HOUSEHOLD INCOME ANALYSIS IN THE REPUBLIC OF UZBEKISTAN

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	Abstract

Keywords:
households, finance, income, expenditure, transfer income, primary income, subsidy, poverty, public budget

This article analyzes the importance of households in the development of the national economy in the following years, the formation of incomes of the population, and the main directions of the population's expenses. Also, the main directions of the reforms implemented to increase the income of the population and reduce poverty in Uzbekistan are described. A scientific proposal and practical recommendation on the development of household finances by increasing the income of the population has been formed

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INTRODUCTION

In Uzbekistan, much attention is paid to the fight against poverty. In the Message of the President of the Republic of Uzbekistan to the Oliy Majlis dated January 24, 2020, the fight against poverty was identified as a priority. In October, the development of a new approach to poverty reduction based on the methodology of international financial institutions began. On a new approach to the study of poverty and the fight against it. One of the main negative consequences of poverty for a country is the inhibition of human development, when a lack of funds for medical services and education prevents a significant number of citizens from reaching their economic and social potential. This hinders the qualitative development of the productive forces in the country and the economic activity of the population.

In his speeches at the 75th and 76th sessions of the UN General Assembly, the President of the Republic of Uzbekistan, Shavkat Mirziyoev emphasized the need to unite global efforts in the fight against poverty, especially during and after the pandemic. At the beginning of 2020, the President identified the solution to the issue of poverty reduction as the main task of state policy. Uzbekistan in 2022-2026 started the active implementation of the Development Strategy "New Uzbekistan", which, first of all, is based on the principles "For human dignity and value". The main objectives of economic development are aimed at halving poverty by 2026. The main condition for achieving these goals is to ensure macroeconomic stability and sustainable economic development.

In particular, the goal is to increase GDP per capita from the current $2,000 to $2,800 by 2026. This will create conditions for the transition by 2030 to a higher, middle-income group of countries. Within the framework of the tasks set, the transformation and privatization of state-owned enterprises and banks, the development of agriculture, the

transition to a green economic growth model, the improvement of the conditions for entrepreneurial activity, the increase in private and foreign direct investment, and the reform of land relations are the main goals for continuing the initiated economic reforms.

