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Living standards of the population of Uzbekistan and its income

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**Abstract:** The role of consumer basket and its current size is studied. Conclusions and proposals to reduce the expenditures of the population and improve the standard of living are highlighted.

**Key words:** standard of living; general and private indicators; economic and socio-demographic indicators; objective and subjective indicators; cost and natural indicators; absolute and relative poverty; income of the population; money income, wages; time and labour remuneration; demand and its supply; labour productivity; pension; permit; scholarship; benefit; dividends; interest; rent; natural income; personal income; hard income; state income; state

**Introduction**

The standard of living is a complex socio-economic category reflecting the level of development of physical, moral and social needs, the extent of satisfaction and opportunities for their fulfilment. The standard of living "it will be necessary to study more deeply the level of appetite with income and needs of the population, the level and composition, housing, property, cultural and domestic things, etc. Indicators expressing the standard of living are diverse, they are divided into the following series:

- general and particular;
- economic and socio-demographic;
- objective and subjective;
- cost and naturalness;
- quantity and quality;
- proportions and indicators of client composition;
- statistical and other indicators.

General pointers:

1. National income
2. Reserve Fund
3. The National Wealth Consumption Fund includes the per capita share of kabars.

These indicators reflect the overall level of socio-economic development of a society.

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*Of the private indicators:*

1. Level and methods of consumption.
2. Working conditions.
3. housing and amenities.
4. Level of socio-cultural services
5. Child-rearing conditions.
6. Social guarantees and others can be cited.

*Economic indicators* reflect the economic opportunities of human and social life. Economic indicators include indicators reflecting the level of economic development of society and the well-being of each person (and real income, employment, etc.).

*Socio-demographic indicators* reflect the age, gender, professional and qualification component of the population, physical duplication of labour force output.

*Objective indicators* have an objective (economic, technical and so on) base, subjective indicators are taken into account by satisfaction of population groups or individuals with labour, family relations, income, work, lifestyle.

*Value indicators* include all measures of income and other measures in monetary terms (turnover, services, transport, volume of monetary funds and investments, etc.).

*Natural indicators* reflect the volumes of guaranteeing certain material non-material goods and services - food, energy, property, housing, cultural and household goods, measured in natural units (bottom, sqm, cbm, etc.).

*Sum indicators* define a certain amount of tangible non-material goods and services. And qualitative indicators of population welfare will allow to qualitatively assess the welfare of the population.

**Discussion and results**

Taking into account the current conditions, a new system of indicators is proposed, brought in line with the conditions of a market economy:

- 1) summary indicators;
- 2) Personal income;
- 3) Consumption and expenditure of the population;
- 4) monetary funds of the population;
- 5) Accumulated property and housing;
- 6) social differentiation of the population;
- 7) low-income segments of the population.

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Absolute and relative poverty indicators are also used to express the standard of living. Absence of absolute poverty or the lack of income of a person (family) necessary to meet the minimum necessities of life. Absolute poverty is found mainly among the homeless and the poor. Relative poverty in Uzbekistan is defined by the amount of income below the subsistence minimum.

In global practice, this indicator is applied to incomes below 40-60 per cent of the national average income.

Personal income and its types.

Personal income is the total of money and natural means received or produced by the population or its family members for a certain period. Incomes can be monetary and natural. Monetary income of the population receipts of all monetary means at the expense of wages for workers; pensions, scholarships, various allowances; income in the form of interest, dividends, profits, rent from property; shares, securities, real estate; monetary receipts from the sale of animals, products of homestead farming, various products and other goods, fees for the provision of various services.

Wages are the main income of the majority of the population. In a developed country, 70-80 per cent of total income is made up of wages and salaries. Wages are the earnings of working people, the purchase of livestock, which goes to support the working people and their families, is used to create the Swedish money fund. Wages are three pennies:

1. basic salary.
2. Salary in the form of a bonus (bonus).
3. monetary payment for overtime work.

Depending on the employee's hand touch, wages are divided into gross (total) and net (net) wages. The gross is the wages recorded in the gross, working account. And net is the net wage that remains after various payments are deducted from the gross wage, which is the money that goes into the employer's wallet. Depending on the amount of work performed, wages are divided into temporary and labour wages. Temporary wages are paid according to the amount of time a worker with certain qualifications and experience has worked, that is, how many days or hours, time. A wage is a payment for the quantity of goods or amount of work done. Its amount varies in proportion to the productivity of labour. For example, a worker is paid 40 sums per product. For one working day he will create 5 products, 200 sums, 240 sums if he increases labour productivity and creates 6 products.

