

ASPECTS OF HOUSHOLD FINANCE DEVELOPMENT.

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Abstract

The article examines the views of scientists on households as economic entities. The author summarizes the views of domestic and foreign experts on the essence of the concept of “household”, on household income and expenditure, also proposes to consider household finances from institutional positions.

Keywords: household, household finances, development, institutional approach, Xenophon, Aristotle, consumption, wealth, economic relations, economic activities, A. Smith.

Introduction

In the history of world economic thought, views on the household, the formation and expenditure of its financial and other resources began to take shape from the moment of the emergence of human society.

Review literature

The first description of an exemplary household presented in the treatise of the famous ancient Greek thinker Xenophon “Homebuilding” (5th-4th centuries B. BC). By the household, the thinker understood the following: “the household ... is all property without exception, and the property of each is that which is useful is all that a person knows how to use.” The property Xenophon included "everything that a person has, even if it was not even in the same city with the owners", namely "the house ... and everything that a person has outside the house." However, since this treatise regulates family relations, the author considered one person only as a subject of economic management if he is lonely. The thinker paid the main attention to a family that was full-fledged in the traditional sense: “custom unites a man and a woman into one pair ... and makes them partners in the household” [4, p. 330-335]. Disclosing household management issues, Xenophon considered the basics of forming his income and forming expenses, which allows talks about household finances. Thus, after analyzing the provisions of the treatise, it is possible to identify the following types of household income: income from agriculture in kind and monetary forms; revenues from the sale of goods, the performance of works, the provision of services (incomes of merchants, carpenters, blacksmiths, painters, sculptors, etc.); income from the sale of property. These household incomes could be used for the following purposes: current consumption (housekeeping, food, clothing purchase, payment of taxes); accumulation of savings for future expenses; other goals: “help friends and strengthen the city”. The main share of family expenses was to meet primary needs, but it is worth noting that Xenophon paid quite a lot of attention to the second type of expenses: “... how pitiful people are about whom they say they pour water into a leaky barrel: it is

clear that they are working for nothing ... Reasonable husband and wife should act in such a way that they can preserve their property in the best possible condition and add as much as possible to the new. ” After analyzing and summarizing the main ideas of Xenophon, set forth in the treatise “Homebuilding”, one can say that the thinker viewed the household from a reproductive point of view, and not from the position of participants in commodity-money relations. Nevertheless, the provisions on the sources of household income generation and the direction of their spending have retained their relevance to this day and are reflected in the writings of modern authors.

Another Greek thinker, Aristotle, in the treatise Politics, viewed the concept of “household” in three aspects: as a social, economic, and managerial system. If Xenophon identified a family with a couple of men and women, then Aristotle believed that “in a perfect family there are two elements: slaves and free, ” and more specific “parts of the family are lord and slave, husband and wife, father and children”. These paired subjects, according to the philosopher, entered into power, reproduction, commodity-money relations. Aristotle singled out two types of art that an experienced householder should own: “the art of acquisition” and “the art of making a fortune”. Under the “art of acquisition” the philosopher understood “the ability to select a specific set of tools necessary for the life and activities of a household. It consists not only in the rational selection of means of consumption, but also in the effective selection of means of consumption, but also in the effective selection of means of production, which, with skillful use, provides the household with an adequate level of consumption. ” And the second art, “the art of making a fortune,” is based on the dual property of a product (as a subject of use and as a subject of exchange). It is in this aspect that households considered as “commodity-money relations” that exchange their surplus. This art fully manifested with the emergence of money, since simple barter, the purpose of which is to fully satisfy primary needs, does not apply to the art of making a fortune. The wealth and art of making a fortune, according to Aristotle, are different phenomena: “The purpose of the household activity is not the accumulation of money. The accumulation of money to infinity is a desire that is inherent in the trade as an art; trade and household are not the same. The first seeks to increase the wealth, the second - to preserve it ”. Thus, all household expenses, according to Aristotle, are divided into expenses for the purchase of basic necessities (“necessary” expenses) and unnecessary expenses. The sources of wealth (income) for households Aristotle singled out the following: income from trade (sea, transit, retail); interest earned on the issuance of money in debt (“giving money to growth”); remuneration of labor (“the provision of one’s labor for pay; the latter finds application in part in crafts, and partly in people who are not capable of craft and earning their means solely by physical labor”); “Everything that is related to the land as such and to what grows out of the ground and that, not giving fruits in the proper sense, nevertheless brings benefits, such as cutting wood and all kinds of mining” [1, p. 380-391].

