



IMPROVING THE ECONOMIC FOUNDATIONS FOR THE DEVELOPMENT OF THE HOUSEHOLD SERVICES MARKET IN UZBEKISTAN

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Abstract. *The article examines the economic foundations of Uzbekistan's household services market using official annual data for 2022–2025. As no published series measures this market in full, the empirical analysis uses a defined proxy: personal services plus repair of computers, personal effects and household goods. Their combined nominal turnover rose from UZS 17,375.4 billion in 2022 to UZS 34,309.8 billion in 2025, while its share of all market services changed from 3.41% to 3.27%. Regional comparisons reveal differences in market structure but cannot independently measure access or unmet demand. The proposed development framework connects service accessibility, verified skills, transparent terms, proportionate formalization and monitoring of quality and provider viability. The findings are descriptive; preliminary figures, changes in statistical coverage and the lack of customer- and firm-level data prevent causal conclusions.*

Keywords: household services; personal services; repair services; regional markets; service access; formalization; Uzbekistan.

Annotatsiya. *Maqolada O'zbekistonda aholiga maishiy xizmat ko'rsatish bozorini rivojlantirishning iqtisodiy asoslari 2022–2025-yillarga oid rasmiy yillik ma'lumotlar asosida o'rganiladi. Mazkur bozorni to'liq qamrab oluvchi yagona e'lon qilingan statistik qator mavjud bo'lmagani sababli shaxsiy xizmatlar hamda kompyuterlar, shaxsiy buyumlar va maishiy tovarlarni ta'mirlash xizmatlari yig'indisi tahliliy ko'rsatkich sifatida tanlandi. Uning joriy narxlardagi hajmi 2022-yildagi 17 375,4 mlrd so'mdan 2025-yilda 34 309,8 mlrd so'mga yetgan, barcha bozor xizmatlaridagi ulushi esa 3,41 foizdan 3,27 foizga o'zgargan. Hududiy taqqoslash bozor tarkibidagi farqlarni ko'rsatadi, biroq xizmatlardan foydalanish imkoniyatini bevosita o'lchamaydi. Taklif etilgan yondashuv xizmatlarga yaqinlik, kasbiy malaka, shaffof shartlar, rasmiy faoliyat va sifat monitoringini birlashtiradi. Natijalar tavsifiy bo'lib, ularni sabab-oqibat ta'siri sifatida talqin qilish mumkin emas.*

Kalit so'zlar: maishiy xizmatlar; shaxsiy xizmatlar; ta'mirlash xizmatlari; hududiy bozorlar; xizmatlardan foydalanish; rasmiylashtirish; O'zbekiston.



Аннотация. В статье исследуются экономические основы развития рынка бытовых услуг населению Узбекистана на основе официальной годовой статистики за 2022–2025 годы. Поскольку единый опубликованный показатель не охватывает весь рынок, в качестве аналитического приближения используется сумма объемов персональных услуг и услуг по ремонту компьютеров, предметов личного пользования и бытовых товаров. Их совокупный объем в текущих ценах вырос с 17 375,4 млрд сумов в 2022 году до 34 309,8 млрд сумов в 2025 году, тогда как доля в общем объеме рыночных услуг изменилась с 3,41% до 3,27%. Сопоставление регионов выявляет различия в структуре рынка, но само по себе не измеряет доступность услуг. Предлагаемая модель развития объединяет территориальную доступность, подтверждение квалификации, прозрачные условия оказания услуг, соразмерную формализацию и мониторинг качества. Выводы носят описательный характер и не устанавливают причинно-следственные эффекты.

Ключевые слова: бытовые услуги; персональные услуги; ремонтные услуги; региональные рынки; доступность услуг; формализация; Узбекистан.

JEL classification: L84, O14, R12.

Introduction

Everyday household services connect small businesses and self-employed workers with recurrent local demand. Hairdressing, cleaning, clothing alteration, repair of personal effects and household appliances differ in skills and equipment, but share three economic features: customers value proximity, the quality of work is difficult to inspect before purchase, and many transactions are small. A viable market therefore depends on more than the number of outlets. Travel time, reliable completion, prices, repeat customers and a workable route into formal activity affect both demand and provider income.

Uzbekistan's services sector is economically significant. The World Bank's country study classifies personal services among low-skilled consumer services¹ and identifies productivity and employment as central sectoral issues [4]. National statistics separately record personal services and repair of computers, personal effects and household goods² [1, 2]. The two categories allow a focused examination of the market's observable core, although they do not exhaust the broad everyday meaning of

¹ World Bank. At Your Service? The Promise of Services-Led Growth in Uzbekistan. Washington, DC: World Bank, 2024.

