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Marketplace retail in Poland in the years 1995–2006

Introduction

In the late 80s and early 90s Poland witnessed a big boom of street trade. It was caused mainly by the transition into market economy and the liberation of the prices. At the same time the borders were opened which resulted in the increase of revenue in international trade and activated small entrepreneurs. Ever since the beginning, well-organized although not always legal, marketplaces became the competition for the „single table" street stalls. The marketplaces were usually located at city squares, local crossroads and sport stadiums.

In the years 1992–1993 marketplace retail became spatially regulated. New law which organized local market squares was introduced. It referred mainly to: the duty of their spatial regulation, proper enclosure and fencing, maintenance of running water and other facilities, establishing the administration and recruitment of security personnel. These regulations became the turning point in the forming of marketplaces in Poland. The year 1993 was the ending date of wild bazaar trade and the starting date of modern marketplace trade in Poland.

The phenomenon of marketplace retail, just like any other market services, is governed by the economic mechanisms. It is also influenced by other factors. For example, in 1998 Poland introduced new visa regulations which significantly decreased the number of visitors from across the eastern border and therefore reduced the revenue of marketplaces.

Although marketplaces often give way to modern shopping centers and convenience stores, they still remain an important element of social and economic landscape of Poland. The authors of the article aim at tracing the quantity and quality changes in marketplace trade during the last twelve years. The output material for this article was the work of A. Werwicki *„Handel targowiskowy aglomeracji łódzkiej na tle jego znaczenia ogólnopolskiego w latach 1994-1997"* ('Marketplace retail of Łódź agglomeration and its national significance during the years 1994–1997'). The current statistical data is taken from the Regional Data Bank (RDB) of Central Statistical Office (CSO).

Amount and locations of marketplaces

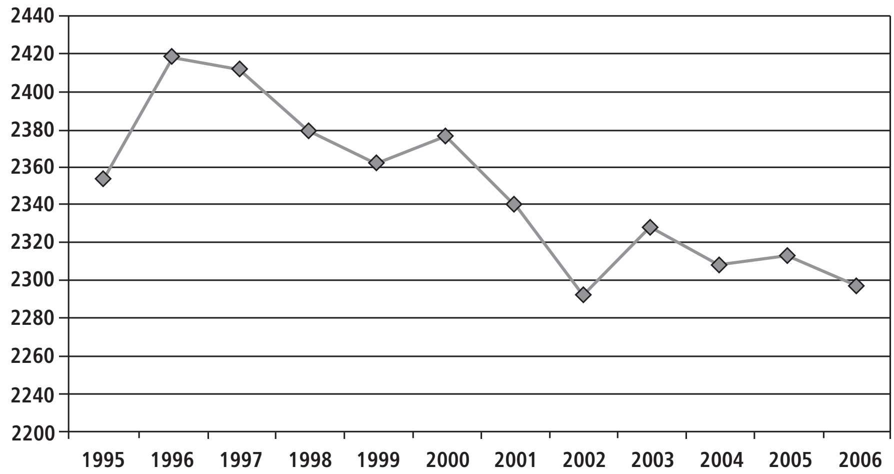
The number of fixed marketplaces[1] in Poland and their area is varied. During the last twelve years their number decreased from 2254 in 1995 to 2297 in 2006. Among them, the majority of marketplaces were dominated by light retail – 2072. The dynamics of this phenomenon measured with geometric mean reached 0,99 (yearly, in the period of 1995-2006). The comparison of years 1995 and 2006 gives the score of 0,96. Therefore, the decrease is not very severe. The biggest decrease occurred in the years 1996-1998 and 2000–2001 (picture 1). It is most likely that there were several factors which influenced the decline of marketplace retail during this period. Among them was the change of border regulations regarding the crossing of Polish eastern border, increase in wealth of citizens from the former East Germany and coequality of prices at Polish and German marketplaces located near our western border. Moreover, the decrease in number of marketplaces can be linked to the boost of wealth of the Polish people and their higher requirements for the purchased goods (wares obtained at marketplaces often lacked in quality) and finally – higher expectations regarding the professionalism and comfort of customer service.

