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OPPORTUNITIES TO IMPROVE THE STANDARD OF LIVING OF THE POPULATION THROUGH THE DEVELOPMENT OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP

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Abstract
This article is devoted to the issues of increasing the income of the population, improving their living standards, and ensuring the well-being of society through the development of small business and private entrepreneurship. It analyzes the concept of income in various forms of ownership, its sources of formation, and distribution mechanisms in the conditions of liberalization of the market economy.

Keywords: Small business, private entrepreneurship, market economy, employment, monostructure, polystructure, population income, humanitarian principle, legality, social protection, business environment.

Introduction

The concept of income occupies a central place in economic theory. It is widely used not only as funds or profits received as a result of economic activity, but also as an indicator expressing the level of personal well-being, the stability of the national economy, social equality and justice. Through income, the consumption capabilities of the population, the level of savings, investment activity and the level of economic decision-making are formed. Especially in a market economy, the income mechanism serves as the main economic incentive and incentive for each economic entity and individual. The level of income and its composition are closely related to many macroeconomic and microeconomic factors, such as economic growth, inflation, employment, tax revenues, and the social security system.

In a market economy, the mechanism of income formation and distribution is of

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particular importance. In this case, resources - labor, capital, land and entrepreneurial ability - are priced based on market supply and demand, and the added value created through their use is ultimately distributed as income. In this distribution, each resource owner receives income in proportion to his share: the worker - wages, the owner of capital - interest, the owner of land - rent, and the entrepreneur - in the form of profit. Through this, the market mechanism encourages the most efficient allocation and use of resources.

Income is not only a criterion of economic efficiency, but also an important tool for determining social policy. In conditions of limited economic resources and unlimited demands, the right to benefit from resources and the formation of income usually bring issues of social justice to the agenda. The difference between incomes, social stratification and the level of poverty are balanced through the fiscal and social policies of the state. Especially in developing countries, the fact that certain segments of the population live without income or in conditions of insufficient income further increases the urgency of this problem. Therefore, the principles of equality and justice in the distribution of income are a prerequisite for the optimal functioning of a market economy.

In the economic literature, the concept of income is analyzed based on different approaches. Classical economists - A. Smith, D. Ricardo and T. Malthus - saw income as a result of division between the factors of production - land, labor and capital. In their opinion, if the market mechanism works freely, each factor receives its share, and thus economic equilibrium is ensured. The Marxist approach, on the other hand, interprets the distribution of income from a class point of view, based on the contradictions between labor and capital. In the neoclassical approach, income is formed in accordance with labor productivity, capital efficiency and market conditions.

Modern economic theories explain the formation of income not only through market factors, but also through complex factors such as the influence of the state, globalization processes, technological progress, education and skill level. Therefore, when analyzing the mechanism of income formation, it is necessary to pay attention to a number of factors: their composition (wages, profits, rent, interest, transfers), source (labor income and property income), distribution mechanisms (market forces and state policy), social consequences (poverty, social stratification), etc.

Income directly or indirectly affects almost all aspects of economic life. For example,

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their amount and distribution have a significant impact on consumer spending, the volume of savings and investment, the formation of the state budget, the financing of social services, demographic processes, and the level of civic activity. In this regard, income attracts attention not only as an object of financial and economic, but also as an object of socio-economic analysis.

The income distribution mechanism should be organized in accordance with the principles of justice, efficiency and sustainability of a market economy. For example, if income is distributed solely on the basis of the market mechanism, this can lead to social injustice and strong stratification. On the contrary, an excessively redistributive policy can weaken economic incentives and negatively affect production activity. Therefore, determining the role of the state at the optimal level, ensuring a balance in the distribution of income and achieving social harmony between the segments of the population are one of the main tasks of modern economic policy.

Today, there are a number of problems with income at the global and national levels: growing economic inequality, shrinking the "middle class", expanding the activities of the informal sector, the complexity of income monitoring in the digital economy, etc. Especially in the context of the economic crisis during the pandemic and post-pandemic, many families have been left without income, and dependence on social protection systems has increased. In such conditions, the issue of income formation and distribution requires broader scientific and practical attention.

