

## **Monitoring the Fiscal Health of Taiwan's Local Government: Application of the 10-Point Scale of Fiscal Distress**

**Authors :** Yuan-Hong Ho, Chiung-Ju Huang

**Abstract :** This article presents a monitoring indicators system that predicts whether a local government in Taiwan is heading for fiscal distress and identifies a suitable fiscal policy that would allow the local government to achieve fiscal balance in the long run. This system is relevant to stockholders' interest, simple for national audit bodies to use, and provides an early warning of fiscal distress that allows preventative action to be taken.

**Keywords :** fiscal health, fiscal distress, monitoring signals, 10-point scale

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