The number of fixed marketplaces also varies in spatial relation, when divided among different provinces. Three different groups of provinces can be distinguished. During the studied period (1995–2006) three provinces stood out with the amount of fixed marketplaces above national average (over 200 facilities). These provinces were: the Mazovia province, the Wielkopolska province and the Silesia province. Among the three, only the Mazovia province witnessed the decrease in number of marketplaces in the studied period. In the remaining two provinces the number grew. The second group, with small exceptions, is distinguished by little variances in numbers of marketplaces, which oscillate between 100 and 200. It consists of the following provinces: the Lubuskie province, the Łódź province, the Małopolska province, the Lower Silesia province, the Kujawy-Pomerania province, the Podkarpacie province, the West Pomerania province and the Pomerania province. The third and the last group contains provinces with the amount of fixed marketplaces during the studied period did not exceed 100 and in the case of the Opole province it oscillated around 50 facilities. These provinces were: the Podlasie province, the Świętokrzyskie province, the Warmia-Masuria province, the Lubuskie province and the aforementioned Opole province (picture 2).

Although, in the last decade the number of marketplaces decreased on average, it is worth to mention that there are regions where this phenomenon is reversed. In the Lublin, the Kujawy-Pomerania, the Podlasie, the Świętokrzyskie, the Wielkopolska and the Podkarpacie provinces the number of marketplaces increased. The

[1] A marketplace, according to Central Statistical Office's definition, is a separate area or building (square, steet or covered market) with fixed or seasonal points of light retail or facilities designated for retail, daily or during the specified days. Often a name 'bazaar' is used as a synonym.

Picture 1
Change in quantity of fixed marketplaces in Poland in years 1995–2006



Source: author's study based on the information from Regional Data Bank – www.stat.gov.pl.

top score was observed in the Opole province, where the number of facilities went up by 27% (table 1).

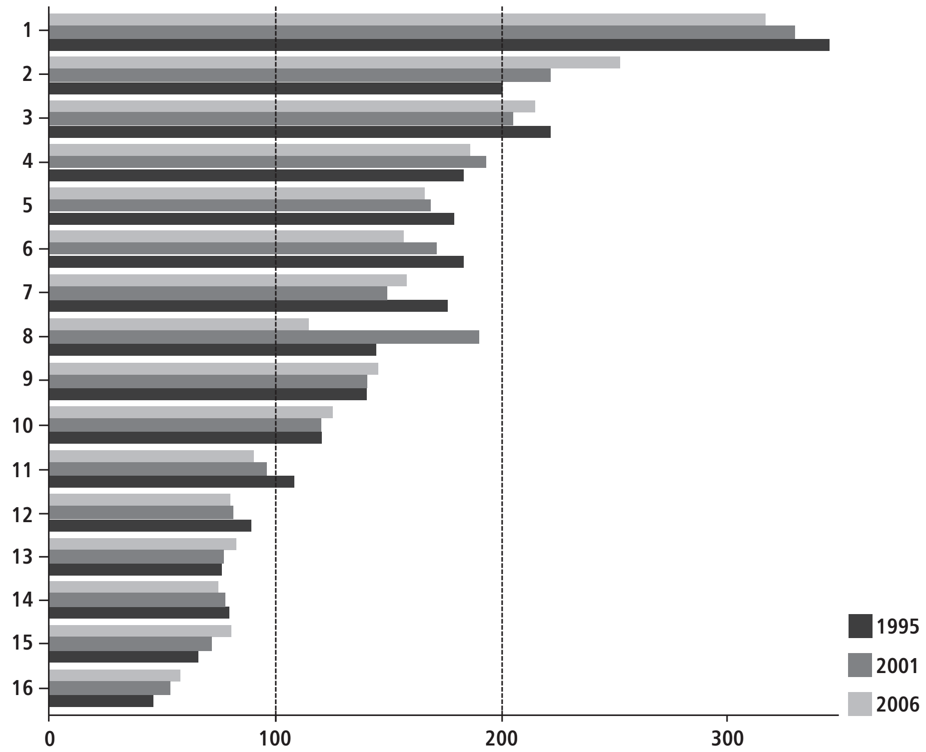
The absolute number of the facilities does not reflect their degree of saturation. If we compare the number of facilities to the number of inhabitants, it occurs that the Lublin province has the best score. On average, there were 16,6 thousand inhabitants per one marketplace in Poland in 2006 and in the Lublin province – 11,7 thousand. Below average but still far behind the Lublin province was the Mazovia province with 16,3 thousand people. In the Opole province, which has undergone the most dynamic change, there were 18,3 thousand inhabitants per one marketplace (table 1).

