

## Impact Factor:

ISRA (India) = 6.317  
ISI (Dubai, UAE) = 1.582  
GIF (Australia) = 0.564  
JIF = 1.500

SIS (USA) = 0.912  
PIHII (Russia) = 3.939  
ESJI (KZ) = 8.771  
SJIF (Morocco) = 7.184

ICV (Poland) = 6.630  
PIF (India) = 1.940  
IBI (India) = 4.260  
OAJI (USA) = 0.350

SOI: [1.1/TAS](#) DOI: [10.15863/TAS](#)

### International Scientific Journal Theoretical & Applied Science

p-ISSN: 2308-4944 (print) e-ISSN: 2409-0085 (online)

Year: 2022 Issue: 06 Volume: 110

Published: 13.06.2022 <http://T-Science.org>

Issue

Article



**Yelena Akhunova**

Tashkent Institute of Finance  
Acting assistant professor  
Department of Finance  
Tashkent, Uzbekistan

## COMPOSITION AND STRUCTURE OF HOUSEHOLD INCOMES IN THE REPUBLIC OF UZBEKISTAN

**Abstract:** This article presents various approaches to the definition of the concept and essence of households, considers examples of financial relations of households, describes the economic content and types of household income, analyzes the structure of household income in the Republic of Uzbekistan.

**Key words:** population, households, finance, financial relations, household incomes.

**Language:** English

**Citation:** Akhunova, Y. (2022). Composition and structure of household incomes in the Republic of Uzbekistan. *ISJ Theoretical & Applied Science*, 06 (110), 215-219.

**Soi:** <http://s-o-i.org/1.1/TAS-06-110-35> **Doi:**  <https://dx.doi.org/10.15863/TAS.2022.06.110.35>

**Scopus ASCC:** 2003.

### Introduction

The household in the modern economy is the main force in the social production and distribution of goods and services. The essence of households, nature of their social and economic relations, place, role, structure, functions, size, rights and responsibilities, socio-economic status of the household have changed.

There are many approaches to the definition of the term "a household". According to the OECD Glossary of the Statistical Terms, the concept of household is based on the arrangements made by persons, individually or in groups, for providing themselves with food or other essentials for living. A household may be either (a) a one-person household, that is to say, a person who makes provision for his or her own food or other essentials for living without combining with any other person to form part of a multi-person household or (b) a multi-person household, that is to say, a group of two or more persons living together who make common provision for food or other essentials for living. The persons in the group may pool their incomes and may, to a greater or lesser extent, have a common budget; they may be related or unrelated persons or constitute a combination of persons both related and unrelated. A household may be located in a housing unit or in a set of collective living quarters such as a boarding house, a hotel or a camp, or may comprise the administrative

personnel in an institution. The household may also be homeless [1].

Eurostat Statistics Explained gives the description of a household in the context of surveys on social conditions or income such as EU statistics on income and living conditions (EU-SILC) or the Household budget survey (HBS), where a household is defined as a housekeeping unit or, operationally, as a social unit [2]:

- having common arrangements;
- sharing household expenses or daily needs;
- in a shared common residence.

A household includes either one person living alone or a group of people, not necessarily related, living at the same address with common housekeeping, i.e. sharing at least one meal per day or sharing a living or sitting room.

Corporate Finance Institute published on its official Internet-site that a household refers to a social unit of people who live together under one roof and share resources, even if they are not related to each other. In the US, the Census Bureau categorizes households as family or non-family. A family household comprises members who are related by blood, whereas a non-family household comprises people sharing a home but who are not related by blood. In the United Kingdom, a household is made

## Impact Factor:

ISRA (India)	= 6.317	SIS (USA)	= 0.912	ICV (Poland)	= 6.630
ISI (Dubai, UAE)	= 1.582	PIHIQ (Russia)	= 3.939	PIF (India)	= 1.940
GIF (Australia)	= 0.564	ESJI (KZ)	= 8.771	IBI (India)	= 4.260
JIF	= 1.500	SJIF (Morocco)	= 7.184	OAJI (USA)	= 0.350

up of people who share accommodations and at least one meal a day. If there are several people sharing a dwelling but who do not share meals or accommodations, then such an arrangement is considered to be multiple households [3].

Household finance is a set of money relations regarding the creation and use of money funds, which are entered into by the household and its individual participants in the course of their socio-economic activities. The main purpose of household finance is the formation of financial resources being enough for the life support of the population.

