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THE CLASSIFICATION OF RURAL HOUSEHOLDS IN POLAND BY THE LIVING STANDARDS

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Abstract

In addition to income, the equipment of households with durable goods represents a significant indicator of living standards and the quality of life in the population in question. The paper concerns the equipment of rural households with selected durable goods. Based on the possession of durable goods specified in survey, it was possible to distinguish certain types of the surveyed rural households. Analyses of the findings from the survey have shown both improved equipment of rural households with durable goods and a marked advantage of farming families over the landless rural population in this respect. Considering the above-mentioned indicators of equipment with durable goods and changes in this respect, it can be concluded that aspirations of the surveyed rural families reflect changing consumption patterns towards higher-order values. The analysis was mostly based on the survey of families residing in 76 villages across Poland, conducted by the IAFE-NRI.

Key words: rural households, living standards, durable goods

Introduction

In addition to income, the equipment of households with durable goods represents a significant indicator of living standards and the quality of life in the population in question. Their type and age, technical parameters and depreciation depend on a number of variables, both economic (income, prices) and non-economic factors (the number and age of family members, the number of children etc.).

Durable goods are consumer products characterised by a long service life. A product's lifetime depends on the need it is intended to satisfy and normal wear and tear. Equipment with such goods can also indicate household consumption. Therefore, equipment with durable goods can be seen as one measure of living standards and the quality of life, which in turn can be evaluated on the basis of owned durable goods and

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purchase plans. The purchase of household appliances is usually driven by diversified supply, the wish to have additional equipment, the intention to hedge against increasing prices or reduced income.

Due to technical and technological innovations, the equipment of households with durable goods is subject to continuous changes. As a rule, the improved quality of new products available in the market encourages consumers to replace previous appliances and devices. In recent years, products once indicating higher economic status have become common goods for nearly all households. Such goods include colour televisions, washing machines and refrigerators. In the past five years, the lists of durable goods published in statistical sources have also been extended to cover new products such as personal computers, microwave ovens, dishwashers and equipment for the reception of satellite television, once unavailable to consumers on account of insufficient income or limited market supply.

Increasing the well-being of individuals, improving the distribution of wealth in society are seen as the most important objectives to be achieved in socio-economic development. Therefore, the assumption is that studies of the equipment of rural households with durable goods have a significant information value and, indirectly, represent a basis for evaluating the ongoing socio-economic changes in Poland.

This paper is prepared as part of an analysis of the continuing disparities between rural and urban areas in terms of civilisation advancement since the development of the whole rural population or specific groups hardly corresponds to living conditions in towns and cities and fails to meet the needs of rural communities.

The analysis was mostly based on the survey conducted by the IAFE-NRI in 2005. The 2005 survey included 8,604 rural households, of which 4,899 represented households with agricultural land and 3,705 were landless families. The surveyed households were located in 76 villages across Poland.

The paper is aimed to evaluate rural households in the surveyed Polish villages, categorised as farming or landless families, in terms of the level of and differences in the equipment with durable goods. Such a comparison will allow identifying similarities and disparities as well as likely changes in the equipment of rural households which can be anticipated in the future. Moreover, basing on the information concerning the possession of durable goods specified in survey, the certain types of rural households were distinguished.

Categories of owned devices and households broken down by equipment with selected durable goods

The conducted survey only allows determining the number of equipment units, it fails to answer the question about the quality which is another important characteristic of living standards. Nevertheless, the date of purchase (before 2000 and in 2000-2005) may indicate, on the one hand, the wear and tear of owned devices and appliances, but on the other hand it shows that such products have been popular and accessible to the rural population for years. It primarily concerns modern durable goods such as automatic washing machines, microwave ovens and dishwashers.

