

Stefania Środa-Murawska

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STEFANIA ŚRODA-MURAWSKA

NICOLAUS COPERNICUS UNIVERSITY, TORUŃ

SELECTED ASPECTS OF CHANGES IN TRADE NETWORK IN THE PERIOD 1995–2003 FROM THE PERSPECTIVE OF POLISH SMALL TOWNS

ABSTRACT. In the following article the author attempts to analyze changes in the domestic trade, and more precisely, the qualitative and quantitative fluctuations in reference to retail shops found in Polish towns in 1995 and in 2003. The towns taken into consideration remained below 20,000 dwellers. Throughout the analysis the author was searching for regularities in the changes of the numbers of retailers as well as for the reasons of those fluctuations in individual towns and in groups of towns classified according to their size. Another aspect taken into consideration was the spatial positioning of the analyzed differences. Accessibility of shops, both in time and space, for town dwellers was also examined in detail. Finally the author offers a prediction of the future development of the domestic trade, a significant elements of the national economy.

KEY WORDS: towns, domestic trade, retailing, shops.

INTRODUCTION

Domestic trade was one of those sectors of Polish economy in which the expectations of post 1989 reforms were fulfilled in a very fast pace (Grzesiuk, 2003). The reforms comprised privatization of national institutions and factories, development of private enterprises, and activating human resources. Such a success was a consequence of general trends in the evolution of trade in general and retail in particular. Since the 1960s retail has been gaining in importance as part of national economies of the developed countries (Pindakiewicz, 1995). Due to those factors, when retail became freed from previous legal limitations, the period after 1989 has been characterized by a smooth adaptation of retailing to

the new ways of living, and furthermore those factors enabled a rapid expansion of this kind of domestic trade in Poland.

Already the analysis of the first period 1988-1990 presents a very dynamic transformation of the structures of ownership in respect to chains of shops in Poland. While in 1988 only 16%, out of the total 150,000 Polish shops, belonged to the so called ‘non-nationalized retailers’, already in 1990 the ratio changed drastically as up to 82% of shops were in private hands (Table 1).

Table 1. The dynamics of transformation shown in the number of shops and the structure of ownership in Poland from 1988 to 2003

YEARS		1988	1989	1990	1995	2000	2003
A	1	100.0	21.7	11.4	5.0	1.8	1.2
	2	100.0	518.3	927.1	1,742.4	1,785.4	1,861.2
B	1	83.9	18.0	6.0	1.5	0.5	0.3
	2	16.1	82.0	94.0	98.5	99.5	99.7

A – dynamics of changes in the number of shops in Poland (in %); B – the share of shops in relation to ownership (in %); 1 – national sector; 2 – private sector.

Source: author’s analysis on the basis of data provided by GUS (Główny Urząd Statystyczny, Central Statistical Office).

When comparing the retail sector between 1988 and 2003, one notices an astonishing 1,861% dynamics of changes in the number of shops. To be exact the number of private retail shops increased by 405,000 in the analyzed period. In 1988 more than 2/3 of all shops, around 126,000 enterprises, were state owned; however, in 2003 there were scarcely 2,300 national retailers reaching a meager 0.3% of all shops in Poland. The presented general trend was true in all Polish provinces. Each town and village benefited from new shops opened by private owners, and still the remaining state run shops of 1988 were being taken over by people who decided to start their own enterprises, by leaseholders, or even by those managers who were responsible for the shops in the previous period. Those changes in ownership have been visible both in the qualitative and quantitative aspects everywhere in Poland. Usually the development of the trade sector is analyzed from the perspective of the whole country (Mirońska, 2005; Kłosiewicz-Górecka, 2002) or bigger cities (Rochmińska, 2005; Szymańska, Stachowski, 1995), while a more precise insight into the changes on the level of groups of towns, poviats (powiat, second-level unit of administration, equivalent of a county), or individual Polish regions is still missing. When the whole country is taken into account automatically the specificity of small towns is lost

in the analysis, and for this purpose alone not much is still known about smaller settlements. On one hand retailing and its development is well documented in research of cities and agglomerations, in investigations into the creation and evolution of shopping centers, on the other it is still difficult to describe retailers in towns of Poland. Therefore, the following question had to be posed about the impact of the deep social and economic transformations after 1989 on the present shape of retailing in small towns.