LITERATURE REVIEW

The scientific-methodological problems of the functioning and development of households as an economic category have been researched by domestic and foreign scientists.
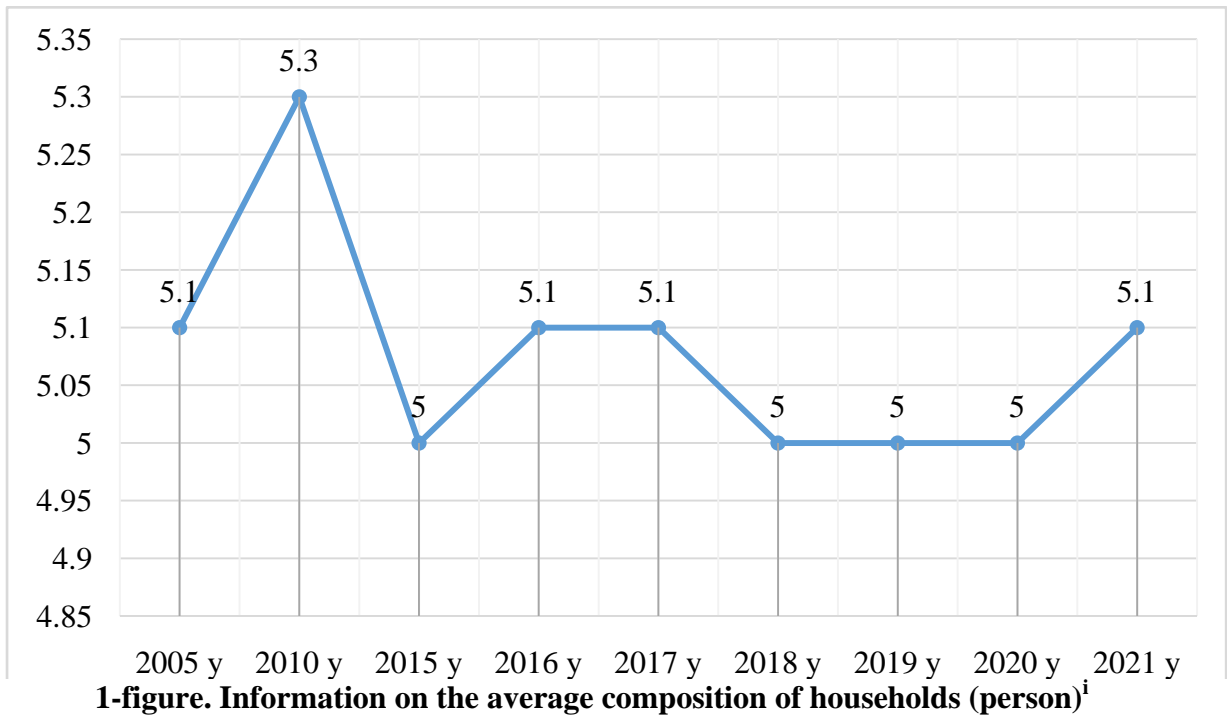
Economic category (unit) from foreign researchers G. Becker, R. Barr, I. Baskakova, V. Jerebin, A. Oleynik, T. Lavrova, E. V. Kulikova, V. D. Kamaev, E. V. Koldeeva and others analyzed the problems of household activities. The analysis of these scientific sources shows that the concept of household has not yet been given a single definition. The authors have given their definitions based on various preliminary concepts of the nature of the household and its functions. However, they had different meanings and different interpretations at different times, in different situations and in solving different tasks.

According to S.R. McConnell, S.D. Brewer, a household is an economic unit consisting of one or more individuals, providing the economy with resources and spending the money received for these resources to purchase goods and services that satisfy the material needs of a person [1]. According to M. Winter and U. Morris, a household is a group of people united by the common tasks of reproduction of human capital, place of residence, budget and usually family ties [2]. According to A.N. Oleynik, a household is a group of people united by common tasks of reproduction of human capital, place of residence, budget and family ties. The basis of the household is power relations - the rights of control over joint economic activities are assigned to one of the family members, that is, the head of the family [3].

The concept of "household" refers to a group of persons living in the same house and running a joint economy, which is manifested in the joint production and consumption of goods. Unlike the household, the family is based on the concept of kinship, but the degree of kinship sufficient to form a single family depends on the historical and cultural context [4]. A household is a natural person in the country's economy, which may consist of one person or a group of persons united by a common budget (not necessarily relatives). The concept of "household" also includes unincorporated enterprises of households whose activities cannot be separated from the activities of their owners from a legal point of view and from an economic point of view [5].

METHODOLOGY AND ANALYSIS

According to the results of Uzbekistan 2021, the average number of household members was 5.1 people based on the data of household sample observations. When analyzing household members by region, it can be noted that the highest figure was recorded in Jizzakh region (5.8 people), and the lowest figure was recorded in Tashkent city (4.1 people). If we compare these indicators in relation to 2005 and 2015, it can be seen that only regional differences were observed, while the general result remained almost unchanged (Figure 1).

1-figure. Information on the average composition of households (person)[i]

The calculation of the total income of the population is carried out on the basis of international statistical standards of the System of National Accounts, recommendations of the International Labor Organization, interdepartmental methodological guidance developed and approved by the State Statistics Committee, based on the legislation of the Republic of Uzbekistan. According to preliminary data, in January-December 2021, the total aggregate income of the population reached 515.7 trillion soums.