Table 1. Durable goods in the surveyed households

Product category	Households		
	Total	Farming	Landless
Common	refrigerator, television set, gas or electric cooker	refrigerator, television set, gas or electric cooker	refrigerator, television set, gas or electric cooker
Standard	vacuum cleaner, radio cassette recorder, wired telephone, automatic washing machine, passenger car, deep freezer	vacuum cleaner, radio cassette recorder, wired telephone, automatic washing machine, passenger car, deep freezer, mobile phone	vacuum cleaner, radio cassette recorder, wired telephone, automatic washing, machine
Higher standard	mobile phone, video cassette recorder, equipment for the reception of satellite or cable television, personal computer, food processor, microwave oven	video cassette recorder, equipment for the reception of satellite or cable television, personal computer, food processor, microwave oven	passenger car, mobile phone, video cassette recorder equipment for the reception of satellite or cable television, personal computer, food processor, microwave oven
Luxury	second car, video camera, dishwasher, motorcycle, electric press	second car, video camera, dishwasher, motorcycle, electric press	second car, video camera, dishwasher, motorcycle, electric press

Source: 2005 survey by IAFE-NRI.

Durable goods owned by households can be divided into four categories [1]:

- **common goods**, basically accessible to every household if necessary (and owned by over 90% of the surveyed households);
- **standard goods** found in more than half of the surveyed group;
- **higher standard goods**, possessed by 10-50% of the households;
- **luxury goods**, observed in fewer than 10% of the surveyed households.

In the group of rural households surveyed in 2005 the set of commonly available goods included a refrigerator, a television set and a gas or electric cooker (Table 1). Standard goods comprised a vacuum cleaner, a radio cassette recorder, a wired telephone, an automatic washing machine, a passenger car and a deep freezer. According to the figures presented in the table above, appliances considered to be standard goods significantly varied in rural areas. Farming families owned many more devices and appliances than households of landless families. The group of higher standard goods included a mobile phone, a video cassette recorder, equipment for the reception of satellite (or cable) television, a personal computer, food processor and a microwave oven.

Based on the assumptions discussed above, products regarded as luxury goods comprised the following: another (second) car in the family, a video camera, a dishwasher, a motorcycle and an electric press.

However, it should be noted that the classification of certain durable goods under specific categories results not only from their standard or the financial standing of households, but also from the composition of the analysed product groups. The possession of good hi-fi equipment or a radio cassette recorder makes CD or cassette

players redundant. The group of higher standard goods should also include an electric washing machine and spin-dryer, but considering the fact that an automatic washing machine represents a substitute good they can hardly be regarded as higher standard goods. Furthermore, it is open to question whether a sewing machine should be classified under this group as the possession of such equipment is not always a clear indication of a higher (i.e. better) level of household equipment.

The above breakdown suggests that in rural areas farming families owned relatively better equipment than landless families, particularly with regard to devices and appliances defined as standard and higher standard goods, which is also reflected in previous observations concerning the equipment of the surveyed households with certain groups of durable goods.

Selected types of rural households

Based on the possession of durable goods specified in survey, it was possible to distinguish certain types of the surveyed rural households.

The number of owned goods reflects the degree of modernity of the household. It represents a ladder in which the lowest step is the situation where the household has no devices or appliances listed in the questionnaire. The survey revealed a high level of equipment with durable goods, which allowed determining the relative wealth of the surveyed households.

According to the conducted survey (Table 2), in 2005 all the devices defined as common goods (i.e. a refrigerator, a television set and a gas or electric cooker) were owned by 89.3% of rural households (91.4% of farming families and 87.6% of landless households). Nearly two-thirds of rural families had such equipment plus an automatic washing machine. A similar number of households owned a refrigerator, a television set, a washing machine and a vacuum cleaner at the same time. Devices and appliances which can be described as “once luxury goods” (i.e. a video cassette recorder, an automatic washing machine, a wired telephone, a television set) were found in almost one-third of rural families. Nearly every tenth family used a refrigerator, a microwave oven, a food processor and a washing machine. In significantly fewer households (a total of 2.2%) the kitchen was equipped with all the modern devices and appliances: a refrigerator, a dishwasher, a microwave oven and a food processor.

A similar number of the surveyed rural families owned modern equipment enabling wider contact with the world and popular leisure activities. Such devices included a satellite dish, a personal computer, a mobile phone and a video camera.

