

**THE “CONSPICUOUS CONSUMPTION” TRAP: AN ANALYSIS OF THE ECONOMIC
DISPROPORTION BETWEEN WEDDING EXPENSES AND INCOME IN
UZBEKISTAN**

Uzganbayeva Dilnoza Toxtasinovna

Ferghana State University,
teacher at the Department of Economics
Saminjonov Samandar Polatjon ogli
student of the Faculty of Economics

dilnoz07.@yandex.ru

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Abstract: This article examines the imbalance between the income levels of the population of Uzbekistan and expenditures on wedding ceremonies. Drawing upon Thorstein Veblen’s theory of “Conspicuous Consumption” and James Duesenberry’s “Relative Income Hypothesis,” the study explores the underlying causes of irrational economic behavior within Uzbek society. Furthermore, it provides a comparative analysis of wedding costs between Uzbekistan and European nations, specifically focusing on Germany. The article concludes by formulating evidence-based proposals and solutions for redirecting these funds from “dead capital” toward productive economic assets, such as education, business development, and strategic investments.

Keywords: Conspicuous consumption, wedding economics, Relative Income Hypothesis, household budget, investment, dead capital, social pressure.

Introduction: One of the fundamental principles of economics posits that as an individual's income rises, their consumption expenditures increase proportionally. However, a distinctive phenomenon is observed in the economies of developing nations, particularly in Uzbekistan: despite average household incomes being relatively low by global standards, expenditures on ceremonial events—specifically weddings—can be several times higher than those in developed countries.

In contemporary society, weddings and ceremonies have transitioned from being mere celebrations of joy to becoming instruments of social prestige, or in economic terms, "status signaling." This trend results in the diversion of family budgets away from strategic development—such as housing, education, and healthcare—toward ephemeral, single-day consumption. As President Shavkat Mirziyoyev aptly noted: "If anything shall bring an Uzbek down, it is the extravagant wedding."

The objective of this article is to provide a scholarly explanation for why expenditures remain disproportionately high despite low income levels and to propose macroeconomic solutions to this issue.

Theoretical Framework

To comprehend this problem, it is essential to examine the theories of prominent economists. Why do individuals engage in spending that exceeds their financial capabilities?

1. The Veblen Effect The American economist and sociologist Thorstein Veblen introduced the concept of "Conspicuous Consumption" in his 1899 seminal work, *The Theory of the Leisure Class*. Veblen argued that individuals often purchase goods and services not merely for their functional utility, but to demonstrate their wealth and social power to others. In the context of Uzbekistan, the inclusion of elaborate "Love Story" videos, luxury motorcades, and invitations for hundreds of guests represents a classic manifestation of the Veblen Effect.

2. The Relative Income Hypothesis Furthermore, in his 1949 publication, economist James Duesenberry demonstrated the "Relative Income Hypothesis." He argued that an individual's sense of satisfaction is not derived from their absolute income (the total amount earned), but rather from their relative income compared to those around them. Consequently, if a neighbor hosts a lavish wedding, an individual may feel "poorer" despite no change in their own income. To restore perceived social parity, they may strive to host an even more extravagant event, often resorting to high-interest debt. The ubiquitous social pressure in Uzbek society—often summarized by the phrase "What will people say?"—is a direct embodiment of this economic theory.

Comparative Data Analysis

A comparison of the ratio between wedding expenditures and average income in Uzbekistan versus developed European nations highlights the severity of the situation. The following table illustrates the disparity between average annual income and average wedding costs, using Uzbekistan and Germany as primary examples.

State	Average annual income (\$)	Average wedding cost (\$)	Average income for a wedding.
Uzbekistan	\$5,000	\$18,000	4 years
Germany	\$57,000	\$27,000	6 months (0.5 year)

Comparative Analysis of Expenditure Patterns

As the analysis indicates, while the average German citizen allocates approximately five to six months of their salary to wedding expenses, the average citizen of Uzbekistan must accumulate their total income for a period of three to five years to cover similar costs. In many instances, these expenditures are met through significant debt accumulation, creating a long-term financial burden on the household.

Rationalism vs. Social Obligation

The disparity in expenditure can be attributed to the prevalence of "Rationalism" within European cultural and economic frameworks. In these societies, a wedding is viewed as a private milestone rather than a capital-intensive investment project. Consequently, discretionary funds are more frequently directed toward high-value assets such as travel, real estate acquisition, or financial instruments (e.g., stocks and bonds).

Conversely, in the Uzbek context, the wedding ceremony functions as a rigid "Social Obligation" and a mechanism for the public exhibition of accumulated ceremonial assets.

The Problem of "Dead Capital"

