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**POST-SOCIALIST HOUSING SYSTEMS IN EUROPE:  
HOUSING WELFARE REGIMES BY DEFAULT?**

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# POST-SOCIALIST HOUSING SYSTEMS IN EUROPE: HOUSING WELFARE REGIMES BY DEFAULT?

## Abstract

This article develops a conceptual framework derived from welfare regime and concomitant literatures to interpret housing reform in post-socialist European countries. In it, settled power structures and collective ideologies are necessary prerequisites for the creation of distinctive housing welfare regimes with clear roles for the state, market and households. Although the defining feature of post-socialist housing has been mass-privatization to create super-homeownership societies, the emphatic retreat of the state that this represents has not been replaced by the creation of the institutions or cultures required to create fully financialized housing markets. There is, instead, a form of *state legacy welfare* in the form of debt free home-ownership, which creates a gap in housing welfare that has been partially filled by households in the form of intergenerational assistance (familialism) and self-build housing. Both of these mark continuities with the previous regime. The latter is especially common in south-east Europe where its frequent illegality represents a form of *anti-state* housing. The lack of settled ideologies and power structures suggest that these housing welfare regimes by default will persist as part of a process that resembles a path dependent ‘transformation’ rather than ‘transition.’

## 1. Introduction

It is almost 25 years since the communist system collapsed in Central and Eastern Europe. Despite its pivotal role in socialist systems and in their reform, housing is largely absent from the mainstream ‘transition’ literature. Nonetheless, there is now an extensive housing studies literature on post-socialist housing, which provides insights into particular aspects of reform. The principal aim of this article is to provide an historically-grounded explanatory interpretation of reform by adapting and applying the welfare and housing regime frameworks of Esping-Andersen and Kemeny to the post-socialist countries. A secondary aim is to use the findings to inform the understanding of ‘transition’.

The starting point is a literature review (section 2) followed by the construction of a conceptual framework through which to interpret socialist and post-socialist housing (section 3). This suggests that power and ideology work through existing institutional structures to produce the tenure and finance systems that will determine the fundamental nature of post-socialist housing. The framework is applied to socialist housing systems (section 4), in turn to post-socialist tenure structures, where power and ideology combined to underpin mass privatization (section 5) and then to housing finance systems which indicate that post-socialist housing remains far from being financialized (section 6). The lack of a financialized housing market places an onus on the role of the household as a source of housing welfare (section 7). The implications of the analysis are discussed in the concluding section (8).

## 2. From institutional economics to regime theory

Institutional economics has provided the dominant framework for prescribing policy responses for and analysing changes in post-socialist countries. The collapse of communism in Europe coincided with the high point of the ‘Washington Consensus.’ This suggested that the successful transition to a market economy would be achieved by a series of institutional reforms in the spirit of those believed to have provided the springboard for the industrial revolution (North and Weingast, 1989). Adapting this approach to housing, the World Bank (1993) outlined the institutional basis of an efficient market system. This work, which can be characterised as housing’s *End of History*, featured the classic liberal mix of establishing property rights, a mortgage finance system and targeted subsidies. But in the central piece of advice to post-socialist governments was to privatize public housing in favour of home-ownership (see Buckley et al., 1995; Renaud, 1995). Privatization, in turn prompted prescriptions for the development of the housing finance systems that would be needed to underpin home-ownership as housing markets developed. Privatization and the institutions required for an efficient housing finance system therefore provided the yardsticks against which transition countries could be assessed (e.g. Buckley and Tsenkova, 2001; Roy, 2008). This framework is underpinned by the assumption that ‘transition’ is a convergent process away from state socialism and towards liberal capitalism (Kemeny and Lowe, 1998).

However, while tenure change and housing finance institutions (uncontroversially) form vital parts of (post-socialist) housing systems, they do not in themselves *explain* them. As is apparent from Stephens’ (2010) comparison of housing reform in urban China and Europe’s transition countries, *in themselves* institutional variations in finance institutions tell us little about the nature of the emerging housing system. To search for *causes* of housing systems, we can turn to the explanatory theories of Esping-Andersen’s welfare regimes and Kemeny’s housing typologies. This choice requires some justification, not least because we draw on these works in order to explain the development of housing systems, but not their relationship with wider welfare systems.

