

## Summary

This paper presents an analysis of household behaviour in Slovenia in 1997-2000 on the basis of the Household Budget Survey (HBS). The Statistical Office of the Republic of Slovenia has conducted annual surveys since 1997 and aligned its methodology with the Eurostat reports. The HBS is conducted in all Central and Eastern European countries. Its purpose is to examine the level and composition of household spending either for an entire population or specific socio-economic groups. The paper analyses some general characteristics of Slovenian households (size, structure broken down by type, education level and employment status of the head of the household), households' possession of durable goods, while the main part focuses on the structure of household disposable income and household spending broken down by income quartiles and the socio-economic characteristics of households.

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In 1997-2000, the average number of children aged up to 14 years rose slightly, while the average number of household members remained unchanged (3.02). A breakdown by quartiles shows that households in the lowest quartile had the fewest members and fewest children on average. They lived in the smallest dwellings and owned the fewest cars. The opposite was the case in households of the fourth quartile.

Most heads of the household obtained a secondary education, followed by those who had finished vocational and primary school, while the fewest of them had either a higher education or not finished their primary education. Broken down by income quartiles, education turns out to be one of the important factors determining a household's income. In the first quartile, the majority of heads of the household had finished their primary education, whereas most heads in the fourth quartile had obtained a higher education. As far as formal employment status is concerned, most heads of the household were employed, followed by pensioners, while those who were self-employed or unemployed had minor shares. In the first quartile, the majority of household heads were retired, while in all other quartiles the majority were employed.

Households' possession of durable goods did not record any major change in 1997-2000. Households' new purchases mainly included personal computers, dishwashers, hi-fi equipment and telephones. These appliances, along with VCRs, clothes dryers and microwave ovens, represented the threshold between wealthy and poor households in the late nineties. Appliances such as radios, refrigerators, washing machines, colour television sets and freezers were found in almost every household, regardless of income.

Households' available assets increased slightly in the given period. Their composition shows that the share of money assets rose slightly, while the share of households' own production fell. Household's own production was most frequently used by households of the first quartile. Food production had the biggest weight in the structure of households' own production. Households mainly produced wine, vegetables, meat, eggs

and fruit. The most important source of income was income from employment and pensions. This was expected given the composition of households by employment status. Benefits in kind, representing the smallest share of households' available assets, mainly included benefits from employment in all quartiles, except the first one.

Household expenditure is roughly divided into consumption expenditure and other expenditure. The proportion of the former fell slightly in 1997-2000 to 90%. The period of four years – this is how long comparable data have been available – is too short to make any detailed analysis of changes in the structure of household spending. Further, 1999 saw a structural shock (the introduction of value-added tax) which strongly influenced household behaviour and caused major shifts within the household spending structure. The early years of transition, when households purchased many durable goods, are no longer relevant for this period and the composition of household income spending has changed little over the last few years.

Households spent an average of 96.1% of their available assets on consumer goods. Rich households recorded a slightly lower and poor households a slightly higher figure. Households were unevenly distributed along the lines of available assets and consumer goods spending: 10% of the poorest households spent 3.6% of their income on consumer goods, whereas 10% of the richest households recorded a figure of 19.8%. The highest proportion was on average spent on food and non-alcoholic beverages, transport and housing. The poorest, single and pensioner households and households where the head was unemployed mainly spent their income on basic necessities. Households in higher income quartiles and households where the head had finished higher education or was employed spent decreasing proportions of their income on basic goods, while expenditure on clothing, recreation, cars and other luxury goods increased.

A comparison of spending habits between selected European countries revealed significant differences. Household available income and a country's welfare had a decisive influence on the level of spending, but household behaviour was also affected by factors such as culture, tradition and the level of urbanisation. The structure of household spending in countries in transition differed slightly from that of the EU, primarily as regards its main components: food, housing and transport. The shares of the last two items were significantly lower than in the EU, while the shares of food and non-alcoholic beverages were three times higher. The correlation between the share of household's food spending in total consumption expenditure and gross domestic product per capita is highly negative and shows that the share of food in total household spending falls as GDP per capita increases. Slovenia is a country in transition that drew closest to the EU member-states in terms of gross domestic product per capita and the structure of expenditure on consumer goods.