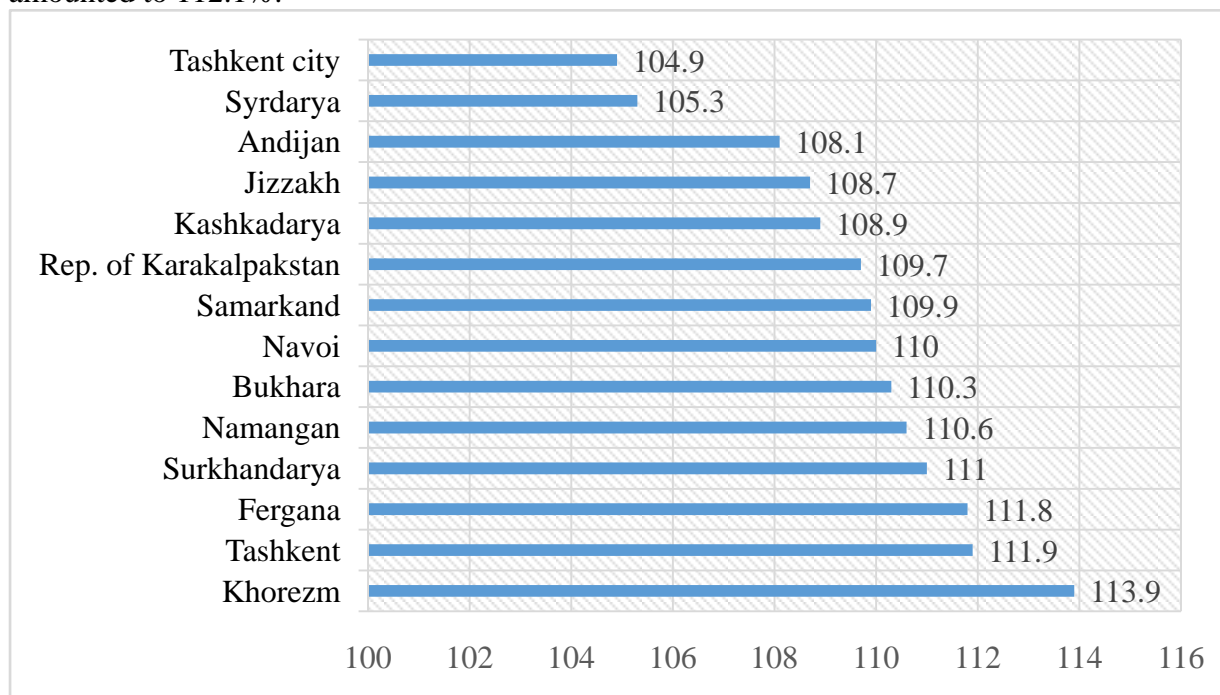[i] https://stat.uz/images/uploads/reliz2021

Table 1

Information on incomes of the population of the Republic of Uzbekistan[ii]

№	Indicators	2005 y	2010 y	2015 y	2016 y	2017 y	2018 y	2019 y	2020 y	2021 y
1.	Total income of the population, billion soums	9728,6	61631,6	169344,3	197962,4	236893,1	300842,7	365735,6	415085,0	515660,7
	in% to the previous year	126,3	132,9	115,7	116,9	119,7	127,0	121,6	113,5	124,2
2.	Total income per capita, thousand soums	371,8	2192,8	5410,6	6215,9	7314,1	9128,6	10891,3	12125,6	14769,0
	in% to the previous year	124,8	129,2	113,7	114,9	117,7	124,8	119,3	111,3	121,8
3.	Real total incomes of the population, billion soums	9147,7	58229,4	160485,5	187517,7	216400,1	255971,0	319336,1	367559,6	465271,8
	in% to the previous year	118,8	123,6	109,6	110,7	109,3	108,1	106,1	100,5	112,1
4.	Real total incomes per capita, thousand soums	349,6	2038,7	5127,5	5887,9	6681,4	7767,0	9509,6	10737,3	13325,8
	in % to the previous year	117,4	120,1	107,7	108,8	107,5	106,2	104,2	98,6	109,9

[ii] https://stat.uz/en/press-releases/7659-for-2021-year

If we compare this indicator with 2015, it can be seen that during the analyzed period, the income of the population increased more than 3 times (Table 1). Compared to the indicators in 2020, it can be recognized that it has increased by 124.2 percent. Also, the amount of total income per capita increased by 9358.4 thousand soums to 14769.0 thousand soums during 2015-2021. If we look at the amount of real total income per capita, in 2015 it was 5127.5 thousand soums, and by 2021 it will be 13325.8 thousand soums, having increased by 2.6 times.