Households in the process of their functioning form various financial relations with state authorities and administrations, commercial enterprises, non-profit organizations, other individuals, as a result of which the family budget, reserve fund and other money funds are formed [4-6]:

- relations between households and other households and commercial enterprises in the process of carrying out production and commercial activities, arising from the purchase of raw materials, materials and goods on the one hand, the sale of manufactured products (goods, works, services) and the resale of goods on the other hand;

- relationships between households and employees regarding wages and other benefits;

- relations between households as landlords and tenants arising from the receipt of rent for the use of property, as well as between households as tenants and landlords — regarding the payment of rent for the use of property;

- relations between households and retailers, services (works) and other households arising from goods and services (works) for personal and family consumption;

- relations between households and budgets of different levels and state non-budgetary funds regarding the payment of taxes, fees, mandatory payments on the one hand and the receipt of various

social transfers (benefits, pensions) on the other hand;

- relations between members of households arising from the distribution of total income (family income);

- relations between households and professional participants in the securities market arising from the sale and purchase of securities and the receipt of dividends and interest on them;

- relations between households and credit institutions arising from transactions on deposit accounts, accrual and receipt of interest on them, payment for banking services, receipt of bank and consumer loans and their repayment with payment of interest;

- relations between households and professional participants in the insurance market arising from the payment of insurance premiums under contracts for life and health insurance, real estate, vehicles, etc., as well as receiving insurance compensation in the event of insured events;

- relations between households and organizations of the housing market, housing and communal services, construction companies arising from the payment of services of realtors, housing and communal services, construction housing works; relations with communication organizations, telephone and Internet companies — regarding payment for these services;

- relationships between household members and donors, legal and notary services, etc.;

- other monetary relations with enterprises, organizations, other households.

By entering into financial relations, households finance current expenses, pay bills, invest in various instruments, and receive income from various sources. Household income is the total income of all the members of a household. The composition of the total income of households in the Republic of Uzbekistan is shown in Figure 1.

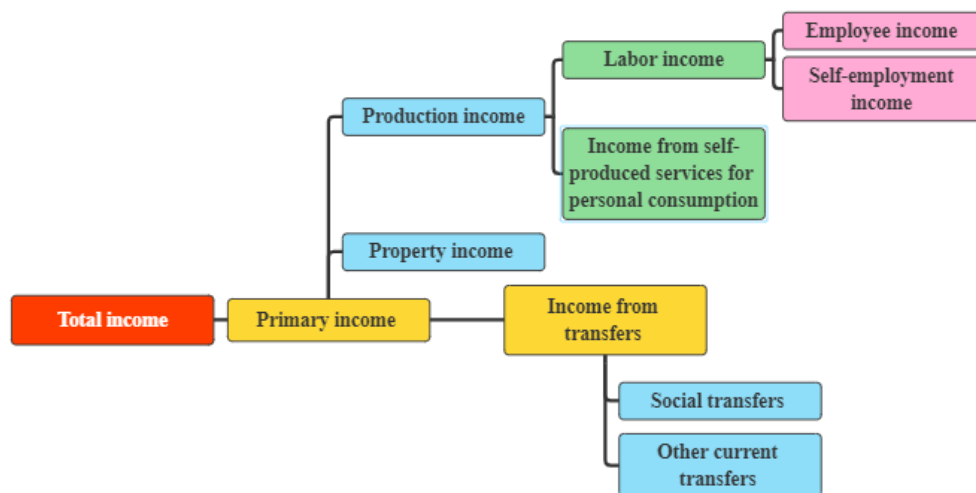


Figure 1. Composition of the total income of households (prepared on the basis of [7])

<b>Impact Factor:</b>	<b>SISRA (India) = 6.317</b>	<b>SIS (USA) = 0.912</b>	<b>ICV (Poland) = 6.630</b>
	<b>ISI (Dubai, UAE) = 1.582</b>	<b>PIHIQ (Russia) = 3.939</b>	<b>PIF (India) = 1.940</b>
	<b>GIF (Australia) = 0.564</b>	<b>ESJI (KZ) = 8.771</b>	<b>IBI (India) = 4.260</b>
	<b>JIF = 1.500</b>	<b>SJIF (Morocco) = 7.184</b>	<b>OAJI (USA) = 0.350</b>

The incomes considered in this case include salaries and wages from employment, retirement income, business income, investment gains, and government transfers like pensions, social benefits or food stamps. Lenders such as banks use household income as a basis for underwriting loans since the lender can assess the ability of the loanee to honor any arising obligations. Governments also use household income as an indicator of living standards, and it can

be used to compare affluence and income levels between cities, states, and countries. For example, comparing the incomes of populations of two different countries can give an idea of the country with a higher quality of life and financial well-being [3].

