



Wielisława Warzywoda-Kruszyńska*

 <https://orcid.org/0000-0001-5775-5525>

Kamil Kruszyński**

 <https://orcid.org/0000-0001-7450-8606>

LODZ IN THE PROCESS OF DEINDUSTRIALIZATION SOCIAL ASPECTS OF 1990–2004 SYSTEMIC TRANSFORMATION

Abstract. The aim of this article is to present a brief history of Lodz in view of historical events leading to the deindustrialization of the city during the period of Poland’s economic transformation. As a “great change” trauma of 1990 to 2004, juvenilization of poverty in Lodz has been documented. This phenomenon seems to be disregarded and unnoticed by architects and implementers of the transition from a centrally planned economy to a market economy.

Keywords: Lodz, economic transformation, juvenilization of poverty.

ŁÓDŹ W PROCESIE DEZINDUSTRIALIZACJI. SPOŁECZNE ASPEKTY TRANSFORMACJI SYSTEMOWEJ 1990–2004

Abstrakt. Celem artykułu jest przedstawienie krótkiej historii Łodzi na tle wydarzeń historycznych prowadzącej do dezindustrializacji miasta w okresie transformacji gospodarczej Polski. Jako trauma „wielkiej zmiany” w latach 1990–2004 dokumentowana jest juvenilizacja biedy w Łodzi, niebrana pod uwagę i niedostrzegana przez architektów i realizatorów przejścia od gospodarki centralnie sterowanej do gospodarki rynkowej.

Słowa kluczowe: Łódź, transformacja gospodarcza, juvenilizacja biedy.

* Professor, Institute of Sociology, Faculty of Economics and Sociology, University of Lodz, ul. Rewolucji 1905 r. 41/43, 90-214 Łódź, e-mail: wwkruszynska@gmail.com

** PhD, Department of Economic and Social Statistics, Faculty of Economics and Sociology, University of Lodz, ul. Rewolucji 1905 r. 41/43, 90-214 Łódź, e-mail: kamil.kruszynski@uni.lodz.pl

1. Lodz – the outline of the city’s history leading to systemic transformation

The process of Lodz becoming a “postindustrial” city is inextricably linked to the Poland’s systemic transformation of the 1990s, facilitated to a great extent by a convergence of internal circumstances (exhaustion of Poland’s developmental potential within the existing political-economic framework) and certain external factors (*perestroika* in the Soviet Union along with shift in policy towards Eastern Bloc countries, including a declaration of non-interference in their internal affairs). However, the process took significantly more severe course, due to the city’s size distinct from other cities’ social structure and the inhabitants’ sources of income, unnoticed (or perhaps disregarded) by architects and implementers of the systemic change. The residents of the city were forced to struggle with the consequences of a “tsunami” caused by the industrial collapse and the unprecedented pauperization on a vast scale.

Leszek Balcerowicz views the economic transformation of Lodz as “successful”, attributing it to the absence of any central government program that would support the city (unlike the contract for Silesia), since the transformation unleashed entrepreneurship.¹ However, he does not mention the social costs and enduring repercussions of the “shock therapy” experienced in Lodz.

Due to its distinct from other cities’ origins and development, Lodz holds a unique position as a big city in Poland. It lacks medieval beginnings, characteristic architectural elements, and social structures. It was structured as an industrial city within the Kingdom of Poland during the latter half of the 19th century, situated on the western periphery of the Russian Empire in the Piotrków Governorate, initially as a settlement, where manufactures were located, rapidly transformed into the largest industrial city in this part of Europe, producing cotton textiles and eventually other light industrial products. Russia was the primary supplier of cotton and constituted the largest market for the goods produced here. The massive and rapid influx of population brought an irrepressible expansion of the city. Janusz Skodlarski and Rafał Matera (2014: 107) report that within the span of one hundred years, the population of Lodz increased a thousandfold (from 500 to 500 000 citizens), whereas the city’s area expanded fivefold (to nearly 6000 square km) due to the incorporating nearby villages. In the period between 1860 and 1912, the value of the textile industry’s production in Lodz grew seventy-fivefold. “Lodz became an exemplification of American-style development pace, the one-dimensionality