In the following article the author aims at finding how many retail shops can be found in small Polish towns, and what is their share in the national retail market at the beginning and the end of the studied period. Throughout the analysis some regularities were searched for, some recurring patterns in changes, both rises and falls in the number of shops, as well as the reasons for fluctuations in individual towns and in groups of towns classified according to their size. Another part of the analysis was devoted to spatial dispersion of the depicted differences. The next step of the analysis concentrated around assessing the accessibility of retail shops for clients living in towns, including two separate aspects of time and space. For this purpose a number of people per each shop had to be calculated. It could be expected that the highest number of retail shops in small towns should be visible in the peripheries, in regions remotely situated from cities and agglomerations. This would be a consequence of difficulties connected with providing small towns with such basic supplies like food. Finally the analysis should be concluded with a prediction about the further development of retailing in small Polish towns. Therefore, it is necessary to answer the question whether it can already be seen, or will be seen in near future, that the number of retailers will dwindle just as it has been seen in Western Europe for many years.

The analysis has included all towns the population of which did not reach 20,000 in 2003. There were 653 towns which fell under the category according to data collected for urban municipalities (*gmina miejska*, the third-level, smallest unit of administrative subdivision), and towns subdivided from mixed, urban-rural municipalities (*gmina wiejsko-miejska*). Taking into account the classification of shops given by GUS (Główny Urząd Statystyczny, Central Statistical Office), the analysis encompassed all spaces provided for trade, which are accessible by the general public. The figures presented in the analysis come from GUS and were calculated on the basis of annual reports, and the data concerning 1995 and 2003 originate in registers.

In 1995 the investigated towns housed 4,973,265 citizens, which amounts to more than 13% of Polish population.

The largest group is constituted by towns of 5,000–10,000 dwellers, 178 settlements in 1995 and 182 in 2003. The smallest group comprises those towns

with 15,000–20,000 citizens, 88 and 84 in 1995 and 2003 respectively (Table 2). As mentioned before the analysis took into account the data from 1995 and 2003 only.

Table 2. Size structure of selected Polish towns in 1995 and in 2003

TOWNS IN RESPECT TO THE NUMBER OF CITIZENS	NUMBER OF TOWNS				NUMBER OF CITIZENS			
	ABSOLUTE VALUES		PERCENTAGE		ABSOLUTE VALUE		PERCENTAGE	
	1995	2003	1995	2003	1995	2003	1995	2003
<3,000	143	136	21.9	20.8				
3,000–4,999	140	149	21.4	22.8	873,037	880,915	17.5	18.0
5,000–9,999	178	182	27.3	27.9	1,256,294	1,292,560	25.3	26.4
10,000–14,999	104	102	15.9	15.6				
15,000–20,000	88	84	13.5	12.9	2,843,934	2,719,433	57.2	55.6
Total	653	653	100.0	100.0	4,973,265	4,892,908	100.0	100.0

Source: author's analysis on the basis of data provided by GUS (Główny Urząd Statystyczny, Central Statistical Office).

THE QUANTITATIVE CHANGES IN RETAILING

While in 1995 there were 59,276 retail shops in small Polish towns, which constituted nearly 14% of all shops in Poland, at the end of the investigated period there were 86,466 retailers amounting to 20% of all Polish shops. The biggest amount of shops and people employed in retail both in 1995 and in 2003 was characteristic of the largest towns in the analyzed group, namely those with 15,000–20,000 inhabitants (Table 3). It seems only natural, especially when we remember that more than a half of the population of small towns inhabit those settlements with 10,000–20,000 citizens. Every third retail shop could be found in the towns of 15,000–20,000 inhabitants.

In two subsequent groups of towns, with 5,000–10,000 inhabitants and with 10,000–15,000 citizens, there were around 1/4 of all shops in each category. However, the most numerous group as far as the number of towns is concerned, namely the group of 143 towns with less than 3,000 inhabitants could boast only 7.3% of the investigated shops in 1995, and even less, 6.5%, in 2003. There is a direct correlation, typical for market economy, between the number of people and the amount of available retail shops providing for the daily demand.