This is a completely different point of view on households, the composition of its income and expenses, than Xenophon's. However, both philosophers were

unanimous in the opinion that the household is an undoubted subject of the economic life of society, along with the state. The household acquired such a role of a rather active subject of economic relations due to the fact that in antiquity it was something average between the household and the firm (organization, enterprise) in modern times and its activity had its national importance.

In the era of the Middle Ages that followed the antique period, the household as such was not considered for objective reasons: first, the economy was dominated by the natural rather than the monetary form of management, and secondly, the feudal organization of society assumed the personal dependence of the peasants on the feudal, which excluded him freedom to make independent economic decisions. During this period, the primary link of the society was the peasant community-association by descent of several households of the peasant type with a natural form of management in order to provide for themselves. Over time, the communal system was transformed into a feudal patrimony, which was an independent household of several households that were not in kinship relations.

Among the European scholars of the period of the classical Middle Ages, one can distinguish the Italian political figure N. Machiavelli, who considered the population and its finances the main force of the state. It's impossible to say that the thinker studied the household in detail and its financial support issues, however, in his work *The Sovereign* there are recommendations for households (mostly a man as head of the family) to focus on meeting priority needs, to live economically and indiscriminately. Thus, there is a connection between his views of Aristotle on the "necessary" and on the "unnecessary" expenses of households [5].

Results

Gradually, with the development of production and the growth of needs, new types of economic and economic activities of households began to appear; private workshops began to appear, and later manufactories. If earlier the household was the main economic subject, then later it lost this opportunity and began to fulfill the role of labor resources, labor force. Therefore, economists are increasingly devoting their research to new business entities.

The greatest interest among domestic thinkers of the Middle Ages, revealing the concept of "household", is a church and statesman Sylvester (XV century), who left the famous work "Homebuilding" to his descendants. It was this thinker who clearly pointed out that the economy must be led "according to income and expenditure," thus introducing these concepts into the domestic financial science. From a material point of view, the farm included property "in the shop, and in every product, and in the pantry, and in the rooms, and in every product, and in the pantry, and in the rooms, and in every yard or village, and craft, and in loans-debts". The income (income) of the household, according to Sylvestre, was formed at the expense of "crafts and profits, or the state's salary, or the legal gain". What specifically was meant by "legal mining" was not clarified by the author, however, since he attributed loans to household income, then most likely this type was related to "legal mining". As for household expenses, due to the income received, it should and could "keep the whole household with supplies: eat, drink, dress,

serve the sovereign, maintain and serve servants, and communicate with good people” [8, with. 44].

Further enslavement of the peasantry did not contribute to the development of economic labor, and therefore did not allow the opportunities of households to manifest themselves. These circumstances did not arouse interest in households and among economists, as a result of which the institution of the household was hardly considered until the 18th century. At the beginning of this date, the majority of the population (over 90%) were representatives of the peasant class, which necessitated an analysis of the behavior of households, as well as their incomes and expenses. Among the scientists of this historical period, I. Pososhkov (1652-1726) deserves special attention, investigating the nature of the wealth of the state and the population in the work “On poverty and wealth”. He began his work by saying that the wealth of the state is not measured by the state treasury, but by the ability of households to meet their needs, that is, the thinker gave the primary importance to the development of any country: “... not the royal wealth, in the royal treasury, ... but the very thing, if all the people, by their own measurements, were the richest in their own riches, by their riches ” [7, p. 13, 14].

Since society consisted of several classes (noblemen, merchants, peasants, etc.), it is interesting to divide the incomes of the farms by the author depending on the class. So, the peasants should have been able to do only farming, but they could not engage in any kind of trade, even in the case of high yields and the presence of surplus grown and industrial products, i.e., peasants could not enter into commodity-money relations and in case of violation of this provisions punished with a fine. Thus, the peasant households provided themselves independently through farming and forestry work: “The peasant must manage the land urgently in summer and work in winter in the forest, what is necessary for household goods or people, what profit would they get” [7, s. 166]. The expenses of the peasants were made up of the following types: payment of a dues to the landowner and taxes to the treasury (“a product for society”); housekeeping: building a house, food, teaching children, etc. (“a product for yourself”); other expenses: for example, in the event of robbers attacking, the peasants should have given them part of their property. The incomes of the latter, according to I. Pososhkov, consisted of the received dues from the peasants, incomes from the management of their land economy and some other incomes (for example, “whoever will dry the swamp and arrange haymaking, then there will be a fee to collect”) Obligatory payment of taxes in the state treasury, running their own economy and other expenses. An analysis of the work of I. Pososhkov “On poverty and wealth” showed that the author revealed many questions related to the functioning of farms, in particular peasant farms.