¹ “According to the report by FOR, it can be inferred that in Lodz – in my opinion, fortunately [emphasis added by W.W.K.] – there hasn’t been any detailed state intervention. Such intervention is often politicized and signifies a squandering of funds...” *The Decline of Lodz Factories* an Interview with Prof. Dr. Leszek Balcerowicz. Source: <https://lodz.wyborcza.pl/lodz/7,35136,27561181,leszek-balcerowicz-w-autoryzacji.html>

of production structure, and the overwhelming dominance of the central hub” (Skodlarski, Matera 2014: 109).

The city developed vigorously around factories, without the emergence of a central marketplace. What was characteristic of the city was its ethnic diversity: coexistence of Poles, who, after the abolition of serfdom, were eager to find employment in factories and as domestic servants; Germans, who owned factories as well as held technical supervisory positions (foremen, supervisors); Jews, engaged mainly in trade, among whom later emerged established industrialists and bankers; and a large population of impoverished residents in Bałuty (the largest village in Europe with 100,000 inhabitants), incorporated into Lodz in 1915. Russians constituted the least populous group, who served as law enforcement and administration personnel until the First World War. They left the city after it was occupied by Germans during the war.

The First World War, the looting of modern factories by German occupiers, the Russian Revolution, and the formation of the Soviet Union led to severance of economic relations and an economic downturn of the city. Lodz did not manage to recover from this decline until the outbreak of the Second World War (much like the economy of Poland in general). The city lost its developmental momentum. The global economic crisis and hyperinflation exacerbated the situation. According to Stefan Kawalec (2018) “... between 1925–1928, Polish exports to Russia and the Baltic countries constituted only 8% of the value of sales from Polish territories under Russian rule to Russia in 1910. The loss of key export markets was a major factor hampering the development of the Polish economy in the interwar period”. Nevertheless, the city’s population did not cease to grow. In 1919, Lodz was home to 400,000 residents, and by 1939, the population rose to 670,000 inhabitants.

Although Lodz became the capital of a newly created voivodeship in 1919, its social structure was still characteristic of an industrial city. According to the 1931 census, workers accounted for 69.7%, small merchants and craftsmen for 18.8%, intelligentsia for 9.6%, and entrepreneurs for 2.1% of the total number of people working in the city (Puś 1987: 85). Lack of residential premises and very poor housing conditions were pressing issues. In 1931, according to the census, single-room dwellings constituted 63% of the city’s total housing stock. The sewage system, completed in 1932, was available to only one-third of the city’s residents.

During the invasion of Poland by the Nazi army in September 1939, Lodz was not destroyed.² It was also not demolished when the Germans fled from the Red Army in January 1945. Therefore, the city’s housing needs were not a priority for the central authorities, who decided on the allocation of resources to individual regions and cities. The ethnic structure of the city changed profoundly after the war. Lodz became an almost homogeneous city in terms of its nationality and religion. The

² In October 1939, the city was incorporated into the German Reich under the name “Litzmannstadt” as part of the so-called Wartheland, with Poznan as its administrative capital.

extermination of the Jewish population during the occupation and the refuge and forced displacement of the population of German origin after the end of warfare gave rise to the hope that housing needs would be more easily accessible for the newcomers from the surrounding countryside and that employment in factories would be immediately available. "...in April there were already 728 enterprises in operation, and by the end of 1945 – 903 enterprises were functioning employing 102,500 people. The first industry to commence operations was the dominant textile industry, which in 1946 was already almost 80% operational, employing over 84,000 workers and accounted for about 80% of total production." (Illustrated Encyclopedia of Lodz History, no. XI/17, p. 309). The number of inhabitants increased rapidly. In December 1945, the population numbered 503,000, whereas in 1960 it reached 717,00, placing Lodz in the second position in Poland in terms of population. However, the city struggled with water shortages, inadequate city transportation and poor communication between distinct parts of the city, exacerbating housing shortages and the poor technical condition of the existing housing stock.

