

METHODOLOGY AND INDICATORS FOR ASSESSING THE STANDARD OF LIVING: CONTEMPORARY APPROACHES AND EMPIRICAL EVIDENCE FROM UZBEKISTAN

Abdullayeva Lola Avazovna

Master's student of Asia international university

Abstract: Assessing the standard of living is a pivotal component of socio-economic policy analysis, reflecting both material well-being and the broader quality of life. This article investigates the contemporary methodological approaches and core frameworks used to evaluate living standards, drawing comparisons between international indices and national practices. Focusing empirically on the Republic of Uzbekistan over the last five years (2021–2026), the study analyzes the dynamics of real aggregate income, household consumption behavior, the Gini coefficient, and multidimensional poverty indicators. The findings indicate that while per capita income has demonstrated stable growth, structural gaps between urban and rural regions persist. Methodologically, the paper underscores the critical transition from purely monetary evaluations to multidimensional dashboards that incorporate housing, healthcare, and digital access. Ultimately, recommendations are provided to further align national statistical systems with global standards.

Keywords: Standard of Living, Methodology, Real Income, Household Survey, Gini Coefficient, Multidimensional Poverty, Socio-Economic Indicators, Uzbekistan.

The evaluation of the population's standard of living stands as a cornerstone of sustainable development and social justice. Traditionally confined to simple macroeconomic metrics like gross domestic product (GDP) per capita, the conceptualization of living standards has drastically expanded over recent decades. Modern economic paradigms differentiate between the "standard of living" (primarily material consumption and wealth) and the "quality of life" (which integrates subjective well-being, environment, and civil liberties).

For developing and transition economies like Uzbekistan, tracking these indicators accurately is vital. Since the launch of large-scale structural reforms, the government has placed poverty reduction and social welfare at the top of its strategic agenda. This study seeks to demystify the methodological frameworks applied globally and nationally to assess living standards and analyzes empirical data spanning 2021 to 2026 to capture the true dynamic of human welfare.

Methodologically, assessing living standards follows two primary paths: **monetary approaches** and **non-monetary (multidimensional) approaches**.

1. Monetary Frameworks: These rely strictly on quantifiable economic data, such as nominal and real disposable income, average wages, and household consumption expenditure. In international practice, World Bank household survey models are frequently adapted to track the share of primary income versus state social transfers.

2. Multidimensional Frameworks: Recognized by the United Nations Development Programme (UNDP), these look beyond the wallet. Indices such as the Human Development Index (HDI) and the Multidimensional Poverty Index (MPI) assess health (life expectancy), knowledge (years of schooling), and decent living conditions (access to clean water, electricity, and sanitation).

In Uzbekistan, the data collection methodology is heavily dependent on **Sample Household Surveys** executed by the Statistics Agency. Annually, a representative sample of over 10,000

households across all regions is audited using standardized diaries to gauge real expenditures and evaluate structural inequalities via the Gini Coefficient.

Over the 2021–2026 timeline, Uzbekistan’s macro-social data revealed significant transitions. Following the stabilization from global pandemics and geopolitical shifts, the state prioritized formal sector jobs and targeted social registers.

According to official bulletins from the Statistics Agency, the growth rates of real aggregate income per capita remained resilient. However, the composition of income points to structural adjustments:

- **Primary Income:** Wages and production activities still comprise the absolute majority of total household revenue (exceeding 65-70%).
- **Transfers:** The introduction of the *"Single Social Register"* (Yagona ijtimoiy reyestr) led to an intentional expansion of targeted welfare and pensions for lower-income deciles.

In terms of expenditure, Engels' Law operates visibly in national datasets: as real incomes rise, the relative share spent on basic foodstuffs decreases slightly, shifting household capital toward service sectors, communications, and electronics.

Inequality as measured by the Gini Coefficient has shown moderate contraction but signals spatial variances between major industrial hubs (e.g., Tashkent city, Navoi) and predominantly agrarian provinces. Housing and infrastructure indicators provide a precise physical dimension to this assessment:

Indicator	2021	2023	2025/2026
Real Per Capita Income Growth (% YoY)	~5.2%	~6.1%	~5.8%
Average Housing Provision (\$m ² per person)	15.4	15.8	16.0
Poverty Rate (National Threshold, %)	17.0%	14.1%	~11.0%

Housing availability on average reached **16.0 square meters per person** by mid-2026, up from roughly 15.0 square meters a decade prior. However, severe local variations remain—with regions like Khorezm showing high nominal metrics due to domestic structures, while high-density areas like Andijan score notably lower (~10.3 \$m²).

Despite optimistic trends, several methodological gaps complicate the holistic assessment of living standards in transition economies:

1. **The Shadow Economy Factor:** A substantial portion of household income stems from unregistered self-employment or seasonal labor migrations. This distorts official diaries and creates artificial data gaps.
2. **Digital Divide:** Access to modern Information and Communication Technologies (ICT) has become a modern baseline for a decent standard of living. While mobile penetration is near universal, reliable high-speed broadband in rural peripheries remains asymmetrical.
3. **Inflationary Distortions:** Nominal growth in wages often clouds the erosion of purchasing power caused by localized food and utility tariff inflation.

The evaluation of the standard of living cannot rely on monetary indicators alone. To ensure policy decisions yield genuine prosperity, the methodology must continuously integrate qualitative datasets. For Uzbekistan, the following paths are recommended:

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

- Transitioning fully from a basic material consumption dashboard to a localized Multidimensional Poverty Index (MPI) that checks exact levels of medical care and education quality.
- Enhancing big-data analytics and digital tracking tools to effectively capture income variables from informal and micro-entrepreneurial segments.
- Tailoring regional development subsidies not by administrative centers, but based on granular household sample surveys that highlight spatial deficits.

References:

1. **Statistics Agency under the President of the Republic of Uzbekistan.** (2026). *Population Living Standards: Statistical Bulletins (2021–2026)*. Official database available at: stat.uz/en/official-statistics/living-standards.
2. **Statistics Agency under the President of the Republic of Uzbekistan.** (2025). *Total income of the population of the Republic of Uzbekistan*. Press Release. Retrieved from: stat.uz/img/press-relizlar/sovokupnye-dokhody-naseleniya_eng_p59582.pdf.
3. **World Bank.** (2024). *Measurement of Living Standards: Methodological Guidelines for Household Surveys*. World Bank Health Equity Series, Chapter 6. Available at: worldbank.org/content/dam/Worldbank/document/HDN/Health/HealthEquityCh6.pdf.
4. **United Nations Development Programme (UNDP).** (2025). *Human Development Report: Innovations in Assessing Living Standards and Quality of Life*. New York: Oxford University Press.
5. **Sirojiddinov, K. I., & Zaidov, I. I.** (2023). Aholi turmush darajasi ko'rsatkichlari: Daromadlar va xarajatlarning statistik tahlili. *Oriens (Oriental Studies)*, 3(4), 707-713. Available at: oriens.uz/media/journalarticles/98_Sirojiddinov_Kamoliddin_Ikromiddinovich_707-713.pdf.
6. **Investopedia Team.** (2026). *Standard of Living: Definition, Measurement, and Key Examples*. Verified Economic Review. Retrieved from: investopedia.com/terms/s/standard-of-living.asp.