



SPECIFIC ASPECTS OF IMPROVING HOUSEHOLD FINANCES

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<p>Received: 14th September 2022 Accepted: 14th October 2022 Published: 24th November 2022</p>	<p>In the article, the current state of financial relations in households, the issues of increasing the income of the population, overcoming poverty and ensuring economic growth in our country are studied through analysis. Attention is also paid to the issues of ensuring the financial stability of households in our country. This article examines the use of household funds for the purchase of goods, the payment of taxes and mandatory payments, the purchase of housing and other purposes, as well as the use of excess income for post-saving.</p>

Keywords: Households, household finances, population income, decile coefficient, Gini index, needy population, economic growth.

INTRODUCTION

With the development of the economic reforms implemented in our republic, the population's income opportunities are increasing, and the composition of the population's income is changing. In the social policy of the country, we can see that the income of the population depends on the well-being of each family, the attitude of our compatriots to life, and finally, the stability of our society as a whole. With the increase in the income of the population in our country, we can see that its composition is changing, and the income from business activities is growing steadily.

The standard of living of the population, as a socio-economic concept, depends on the income at their disposal and, in particular, the level of formation of their real income. Because real incomes constitute the material and financial basis of ensuring the subsistence minimum and living well-being.

It is also known from the world experience that the income level of the population is one of the main factors for their comfortable life. Therefore, the formation of the population's income and its composition are important in the effective implementation of the policy of sustainable formation and equalization of incomes.

Currently, in the development of household finances, the issue of reducing the tax burden on individuals and increasing the level of real income of the population, which is one of the priorities of the tax policy, remains relevant, despite this, a number of noteworthy works are being carried out in this direction.

In this regard, the President of our country, Shavkat Miromonovich Mirziyoyev, in his address to the Oliy Majlis, said, "In order to raise the standard of living of our people, we need to form a system of decent

remuneration for work and increase the real income of the population."

As an economic category, it consists of a set of economic relations related to the formation, distribution and use of funds for consumption purposes and savings in households. Economist T. Malikov took this into account and came to the following conclusion: "A set of economic (financial) relations related to the formation, distribution and use of funds for consumption and savings in households called household finance.

The main issue of any economy is to satisfy people and their needs. Of course, it depends on the position of a person in society, the relations of distribution of produced material goods. According to the law of distribution in the conditions of the market economy, the income of economic entities is determined depending on the amount and effective use of the resources belonging to them. According to this, the incomes received are the incomes of production factors or market incomes, and each factor brings a separate income to its owner. It is known that in any country there is an underprivileged segment of the population. Even in Uzbekistan, a certain part of people do not have a sufficient source of income. Poverty has been a "closed topic" in our country for many years. On January 24 of this year, in his address to the Oliy Majlis, the head of state spoke openly about this, and for the first time in our history, reducing poverty was set as a priority. At this point, the study of financial relationships that arise in households becomes relevant.

LITERATURE REVIEW

Academician K.Kh. Abdurakhmanov believes that the point of view of the authors who limit the content of the concept of "living standard" to the sphere of consumption is correct. In his opinion, the standard

of living means the level of provision of necessary material and non-material benefits and services of the population, the level of their consumption.

In order to more fully meet the needs of household members, forming and maintaining the necessary monetary funds (current level of consumption, money reserves, investment), the relations that arise between household members during their use. internal financial relations of the farm are listed. Regardless of the type of financial decisions that affect the household, it depends on the formation and use of their money funds.

A well-structured system of indicators of the standard of living of the population in the household helps in the effective development of social policy, in providing assistance to the poor, in making informed decisions, in ensuring the balance between sectors, and in the social impact of the reforms carried out in the country. It is important to assess the economic

consequences and monitor the implementation of state and regional social programs. The standard of living of the population or its individual strata can be studied using a system of various indicators.

ANALYSIS AND RESULTS

This system includes, firstly, value indicators that give a general description of the standard of living of the population, secondly, natural indicators that show the amount of consumption of material goods and services in natural terms, and thirdly, per inhabitant or worker , value and average indicators calculated per capita or per family expressed in natural terms are entered.

The standard of living of the population or its individual strata can be studied using a system of various indicators (Figure 1 below).

