FEATURES OF DIFFERENTIATION OF INCOME OF THE POPULATION OF UZBEKISTAN

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Abstract
The article analyzes the dynamics of the total income of the population of Uzbekistan, identifying regional features of the distribution of this indicator per capita. Indicators of income differentiation of the country's population and changes in the share of low-income citizens were also studied. Conclusions and recommendations are given to reduce poverty and prevent the growth of inequality in the national economy.

Keywords: Population income, total income, income differentiation, Lorenz curve, Gini coefficient, low-income population, poverty

Introduction

The distribution of the population by average per capita monetary income reflects differences in the level of material well-being and represents indicators of the size or proportion of the resident population, divided into specified intervals of average per capita monetary income. The distribution of the total volume of monetary income among different groups of the population is determined by the share of the total volume of monetary income that falls on each of the 20 (10) percentage groups of the population, ordered by increasing average per capita monetary income.

Social stratification of the population based on income leads to the formation of the social structure of society and increased social differentiation. Income inequality can be explained by various factors, such as different levels of intellectual and physical abilities, levels of education and training, inequality of property ownership, number of working family members, presence of children and other factors. Decision-making in the management of society should be based on a real assessment of the well-being of the population. To do this, it is important to have not only objective information about the financial situation of citizens, but also to take into account their subjective assessment.

Results

The development and functioning of any state largely depend on the human factor. The influence on the life of a country and its authority is determined not only by its territorial scale, wealth of natural resources and politics, but also by how the state
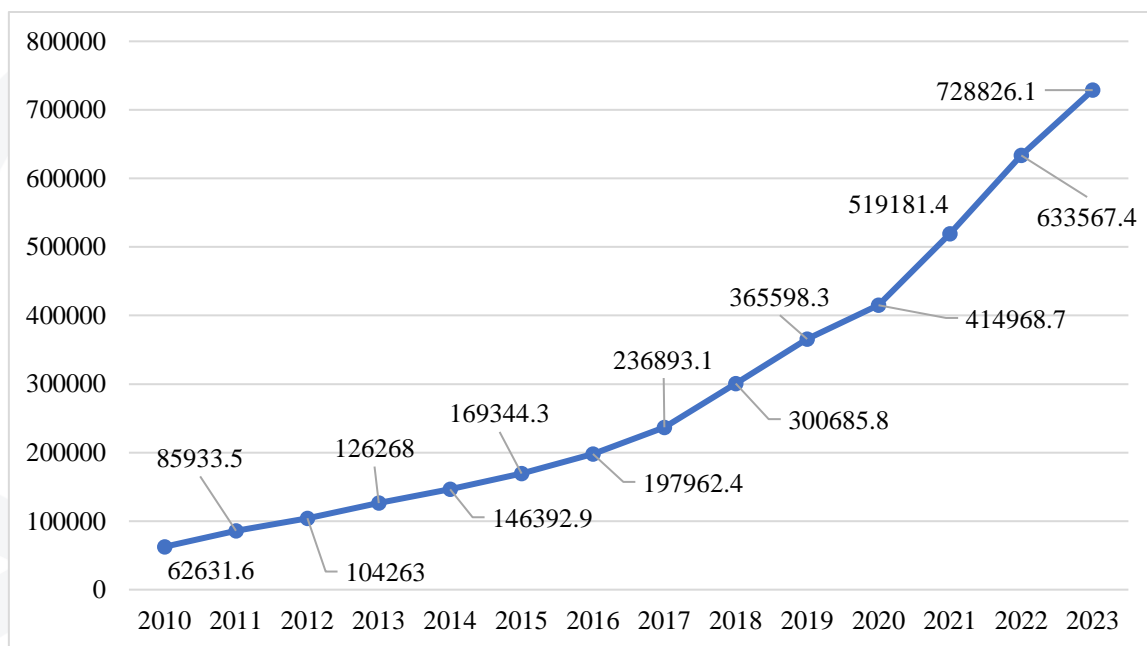
treats its citizens. The state must take care of the well-being of its citizens, create conditions for work and leisure, and provide decent wages. One of the challenges Uzbekistan faces is high levels of income inequality.

Income of the population in a market economy is a set of monetary and natural resources that individuals receive over a certain period of time to satisfy their needs and accumulation. In 2023, real incomes of the population in Uzbekistan increased by only 2.4%, which is the lowest figure in the last five years, with the exception of 2020 (COVID-19 pandemic). Five regions of the country experienced a decline in income, and inequality between regions increased. The total aggregate income of the population of Uzbekistan in 2023 amounted to 728.8 trillion soums, according to the Statistics Agency.