A number of groups of provinces with different ways of development of marketplace retail can be distinguished in Poland. This division was made by A. Werwicki (2000) and based on the data about the change in the amount of marketplaces in the years 1994–1997. In his classification, he distinguished the following groups of provinces: provinces with increasing amount of marketplaces (including provinces along the western southern and eastern border, provinces with large, prosperous agglomerations, where the number of marketplaces increases), provinces with large civic agglomerations undergoing deep economic transition, which influences the path of development for marketplaces and limits its dynamics and finally, provinces with limited pace of economic transition, where the number of marketplaces remains the same or decreases.

The analysis of data from years 1995–2006 leads us to the statement that the classification of A. Werwicki has become partially outdated. Two of the groups remain unchanged – provinces with large, prosperous agglomerations, where the number of marketplaces increases and provinces along the southern and eastern

Picture 2

The change in the number of fixed marketplaces in different provinces during in years 1995–2006 (1 – Mazovia, 2 – Wielkopolska, 3 – Silesia, 4 – Lublin, 5 – Lower Silesia, 6 – Łódź, 7 – Małopolska, 8 – Kujawy-Pomerania, 9 – Podkarpacie, 10 – West Pomerania, 11 – Pomerania, 12 – Świętokrzyskie, 13 – Warmia-Masuria, 14 – Lubuskie, 15 – Podlasie, 16 – Opole)



Source: author's study based on the data from Regional Data Bank.

border with the increasing amount of marketplaces. These both groups and classifications, contain exactly the same provinces – the first one: Mazovia and Wielkopolska and the other: Podkarpacie and Lublin. The first serious change is the addition of the Lower Silesia and the Małopolska provinces to the second group – provinces with large civic agglomerations undergoing deep economic transition, which influences the path of development for marketplaces and limits its dynamics. The Lower Silesia province was classified by A. Werwicki among the provinces along the western border with the increasing amount of marketplaces. The Małopolska province was classified as a province with limited pace of economic transition, where the number of marketplaces remains the same or decreases.

Currently, because of constantly decreasing number of marketplaces in the Lower Silesia province, it has been placed in the same category as the Małopolska, together with Łódź and Silesia provinces. It is worth to remember the change in the overall social and economic status of the Małopolska province. It gave the additional argument to move this province to another group.

Table 1
Basic data regarding the marketplaces in the years 1995 and 2006

Provinces	Number of marketplaces in 1995	Number of marketplaces in 2006	The change in number of marketplaces 1995–2006	Inhabitants (2006)	Inhabitants per 1 marketplace (2006)
Lublin	183	186	1,02	2 182 513	11 734
Wielkopolska	201	252	1,25	3 370 179	13 374
Lubuskie	79	74	0,94	1 009 112	13 637
Kujawy-Pomerania	140	145	1,04	2 067 510	14 259
Podlasie	76	82	1,08	1 200 648	14 642
West Pomerania	144	114	0,79	1 691 526	14 838
Łódź	179	166	0,93	2 575 279	15 514
Świętokrzyskie	65	80	1,23	1 290 171	16 127
Mazovia	345	317	0,92	5 154 751	16 261
Podkarpacie	120	125	1,04	2 106 522	16 852
Warmia-Masuria	89	80	0,90	1 430 995	17 887
Lower Silesia	176	158	0,90	2 882 250	18 242
Opole	45	57	1,27	1 043 416	18 306
Małopolska	183	156	0,85	3 253 234	20 854
Silesia	221	215	0,97	4 676 725	21 752
Pomerania	108	90	0,83	2 197 446	24 416
Poland	2354	2297	0,96	38 132 277	16 601

Source: author's study based on Regional Data Bank.

