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# TRANSFORMATIONS IN THE INDUSTRIAL AREAS IN A SMALL CITY - EXAMPLE OF OZORKÓW

ABSTRACT. The process of functional transformations which currently occurs in the urban industrial areas, concerns also the small cities, Ozorków being an example. The article identify the causes, specifics and mechanisms of transformations, and describe the effects they have on the city and its community. The information used in the article has been collected during the research the Author conducted in Ozorków between 2001 and 2002.

KEY WORDS: industrial areas, Ozorków, functional transformations, spatial structure.

In the 19th century, the cities located in the Łódzki Industrial District underwent a dynamic development, which was mainly due to the business of textile and clothing industry. The most serious crisis in this branch took place in the 1990s, and it resulted from economic, political and social transformations, which were a consequence of the transition of economy from the centrally planned to market driven. Social and spatial structure of this Region's cities of various sizes was also changed as a result of the social and economic transformation process. Some adverse social phenomena came into being, such as growing unemployment, increase in the number of people benefiting from social assistance, poverty in families, etc., and the complexes of former factories, which stopped operating, required urgent intervention.

This article is to present the process of transformations which currently occur in the industrial areas in small cities, Ozorków being an example, identify

the causes, specifics and mechanisms of transformations, and describe the effects they have on the city and its community. The information used in the Article has been collected during the research the Author conducted in Ozorków between 2001 and 2002.

Ozorków is located in the central Poland, 25 kilometres away from Łódź (North direction), on the Bzura River. In the South it is surrounded with a large Grotniki forest complex, and in the North, there is agricultural land of Leczyca Region. The city covers 1,547 hectares, and in 2000 it had 21,643 inhabitants, with the number of females prevailing (the feminisation ratio in this period reached 112), which is a typical phenomenon in the cities of the Łódzki Industrial District. Ozorków was founded as a village as early as in the 15th century, and the clothing settlement was established in 1807, when Ignacy Starzyński, the owner of the land, invited a group of craftsmen to Ozorków. The contract which was entered into with them stipulated the terms of settlement and crafts production, and became a standard for other private industrial districts in Łódzkie Region. Ozorków received the city rights in 1816, and by 1830 it became one of the largest industrial centres in the Kingdom of Poland, which had factories and numerous workshops. At the initial stages, Ozorków's cloth was mainly manufactured at homes, but in 1822, a large textile plant (wool and cotton spinning and weaving mills) started to operate. In the later period, dye-houses (in the 19th century, Ozorków housed the largest cloth dye-house in the Kingdom of Poland), clothing and hosiery manufacturing plants were constructed. The analysis of the history of Ozorków's development in the 19th and 20th centuries has indicated that the textile and clothing industry played the main function in the city's development. It is confirmed by the employment ratio: in the 1970s, on average 72% of the working age population were employed in the industry, and in 1990, approximately 2/3 of this group continued to work in this branch (Barański, 2003).

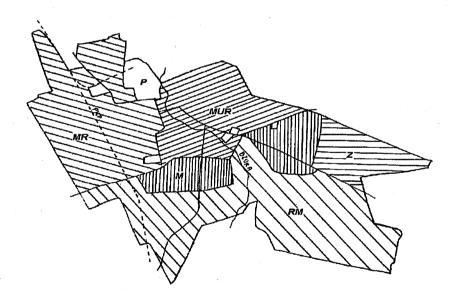
No planned regularity in the location of the industrial areas is observed in the city's spatial layout (the industrial districts have not been separated); enterprises are dispersed, or create small groups located in the vicinity of the factories. The location of most of the existing structures within Ozorków's industrial areas is incidental, and it reflects a spontaneous way of their founding, which was typical for the stage of impetuous industrial development in Poland, which lasted between mid-19<sup>th</sup> century and 1939. Figure 1 presents the analysis of the distribution of the industrial areas in the city.

The oldest industrial areas in Ozorków are located on the city's composition and development-related axis along Łęczycka and Wyszyńskiego Street (such as the area of the former "Textile Cooperative" and "TJJ Corporation"). The location of the textile factories, which was characteristic for this group, was selected in order to secure access to the water of the Bzura River, which was necessary for the production process. On the other hand, the enterprises which

conducted a different type of industrial activity, were located on incidental basis. Newly established plants are located in the southern part of the city, where the sub-zone of the Łódzka Special Economic Zone was set up.

The detailed research delivered by the Author has covered seven industrial complexes located in Ozorków. During the period of the economic transformation, they underwent various forms of transformations, which resulted in changes to their management. The following enterprises were researched in the context of their location: "Morfeo", "Latona", "Włókiennicza Spółdzielnia Pracy", "Maszkowska", "TJJ", "Mleczarnia" (Compare to Fig. 1). These complexes may be classified as the following three categories of the industrial areas:

- plants, which due to their bankruptcy or liquidation, do not conduct production activity.
- enterprises which function, however their activity is not related with the textile or clothing industry,
- factories which were established after 1990, and which function due to the presence of Ozorków's Special Economic Zone.