Dynamics of total income of the population of Uzbekistan

Source: compiled according to data from the Statistics Agency of the Republic of Uzbekistan

Total income is one of the main indicators of the level of well-being of the population, and it includes income from labor, income from property (interest, dividends, royalties, etc.) and income from transfers (pensions, benefits, scholarships, remittances).

In nominal terms, there was an increase in income by 15%, and in real terms (taking into account inflation) the growth rate was 4.6%. However, real income per capita increased by only 2.4% and reached 20 million soums per year (1.66 million soums per month). This is the lowest figure in the last six years, with the exception of the pandemic year 2022 (0.7%).

Volume of total income per capita by regions of Uzbekistan, thousand sums

Regions	2010	2015	2020	2021	2022	2023
Republic of Uzbekistan	2192,8	5410,6	12122,2	14869,8	17772,8	20015,9
Republic of Karakalpakstan	1498,9	3908	9436,6	11286,5	13266,1	14570,7
Andijan region	1838,1	4835	10765,9	12946,1	15910,1	18257
Bukhara region	2524,4	6411,6	14675,5	18133,4	21470,5	23480,3
Jizzakh region	1810,7	4809,6	10951,7	13244	15090,6	17326,2
Kashkadarya region	1896,4	4642,7	10199	12180,8	14610,8	16095,1
Navoi region	3881,6	8761,4	19922,5	24765	27129,1	31445,6
Namangan region	1566,7	4113,2	9258,8	11353,5	13782,5	15070,6
Samarkand region	2029	4631	10522,8	12919	15437,1	16886,8
Surkhandarya region	1718,4	4560,8	9745	11824,1	14520,4	15811,6
Sirdarya region	2215,1	5813,9	10938,3	12794,6	14635,8	16808,3
Tashkent region	2433,3	6123,7	13129,4	16260	18319,2	20730,2
Fergana region	1723	4418,3	8853,5	11276,9	13844,4	15716,5
Khorezm region	2105,3	5052,2	12270,6	15756,4	19541,5	20076,6
Tashkent city	4505,9	10614,4	25543,6	30511,1	37079,7	44427,9

Source: data from the Statistics Agency of the Republic of Uzbekistan

The average nominal total income per capita turned out to be higher than the national average in the following regions: Tashkent (44.4 million soums), Navoi region (31.4 million soums), Bukhara region (23.5 million soums), Tashkent region (20.7 million soums) and Khorezm region (20.1 million soums).

In general, the total income of the population of Uzbekistan increased and from 2010 to 2023 grew from 2192.8 billion soums to 20015.9 billion soums. This indicates economic growth and an increase in overall income levels.

Some regions, such as Navoi region, Bukhara region and Khorezm region, show high income growth rates throughout the period from 2010 to 2023. This is due to the development of certain industries and investments in these regions.

Regions such as Karakalpakstan and Namangan region have relatively low income levels throughout the period under review. This indicates socio-economic disproportions in the territorial development of the country.
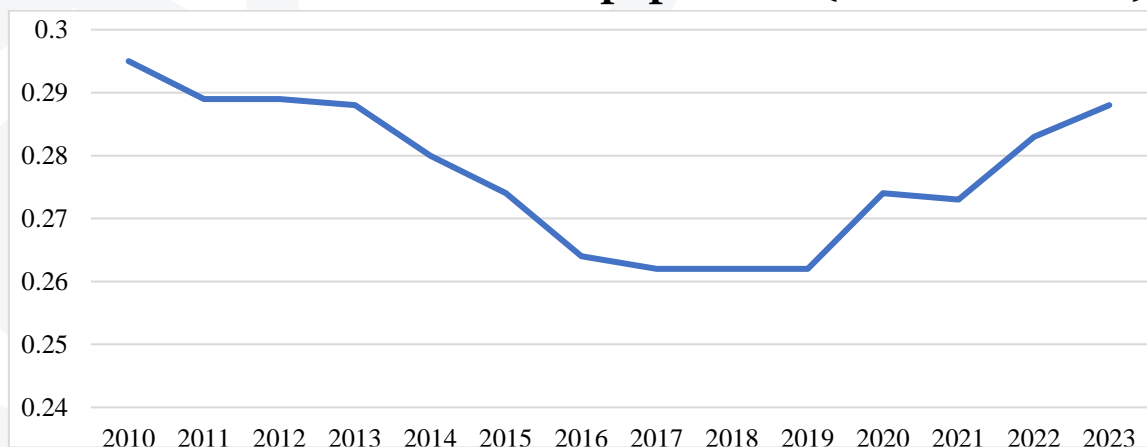
It should be noted that the stratification between the incomes of the population by region has increased. In 2023, relative to the previous year, the difference in per capita income between the three richest and three poorest regions increased from 2.11 to 2.19 times, and the difference between Tashkent and Karakalpakstan - from 2.83 to 3.05 times.

