

THE IMPACT OF INFLATION ON THE POPULATION'S CONSUMER BASKET: A STATISTICAL AND SOCIOLOGICAL APPROACH

Mansurov Mansur Alisherovich

DSc, Professor

Shirinova Mushtariybonu Oybek kizi

Student of Karshi State University

Shirinovamushtariy832@gmail.com

<https://doi.org/10.5281/zenodo.20291645>

Abstract: This research is devoted to a comprehensive analysis of the impact of inflationary processes on the components of the population's consumer basket and the overall level of welfare under modern economic conditions. The article examines the relationship between the dynamics of the Consumer Price Index (CPI) and real household incomes based on econometric analysis of statistical data from the last five years. In addition, inflation expectations and their influence on consumer behavior are compared using sociological survey results. The study proves the tendency of consumers to shift from high-quality products to cheaper alternatives during inflationary periods. At the end of the research, scientifically grounded recommendations are proposed to protect real incomes, ensure price stability in consumer markets, and improve social protection mechanisms.

Keywords: Inflation, consumer basket, consumer price index (CPI), real incomes, purchasing power, social welfare, Engel's law, inflation expectations, sociological approach, consumer behavior, social stratification.

Introduction

Under modern economic relations, one of the most important indicators of macroeconomic stability is the inflation rate. Inflation is not only a rise in the general price level, but also a complex economic process that directly affects purchasing power, consumer behavior, and social stratification. In the context of geopolitical changes, disruptions in logistics chains, and the global food crisis, studying the impact of inflation on the consumer basket has become increasingly important. The consumer basket represents the minimum set of goods and services necessary for human life and is considered one of the main indicators of public welfare. Changes in the price index, especially inflation in the food sector, primarily limit the consumption opportunities of low-income groups. This leads to the manifestation of Engel's law, where a large share of household income is spent only on primary necessities.

Literature Review

The relationship between inflation and consumer markets has been widely studied from classical economists such as Adam Smith and David Ricardo to modern monetarists like Milton Friedman and neo-Keynesian scholars. However, under conditions of globalization and the digital economy, the sociological aspects of inflation — particularly inflation expectations and public psychological attitudes — still require additional research. In Uzbekistan, the current stage of economic reforms necessitates a reassessment of this issue based on statistical data to improve social protection mechanisms.

The main objective of this article is to statistically analyze the impact of inflation on the structure of the consumer basket and evaluate its socio-economic consequences through a sociological approach. The study focuses on: Analyzing the dynamics of the Consumer Price Index (CPI) in Uzbekistan in recent years; Studying the transformation of food and non-food shares in the consumer basket depending on price changes; Describing behavioral changes of the population under inflationary conditions from a sociological perspective; Developing scientific recommendations to reduce inflationary pressure and preserve purchasing power. The object of the study is the consumer market and household income formation processes in Uzbekistan, while the subject is the mechanism through which inflation affects the consumer basket and public welfare.

Main Part

Under inflationary conditions, structural changes occur in the population's consumer basket. This process is related to disproportional price growth in the economy. Since food products are primary necessities, increases in their prices force consumers to reduce spending on non-food products and optional services. As a result, the consumer basket narrows and becomes focused only on products necessary for survival, indicating a decline in general welfare. Continuous price increases create the phenomenon of "inflation expectations" in consumer psychology. Fearing future price increases, people artificially increase current consumption, which disrupts market equilibrium between demand and supply. In addition, consumers increasingly switch to substitute goods. For example, instead of expensive protein-rich products, households begin consuming cheaper carbohydrate-based products with lower nutritional value.

From a sociological point of view, this negatively affects healthy nutrition patterns in society.