The article analyzes the theoretical foundations of the concept of income, its economic content, the main factors shaping income, how income is distributed among resource owners in a market economy, existing approaches and concepts, as well as the role of state policy. The study of these issues is not only of scientific and practical interest, but also plays an important role in developing economic policy.

The article also briefly reviews the experience of foreign countries on income, their compatibility with socio-economic policy, and the possibilities of using these experiences in the conditions of Uzbekistan. This will allow for a comprehensive in-depth analysis of the concept of income, clarifying the mechanisms of its formation and distribution, and its place in state policy, in order to offer scientifically based solutions to existing socio-economic problems.

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Main Part

Significant work is being carried out in our country to consistently develop small business and private business, service and service industries, as well as home-based businesses, and this has a positive impact on raising the standard of living of the population. It is worth noting that the development of small business and private business in Uzbekistan serves as an important factor in accelerating economic growth, creating new jobs and improving the social well-being of the population. At the same time, small business and private entrepreneurship are increasingly emerging as one of the effective sources of strengthening the country's export potential. Therefore, it is planned to introduce advanced practices in this area, expand family entrepreneurship, improve the structure of the areas of activity of regional small business and private entrepreneurship, and in particular, create production sectors based on modern technologies in the industrial sector. These factors create the basis for small business and private business to be competitive in domestic and foreign markets, create broad opportunities for family business and private initiatives, and systematically establish the process of producing quality products and services. As a result, the income of the population increases, the standard of living and social well-being improve significantly. Thus, the development of small business and private business leads to a change in the volume and composition of the population's income.

The concept of income is broad and multifaceted in economic theory, and there are several approaches to it. For example, the American economist I. Fisher linked income with the amount of final use. F. Boss described it as the sum of the amount of consumption and net capital growth.

P. Samuelson, accepting capital as a produced resource, considered the reserves created by labor to be real capital. J. Hicks defines income as such a quantity of resources that, when directed to consumption, do not reduce the volume of capital.

In modern economic analysis, J. Hicks' approach is often used. According to the 1993 United Nations System of National Accounts, income is classified as follows:

• Permanent (forecast) income - a stable stream of future income;

• Current (real) income - real cash income received in the current year.

In this case, income received through factors such as inflation, capital appreciation, and asset sales are not considered income.

In applied economics, the concepts of income and profit are often used interchangeably, but there is a clear difference between them:

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• Revenue is the total revenue from the sale of a product or service;
• Profit is the net economic result that remains after deducting all expenses (raw materials, wages, taxes, transportation, etc.) from income.
For example, if a trading enterprise sells a product worth 600 thousand soums for 700 thousand soums, 100 thousand soums is considered sales income here. However, only the part that remains after deducting expenses from this amount is called net profit.
In a market economy, the distribution of income is based on the following principles:
1. Each participant is given income based on his contribution to production.
2. Owners of resources receive their shares in accordance with market demand:
o Labor force - wages;
o Capital owner - interest, dividends;
o Landowner - rent;
o Entrepreneur - income in the form of profit and wages.
This distribution of income strengthens efficiency and incentive mechanisms. At the same time, the owner of resources that are not used efficiently may be left without income, which intensifies the competitive environment.
The market economy can manifest itself in wild and civilized forms:
• In a wild market economy, one form of property dominates, social stratification increases, and income is concentrated in the hands of a few.
• A civilized market economy, on the other hand, is based on multiple ownership and allows for the distribution of income among a wide range of social strata.
Diversification of the form of property ensures a wider distribution of income, ensuring social stability and growth.
In addition to economic efficiency, non-market distribution methods are also used to ensure the principles of social equality in society. In particular:
• Social benefits for the disabled, pensioners, and low-income families;
• State-funded social assistance.
These assistances are necessary to mitigate income inequality, prevent social unrest, and ensure human values.
One of the basic laws of a market economy is to increase income through the efficient use of production resources. To achieve efficiency, the following conditions are necessary:
• Products must meet market demand;
• Resources must be used efficiently and rationally;

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• Increasing competitiveness through innovative approaches.