The extensive literature spawned by Esping-Andersen (1990; see Norris and Stephens, 2014) has prompted critiques and refinements that add to his typologies of liberal, conservative and social democratic regimes (e.g. the ‘rudimentary’ south of Europe, and ‘productivist’ south-east Asian regimes); it has introduced explicit concern for gender utilising concepts such as ‘defamilialisation’; and extended the analysis to include income in-kind, including public housing (see Bamba, 2007). Although there are antecedents (notably Donnison, 1967), recent housing literature broadly falls into studies that attempt a direct application of Esping-Andersen to housing (e.g. Kurz and Blossfeld, 2004; Allen, et al, 2004), and those that have followed Kemeny’s (1995) rental regime typology. Meanwhile an increased interest in south-east Asia and the ‘old world’ housing boom that preceded the Global Financial Crisis prompted specific interest in the welfare-creating qualities of housing as an asset (e.g. Ronald, 2008; Ronald and Elsinga, 2011). Nonetheless there has been a tendency to employ regimes as forms of mere categorisation (Kemeny, 2001), whilst there have been efforts to turn attention towards outcomes (Fitzpatrick and Stephens, 2014) and causality (Stephens and

van Steen, 2011) as well as explorations of the relationship between the housing and welfare systems (Kemeny 2005; Castles 1998; Doling and Horsewood 2011).

For our purposes a key value of the welfare/housing regime framework lies in the identification of the *power structures* and *ideologies* that *cause* housing systems to evolve and differ between one another. Thus Esping-Andersen's welfare regimes reflect underlying power structures that produce welfare systems with necessary distributional outcomes. Kemeny's housing typologies reflect the underlying societal ideologies of 'privatism' and 'collectivism' which produce policy frameworks from which (in the west) either 'dualist' ownership or 'unitary' rental societies emerge. Although they identify different causes of regimes, their typologies reveal a remarkable congruence (for example, Esping-Andersen's social democratic and corporatist countries tend to be Kemeny's unitary housing systems, while liberal welfare regimes always coincide with dualist housing systems). This may indicate that in stable western democracies at least, political power also reflects the underlying ideologies of a society via the competitive electoral process. We therefore propose a synthesis of Esping-Andersen and Kemeny in which both *power* and *ideology* help us to interpret housing reform.

Power and collective ideology in turn shape the relative roles of state, market and family in the provision of welfare. Privatization has been interpreted as part of a wider manifestation of 'policy collapse' (Pichler-Milanovich, 2001) in which the role of the *state* is much reduced. In turn, identifying the role of the *market* becomes crucial, and is the subject of an important article in the 'varieties of capitalism' tradition. Schwartz and Seabrooke (2008) argue that housing systems can be judged by the way in which they connect households to global financial markets. They posit that housing systems have two 'objective dimensions' relevant to political economy: (i) the level of home-ownership that reflects different permutations of the state-market-family components in welfare regime literature; and (ii) the extent to which housing finance is 'constrained' or 'liberal'. The authors apply simple *variations* from average levels of home-ownership and levels of mortgage debt prevailing in the 19 OECD countries to establish categorisations. Post-socialist countries were divided between those with high ownership levels combined with low debt (characterised as 'familial') and those with low ownership and low debt (characterised as 'state developmentalist').

This framework is substantially defective. First, the data for home-ownership and mortgage debt are based on the average 'prevailing' over the decade from 1992, but calculated as the average of two years (1992 and 2002). The data therefore are likely to underestimate rapid change particularly in post-socialist countries which are 'transitional,' but also in other countries where mortgage debt grew rapidly. Second, by ending in 2002, the data (now) miss more than a decade of transition in the post-socialist countries, as well as the peak of the boom and subsequent financial crisis. Third, the benchmark composed of the OECD average (and excluding the transition countries) seems both amorphous and arbitrary. Fourth, to characterise *all* low debt, high ownership countries as 'familial' risks the erroneous imputation of western regime types (in this case southern European, see Allen, 2006) on the basis of observed tenure/ finance patterns. Clearly, there is a fundamental difference between

low debt ownership where the family is the resource behind the tenure and where this role was fulfilled by the one-off policy of the state (via large-scale privatization). Therefore the role of the *family* and *household* should also be explored further.

### 3. Conceptual framework and methods

The literature suggests a need for a conceptual framework that links causal factors (power, ideology) with the nature of the resultant housing system involving the roles of the state, market and family/ households.

