

## Changes in consumption in Poland in the period of transformation

Urszula Grzega  
*University of Economics in Katowice*  
Poland  
e-mail: [ugrzega@ue.katowice.pl](mailto:ugrzega@ue.katowice.pl)

**Abstract.** This article presents and assesses transformations in the level and structure of consumption by Poles in the period of economy marketization, the period from 1990 to 2013. To meet the objective set, information originating from secondary sources was used. A research method employed may be referred to as a descriptive analysis involving some elements of a quantitative analysis.

On the basis of analysis of macroeconomic data, it is possible to express an opinion that at the end of the period subject to this research, consumption in Poland – in the value and quantity perspective – reached a higher level than that during the period prior to economic transformations before 1989. Positive changes were also reported in the structure of consumption by Poles. A higher level of satisfied needs is mainly confirmed by a decrease in food indexes, an increase in free choice indexes, positive qualitative and quantitative changes in consumption of food, progress in equipping households with durable goods and as a result of general modernisation of the consumption model.

**Keywords:** consumer expenditure, consumption, Poland, transformation

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### INTRODUCTION

Research into consumption and its elements is an up-to-date and important area of interest for numerous scholars who represent different domains of science. In conditions of transformations observed in the economy of Poland, the levels and structures of Poles' consumption were determined by many socio-economic factors and processes. Discussing the influence that the factors and processes in question have on the level of satisfying needs in case of the population in Poland, it is necessary to highlight that improvement in the level of satisfying needs of Polish citizens should be an ultimate and supreme goal of transformation (Bywalec, 2010).

Improvement in quality of life was also one of the objectives of our integration with the European Union, which additionally justifies researchers' interest in consumption-related issues. This means that transformation and integration were not only objectives but also methods to be used while satisfying needs of the population in a better way. In the above context, it is important to answer the following question: what

is the difference between the past and present consumption of Poles? Systematic monitoring of changes in the level and structure of consumption of the population in Poland is one of the tasks to be dealt with by contemporary economists because the monitoring in question is used to control the level of realising fundamental objectives of transformation observed in Poland in the last 25 years.

The article aims at presenting and assessing transformations in the level and structure of consumption by Poles in the period of the economy marketization. The time span of the research covered the period from 1990 to 2013. To meet the objective set, information originating from secondary sources was used. A research method employed may be referred to as a descriptive analysis involving some elements of a quantitative analysis. Measures adopted while conducting this research come from Eurostat and Główny Urząd Statystyczny (Central Statistical Office of Poland) and they include the following:

indexes of dynamics and structure of household final consumption expenditure, and

indexes of quantitative consumption of food and durable goods expressed in natural units.

It is necessary to add that the complex nature of the phenomenon subject to this research makes it impossible for this article to cover all related issues thoroughly. The subject discussed involves numerous streams and it raises much interest, resulting in many analyses and interpretations. The very issue of transformations in consumption in the background of market conditions is presented by the author in a selective manner. Problems that, according to the author, describe the very nature of consumption in the period of transformation of the Polish economy are emphasised.

The article consists of four parts. The first one presents evolution of the research into consumption. The second part deals with analyses of changes in dynamics and structure of household final consumption expenditure. The third part discusses changes in quantitative consumption. In the fourth part of the article a situation of Polish consumption subjects after 25 years of transformation is presented.

## 1. EVOLUTION OF RESEARCH INTO CONSUMPTION

Consumption is understood as a process of satisfying human needs by using material goods and services (Bywalec, 1991). It is a prerequisite for reproducing, sustaining and developing of contemporary market economies (Golka, 2001). This notion, along with needs, is one of two fundamental categories of the domain of consumption. It is a term that describes relationships observed between the above two categories. This term means a level of satisfying human needs that results from consumption of material goods and services and from utilisation of natural and social environment related benefits (Bywalec, Rudnicki, 1999).