In the 1950s and 1960s, the central authorities implemented a policy of "deglomeration" in Lodz by prohibiting permanent registration of residence of newcomers and restricting water-intensive industrial development (Jarno 2019: 24). The machinery park in Lodz factories underwent a process of decapitalization. Working conditions within factories constructed in the 19th and early 20th century were extremely challenging (noise, pollution, chemical fumes) and the introduction of the three-shift system worsened the conditions.

The policy of "deglomeration" resulted in Lodz, which also previously did not enjoy a good reputation, being labelled a city lacking development prospects. This opinion is partially responsible for the fact that Lodz lost its competitive advantage over other cities in the competition for development funds. Furthermore, this state of affairs was also influenced by the fact that it was dubbed a "city of women". The neglect of Lodz also stemmed from the fact that during the Cold War, heavy and extractive industries were prioritized. The city's share of the global contribution to the domestic industry declined from around 9.6% in 1937 to 7.4% in 1960 (Jarno 2019: 24). In 1969, the degree of decapitalization in Lodz industry exceeded 50% (Illustrated Encyclopedia...: 310).

It was not until the 1970s that Lodz experienced an unprecedented period of development. This occurred as a consequence of the strike in February 1971, which involved more than 50,000 workers from Lodz factories, including those employing crews of many thousands, predominantly women, as a result of which the government was led to withdraw the planned increase of food prices.

This unexpected (following the famous Gierek's question: "will you help?" asked at a Gdansk's Shipyard) mass protest drew the attention of the central authorities to the living and working conditions in "the city of textile workers" and contributed to the most significant modernization of industry and the city in the post-war period. On November 29, 1971, the Council of Ministers adopted a resolution regarding the

implementation of the locally prepared “Development and Modernization Programme for Lodz for the Period up to 1975 and the Following Years”, allocating a budget of 34.5 billion PLN, nearly twice the amount planned in the previous 5-year plan (Jarno 2019: 27). 55% of these funds were to be utilized for the modernization of industry, including the establishment of factories³ on the outskirts of the city, also breaking the industrial monoculture. The remaining resources were designed for the improvement of the water balance, enhancing transportation, housing⁴ and services. In Lodz, as in many other places, investment funds were sourced from foreign government loans and were intended to be self-financing from the sale of finished goods. However, there were delays of completion of individual enterprises, and the ones completed on time did not offer products of the quality acceptable to foreign buyers. Production downtime caused by shortages of raw material and electricity generated costs for the enterprises. Nevertheless, during that period, the living and working conditions improved significantly, fostering hope that this state of affairs would be sustainable.

In 1979, the first economic crisis in the times of the Polish People’s Republic (PRL) emerged and lasted until 1982. In March 1981, the government informed foreign creditors that it could no longer service the debt and requested a deferral of payment. The implementation of numerous major investments was halted throughout the country, not excluding Lodz.

The political atmosphere in Poland was increasingly tense. On 13 December 1981, martial law was imposed. The NSZZ Solidarność (Independent Self-Governing Trade Union, which had been founded a year earlier, was initially suspended, and then outlawed. Attempts to revive the economy in the following years did not bring anticipated outcomes. 1988, brought another wave of strikes.

