

Household Finance is an Important Factor in Ensuring the Stability of Public Finance

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Annotation

Household Finance is considered to be the lowest tier of the state financial system and its being at a stable level, ensuring that demand and supply are at a balanced point in the market economy. In addition, the stability of the small scale sector also serves as an important factor ensuring a high level of Public Finance. In this article, we will dwell precisely on the importance of housing and microfinance organizations in public finance.

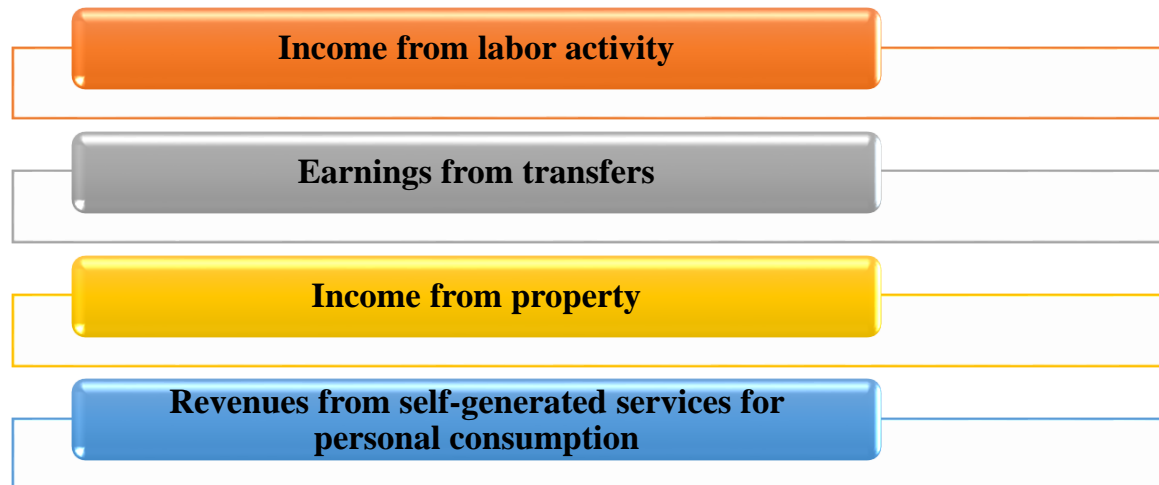
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Household Finance is a broader concept in practice, which includes microfirms, not registered as a legal entity but engaged in entrepreneurial activity, forms of entrepreneurship, provided for by civil law, receives the financing of farmers and peasant farms. The main funds that are generated in households are spent primarily on their consumption, and general primary needs. In turn, this small financial sector will be able to directly influence the policies of the state in the financial sector through its functions.

Household finance performs the following functions in economic relations:

1. Distribution. Each economic unit carries out a certain action during its operation and then forms the necessary funds for itself. Formed funds are distributed to wages, taxes and other mandatory payments as gross profit. In the same processes, the amount of income that households perform and the amount of income that remains in them expresses the distribution process, and each part of the gross profit is the result of the distribution function.
2. Another function of household finances is control. In the conditions of market relations, the household is an independent economic entity, that is, the standard of living of household members depends on the corresponding share of income in the household. This amount is affected by a number of factors. Under their influence, the share in income can increase or decrease. Therefore, having a table of maintaining the normal level of consumption, the household has no way of allocating the income received from it on various savings, as well as without exercising control over the targeted use of these savings funds. The household economy relies on a fairly complex set of relations between its various participants.
3. The Coordination of the economic interests of the various participants of the household is ensured by their regulation. When we say regulation, it is understood that income can change the corresponding part of the household corresponding to one member. Thus, household finance also performs another important function – the function of regulation. It ensures a balanced development of the household in a single whole. This is achieved through the restructuring of financial resources. It should be noted that the regulation of its development at the household level is carried out mainly by self-regulation. In this process, the land of the participants in the household can not be limited by the state.
4. Another important function of households is the organization of investment and investment resources. This function acquires a broader concept unlike the rest. The basis of financial investment is the monetary resources that arise as a result of the centralization of funds in small-

scale funds. Most often, the investment function of households is associated only with those that are used as a percentage of capitalized income, that is, savings (investments in various financial institutions and real production). However, this is one-sided concomitant. In fact, the increase in the share of consumption is also a contributing factor to the growth of investment in the economy. The composition of household income is formed from several sources. For example, all the income of entrepreneurs engaged in business activities are recorded as income from entrepreneurship. In this regard, depending on the formation of household income, it is divided into the following groups:



The highest among these incomes is the income from labor activity. According to the data of January - December 2020, the share of revenues from labor activity in the total income amounted to 69,3%. Total household income in 2020 is 401.5 trillion. made up the sum. This is a 2.6 percent increase compared to last year, though pandemic conditions. In January - December 2020 (for twelve months), the volume of total revenues per capita in the city of Tashkent (23 563,1 thousand soums) and Navoi (19 200,2 thousand soums), Bukhara (14 474,0 thousand soums), Tashkent (12 565,3 thousand soums) and Khorezm (12 023,0 thousand soums) regions were recorded higher than the average Republican level.

We believe that in improving household finances, it is worthwhile to carry out the following works:

1. Continuous support of self-service farms to microcredit account;
2. Organize not only banks, but also small microcredit associations;
3. To give a certain amount of tax deduction to household activities and increase their solvency.

To sum up, as we can say, the presence of a stable state of household finances ensures the normal functioning of public finances. Small microfinance organizations, the presence of additional funds at the disposal of individual entrepreneurs, maintain the support of large investment projects by the state at the necessary time.

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