The tradition of world research into consumption is long. The research stems from the 19<sup>th</sup> century when E. Engel worked on relationships between incomes and consumer expenditure, when T. B. Veblen analysed spectacular consumption or when H. H. Gossen formulated his conclusions. However, an official definition of consumption was firstly created as late as in 1910, in the 11<sup>th</sup> edition of the *Encyclopaedia Britannica* (Bauman, 2009). In the subsequent years of the 20<sup>th</sup> century scientists acquired and deepened knowledge of economic, social and other aspects of consumption. An important place in economics was taken by consumption after the Great Depression in 1929–1933, which contributed to efforts undertaken by J. M. Keynes who believed that ‘consumption is the sole end and purpose of all production’ (Keynes, 2003). Other distinguished and respected researchers into consumption, creators of numerous macro- and micro-economic theories, laws and hypotheses include the following: A. Marshall, J. Dupuit, P. A. Samuelson, K. J. Lancaster, G. S. Becker, H. A. Simon, H. Leibenstein, J. S. Duesenberry, I. Fisher, M. Friedman, F. Modigliani, A. K. Ando, H. M. Shefrin, R. H. Thaler, J. Lasourne and K. Katona (Zalega, 2012).

Modern research into consumption carried out worldwide is characterised by intensity and variability. Depending on the subject, the research may be conducted in micro- or macro-scale and it usually involves value-related, qualitative and quantitative consumption. Much importance is attributed to methodological works (e.g. *European Union Statistics on Income and Living Conditions*, EU-SILC). Recent analytical works focus on research conducted in particular countries and refer to selected issues that are connected with the level and structure of consumption, tendencies that change over time (e.g. Blow, 2003; Blow, Leicester, Oldfield, 2004; van Deelen, Schettkat, 2004, Gardes, Starzec, 2004; Goodman, Oldfield, 2004, Aguiar, Hurst, 2005, Charles, Danziger, Pounder, Schoeni, 2006; Jappelli, Pistaferri, 2010), indebtedness and consumption of households in the period of crisis (Mielcová, 2012; Iordan, Chilian, 2013; Mian, Rao, Sufi, 2013; Andersen, Duus, Jensen, 2014; Floden, 2014) and others. International comparative research conducted in a more comprehensive manner concerns more general issues that are connected with individual consumption of the household sector (e.g. *Trends in households in the European Union: 1995–2025*, 2003; *Analysis of EU-27 household final consumption expenditure*, Gerstberger, Yaneva, 2013; *Living standards falling in most member states*, Di Meglio, 2013).

In Poland, research into consumption has been carried out for almost 100 years. Initially, the research concentrated on analysing household budgets. Then, more complicated issues of a methodological and analytical nature developed. Problems of research into consumption have been undertaken, inter alia, by the following scholars: Cz. Bywalec, in the context of economic theory and practice (Bywalec, 2007) and in the context of socio-economic development (Bywalec, 2010); E. Kieźel with her team working on rationality (Kieźel, 2004), consumer behaviour (Kieźel, 2010), and modernisation of consumption (Kieźel, 2015); T. Słaby in the context of applying statistical methods (Słaby, 2006); J. Kramer, M. Janoś-Kresło and B. Mróz in the context of the way the market and market economy function (Kramer, 1997; Janos-Kresło, Mróz, 2006).

Taking the above into consideration, it is necessary to highlight that knowledge and assessment of changes in consumption by Poles in the period of economic transformation discussed in this article is to some extent a recapitulation of the transformations observed in Poland. Consumption may be treated as a verifier and ultimate criterion to be used while assessing transformations of our economy. It should also be added that in spite of great and universal interest in consumption-related issues, there is still some insufficiency of original and comprehensive literature that would fill the knowledge gap in up-to-date discussions about the 25-year period of transforming our economy and a decade of Polish integration with the European Union.

