

# Changes in the consumption structure in European countries in the light of the concept of sustainable development

mgr Mateusz Jankiewicz

## Abstract

Consumption is one of the factors that drives an economy of any country. Many researchers have addressed the issues of changes in both the level and structure of consumption, paying attention to the progressive trend of its servicisation, but relatively few analyses concern convergence within its structure. This is one of the motivations for undertaking research in the field of this dissertation.

Considerations about the households' consumption becoming similar allow, in particular, to check whether the repeatedly confirmed economic convergence is the result of changes in the main driver of the economy, or perhaps other processes occurring in it. As consumption is associated with many patterns of imitation, mainly of neighbouring households, it is reasonable to include spatial interactions in the study. There are strong relationships between territorial units located close to each other in space, as evidenced by the first law of geography, which says that: 'Everything is related to everything else, but near things are more related than distant things'. This study also makes an attempt to quantify the impact of the changes taking place in the subject scope of this dissertation research on the level of sustainable development. Hitherto, these regularities have only been formulated theoretically, unlike the assessment of the sustainable development level, which has been measured many times using of various statistical tools.

The main objective of the study is to assess contemporary trends in the shaping of the consumption structure of households and their impact on the sustainable development of economies; striving for it, is currently a priority action for any country.

The main research hypothesis is as follows: **Current consumption patterns have an impact on the sustainable development of European economies.** Moreover, the following detailed hypotheses were formulated:

1. The progressing process of servicisation of consumption favours the improvement of the environmental situation of the analysed countries.
2. Consumption structures of households in less developed countries are becoming similar to those of more developed ones.

3. Current consumption trends in more developed countries are characterized by a higher share of expenditure on services and a lower share of expenditure on food.

The empirical analysis was conducted on the basis of classic, commonly known consumption demand models, as well as relatively new and rapidly developing tools of spatial statistics and econometrics, which allowed for the consideration of the importance of location and connections between economies for shaping consumption processes. In particular, on the basis of the current trends in changes in consumption, a general pattern of its structure was determined for selected European countries as well as the distance between each economy and this pattern was established. Based on the distance from the pattern, i.e. on the one hand, the optimal level of the share of food expenditure, and on the other hand, expenditure on services in the consumption structure, the third detailed research hypothesis was verified. The tendency to change the value of the dissimilarity measure to the pattern and its differentiation, as well as the  $\beta$ -convergence models with spatial interactions, were used to verify the second detailed hypothesis. In order to verify the first detailed hypothesis, spatio-temporal sensitivity models of the sustainable development level on modifications in the consumption structure in the form of the exponential function were used. Models of this type also constituted the main research tool for verifying the main research hypothesis.

Based on the research results, the main hypothesis and two detailed hypotheses (the second and the third) were confirmed. The analysis in regimes only partially confirmed the first detailed hypothesis, because the process of servicisation of consumption favours the improvement of the environmental situation only in richer countries. Households in less developed countries, wanting to make their consumption structure similar to that observed in households in richer countries, tend to violate sustainable development framework.