Wages change, which is mainly due to three factors:

1. Demand for wages and its supply. When labour is available, the commodity will depend on the ratio of demand and supply in the labour market. When the demand for labour increases, wages increase and when the supply of labour increases, wages decrease. When

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demand and supply are equal in the labour market there is a balanced wage, wages are kept at one rate.

For example, the demand for labour force is 400 people, which is satisfied by the labour market. If demand and supply are equal in the labour market, the wage will balance at 4000 soums. If demand increases, the wage will rise to 6,000 soums or 7,000 soums, it may fall to 3,000 or 2,500 soums.

2. Labour productivity. Wages also change under the influence of labour productivity irrespective of entitlement and supply. Under conditions of employment, wages increase or vice versa.

3. Ability to work in the market. Wages are not given for work in general, but for the labour done according to the market requirement. If the goods are marketable, well marketed, wages will increase, if they do not fare well in the market, wages will decrease. Firms are unable to pay or pay wages to workers on time due to their inability to sell.

A pension is a special type of income paid by the state and firms to those who do not work because of old age or disability. The old age pension is included in the earnings earned but with a deferred transfer. Each person transfers some of the money they earn into a pension fund when they work, which is returned to them at a certain rate when the worker retires. A disability pension is money set aside by society to provide financial support for persons who cannot support themselves without earned money. The number of pensions is differentiated depending on the income received by the employee during his/her employment and the extent to which the employee has lost the ability to work.

An allowance is a special type of income and consists of money provided to those in need of social assistance and to the poor, usually by the state, firms or charitable organizations. The amount of the allowance depends on financial possibilities.

A scholarship is also a type of income that students receive, it is actually aiding money that will benefit society in the future. A scholarship is paid by the state or by firms.

Profit is the monetary return to entrepreneurs for taking risks and exposures. From the result of the entrepreneur's work that started to gain or lose. If the work is going on, good benefits are obtained, but if the work is not right, there may be damage instead of benefit.

Natural profit is an unsecured income and changes frequently. In the structure of household income, the contribution of profit will not be large because very few people are engaged in entrepreneurship. For example, in the United States, the share of profit in household income is about 15-18 per cent.

The portion of dividend income that is attributed to shareholders as a share. Dividends depend on the profitability of the company that issued the shares. Therefore, shares of different firms earn different dividends. With a developed market economy, the contribution of dividends to income increases as more people become shareholders.

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The income earned by an interest-money holder for lending out other people's money. The interest rate will depend on the demand for credit (debt) and its supply. When demand increases, interest is determined at the level of a fraction in relation to the amount of money lent out. For example, if the interest is ten per cent (10%) in relation to the borrowed money, its owner receives 10 kopecks for each sum, if out of one hundred and fifteen (15%) - 15 kopecks. In many countries, banks borrow money from the public and pay interest. The share of interest in income increases because part of the population's money exceeds expenditures and is invested in the bank to generate income.

Rent is the income of property owners from the alternative use of their property. Land, design, flat, house, etc. For example, rents a house and receives monthly income of 1000 soums. When the requirements for the house increase, he rents it for 1200 soums. The difference between the previous and subsequent cash income is 200 soums of rent. Super income in the form of rent is withdrawn from the alternative use of cars, machine tools, ship cables and will affect their owner.

Natural incomes of the population consist of all receipts of agricultural products: products of farming, animal husbandry, poultry farming, gardening "- plot of grain, vegetable and vegetable crops, personal homestead, personal yen of nature, products for family needs.

In addition, there are the following types of income:

- net income;
- income firm;
- income.

Income itself can be divided into two groups: the first is income earned by labour (wages, manager's income, income of an entrepreneur directly involved in business); the second is income from property (profit, rent, dividends, interest)

A market economy is characterised by income inequality and income differences. Income inequality expresses large differences in the amount of money earned by people. Inequality arises mainly from four factors:

1. People's workability is ambiguous, due to which they receive different income from achieving different results in economic activity. For example, if a Hollywood movie star earns 20 million dollars in a year, a qualified doctor will earn 80 thousand dollars, a teacher - 40 thousand dollars, a seasonal and future rural worker - 15 thousand dollars.
2. the income of an unemployed person with a worker, although their abilities are the same. For example, a worker employed in the US receives an average of \$2,500 per month, while an unemployed person receives \$600 in unemployment benefits.
3. inequality is also caused by the diversity of family composition. There are many multiparas in the composition of an agro-town, with a small number of breadwinners it will have a large income, and otherwise it will have a small income.