² National Statistics Committee of Uzbekistan. Personal services volume, annual // SIAT. Series 1.05.01.0041; Repair services volume, annual // SIAT. Series 1.05.01.0145.



“household services”. In particular, accommodation, utilities, transport and all paid work performed inside a private home are not included in this constructed measure.

The research question is: **what do recent national and regional data reveal about the scale and structure of this observable market, and which economic mechanisms merit priority in a development framework?** The objective is to calculate its nominal dynamics and regional composition, identify what these aggregates cannot establish, and propose testable improvements to market organization. The paper contributes a transparent operational definition and a monitoring design that links turnover with access, quality and provider viability. It does not report an enterprise survey, consumer experiment or causal estimate.

Literature Review

Baumol's analysis of unbalanced growth³ explains why labor-intensive services may face rising relative costs when productivity gains are harder to achieve than in mechanized activities [5]. The insight is relevant to a haircut or individualized repair, where reducing the time spent with a client can also reduce quality. It does not imply that every household service is technologically stagnant: scheduling, shared premises, diagnostics, tools and procurement can raise output per working hour. Thus, policy should measure both labor time and service outcomes rather than assume that turnover growth is productivity growth.

Parasuraman, Zeithaml and Berry developed SERVQUAL⁴ to assess perceived service quality through multiple dimensions [6]. Their work clarifies why reliability, responsiveness and assurance matter when customers cannot verify a repair in advance. The instrument, however, is not a ready-made measure of repair quality in Uzbekistan. A local study would need to validate questions, include objective outcomes such as callbacks and warranty claims, and avoid equating a favorable review with technically correct work.

Jaehrling, Pereyra and Poblete examine the formalization of paid domestic work⁵ and show that legal coverage alone need not produce effective formalization [7]. This literature addresses work within private households, a category that overlaps with but is not identical to the personal-service and repair industries used here. Its transferable lesson is institutional: simplified registration must be accompanied by usable social

³ Baumol W. J. Macroeconomics of Unbalanced Growth: The Anatomy of Urban Crisis // American Economic Review. 1967. Vol. 57, no. 3. P. 415–426.

⁴ Parasuraman A., Zeithaml V. A., Berry L. L. SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality // Journal of Retailing. 1988. Vol. 64, no. 1. P. 12–40.

⁵ Jaehrling K., Pereyra F., Poblete L. Introduction: The formalization of paid domestic work // International Labour Review. 2024. Vol. 163, no. 3. P. 359–375. DOI: 10.1111/ilr.12431.



protection, enforceable terms and incentives that suit small transactions. The ILO likewise emphasizes the particular difficulty of regulating employment relations inside private homes [8]. These studies should not be used to infer the number of informal repair providers in Uzbekistan, for which this paper has no microdata.

The World Bank's Uzbekistan report examines service-sector productivity, employment and regulatory conditions across several groups [4]. Its broad classification is useful for locating low-skilled consumer services within structural change, but it does not replace an analysis of the two narrower statistical series. The national statistics committee supplies those series and documents the inclusion of estimates for informal and hidden activity in the reported market-service aggregates [1–3]. The present study combines the conceptual concerns in the literature with these official measures, while treating coverage changes as a limitation of time comparisons.

Materials and Methods

The annual data are taken from the National Statistics Committee's SIAT series⁶ for personal services, repair of computers, personal effects and household goods, and total market services [1–3]. All values are reported in **billion Uzbek soums at current prices**. The last full calendar year in these series is 2025, which is marked preliminary. The analysis covers 2022–2025, and 2025 regional values cover the Republic of Karakalpakstan, 12 regions and Tashkent city. A separate cumulative repair series is used only for a like-for-like January–July 2025/2026 comparison [10].

Let P_t denote personal services, R_t repair services and S_t all market services. The observable household-facing core is $H_t = P_t + R_t$; its reference share is $q_t = 100H_t/S_t$. Nominal growth is $g = 100(H_{2025}/H_{2024} - 1)$. For region i , $q_i = 100(P_i + R_i)/S_i$. The addition is justified by the published service-type classification, in which personal services and repair appear as separate groups; it is an analytical proxy, not an official “household services” aggregate. Rates are calculated from unrounded published values and displayed to two decimals.