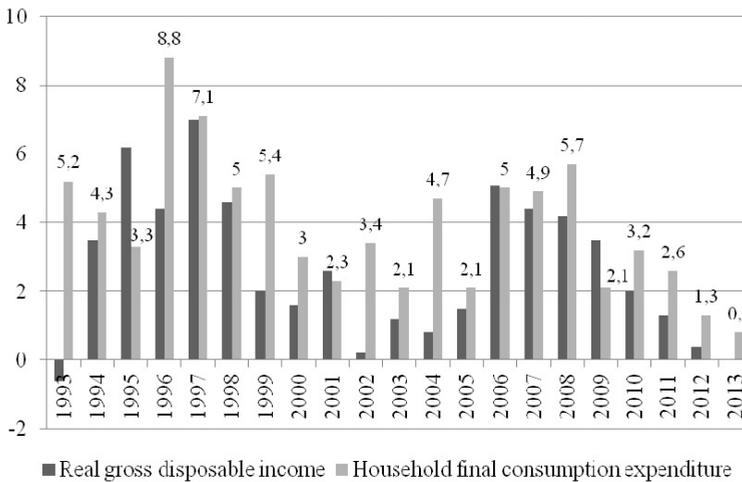
## 2. DYNAMICS AND STRUCTURE OF HOUSEHOLD FINAL CONSUMPTION EXPENDITURE

The pace of transformation and structure of consumption in the household sector are major indexes that allow for a relatively objective assessment of the economic situation of the whole society. In methodologies adopted by Eurostat and the Central Statistical Office of Poland, the Household Final Consumption Expenditure Index is used for this purpose. This category covers all expenditure borne by the household sector and financed by means of available incomes. Another part refers to government and non-government expenditure on, *inter alia*, healthcare and education.

Consumer expenditure is a 'derivative' of household incomes. Therefore, analyses of changes in household final consumption expenditure are preceded by a short presentation of changes that have been observed

in real gross disposable incomes of the household sector. This is the broadest category that characterises incomes of population in the macro-economic scale.

At the very beginning, it is necessary to stress that as a result of changes made to the research methodology of the Central Statistical Office in Poland, data from the period of 1989 to 1992 cannot be directly compared with data of subsequent years. This refers to incomes and expenditure. However, statistical yearbook data allows for concluding that during those years there was a decrease in population real income by 6.5% (in the first year of transformation real incomes went down by as much as 15% (Statistical Yearbook, 1993)). Data presented in Figure 1 confirms that a decrease in global gross real available incomes was still observed in 1993, by 0.6% as compared to the previous year. However, since 1994 a general increase has been reported. Nominal and real value of gross available incomes was reported in 1997 (7%); the lowest in 2002 (0.2%) and then in 2012 (0.4%).



**Figure 1. Changes in household final consumption expenditure in Poland in the years 1993–2013 in the changes real gross disposable income background (constant prices)**

Source: annual macroeconomic indicators. Central Statistical Office, [http://www.stat.gov.pl/gus/wskazniki\\_makroekon\\_PLK\\_HTML.htm](http://www.stat.gov.pl/gus/wskazniki_makroekon_PLK_HTML.htm) (16.02.2015).

As far as household final consumption expenditure is concerned, in the first year of the transformation of the Polish economy the expenditure level expressed in value and calculated by means of basic prices went down by over 15%. This decrease was observed once only and since 1991 the level in question has been increasing steadily. A significant increase was observed in 1996 and 1997, by 8.8% and 7.1% respectively. In subsequent years until 2003, the pace of household final consumption expenditure decreased. In the year of Polish accession to the European Union there was, however, some improvement that amounted to 4.7%. In subsequent years, excluding 2005, expenditure grew to 5.7% in 2008 as compared to the previous year. However, the last five years of the analysis conducted brought a visible slowdown in dynamics of the pace of increase in household final consumption expenditure, to 0.8% in 2013.

Sustaining a high pace in the increase in consumption despite lower available incomes, as a result of a decrease in average gross real income in the years 1991–1993, was possible due to savings that had been

generated in the 1980s. For many families those savings were some sort of a buffer that helped them maintain previously reached levels of consumption. On the other hand, sustaining a higher pace of increase in consumption from a pace of the increase in remunerations in other years of the period subject to this analysis was possible due to some increase in household indebtedness resulting from consumer credit (Grzeża, 2012). Dynamics of an increase in remunerations was higher than dynamics of an increase in final consumption expenditure only in four years of the period subject to this research, i.e. 2003, 2007, 2008 and 2013.

To conclude, after the first decade of reforming our economy, household final consumption expenditure was higher by 49.3% compared to 1990, i.e. a starting point of the reforms (Statistical Yearbook, 1990). In subsequent years expenditure increased by another 51.1% as compared to 2000 (Annual Macroeconomic Indicators, 2015).