Among foreign researchers of households of the XVIII century. Of interest is A. Smith (1723-1790), who recognized the well-being of his (state) population by the wealth of the state: "No society, no doubt, can flourish and be happy if a large part of its members are poor and unhappy." Household A. Smith associated the family in the traditional sense: the husband is the head of the family, whose work brings income to the family, the wife is a housewife and the teacher of

children. The well-being of a household depends on its work activity: physical or mental. The main sources of incomes of the population (households), in the opinion of this economist, are wages (remuneration for labor), profit on capital and rent (if land, financial and other resources are owned), and additional income from trade and other income (for example from fishing). Of interest to our study are the ideas of A. Smith about the "economic man." So, in his opinion, the owner of resources can independently receive income from their use, and can give them at the disposal of another person, and in his spare time engage in other income-generating activities. Householder calculates the possible benefits of both options and prefers the most profitable. As for the direction of the use of household incomes, they include the traditional costs of maintaining a family, calculated as the opportunity to purchase "the actual amount of necessities and living amenities"; these are expenses primarily on food, on the second, on clothes, in the third on housing and household items. Obligatory expenditure of each is the payment of taxes to the state treasury.

After the primary needs are met and there are still free funds, other needs can be met: "All that remains after meeting needs that have a certain limit is spent on needs that cannot be fully satisfied: on materials for decoration, in construction, clothing, clothes or home furnishings and utensils; on minerals and minerals contained in the bowels of the earth, on precious metals and precious stones. " A separate item of expenditure A. Smith allocates the creation of reserves, stocks, I e, the accumulation of funds for future expenses. The employed population itself bears other costs, for example, associated with the cultivation of the land, etc. In addition, A. Smith divides the expenses of the population on a different basis: "The income of an individual can be spent on items that are consumed immediately and the cost of which today can neither facilitate, or improve the expenditure on them tomorrow, or it can be spent on items more durable, which is possible therefore to accumulate and the expenditure on which today can at the request of the owner alleviate, improve or increase the beneficial effect of expenditure on them tomorrow. A wealthy person, for example, can spend his income on a rich and luxurious table, on the maintenance of a large number of domestic servants and many dogs and horses; or, on the contrary, being satisfied with moderate food and few servants, he can spend most of his income on decorating his house or destiny, on useful or beautiful buildings, on useful or beautiful utensils and furnishings, on picking up books, statues, paintings or on things frivolous: on precious stones, trinkets of every kind ... "[9, p. 323-327]. Analyzing the views of this scientist, including on households, one can once again be convinced of his undeniable contribution to the development of an understanding of this business entity.

A household as an institutional unit consists of a small group of individuals who live together, combine part or all of their income and assets and collectively consume certain types of goods and services. An institutional population is also included in the household — a set of persons who live permanently in various types of institutions and are not independent in economic matters (members of religious orders who live in monasteries, long-term patients in hospitals, prisoners serving long periods, nursing home patients). These persons are considered as

forming together a separate institutional unit, i.e., an individual household. On the other hand, persons who are in hospitals (clinics), places of detention for a short period of time, should be assigned to the household to which they belonged at the time of residence at the place of residence.

Conclusion.

Thus, from an institutional point of view, household finances are considered as a set of institutional units involved in the formation, distribution and use of the fund (family budget) of the household sector in order to meet the needs of households. We need to agree with the opinion of specialists who recognize households as independent economic entities along with corporations (organizations, enterprises), since households own financial and other resources, independently manage them and constantly enter into relations with other economic entities (financial corporations: banks, insurance companies pension funds, non-financial corporations, state and municipal authorities, etc.), in connection with this The NSS system needs to include 2 levels: the finances of public legal entities and the finances of economic entities that include household finances.

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