After Kemeny, *ideology* is an important cause of housing regimes. But, in contrast to the way in which Kemeny perceives ideological influence as being relatively stable and internal, we should allow for society's collective values not to be fully-formed, or indeed in flux, giving increased scope for external sources of ideological influence. Clearly, the role of international players as active competitors for ideological primacy cannot be ignored. Second, after Esping-Andersen, *power* forms another cause of housing regimes. However, power also may be partly external. This could take a 'hard' form, as with the influence of the Soviet Union, or the softer form of dependence on western 'technical assistance'. It too can be in flux.

In applying our framework to the post-socialist countries, we expect power and ideology to be connected, whilst not necessarily coterminous as is normally the case in mature liberal democracies (and one-party states). In the post-socialist countries, factors including the degree of flux following the abrupt break in the economic and political system, the 'weak state' phenomenon, and exposure to external influences, mean that power and ideology may diverge. Moreover, power and ideology are mediated through existing institutional structures, so reform is subject to path dependency. Path dependence may be a source of divergence, or at least 'soften' convergence (Doling, 1997). Consequently, we begin our study with an historically-grounded account of the socialist era housing systems.

Thus mediated, power and ideology influence the principal institutional features of housing systems in ways that reflect the roles of the three classic sources of welfare: the state, market and households/ family. Tenure epitomises the role of the *state*, but also requires a concern for the nature of property rights associated with tenures in specific contexts. This allows for the distinctive nature of socialist-era tenures and their continuing influence on their post-socialist counterparts. The nature of tenure is shaped by the finance system and wider housing market, above its legal construct. The *market* plays a key role in transforming (or not) legal property rights into a form of asset based welfare through the process of 'financialization'<sup>1</sup>. Taken together, the nature of tenure and its relationship with finance reflect the role of the state and the market as sources of (housing) welfare.

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<sup>1</sup> Financialization 'means the increasing role of financial motives, financial markets, financial incentives, financial actors, and financial institutions in the operation of domestic and international economies' (Epstein, 2005: 3).

We then seek to establish the role that the *household* plays as a source of (housing) welfare. We distinguish between *inter-generational support*, which implies *familialism*, and *self-help* where resources are coming from within the household and do not necessarily contain an inter-generational component. We note that familialism can be either supported (by the state) or unsupported (familialism ‘by default’; Sacroceno and Keck, 2010).

The exercise is approached in six stages.

First, the examination of housing in the socialist era relies on published research. The dominance of the Soviet Union over almost all of the countries removes many complexities relating to power and ideology. The legal nature of socialist tenure is well-documented in historical and social science literature. The limited research that was undertaken during the socialist period provides vital evidence on the distribution of housing. The absence of risk-based finance in socialist countries removes this factor from their analysis. Contextual information is used to consider how legitimate it is to generalise from specific research in a few countries.

Second, the ideological aspects to post-socialist housing reform are reflected in the literature published by international agencies most active in the region, namely the World Bank and, in Russia, USAID (financially assisted by the World Bank). Third, ways in which international agencies related to power is established by examining how and why large-scale housing privatization was implemented on the ground. Again a large number of countries can be examined because of the relative uniformity of the policy, with the small number of variants being capable of separate examination.

Fourth, how power and ideology informed the financial structures surrounding housing is more problematic due to the large variety of financial intermediaries that emerged. However, the key to interpreting the financial aspects of housing lies not so much in the mechanisms of intermediation, but in the way in which they contribute to converting housing wealth into a form of asset based welfare. A wider, and more appropriately benchmarked, set of indicators than those employed by Schwartz and Seabrooke (2008) is required. These are available from EU-SILC or published over a long period in a large number of the countries: the scale of owner occupation, including balance between outright and mortgaged ownership, mortgage debt as a share of GDP, long-term trends in real house prices and their volatility, as well as the level of housing transactions. These indicators can be interpreted as follows. A country with large scale home-ownership, supported by a high level of mortgage debt, strong real house price growth and a high level of transactions would be one where housing is a liquid economic resource, and materially different from socialist-era ownership and renting. In contrast, housing in a country with the opposite characteristics would be a largely dormant resource, more like socialist-era ownership.

Fifth, to identify those components of ‘familialism’ that are likely to reflect a pooling of housing resources between generations we interrogated EU-SILC and employed the following indicators: proportion of households that are extended families, children living in extended families, households with adult children resident (indicating a later age of leaving

home) and proportions of older (65+) single people who live with other people. Additionally, we used the Survey of Ageing and Retirement in Europe (SHARE) to identify other forms of inter-generational housing assistance (notably cash transfers).

