

**THE NECESSITY AND IMPORTANCE OF
ENTREPRENEURSHIP AND BUSINESS ACTIVITY IN INCREASING
FAMILY INCOME**

Madiyorov Sherzodbek Mukhtarovich

Assistant, Department of Economics, Namangan

Engineering and Technology Institute

Entrepreneurship, in particular family business, plays an important role in ensuring the socio-economic development of developed countries in the world. According to data, “family business in the world covers an average of 70% of all companies, this figure reaches 80% in the USA and 94% in Finland”. Also, “researchers have found that 68% of small businesses in Western Europe are family businesses”. The long history of this form of entrepreneurship, the effective combination of family and business traditions, the simplicity and convenience of doing business, and the full coverage of the interests of participants, make it possible to significantly increase its weight in the economy.

The socio-economic reforms implemented in the Republic of Uzbekistan over the past five years have provided fundamental changes in the life of society. These changes are directly related to the extent to which the needs and interests of the family, which is the basis of society, are met, and to the extent to which the well-being of each family is ensured. That is why families are considered not only the initial link of society, but also a factor ensuring social stability, a strong economic support serving to improve the national economy. At the same time, the family is considered a social space that plays an important role in the development of society, and only on the basis of ensuring its stability can society acquire a mature and capable workforce.

Studying the features of ensuring the economic stability of the family requires, first of all, a thorough study of the financial situation of the family. In Uzbekistan, the average salary at the end of 2021 was 2.7 million soums. In some

regions of our republic, which are the object of the study, it is 20% less than in the republic. It was shown that per capita income in the regions increased by 4.5 times in 2022 compared to 2015, and expenses by 4.52 times. It is worth noting that today the majority of the expenses of a family living in the region, namely 53.9%, are spent on the purchase of food products, and 16.1% on expenses for services.

At the same time, due to the relatively high proportion of children and the elderly in the regions, as well as the low growth rate of the number of jobs created in relation to labor resources, there are an average of 1.4 dependents per breadwinner in the family. The above-mentioned situations indicate a number of problems in the economic situation of families in the regions.

Today, in our Republic, as well as in the regions, special attention is paid to the socio-economic support of families, especially low-income families that have lost their breadwinners. However, changes in the material situation of families in the regions affect their economic stability. Taking this into account, a comprehensive study, analysis and development of scientific proposals and recommendations on ensuring the economic stability of families are among the urgent issues of the day.

As the income of the population increases and changes in their different levels, the expenses allocated to the family by individuals also change. However, their comprehensive assessment is important. Because this is the main criterion for the economic stability of the family. Therefore, we will evaluate this subject and develop appropriate proposals and recommendations. Here we will consider the description and proposal of family expenses. A clear classification of expenses in households is not yet found in the economic literature. However, some ideas have been expressed about some features of its classification and analysis.

G.M. Shodiyeva recognizes that expenses in households and their classification depend on their income. In fact, expenses in households are based on their income and differ from each other according to the composition of family members, age, gender and a number of other characteristics.

The difference between expense items and other subjects of microeconomics is that in households there are expense items arising from the needs of its members.

We believe that it is appropriate to refer to economic theory to classify expenses in households, citing its description and classification of human needs. Because, while needs are specific to each individual, they also have common aspects, and needs are summarized in terms of these aspects. In a number of literatures on economic theory, it is recognized that needs are generally divided into two large groups.

1. Material needs.
2. Non-material needs.

We can recognize the material needs of family members in the form of a number of material desires arising from food and drink, clothing, and physiological points of view. Non-material needs depend on the spiritual desires of family members (education, watching movies, theater, etc.). The reason for this problem is that the family's income is at different levels. Each person's consumption depends on the family, the family budget. Family life has its own characteristics, and market-like purchases and sales do not occur within it. However, its economic situation depends on economic development, and its analysis can be carried out through the family budget.

In our opinion, it is advisable to take a group approach to classifying household expenses and separately reflect the expense items specific to each group. Because the expenses of households of different categories also vary. If we look at the world as a whole, families are divided into the following 4 groups.

1. Poor families.
2. Poor families.
3. Middle-class families.
4. Rich families.

The largest share of household expenses in the first group falls on consumption expenses. This is from 80% to 90%, depending on the level of household income.

Families with high shares of consumption expenses can be considered the majority. In such households, only 1 person, that is, the head of the household, earns an income, and all of this income falls on the monthly salary.

In the United States, families are considered poor if more than 75% of their income is spent on consumption. Such families are taken into their care by the state and provided with permanent benefits. In Uzbekistan, families of the first and second groups are also considered families in need of assistance and are provided with benefits. Even in poor families, a large part of their income (60-75%) is spent on the purchase of consumer goods. Such families do not have funds for entrepreneurial activity and savings. Middle-income families are understood as households that spend 40-60% of their income on the purchase of consumer goods. Families use the most necessary types of services, and the demand for them is increasing from year to year. These include utilities, cinema and theater, recreation in resorts, sanatoriums, sports and recreation, Internet use, beauty salons, transportation and other types of services.

