



WAYS TO FORM A MIDDLE CLASS OF OWNERS

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Article history:	Abstract:
Received: 7 th May 2024 Accepted: 4 th June 2024	In this article has been researched the social and economic significance of the formation of the middle class of owners and the factors that affect them.
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1. INTRODUCTION

Theoretical views on the middle class of owners have existed since ancient times. One of the thinkers on this issue is Aristotle, who argues that society, likening it to the spine in the human body. According to the English historian A. Toynbee, modern Western civilization, first of all, is the civilization of the middle class and Western civilization became modern only after the formation of a decent middle class: where for some reason the middle class of owners has not formed, the process of modernization of society is unstable and complicated.

The middle class usually consists of representatives who provide economic independence or highly qualified specialists.

The concept of the middle class of owners appeared in the twentieth century. This class plays a certain role in society, ensures its stability and consists of representatives of small and medium-sized businesses, employees of the state apparatus and management bodies, health care, farmers and other categories of workers.

2. ANALYSIS AND RESULTS

Currently, it is the middle class of owners that is the social support of the economy of Uzbekistan and the driving force of the reforms being carried out. During the transition to a market economy, the primary task is to accelerate the processes of economic transformation and the formation of a class of real owners, since if a person does not feel like a real owner, he will not properly fight for his rights, therefore, for the final results and efficiency of the enterprise, and will not strive to maintain the stability of society.

The class of owners is formed through a multi-structured economy through nationalization and transfer of state property to private ownership, modernization and fundamental structural changes in the economy, stimulation of small and private entrepreneurship, and the creation of a securities market.

Currently, the economy of Uzbekistan in the strategic aspect is the task of forming a multi-structured economy, in which priority is given to private property, small business and private entrepreneurship.

The natural uniqueness of Uzbekistan is the abundance of labor force. Developed agriculture and raw material base, traditions and mentality of the population bring to the forefront the need for intensive development of private entrepreneurship.

Through small business, the middle class of owners appears, which will balance both the economic and political situation in society. In addition, it creates new jobs, provides the market with goods and services. Only by spreading small and private entrepreneurship can we solve the problem of unemployment and poverty.

Due to the provision of favorable conditions for the development of private entrepreneurship in Uzbekistan, we can assume that our middle class has basically formed.

Currently, the majority of the population of developed countries consists of the middle class, the more stable the society and the more intensive its development, and the more achievements in economic and social progress. Such countries include the USA, China, Germany, Japan, South Korea, etc.

In Uzbekistan, taking into account the experience of developed countries, special attention is paid to the formation of the middle class of owners.

In our opinion, the middle class of owners, even in difficult economic conditions, both officially and through their funds and labor achievements, can contribute to the socio-political stability of society.

From this point of view, in our opinion, the share of the middle class among the population of Uzbekistan should not be lower than 70-80 percent. Of course, the criterion for belonging to a particular class is property. The social class of society is determined by the size of property. After the privatization of state, municipal and departmental housing stock in Uzbekistan in 1992, more than 1 million citizens acquired housing property. Almost 98.8% of the state housing stock was transferred to private ownership of citizens. Of these,



30% were privatized free of charge to workers in culture, education and health care. In addition, most of them are owners of income-generating property forms, in particular, cars, coffee shops, office buildings, private hotels, farms, workshops, small industrial agricultural enterprises.

A solid legislative framework aimed at ensuring the protection of the rights and legitimate interests of private owners has been created in Uzbekistan. Direct modern forms of providing public services are being introduced. A systemic dialogue has been established between government agencies and entrepreneurs. Reliable legal guarantees have been created for the consistent support of small and private entrepreneurship as an important factor in the sustainable development of the country's economy, job creation, increasing the well-being of the population and the formation of a middle class of owners. Nationalization and privatization of state property were of great importance in the establishment of the non-state economic sector. In the republic, 16,633 units of state-owned facilities and enterprises were privatized in 2000-2023, and proceeds from the sale of state assets amounted to 22,158.6 billion soums. Over the past five years alone, i.e. 2019-2023, 3,864 units of state-owned facilities and enterprises were privatized, and proceeds from the sale of state assets amounted to 20,569.6 billion soums [1]. If in 1990 the share of the private sector in GDP was 38.1 percent, then at present the non-state sector accounts for more than 81 percent of the gross domestic product, 94 percent of industrial production and more than 82 percent of the total employed population. As a result of the privatization of state property and stimulation of small business development, a new social stratum of society has emerged for Uzbekistan – the class of owners.