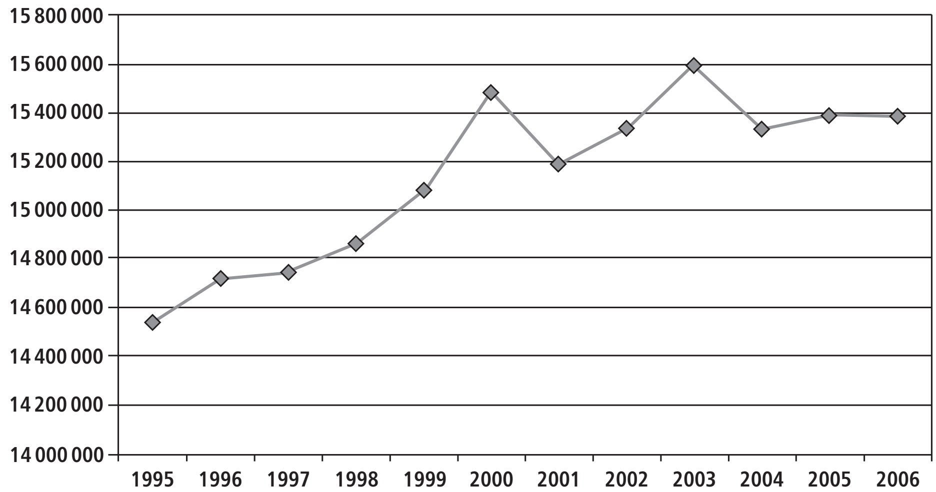
Additional changes involve the transfer of provinces from the first group – provinces along the western border with the increasing amount of marketplaces, to the third group – provinces with limited pace of economic transition. In this case, the West Pomerania and Lubuskie provinces were transferred. In both cases, the number of marketplaces in these provinces decreases and the decline is far more noticeable in the West Pomerania province. Moreover, both these provinces do not belong to highly developed regions and they are not undergoing deep economic transitions. This is the reason, why these provinces were categorized in the last group of the classification (table 2).

Table 2
The modification of marketplace classification by A. Werwicki

<table>
<tr><th colspan="2" rowspan="2">Classes of provinces</th><th colspan="2">Year period</th></tr>
<tr><th>1994–1997</th><th>1995–2006</th></tr>
<tr><td rowspan="3">Provinces with increasing amount of marketplaces</td><td>along the western border</td><td>West Pomerania, Lubuskie, Lower Silesia</td><td>–</td></tr>
<tr><td>along the southern and eastern border</td><td>Podkarpacie, Lublin</td><td>Podkarpacie, Lublin</td></tr>
<tr><td>provinces with large, prosperous agglomerations, where the number of marketplaces increases</td><td>Mazovia, Wielkopolska</td><td>Mazovia, Wielkopolska</td></tr>
<tr><td colspan="2">provinces with large civic agglomerations undergoing deep economic transition, which influences the path of development for marketplaces and limits its dynamics</td><td>Łódź, Silesia</td><td>Łódź, Lower Silesia, Małopolska, Silesia</td></tr>
<tr><td colspan="2">provinces with limited pace of economic transition, where the number of marketplaces remains the same or decreases</td><td>Warmia-Masuria, Kujawy-Pomerania, Pomerania, Podlasie, Opole, Świętokrzyskie, Małopolska</td><td>Lubuskie, Opole, Kujawy-Pomerania, Pomerania, Warmia-Masuria, Świętokrzyskie, Podlasie, West Pomerania</td></tr>
</table>

Source: author's study based on Werwicki, A. Handel targowiskowy aglomeracji łódzkiej na tle jego znaczenia ogólnopolskiego w latach 1994–1997. Łódź: Łódzkie Towarzystwo Naukowe, 2000.

Picture 3
Change in the area of fixed marketplaces, measured in square meters [m^2] in Poland in years 1995–2006



Area and number of light-retail points of sale[2]

Another important indicator, apart from the amount, is the area of active marketplaces. Based on the data from 1994–1997 A. Werwicki (2000) stated that the increase of the amount of marketplaces not always correlated with the increase of their size, although it usually did. In 2006 the total area of all of marketplaces in the entire Poland was 15 384 449 square meters (m^2). Comparing to 1995 there was a 5% increase. The decrease of marketplace area occurred only during two time periods – years 2000–2001 and 2003–2004 and also in the year 2006. In the remaining time of the studied period the area of marketplaces rose, despite the decrease of their amount. In other words, the area of marketplaces increased as their amount decreased (picture 3). It allows us to conclude that large-area marketplaces, like 'Jarmark Europa' in Warsaw, 'Tuszyńskie Centrum Handlowe' in Tuszyn or 'Ptak' in Rzgów, start to play the more important role.

