

Performance Evaluation of Government General Public Budget in the New Period

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Abstract

Under the background of the full implementation of budget performance management in the new era, the reform of local government budget performance management has ushered in a new situation. Starting from the performance management of the general public budget of the government, considering the economic, social and ecological benefits of budget expenditures, this paper constructs a comprehensive evaluation index system for budget performance. A comprehensive evaluation model of the general public budget performance of local governments in horizontal and vertical comparison. Then it is proposed that local governments in the new era should comprehensively improve the level of budget performance management by improving the scientificity of the budget performance evaluation index system, strengthening the application of performance evaluation results, and building a government budget performance evaluation information system.

Keywords

Comprehensive Budget Management; Performance Evaluation; General Public Budget; Data Envelopment Analysis.

1. Introduction and Background

In the 40 years of reform and opening up, my country's economy has grown rapidly. In 1978, the GDP was only 364.5 billion yuan. However, in 2020, the GDP has exceeded 100 trillion yuan, which shows the rapid development of the economy. With the development of the economy, the scale of my country's financial expenditure is also expanding rapidly, and the sharp increase in financial expenditure has played a role in promoting the government's optimization of resource allocation. However, there are still many problems in my country's financial management system. Such as the inefficiency of the use of financial funds, the waste of more financial resources and even ineffectiveness. At the same time, there is no systematic government supervision mechanism and accountability mechanism, the quality and efficiency of the government's provision of public goods and services are not high, and the phenomenon of unfair financial distribution still exists. Therefore, how government departments use budget performance management to achieve optimal allocation of financial resources has become a public concern.

In recent years, my country has also attached great importance to budget performance management. Since the Third Plenary Session of the 16th Central Committee, it was proposed to "establish a budget performance evaluation system". Later, in the report of the 19th National Congress of the Communist Party of China, it was also mentioned: "Accelerate the establishment of a modern financial system, establish the right to Central and local financial relations with clear responsibilities, coordination of financial resources, and regional balance; establish a budget system that is fully regulated and transparent, with scientific standards and strong constraints, and fully implement performance management. The promulgation and

implementation of the document marks that China has entered a new era of vigorous development of performance evaluation and performance management.

However, there are still some outstanding problems in my country's current budget performance management. The performance concept has not been firmly established, the subject of performance evaluation is single and lacks comprehensive and effective supervision, the value orientation of government performance evaluation is deviated, the setting of performance evaluation index system is unreasonable, and the application of performance evaluation results is not enough. Under the background of this era, starting from the value orientation of the general public budget of government finance in the new era, this paper discusses a scientific, reasonable and result-oriented budget performance evaluation index system, and builds a horizontal and vertical comparable local government general public budget performance evaluation model. It is of great significance to study budget performance management in the new period.

2. Literature Review

Since 2003, my country's budget performance management reform has been in a state of continuous exploration. From the initial focus on departmental budgets to the current comprehensive budget performance, the problem of inefficient use of financial funds has been largely alleviated. Especially after the promulgation of the new budget law, domestic scholars have discussed how to solve the outstanding problems in the current budget performance management and speed up the establishment of an all-round, whole-process, and full-coverage budget performance management system, and put forward a series of important Policy recommendations for reference value. Dong Pengbo and Xu Xiang (2021) analyzed the problems of unscientific index system and insufficient application of results in the current performance evaluation of fiscal expenditure in my country, and proposed to start from system construction and establish a scientific index system that focuses on fiscal expenditure output results and is comparable. And strengthen the guidance of the evaluation results for the next fiscal budget. In terms of budget performance evaluation methods, some scholars use the "3E" evaluation method, benchmarking method and balanced scorecard method. The balanced scorecard method has become a hot issue in government budget performance evaluation in recent years. Many scholars have discussed the feasibility of introducing it into government budget evaluation (Ma Caishen, 2006; Zheng Lingyan, 2007), and introduced the revised balanced scorecard to the government. In budget performance evaluation, a government budget performance evaluation model based on balanced scorecard is proposed.

The DEA method has undergone a series of developments to measure the performance of decision-making units. Earlier, domestic and foreign scholars measured the total factor productivity of economic units based on the Shephard distance function proposed by Shephard (1943) and the Malmquist productivity index proposed by Färe et al. These research literatures are based on the traditional Shephard distance function based on a single orientation of input or output, which requires that "bad" output increases in the same proportion as "good" output, which has certain limitations. To solve this problem, Chambers et al. (1996) first proposed an extended form of the Shephard distance function, the directional distance function (DDF), which enables both input and output to be adjusted in different directions. Then, Chung et al. (1997) first applied the square distance function to the measure containing the "bad" output, so that while the "good" output increased, the "bad" output could be reduced, meeting the requirements of high-quality development. Target.

To sum up, although there are a large number of articles on China's financial budget performance management, most of them are based on public budget theory, budget influencing factors, budget structure optimization, on the target objects of budget performance evaluation,

and on the methods of budget performance evaluation. The more widely used methods are the balanced scorecard method, the cost-benefit method, the least cost method, etc., and the DEA data envelopment analysis method is less used to evaluate the performance of the budget. Therefore, this paper will carry out research in the following two aspects: first, to construct a more scientific and objective budget performance evaluation index system; second, to explore the use of data envelopment analysis and non-radial distance function to comprehensively evaluate local government budget performance model method.

