OBJECTIVE AND SUBJECTIVE ASSESSMENTS OF LIVING STANDARDS AMONG MEMBERS OF THE RURAL POPULATION

Sławomir Kalinowski

Department of Economics, Poznań University of Life Sciences Head of Department: prof. dr hab. Władysława Łuczka

Key words: standard of living, rural population, uncertain income, experience inconsistency Slowa kluczowe: poziom życia, ludność wiejska, niepewność dochodów, niespójność odczuć

A b s t r a c t. The aim of the paper is to answer the question, if the objective assessment of the standard of living influences life satisfaction (among members of the rural population) and if there is such an income level, above which the respondents achieve life satisfaction. The investigated group includes members of the rural population with uncertain incomes constituting people working on the basis of flexible employment contracts, the unemployed, those living on benefits or working in the grey market. A trial study was performed to specify positions of welfare presented as an objective dimension expressed in incomes as well as satisfaction of needs and a subjective dimension, which is the assessment of satisfaction with life and also satisfaction with the situation in Poland. The adopted attitudes depending on position of welfare and income position presented different life satisfaction levels.

INTRODUCTION

Behavioural analysis of members of the rural population with uncertain incomes reveals that one of the distinguishing characteristics of the group is a state of dissonance, demonstrated by a discrepancy in the assessment of the individuals' present situation and their expectations. It could seem that a low objective assessment of people's living conditions determines their dissatisfaction with their household's situation whereas a high level of the objective coefficient positively affects the level of the individuals' satisfaction; however, the relationships are not obvious. Although incomes constitute a factor which influences the volume and structure of demand, as well as a constituent of a broadly understood material factor, co-creating the existence of households, it is hard to assume that they simply increase the level of individuals' satisfaction with life. Aaron Ahuvia [2008, p. 199-206] claims that the chances to define an individual's standard of living increase if their self-assessed satisfaction with life as a whole is known rather than their level of income. A question arises whether a certain amount of money or material goods expressed by means of objective poverty ratios and satisfaction with goods can be used to assess an individual's satisfaction with life and its subjective dimension, or, in other words, whether one's objective living standard influences their satisfaction with life. An attempt to answer these questions is the main aim of the present considerations.

Empirical materials included in the article were obtained from research conducted within research project no. UMO-2011/01/B/HS5/01034, financed by the National Science Centre, entitled "The level of life of the rural population with uncertain incomes in Poland". The research was conducted in June 2012 and the first half of July 2012. The sample size amounted to 1067 respondents, all of whom were adult inhabitants of rural areas in Poland. Information on the studied population was obtained through applying a research questionnaire, which also became a scenario for direct interviews (PAPI – paper and pencil interview). The investigated group consisted of inhabitants of rural areas including employees with flexible employment contracts, the unemployed or those working in the grey market. They were all characterised by income uncertainty resulting from lack of employment and job security and, as regards the socio-economic dimension, demonstrated limited skills and a low level and short period of income reception. The choice of the analysed group resulted from their disadvantaged position on the labour market, which is caused by the increasing popularity of flexible employment, which, paired with their lack of security, creates the need to look for solutions which would counteract a permanent social exclusion of the group in question.

As the study was conducted on an "unknown" population (no data is available that would allow the assessment of the demographic distribution of people with uncertain incomes), a quota sample was used, subdivided into provinces and demographic features (age and sex). The sex of the respondents was determined in accordance with the Local Data Bank of the Central Statistical Office of Poland (GUS), but the number of respondents of each sex was an indicative value since it was impossible to determine the ratios of men and women required for the research while preparing the study. Sample sizes in particular provinces depended on the population sizes of rural communes in the studied provinces. It was assumed that the statistical error for the whole country's population amounted to 3%.

INCONSISTENCY OF EXPERIENCE

In 1974 Richard Easterlin formulated the following question:,,,Can happiness be bought with money?" [Easterlin 1974, p. 411] The answer to the question is not obvious. Attempts to find the answer were made not just by R. Easterlin, but also, among others, Michael Argyle [1999], Carol Graham and Andrew Felton [2004], Daniel Nettle [2005], David E. Kaun [2005], Luis Rayo and Gary S. Becker [2007], or Piotr Michoń [2010], who tried to prove the relationship between satisfaction with life and its objective dimensions. What seems to be missing, though, is what forms the inconsistency among members of the rural population. The permeation of subjective and objective dimensions of life and their mutual relations allow the observer to notice the dichotomy of individuals' experience and the actual level of their need satisfaction.