The province with the largest overall area of marketplaces in 2006 was the Mazovia province (3 358 723 m^2). The smallest area of marketplaces was in the Opole province (219 893 m^2). The diversity of size of marketplaces in Poland was much bigger than the diversity of their quantity – the coefficient of variation was 50% for the area of 79%. The data collected allowed once again to distinguish three different classes (picture 4):

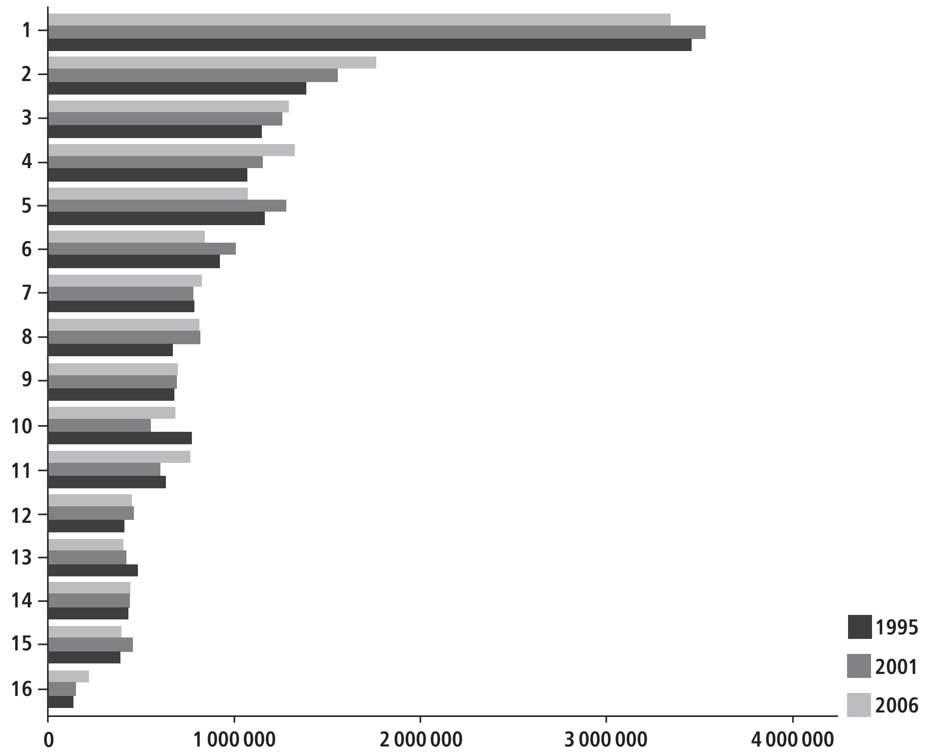
- provinces with increasing area of marketplaces: Łódź, Wielkopolska, West Pomerania, Podlasie, Świętokrzyskie,
- provinces with stable, constant area of marketplaces: Opole, Lower Silesia, Lubuskie, Mazovia, Podkarpacie, Kujawy-Pomerania, Pomerania and Warmia--Masuria,
- provinces with decreasing area of marketplaces: Lublin, Silesia, Małopolska.

Thanks to this classification, when compared to the amount of marketplaces in different provinces, the following conclusions can be found:

- the amount of marketplaces is often inversely proportional to the area of marketplaces, for example: in the Łódź and West Pomerania provinces the decrease of one value occurs with the increase of the other one, which leads to the conclusion that large, specialized marketplaces supersede the smaller bazaars;
- there are regions in Poland where marketplace retail does not show any dynamics, changes or tendencies. In the studied period, both the number of marketplaces and their area did not change in the following provinces: Lower Silesia, Warmia-Masuria, Pomerania, Lubuskie, Kujawy-Pomerania, Silesia, Opole, Małopolska;
- there are provinces in Poland where the number of marketplaces increases but their area decreases or maintains the same, stable level. It means the increase of the amount of small, community marketplaces, the so called *'ry-*

[2] According to Central Statistical Office – trade locations including: large-area facilities, convenience stores including pharmacies, fixed light-retail points of sale (kiosks, stalls), mobile light-retail points of sale, gas stations.