Sixth, to identify self-help, we obtained statistics from country experts on the level of self-built housing in some countries, which was supplemented with published evidence. The emphasis is on identifying self-built housing where there the household puts in a substantial part of the work (as opposed to self-provision where the work is contracted out) (Harris, 1999).

Where possible, the countries are *benchmarked* against one another both individually and through the use of the broadly accepted welfare regime and geographical groupings. We have also sub-divided the post-socialist countries into such geographical groupings (although in contrast to Mandic, 2010, we also examine the countries individually, which allows for intra-group comparison).

#### **4. Ideology and power in socialist housing systems**

For almost 75 years in the case of the USSR and, about 40 years in the case of the central European countries, housing formed a key 'nexus' in the socialist economic and social model (Smith, 2010). The socialist economies prioritised industrialisation over consumption. When combined with the ideology of equality, the consequence was wage structures that were relatively flat, but the 'individual wage' system ensured that they were also low. Since wages were insufficient to support a family, a dependence on in-kind benefits was firmly established and hence could be used as a system of social control (Kornai, 1992). Since items of collective consumption were often delivered through the workplace, employment assumed an even more central role in welfare than in the western welfare states. With the merger of state and party and the state's control over the economy, dependence on the state was nearly absolute, and the consequence of losing employment in a system where 'unemployment' did not officially exist - the workless being 'parasites' (Stephenson, 2006) - was severe.

However, the priority accorded to industrial investment required housing consumption to be suppressed. This was experienced most acutely during the period of inter-war industrialisation in the Soviet Union (1928-41) when 'housing conditions were sacrificed utterly to the higher needs of five-year plans' (Smith, 2010: 8), and the government effectively purchased two years of industrial investment by allowing housing standards for urban workers to fall by about 40 per cent (Donnison and Ungerson, 1982). Shortages remained endemic in a system that was geared towards industrial investment (Hegedüs and Tosics, 1998) and these prompted the emergence of 'primitive' markets (illegal sub-lets, self-build, etc.) (Lowe, 2003). Thus markets and households remained as sources of welfare in a regime that was dominated by the state. This helps to explain why from the 1930s the radical rejection of the family was reversed and indeed families 'drew closer together for self-protection' (Fitzpatrick, 1999: 140). The notion of a 'personal life' (a family realm remaining open to public scrutiny) was accepted, not least because 'the state lacked the resources for a full social welfare system, [so] the family remained the basic institution of social welfare'



(Fuges, 2007: 142). Deep subsidies were required for the state (or state enterprise)-owned apartments, as the individual wage system demanded that housing became ‘a ration provided with wages’ (Donnison and Ungerson, 1982: 107). Rents were kept at exceptionally low levels, representing only two or three percent of incomes and falling far short of management and maintenance costs (Emms, 1990). As labour income varied only marginally the main source of stratification in socialist societies centred on access to social security and ‘privileges’ (Crompton, 1998). Those who were not loyal to the prevailing political ideology had difficulty in finding work commensurate with their capabilities, or securing suitable housing (Večerník and Matějů, 1999).

Although some commentators stress the ‘exceptionally equal outcomes’ (Smith, 2010: 92) in these housing systems they were systematically differentiated. Szelenyi’s (1983) survey data from 1968 showed that in Hungary status was related to housing tenure, with high level bureaucrats and salaried intellectuals being far more likely to be housed in state apartments and co-operatives, whilst the inverse was true of owner occupation where unskilled workers were much more likely to be housed. He found that high-level bureaucrats and intellectuals paid less for their housing, and this pattern remained if income rather than occupational status was used. Moreover, he found that while housing standards rose across the board (within Hungary), between 1950 and 1968 housing inequalities widened because standards for higher status groups improved more quickly than those of unskilled workers.

The rationale for this phenomenon was fundamental to the operation of the wider social and economic system:

If income inequalities have been set at a social minimum, it is not rational or remotely practicable to reduce these... by distributing housing benefits inversely with income. If there is no market and all housing is ‘social’, it is practically unavoidable that housing must become a positive part of the reward system (Szelenyi, 1983: 78).