Changes in the level and dynamics of household final consumption expenditure were accompanied by changes in the structure of expenditure (see Table 1). In the period subject to this analysis the share of expenditure on food decreased from 33.9% in 1990 to approximately 18.5% in 2012<sup>1</sup>, which is considered positive taking a real increase in gross disposable income of households. As Engel's law provides, as income rises, the proportion of income spent on food falls, even if actual expenditure on food rises. Such a situation translates into improvement in the level of satisfying needs, into wealthier households and into the lower proportion of household incomes spent on satisfying such basic needs as food. In the macroeconomic scale this also means that the whole society is getting richer. However, it has to be clearly stressed that a decrease in the proportion of expenditure on food in poor households was not any confirmation of the Engel's law, particularly in the first period of transformation. The decrease resulted from rising expenditures related with satisfaction of other groups of needs (that are of some fixed nature).

In the years 1990–2012 there was also a decrease in expenditure on alcoholic beverages and tobacco products, which deserves appreciation as well.

Additionally, there was some decrease in the participation of expenditure on clothing and footwear, which in the case of non-wealthy households may result from savings done in this group of goods. In case of wealthy households, this is rather attributed to qualitative changes observed in consumption.

In the period analysed here an increase in housing expenditure turned out to be the most difficult for households. This increase resulted from soaring prices of utilities and rental costs, which was connected with the state's withdrawal from subsidising utilities and housing. Since 2002 participation in housing expenditure exceeded food expenditure, thus occupying the first position in the structure of consumption expenditure of Polish households.

Expenditure on transportation and healthcare also belonged to the group of expenditure that was characterised by a growing trend. Their levels were influenced by numerous factors including more transportation means used by households, associated maintenance costs, prices and frequency of using transportation services, a remarkable increase in process of medical services, reductions in subsidising medicaments and others.

In the period subject to this research there was also some increase in expenditure on other goods and services including hygiene, personal use goods, insurance and other types of services that had not been previously specified (e.g. financial, legal, administrative, employment intermediation and matrimonial services).

On the other hand, in case of expenditure on communications, furnishings, recreation and culture, education, restaurants and hotels, changes in their participation in the general structure of expenditure did not exceed 0.5 in the whole period subject to this research.

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<sup>1</sup> In 1989 expenditure on food amounted to much more, i.e. to as much as 36.9% of the total consumption expenditure of the household sector (Statistical Yearbook, 1991).

A positive tendency that was possible to observe in this period was connected with an increase in participation of expenditures of free choice in relation to basic expenditure. Expenditure of free choice included alcoholic beverages, tobacco products and narcotics, recreation and culture, education, restaurants and hotels and other expenditure on goods and services. Generally, the participation of expenditure of free choice increased by 3 percentage points from 29% in 1995 to 32% in 2012, which seems to confirm improvement in the level of life of Polish citizens.

Table 1

The structure of the household final consumption expenditure in Poland in the years 1995, 2000, 2005, 2010, 2012 (in % of total expenditure; current prices).

Expenditures	1995	2000	2005	2010	2012
Food and non-alcoholic beverages	29,9	22,8	21,1	19,6	18,5
Alcoholic beverages, tobacco, narcotics	8,4	6,9	6,6	6,8	6,3
Clothing and footwear	6,1	5,1	4,6	4,1	4,4
Housing, water, electricity, gas and other fuels	19,2	20,5	23,7	24,1	23,1
Furnishings	4,4	4,4	4,4	4,5	4,5
Health	2,6	3,6	4,0	4,1	4,6
Transport	6,7	9,2	8,7	9,3	10,2
Communication	2,2	2,7	3,4	3,1	2,7
Recreation and culture	8,2	8,9	7,6	7,8	7,9
Education	0,9	1,2	1,2	1,3	1,2
Restaurants and hotels	3,2	3,1	2,8	2,8	2,9
Miscellaneous goods and services	8,3	11,6	12,5	12,5	13,7

Source: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama\\_co3\\_c&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama_co3_c&lang=en) (10.02.2015).