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If prices rise unexpectedly in the market, i.e., if entrepreneurs are lucky, it will bring a big income. Conversely, if prices fall, the expected income will not be received either. Thus, the difference in income is caused by changes in the state of the market. These strata form a social pyramid according to their incomes, increasing the income of the poor at the expense of the income of the state in a developed market economy. As a result, the population cannot be divided into very rich and very poor.

There is such a rule in economics that when income is low, the propensity to consume increases and the income gained is spent, when income is high, the propensity to save increases and income is gained more. The propensity to save or spend income also depends on the age of people. When incomes are the same, young people have a stronger propensity to save for the future and older people have a stronger propensity to spend income after life.

| Indicators  | 2018     | 2019     | 2020     | 2021     | 2022     |
|---|----------|----------|----------|----------|----------|
| Total income of the population, billion soums       | 300842,7 | 365735,6 | 414968,7 | 519181,4 | 634797,0 |
| Total income per capita, thousand soums             | 9128,6   | 10891,3  | 12122,2  | 14869,8  | 17807,3  |
| Real total incomes of the population, billion soums | 255971,0 | 319336,1 | 367456,6 | 468448,4 | 569631,2 |
| Real total incomes per capita, thousand soums       | 7767,0   | 9509,6   | 10734,3  | 13416,8  | 15979,3  |

Information on incomes of the population ( Table1)

In the table above (Table 1) we can see the size of the total income of the population of Uzbekistan for the last 5 years. The incomes have changed by more than 100 per cent every year, which in turn serves as a major incentive to increase the welfare of the population. For example, from 2018 to 2022, incomes increased by an average of 121.9 per cent annually. In 5 years, that is, from 2018 to 2022, incomes more than doubled.

The following table (Table 2) shows income by region. The highest income is in Tashkent. On the contrary, the region with the lowest income is Karakalpakstan. The level

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of income in all regions is growing every year, which indicates the development of Uzbekistan's economy.

| Territories            | 2018    | 2019    | 2020    | 2021    | 2022    |
|------------------------|---------|---------|---------|---------|---------|
| Republic of Uzbekistan | 9128,6  | 10891,3 | 12122,2 | 14869,8 | 17807,3 |
| Karakalpakstan         | 6808,7  | 8136,2  | 9436,6  | 11286,5 | 13253,4 |
| Andijan                | 8412,0  | 9941,5  | 10765,9 | 12946,1 | 15727,3 |
| Bukhara                | 11270,6 | 13075,7 | 14675,5 | 18133,4 | 21382,0 |
| Jizzakh                | 8512,9  | 9723,3  | 10951,7 | 13244,0 | 15221,2 |
| Kashkadarya            | 7827,9  | 9149,6  | 10199,0 | 12180,8 | 14678,9 |
| Navoi                  | 13921,4 | 16926,9 | 19922,5 | 24765,0 | 27420,4 |
| Namangan               | 6887,6  | 8293,1  | 9258,8  | 11353,5 | 13880,7 |
| Samarkand              | 8087,7  | 9447,9  | 10522,8 | 12919,0 | 15534,2 |
| Surkhandarya           | 7622,5  | 8906,0  | 9745,0  | 11824,1 | 14597,2 |
| Syrdarya               | 8353,5  | 9998,4  | 10938,3 | 12794,6 | 15124,1 |
| Tashkent               | 9401,6  | 11296,2 | 13129,4 | 16260,0 | 18129,4 |
| Fergana                | 7096,8  | 8111,8  | 8853,5  | 11276,9 | 13607,9 |
| Khorezm                | 9536,1  | 11213,4 | 12270,6 | 15756,4 | 19643,5 |

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|               |         |         |         |         |         |
|---------------|---------|---------|---------|---------|---------|
| Tashkent city | 18432,1 | 23674,3 | 25543,6 | 30511,1 | 37518,0 |
|---------------|---------|---------|---------|---------|---------|

Total per capita income by region, thousand soums (Table 2)

| The name of indicators    | 2018  | 2019  | 2020  | 2021  | 2022  |
|---------------------------|-------|-------|-------|-------|-------|
| Total income, total       | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |
| including: Primary income | 77,5  | 76,2  | 75,4  | 73,8  | 70,2  |
| including: Primary income | 74,6  | 73,5  | 73,2  | 71,7  | 67,9  |
| Income from property      | 2,9   | 2,7   | 2,1   | 2,1   | 2,4   |
| Income from transfers     | 22,5  | 23,8  | 26,2  | 26,2  | 29,8  |

Structure of total income of the population of the Republic of Uzbekistan, in % (Table 3)

In Table 3, you can see the content of income. If the main type of income is this primary income, the subsequent ones include income from production and income from transfers. The minimum amounts are property income.

