

IMPROVEMENT OF THE ECONOMIC MECHANISM OF INCOME DIVERSIFICATION OF THE POPULATION

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ABSTRACT

Diversification of people's income plays an important role in ensuring economic stability and increasing social well-being. Currently, many countries are using diversification strategies in order to ensure economic growth and increase the income of the population. This article provides information on the ways and methods of improving the economic mechanism of income diversification.

Keywords: population income, diversification, income, economic mechanism, education, investments, professional development, business, economic literacy.

INTRODUCTION

Income diversification is the process of creating opportunities for people to receive income from different sources. This process provides economic security for the population, because if income from one source is lost, financial stability is maintained through other sources. Diversification is also important in improving population welfare and stimulating economic growth.

LITERATURE ANALYSIS AND RESEARCH METHODOLOGY

Economic mechanisms of population income diversification consist of a number of elements. These include education and training, investment promotion, small and medium business development, social protection systems and agricultural diversification. To increase the economic literacy of the population, acquire new skills and provide knowledge on business management. Through the education system, people will have the opportunity to work in various fields to increase their income. It is necessary to strengthen cooperation between educational institutions, state and private sector, modernize educational programs and organize training courses for the population. Attracting investments from the state and private sector, creating new jobs and increasing diversification opportunities for the population. Through investments, new industries and services will be developed, which will serve to increase the income of the population. In order to attract investments, it is important for the government to take tax breaks, subsidies and other incentive measures. Diversification of incomes of the population by supporting small and medium-sized businesses. Small

businesses are often a key part of local economies, creating new jobs and stimulating economic growth. Small and medium-sized businesses need support through loans, grants and training.

RESULTS ANALYSIS AND DISCUSSION

Providing social protection to the population, for example through benefits, employment programs and labor market support. Social protection systems reduce the risk of loss of income of the population and ensure economic stability. By expanding social protection programs and improving their effectiveness, it is possible to help diversify the population's income. Increase income by producing different products in agriculture and looking for new markets. Agricultural diversification provides food security to the population and expands sources of income. It is necessary for the state and private sector to implement programs aimed at the development of agriculture, to develop the processing and marketing of agricultural products. A number of strategies can be implemented to improve the mechanism of income diversification. [1] Strengthen educational programs to educate the population on economic literacy and acquire new skills. These programs increase the population's employment and business opportunities. It is necessary to develop and implement new programs in cooperation with educational institutions, public and private sectors. Optimizing production processes and creating new products by using innovative technologies. This, in turn, provides new jobs for the population and stimulates economic growth. In order to stimulate innovation, it is necessary to strengthen cooperation with research institutes and universities. [2] Emphasis on the use of local resources and the production of local products. This will help to increase the income of the local population and ensure economic stability. It is important to support local producers, look for new markets to sell their products and develop marketing strategies. Creating new opportunities through the development of cooperation between the population and the formation of a network. This allows the exchange of knowledge and experience among the population. It is necessary to strengthen cooperation and cooperation between the population through social networks and local communities. Development and implementation of social cooperation programs, creates opportunities for community unity and joint use of resources. Development and implementation of public policy aimed at diversifying the income of the population. This policy should create favorable conditions for the population and stimulate economic growth. It is important that programs and projects supported by the state create new opportunities for the population. It is necessary to establish effective cooperation between the state and the private sector.[3]

Diversification strategies are important for businesses to expand their operations and grow through new markets or products. Through this process, companies not only create new opportunities, but also reduce existing risks. Diversification is mainly divided into two types: horizontal and vertical diversification.[4]

Horizontal diversification is carried out by expanding the portfolio of existing products or services. Through this strategy, the company produces new products that are similar or related to each other or provides new services. For example, a beverage company may launch a new flavored beverage or confectionery. In this way, the company strengthens its brand and expands its customer base. Vertical diversification includes access to different stages of the

supply chain. For example, a manufacturing company may open a retail network to sell its products or strengthen cooperation with suppliers of raw materials.[5]

Vertical diversification allows a company to control its supply chain, which helps reduce costs and increase efficiency. One of the main benefits of diversification strategies is risk reduction. By entering different sectors, the company increases its resistance to market changes. If competition in one area increases, there will be an opportunity to profit through activities in other areas. In addition, diversification enables the creation of a new customer base and the retention of existing customers.[6] By introducing new products or services, a company becomes more effective in meeting customer needs. However, the process of diversification brings its own difficulties. Problems such as lack of financial resources, inexperience in new areas, changes in market demand and competition with competitors can negatively affect the success of the diversification strategy. Also, dealing with mistakes in strategic planning and organizational changes creates difficulties. Diversification strategies create growth and development opportunities for companies. They play an important role in reducing existing risks, gaining new markets and meeting customer needs. However, effective planning and proper management of resources are necessary to overcome the challenges that arise in the process of diversification. Successful diversification strategies help ensure long-term growth and stability of the company.[7]

CONCLUSION

Diversification of people's income is important for ensuring economic stability and increasing social welfare. By improving economic mechanisms, people can increase their income from various sources. It is possible to effectively implement the process of diversifying the population's income by promoting education, investment, supporting small and medium-sized businesses, strengthening social protection systems, and diversifying agriculture.

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