The group of higher standard and luxury goods comprised a dishwasher, a microwave oven, a satellite dish and a second car in the family. Even though all the above-mentioned items were found in a mere 1% of the surveyed rural households, the findings revealed that there were also rural families with a significant share of less common products. The role of such goods in the functioning of rural households has markedly increased in recent years, primarily as a result of the copying of urban lifestyle and the convergence of consumption patterns in Poland and in other EU Member States.

Table 2. Surveyed households by equipment with selected groups of durable goods (%)

Specification	Surveyed households					
	total		farming		landless	
	2000	2005	2000	2005	2000	2005
refrigerator, television set, gas or electric cooker	73.7	89.3	75.4	91.4	71.7	87.6
refrigerator, television set, gas or electric cooker, automatic washing machine	43.7	61.5	44.7	66.1	42.8	58.1
refrigerator, television set, gas or electric cooker, automatic washing machine, vacuum cleaner	42.0	59.4	43.0	64.0	41.2	55.9
video cassette recorder, automatic washing machine, wired telephone, television set	18.2	28.4	21.0	33.6	15.9	24.4
refrigerator, microwave oven, food processor, automatic washing machine	4.9	9.0	5.9	10.8	4.1	7.6
refrigerator, microwave oven, food processor, dishwasher	1.1	2.2	1.0	2.5	1.0	1.9
satellite dish, personal computer, mobile phone, video camera	0.6	2.6	0.6	2.9	0.6	2.4
dishwasher, microwave oven, satellite dish, second car	0.3	0.9	0.3	1.1	0.3	0.6

Source: 2005 survey by IAFE-NRI.

Analyses of the findings from the survey have shown both improved equipment of rural households with durable goods in 2000-2005 and a marked advantage of farming families over the landless rural population in this respect. Considering the above-mentioned indicators of equipment with durable goods and changes in this respect, it can be concluded that aspirations of the surveyed rural families reflect changing consumption patterns towards higher-order values.

Conclusions

The equipment of households with durable goods should be seen as an important indicator of rural household wealth in Poland (in addition to purchasing power parity, savings, and expenditure structure). The results can also be interpreted in terms of civilisation advancement (in areas such as the number of telephone lines, computerisation, and access to Internet).

First of all, it should be emphasised that equipment significantly varied between specific types of households and within the surveyed groups. According to the conducted survey, in 2005 all the devices defined as common goods (i.e. a refrigerator, a television set and a gas or electric cooker) were owned by 89.3% of rural households (91.4% of farming families and 87.6% of landless households). Nearly two-thirds of rural families

had such equipment plus an automatic washing machine. A similar number of households owned a refrigerator, a television set, a washing machine and a vacuum cleaner at the same time. Devices and appliances which can be described as “once luxury goods” (i.e. a video cassette recorder, an automatic washing machine, a wired telephone, a television set) were found in almost one-third of rural families. Nearly every tenth family used a refrigerator, a microwave oven, a food processor and a washing machine. In significantly fewer households (a total of 2.2%) the kitchen was equipped with all the modern devices and appliances: a refrigerator, a dishwasher, a microwave oven and a food processor.

Only a minor share of the surveyed rural families (approx. 2%) owned modern equipment enabling wider contact with the world and popular leisure activities. Such devices included a satellite dish, a personal computer, a mobile phone and a video camera. The findings revealed that there were also rural families with a significant share of less common products (defined as luxury goods), and the role of such devices and appliances in the functioning of rural households has markedly increased in recent years.

Considering the discussed indicators of equipment with durable goods and changes in this respect, it should be emphasised that aspirations of the surveyed rural families reflect changing consumption patterns towards higher-order values. In general, it should be recognised that the period in question witnessed positive changes in the living standards of the rural population. As for rural household equipment, a significant improvement was observed with regard to technical installations as well as specific durable goods and their categories. It is particularly important that a growing number of rural families own personal computers and have Internet access since the rapid development of this medium in all areas of social and economic life also makes it possible to modernise the organisation and information spheres of agriculture and to activate rural areas.

Literature

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