Living wage and consumer basket.

Consumer basket is a minimum set of food, non-food products and services necessary to maintain human health and ensure its vital activity. In fact, the consumer basket consists of three baskets: food basket, non-food basket, service basket. The food basket plays an



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important role in the consumer basket. The food basket is a set of products that go into the monthly nutrition of one person (calculated on the basis of minimum norms of food consumption). This set corresponds to physical needs, produces the necessary calorie intake, contains basic foodstuffs and "acquires traditional skills of food organisation"

Recommended set of foodstuffs for different socio-demographic groups of the population (per kg per year) (table 4)

| N  | Type of products            | Per capita | Men (16-59 years old) | Women (16-59 years old) | Pensioners | Children      |                |
|----|-----------------------------|------------|-----------------------|-------------------------|------------|---------------|----------------|
|    |                             |            |                       |                         |            | 0-6 years old | 7-15 years old |
| 1  | Bakery products             | 130,8      | 177,0                 | 124,9                   | 119,0      | 279,0         | 112,3          |
| 2  | Potatoes                    | 124,2      | 160,0                 | 120,0                   | 90,0       | 85,0          | 135,0          |
| 3  | Vegetables                  | 94,0       | 80,8                  | 96,8                    | 96,8       | 85,0          | 120,0          |
| 4  | Fruits                      | 19,4       | 14,6                  | 12,6                    | 10,6       | 34,4          | 44,4           |
| 5  | Sugar and confectionery     | 20,7       | 20,8                  | 19,8                    | 18,8       | 19,7          | 16,1           |
| 6  | Meat products               | 26,6       | 32,2                  | 25,0                    | 19,8       | 18,7          | 33,5           |
| 7  | Fish products               | 11,7       | 12,7                  | 10,7                    | 12,7       | 8,7           | 12,5           |
| 8  | Dairy products              | 212,4      | 201,7                 | 179,4                   | 174,1      | 179,0         | 303,4          |
| 9  | Egg                         | 151,4      | 180,0                 | 150,0                   | 90,0       | 150,0         | 180,0          |
| 10 | Vegetable oil and margarine | 10,0       | 11,2                  | 9,8                     | 8,9        | 6,8           | 11,7           |

This table was calculated by the Institute of Nutrition of the Russian Academy of Sciences on the basis of the minimum norms of product consumption.

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Thus, the consumer basket and subsistence minimum allow to determine the life activity of a person and are an integral part of the system of living standards of the population, as well as income indicators.

The last time the minimum consumer spending in Uzbekistan was updated in early 2022 and the new minimum consumer spending per person increased by 13.2 per cent and amounted to 498 thousand soums. And before that in May 2021 for the first-time minimum consumer expenditures were calculated and amounted to 440 thousand soums.

**Conclusion**

In conclusion, people's income is the most important factor affecting their standard of living. If income falls in Agar, this in turn causes poverty. This is a great detriment to the economy of the country. Therefore, the government is doing various works to combat poverty. The problem of poverty for most categories of population cannot be solved independently, because part of the population falls into a special zone of social non-acceptance. At the same time, if the market allows someone to get ahead, it deprives others of everything. Poverty can be eliminated by relying on the following principles of state policy: providing ample opportunities for honest, well-paid labour and stimulating active self-sufficiency of self-employed citizens in self-employment.

Poverty alleviation and prevention can be pursued on several fronts:

- economic measures aimed at improving the standard of living of individual workers and the population as a whole (these are income, employment policy, investments, taxes, targeted social assistance);
- Objectively improve the effectiveness of the system of protection of the population against various risks (loss of working capacity, illness, disability, unemployment, ageing, death, loss of breadwinner) and the system of providing benefits to children and certain groups of the population;
- Improvement of the social assistance system (material or non-material assistance, free meals, assistance in restoring the rights of disabled persons, social services at home, in day care centres, provision of social housing).

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