Efficiency is the main source of income, through which the enterprise makes a profit, the employee receives a decent wage for his labor, and the state generates budget revenues through taxes.

Conclusion

Income is not only a product of economic processes, but also a complex concept that is at the heart of social justice, stability, equality and incentive mechanisms. In today's market economy, the content, sources of formation and principles of distribution of income are becoming increasingly complex. In the economic system, each individual or business entity strives to earn income, which ensures production efficiency, the introduction of innovations, increased competition and, as a result, overall economic growth. At the same time, the unequal opportunities for each stratum of society to earn income, differences in the level of ownership of resources, and disparities in the level of access to basic services such as education and health can lead to income inequality. This, in turn, undermines the social stability of the economic system.

Income is distributed according to the contribution made to production - this is one of the main principles of a market economy. Factors of production, such as labor, capital, land, and entrepreneurial ability, each create a certain economic value, and this value is ultimately distributed to their owners in the form of income. For example, a hired worker receives a wage commensurate with his labor, while an entrepreneur receives a profit in exchange for his risks and initiatives. Such a market mechanism usually encourages the most efficient use of resources and accelerates economic growth.

However, in practice, the principle of “distribution according to efficiency” is not always compatible with justice and stability. Due to the uneven distribution of resources and opportunities in society, some groups cannot enter the labor market or do not have sufficient skills and potential. Therefore, the distribution of income based solely on market principles can lead to long-term social instability, increased stratification, increased poverty, increased unemployment, and social discontent.

To prevent such negative situations, state intervention - that is, the use of non-market distribution mechanisms - is of great importance. In this process, the state redistributes income to the most vulnerable segments of the population through tax policy, transfer payments, subsidies, minimum wage standards, pension systems, social assistance programs, and other means. Through these measures, the state seeks to reduce income

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inequality, ensure social justice, strengthen economic inclusion, and increase the overall well-being of citizens.

The income system must find a balance between efficiency and fairness. On the one hand, economic incentives should be strong and encourage the creation of wealth through labor, capital, and innovation. On the other hand, excessive stratification and widening income disparities should not disrupt social balance, the basic needs of the population should be met, and economic participation should be created for every citizen. The role of the state is very important in this: it should create effective redistribution mechanisms without dampening economic activity.

The composition of income in modern economic systems is becoming more complex. Along with traditional labor income (salary), property income (dividends, interest, rent), state transfers (pensions, benefits, scholarships), and informal income are also gaining importance. In particular, new phenomena such as the digital economy, intellectual property, and remote work are having an impact on income forms and their monitoring system. This requires the state to create new institutions, expand the tax base, and improve statistical methods.

The diversity of property forms - that is, the presence of state, private and cooperative property - ensures the formation of income from many sources. While an economic system based on private property tends to be more stimulating, state and cooperative property play an important role in maintaining social stability. In this regard, in the conditions of Uzbekistan, legal guarantees of property ownership, freedom of entrepreneurial activity, the qualification of the workforce and state social policy are recognized as factors determining the effectiveness of the income system.

The economic policy of Uzbekistan also pays special attention to the issue of income. The state is implementing a number of strategic measures to increase the real incomes of the population, gradually increase wages, reform the pension and benefit system, stimulate entrepreneurial activity, combat poverty and expand social protection systems. In particular, within the framework of the “New Uzbekistan” strategy, consistent reforms are being carried out to reduce income inequality, increase economic opportunities, strengthen the economic activity of women and youth, as well as simplify and make tax policy fair. In conclusion, it can be said that income is not only an economic indicator, but also an expression of the socio-economic health, stability and principles of justice of society. The issues of its formation and distribution should always be at the center of economic policy. By balancing the use

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of market and state mechanisms, harmonizing forms of property and incentive systems, improving income monitoring, and creating equal economic opportunities for all segments of the population, the income system can become an important institution that ensures not only efficiency, but also social stability.

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