The last communist government, whose prime minister was Mieczysław Rakowski, introduced two resolutions aimed at implementing free market principles into the socialist economy. The first law (known as “the Wilczek Act”), passed on 23 December 1988 by the Sejm of the People’s Republic of Poland, introduced the principles for initiating and conducting economic activities on equal terms

³ In Lodz, 70 major investments were put into operation, including textile factories such as “Vera,” “Feniks” Hosiery Industry Works, “Pierwsza” Silk Industry Works, “Teofilów” Textile and Clothing Complex, “Dywilan” Carpet Manufacturing Plant, clothing industry enterprises like “Próchnik” and “Wólczanka,” “Chemitex-Anilana” Artificial Fiber Works, “Unitra-Fonica” Radio Equipment Plant, “Poltik” Watch Factory, “Polmo” Automotive Accessories Factory, “Polfa” Pharmaceutical Works, “Stomil” Rubber Industry Works, and “Elta” Transformer and Traction Equipment Factory.

⁴ During the “Gierek’s era,” 90,000 apartments were built in Lodz. These included residential estate like Retkinia, the residential estate of Zgierska-Julianowska-Stefana, the residential area between Zgierska-Inflancka and Marysińska, Radogoszcz Zachód and Radogoszcz Wschód, as well as the Piastów housing estate between Sanocka and Gagarina streets. A few years later, to the south of Chojny and beyond the circular railway line, a significant housing estate named after the 40th anniversary of the PRL was erected. Further new estates were developed in the extension of Widzew Wschód. Additionally, segmental estates were constructed in areas like Pienista, Smulsk, and Radiostacji (Illustrated Encyclopedia of Lodz History, issue no. XII/16).

(Article 1 of the Economic Activity Law) and the principle stating that what is not prohibited by law is permitted. According to Rafał Skibicki (2019: 482), this was the most liberal law regulating economic activity in modern Polish history. On the other hand, the Resolution of the Council of Ministers, which came into effect on 1 August 1989, meant the discontinuation of the administrative method of regulating prices, retaining official prices only for certain goods, such as milk, cheese, and bread. To offset the increase in expenditure on the purchase of basic food items, this regulation also provided for the application of so-called “protective measures”, including cash supplements to wages, annuities, and pensions. This resolution triggered hyperinflation, which in 1990 amounted to 585.8% year on year, simultaneously serving as a significant step towards a market economy.

2. The deindustrialization of Poland during the economic transition

The arrangements of the Round Table (February 6, 1989 – April 4, 1989, paved the way for a radical change of the political and economic system. The systemic economic change known as the “Balcerowicz Programme”, colloquially referred to as “shock therapy”, was initiated with the concurrently of Tadeusz Mazowiecki’s government in September 1989. Its objective was to shift from the command-and-control and highly statist system into a free-market economy, understood as entering the path of development characteristic of a capitalist system, and in the political sphere to democratize the political life.

On 1 January 1990, ten laws came into effect to ensure the transition to a market economy:

1. The Act on the Financial Management of State-Owned Enterprises enabled the initiation of bankruptcy proceedings for unprofitable state-owned enterprises, abolishing the guarantee of existence irrespective of their financial performance and production.
2. The Banking Act, aimed to stabilize the situation on the monetary market, in particular by prohibiting issuance of money without proper backing. The National Bank of Poland lost the power to finance the budget deficit.
3. The Credit Act – abolished credit preferences for state-owned enterprises and linked the interest rate to inflation.
4. The Law on Tax on Wage Growth – introduced the so-called “popiwek”, i.e., the constraint of wage growth in companies in relation to inflation.
5. The New Taxation Principles Act introduced uniform tax payment regulations in all branches of the economy.
6. The Act on Foreign Invested Businesses provided a degree of freedom of capital movement, at least concerning exporting abroad the profits generated by foreign companies in Poland. These companies were exempted from popiwek. They were solely obliged to resell foreign currency at the exchange rate determined by the National Bank of Poland.

7. Foreign Exchange Act – introduced internal convertibility of the Polish zloty and abolished the state monopoly in foreign trade. Enterprises were obliged to sell foreign exchange they earned to the state.
8. The Customs Act unified the rules for the customs clearance of imported goods for all economic entities.
9. The Employment Act primarily annulled the law on individuals evading the obligation to work, modifying the principles for employment agencies.
10. The Act on Special Conditions of Employment Termination introduced protection for employees laid off by providing instruments such as financial severance pay and periodic unemployment benefits.

