

FISCAL SUSTAINABILITY: COMPARATIVE TRENDS IN THE EUROPEAN UNION AND CHALLENGES FOR ROMANIA

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ABSTRACT: *Considering that the fiscal policy is the main instrument the government may use for influencing the macroeconomic output, which represents a conclusion of our previous research, the sustainability of public finance represents an important objective for every country, its role becoming more evident during the contemporary financial crisis. Although the fiscal sustainability in the European Union relies on the European principles as stipulated in the European Treaties, different member states have different perspectives and different approaches, subject to the national characteristics, such as the economic level of development, the cost of ageing, the health care system or for political reasons. The results of various fiscal policy reforms in the European Union Member States for enabling fiscal sustainability represent the core of this study. The study aims to provide policy directions related to the most efficient institutional reforms to provide fiscal responsibility at the national level, particularly for Romania. Based on the official data from Eurostat and national authorities for the period 2015-2018, the study presents and evaluates the comparative trends of the fiscal sustainability and projections until 2031 for assessing fiscal sustainability on long-term across European Union Member States, and analyses how the sustainability challenge for Romania should be addressed.*

KEYWORDS: *fiscal sustainability; fiscal responsibility; fiscal policy*

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