P - industrial areas; M - housing areas; MR - housing - agricultural areas; MUR - housing - service provision - agricultural areas; RM - agricultural - housing areas; Z - municipal forest

Fig. 1. Distribution of the Industrial Areas in Ozorków in 1990

Source: Author's own research

The process of transformation in the industrial areas has started since the moment of their founding (Liszewski, 1997, Kaczmarek, 2001), and it depends on the size of production, its technology, way of managing, intensity in exploitation of the area, and its importance to the city and region. Since they have been progressive or regressive in nature, these changes may be referred to as the evolution in time, and despite of them, the function of the industrial exploitation of this land continues to be maintained. At present, the processes which entirely eliminate the industrial function and replace it with different types of business, provision of all sorts of services in particular, occur in the industrial areas. This phenomenon has been presented in the following Polish publications concerning transformations in the urban space: S. Kaczmarek 1998, 1999, 2000, 2001), K. Gasidło (1998), J. Słodczyk (2001), B. Domański (2000), (Ziobrowski and others, 2000).

Table 1. Description of the industrial areas under study in Ozorków

NAME OF THE INDUSTRIAL AREA	YEAR IN WHICH IT WAS ESTABLISHED	ITS SIZE IN HECTARES	Original activity	STATE OF TRANSFORMATION IN 2003			Dunner	
				FORM (1)	Function (2)	OWNERSHIP (3)	- Purpose Envisaged	
"Morfeo"	1843	19.1	Wool spinning mill	(1) Divided, Adaptation, Demolition				
				<ul><li>(2) Production of clothes, footware and hosiery</li><li>(3) State Treasury, Private, Communal (City of Ozorków)</li></ul>			Production No concept	
								"Latona"
1973	<ul><li>(2) Production of timber-made goods</li><li>(3) State Treasury, Private</li></ul>							
					for ladies			
"Włókiennicza Spółdzielnia Pracy"				(1) Divided		Production		
	1817	3.5	Wool factory	(2) Textile produ	uction, clothing,	Trade Services		
			(3) Private, Communal (City of Ozorków)			30141003		
"Maszkowska"			Wool	(1) Divided			Production	
	1887	1.7	spinning	(2) Production (	of clothes, services		Trade	
			- mill	(3) Private	1.0		Services	
"TJJ"			Wool	(1) Divided				
	1880	2.6	side-product spinning mill	(2) Production of	uction of clothes, trade		Production	
				(3) Private			Trade	
"Mleczarnia"		Production 1952 3.9 of	Production	<ul><li>(1) Unchanged (the plant continues to operate)</li><li>(2) Production of dairy products</li></ul>				
	1952						Production	
	$\gamma = \{ x_1, \dots, x_{n-1} \}$	Formal Control	dairy products	(3) Cooperative		* **		

Source: Author's own research

The industrial areas where production activity ceased, and which are not exploited in any way, are referred to as the post-industrial areas. K. Gasidło (1998) has differentiated three types of the post-industrial areas: the owner has formally or factually abandoned them; the owner has kept them and hopes that they will be re-exploited within the same function; or the owner has kept them with expectation that in future they will be re-managed or sold to generate profit. On the other hand, the post-industrial areas where no new function has been introduced S. Kaczmarek (2001) describes as the "post-industrial urban fallow".

The contemporary transformations of the industrial areas in Polish cities have come into being as a result of the crisis in the traditional industries, which had been observed earlier in other countries, and are a consequence of the economic transformation during 1990s. They occur in the context of the relations concerning ownership, organisation, size and type of branch. Owners of the plots of land change, and so do the types of buildings, production machinery and equipment. The organisation of the enterprises located in the former industrial areas also changes. Large enterprises usually become joint stock companies with the share of the State Treasury, while the small ones turn into companies of various forms. Various types of companies and other new economic entities have been established in the place where the liquidated enterprises used to operate. The space, size of employment and production have also undergone changes. Various types of industrial units, which are different from the original ones, are set up, and the industrial function is eliminated and replaced by businesses which provide services and conduct non-production activities.

The processes of post-industrial areas transformations are usually chaotic and occur in the form of incidental divisions of the land, and sale of its small fragments to various users, without implementing any broader concept of management of the entire space. Such activities result in the situation where the buildings which should be demolished are kept, and the activities which may block sound land management for years are started-up. Incidental and spontaneous division of the industrial land hampers the process of planning of the road network which would ensure appropriate access to specific areas or neighboring plots (Domański, 2000).