After 1990 there was a constant increase in the amount of retail shops in Poland. By the same token the average number of shops per settlement has risen in the investigated towns as well. The most significant increase of around 50% in the number of shops characterized towns of more than 3,000 inhabitants. On the other hand the lowest increase in the number of shops, from 30 to 41, gave a mere 40% rise in towns with less than 3,000 citizens (Fig. 1).

Table 3. Structure of retail shops in Poland in 2003

TOWNS IN RESPECT TO THE NUMBER OF CITIZENS	NUMBER OF RETAIL SHOPS			
	ABSOLUTE VALUE		PERCENTAGE	
	1995	2003	1995	2003
<3000	4,299	5,588	7.3	6.5
3,000–4,999	6,587	10,465	11.1	12.0
5,000–9,999	14,587	22,471	24.6	26.0
10,000–14,999	15,369	22,714	25.9	26.3
15,000–20,000	18,434	25,228	31.1	29.2
Total	59,276	86,466	100.0	100.0

Source: author's analysis on the basis of data provided by GUS (Główny Urząd Statystyczny, Central Statistical Office).

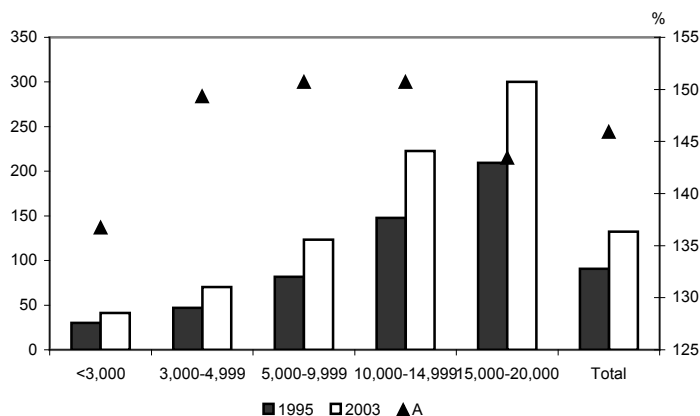


Fig. 1. The average number and dynamics of change in the average number of retail shops per town in 1995 and in 2003

A – dynamics of change in the average number of retail shops per one town (1995=100%).

Source: author's analysis on the basis of data provided by GUS (Główny Urząd Statystyczny, Central Statistical Office).

However, a more thorough analysis into the fluctuations in the number of retailers in the period studied uncovers an interesting rate: in 619 towns, in nearly 95% of all investigated settlements, the number of shops increased, in 4 towns it remained unchanged, and in 30 places a decrease characterized the change.

As the analysis showed, out of the 30 towns, 4.6% of all investigated settlements, 21 can be found in the Western and Northwestern parts of Poland.

On the other hand nearly half of the investigated towns, 48%, found the number of shops rising by 50%. Moreover in the remaining 47% of towns, 305 to be precise, the number of retail shops increased by more than 50%, on top of which 9 towns were characterized by a 200% rise, and in the case of Stronie Śląskie by an astonishing 400% growth, from 22 to 111 shops.

Stronie Śląskie is one of 8 towns located in the visibly distinct Sudety powiat (Fig.2). A twofold increase in the number of retail shops in the towns of that powiat between 1995 and 2003 is a direct consequence of an extremely dynamic development of the tourism sector at the beginning of the 21st century (Strategia...). Another factor influencing the rise of the number and differentiation of shops may be attributed to a higher initiative among the inhabitants of the Sudety powiat.

