marginally insignificant effect on revenue generation ($\beta = 0.3997$, $p = 0.0780$). This result is consistent with the work of Saadu, Yerima, and Jamo (2023), who observed that transparent tax administration improves compliance and revenue collection. Similarly, Salman et al. (2022) found that higher governance transparency in West African countries contributes to increased government income. However, our study contrasts with Touchton, Wampler, and Peixoto (2021), who reported a highly significant effect of participatory budgeting and transparency on tax revenue generation in Brazil. This difference could be due to variations in governance structures, digitalization levels, or tax enforcement mechanisms between Ghana and Brazil.

Another key divergence is the negative and highly significant effect of economic development on revenue generation ($\beta = -3.4544$, $p = 0.0004$). This suggests that

as the economy grows, government reliance on direct revenue sources may decline. This finding contrasts with Rotimi and Abdul-Azeez (2013), who found that economic expansion in Nigeria positively influenced tax revenue. One possible explanation for this difference is that as economies grow, governments may offer tax incentives or reduce tax burdens to encourage investment, leading to lower immediate revenue collection.

The study established that transparency significantly enhances public participation ($\beta = 1.3093$, $p = 0.0287$). This finding is strongly supported by Kim and Lee (2019), who argued that transparency in governance fosters trust and encourages citizens to engage in decision-making. Similarly, Arkorful et al. (2021) found that decentralization efforts coupled with transparency increase civic engagement. However, our results contrast with Seetharam Sridhar et al. (2020), who suggested that transparency alone may not be sufficient to drive public participation unless it is complemented by active government outreach and education programs. A noteworthy discrepancy is the negative effect of institutional quality (-2.5367 , $p = 0.0851$) and economic development (-9.2011 , $p = 0.0535$) on public participation. This contradicts Tran and La (2022), who found that economic progress in Vietnam led to greater citizen involvement in governance. One possible reason for this inconsistency is that as economies develop, governance structures may become more centralized, limiting direct citizen influence on policy decisions.

Surprisingly, this study found that transparency does not have a statistically significant effect on allocation efficiency ($\beta = 0.0679$, $p = 0.5057$). This result contradicts Benito, Guillaamón, and Rios (2021), who found a strong positive relationship between government transparency and efficient budget allocation in European municipalities. Similarly, Cifuentes-Faura et al. (2023) reported that fiscal transparency leads to more effective resource distribution in local governments. The discrepancy may stem from differences in institutional effectiveness—while transparency may improve efficiency in highly regulated governance systems, its impact may be weaker in contexts where bureaucratic inefficiencies persist. Interestingly, this study found that political stability significantly improves allocation efficiency ($\beta = 0.5349$, $p = 0.0168$), which aligns with Yuniarta and Purnamawati (2020), who argued that stable political environments promote better fiscal management. However, our results contrast with Røge and Lennon (2018), who suggested that transparency alone is the key determinant of efficient allocation, independent of political stability. Additionally, the study highlights that economic development negatively impacts allocation efficiency ($\beta = -1.2777$, $p = 0.0022$), suggesting that as economies grow, governance structures may struggle to effectively distribute resources. This finding is consistent with De Simone et al. (2019), who found that fiscal transparency's effect on spending efficiency diminishes in rapidly developing economies due to bureaucratic and structural constraints.

Overall, while this study confirms that transparency plays a role in governance, its impact on revenue generation, public participation, and allocation efficiency is complex and influenced by other contextual factors. The findings align with several existing studies but diverge in key areas, particularly regarding the role of economic development and institutional quality. These variations suggest that

transparency alone is not a panacea for governance challenges and must be supported by strong institutions, stable political environments, and inclusive governance mechanisms. Further research is needed to explore the long-term effects of transparency reforms in Ghana and other developing economies.