It is known that economic progress cannot be imagined without business activity and initiative. An entrepreneur actually feeds not only himself and his family, but also the people and the state, creates jobs and provides employment for the population.

In recent years, much has been done in Uzbekistan to create a favorable business climate and stimulate small business and private entrepreneurship.

Experts note that, based on the experience of other countries, it is small business and private entrepreneurship that play an extremely important role in reducing poverty. Because this path prepares the ground for the creation of jobs. And employment means a stable source of income, a decent way of life.

According to research, about 12-15 percent of the total population of Uzbekistan lives below the poverty line. This means that the daily income of four to five million people does not exceed ten to thirteen thousand soums. Uzbekistan has set the task of reducing poverty. To solve such problems, a ministry has been created,

which, among other things, deals with poverty reduction, regulating relations to achieve economic progress. As a result, a working system has been established on this issue and the poverty level is decreasing. For example, the poverty level in 2016 was 34%, in 2021 - 17%, 2022 - 14%, in 2023 it dropped to 11% and one million citizens were lifted out of poverty. An important factor in achieving such results is the policy aimed at training the population in modern professions, creating jobs, and comprehensive support for entrepreneurship. As of January 1, 2024, there are more than 417 thousand business entities operating in the republic and their share in GDP in 2023 amounted to 51.2 percent, and the population's income from small businesses reached 57 percent [2].

Support for entrepreneurs and the creation of conditions for doing business will continue to be priority areas of economic reforms carried out in Uzbekistan. The basis for this is the implementation of goals in the programs developed for today and for the near future. In particular, the Development Strategy of the New Uzbekistan for 2022-2026 provides for the creation of conditions for organizing entrepreneurial activity and forming permanent sources of income for the population, bringing the share of the private sector in the gross domestic product to 80 percent, in exports - to 60 percent.

During this time, the regions are planned to organize 200 industrial zones and develop a system of business incubators. And also to create more favorable conditions for the development of entrepreneurship in areas with a difficult socio-economic situation. The tax burden on business entities will be reduced from 27.5 percent to 25 percent of GDP by 2026. Entrepreneurship will continue to be supported, and the activities of structures in the regions to reduce unemployment and poverty will be improved.

Every year, 13 trillion soums of loans and 1.5 trillion soums of subsidies are allocated to family entrepreneurship [3].

In order to increase employment and increase the income of the working part of the population, it is necessary to continue implementing a strong large-scale social program. The priority area is the widespread development of a network of small and medium-sized enterprises, which, by ensuring a high degree of job retention, will contribute to the formation of a middle class of owners and the stabilization of the economy.

The results of the measures taken in recent years by the Government of Uzbekistan, aimed at consistently increasing the income and standard of living of the population of the republic, strengthening social support for citizens, are reflected in the continuous increase in the average per capita income of the population, wages and pensions. For example, the average per capita income of the population in 2010



amounted to 1.7 million soums, in 2016 - 4.6 million soums, in 2019 - 10.9 million soums, in 2020 - 12.1 million soums. in 2021 - 14.9 million soums, in 2022 - 17.8 million soums, and in 2023 - 20.0 million soums [4]. In 2023, the total volume of aggregate income of the population of Uzbekistan amounted to 728.8 trillion soums, per capita on average amounted to 20.0 million soums. The growth rate of total income per capita in real terms was 104.6 percent compared to 2022.

The significant growth in the total volume of aggregate income of the population in 2023 was mainly due to significant changes in income from labor activity (income of employees and self-employment), which accounted for 73.3 percent of total income and 26.7 percent income from transfers [5].

Over the years of independence, Uzbekistan has carried out systematic work to ensure the dynamic development of the service sector, as one of the most important factors and directions for deepening structural transformations and diversifying the economy, increasing employment, income and quality of life of the country's population. In addition, this sector plays an important role in ensuring stable economic growth. During the implementation of the main tasks and directions of the program for the development of the services sector for 2019-2023, the volume of market services increased by 2.5 times to 470.3 trillion soums.

The volume of services rendered per capita during this period increased by 2.2 times and amounted to 12915.6 million soums. Over the years of implementing the program for the development of the services sector in the Republic of Uzbekistan from 2019-2023, the contribution of the industry to GDP has increased. Thus, if in 2019 the share of the services sector in GDP was 39.6%, then by the end of 2023 it reached 43.4% [6].