Summing up, changes in the structure of consumption expenditure that were manifested by increased consumption of non-food goods confirmed ongoing industrialisation and servicisation of consumption by Poles. The highest pace of changes observed in case of non-food goods was reported in the years of 1993–1996. However, the end of the 20<sup>th</sup> century and the beginning of the 21<sup>st</sup> century brought about a large increase in consumption of services (Bywalec, 2010), which means gradual and systematic modernisation of consumption in Poland.

### 3. CONSUMPTION IN NATURAL UNITS—CHANGES AND DIVERSIFICATION

Parallel to improvement in the consumption structure measured by value was improvement in quantity, which is confirmed by data that refer to consumption of selected food and non-food articles expressed in natural units.

Transformations in quantitative consumption of food articles that were observed in Poland in the period of 1990–2013 are thought to be both positive and negative (see Table 2). The latter do not conform to nutrition physiologists' recommendations. In particular, a decrease in consumption of milk, vegetables and fish raises some concerns. This resulted in a decrease in consumption of selected nutrients, which is perceived to be negative. In the period subject to this analysis there were also changes that confirmed improvement and enhancement of the diet adopted by Poles. Consumption of carbohydrates including bread, flour, rice, sugar

and potatoes decreased. A decrease in their consumption, either the carbohydrates themselves or in relation to other valuable articles like such as meat, additionally confirms improvement in the level of life. Moreover, it is also positive that there was some decrease in consumption edible fat and eggs and some increase in consumption of fruit, dairy products like yoghurt and cheese, mineral water, and fruit and vegetable juice. In the period subject to this analysis a decrease in consumption of spirits and tobacco products was reported as well. However, consumption of beer increased by over 300%.

Table 2

Consumption of selected consumer goods in Poland calculated per capita  
in the years 1990, 1995, 2000, 2005, 2010, 2013.

Specification	1990	1995	2000	2005	2010	2013
Grain of 4 cereals in terms of processed products in kg	115	121	120	119	108	108
Potatoes in kg	144	136	134	126	110	102
Vegetables in kg	119	121	121	110	106	102
Fruit in kg	29,0	41,2	51,6	54,1	44,0	46
Meat and edible offal in kg	68,8	64,0	66,1	71,2	73,7	67,5
Edible animal fats in kg	8,2	7,3	6,7	6,6	6,3	5,1
Butter in kg	7,8	3,7	4,2	4,2	4,3	4,1
Cows' milk in l	242	197	193	173	189	206
Hen eggs in units	190	155	188	215	202	148
Sugar in kg	44,2	42,2	41,6	40,1	39,9	41,9
Vodkas, liqueurs, other alcoholic beverages in terms of 100% in l	3,8	3,5	2,0	2,5	3,2	3,6
Wine and mead in l	7,4	6,9	12	8,6	6,9	5,8
Beer from malt in l	30,5	39,3	66,9	80,7	90,2	97,7
Cigarettes containing tobacco or mixtures of tobacco in units	2654	2612	1954	1974	1805	1553

Source: Statistical Yearbook of the Republic of Poland 2011, p. 67  
and Statistical Yearbook of the Republic of Poland 2014, p. 69.

In the years 1990–2013 Poland reported a decrease in the value of food energy and some other positive changes that meant rationalisation of eating habits. Year by year more attention was paid to food quality and to ecological food. This does not only result from improvement in incomes but also from an increase in consumer awareness of the influence of food consumption on consumers' life and health and on the natural environment. Poles are more and more interested in new styles of nutrition; they avoid using unhealthy stimulants or products that contain too many chemical components that harm health and the natural environment, and they sort out waste more and more frequently. Poles are also gradually more and more interested in functional and highly processed food of the instant type. There is an increase in market consumption by intermediation of catering establishments that is replacing natural consumption that takes place at home. To conclude this part of the article, it is, however, necessary to highlight that processes of ecologisation, industrialisation, modification and servicisation of food consumption in Poland are quite limited. Optimisation of food consumption in Polish households is correlated with levels of incomes. In case of wealthy households consumption of relatively more expensive and better quality products is observed.