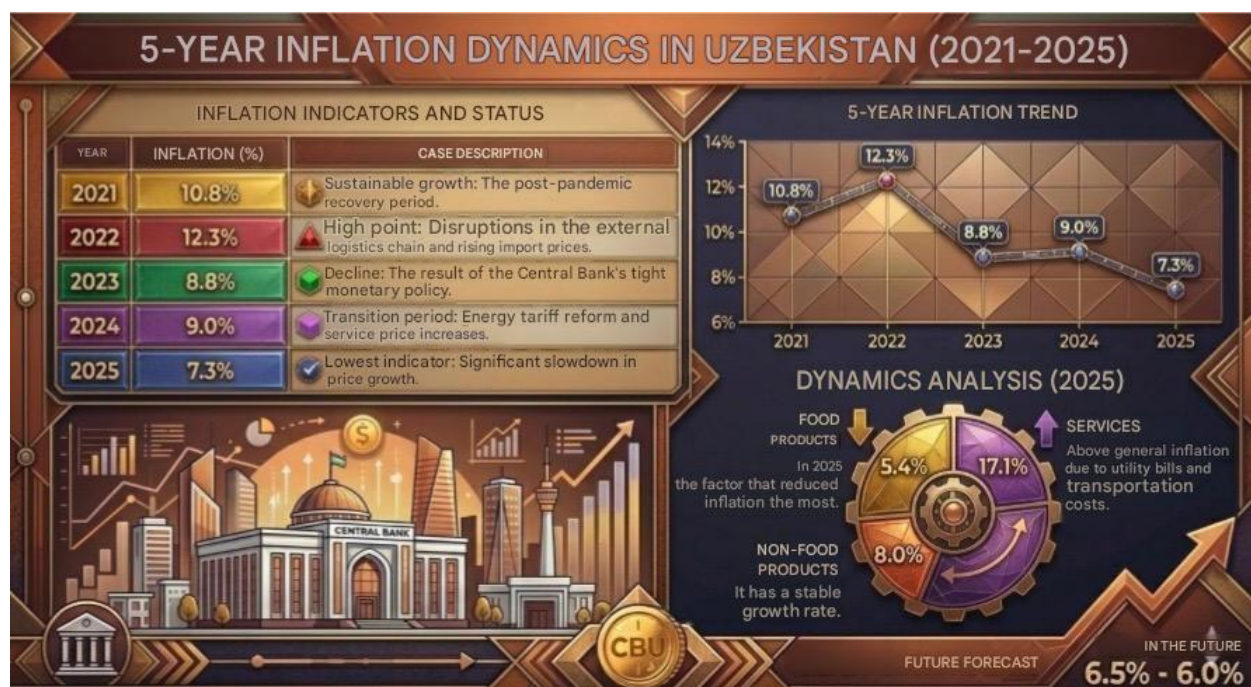


Table 1: Five-Year Inflation Dynamics in Uzbekistan (2021–2025)¹

Analytical Conclusions

Journal: <https://ifsmrc.org/index.php/aijrm>

The highest inflation level was observed in 2022, mainly due to imported goods prices and instability in foreign

markets. By 2025, inflation decreased to 7.3%, indicating relative price stabilization in the economy.

¹ Generated using artificial intelligence based on data from the Statistics Agency.”

However, inflation in the service sector, especially utilities, remains high. Food inflation in 2025 averaged 5.4%, lower than the general inflation rate.

According to forecasts by the Central Bank and international financial institutions such as the ADB and IMF, inflation may decline further to around 6.5% in 2026.

Inflation is also a factor that intensifies social inequality. Low-income groups spend almost all of their budget on consumer goods, leaving them unable to save money.

UZBEKISTAN ECONOMY: IMPACT OF INFLATION (CONDITIONAL ANALYSIS) BEFORE INFLATION (CONDITIONAL STABLE PERIOD) CURRENT STATE (UNDER INFLATIONARY PRESSURE)			
NAME OF INDICATORS	PRE-INFLATION STATE (CONDITIONALLY STABLE PERIOD)	CURRENT SITUATION (UNDER INFLATIONARY PRESSURE)	IMPACT LEVEL AND TREND
 OVERALL INFLATION (CPI)	8-9%	12-14%	 GROWTH TREND
 FOOD INFLATION	10-11%	16-18%	 ABOVE: PRIMARY COMMODITY PRICES ARE GROWING RAPIDLY
 NON-FOOD & SERVICES	6-8%	9-10%	 MEDIUM: LOW DUE TO DEMAND SHIFT TOWARDS FOOD
 FOOD EXPENDITURE SHARE* *Up to 70% in low-income populations	40-42%	50-55%	 NEGATIVE: LIVING STANDARDS DECREASING ACC. TO ENGEL'S LAW
 NOMINAL WAGE GROWTH NOMINAL WAGE GROWTH	12%	16%	 Deceptive: Although the Amount Available Increases, Purchasing Power is Limited
 REAL WAGE GROWTH	4-5%	1-2%	 Low: Inflation is "Eating" Income Growth
 INFLATION EXPECTATIONS	Stable	Bullish/Pessimistic	 Psychological: People are accelerating consumption in anticipation of price increases

Table 2: Uzbekistan economy: impact of inflation (conditional analysis) before.² This widens the gap between rich and poor and weakens the middle class. To remain competitive, producers often reduce product quantity or quality instead of directly increasing prices. This creates “hidden losses” for consumers. Although the composition of the consumer basket may appear unchanged, the actual usefulness of products declines, negatively affecting consumer rights and market transparency. The rapid growth of the consumer basket compared to household incomes creates social pessimism and uncertainty about the future.

²generated using artificial intelligence based on data from the Statistics Agency.”

Living under constant economic pressure reduces labor productivity and increases migration tendencies. Therefore, controlling inflation is not only an economic task but also an important condition for maintaining social stability.

Conclusion

The conducted research shows that inflation significantly affects the consumer basket both quantitatively and qualitatively. The analysis leads to several conclusions: Inflation causes structural shifts in household expenditures, forcing consumers to abandon optional services and non-food products. Growth in nominal income does not always mean real welfare improvement because inflation limits purchasing power and reduces saving opportunities. Consumers increasingly switch from high-quality products to cheaper alternatives with lower usefulness, which may negatively affect public health and human capital development in the long term. Inflation expectations create psychological pressure on market stability by artificially increasing current demand. To mitigate these effects, it is necessary to strengthen targeted social protection, expand competition in consumer markets, ensure transparency in pricing, and combat hidden inflation. In conclusion, effective inflation management guarantees not only price stability but also social justice and overall public welfare.

References

1. Statistical Agency under the President of the Republic of Uzbekistan – annual reports on CPI and household incomes.
2. Central Bank of Uzbekistan – monetary policy reviews and inflation bulletins.
3. Fisher, I. (2021). The Purchasing Power of Money: Its Determination and Relation to Credit, Interest and Crises.
4. McConnell, C. R., & Brue, S. L. (2018). Economics: Principles, Problems and Policies.
5. Vahobov, A. V., & Jumaboyev, T. T. (2020). Economic Theory. Rasulov, N. M. (2022). Socio-Economic Mechanisms for Improving Living Standards in Uzbekistan.
6. Khababa, N., & Mansurov, M. (2024). Strategies for Fintech Adoption and Financial Inclusion.
7. Khudoykulov, K., Mamadiyarov, Z., & Farooq, U. et al. (2026). Impact of Financial Inclusion on Poverty Reduction in Asian Economies.