Later research by Bodnár and Böröcz (1998: 1296), which focused on housing inequalities in Hungary three years before the fall of socialism, found that one key source of housing inequality was ‘the extent of informal social networks to [sic] people with higher education, beyond the well-known normative advantages associated with educational and political affiliation.’ There were very few such critical studies in other socialist states but, for example, the situation found in Hungary has been confirmed by Alexeev (1988) for the Soviet Union and Rákosník (2010) for the Czech Republic. Nonetheless, Zavisca’s (2012) multivariate analysis suggests that in the final years of the Soviet Union demographic variables were then the key to explaining the odds of a household living in a separate apartment.

Some commentators have questioned whether the socialist countries ever represented a ‘distinct cluster’ because the state rental housing across the region as a whole averaged only 20-30 per cent of the total (Lowe, 2003: xvi). However, the similarity in the fundamental nature of ownership and renting was such that, behind these ‘crude tenure structures’ (ibid.) lay a distinct housing system.

State-apartments were in a crucial sense decommodified because they were not allocated by market mechanisms. They also provided extraordinarily high levels of security. As Smith observed, Soviet state tenants ‘could also claim a de facto form of individual ownership, and as the already secure terms of occupancy became ever more robust... this became close to watertight possession’ (2010: 19). Thus the rights connected with tenancies ‘equalled or exceeded in many ways those conventionally associated with ownership and certainly were far stronger than those associated with conventional tenancy in United States’ (Marcuse 1996: 135). Tenancy rights could be inherited or transferred to relatives, or exchanged with some other holders of user rights, so creating a form of ‘quasi-homeownership’ (Hegedüs et al., 1996).

Moreover, the continuation of owner-occupied housing in fact fitted rather well within socialist housing systems. The notion of ‘private property’, in the sense that private gain could not be attained (legally) through the ownership of property, was abolished. Instead what is referred to as ‘owner occupied’ housing fell into the category of ‘personal property’ (in contrast to the ‘socialist property’ for housing owned by the state). Smith characterises this tenure as ‘something akin to a medium-term leasehold largely stripped of any cash-generating potential’ (2010: 19). Whilst property could be transferred (by sale, gift, rental or legacy) transactions were organised in such a way that housing could not produce private profit or wealth. The logic was that since housing was derived from labour it was only for personal use (Smith, 2010). So, to borrow Kemeny’s western typology, the socialist systems operated a kind of ‘unitary’ housing market, with the key difference being that it occurred between renting and owning (rather than between market and cost renting) and was achieved by an enhancement of tenants’ rights and a diminution of owner-occupiers’ rights compared to those commonly found in western systems.

Nor was home-ownership a *deviation* from the socialist system. Self-built housing was the mainstay of the interwar Soviet housing system, and was also crucial in the aftermath of the Second World War, when it was backed by state credits. Smith notes how ‘[h]istorians might have taken little note of this conspicuous policy of state-backed individual construction, but contemporary observers noticed its extent and influence’ (2010: 36). Although the mass building programme marginalised self-build’s importance (indeed it was banned in Soviet cities with populations over 100,000 in 1963), it became an important feature of some of the central European countries, particularly as economic performance declined in the 1970s (e.g. Hungary); in parts of south east Europe (e.g. Yugoslavia, Bulgaria, Romania) it remained important throughout the socialist period (Donnison and Ungerson, 1982). Thus, in the 1980s, self-built housing accounted for more than 60 per cent of housing construction in Yugoslavia and more than half in Hungary, around 45 per cent in Albania, about one-third in Poland and one-fifth in Bulgaria (Soaita, 2013). Finance was provided by banking institutions, often on generous terms, but it was not risk-based and remained unconnected to enhancing liquidity (Struyk, 2000). In such cases it represented a form of supported self-help. Much lower levels of self-build were recorded in the USSR and the DDR (Mandic, 2010; Soaita, 2013). Co-operatives provided an alternative means of mobilising personal resources to meet housing

needs, and were encouraged in Poland, Czechoslovakia and the DDR as economies struggled from the 1970s (Donnison and Ungerson, 1982). A further element in the socialist housing system was the dacha / summer home, permitted only for temporary residence and allocated through enterprises in the USSR and privately elsewhere (Leetmaa, et al., 2012).

In the socialist systems, power and ideology were united through the state that conferred property rights in ways that are quite different from western notions and created a distinctive form of unitary housing system. The legacies of these socialist systems affect the way in which post-socialist systems evolved and should be interpreted.