“The Balcerowicz Programme”, as this legislative package was named, constituted the first attempt in the Communist Block to reverse economic history, i.e., by transitioning to capitalism after several decades of a socialist economy. Its radicalism is associated with the collaboration of the International Monetary Fund and the World Bank interested in reducing Poland’s debt (Kowalik cited in Rolski; Paradysz 2015: 59). During the legislative phase, Karol Modzelewski and Ryszard Bugaj unsuccessfully aimed at amending the programme, pointing out social consequences of the proposed solutions.

The assumptions and implementation of the programme continue to spark debate. One of the critics is first of all Grzegorz Kołodko, who characterized the economic transformation principles applied in Poland in line with the recommendations of the Washington Consensus as follows: “Liberalize as much as you can, privatize as fast as you can, and be tough in fiscal and monetary matters!” (1998) and contrasted it with a programme of “shock-free therapy”, increasing the role of the state in the privatization of the economy. The process of spontaneous deindustrialization stemming from the aforementioned legislative solutions commenced in 1990 with the implementation of the above-mentioned laws.

Paradysz (2015: 59) points out that the financial situation of enterprises leading to their liquidation was influenced by the actions of the banks and ministries responsible for the industry, through:

- the application of excessive fiscalism, aimed at maximizing budget revenues, increasing income tax rates (even exceeding inflation rate), as well as the establishment of an additional tax on exceeding a set limit of wages (*popiwek*) along with significant reductions in product subsidies;
- irregularities in the banking sector’s relations with state-owned enterprises, manifested through excessive increases in interest on loans and credit instalments in conditions of hyperinflation, as well as the limitation of the amount of new loans;
- introducing a premature and complete liberalization of foreign trade and a significant reduction of customs duties led to the collapse of many even of these activating enterprises, as early as 1990. Plants with numerous cooperative connections collapsed as well;

- the absence of an industrial policy enabling the defense of certain industrial sectors, especially modern and high-tech industries, which are exceedingly vital for the development of the industry (Paradysz 2015: 60).

The privatization of industry, which took place in a haphazard manner, without a prior inventory or proper documentation, without a controlled and systematic archiving of documents related to the transformation, takeovers and liquidations of state-owned enterprises, is also subject to criticism. Consequently, there is a lack of documented data regarding the extent of the phenomenon, its progression and sale prices.

Paradysz (2015) indicates the following irregularities accompanying excessively rapid and spontaneous privatization of enterprises, at negative prices and in numerous cases favoring foreign capital:

1. The so-called hostile takeovers, i.e., the purchase, requalification for a different business activity, or closure of an enterprise in order to eliminate competition, or demolitions aimed at obtaining significant profits from the sale of post-industrial land;
2. The decomposition of enterprises, i.e., dividing and selling the most valuable segments of a business, followed by declaring bankruptcy and neglecting the remaining segments of;
3. Leading to the bankruptcy of the factories reclassified as National Investment Fund companies (Paradysz 2015: 60–61).

The balance sheet of the economic transformation, as per Paradysz (2015: 61–62), is as follows:

- 43% (1,675) of the total number of enterprises examined were liquidated, losses in assets reached 37%, production – 38%, and employment – nearly 50% of the total potential of the surveyed establishments;
- more than 2 million people lost their jobs, which shaped the permanent registered unemployment in the country (at the beginning of the 1990s it amounted to approximately 3 million people);
- over 2 million economically active people emigrated abroad, including more than 40% with higher education;
- the size structure of business entities in the industry has become fragmented;
- the number of employees in the research and development facilities of industry decreased dramatically (14,500 individuals in 2012, compared to 60,500 in 1990);
- production processes are limited to the assembly of product components, usually imported;
- the branch structure of the industry has become haphazard rather than programmed in an optimal and modern manner. 47.7% of total employment in industry is in the is concentrated in five branches of consumer and service-oriented industries;
- the state budget is not engaged in constructing new industrial plants.

