

## Opportunistic Political Business Cycle in Taiwan's Local Governments

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**Abstract:** This research aims to explore whether an opportunistic political business cycle exists in Taiwan's local governments and examine the topic considering fiscal budget expenditures. This research used panel data and the Hausman test to evaluate the random and fixed effects and an appropriate regression model was used as the fixed effect model. Empirical result confirms the existence of an opportunistic political business cycle. During the election years, the budget expenditures of Taiwan's local governments significantly increase, which may constitute fawning over the voters for their support by manipulating the fiscal policies before the election, thus creating an opportunistic political cycle.

**Keywords:** Election, Fiscal Policy, Government Budget Expenditures, Local Governments, Opportunistic Political Business Cycle

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