

## FAMILY BUSINESS AND ITS THEORETICAL FOUNDATIONS

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### ARTICLE INFO.

**Keywords:**

family farm, household, family, home farm, family business.

### Abstract

The article deals with such issues as the socio-economic content, the theoretical foundations of "family economic entrepreneurship", the conceptual directions of its development and welfare.

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### Introduction

Already in the early stages of human development, the concept of the family was born. This concept, as the first stage of social development, was encouraged and respected at all stages of the development of society. In this regard, the family, its various problems are studied and studied to some extent.

To some extent, laws were created on such aspects of the family as legal, philosophical, spiritual, books and treatises were published. But we believe that it is worth recognizing that its economic aspect, the problems of its solution, have been little studied.

But the economy of the family, all its aspects have been little studied before and now. For example, classic economic literature such as Marshall's Principles of Economics, Mill's Principles of Political Economy, and Smith's The Wealth of Nations did not give due importance to the family economy.

Taking this into account, we believe that addressing the issues of identifying the family and its socio-economic content, the economic relations of this couple, the socio-economic nature of the family and the economy associated with it, theoretical and practical research on this problem is becoming a priority task for economists today.

### Literature review

After Uzbekistan gained independence, several new concepts appeared in its economic structure, including the concepts of family, household and household, and they began to be recognized as subjects of microeconomics. The economic literature includes such concepts as "Family", "Family farm", "Household", "household economy", "family entrepreneurship". But their content, taking into account the nature of each of them, which is different from each other, is not fully covered economically. There are different opinions about these concepts in different literature.

The concept of family is described in the Explanatory Dictionary of the Uzbek language<sup>1</sup> as "a set of people living together, consisting of a married couple, their children and the closest relatives. In

<sup>1</sup> Ўзбек тилининг изоҳли луғати. - М.: Изд. «Русский язык», 1981, 1-том. 526 бет.

general, one can agree with this definition, since it mainly expresses the composition of the family. But here the family is seen only as a group of people living together. But this definition does not reflect the economic and social function of the family.

A. Olmasov: "A family is a microsocial structure, a group that has a common goal based on blood relationship, community of property and common interests, joint satisfaction of needs." <sup>2</sup> According to him, social life begins with the family.

However, even in this definition, the concept of family economy as a subject of microeconomics is not sufficiently defined. In most cases, the terms "family" and "household" are used. But they are used as synonyms for each other in most of the literature. However, recently there have been concrete proposals in this regard. D. Karimova's views can be cited as an example of these sentences. According to this scientist: "A household means a group of people living in one household who combine their income and property in whole or in part and consume certain products and services, mainly household services and food for living"<sup>3</sup>.

In our opinion, when describing the subject of any economic activity, in particular the family economy, it is necessary, first of all, to proceed from its economic purpose. Any business entity must have its own property, economic activity and income from it, as well as the right to own them. However, when describing the family economy, it is desirable to proceed, first of all, from the definition of the family. However, if we consider a family farm, even in this case, it must to some extent possess family property based on economic activity and the family income that it receives from it. Based on this theoretical conclusion, the family economy can be described as follows.

Family economy refers to a group of people who live with each other based on the couple, the age of the child and birth in order to meet the social, economic and spiritual needs of family members and the whole society, as well as to carry out activities such as production, work and maintenance, which have their property to obtain a certain level of income (profits).

A. S. Bulatov stated: "A household is an economic agent associated with household management, that is, aimed at consumption." However, in the P-section of this book, "Microeconomic objects are households, firms, industries, the market of goods and services, the market of resources." From this it can be seen that the authors of this textbook have opposite views on the household and its role in the economy. If the household were only a consumer unit, it could not be the subject of microeconomics. If we consider it as a subject of microeconomics, then the household should not be considered only as a consuming entity.

A. I. Popov very correctly approached the household as a subject of microeconomics. According to him, "a household is an initial form of entrepreneurial activity aimed at minimizing costs to achieve certain goals"<sup>4</sup>.

It is very appropriate to consider the household as a form of entrepreneurship. But this definition has some drawbacks. It does not specify who is involved in the household and for what purpose.

One of our scientists A. Olmasov identifies the family directly with the household. He said: "From an economic point of view, the family is a household and the basic unit of the microeconomic system. Another part of it consists of firms, enterprises and sectors of the economy"<sup>5</sup>. In our opinion, the family cannot be viewed in the same way as the household. Based on the definitions of family and household, we can see that these are separate socio-economic concepts.