On the other hand, diets that households with the lowest incomes have are usually poor and dominated by basic and cheaper products. These diets are deprived of products that offer nutrients, vitamins and mineral salts (Kieźel, 2015).

In the years of 1990–2013 it was possible to observe some remarkable progress in the level of material goods in Polish households (See Table 3).

Table 3

Selected durables per 1000 population in Poland in the years 1990, 1995, 2000, 2005, 2010, 2013  
(in units).

Specification	1990	1995	2000	2005	2010	2013
Television receivers	19,7	29,4	164	176	684	486
Household washing machines	12,7	10,8	14,7	38,8	105	146
Household refrigerators and freezers	15,9	15,2	18,1	43,9	48,5	74,9
Mobile telephone subscribers	-	2	176	764	1232	1468
Registered passenger cars	138	195	261	323	447	504

*Source:* Statistical Yearbook of the Republic of Poland 2003, p. LXII,  
Statistical Yearbook of the Republic of Poland 2014, p. 67.

At the very beginning of transformation of the Polish economy was a period when new standards of housing equipment were created. Households bought goods that had not been known before including e.g. satellite television, mobile phones, dishwashers or microwave ovens. There was a remarkable increase in possession and use of already known equipment like television sets, refrigerators, freezers, washing machines or cars. Traditional and well-known goods that had been used at home for a long time were subject to numerous modifications and aesthetic changes that frequently resulted in increased prestige of the goods in question. On the other hand, in the course of usage, differences between basic and luxury goods were gradually disappearing. The latter more and more frequently became commonly used goods. A good example may be provided by automobiles.

Consumption of durable goods witnessed qualitative changes as well. These changes were expressed by purchasing multi-purpose, stylised, customised, flexible, aesthetic and ecological products and other goods. Nevertheless, qualitative changes were mainly observed in the case of wealthy households and it is necessary to remember that there is a large group of households that cannot afford the goods in question. In case of this group, equipment owned is often obsolete and lacks functionality.

However, in general, improvement in condition and quality of equipment owned by Polish families was possible due to use of savings, credits, work in the grey zone and instalment payments. A great role in the transformations of the level of equipment owned by Polish families was played by demand that had been accumulated in the period of shortage in the years prior to the period under discussion. An important role was also played by relevant supply offers, well-supplied markets and changes in proportions between prices of durable goods, food articles and remunerations (Grzega, 2012). It is also necessary to stress that improvement in condition of equipping households with durable goods is a positive phenomenon that can simultaneously be translated into better satisfaction of consumer needs of Polish citizens.

#### 4. SITUATION OF POLISH CONSUMPTION SUBJECTS AFTER 25 YEARS OF ECONOMIC TRANSFORMATION

Our present consumption in Poland was much influenced by transformation, globalisation and integration processes that were observed in Poland and in Europe in the period of 1989–2013. These processes overlapped each other. They were characteristic for the turn of centuries and for the beginning of the 21<sup>st</sup> century. Poland's integration with the European Union was to some extent a result of economic transformations that were observed in Poland in the last two decades. On the other hand, however, integration and globalisation understood as external processes directed transformations in Poland. In this context, transformation of the Polish economy was a process that was inspired externally. Being aware of socio-economic and political tangents of these processes, it is necessary to highlight the importance of the domestic economy marketization that was of much significance for the development of consumption in Poland. The process in question involved remarkable and unprecedented economic and social changes of macro- and micro-economic nature.

New conditions in the way market entities function may be evaluated in categories of threats and opportunities to be faced by households in Poland. Much importance may be attributed here to skills and/or capacities to adopt new market rules. In many cases, it was particularly difficult for many subjects to function in the conditions of a new labour market. A vast number of individuals could not utilise opportunities that were created by the market mechanism. There were different reasons for that. However, as a result, social phenomena that had not been known previously appeared to substantially decrease the level of life of those involved. These phenomena mainly include unemployment, poverty, indebtedness, general apathy and discouragement to undertake any business activities. On the other hand, competition that had not been known on the labour market before encouraged part of the population to try activities that would improve their own situation.