Let us consider the dynamics of the structure of household income in the Republic of Uzbekistan in 2017-2020 based on the data of the State Committee of the Republic of Uzbekistan on statistics (Table 1).

**Table 1. The structure of total income of the population in the Republic of Uzbekistan (Percentage)**

No.	Name of income	2017	2018	2019	2020
	Total aggregate income, total	100.0	100.0	100.0	100.0
	including:				
I.	primary income	80.6	77.5	76.2	75.7
I.1.	income from production	77.4	74.6	73.5	73.6
I.1.1.	income from labor activity	69.2	66.7	66.1	66.2
I.1.1.1.	income of employees	25.8	24.8	27.2	27.5
I.1.1.2.	income from self-employment	43.5	41.9	39.0	38.7
I.1.2.	income from own production of services for own consumption	8.2	7.9	7.4	7.4
I.1.3.	property income	3.1	2.9	2.7	2.1
II.	transfer income	19.4	22.5	23.8	24.3
	Income from small business in the total aggregate income	65.7	64.2	61.8	59.9

\*Source: data of the State Committee of the Republic of Uzbekistan on Statistics

The total income of the population takes into account household receipts:

- that are expected to be received;
- they come on a regular basis with a certain frequency, be expected and come regularly;
- can actually contribute to the current level of household economic well-being;
- and must not be proceeds from the disposal of household capital (for example, the sale of an apartment, shares, and other property).

The total income does not include lottery winnings, prizes received in games, payments on insurance claims to compensate for property damage, inheritances received, lump sums paid upon retirement (retirement), life insurance payments (except for life insurance annuity), sudden (unforeseen) profits, payments on claims for violation of legal rights or for damages (except for payments in compensation for lost profits) and amounts in repayment of debt.

The total income is divided into primary income and transfer income. Primary incomes of the population consist of “income from production” and “income from property”. According to Table 1, primary income in 2017-2020 makes up the majority of household income, while their share in total income is gradually decreasing from 80.6% in 2017 to 75.7%

in 2020.

Income from production includes income from employment and income from own production of services for own consumption. In 2017, income from production in the Republic of Uzbekistan amounted to 77.4%, and then the share in the income of the population decreased to 73.6% in 2020.

The share of income from employment in the total income of the population in 2017 amounted to 69.2%, in 2018 – 66.7%, in 2019 – 66.1%, in 2020 – 66.2%. Employment income consists of the income of employees and the self-employed.

The income of employees is income in the form of wages in cash and in kind (in the form of goods or services), including the hidden part of wages (i.e. payments by the employer that are not reflected in primary and accounting records). The share of income of employees in 2017 is 25.8%, in 2018 – 24.8%, in 2019 – 27.2%, in 2020 – 27.5%.

Self-employment income is income received as a result of the involvement of household members in the labor process organized independently. The share of income from self-employment in total household income is decreasing from 43.5% in 2017 to 38.7% in 2020.

Income from own production of services for own consumption includes imputed services of owner-

## Impact Factor:

ISRA (India) = 6.317	SIS (USA) = 0.912	ICV (Poland) = 6.630
ISI (Dubai, UAE) = 1.582	PIHIQ (Russia) = 3.939	PIF (India) = 1.940
GIF (Australia) = 0.564	ESJI (KZ) = 8.771	IBI (India) = 4.260
JIF = 1.500	SJIF (Morocco) = 7.184	OAJI (USA) = 0.350

occupied housing not intended for the market. This category does not include household services of own production (cooking, house cleaning, child care, etc.), as they cannot be accumulated and stored for possible sale on the external market. The share of these incomes in the income of the population is gradually decreasing from 8.2% in 2017 to 7.4% in 2020.