3. Evaluation Indicators and System Construction

3.1. Budget Performance Evaluation

Performance evaluation refers to the achievement or result of the subject being evaluated by combining relevant quantitative indicators, evaluation standards or implementation norms and other evaluation elements, which can be summarized as a process of centralized analysis, comparison and summary. When it comes to performance, it is necessary to evaluate the operational efficiency of the entire government from a more macro level, and obtain the contribution of the performance of government functions to social development. level and the construction of ecological civilization. Therefore, according to the evaluation requirements for local governments in the new era, the performance evaluation of the government's general public budget expenditure should be a comprehensive evaluation that includes economic benefits, social benefits and ecological benefits.

3.2. Budget Performance Evaluation Index System

The selection of indicators is the core link of using DEA data envelopment analysis method to evaluate the performance of government decision-making units. The construction of the indicator system will directly affect the final evaluation results. This paper selects the following elements for the performance evaluation of the general public budget by the local government: General public budget expenditure: The representative indicator of the general public budget expenditure of local governments is the general public budget expenditure per capita.

Economic benefits: The regional per capita GDP is used as an indicator of the economic benefits of a prefecture and city.

Social benefits: In the context of building a service-oriented government, for local governments, citizens' satisfaction with the government and residents' happiness are two indicators to measure the performance of the local government's general public budget in the dimension of social benefits.

Ecological benefits: Whether the development process pays attention to ecological protection and whether the concept of green development is practiced has become an important indicator to measure the performance of local governments. When measuring ecological benefits, the pollutants discharged can be selected as indicators. When setting the three-level indicators, urban wastewater discharge is used as a measure of water pollution, solid waste is used as a measure of solid waste, and carbon dioxide emissions are used as a measure of air quality.

So far, we have constructed a performance evaluation index system of local government general public budget expenditure including input elements, "good output" and "bad output". The indicators are divided into economic benefits, social benefits and ecological benefits, and corresponding third-level indicators are set under each second-level indicator. The specific indicator system is shown in the following table:

Table 1. Performance Evaluation Indicator System of Local Government's General Public Budget

Indicator Type	Level I indicators	Level II indicators
Input	General public budget input	Per capita general public budget expenditure
Desirable Output	Economic Performance	Local economic growth
	Social Results	Public satisfaction Residents' happiness
Undesirable Output	Ecological Benefit	Water environment
		Soil environment
		Air environment

So far, this paper has built a performance evaluation model that can be compared vertically between different years and horizontally compared with decision-making units of different municipal governments. From the inefficiency value of each element, the general public budget of the government decision-making unit can also be decomposed. The inefficiency value of expenditure in terms of economic, social and ecological benefits, or the achievable improvement potential that exists.

4. Policy Recommendations

Starting from the economic, social and ecological benefits considered by the local government's financial budget under the comprehensive budget management in the new period, this paper uses the data envelopment analysis method and the non-radial direction distance function method to construct a comprehensive evaluation including seven specific indicators. The system provides a specific method for the performance evaluation of the general public budget expenditure of the local government, and provides a reference for optimizing the budget allocation. Again, here are some policy recommendations:

The first is to improve the scientific nature of the performance evaluation indicators of general public budget expenditures. Establishing a reasonable budget expenditure performance evaluation index system is an important prerequisite to ensure that the performance evaluation results can be used for reference. A reasonable and scientific index system includes two points: First, considering the particularity of the government as an evaluation object, the focus of performance evaluation should be more on the output effect of fiscal expenditures. Generally, public budget expenditures must achieve economic and social benefits and Ecological Benefits. The second is to classify the indicators according to the focus of work, and build an evaluation system with reasonable allocation of qualitative and quantitative.

The second is to strengthen the application of performance evaluation results. The efficient use of performance evaluation results is the purpose of performance evaluation work, so as to improve the efficiency of capital utilization. The performance evaluation results of the current year shall be used as the basis for the improvement of the use of fiscal expenditures in the coming year and the basis for the preparation of budget reports in subsequent years. The results of performance evaluation and rectification are linked to the budgetary funds of the local government department in the future. The allocation of funds is prioritized for those with better performance evaluation results, and less budgetary funds are allocated for departments with poor performance evaluations and feedback rectification opinions are not in place. To improve the performance of the local general public budget as a whole. On the other hand, it is necessary to carry out work exchanges on performance evaluation between regions and departments, and learn from advanced experience from places with high budget management performance levels, so as to improve the level of budget performance management in the region.

The third is to improve the budget expenditure performance evaluation information management system. The establishment of an efficient and transparent performance evaluation information management system can not only use the huge government budget big data to carry out performance evaluation work, but also help to promote the disclosure of performance evaluation information and the traceability of budget performance improvement. Establish a performance evaluation information database for local government budget expenditures, and establish a performance data information system that is open to the public, cooperates with each other, and data circulation by concentrating on the development of a performance evaluation information system or entrusting private institutions to jointly develop it.

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