<sup>2</sup> Ўлмасов А. Оила иқтисоди. Т.: Меҳнат 1998.- 4 бет.

<sup>3</sup> Сектор "Домашние хозяйство" в системе национальных счётов // Экономика и статистика, № 2, 1997-66-67 бетлар.

<sup>4</sup> Попов А.И. Экономическая теория: Учебник для вузов. – СПб.: Питер, 2006. – 97 бет.

<sup>5</sup> Ўлмасов А. Оила иқтисоди. Т.: Меҳнат 1998.- 4 бет.

## Results

Based on this theoretical conclusion, the household can be defined as follows.

A household is a household based on family property and people (employees) organized around members of the same family to engage in activities such as production, work and service, to meet the social, economic and spiritual needs of the whole society and to obtain certain level of income (profit). In fact, domestic workers may include other employees in addition to family members.

Recently, the concepts of family economy and household economy have also included the concept of household economy. In this case, the authors recommend introducing the concept of a household based on the fact that several families can live in an apartment. In particular, H.I.Akhmadzhanov gives the following definition of a household: "... the housing conditions of a household are common, a small group of people who jointly consume a number of goods and services, combining their own monetary and material resources." The nature of the household in this definition is not fully disclosed as a subject of microeconomics. Because a household is seen as "a small group of people who pool their money and material resources." It is implied that not any people live in the household, but "cohabitation of several families living in the same household". And they will consist of families or people close to each other who use their property to obtain a certain level of income (profit).

In general, a household, whether it is called a family household or a household, is all family—related entities. This connection originated during the initial formation of the economy and is still developing. The family economy as a subject of microeconomics has its own evolution of development. The links of the economy began with the family economy. He went through different circumstances. Finally, the main link of the economy is being formed.

Currently, the family economy appears as a social and economic unit. Therefore, its theoretical and practical analysis should be carried out from this point of view. The category expressing the socio-economic content of the family is its well-being.

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Family business - a freely chosen activity based on family property, in which family members participate and, to a certain extent, with the aim of bringing income (profit) to the family and public benefit.

This definition makes it clear that in order to be an entrepreneur on a family farm, the property, activities, purpose and activities to be engaged in must be freely chosen based on one's own will and ability. Thus, it is possible to expand the theoretical conclusions about the improvement of the family economy and entrepreneurship in it.

Finally, important conceptual directions for improving the well-being of the family at present are not only a way to increase wages, but also an increase in the income (profit) of family members through the development of entrepreneurship, the use of property, and the improvement of their financial situation. efficiency of economic management.

## Discussion

One of the important aspects of improving the welfare of the family is the solution of its theoretical

issues. However, the economic literature has not yet developed a definition of the concept of family well-being that fully meets modern requirements. Because of this, this problem is also one of the problems waiting to be solved.

Studies have shown that the creation of a family business solves many socio-economic problems in our country. Firstly, it creates a class of small enterprises and private entrepreneurs, which are the main driving force of market relations, creates the opportunity to enrich the market of our country with consumer goods and various services, and also solves the problem of eliminating unemployment, which is important today, in exchange for creating new jobs. However, entrepreneurship in the family economy does not continue to develop by itself. It is necessary to develop it at the current level, to bring it to the state of production of competitive products (works, services) at a high level. To do this, it is necessary to study the theoretical and practical issues of this problem and develop appropriate recommendations for their improvement.

Now the entrepreneurship of the family economy is developing in Uzbekistan. The organization of the relevant associations of entrepreneurs of family farms has been appointed to ensure and accelerate their reproduction. With the help of such associations, it is possible to solve the main socio-economic problems for the development of the family economy and increase its well-being. In the future, the country also dictates the solution of problems related to the organization of associations of entrepreneurs of the family economy. The development of a concept for the development of the functioning of such non-governmental organizations is one of the most pressing issues today.

The formation of market relations requires taking into account incomes and their structural changes in each household. Because family property and income are, firstly, part of the national wealth of our country, and secondly, it is an object of taxation. In addition, on the basis of these indicators, criteria for measuring family well-being, poverty and wealth are built.