To determine differences in income between different population groups, the income differentiation indicator is used. For example, Lorenz Curve and Gini Index are one of the tools to measure income inequality in a society.

The Lorenz curve is a graph that shows how total income is distributed among percentages of the population. In a graph, the x-axis is the percentage of the population ordered by income, and the y-axis is the percentage of total income that percentage of the population receives. Perfect equality means that the Lorentz line coincides with the diagonal, and complete inequality will be represented by the Lorentz line passing through the point (0,0) and (100,100). The closer the Lorenz curve is to the diagonal, the more evenly the income is distributed.

The Gini index is a numerical measure of income inequality calculated from the Lorenz curve. The Gini index ranges from 0 to 1, where 0 corresponds to perfect equality (when the entire population has the same income) and 1 corresponds to perfect inequality (when one person receives all the income). The Gini index is defined as the ratio of the area between the Lorenz line and the diagonal to the area under the diagonal. The higher the Gini index, the greater the inequality in income distribution. The Gini index and the Lorenz curve are important tools for measuring and comparing the level of income inequality in different countries, regions or social groups. They help identify problem areas and evaluate the effectiveness of policies and programs aimed at reducing inequality and improving social justice.

Uneven distribution of income of the population (Gini coefficient)

Source: compiled according to data from the Statistics Agency of the Republic of Uzbekistan

Growing income differentiation among the population can cause deepening poverty. If a large portion of the population ends up with low income, they may face difficulties in meeting basic needs such as food, housing, education and health care. This can have negative consequences on people's physical and psychological well-being and increase social tension. Additionally, if a large portion of the population has low income, this may limit their ability to consume and invest. As a result, demand for goods and services decreases, which can negatively affect the economic development of the country as a whole.

Thus, the increase in income differentiation of the population leads to a decrease in the growth of incomes of low-income citizens and causes a slowdown in the growth rate of poverty reduction.

The ability to assess the scale of the poverty problem in a country is provided by indicators of the share of the low-income population. It helps governments, international organizations and other stakeholders understand how many people live in poverty or poverty and develop effective strategies to combat the problem.

The low-income population is a group of people or households who live in a state of poverty or poverty and have limited resources to meet their basic needs. They often face insufficient income and limited access to education, health care, food, housing and other basic services.

In general, the share of the low-income population in the Republic of Uzbekistan tended to decrease from 17.7% in 2010 to 11.5% in 2020. This indicates an improvement in the economic situation in the country. The region with the largest share of low-income population at the beginning of the period was Karakalpakstan - 34.3% in 2010. However, by 2020 this figure had dropped to 14.6%. This indicates a significant decline in poverty levels in this region over the period. A significant decrease in the share of the low-income population was observed in the Navoi region from 19.6% to 8% from 2010 to 2020.

Conclusion

Uzbekistan, as part of measures to implement the Development Strategy, Uzbekistan plans to halve the poverty level from 2022-2026 by the end of 2026. The main conditions for achieving these goals are to ensure macroeconomic stability and sustainable high rates of economic growth.

The strategy also includes a number of measures aimed at achieving this goal. One of them is the legalization of employment of 2.5 million irregularly employed citizens, so that they have the opportunity to fully benefit from social guarantees and benefits. It is also planned to reduce unemployment among women by half by training more than

700 thousand unemployed women at the expense of the state. Another measure is to triple the employment of people with disabilities.

In general, to reduce poverty and prevent the growth of income inequality, it is necessary to take a set of measures, including:

- diversification of economic sectors and creation of jobs with high wages.
- maintaining a stable level of real income of the population through anti-inflationary measures and income indexation.
- introduction of an effective taxation system, where wealthier citizens bear a higher tax burden.
- revision of the minimum wage, the level of minimum living standards and the cost of the food basket.
- development of social spheres such as education, healthcare, housing, culture and art.
- providing support to large families.
- reforming the pension system to ensure sustainable and fair pension payments.

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