Poland has become a service-industrial-agricultural country, concludes the author cited above.

3. Lodz in the period of transition. Trauma of the great change

The aforementioned phenomena also took place in Lodz.⁵ However, their influence on the living situation of the inhabitants was notably more widespread than in other large cities due to the city's initial situation at the end of the 1980s. Firstly, due to the fact that despite attempts to break the industrial monoculture in the last years of the Polish People's Republic, the significant majority of the city's workforce was still strongly connected to the light industry. The liquidation of the Council for Mutual Economic Assistance and the interruption of trade relations with the USSR and then Russia, together with the central government's policy towards state-owned enterprises during the transition period, led to substantial losses in employment in the textile industry (a decline of 86.1%) and leather industry (a decline of 84.5%) (Paradysz 2015: 62).

In Lodz, as early as in 1991, the sold production of textile products declined by over 40% compared to 1988 (Jewtuchowicz, Suliborski 2009: 401). Together with reduced credit access and increased costs of servicing debt, led to mass bankruptcies of enterprises, which were also exposed to uncontrolled competition from Chinese firms.

Unemployment in Lodz was rising exponentially in the first years of the last decade of the 20th century, primarily due to the collapse of enterprises employing thousands of workforces. In 1993, the unemployment rate in Lodz reached 21.3%, significantly higher than the unemployment rate in Poland (16.4%). Lodz, as the only large city, was placed on the list of so-called problem areas, i.e., areas threatened by structural unemployment. Such qualification guaranteed a three-month severance pay for employees who were collectively made redundant and extended the duration of receiving unemployment benefit to 18 months. After this period, it was possible to apply for social assistance benefits, contingent upon a household wealth assessment, which was assessed by a social worker. The situation of many inhabitants of Lodz became very challenging, as in numerous families all adult family members worked in factories.

The economic transformation signified, therefore, for the city's inhabitants, bidding farewell to the principle of full employment, applied in the PRL and a cascading increase in the number of unemployed. It seems that many of them were unaware of the consequences. Receiving money from the Labor Office 'for nothing' initially might have been met with contentment by some people. However, the loss of the status of a working individual, i.e., being financially self-sufficient and agency, became a traumatic experience for many. Exclusion from the labor

⁵ The illustration of the fate of Lodz industrial plants is provided in an excellent publication by Agata Zysiak and others (2022) titled *Wielki przemysł, wielka cisza. Łódzkie zakłady przemysłowe 1945–2000 (Great Industry, Great Silence: Lodz Industrial Plants 1945–2000)*, University of Lodz Publishing House, Topografie Publishing House, Lodz.

market consequently equaled exclusion from the circles and institutions of the workforce, which could have been activated in challenging times. Nonetheless, unemployment did not only have short-term financial consequences while it lasted. It resulted in granting low pensions, due to the short contribution period. Today's thirteen and fourteen pensions would perhaps be unnecessary for the residents of Lodz if it was not for the prolonged unemployment, which for many turned out to become chronic. What is more, bridging pensions, which served as a means to stay afloat and offered a steady income, have resulted in low pensions after years.

After 33 years since launching economic transformation programme, Leszek Balcerowicz claims that it is pointless to consider the social costs initiated by his economic reforms, as an alternative to more generous social protections would have been a return to a socialist economy. He maintains that the mistake of the government which was in charge of economic affairs was the implementation of overly liberal principles for granting unemployment benefits and introducing bridging pensions. According to the author of the "Balcerowicz's programme", granting unemployment benefits to school graduates restricted their job-seeking activity, burdened the state budget, and unjustifiably increased the number of registered as unemployed individuals.