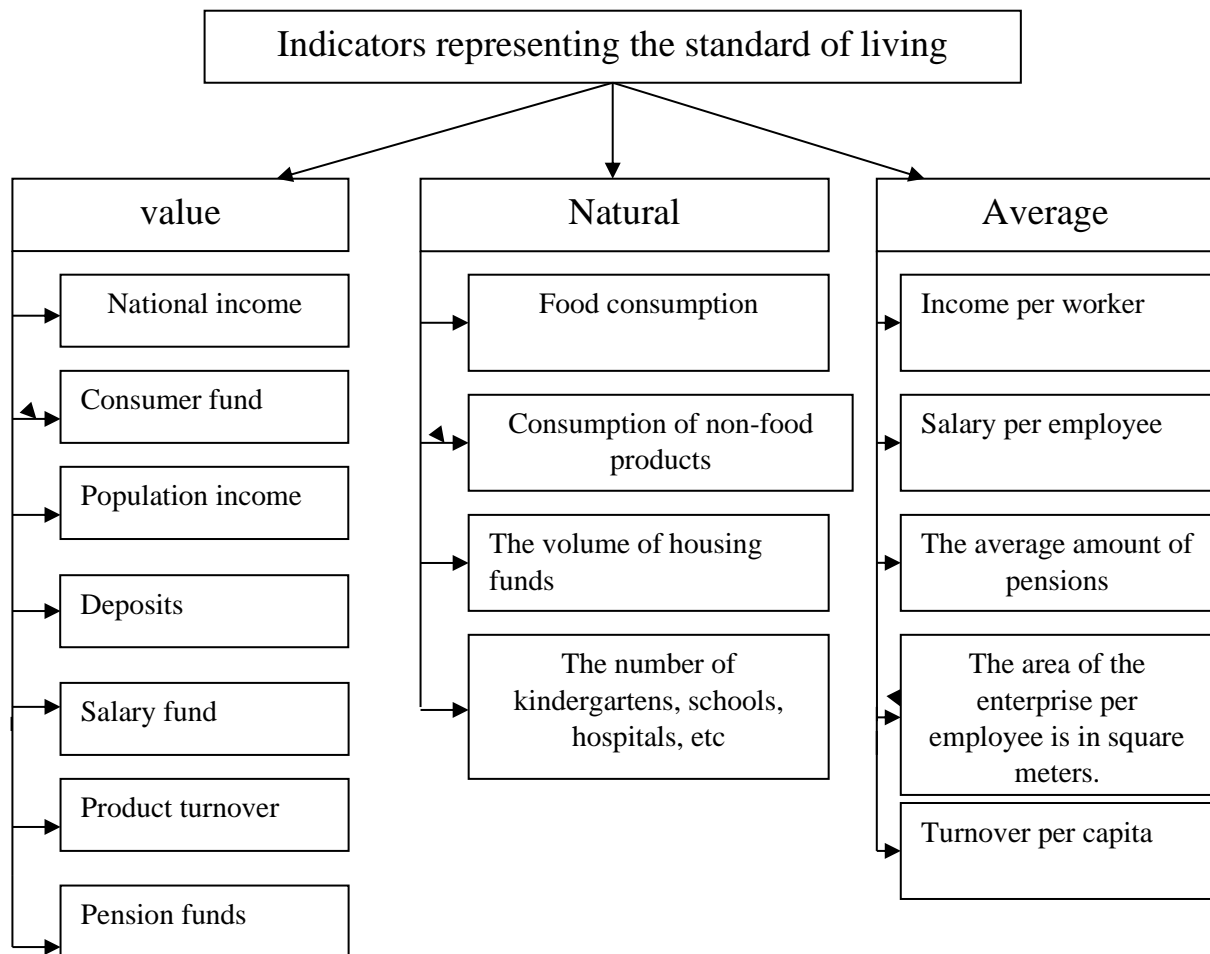


Figure 1. Indicators of population income and standard of living

Indicators representing the standard of living are different and are closely related to the concept of

standard of living. The following indicators are used to assess the standard of living:



- level indicators (absolute values);
- structural indicators (components of level indicators);
- can be calculated as dynamic (relative, describing the change of level indicators).

The relative standard of living can be determined according to the following four aspects:

- 1) comparison with the standard of living of previous years;
- 2) comparing the standard of living in one region with the standard of living in other regions (countries);
- 3) comparison of the standard of living of workers in one industry with the standard of living of the population working in other industries;
- 4) comparison of the actual standard of living with the satisfaction of needs representing the minimum and reasonable requirements of people.