In 1984, Wolfgang Zapf noticed the discrepancies between individuals' experiences and their actual economic situation in his book about the quality of life in Western Germany. The first discrepancy concerns low satisfaction with one's own situation despite a relatively high degree of need satisfaction. The other one is demonstrated among people who are, from the objective point of view, deprived of opportunities for need satisfaction, and yet they experience satisfaction. The first situation is usually called "the dissonance of dissatisfaction", while the other one is usually called "the paradox of satisfaction". It is easy to imagine a situation in which some people, in spite of their incomes (and/or need satisfaction), fail to experience satisfaction with life. Conversely, some other people, in spite of their low standard of living, feel satisfied with life. Using a two-dimensional matrix, one can distinguish four attitudes which result from the confrontation of the subjective and objective dimensions (tab. 1.). The indicated items of wealth make it possible for the observer to realise that the separation of the study of the objective and subjective dimension does not enable the researcher to gain a broad view of the phenomena of both the level of life and the quality of life, therefore drawing conclusions based on only one of the dimensions should be considered incomplete. Not going into much detail into defining both categories, it can be assumed that a high level of life (understood objectively) does not have to be identified with high quality of life (understood subjectively) and vice versa.

		Subjective dimension	
		high level	low level
Objective dimension	high level	(+,+) satisfaction	(+,–) dissonance of dissatisfaction
	low level	(–,+) paradox of satisfaction	(–,–) dissatisfaction

Table 1. Objective and subjective dimensions of people's living situation - items of wealth

Source: own study based on [Zapf 1984, p. 24].

It is difficult to point to causes of the polarised discrepancies unanimously, but the matrix can serve to describe relationships denoted as (-,+) i (+,-) formulae. Wolfgang Glatzer [1987, p. 178] attempts to explain these relationships employing Festinger's theory of cognitive dissonance, which demonstrates attempts to deny one's own situation. Denial can display two extreme forms – on the one hand, some people point to satisfaction with their economic position despite not having their needs satisfied. Such behaviour may be an attempt to compensate for one's living conditions. Fearing stigmatisation, respondents might prefer to define their current state in a positive way, rather than to be perceived as passive beneficiaries of social actions. On the other hand, people whose needs are satisfied to a relatively high degree may not be satisfied with their lives because of their higher level of aspirations, short period of consumption shortage, shifting emphasis to the immaterial dimension of life or existential or psychological reasons. It is worth noticing one more aspect of the paradox of satisfaction, resulting from a person's adaptation to their current situation. People who cannot satisfy their needs at an acceptable level for a longer time get used to that state and accept their given circumstances.

RESULTS OF SURVEY RESEARCH

Since incomes constitute a determinant of consumption, they should constitute a crucial factor of experienced satisfaction with life. However, it occurs that they are not a sufficient measure of the individuals' satisfaction with life. According to P. Michoń [2010, p. 124, 151), an individual's satisfaction with their material situation is mainly the effect of a psychological predisposition to experience happiness, whereas only to a lesser degree, their reaction to their present situation. The author mentions, however, that income does, to some extent, determine people's satisfaction with life. At the same time, though, a number

of other variables, such as the level of education, position on the labour market and social status, the possibility to benefit from cultural and recreational activities and the way of spending one's free time, are both influenced by the level of income, and influence overall satisfaction. At the same time, the relationships are not unambiguous.

Analysing respondents' answers allows us to notice that the objective and subjective ratios are only compatible for 57% (+,+ and -,-). Every one in five respondents, in spite of a relatively high level of incomes, experiences the dissonance of dissatisfaction. It can be noticed that all respondents living at or above the minimum wage (relatively wealthy) experiences dissatisfaction with life. On the other hand, nearly 23% of respondents experience subjective satisfaction despite low incomes. At the same time, it needs to be noticed that more than a half of the respondents living below the assumed income line experience satisfaction with life (tab. 2.). It is also worth mentioning that although the correlation between incomes and satisfaction with life is statistically significant, its value amounts to 0.22 (p<0.05), which suggests a relatively weak relationship. It is therefore hard to assume that incomes constitute the basis for satisfaction with life.

		Subjective dimension – satisfaction with life	
		high level	low level
Objective dimension (incomes)	highl evel	satisfaction 35.87%	dissonance of dissatisfaction 19.89%
	low level	paradox of satisfaction 22.86%	dissatisfaction 21.38%

Table 2. Satisfaction with life depending on income - wealth items

Source: own study, n = 1067.

Subjective satisfaction does not improve when income increases. It is then worth asking the question how the level of satisfaction of the investigated group would improve if the degree of need satisfaction influenced it. Although it is possible to trace an increase in satisfaction among individuals whose degree of need satisfaction is relatively high, the percentage of people experiencing subjective satisfaction with life does not change substantially (tab. 3.).