Controversies over the extent of unemployment and its effects primarily concern adults, and research conducted at the University of Lodz in 1996–1999 revealed that the victims of the economic transformation in Lodz were (are) mostly children who were neither the focus of interest nor concern of the architects of "the great change".

This fact was identified by sociologists from Lodz, carrying out a research project entitled *Forms of Poverty and Social Threats, as well as Their Spatial Distribution in Lodz*⁶ commissioned by Lodz voivode from the Scientific Research Committee at their inspiration. It turned out that in each of the four districts of Lodz for which relevant data were available, the poverty rate among children exceeded the poverty rate among adults in 1996.⁷ In other words, the proportion of children

⁶ Research project commissioned under PBZ grant no. 018 08 titled "Forms of Poverty and Social Threats and Their Spatial Distribution in Lodz" (1996–1999); project leader: W. Warzywoda-Kruszyńska.

⁷ In the 1990s in Lodz, an integrated system for registering households receiving targeted assistance due to poverty did not exist. Each district social assistance center possessed its own non-compatible computerized registration system for households, which operated independently from the centers in other districts and functioned according to proprietary protocols. Across all districts, households receiving targeted assistance due to poverty were subject to registration. Such households were classified as "impoverished," consequently designating all adults (aged 18 and above) within such households as "impoverished adults," and all children (aged 0–18) residing in such households as "impoverished children." In four districts, it was feasible to establish the structure of impoverished households based on the age of their members. In one district, only the overall number of impoverished household members could be ascertained. Therefore, for Lodz as well, it was only possible to determine the general count of members within impoverished households. The threshold of impoverishment, delineated by income criteria warranting eligibility for targeted social assistance, was at that time defined by the magnitude of the lowest pension.

from households which were supported by social assistance among the total number of children in a given district was higher than the proportion of adults from such households among the total number of adults in that district. Thus, the poverty rate among children in the Bałuty district was 27.5% and among adults 11%, in Górna 34.1%, and 16% among adults, in Polesie district 22.7% and 11%, in Widzew 27.2% and 11% (Warzywoda-Kruszyńska 1999: 143). Furthermore, these studies revealed that children have a larger proportion of people living in poor households than in the general population of a given district. Therefore, they concluded that during the transformation period, there was a phenomenon of juvenilisation of poverty in Lodz, i.e., an overrepresentation of children in the population of the poor and the greatest risk of poverty among children than adults.

In the quarters of streets where the child poverty rate exceeded 30%, 57% of all children lived in Górna, and as many as 72% of poor children from that district, in Bałuty respectively: 36% and 51%, in Polesie – 30% and 48%, and in Widzew – 28% and 43%. In the four districts combined (no relevant data are available for Śródmieście), 58,305 children lived in areas of high concentration of poor children in the last decade of the 20th century (Warzywoda-Kruszyńska 1999: 147).

Warzywoda-Kruszyńska (2009: 112–113) identified the following reasons for the under-recognition of child poverty during the transition period:

1. There is an ideological dispute regarding whether the support should be directed at a family (understood rather as a traditional nuclear family consisting of spouses and their common offspring) or individuals (e.g., children, women). This dispute is reflected by changing in the ruling coalition social institutions (e.g., Family Affairs Office v. Gender Equality Affairs) and government programmes (e.g., special allowance for large families v. child nutrition programme).
2. A common notion is to consider a family as an undifferentiated entity in which the interests of all members are harmonious and resources are shared accordingly...
3. Children are perceived as the “cause” of poverty rather than its victims. The object of interest is rather “poverty caused by children” than “child poverty”, understood as a kind of biographical experience.
4. It is poorly recognized that experiencing poverty in childhood results in later life, as it occurs during the formative period of a life cycle. Talents and opportunities wasted due to poverty cannot be compensated for.
5. It is not clearly defined whose competence “poor children” should fall within: school, which deals with “challenging” students, students with “special educational needs” but not with “poor children”; social assistance centers, which focus on adult clients, accompanied by a child or from whom a child must be separated because of not being provided by appropriate childcare, but not solely on children. Thus, the children are “nobody’s children”.
6. The attention of the political elite is focused on “urgent” issues, and “important” issues are postponed until they become “urgent”. Child poverty does not fall into the category of “urgent” matters, even though it is time-sensitive. Its consequences will only manifest later on in the form of unused human capital and burdens on the state budget. However, by that time other will be in power and someone else will have to take care of those adults who will be unable to support themselves.
7. Child poverty is a politically sensitive topic. Its existence, which cannot be justified by the lifestyle of the victims themselves, threatens the image of the democratic state and its agendas

