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INSTITUTIONAL FOUNDATIONS OF THE FISCAL MECHANISM IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT

The transformation of the ideological basis for the use of fiscal for social development requires the formation of practically oriented areas of management activities for the implementation of fiscal policy. They are mainly formed within the framework of budget management, tax management, and administration of taxes and payments. In terms of the content of management processes, they combine the issues of accumulation of financial resources to the budget, their distribution (in the territorial, sectoral, social and group aspects in accordance with the tasks set by the state, taking into account the limited resources), as well as state intervention in socio-economic and other processes at the micro, meso and macro levels. At the same time, the direction related to the development of fiscal rules, which govern the actions of all subjects and with the help of which the above-mentioned management activities are carried out, is distinguished.

Thus, ultimately, fiscal institutions are formed as a set of certain rules (formal and informal) and organizational structures through which the state implements its policy or communicates its intentions

and coordinates its positions. The main recommendation when formulating rules for the functioning of the fiscal system (fiscal rules) is to prevent ambiguities, avoid information asymmetry, avoid fragmentation of decision-making processes, and ensure that regulatory and restrictive norms are strict.

Returning to the institutional framework for the use of fiscal policy by the state to ensure and regulate sustainable social development, it should be noted that the effectiveness of fiscal policy implementation is entirely dependent on institutions. This is due to the fact that the actions of individuals and their choices are always based on individual desires, expectations and perceptions, the correlation of which with public interests requires certain attitudes (mental, cultural, legal) and the formation of ethical approaches.

An institution is not an institution, as modern dictionaries sometimes suggest, but rather a system of relationships between individuals through rules and organizations. Organizations are nothing more than an environment for individuals to operate in, while rules model the behavior of individuals. In this context, the use of fiscal power by the state to both ensure and regulate sustainable social development involves the application of a set of rules and organizations through which the processes of formation, distribution and use of financial resources are carried out, fiscal policy is implemented and targeted impact on economic entities, economic and social processes, and social phenomena is exerted. According to D. North, institutions are an environment, a structure where exchange is carried out with the use of certain technologies, transaction and transformation costs are formed [1].

Formal and informal fiscal rules differ depending on their origin or method of formation. Formal rules are established by the will of the majority of society or by a social union through its bodies. Informal rules arise spontaneously in the course of life and the development of ways for individuals to achieve their own goals. Karl Menger called them formal rules, pragmatic, and informal rules, organic [2].

The use of the fiscal mechanism by the state to ensure the conditions for sustainable development of society is carried out with the help of its components, each of which is aimed at achieving certain goals and objectives of forming the eco-socio-economic

system through the channels of fiscal relations. Since any mechanism, based on its characteristic features, is actually a certain system, it (as noted above) is itself a component of higher-order systems and simultaneously includes lower-order mechanisms (subsystems). This is the manifestation of its hierarchy and structured nature. In the structure of the fiscal mechanism for ensuring sustainable development, based on the above, we should distinguish such relatively independent components (subsystems of the second order) as the mechanism of accumulation of budget revenues (in combination of tax, credit (loan), domain and regime mechanisms), expenditure and budget mechanism (as a combination of the mechanism of budget expenditures and the mechanism of repayment of state and local debts).

Список використаних джерел

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