The following issues face the assessment of the standard of living of the population:

- to study the composition, structure and dynamics of the population's monetary incomes and expenses, material, cultural and spiritual needs, and their descriptive indicators;
- to study the differences in income and consumption of the population, to determine the influence of socio-economic factors in reducing these differences;
- comparative study of the standard of living of people working in different industries;
- comparing and studying the living standards of urban and rural residents;
- comparative study of the standard of living of the population on the scale of regions;
- making international comparisons with the standard of living of the republic's population, etc.

An important place in the development of the system of indicators representing the standard of living of the population was occupied by the transition from a single person, to a family, to a household. The problem of objective interpretation of the population's standard of living, income, opportunity, consumption and satisfaction of needs was considered urgent. This problem has not been well studied theoretically and methodologically.

World economists have made a lot of efforts to determine the methodology of indicators that accurately describe the standard of living of the population. In developed countries, the assessment of the standard of living of the population is carried out by analyzing the population's income, food consumption, housing conditions.

It is of particular importance to ensure a balance in the domestic market between the growing solvency of the population and the volume of consumer goods produced in industrial enterprises, to expand the

range of industrial products, and to reliably fill the markets with domestically produced products. earns. Because the well-being of the population largely depends on the level of its food supply. To solve this problem, it is necessary to increase the efficiency of enterprises producing consumer goods.

The positive changes taking place in the structure of household incomes in household finance require the improvement of the calculation of household incomes and the development of its methodology in accordance with international standards.

The monetary income of the population includes the following: wages, incomes of hired workers from enterprises other than wages, dividends, pensions and allowances, scholarships, income from the financial system, income from the sale of foreign currency, other incomes.

The problem of objective interpretation of the level of living standards, incomes, opportunities, consumption and satisfaction of consumption demands of the population is considered urgent. Currently, efforts are being made by economists to create generalizing indicators and methodologies that accurately describe the standard of living of the population.

The welfare of the population living in our country is further improved, the single 12% rate of personal income tax by 2019, and the abolition of compulsory insurance contributions of citizens outside the budget, serves to increase the income of individuals.

The introduction of a single tax rate on the income of individuals can fully cover the income and ensure the efficiency of the income.

To sum up, if the income of the population exceeds the expenditure, the welfare of the family members living in the household will improve. The total income of the population represents the gross income before making mandatory payments and other deductions.

In order to analyze the structural distribution of income received by the population, the disposable income of the population is determined, because it allows determining the largest possible amount for the consumption expenses of the population.

Household disposable income is calculated by deducting from total income direct taxes (including their refunds), mandatory fees and fines, and financial assistance money given to one household by another household.

In order to assess the coverage, authority and accuracy of the information on the distribution of the population according to the material well-being of the population and the stratification of the population's income, obtained on the basis of household observation, the total income indicators formed on the basis of this methodology are incomes within the



framework of household observation is compared with the information obtained about

When we think about the household, we define it as follows: a household is a small group of people who live together in the same house, transfer their income and wealth to a common fund in whole or in part, and consume certain goods and services together. Living together in one place, sharing the budget, making economic decisions together are the criteria of a household. There are different views on the concept of household finance. According to the Russian professor E.M.Petrikova, the set of economic relations related to the formation, distribution and use of funds for consumption and savings in households is called household finance. According to Uzbek professors A.Vahobov, T.Malikov - the set of economic (financial) relations related to the formation, distribution and use of funds for consumption purposes and savings in households is called household finance. and the relationship of money that arises in the process of formation, distribution and use of funds is called household finance. In most economic literature, household finance is used interchangeably with the terms household or family. But the term household has a limited character in relation to the family. For example, a student who rents a room is part of the landlord's household, but not his family.