Despite the respondents' relatively positive assessment of their households' standard of living, the assessment of the situation in Poland is not positive. More than half the respondents experience a dissonance of dissatisfaction (tab. 4.). A question arises about the cause of the much worse perception of the situation in Poland in comparison with the individuals' material situation. Robert H. Frank [2005, p. 461-473] suggests that satisfac-

Table 3. Satisfaction with life depending on the degree of need satisfaction - wealth items

		Subjective dimension – satisfaction with life	
		high level	low level
Objective dimension	high level	satisfaction 42.04%	dissatisfaction dissonance 13,57%
(need satisfaction)	low level	paradox of satisfaction 22.55%	dissatisfaction 21.84%

Source: own study.

tion with different areas of life is influenced by the occurrences and situations which we are aware of. Therefore, it could be argued that the situation in Poland is more difficult to comprehend as its general outlook is influenced by a number of evaluators (convictions of slow economic development, labour market problems, fears of future, or unwelcome socio-political situation), which do not have to have any objective mirroring. Consequently, respondents show an inclination to form judgements based on random data, "shortcut" thinking, and information based on solely negative events in their social and economic life. Tomasz Zaleśkiewicz [2013, p. 56] notices that the feelings of ambiguity result in a greater bias towards negative information, which can weaken respondents' optimism on a macro scale. One explanation of inflated judgements on a micro scale may be found in the theory of self-enhancement, understood as striving to increase one's self-evaluation [Strube et al. 1986, p. 16-25]. It consists in processing environmental information in order to gain a more positive outlook of one's own situation and, at this at the same time correlates with a weakened assessment of the external social and economic environment. Economic psychology recognises the phenomenon of increased self-esteem resulting from attempts to face difficult situations posed by life.

Table 4. Situational satisfaction in Poland depending on income - items of wealth

		Subjective dimension	
		high level	low level
Objective dimension (incomes)	high level	satisfaction 17.08%	dissonance of dissatisfaction 41.35%
	low level	paradox of satisfaction 8,76%	dissatisfaction 32.81%

Source: own study.

It is worth paying attention to the adopted attitudes regarding particular wealth items (tab. 5.). Only individuals experiencing satisfaction (both items +,+ and -,+) undertake action to change their current situation. Among individuals experiencing the dissonance of dissatisfaction, most attitudes involve the search for one's own place in life. Respondents frequently feel deprived of opportunities in their current workplaces or do not notice any space for self-development. They describe their lives in the context of lost opportunities and unfulfilled expectations. Among individuals who frequently experience dissatisfaction (-,-) the most frequently displayed attitudes include passive dysfunctional behaviours (using stimulants), or, potentially, laying the blame at the state's door and blaming aid institutions. A great proportion of respondents claimed that the state should find solutions for the problems that they had been facing. Although one in three respondents believe that the best strategy to improve one's own situation is to take action, they rarely put this it into practice [Kalinowski 2015].

It is worth noticing that the adopted attitudes are the function of differences between individuals' aspirations and their actual economic situation. The greater the differences between the levels of need satisfaction and individuals' aspirations, the more frequently they display active behaviours. It can be observed that the lower the level of life the higher the percentage of negative evaluations of living conditions.

Specification	Items of wealth [%]			
	satisfaction (+,+)	dissonance of dissatisfaction (+,-)	paradox of satisfaction (-,+)	dissatisfaction (-,-)
Takingaction	52.91	23.31	44.34	30.84
Looking for aid	35.44	18.80	39.82	31.31
Looking for one's place on earth	23.79	33.83	19.91	14.95
Assuming others are more at a disadvantage	19.90	22.56	20.81	22.43
Praying to God for help	11.65	8.27	18.55	21.50
Using stimulants	8.25	6.02	6.79	36.45
Givingup	1.46	3.76	0.90	9.35

Table 5. Adopted attitudes depending on items of wealth

Source: own study.

CONCLUSIONS

The research reveals that it is impossible to find a simple relationship between satisfaction with life and the level of incomes. It is hard to define the break-even point to cross in order to continually improve one's own satisfaction with life. It is also hard to define such value of incomes which would permanently favour an increase in life satisfaction. As noticed before, an individual's evaluation is influenced by a number of socioeconomic factors, including aspirations, the abilities to adapt to a particular situation, or the undertaken strategies of dealing with reality. A question arises what causes considerable discrepancies between objective and subjective experience. It can be assumed that wealthy people take their economic situation for granted and do not consider their situation to be particularly good. They compare their economic wealth with people whose situation is more favourable and whose actions are impossible to emulate given the present circumstances, therefore they tend to underestimate their living conditions. At the same time, it can be assumed that an individual's favourable economic situation boosts their expectations; hence relatively richer individuals can experience constant aspirations to improve their living conditions.