In order to exclude the influence of price factors for the calculation of real growth rates of incomes of the population, the consumer price index (CPI) is used - one of the important types of inflation indicator. Due to changes in consumer prices, the growth rate of the total income of the population, compared to the same period in 2020, in real terms amounted to 112.1%.

Figure 2. Real growth rates of average per capita total income by regions of the Republic of Uzbekistan for 2021 year[iii], %
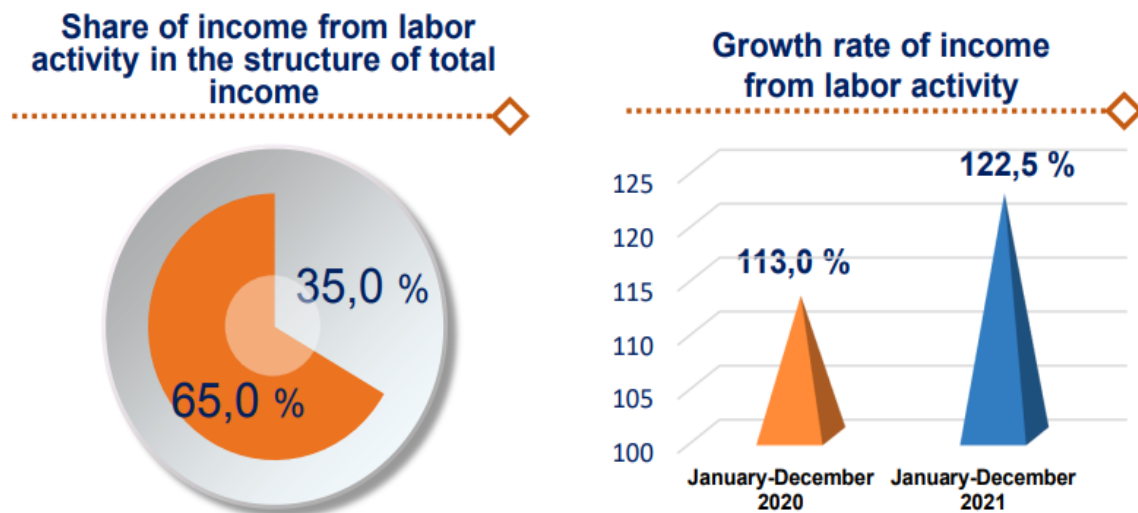
In January-December 2021 (for twelve months), the average per capita nominal total income of the population above the national average was noted in Tashkent city – 30 232.0 thousand soums, Navoi – 24 156.2 thousand soums, Bukhara – 17 847.1 thousand soums , Tashkent – 16 331.7 thousand soums and Khorezm – 15 484.5 thousand soums. In January-December 2021 (for twelve months), the lowest indicator of the average per capita nominal total income of the population was recorded in Fergana – 10 929.8 thousand soums and Namangan - 11 329.1 thousand soums, the Republic of Karakalpakstan – 11 391.6 thousand soums, and also in Surkhandarya region – 11 884.7 thousand soums. The highest real growth rate was recorded in Khorezm - 13.9%, Tashkent - 11.9% and Fergana - 11.8% regions. Real growth rates below the national average were noted in Tashkent city - 4.9%, as well as in Syrdarya - 5.3%, Andijan - 8.1%, Jizzakh - 8.7%, Kashkadarya - 8.9% regions and Republic of Karakalpakstan - 9.7% (figure 2).