Picture 4
The changes in area [m^2] of fixed marketplaces in various provinces in the years 1995–2006
(1 – Mazovia, 2 – Wielkopolska, 3 – Silesia, 4 – Lublin, 5 – Lower Silesia, 6 – Łódź,
7 – Małopolska, 8 – Kujawy-Pomerania, 9 – Podkarpacie, 10 – West Pomerania, 11 – Pomerania,
12 – Świętokrzyskie, 13 – Warmia-Masuria, 14 – Lubuskie, 15 – Podlasie, 16 – Opole)



neczki'. For example, this phenomenon occurs in the Mazovia, Lublin and Podkarpacie provinces;

- there is a separate case of the province, where the area of marketplaces increases together with their amount. This is the Wielkopolska province. It indicates a very good development of this type of retail in the province;
- there are clearly distinguished provinces in Poland, where the amount of marketplaces decreases but their area increases. These are: the Podlasie and Świętokrzyskie provinces. It can indicate that the significance of small, city bazaars is in decline, and the role of more specialized, large-area marketplaces grows, which causes the reduction of their numbers and the increase in their size.

An important indicator of the significance of various marketplaces is their size measured in the number of light-retail points of sale specified in absolute values. In 2006 there were over 120 thousand units at marketplaces in the entire Poland. Their largest quantity was in the Łódź province and the smallest – in the Opole province. The scale of diversity in this case was similar to the scale measured for the area – the coefficient of variation 73%.

In the years 1994–1997, with the exception of large marketplaces serving foreign visitors and regional centers serving large agglomerations, the number of retail points of sale per one marketplace was in the range of 30–50 points. When analyzing the amount of light-retail points of sale in years 1995–2006, we can see that the results confirm the conclusions achieved after the analysis of data about the amount and area of fixed marketplaces. Among the provinces with the highest number of points of sale per one marketplace in 1995, there are: Lublin, Świętokrzyskie, Warmia-Masuria, Podlasie, Mazovia, Kujawy-Pomerania, Wielkopolska and Małopolska. In all the aforementioned provinces, the number of points of sale at a marketplace exceeded 100. Another group contains provinces with light-retail points of sale ranging from 50 to 100 at one marketplace. This situation occurred in 1995 in: Pomerania, Łódź, Podkarpacie, Lower Silesia, Silesia, West Pomerania and Opole. Only the Lubuskie province had less than 50 points of sale per one marketplace. In the year 2000 the situation started to change. The group of 100 and more light-retail points of sale per 1 marketplace was enlarged by the provinces: Łódź and Podkarpacie, however the Małopolska province did not meet the requirements of this group. The number of points of sale increased at smaller marketplaces (50–100 points per marketplace). The most spectacular increase was witnessed in the Lubuskie province. On the other hand, the most dramatic decrease in 1995 occurred in the Lower Silesia province.

In the year 2006 the biggest increase, comparing to 1995, occurred in the provinces: Małopolska, Wielkopolska, Mazovia and West Pomerania. During the last studied period, the following provinces belonged to the first group (with over 100 points of sale per 1 marketplace): Lublin, Świętokrzyskie, Warmia-Masuria, Podlasie, Mazovia, Kujawy-Pomerania, Wielkopolska, Małopolska, Pomerania, Podkarpacie and West Pomerania. In the group of provinces with 50 to 100 light-retail points of sale per 1 marketplace, there were the following provinces: Łódź, Lower Silesia, Silesia, Opole and Lubuskie. In the last period, all the provinces exceeded the value of 50 points of sale per one marketplace.

Conclusions – classification of provinces

If we consider all the described characteristics of marketplace retail (amount, area, number of points of sale per marketplace) in Poland, the classification of provinces can be created. The basis of the classification is the point bonitation. The following assumptions were made before the points were assigned:

- amount of marketplaces:
  - 3 points – for the amount of marketplaces over 200,
  - 2 points – for the amount of marketplaces in the range of 100–200,
  - 1 point – for the amount of marketplaces in the range of 0–100.
- area of marketplaces:
  - 3 points – for the retail area of over 1 000 000 m^2,
  - 2 points – for the retail area in the range of 500 000–1 000 000 m^2,
  - 1 point – for the retail area in the range of 0–500 000 m^2.