Various forms and stages of the post-industrial area transformations have been observed within the group of the areas researched in Ozorków. They include a succession of functions, i.e. replacing a former form or exploitation with a new one, which however is not done within a planned process. New functions usually eliminate the original ones for good. The post-industrial areas become attractive to commercial, banking and insurance companies. Due to their large space, they are often used to house large-surface stores (super and hypermarkets). Ozorków's succession of functions occurs in the central part of the city, and the "TJJ" industrial area is an excellent example of this approach. In 2002, the "TJJ Corporation", which is a clothes manufacturer, sold

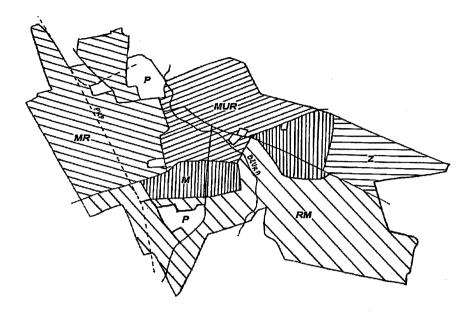
a plot for running commercial activity. A store owned by the "Leader Price" chain was constructed there.

The situation of the production enterprises which are insolvent or undergo liquidation is another reason for transformations in the industrial areas. Bankruptcy is the state where a company owner is unable to meet his/her financial liabilities, and which is confirmed in a legally binding decision of an administrative court. It means that such an enterprise loses its right to manage and hold the assets to an insolvency receiver appointed by the court. Within the group of enterprises researched in Ozorków, ZPB "Morfeo" S.A. and ZPK "Latona" S.A. submitted applications to announce their insolvency. In the justification the companies stated that they had lost their financial liquidity and been unable to pay their liabilities. The value of their liabilities also exceeded the value of the company assets. In 2000, the District Court in Łódź announced them as insolvent and their assets are sold by the insolvency receivers in order to pay back their creditors.

Liquidation means that a business ceases to run its economic activity since it has not met certain specific conditions to operate. Liquidation of enterprises is the process of winding-up the business due to economic reasons (low efficiency of management), or other reasons (such as the purpose of privatisation due to environmental protection requirements). The liquidation process is organised and conducted by a liquidator appointed by the owner of the enterprise (or its founding body, in the case of state-owned enterprises), who takes over the obligations and rights of all its bodies for the liquidation period. In 1995, Ozorków's "Textile Cooperative" was liquidated under this procedure.

Establishing new industrial areas in the city is another important aspect of the industrial area transformations. This process takes place in Ozorków due to establishing the Łódzkie Special Economic Zone in this Region.

The economic zones are mainly set up in the areas that have been affected by the economic crisis. They are to reduce unemployment and contribute to restructuring of the industrial districts (Kryńska, 2000). Works aiming at establishing the Special Economic Zone in Ozorków started in July 1996. Selection of its location became a serious problem. The authorities were looking for the land covering at least 30 hectares, which would be mainly owned by the Municipality or State Treasury. These areas were mainly to house industrial businesses. Ozorków's authorities proposed the area in the south-western part, which in the survey map is marked as O - 12, at Adamówek Street, and O - 8, at Konstytucji 3 Maja Street. It was a greenfield of the space of 32.2 hectares. On the 27 February 1997, the City Council approved of having Ozorków's Sub-zone of the Łódzkie Special Economic Zone established in that location (Resolution No XXIX/196/97). The investment in providing technical infrastructure in the area of the future zone was started. The fight to gain investors, who in Poland had 17 zones of different level of attractiveness to choose from, began (in 2003, there were 15 - two were liquidated due to the insufficient number of investors).



Legend

 $P-industrial\ areas;\ M-housing\ areas;\ MR-housing\ -agricultural\ areas;\ MUR-housing\ -service\ provision\ -agricultural\ areas;\ RM-agricultural\ -housing\ areas;\ Z-municipal\ forest$ 

Fig. 2. Functional Transformations of Ozorków Industrial Areas in 2003 Source: Author's own research

Establishing a fragment of the Łódzkie Special Economic Zone in Ozorków was a rational decision of its authorities. Appearance of new types of industrial businesses contributed to changing its structure, which by then had been dominated by textile industry. Enterprises manufacturing china, sanitary and printed goods, and products for car industry started operating in the Zone. In 2002, it employed 713 persons who were offered new jobs, and it is envisaged that while the businesses develop, they will create additional jobs.

Summing up these considerations, it may be concluded that the systemic transformation in the 1990s resulted in significant changes in distribution, size and structure of Ozorków industrial areas. (Fig. 2)

Although the industry continued to play the most important part in the city's economy and its functional structure, after 1990 the share of jobs in this field has systematically decreased. The changes occurring in the industrial areas were of various intensity. Industrial activity was eliminated in the central part, and the available area was taken over by the service sector (trade in particular). The functional transformations registered were spontaneous and chaotic in nature, and they took the form of the succession of functions. Unfortunately the

process of regeneration, which in a planned way would transform Ozorków's post-industrial areas to meet the need of their new methods of exploitation, has not yet occurred (Kaczmarek, 2001). Establishing and managing the Special Economic Zone, which transforms some of the city's industrial areas to change their economic structure, is the only form of the planned activity. At present it is hard to determine how the initiated process of the industrial areas transformation will develop. It may be only stated that the changes are gradual and take the form of the evolution of the city's functional and spatial structure.

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