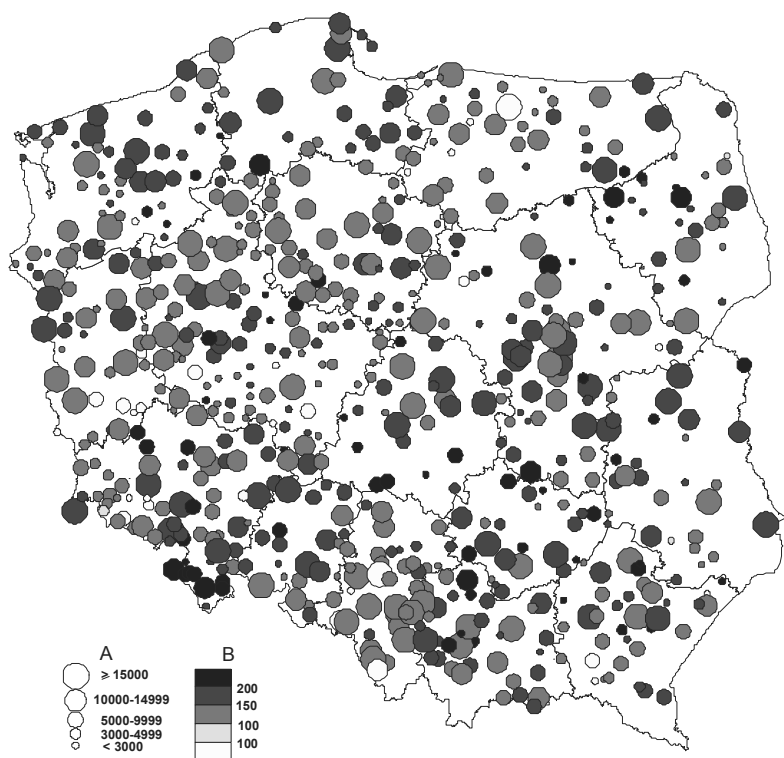


Fig. 2. The dynamics of change in the number of retail shops in small Polish towns in the period 1995–2003

A – number of citizens, B – dynamics of change in the number of retail shops (in percent, when 1995=100%).

Source: author's analysis on the basis of data provided by GUS (Główny Urząd Statystyczny, Central Statistical Office).

In the town of Stronie Śląskie alone, a higher demand for retail shops was an obvious consequence of a vast number of tourists coming to the region after 1995. In order to depict this change more clearly, one should realize that the number of accommodation available for tourists rose from 48 in 1995 to more than 5,800 in 2002. Still among the towns with the biggest drop in the number of shops, Żerków was characterized by a 35% decrease of shops from 64 to 42 retailers.

Among all investigated towns Wadowice was the one with the highest number of shops both in 1995 and in 2003 even despite the fact that it was not the largest town in any of the periods. In 1995 there were 385 shops, and in 2003 the number rose tremendously to 588. It can be said that the major factor influencing such a significant amount of shops was the well developed tourism sector. Vast numbers of visitors coming to Wadowice consisted mainly of tourists and pilgrims coming to the place of birth of the Pope John Paul II. Such a view may be supported by a high quantity of lodgings already in 1995 reaching 9,500 beds, rising as much as to 16,630 beds in 2003. In contrast in some towns there were barely 7 retail shops in 1995, in Wyśmierzyce and in Suraz, and still such a low number remained characteristic of Suraz even in 2003.

In conclusion it may be stated that on average in all Polish small towns there was a drastic rise in the number of retail shops in the period 1995–2003. To be precise the number of shops rose from 59,276 to 86,466, which makes it a nearly 50% increase. The growth was quite constant in the whole group of investigated towns as half of them was characterized by a nearly 50% increase, and the other half, with a few exceptions, could boast even bigger dynamics of change. Nevertheless, drawing conclusions from such a raw data as the rise or fall in the number of retail shops is still difficult in respect to individual towns, as the general upward trend reflects some higher-order global tendencies. From what can be concluded, the biggest influence on the number of retail shops is caused by a dynamic development of the tourism sector in each individual region, relating either to the natural beauty as in the case of towns within Kłodzko powiat, or to anthropogenic factors as was exemplified by Wadowice.

ACCESSIBILITY TO RETAIL SHOPS

One more factor which allowed to depict the development of the trade network was the ratio between the number of people per each shop. In 1988–2003 period, this indicator fell from 250 to 85 citizens per retailer.