(including local government structures) as an authority catering to all its citizens, especially the vulnerable ones. Therefore, it is better not to “raise the issue of poverty”, as one of the politicians stated.

8. Also it is not insignificant that there is no “definite”, “indisputable” knowledge regarding the extent of poverty in general and the extent of child poverty in particular. Various pieces of information are published, based on different indicators. This creates a sense of confusion among politicians, especially at the local level, and a lack of belief in the accuracy of results...

Revealed firstly in Lodz, the “social cost” of transformation as the juvenilisation of poverty was later confirmed on the basis of data collected by the Social Welfare Department of the Ministry of Labor and Social Policy for the year 2001. It turned out that among the population supported by social assistance (i.e., those living below the statutory poverty line), children and adolescents (0–17 years of age) constituted 44 per cent, whereas this age category was represented only by 24 per cent among the citizens of Poland (Warzywoda-Kruszyńska, Grotowska-Leder 2002).

Among the impoverished population, a child or adolescent could be encountered nearly twice as often as among the general population of Poland. The phenomenon of juvenilisation of poverty was present in all voivodeships of our country, although with uneven intensity. Similarly, among people with incomes below the subsistence minimum, meaning at the threshold of meeting any biological needs, almost every second person was aged 0–18 (Daszyńska 2002).

The UNICEF report *Child Poverty in Rich Countries* (2005) revealed that in Poland in the 1990s, the extent of child poverty surged the most among the European Union member states. The consequences of experiencing poverty and neglect during childhood become apparent only years later, mainly in the form of unused human capital. Investing in children, as it was demonstrated by the results of analyses conducted by a team under the direction of James Heckman, the 2002 Nobel Prize laureate in Economics, brings the highest rate of return (Cuhna, Heckaman 2010). However, during the times of great change children and their living conditions did not seem significant.

4. Conclusion

Lodz was severely affected during the economic transition period. The unemployment rate was unprecedented and incomparable to other large cities in Poland. Child poverty became apparent, posing a threat of intergenerational transmission of poverty in later years and the continuation of social inequalities. As a result of the lack of a central government support programmes, the city had to independently address its economic and social issues, revealing a high extent of entrepreneurship among the inhabitants. However, nowadays, according to the data from the national census, Lodz, which was the second largest city in Poland in terms of the population in 1980s, has now become the fourth most populous city in Poland, after Warsaw, Krakow, and Wroclaw. In terms of average investment

expenditure per capita in voivodship cities in the years of 2018–2020, it held the eighteenth and nineteenth position⁸ (Świeniewicz, Łukomska 2021: 32). Thanks to funds from the European Union, the city is changing its appearance, however, traces of dissolved enterprises can still be spotted in the inner city. Large manufacturing companies have foreign owners. Due to the favorable geographical location in the center of Poland, in the areas adjacent to Lodz transport companies and freight handling facilities have been located.

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⁸ In Poland, there are sixteen voivodeships, yet there are eighteen voivodeship cities, as two voivodeships each encompass two voivodeship cities: Kuyavian-Pomeranian Voivodeship, with Bydgoszcz and Toruń, as well as Lubusz Voivodeship, with Zielona Góra and Gorzów Wielkopolski.

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