Another market that was subject to radical changes in the period of systemic transformation was a market for consumer goods and services. A sophisticated offer of goods that was connected with the emergence of the consumer market brought about very good conditions to satisfy household needs. More freedom in case of opportunities to satisfy the needs in question was, however, limited in many cases by the income situation of the subjects involved. Additional problems resulted from a significant limitation of the public offer that resulted in some necessity to spend private means to satisfy those needs that used to be financed by public funds.

Income was the strongest determinant that diversified possibilities to satisfy needs. In 25 years of the transformation of the Polish economy, average incomes of households increased. This general tendency was interrupted by periods of visible slowdowns, slumps (especially in the first four years) and dynamic rises. Apart from current incomes, household consumption was also influenced by time-deferred incomes, i.e. credits and savings along with household assets owned. Both credits and savings mainly decided the level of satisfying higher needs. However, wealth accumulated in the past allowed for satisfying basic needs and higher rank needs. A role of some income 'substitute' in households was frequently played by free time of household members. This time could be exchanged into work time or household chores time.

Costs of population maintenance were to large extent influenced by prices of consumer goods and services. In this case, a remarkable increase was reported in the period of transformation. The highest increase was reported in case of fixed payments and charges to be borne in case of housing and utilities followed by prices of medical, transportation and educational services. The influence of economic factors was somehow filtered by non-economic factors including social and demographic ones. These factors offered additional stimuli or they prevented improvement in the level of satisfaction of the consumption needs of the Polish

population. A part of them directly related to factors of economic nature (e.g. socio-vocational factors). That is why their influence on consumption by Poles should also be considered important. However, other important factors hardly affected consumption in the period of transformation. Generally, levels and structures of consumption in Poland resulted from the influence of numerous factors that all stemmed from some need.

Answering the question asked at the very beginning, it is necessary to pay attention to the fact that there is a remarkable difference in the scope of consumption between the past and the present. Positive changes in the level and structure of Polish consumption have been parallel to long-term processes of economic growth reported in Poland in the last 25 years. At present, a relatively high level of satisfied consumption needs of Polish citizens predominantly results from past actions undertaken in order to marketise our economy. This allows us to say that the most important objective of transformation, i.e. improvement in the level of population life, has been met.

However, it should also be added that in some cases this improvement was reported statistically only. The cost of reaching macroeconomic stability, liberalisation, institutional changes, privatisation and other positive transformations that are connected with the launch of the market mechanism was excessively high for some social groups. The cost in question mainly involved deterioration of the way needs were satisfied. This resulted from the emergence of negative phenomena that were accepted by neither society nor numerous experts who represented different domains. In the period of transformation the highest decrease in the level of life was reported in case of households maintained from non-earned sources and households of farmers. No improvement was reported in case of pensioners as well. Nevertheless, it has to be clearly stressed that there are groups of households whose situation significantly improved. These households are believed to be beneficiaries of transformations resulting from marketization of the Polish economy. They mainly include households of the self-employed, employees in non-manual labour positions and to some extent households of retirees.

Referring to another issue that is discussed in the introductory part of this article – Polish integration with the European Union aimed, *inter alia*, at improvement in the level of life of Poles – it is once more necessary to stress positive nature of the changes in question. Acceptance of processes of globalising and integrating economies manifested by high support of Polish citizens for European Union membership and some belief in European Union economic capacities additionally verifies acceptance of changes that were observed in Poland after 1989 (Grzegą, 2012; 2014).

## CONCLUSIONS

Processes of transformations in the Polish economy were connected with changes in the way consumption entities function. On one hand, new opportunities for needs satisfaction emerged, on the other hand some limitations and restrictions that had not been known before appeared. This all influenced a new system of household needs, household preferences, methods of needs satisfaction and finally translated into the level and structure of Polish consumption.

On the basis of the analysis of macroeconomic data, it is possible to express an opinion that at the end of the period subject to this research, consumption in Poland – in the value and quantity perspectives – reached a higher level than in case of the period prior to economic transformations before 1989. Positive changes were also reported in the structure of consumption of Poles. A higher level of satisfied needs is mainly confirmed by a decrease in food indexes, an increase in free choice indexes, positive qualitative and quantitative changes in consumption of food, progress in equipping households with durable goods and as a result by general modernisation of the consumption model.

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