Such a drastic fluctuation was a direct impact of transforming centrally managed economy into the free market after 1989. As it was already mentioned the most rapid changes were visible in the trade sector. From the early 1990s onwards a growing number of shops was nothing more but an answer to customers' needs

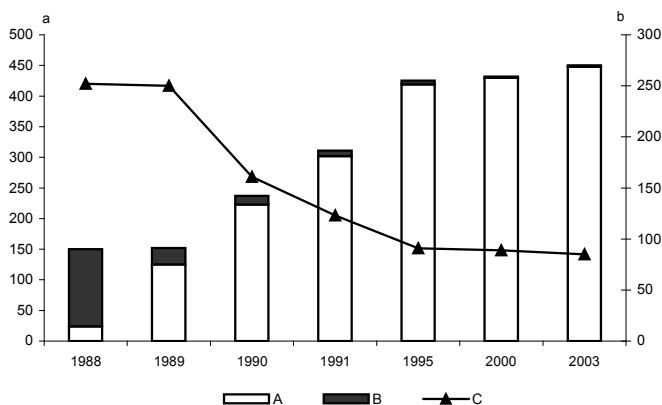


Fig. 3. The number of retail shops set against types of ownership, and the number of town inhabitants per shop in Poland in the 1988–2003 period

A – private owned shops (not nationalized), B – state owned shops (nationalized), C – number of town inhabitants per one retail shop; a – shops in thousands, b- number of town inhabitants per one retail shop..

Source: author's analysis on the basis of data provided by GUS (Główny Urząd Statystyczny, Central Statistical Office).

and the demand for goods. From the mid 1990s, there were also new chains of stores introduced to and expanding across the Polish market (Grzesiuk, 2003). Many small shops vanished as a result because they could not compet with huge department stores. On the other hand, the situation in small towns did not change that much as the market in towns did not provide enough customers for big chains or department stores to introduce their shops. Therefore, there was no drop in the number of retail shops in small towns, but rather a further development of retailing. For the same reason, the number of inhabitants per shop continued to decrease (Fig. 4). Although in 1995 only 28 towns were characterized by such a small number of citizens per shop as hardly 50, in 2003 it was already 203 towns, totaling 1/3 of the investigated settlements. These figures may suggest a healthy free market competition and diversification of provided goods. Another point worth mentioning is the fact that in 1995 only in 27% of towns the number of customers per shop remained between 50 to 74. In 2003 the situation improved in nearly half of the towns. One more fact to mention is that in 1995 there were 92 towns with more than 125 town inhabitants per shop, whereas in 2003 there were barely 8 towns with such a high ratio. On average the number of citizens per retailer fell from 93 in 1995 to 62 in 2003 across Polish small towns.

When the whole country is considered in total, the highest number of customers per retail shop could be found in towns of the industrial Upper