BIBLIOGRAPHY

- Argyle Michael, 2004: Causes and correlates of happiness, [in] Well-being: the foundations of hedonic psychology, D. Kahneman, E. Diener, N. Schwarz (eds.), New York: Russell Sage Foundation, s. 353-373.
- Ahuvia Aaron, 2008: *Wealth, Consumption and Happiness*, [in] *Psychology and Economic Behaviour*, A. Lewis (ed.), Cambridge University Press.
- Easterlin Richard A. 1974: Does economic growth improve the human lot? [in] Nations and households in economic growth, David P.A., Reder M.W. (eds), Nowy Jork, Academic Press.

Frank Robert H. 2005: *Does Money Buy Happiness?*, [in] *The science of well-being*, Oxford: Oxford University Press, Huppert F.A., Baylis N., Keverne B. (eds.), s. 461-473.

Glatzer Wolfgang, 1987: Components of wellbeing: German Social Report, Part B, Subjective wellbeing, "Social Indicators Research", 19 (1), p. 171.

Graham Carol, Andrew Felton, 2006: *Inequality and happiness: Insights from Latin America*, "Journal of Economic Inequality", vol. 4, p. 107-122.

- Kalinowski Sławomir, 2015: *Poziom życia ludności wiejskiej o niepewnych dochodach*, Warszawa, Wydawnictwo Naukowe PWN.
- Kaun David E. 2005: Income and happiness: earning and spending as sources of discontent, "The Journal of Socio-Economics", vol. 34, p. 161-177.
- Michoń Piotr, 2010: Ekonomia szczęścia, Poznań, Dom Wydawniczy Harasimowicz.
- Nettle Daniel, 2005: Happiness, the science behind your smile, Oxford, Oxford University Press.
- Rayo Luis, Gary S. Becker, 2007: *Evolutionary efficiency and happiness*, "Journal of Political Economy", vol. 115, p. 302-337.
- Strube Michael J., Cynthia L. Lott, G.M. Le-Xuan-Hy, Julie Oxenberg, Ann K. Deichmann, 1986: Self-evaluation of abilities: Accurate self-assessment versus biased self-enhancement, "Journal of Personality and Social Psychology", vol. 51, p. 16-25.
- Zaleśkiewicz Tomasz, 2013: *Psychologia pieniądza*, [in] *Psychologia Ekonomiczna*, T. Tyszka (red.), Gdańsk, Gdańskie Wyd. Psychologiczne, p. 56.
- Zapf Wolfgang, 1984: *The four well-beingpositions*, [in] *Lebensqualitat in der Bundesrepublik Deutschland*, W. Glatzer, W. Zapf (eds.), Frankfurt, Campus.

Sławomir Kalinowski

NIESPÓJNOŚĆ ODCZUĆ OBIEKTYWNYCH I SUBIEKTYWNYCH LUDNOŚCI WIEJSKIEJ

Streszczenie

Celem artykułu jest próba odpowiedzi na pytania, czy wymiar obiektywny poziomu życia ma wpływ na zadowolenie z niego, a także czy istnieje taki poziom dochodów, po przekroczeniu których respondenci osiągają zadowolenie z życia. Badaną grupę stanowiła ludność wiejska o niepewnych dochodach, a więc osoby pracujące na podstawie umów o pracę w formach elastycznych, bezrobotni, utrzymujący się z zasiłków lub pracujący "na czarno". Dokonano próby określenia pozycji dobrobytu wynikających z porównania wymiarów obiektywnego, wyrażonego w dochodach oraz zaspokojeniu potrzeb, z wymiarem subiektywnym, będącym oceną zadowolenia z życia jako całości, a także zadowolenia z sytuacii w Polsce. Przedstawiono również przyimowane postawy w zależności od pozycii dobrobytu oraz dochodowe miary pozycyjne dla różnych poziomów zadowolenia z życia. W efekcie przeprowadzonych badań zaobserwowano rozbieżności pomiędzy wymiarami obiektywnym i subiektywnym poziomu życia. Analiza postaw, które są charakterystyczne dla poszczególnych grup ludności wiejskiej pozwala zauważyć, że niezwykle czestym zjawiskiem jest dysonans stanu, przejawiający się w nieadekwatności sytuacji w stosunku do oczekiwań. Na podstawie badań można wyróżnić cztery przyjmowane postawy życiowe:satysfakcja, niezadowolenie, dysonans niezadowolenia oraz paradoks satysfakcji. Pierwsze dwie postawy przejawiają się w spójności odczuć oraz akceptacji aktualnej sytuacji, zarówno w przypadku, gdy ma ona charakter korzystny dla konsumenta, jak i niekorzystny. Dwie kolejne postawy są efektem inkoherencji odczuć ankietowanych, a więc pozytywna ocena odczuć subiektywnych nie koresponduje z oceną sytuacji obiektywnej, i na odwrót.

> Correspondence address: Dr Sławomir Kalinowski Poznań University of Life Sciences Wojska Polskiego St. 28, 60-637 Poznań, Poland e-mail: kalinowski@up.poznan.pl