Table 3
Point bonitation of the provinces

Attribute / Province	Feature			
	amount of marketplaces	area of marketplaces	number of stalls per one marketplace	Total points
Lower Silesia	2	2	3	7
Kujawy-Pomerania	2	2	2	6
Lublin	2	3	1	6
Lubuskie	1	1	1	3
Łódź	2	3	3	8
Małopolska	2	2	2	6
Mazovia	3	3	1	7
Opole	1	1	3	5
Podkarpacie	2	1	2	5
Podlasie	1	2	1	4
Pomerania	2	1	3	6
Silesia	3	3	3	9
Świętokrzyskie	1	2	1	4
Warmia-Masuria	1	1	1	3
Wielkopolska	3	3	2	8
West Pomerania	2	2	3	7

Source: author's own study.

- Number of light-retail points of sale per one marketplace:
  - 3 points – for the range of 0–105,
  - 2 points – for the range of 105–174,
  - 1 point – for over 175 points of sale per one marketplace.

In the last of the categories, the number of points assigned increases together with decreasing number of light-retail points of sale per one marketplace. In this way, the risk of getting the highest scores by provinces specialized in large-area marketplace retail was avoided and at the same time the rank of small, local marketplaces, which despite their small size play a very important role in their region, was raised. Points were assigned to all the provinces accordingly (table 3).

In total, every province could gain 3 to 9 points. Three categories have been established:

- 3–5 points
- 6–7 points
- 8–9 points

The first group contains provinces with small amount of marketplaces, small retail area and large number of points of sale per one marketplace. These are the provinces, where marketplace retail never played a more important function than regional or local, provinces with low level of economic development and provinces, where the number of marketplaces is decreasing or maintaining the same low level. The second group contains provinces which achieved an average level in all the featured categories. These are the provinces, where usually no major changes in this kind of retail are noticed and provinces where marketplace retail played a very important role in the past, but due to political and legal changes there was a sudden stop or even decrease to its development. The third and the last group contains provinces with large amount of marketplaces and large retail areas and small number of points of sale per each marketplace. These are the provinces, where this kind of retail plays an important function in the region and where development of marketplace retail still continues or all the studied features in these provinces maintain the same, high level.

After summarizing all the points, the results follow as:

- 3–5 points – Lubuskie, Warmia-Masuria, Podlasie, Świętokrzyskie, Opole, Podkarpacie,
- 6–7 points – Kujawy-Pomerania, Lublin, Małopolska, Pomerania, Lower Silesia, Mazovia, West Pomerania
- 8–9 points – Łódź, Wielkopolska, Silesia.

The first group contains provinces with low level of economic development, where the role of marketplaces is insignificant. The second group consists of provinces, where marketplace retail was very successful some time ago – for example the West Pomerania province, the Lower Silesia province and even the Mazovia province, however currently the role of this kind of activity in social and economic life is in decline. The last group contains three provinces – Łódź, Wielkopolska and Silesia, where the development of marketplace retail still continues or maintains the same level. These are the provinces strongly connected and traditionally linked with marketplace retail. It can even be said that marketplace retail in these regions is a tradition built year after year. This is mainly due to the favorable location on the most important, both historically and modernly, Polish trade routes.

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Summary

HANDEL BAZAROWY (TARGOWISKOWY) W POLSCE W LATACH 1995–2006

Pod koniec lat 80. Polska doświadczyła ogromnego boomu tzw. handlu ulicznego, a jak mówią niektórzy „łóżkowego (w związku z prowizorycznymi ladami tworzonymi z łóżek turystycznych). Boom był wywołany oczywiście zmianami politycznymi i ekonomicznymi w kraju. Innym czynnikiem determinującym zjawisko było otwarcie szczelnych dotąd granic. Po okresie niekontrolowanego rozwoju, w tym kompletnej beztroski władz lokalnych związanej z lokalizacją takich przedsięwzięć na początku lat 90. rozpoczął się proces cywilizowania ulicznego handlu. Jednym z efektów zmiany podejścia do tej formy działalności było powstanie m. in. podłódzkich targowisk czy stołecznego Jarmarku *Europa*. Celem artykułu jest stworzenie typologii ponadlokalnych rynków bazarowych. Autorzy w oparciu o dostępne dane dla województw prezentują w ujęciu dynamicznym ten szczególny typ handlu w Polsce.