

Analysis of the implementation of information disclosure ordinances in Japan: the effect on the income of mayors and chief executives in local governments

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Abstract:

This paper attempts to investigate how information transparency affects human behavior. Thus, we empirically examine the influence of information disclosure ordinances on the income of mayors and chief executives in local governments in Japan. For the estimation, we use panel data of local governments covering 1999–2010, during which time many local governments implemented such ordinances. The key finding is that the income of mayors and chief executives in local governments decreased after the implementation of the ordinances. Furthermore, as the years passed, the income declined further. Hence, information disclosure regarding local government reduces the income of top officials and its influence becomes greater over time. Although the income of mayors and chiefs executives is open information without the need for an ordinance, it provided transparency regarding their work performance. Furthermore, the effect of the ordinance did not depend on the mayors or chief executives' income level in 1999. Therefore, the reduction of income is mainly due to the government's accountability rather than citizens' inequality aversion.

JEL: Classification: D72; H79

Key words: Information disclosure ordinance; Japan; Local governments

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