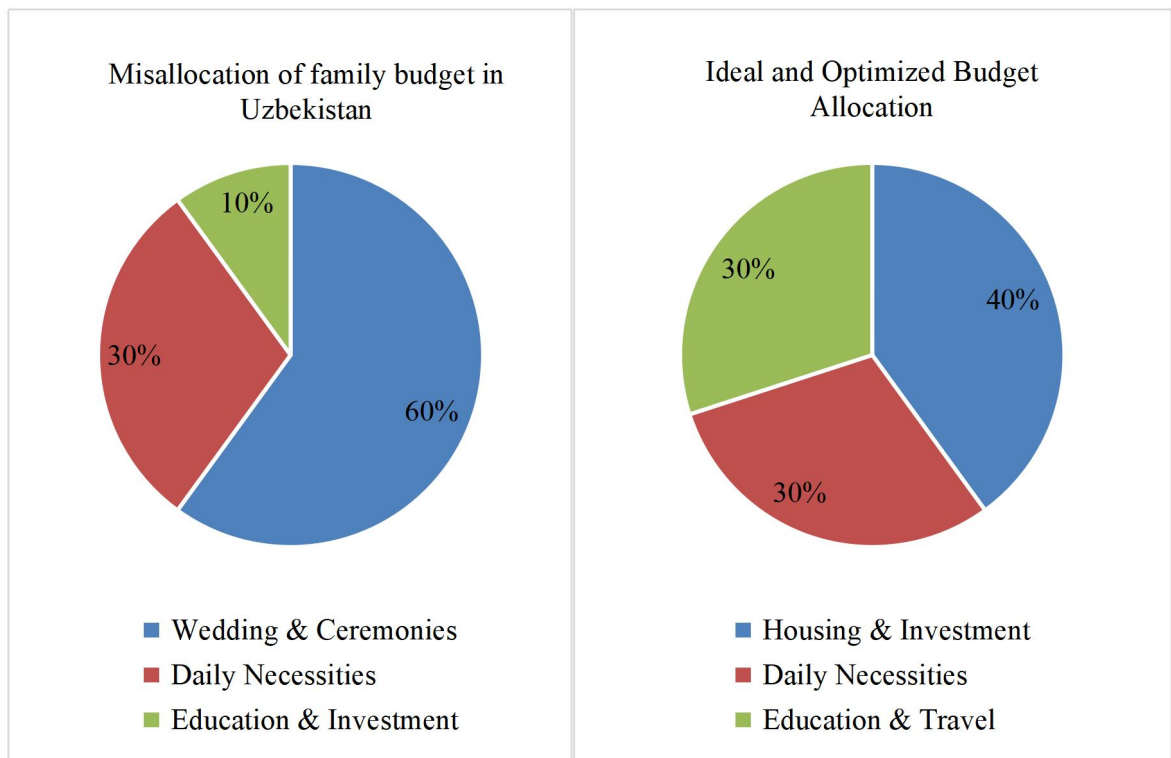
In his seminal work, *The Mystery of Capital*, the Latin American economist Hernando de Soto introduced the term "dead capital" to describe assets that are not integrated into the productive economic cycle. In Uzbekistan, excessive spending on furniture, textiles stored in traditional trunks, and lavish single-day banquet hall services represent classic manifestations of dead capital. These resources are "frozen" in non-productive consumption rather than being utilized to generate further economic value.

Furthermore, this misallocation of resources creates a significant opportunity cost, as funds that could have served as productive investments or educational capital are instead locked into stagnant goods. Consequently, such expenditures fail to circulate within the broader financial system, limiting the potential for long-term household wealth accumulation and national economic growth.

Macroeconomic Implications

Consider the aggregate impact: thousands of weddings are conducted annually across the nation. If even a marginal fraction of these surplus expenditures—for instance, \$2,000 per ceremony—were diverted from one-day consumption into bank deposits or the capital market, it would transform into a massive source of internal investment for the national economy.

The following diagrams illustrate the contrast between an idealized budget allocation and the current "wedding-centric" allocation prevalent in Uzbekistan.



Economic and Psychological Drivers of Excess Expenditure

Why do expenditures remain high despite low income levels? The primary economic and psychological factors are as follows:

- **Underdeveloped Financial Markets:** Due to the lack of widespread engagement with stock and bond markets, the population lacks diverse investment vehicles. Consequently, the primary objective of long-term capital accumulation remains the financing of wedding ceremonies.

- **A "Hidden" Form of Social Insurance:** In the Uzbek context, the tradition of “toyona” (monetary gifts) functions as a decentralized system of lending and borrowing. Individuals contribute to others' ceremonies with the expectation of future reciprocity. This "informal rotating credit" system artificially inflates expenditure levels.

- **Cognitive Biases:** Individuals often prioritize short-term gratification and social prestige—such as a single-day event—over long-term strategic benefits, like investment in education. In behavioral economics, this phenomenon is defined as "Hyperbolic Discounting," where the perceived value of immediate rewards is disproportionately higher than future gains.

Strategic Recommendations for Economic Optimization

To address these systemic issues, the following "Ideal Solutions" are proposed:

1. **Economic Incentives over Administrative Restrictions:** Rather than relying solely on legal prohibitions, the state should implement economic incentives. For instance, providing preferential mortgage rates or travel vouchers to couples who opt for modest, low-cost weddings would encourage rational spending.

2. **Enhancing Financial Literacy:** Family budget management should be integrated into school and university curricula. It is essential to demonstrate the mathematical disparity between spending \$10,000 on a ceremony versus investing that same capital into a business venture.

3. **Shifting Social Paradigms:** Influential public figures and media representatives should advocate for a new cultural trend: branding extravagant weddings as a sign of economic backwardness, while promoting compact weddings and travel as hallmarks of modern, rational living.

Conclusion: The analysis confirms that the extravagance observed in wedding ceremonies is not merely a tradition but a significant structural barrier to the economic development of Uzbekistan. If these substantial resources were redirected toward education, small businesses, or healthcare, there would be a profound increase in GDP growth rates and the overall standard of living. In conclusion, for the Uzbek economy to reach its full potential, we must transition our capital from "consumption and decoration" to "intellect and technology."

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