Taking into account that structural changes in her income and expenses affect the well-being of the family, it is necessary to theoretically justify the need to study the classification of their income and expenses. The conclusion is made that it is necessary to study this problem in the following direction: the difference between those living in cities and urban-type settlements from those living in rural areas; the difference between the incomes of families employed in different industries; For example, differences in the number of family members in the household. The solution of these problems is also discussed in detail in the work.

Liberalization of the economy, the formation of market relations have led to a radical change in the content of family income and related circumstances. These changes are manifested in the following: a new economic category has entered our economic and social life—the category of the value of labor power; a place where labor force is sold on the basis of supply and demand - a labor market has appeared; absolute and relative unemployment arises due to changes in the demand and supply of labor; family members, residents are gradually moving to the principle of self-employment based on the development of entrepreneurship; new sources of family income have appeared - income from the use of property and entrepreneurial activities; income from the use of property used to consist only of rent, but now includes such types of income as dividends, interest, investment income.

These situations, providing a certain level of stability of society, cause some problems. At the heart of these problems is the problem of stratification of families by income, unemployment and the resulting emergence of low-income families. The main way to solve these problems, in our opinion, is, firstly, the suggestion of the need to increase the social activity of the population, the transition to the principle of self-sufficiency with labor and other necessary goods, and secondly, the introduction of a mechanism to financially interest people in any activity, to introduce new methods of stimulating consists of development. However, these measures also require a decision at the level of the Government and the legislative chamber of the Oliy Majlis.

The results of the study showed that one of the main ways to increase property and family income is income from the use of property. Taking this into account, it is necessary to create ways to increase the income and property of the existing excess property in the family economy, determine the current and net value of investments, and also use discount coefficients. Because this question was still problematic. Its content is fully disclosed in the relevant chapters of the work.

Currently, it is necessary to develop ways to improve the efficiency of family investment funds. These include: extension of the project implementation period; increase (decrease) the project's dividend rate; may include an increase in cash flow. But even these issues have not been sufficiently studied in relation to the family economy.

During the transition to market relations, inflationary processes still persist. With this in mind, it is necessary to develop methodological aspects of the assessment and analysis of property and family income in conditions of inflation. Using the nominal and real rates of household income, determine the total rate of its income from investments. This made it possible to determine the value of the family's investments, taking into account inflation in a year and determine its impact on the well-being of the family.

The formation of market relations requires great knowledge and intelligence from a family entrepreneur, not only in terms of entrepreneurship, but also in the conduct of economic affairs. The entrepreneur's extensive economic knowledge brings additional income to the family's income and, most importantly, increases their well-being. More importantly, the size of the property increases when the property is used. This is the basis for enriching and strengthening the economic power of the family economy, the entire population and the state.

Thus, the well-being of households is increased in various ways and methods. This indicates that another economic support has appeared in the implementation of the noble cause of building a free and prosperous Motherland, a free and prosperous life, on the way to the ultimate goal of a unique and expedient development path for Uzbekistan.

Here it is necessary to say a few thoughts about the family business. Because the concepts of family well-being and family business in most cases are considered the same. In this regard, we would like to share our views without dwelling on the theoretical analysis of opinions in the economic literature. Based on the concept of business, a family business should be evaluated as a profitable activity. Based on this theory, it is appropriate to define it as follows. A family business is understood as all activities related to the production, maintenance and performance of work, generating income (profit) for the family with the ownership of certain property. It does not matter on whose property it is based, it is considered only from the point of view of bringing income (profit) to the family.

The importance of this process is not limited to the issues considered. Running a family or household, family entrepreneurship not only ensures the well-being of the family, but also provides employment for the population in exchange for the opening of new jobs, enriches the state in exchange for taxes levied on them, and prosperity is achieved in our society. The products produced in the family economy not only satisfy their needs, but also fill the country's market with products (works, services). Most importantly, its spiritual significance is also immeasurable, since it makes the masses free from the spirit of immortality, instills and provides initiative and aspiration. This ultimately increases the activity of society, the masses, accelerates the process of forming democratic principles of market relations.

It should be noted that the ultimate goal of the reforms carried out in our country is to create decent living conditions for our people, for every family. This is, of course, what a difficult and responsible task. To achieve such a goal, it is not enough to simply carry out practical activities. In-depth research in this area is also necessary to develop evidence-based recommendations to ensure the well-being of each family.



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