The regional ratio is a **composition indicator**, not a measure of household access. A low q_i may arise because a region has a large finance, transport or other-service denominator, rather than because residents lack nearby repair shops. No population-adjusted demand, travel-time, firm count, transaction volume, inflation-adjusted output or value added is available in the joined series. Accordingly, the calculations are descriptive. In particular, the 2024 inclusion of statistical estimates for informal and

⁶ National Statistics Committee of Uzbekistan. Personal services; repair services; total market services, annual // SIAT. Series 1.05.01.0041, 1.05.01.0145, 1.05.01.0001.



hidden economic activity may affect comparability [1–3], and no policy effect is inferred from before–after differences.

Results

Table 1. The observable household-facing service core, 2022–2025 (UZS billion)

Indicator	2022	2023	2024	2025
Personal services	9,627.0	12,107.3	15,550.6	19,928.0
Repair services	7,748.4	9,475.6	11,723.9	14,381.8
Two-category proxy	17,375.4	21,582.9	27,274.5	34,309.8
All market services	509,585.4	664,816.0	840,146.5	1,050,292.5
Proxy share, %	3.41	3.25	3.25	3.27

Source: SIAT [1–3]. Proxy and ratios are the author’s calculations. 2025 data are preliminary.

The two-category proxy almost doubled from UZS 17,375.4 billion in 2022 to UZS 34,309.8 billion in 2025. Personal services grew from UZS 9,627.0 billion to UZS 19,928.0 billion, while repair services grew from UZS 7,748.4 billion to UZS 14,381.8 billion [1, 2]. In 2025, personal services accounted for 58.08% of the proxy, compared with 55.41% in 2022. Relative to 2024, the proxy rose by 25.80% in nominal terms; personal services rose by 28.15% and repairs by 22.67%. These rates refer to recorded current-price turnover. They neither isolate the number of completed services nor remove price changes.

The proxy's share of all market services was 3.41% in 2022, 3.25% in 2023, 3.25% in 2024 and 3.27% in 2025. Thus, rapid growth in nominal local services occurred alongside faster aggregate growth in the broader service economy over the full period. This is not evidence that household demand declined. It indicates that the selected activities did not gain weight in the measured service mix. The scope and accuracy of informal-activity estimates also matter when interpreting small changes in this ratio.

Table 2. Regional structure of the two-category proxy in 2025 (UZS billion)

Region	Personal	Repair	Proxy	Share in all services, %
Karakalpakstan	940.8	838.8	1,779.6	5.06
Andijan	1,832.8	987.4	2,820.2	5.23



Region	Personal	Repair	Proxy	Share in all services, %
Bukhara	829.6	796.5	1,626.1	3.81
Jizzakh	522.1	468.2	990.3	4.02
Kashkadarya	1,325.8	1,355.5	2,681.3	4.95
Navoi	569.0	344.3	913.3	3.55
Namangan	2,124.2	1,125.8	3,250.0	5.77
Samarkand	2,346.6	1,785.0	4,131.6	5.29
Surkhandarya	926.5	781.7	1,708.2	4.80
Syrdarya	218.5	254.4	472.9	3.24
Tashkent region	1,709.4	1,462.8	3,172.2	4.42
Fergana	2,285.1	1,492.0	3,777.1	5.26
Khorezm	829.0	995.1	1,824.1	4.94
Tashkent city	3,468.6	1,694.3	5,162.9	1.30
Uzbekistan	19,928.0	14,381.8	34,309.8	3.27

Source: SIAT [1–3]. Proxy and shares are the author's calculations; preliminary figures.

The 2025 regional comparison shows pronounced differences in composition. Namangan's observable core represented 5.77% of its market-service turnover and Samarkand's 5.29%; Tashkent city's ratio was 1.30%. The capital nevertheless had the largest absolute observable volume, UZS 5,162.9 billion. Its low ratio mainly describes the scale and composition of its much larger overall services denominator; the figures cannot establish a shortage of household providers in the city. Regional totals are preliminary and include estimated informal and hidden activity where indicated by SIAT [1–3].

Across the 14 administrative units, the proxy's nominal volume ranges from UZS 472.9 billion in Syrdarya to UZS 5,162.9 billion in Tashkent city. The amounts reflect economic and population scale as well as reporting coverage. Comparing them as if they were per-capita service provision would be misleading. A defensible accessibility ranking would require geocoded outlets, household population, income or expenditure,



travel time and the fraction of residents able to obtain a service within an acceptable interval.

A comparable partial observation for the repair subseries is cumulative January–July 2026⁷: UZS 9,214.2 billion, against UZS 7,871.9 billion in January–July 2025, a nominal increase of 17.05% [10]. This observation covers **repair services only**. It does not provide a 2026 value for the combined proxy, cannot be added to 2025 full-year personal services, and does not forecast the 2026 annual outcome.