Practical Implications

The findings of this study provide important insights for policymakers, government institutions, and development partners seeking to enhance governance through transparency. First, the positive but marginally significant effect of transparency on revenue generation suggests that governments should implement stronger financial disclosure mechanisms, including open budget systems, digital tax platforms, and real-time expenditure tracking. Such initiatives could improve tax compliance, reduce corruption, and enhance revenue collection efficiency. Second, the study demonstrates that transparency significantly influences public participation, reinforcing the need for government agencies to adopt e-participation platforms, public consultations, and freedom of information policies. Engaging citizens in governance through transparent mechanisms can foster trust, improve civic engagement, and enhance decision-making processes.

Moreover, the findings suggest that transparency alone may not significantly improve allocation efficiency without a stable political environment and strong institutional structures. This underscores the importance of complementary reforms, such as improved public financial management, institutional capacity-building, and effective procurement monitoring. Governments should integrate transparency measures with anti-corruption policies to ensure that resources are allocated efficiently and equitably. Finally, the study's results have implications for international development organizations and donor agencies. Foreign aid and investment policies should prioritize transparency-enhancing reforms in recipient countries, ensuring that funds are managed effectively and directed toward their intended development goals.

Implications for Accounting Research

This study contributes to accounting research by providing empirical evidence on the role of transparency in financial governance, revenue generation, and resource allocation. The findings align with prior studies that highlight the significance of financial disclosure in improving governance efficiency (Benito, Guillamón, & Ríos, 2021; Cifuentes-Faura et al., 2023). Furthermore, the study extends accounting research by examining how transparency interacts with economic development and institutional quality. The negative impact of economic development on revenue generation and allocation efficiency suggests that as economies expand, governments may face increased challenges in tax enforcement and resource distribution. Future accounting research should explore how fiscal policies can adapt to growing economies to maintain transparency and efficiency.

Additionally, the study underscores the need for enhanced financial reporting mechanisms in government institutions. Given the moderate effect of

transparency on revenue generation, public sector accounting standards should be improved to ensure greater accountability, enhanced financial audits, and real-time reporting of government revenues and expenditures. Finally, this study provides a basis for further investigation into the integration of digital accounting technologies in public financial management. E-accounting, blockchain-based government auditing, and AI-driven tax compliance tools could offer innovative solutions to strengthen transparency in governance.

Limitations and Future Work

Limitations

Despite its contributions, this study has several limitations. First, the study relies on secondary data from 2010 to 2022, which may not fully capture the evolving nature of governance transparency in real-time. Future research could employ primary data collection through surveys and interviews to gain deeper insights into the perceptions of policymakers and citizens regarding transparency. Second, the study focuses solely on Ghana, limiting the generalizability of the findings to other developing economies. While Ghana presents an interesting case study, further comparative studies across multiple African or emerging economies would provide a broader perspective on transparency's role in governance.

Future Work

Building on this study's findings, future research should explore how transparency's impact varies across different governance contexts by comparing Ghana with other developing economies. This comparative approach would provide insights into whether institutional, political, or economic factors influence the effectiveness of transparency reforms. Additionally, future studies could adopt advanced methodologies such as machine learning, panel data econometrics, and causal inference techniques like difference-in-differences analysis. These approaches could help isolate transparency's causal effects on governance outcomes, enhancing the robustness of empirical findings.

Given the increasing reliance on digital transparency innovations, research should investigate how blockchain, AI-driven auditing, and open government data platforms improve governance efficiency. Understanding how these technologies enhance accountability in public financial management could guide policymakers in adopting digital governance frameworks. Further studies could focus on citizen-centric governance, exploring how transparency affects public trust, tax compliance, and civic engagement. Surveys and behavioral experiments would provide deeper insights into how individuals and businesses respond to governance transparency.

A longitudinal analysis could track the long-term impact of transparency reforms, evaluating whether laws and policies sustain improvements in governance over time. Additionally, sector-specific studies could assess how transparency influences governance in healthcare, education, and infrastructure, identifying the areas where it has the greatest impact. In conclusion, continued research is crucial to refining transparency theories, improving governance frameworks, and fostering accountability in emerging economies.

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