Wealthy families are understood as households that spend up to 40% of their income on consumer goods. In developed countries, such families make up 10-14%.

Efforts to form the property class in our republic are aimed at increasing the number of middle-class and wealthy families. Because it is not enough to earn money to become rich. Along with earning money, you also need to know how to use and spend it.

Payments for services also play a key role in the classification of household expenses. We have divided this group of expenses into two subgroups and each of them into specific items. This group of expenses can also increase and decrease depending on the situation of families.

According to the results of the study, our country has achieved a high level of provision with durable goods. This is confirmed by the fact that there are 162 televisions, 107 refrigerators, 90 washing machines, and 287 mobile phones per hundred households.

It can be seen that the production of televisions, refrigerators, air conditioners, and washing machines in our country has increased relatively rapidly in 2016-2022.

In 2016-2022, the number of private cars increased from 43 to 49. This also indicates an increase in the well-being and material capabilities of the population.

When forming the recommended average daily food consumption norms for age and gender groups of the population, the Ministry of Health of Uzbekistan and the World Health Organization developed minimum norms of average daily physiological needs for nutrients and energy for different age and gender groups, taking into account production capabilities, as well as the nutritional characteristics of the population of Uzbekistan.

The energy value of food products was taken as 2582.5 kcal for the working population, 2079 kcal for pensioners, and 1936.8 kcal for children.

In 2021, the State Statistics Committee of the Republic of Uzbekistan conducted a survey in December 2021, which included 46 main types of food products in the minimum consumer basket, with the share of food products in the consumer basket being 55%, non-food products 30%, and services only 15%.

In our opinion, the share of services has been greatly underestimated. Because, if we take into account the services of healthcare institutions, educational institutions, cultural and household services, rental services, transport and communication services, and communal services, the share of these services increases significantly (especially among urban residents). Therefore, it would be appropriate to revise this part of the minimum consumer basket.

LIST OF REFERENCES

1. Decree of the President of the Republic of Uzbekistan dated February 7, 2017 No. PF-4947 “On the Strategy of Actions for the Further Development of the Republic of Uzbekistan”. Collection of Legislative Acts of the Republic of Uzbekistan, 2017, No. 6
2. Resolution of the President of the Republic of Uzbekistan dated September 12, 2017 No. PQ-3268 “On Additional Measures to Support Low-income Population”
3. Mirziyoyev Sh.M. Together we will build a free and prosperous democratic state of Uzbekistan. Tashkent, “Uzbekistan” National Institute of Public Administration, 2017. – 56 p.
4. Mirziyoyev Sh.M. Ensuring the rule of law and human interests is the key to the development of the country and the well-being of the people. “Uzbekistan” National Institute of Public Administration, 2017. – 47 p.
5. Mirziyoyev Sh.M. We will build our great future together with our brave and noble people. “Uzbekistan” NMIU, 2017. – 485 p.
6. Mirziyoyev Sh.M. Critical analysis, strict discipline and personal responsibility should be the daily rule of every leader. “Uzbekistan” NMIU, 2017. – 103 p.
7. К.Абдурахманов. Рынок труда молодежи в Узбекистана. Slovak international scientific journal. № 25/2019, ISSN 5782-5319.
8. Q.Abdurahmonov. Faol investitsiya siyosati – milliy iqtisodiyotni yuksaltirish, xalq farovonligini oshirish garovi. Demokratlashtirish va inson huquqlari ilmiy-ma’rifiy jurnali № 1 (81), 2019 yil.
9. Abdurakhmanov K.Kh. New challenges and priorities of the labor market development in Uzbekistan. Journal Revista Espacios. Vol. 40 (Number 10) Page 14. «ESPACIOS» №10/ Caracas, Venezuela. ISSN: 0798 1015/ Number 10, 2019.
10. Abdurakhmanov K.Kh. Labor Migration of The Population and Evaluation of Supply Chain on the Labor Market. Journal International Journal of Supply Chain Management. IJSCM, ISSN: 2050-7399 (Online), 2051-3771

(Print). Copyright © ExcelingTech Pub, United Kingdom.

(<http://excelingtech.co.uk/>), Vol. 8, No. 2, April 2019.

10. Q. Abdurahmonov. Aholini ijtimoiy muhofaza qilish. Darslik. «NOSHIRLIK YOG'DUSI», 2019. – 256 bet. Global Economic Prospects:

Analytical Chapters. World Bank Group Flagship Report. June 2020. – 76 p.

11. Social Protection Spotlight. Social protection responses to the COVID-19 crisis: Country responses and policy considerations. International Labour Organization.

23 April 2020.