Секция 1
НАЛОГОВАЯ ПОЛИТИКА И РЕФОРМИРОВАНИЕ НАЦИОНАЛЬНЫХ НАЛОГОВЫХ СИСТЕМ

FISCAL POLICY AND ITS FEATURES IN THE DEVELOPING COUNTRIES

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Annotation: Fiscal policy plays an important role in the economic well-being. Main aim of fiscal policy is to smooth the business cycle fluctuations, ensuring stable economic growth, achieving a high level of employment and etc. In this paper revised role of fiscal policy and its features in the developing countries.

Keywords*:* fiscal policy, taxes, economic growth, saving, public revenue and spending.

In the market-oriented development of economy, the government seek to influence the course of the economic system in order to maximize economic welfare. The use of fiscal instruments by the State or in other words, fiscal policy of the state plays an important role in changing the economic well-being.

Fiscal policy is the area of policy of the state to collect taxes and government spending, which is aimed at achieving certain goals in promoting economic growth and full employment, the solution of problems of structural, regional and social policy. In essence, fiscal policy is reduced to the formation and expenditure of public funds through the tax and budget systems.

The main objectives of fiscal policy is to smooth the business cycle fluctuations, ensuring stable economic growth, achieving a high level of employment, lower inflation rates. Thus, fiscal policy reduce not only to meet the challenges of the financial support of the current activities of the state, but also seen as an important tool for the stabilization of economic development and prosperity of the state.

One of the most important tasks of fiscal policy is to look for sources and methods of forming central government of funds, the means to realize the goals of economic policy. Through fiscal policy, the state regulates the global economic processes in the country, supports the stability of the financial, monetary, provides funding for the public sector contributes to a better use of production-economic and scientific-technical potential.

With fiscal policy, the state itself may influence the development of the economy, ensuring its sustainable growth and price stability and full employment of labor. Such a policy is that, in time to anticipate a decline in production and rising unemployment, as well as the increase of inflation in the economy and act accordingly to them. In the coming decline in production and the government increases government spending and reduce taxes to increase aggregate spending and investment.

Essentially fiscal policy is the main lever by which the state can affect the economy. Fiscal policy can be both beneficial and painful enough to affect the stability of the national economy.

There many research papers about the role of government spending in the growth of national economies (Aschauer 1989; Barro 1990; Tanzi and Zee 1997). As a result of these studies found conflicting evidence on the impact of government spending on economic growth. For example, Barro analyzed the relationship between the size of the state and the rate of economic growth and savings. He came to the conclusion that an increase of non-production needs of the public services directly related to the decline in their per capita income. Tanzi and Zee also found a link between government size and economic growth. On the other hand, as shown by empirical analysis Aschauer, the military capital bears little relation to performance and non-military public capital plays a significant role in determining performance and that the main stocks of infrastructure of streets, roads, airports, public transport, sewerage, water supply systems are the most influence to improve performance. Many researchers have also tried to make a link between public spending on agricultural development and poverty reduction (Elias 1985; Fan et al. In 2000; Fan et al. In 2004; Fan and Pardey 1998).

Also, fiscal policy can affect the issues of equity, based on who benefits from the services provided by the public sector in the form of transfers and those that contribute to its funding in the form of taxes. As a result of tax payments is a change in the primary income taxpayers who, in turn, reduce personal disposable income.

In addition, fiscal policy can influence the choice of the individual. For example, the quality and accessibility of public services such as education will affect the training and possibility that more people will be able to get an education, which in turn determines their ability to labor income and improve their standard of living.

However, in developing countries, the impact of fiscal policy on social justice is relatively small. This is primarily due to a combination of taxes that are paid more for low-income households, that is, they are regressive. As well as public expenditure programs, especially in social spending, which is used by a large proportion of poor families.

According to some authors, the tax system in developing countries is regressive and does not significantly affect the distribution of income. As the theoretical models that the appropriate allocation of public expenditure can have a greater impact than taxes. A striking example is the fact that families with low income, for which a progressive tax does not really matter, because all the same from this point does not change. But a budget transfer in the form of welfare benefits can have a significant impact on their revenues.

But, studying the dynamics of the issue and taking into account the cumulative effect of the tax system over a long period, you can come to different conclusions. For example, Alvaredo and Piketty (2010) show that progressive taxation is sufficient to affect the rate of capital accumulation, and therefore long-term effect of taxes on income distribution can be significant.

On the other side of progressive income taxation can prevent the growth of inequality. According Alvaredo y Piketty main reason for the sharp reduction in the production of inequality in the developed world was the creation of a system of progressive taxation. Saez, Slemrod y Giertz (2010) concluded that changes in marginal rates on higher incomes have a significant effect when there are enough options to avoid them.

In fiscal policy, redistributive potential of public spending are different. For example, social spending in many ways contribute to the achievement of equality, especially such as education, health, housing and social protection. In addition, the provision of such services contributes to the equalization of life chances inhabitants of the country, being more educated and healthy and protected from unforeseen circumstances. This means that social spending has a direct impact on creating equal opportunities for all.

For many economists, the stability and fiscal policy are interrelated words. Therefore, in the developed countries, the sense of stability comes from the economic goals of the state, that is, maintaining the real level of national income is close to potential. The production potential of the product can be determined accurately with a high probability in conditions of low unemployment and price stability.

In developing countries the situation is not easy, and stability will lose its simple form. First, the definition of potential income is difficult, because:

- the unemployment rate is relatively high;
- there is a clear correspondence between the full employment of labor and capital;
- particularly the balance of payments, for example, restrictions on currency rate may impede full employment;
- real income per capita is less than available capacity.

This last postulate must contribute to economic growth. While developed economies are not particularly worried about a rapid rate of growth, in contrast, in the way of development, where income per capita have lower economic growth should be the primary purpose of state action. Therefore, in these countries, the tools of taxation and government spending should be used to achieve faster growth.