In other words, a household may consist of non-relatives or a single person. In the system of market relations, the financial importance of households is determined by what it is economically intended for. It is necessary to limit two concepts - family and household concepts. Family means a group living in the same house, united by family ties. The main characteristic of a household is the totality of resources and consumption. In today's world, 2/3 of GDP falls on household consumption. Population income - the amount of monetary and in-kind (product) receipts of the entire population, as well as the amount of provided free services, the population's contribution to the national income. In 2020, the difference between the incomes of the 10 percent well-off population and the 10 percent insufficiently well-off population, that is, the so-called "decile coefficient" in our country, was 6.9 percent. The internationally recognized Gini index, the index of population stratification, was 0.280, which was much lower than that of most developed and developing countries. As for the criteria, it should be understood that there is an indicator of extreme poverty. People who live on 3 dollars 20 cents a day are called poor, not poor. People who earn less than \$2 a day are considered poor or extremely poor. Regarding the issue of overcoming poverty and ensuring economic growth, according to the indicators and forecasts of the World Bank, the economic growth in Uzbekistan is currently 5.7 percent, next year and 6 percent in 2023.

The task of countries is that they must achieve poverty reduction through economic growth. Special programs are needed for this. In general, the forecasts of the World Bank and other international organizations regarding economic growth and reduction of the number of poor people in Uzbekistan are positive. In the Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis on December 29, 2020, the existence of poverty among a certain segment of the population was recognized for the first time, he announced that the poverty level in the country is around 12-15 percent, and comprehensive work was determined to reduce it.

The most important factor to get out of poverty is the desire of a person, self-motivated, self-motivated, goal-oriented movement. For this purpose, next year, more than a thousand vocational training centers will be established in neighborhoods. For each person trained in the profession, training centers will receive a subsidy of up to 1 million soums, and 100 billion soums will be allocated from the budget for this purpose. Citizens who want to start their own business after completing training courses will be given subsidies of up to 7 million soums for the purchase of equipment. Also, based on the possibilities and direction of development of each district, land areas from 10 to 1 hectare will be allocated to families engaged in farming. 500 billion soums will be allocated from the Employment Assistance and Public Works Funds to ensure the employment of the needy population. We must not allow the people who lost their jobs during the pandemic to fall into poverty. Therefore, a new system will be introduced from next year. According to it, the temporary unemployment benefit will be tripled, and the old bureaucratic procedure requiring 6 documents will be abolished".

There is another hypothesis in the study. If labor migrants from foreign countries return to Uzbekistan, find work in the local labor market and receive relatively good wages, the poverty rate will increase from 11.4 percent in 2018 to 12.2 percent. There will be a promotion anyway. Therefore, external migration is an important factor in the labor market. Because the labor market of Uzbekistan is not able to provide enough jobs. The study says the labor market is weaker. In this respect, external migration is a positive factor for Uzbekistan, both economically and socially.

According to the latest report published by the International Labor Organization regarding the impact of Covid-19 on the socio-political situation in Uzbekistan, 60 percent of the respondents who took part in the survey live in one-family households; 27 percent live in two-family households, and 13 percent live in households with three or more families. Also, food, transport, clothing and medicine account for 83% of household consumption. Another interesting fact in



this report is that 50 percent of the respondents to the survey reported that they cover costs by saving on consumption. It can be noted that the fact that the income does not reach the primary expenses cannot be a reason for not managing the household finances. Personal and family budget calculation is equally important for all categories of the population.

CONCLUSION

As a conclusion, it can be said that the management of household finances of the population plays an important role in the country's economy: the presence of financially literate and vigilant people in the society serves the correct distribution of income, accumulation, reduction of unpleasant situations in credit-debt relations. The country's economy only benefits from the existence of financially literate and calculating households. That is, by maintaining a personal and household budget, citizens not only maintain the stability of their financial situation, but also have a positive effect on the country's economy. To ensure the financial stability of the household, it is advisable to do the following:

The first is to create jobs in the labor market. This is a difficult task that should be done first. That should be the first thing to do. The jobs created must bring sufficient income to the person employed. Because low-wage jobs created in the name do not help to overcome poverty. The second is social programs. There should be social programs for health care and career guidance. Low-income and poor populations should be the first to be able to participate in these programs. The 2020 state program also mentions increasing the financial literacy of the population in order to ensure the financial stability of the household. It can also be an instrument. The third is the development of small and medium-sized businesses. Creating a business environment in the country, improving it. Let's go back to the World Bank ratings. Uzbekistan ranks 8th in terms of opening a business. But opening a business is not the end. Whether a business is a small, medium or large company, it needs to be run. It should be easy to make mistakes in business, to have sources of refinancing, to operate. Uzbekistan still has a lot of tasks to do in terms of improving the business environment. If this aspect is also improved, jobs will be created, people will have capital. As a result, we will be able to reduce poverty.

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