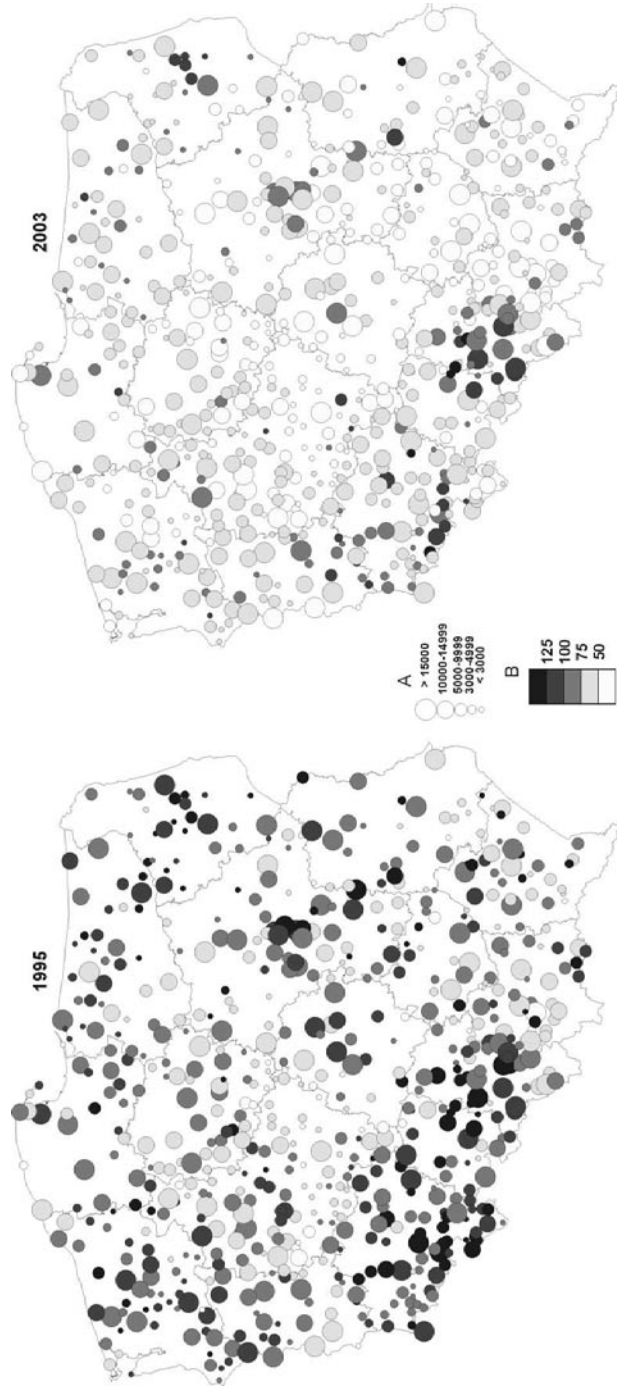


Fig. 4. The number of inhabitants per shop in Polish towns in 1995 and in 2003

A – the number of inhabitants; B – the number of inhabitants per shop

Source: author's analysis on the basis of data provided by GUS (Główny Urząd Statystyczny, Central Statistical Office).

Silesian Industry Area (Górnośląski Okręg Przemysłowy) and in Lower Silesia (Dolny Śląsk), in other words in the towns of Southeastern Poland. This situation remained unchanged from 1995 to 2003. The best situation from the perspective of customers was in the central and Southern voivodeship Wielkopolskie, (a historical region of west-central Poland), where both in 1995 and 2003 the number of customers per shop did not exceed 60. In contrast still in 2003 some regions of Poland were faced with a much higher ratio of more than 75 citizens per shop. That was true for Warmińsko-Mazurskie voivodeship (województwo, first-level administrative region in Poland), and for Western and Southwestern voivodeships. It is also worth mentioning that in 1995 there were still two towns with more than 300 customers per shop, in Kolonowskie and Stronie Śląskie the figures reached 373 and 333 respectively. In 2003 Kolonowskie was the last of Polish towns in the ranking with as many as 264 inhabitants per shop.

CONCLUSIONS

In conclusion it must be said that the fluctuations in the number of retail shops, and in the number of customers per shop reflect the dynamics of change in the trade sector in Poland. The abundance of the investigated retailers in small towns should be treated as the answer of Polish society to the new capitalist reality. The conducted analysis of this dynamically developing sector of Polish economy presents that the accessibility of retailers was much more widespread in the whole country both in 1995 and in 2003. It also seems that there was a significantly higher accessibility of retailers in towns surrounding agglomerations, which is proven by the fluctuations in Southeastern Poland and in smaller towns of Greater Poland voivodship. On the other hand such tendencies were not visible in Śląskie and Dolnośląskie voivodeships. It may be assumed that the constantly growing accessibility of cities with large department stores providing goods at very low prices is a direct cause for small town customers to buy in cities rather than in their hometowns. This increased accessibility of city shops was an effect of at least two factors: growth in the number of private cars, and establishment of private companies specializing in delivery between cities and nearby towns. All in all the number of inhabitants per shop remains quite high still in 2003, which is also caused by the situation in towns surrounding the capital of Poland, where there are numerous customers buying in each individual shop.

Taking into account the nature of small towns that are characterized by fairly limited human resources, it may be expected that both the number of shops and the correlated number of customers per shop will stay constant. Small towns will remain outside the scope of interests of big chains of shops. The influence of cities with their department stores may be visible only in neighbouring towns. In

those cases the impact of lower prices and of bigger diversity of goods offered by shopping centers will be visible in drawing customers from towns in the vicinity of cities. As a result there will be a smaller number of retail shops in these towns and the whole surrounding area as well. Therefore, it may be finally concluded that the saturation of retailers in small Polish towns reached in 2003 should remain stable.

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CORRESPONDENCE TO:

Stefania Środa-Murawska
Institute of Geography
Nicolaus Copernicus University
ul. Gagarina 9, 87-100 Toruń, Poland
e-mail: steffi@geo.uni.torun.pl