Significant growth in the total volume of aggregate income of the population is mainly due to significant changes in income from labor activity (income of employees and income

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iii https://stat.uz/images/uploads/reliz2021

from selfemployment), which account for 65.0% of total income and 26.3% are income from transfers. In the total income of the regions, the largest share of income received from labor activity (income of employees and income from selfemployment) was observed in Jizzakh region (76.9%). On the contrary, in Khorezm and Samarkand regions, the Republic of Karakalpakstan, Namangan, Surkhandarya, Fergana regions, as well as in the city of Tashkent and Kashkadarya, Andijan regions, it was below the national average.

According to preliminary data, in January-December 2021, the share of income from labor activity in the structure of the total income of the population amounted to 65.0%. The nominal growth rate of income in relation to the corresponding period of 2020 reached 122.5% and contributed to the growth of the nominal volume of total income in the order of 14.8% (figure 3).

Figure 3. Share of income from labor activity in the structure of total income and Growth rate of income from labor activity[iv]

The growth rate of incomes of employees in the past period reached 125.4%, which ensured an increase in nominal incomes of the population by 6.9%. In January-December 2021, the share of total income of employees among the population amounted to 27.6%. The highest nominal growth rates of income of employees were noted in the city of Tashkent (132.1%), as well as in Surkhandarya (127.5%), Tashkent (127.0%), Samarkand (124.7%) regions and the Republic of Karakalpakstan (122.7%). The growth rate of income in the past period reached 120.5%, which ensured an increase in the nominal income of the population by 7.9%. In January-December 2021, the share of total income from selfemployment among the population amounted to 37.4 %. In the total income of the regions, the largest share of income received from selfemployment was observed in Jizzakh (56.2%), Bukhara (47.0%), Kashkadarya (44.2%) regions. On the contrary, in the city of Tashkent and the Republic of Karakalpakstan it was below the national average.

CONCLUSION

As a result of the conducted research, the following conclusions were formed regarding the increase of household incomes and further strengthening of their importance in the national economy.

To increase the income of the population by increasing the cultivation of products on estates, to fill the domestic market with food products, to create a system of guaranteed purchase of products grown on estates, as well as to develop cooperative relations between

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[iv] https://stat.uz/images/uploads/reliz2021

owners of estates and producers in each district. Also, organizing short-term practical training sessions on training landowners and cooperatives in new technologies of product production, monitoring agrotechnical activities on the lands of cooperative members, conducting marketing research of produced products in foreign markets.

It is necessary to introduce modern mechanisms for increasing the employment of the poor population, especially women and youth, by launching new resources that are not used in the regions and economic sectors, and to ensure the effectiveness of the measures implemented by the government and the state and non-state organizations to reduce poverty. It is necessary to further develop and modernize the production, engineering-communication and social infrastructure of the regions in order to create favorable conditions for the location of industrial and other production facilities in the regions, to develop private entrepreneurship and improve the living standards of the population.

For the first time in the history of Uzbekistan, the practice of announcing the national poverty line - the minimum consumption expenditure of the population - has been established, and this indicator is used as an effective tool for conducting social policy. At the same time, social guarantees will be brought into one system, and they will gradually be brought to the level of minimum standards.

In order to increase the employment of the population in the regions, to further increase their income and to lift them out of poverty, it is necessary to identify the "growth points" (directions of specialization) of the neighborhoods and to support the initiators in the implementation of new entrepreneurship, including "driver" projects, and thereby ensure the socio-economic development of each neighborhood. As a result of this, a new mechanism for strengthening the status of neighborhoods as a separate entity, creating a new mechanism for working with the population, reducing population poverty and identifying the "growth points" of neighborhoods, creating a new mechanism for working together with representatives of the Republican economic bloc, and applying foreign best practices in poverty reduction in the country's practice are vertical and horizontal relations. leads to system improvement.

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