Discussion

The results motivate a distinction between market expansion and market development. A provider can record higher revenue because of more transactions, higher prices, a shift toward complex work or improved statistical capture. These mechanisms have different implications for household welfare. Where personal-service output requires direct labor, increasing the number of transactions per hour without quality checks may increase rework. A useful economic objective is therefore value created **per paid and unpaid working hour**, together with repeat purchases and complaint resolution, rather than turnover alone.

First, local accessibility needs to be measured at the neighborhood or district level. The annual regional totals cannot show how long it takes a household to reach a repair shop or whether mobile provision is feasible in sparsely populated places. A small-scale service map could register outlet locations, opening hours, categories, indicative prices and travel times. Pilot areas should be selected from observed access gaps rather than from low regional q_i ratios alone. Shared workspaces or appointment aggregation may reduce fixed rent and idle time where demand is thin; their net benefit should be checked against actual uptake and operating costs.

Second, information asymmetry deserves a practical response. Before purchase, customers often cannot distinguish a durable repair from a temporary fix. Written estimates, an itemized service description, a clear completion date and a proportionate warranty can reduce disagreement. Trade-specific skill assessments and simple records of callbacks provide evidence about quality. Parasuraman and coauthors' perceived-quality framework [6] is useful for questionnaire design, but objective service outcomes must accompany customer opinion. A digital booking interface may reduce search and coordination costs, yet creating an account or listing an outlet is not itself evidence of more completed services.

⁷ National Statistics Committee of Uzbekistan. Repair services volume, monthly // SIAT. Series 1.05.01.0105. URL: <https://siat.stat.uz/data/3239/>.



Third, provider economics and formalization should be evaluated jointly. The 2025 presidential resolution on broader service-sector development set targets⁸ for service volume, income-generating employment and service facilities and provided support measures [9]. These targets concern the sector as a whole and are **not observed outcomes of this household-services proxy**. For small providers, formal registration is more attractive when reporting is simple, predictable premises are available and workers can access relevant protection and training. The domestic-work literature [7, 8] reinforces the need for usable arrangements, while its employment-specific findings must not be mechanically applied to independent repair shops.

Fourth, a monitoring system should separate output, access, quality and viability. Table 3 specifies measurable indicators and the additional data each requires. The system would link anonymized establishment records, periodic household surveys and voluntary transaction logs while minimizing the reporting burden on microfirms. A repeat customer rate can be informative only with a stable definition of a customer and an adequate observation window; complaints need a denominator such as completed orders. Real net earnings require costs and working time. These indicators are proposed, not estimated in this article.

Table 3. Proposed indicators for local market development

Dimension	Indicator	Additional data needed
Access	Median travel time to an operating provider; service coverage by settlement	Geocoded outlets, opening hours, household location
Quality	Completed orders without rework; complaints resolved within stated time	Transaction logs, documented callbacks, client follow-up
Provider viability	Real net earnings per working hour; share of repeat clients	Costs, labor hours, consistent customer identifier
Formal participation	Active registered providers and continuity after 12 months	Administrative register linked to a verified activity record

Source: author's framework informed by [4–9]. These indicators are proposed, not measured in the present study.

⁸ President of Uzbekistan. Resolution No. PQ-78 of 27 February 2025, On additional measures for sustainable development of the services sector // National Database of Legislation. URL: <https://lex.uz/uz/acts/-7408455>.



An empirical evaluation could compare phased introduction of a service-access or training measure across similar districts, with pre-intervention data and transparent criteria for selecting participants. Such a design would be stronger than reading the 2022–2025 national series as proof of reform effectiveness. The latter span few observations, contain potential coverage breaks and cannot distinguish demand growth from price increases. Future work should also validate whether the two-category proxy captures the services that households themselves regard as essential.

Conclusion

The observable core of Uzbekistan's household-facing service market—personal services plus repair of computers, personal effects and household goods—reached UZS 34,309.8 billion in 2025, compared with UZS 17,375.4 billion in 2022. Its reference share in all market services edged from 3.41% to 3.27%. Regional shares differed, but those ratios reflect the wider service mix and cannot by themselves reveal accessibility or unmet demand. The 2026 repair observation confirms a higher nominal cumulative turnover for a like-for-like seven-month period, without establishing a full-year combined-market result.

Improving the market's economic foundations calls for a sequence of testable actions: map local access, document price and service terms, verify provider skills and quality outcomes, lower fixed transaction costs, and make formal activity workable for microproviders. These proposals follow from the diagnostic framework; their effects remain to be measured with household and provider data. Transparent classification and separate reporting of nominal turnover, real activity and service quality are necessary for credible policy assessment.

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