In order to determine the amount of income necessary for decent living conditions of the population, legal regulation of issues regarding the "consumer basket" is envisaged. A gradual transition to a system for determining the amount of wages, pensions and other social payments taking into account the "consumer basket" by region is planned. Work will be continued to further improve the health care system and improve the quality of medical services. It is planned to introduce the "smart medicine" system and innovative technologies in healthcare. It is envisaged to create and open 2 thousand social pharmacies that will provide the population with high-quality medicines at reasonable prices.

It is planned to increase the number of tourists by creating broad conditions for the development of external and internal tourism in Uzbekistan. In 2023, 7 million foreign tourists visited Uzbekistan. If in 2017 each foreign tourist spent an average of \$ 197 per day, then in 2023 it was \$ 400. For the first nine months of

2023, the total income received from tourism amounted to \$ 1.72 billion [5]. In 2024, it is planned to visit 10 million foreign tourists.

Thanks to the openness policy of our state, ties with the world are strengthening. Uzbekistan has introduced a visa-free regime for citizens of more than 90 countries. As a result, the flow of foreign visitors has increased, over the past 2 years, the share of tourism in the export of services has reached 40 percent. 283 hotels, 486 hostels, 1.2 thousand family guest houses were built. The tourist flow increased by 35 percent. For example, in 2023, about 1.4 million foreign tourists came to Bukhara alone[6].

The population's cash savings in commercial banks are also growing.

According to the survey results, almost all families in the country have savings in banks.

In the period 2017-2023, the population was offered various attractive types of deposits: more than 400 in national currency, more than 100 in foreign currency. As a result, the population's funds in commercial banks increased annually. For example, over the past seven years, the volume of population deposits in commercial banks in national currency has increased 6.6 times, and in foreign currency 8.4 times. As of April 1, 2021, total population deposits amounted to 115,088 billion soums, and as of April 1, 2024, they reached 243,128 billion soums.

The increase in the volume of deposits in banks was facilitated by the growth of real incomes of the population and the stability of the banking system. In recent years, there have been changes in the level of provision of the population with durable goods, as well as in their quality, and what is special is that the bulk of such consumer goods are currently produced in the country.

For example, according to the statistics agency, as of January 1, 2024, the provision of the population with a passenger car per 1000 individuals is 95 units. As of January 1, 2023, there were 3,637,119 passenger cars in total, and as of January 1, 2024, it reached 4,020,744 units, an increase of 383,625 units over the year.

In addition, there is a rapid penetration into the daily life of the population of personal computers, outgrown computers (laptops, netbooks), tablets, smartphones, mobile phones, cellular communications and the expansion of the capabilities of these tools day by day, and along with the implementation of communications, exchange of information and active participation in the social life of the population. It should be especially noted that if in the first years of independence of our country, necessary food products such as wheat, meat and meat products, dairy products, potatoes and other products for consumption were brought from other countries, today, as a result of the accelerated development of production, not only the needs of the



country's population are met, but these products are also exported to many foreign countries.

3.CONCLUSIONS

The formation of the middle class of owners is a socio-economic and historical process. There are factors regulating and directly positively affecting each process. The task is to strengthen the positive factors and eliminate the negative ones. Therefore, it is necessary to form a class of owners and raise the level of their importance, since the class of owners must be leading in building a market economy and a state with a great future.

It should be noted that the most important reforms are being carried out in Uzbekistan, based on the existing potential of the country, even higher targets are being designated. At the same time, the main goals are outlined - to double the GDP by 2030 and bring it to 160 billion dollars, the GDP per capita to 160 billion dollars, as a result, to ensure that Uzbekistan enters the ranks of states with an above-average income.

The President of the Republic of Uzbekistan Shavkat Mirziyoyev emphasized that "... our people widely support the large-scale reforms being carried out in the country. The first results of these transformations are reflected today in the lives of our compatriots, their social activity and confidence in the future are growing ... "Because people do not want to see positive changes in their lives tomorrow, not in the distant future, but today. Our hard-working, kind-hearted and generous people have every right to this "[9]. At the same time, the middle class of owners is a social support and driving force.

Based on the above, we can conclude that at the current new qualitative stage of national development, it is necessary to continue fundamental changes in the economy, improve property relations, and expand the middle class of owners.

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