Property income is defined as income to households associated with the ownership of financial and non-financial assets transferred for use by others. Property income represents income from interest, dividends, rents for the use of non-produced assets, and royalties from the use of intellectual property. In 2017, the share of property income in the total income of the population was 3.1%, in 2018 – 2.9%, in 2019 – 2.7%, in 2020 – 2.1%.

Transfers are receipts of goods, services and assets to a household without receiving compensation from it in the form of a good, service or asset. Transfers can consist of money (money transfers) and goods or services (in-kind transfers), from other households, the government, philanthropic institutions, and from outside the country's borders.

Current transfers are divided into social (social insurance payments and social assistance measures) and other (payments from organizations and other households). Social transfers include pensions, allowances and scholarships. Other current transfers include payments to the household from other legal entities and individuals (regular financial support, such as alimony, support from children or parents, payments on a regular basis from charitable non-profit organizations, trade unions, etc.). The category of other current transfers also includes money transfers from abroad, including those received by individuals from labor and entrepreneurial activities. In 2017-2020, the share of income from transfers in the total income of the population increased from 19.4% in 2017 to 24.3% in 2020.

It should also be noted that as part of the total

aggregate income of the population, income received from small businesses amounted to 65.7% in 2017, 64.2% in 2018, 61.8% in 2019, and 59% in 2020.

Based on the results of studying the nature and structure of household income in the Republic of Uzbekistan, the following conclusions can be drawn:

— household incomes are money relations between households and public authorities, commercial enterprises, budgetary organizations, public associations and other individuals, as a result of which the family budget and other money funds of the population's funds are formed;

— in the Republic of Uzbekistan, to assess the income of the population, such indicators as total income, primary income, income from production, income from labor activity, income of employees, income from self-employment, income from own production of services for own consumption, income from property and transfer income are used;

— in the structure of household income in 2017-2020, primary income decreases from 80.6% to 75.7%, and income from transfers increases from 19.4% to 24.3%. The share of income of employees decreases from 25.8% to 27.5%, the share of income from self-employment also decreases from 43.5% to 38.7%, while the share of property income slightly decreases from 3.1% to 2.1%;

— more than half of the income of the population is associated with the functioning of small businesses and the implementation of entrepreneurial activities of citizens. The share of income from small business in the total income of the population decreases from 65.7% in 2017 to 59.9% in 2020;

— the composition and structure of household incomes are important indicators for the development and implementation of state financial policy directions, the provision of financial assistance to the population, and the simulation of the entrepreneurial activity of the population.

## References:

1. (n.d.). *Household in OECD Glossary of the Statistical Terms*. Retrieved from <https://stats.oecd.org/glossary/detail.asp?ID=1255>
2. (n.d.). *Household sector*. Retrieved from [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Household\\_sector](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Household_sector)
3. (n.d.). *Household*. Retrieved from <https://corporatefinanceinstitute.com/resources/knowledge/other/household/>
4. Barulin, S.V. (2011). *Finance: textbook*. – 2nd ed., stereotypical. – Moscow: KNORUS.
5. (2009). *Finance: a textbook for university students studying in economic specialties, specialty "Finance and Credit"*. ed. G. B. Polyak. - 3rd ed., revised. and additional – Moscow: UNITI-DANA.
6. Podyablonskaya, L. M. (2010). *Finance: a textbook for university students*. – Moscow: UNITI-DANA.

<b>Impact Factor:</b>	<b>ISRA (India) = 6.317</b>	<b>SIS (USA) = 0.912</b>	<b>ICV (Poland) = 6.630</b>
	<b>ISI (Dubai, UAE) = 1.582</b>	<b>ПИИЦ (Russia) = 3.939</b>	<b>PIF (India) = 1.940</b>
	<b>GIF (Australia) = 0.564</b>	<b>ESJI (KZ) = 8.771</b>	<b>IBI (India) = 4.260</b>
	<b>JIF = 1.500</b>	<b>SJIF (Morocco) = 7.184</b>	<b>OAJI (USA) = 0.350</b>

---

7. (2011). Methodology for calculating the total income of the population. *Appendix to the Resolution of the State Committee on Statistics and the Ministry of Economy of the Republic of*

*Uzbekistan dated March 22, 2011*, No. 3, 5,  
[https://lib.stat.uz/e-stat\\_ru/sovmet-method/sovmes2404.pdf](https://lib.stat.uz/e-stat_ru/sovmet-method/sovmes2404.pdf)