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## **5. Ideology, power and the role of the state in post-socialist housing**

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Given that the sudden collapse of political communism, it is unsurprising that the early years of transition were marked by a power vacuum amid ideological flux (Ekiert, 1991). Thus the stable conditions that are a prerequisite of housing regimes were absent. Countries that had been under one-party rule for decades began the process of engaging in a culturally unique and complex process of re-conceptualization of fundamental societal myths (Berger and Luckmann, 1966).

The ideological vacuum also created room for effective lobbying in the field of housing policy by international aid organizations. The World Bank believed that housing was one of the least efficient elements in the socialist economy and became an advocate for the privatization of public and state-enterprise housing to promote efficiency (Jaffee and Renaud 1996; Buckley et al. 1995). Accordingly, ‘the fall of communism offers policymakers a unique but fleeting opportunity to break the existing institutional political obstacles by irretrievably giving away the housing stock’ (Buckley, et al. 1995: 65). Gradual reforms were dismissed as being unfeasible. The advice was emphatic:

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The surest and most efficient way to restore housing market equilibrium without creating additional distortions during the transition is to unwind totally the socialist housing legacy by eliminating all housing subsidies and the taxes that finance them and giving away the existing stock... equity concerns are not a legitimate obstacle to rapid market reforms (Buckley, et al., 1995: 74-75).

And:

Managing the transition toward markets requires the simultaneous pursuit of two very distinct sets of policies which should match the dualistic structure of the housing system. One set of policies is needed to privatize the large inefficient stock of public housing, and the other to encourage the rapid growth of the very small new private sector (Renaud, 1995: 39).

The recommendation of privatisation to individual tenants marked a departure from the World Bank’s (1993) generic advice, which did not specify the form of privatisation. Indeed a World Bank paper from the early post-socialist period that recommended a halt to

privatisation at sub-market prices, but instead advocated the marketization of the sector: raising rents to market levels, protecting poorer tenants with a housing allowance, and privatising management (World Bank, 1991). According to one former World Bank official many governments were already strongly committed to privatisation to individual tenants, and apart from the former DDR (that became part of the large and prosperous Federal Republic) there were unlikely to be private investors willing to invest in privatised housing and no non-profit landlords able to take on this task<sup>2</sup>. This would not have precluded marketization, and the advocacy of this strategy seems to have been abandoned quickly and replaced with an advocacy of giveaway privatization.

Meanwhile, the municipalities and state-enterprises that owned the housing were in acute financial difficulties. Moreover, many governments were themselves poorly equipped to construct alternatives. Interviews with ministers, MPs and high-ranking policy makers which were conducted as part of a study of housing in the Czech Republic (Lux, 2009, pp.201-206) revealed that the new political elite systematically lacked knowledge about different policy options and decisions were – at least in the first decade – often taken without any deeper analysis of the situation. In most cases ad hoc solutions were applied instead of setting up long-term strategies (Lux and Mikeszová, 2012). The change was more spontaneous than intentional (Sýkora, 2003). A similar situation has also been identified in other post-socialist states (Hegedüs and Struyk, 2005; Tsenkova, 2009a).

Nonetheless, whatever uncertainties surround the extent of the World Bank's influence, formal power lay with the post-communist governments. Privatisation suited the pragmatic concerns of governments responsible for managing the wider and highly disruptive project of economic reform, which involved job losses, rising prices and insecurity that threatened stability. Rising energy prices leading to big increases in heating costs provided a further justification for holding down other housing-related costs. Giveaway privatization thus created secure, debt-free home-owners, and played a crucial role in offsetting declining living standards arising from economic restructuring. The housing sector was therefore widely employed as a 'shock absorber' (Struyk, 1996; Hegedüs and Tosics, 1998). This interpretation is consistent with other (non-housing) accounts of post-socialist countries, for example Vanhuyse (2006) who identifies the widespread use of early retirement in Hungary and Poland as being part of a strategy to 'divide and pacify' groups that might otherwise have provided a united and destabilising opposition to the new order.

The result was in most cases national laws enacting mass 'giveaway' privatization, with tenants becoming home-owners. The notable exceptions of Poland and the Czech Republic, where the decision was left to municipalities, led several scholars to speculate about a possible policy divergence in the future (Tsenkova and Turner, 2004). However, in practice the impact was much the same. The national governments in Poland and the Czech Republic retained key elements of pre-1990 tenancy rights along with rent control. So, although

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<sup>2</sup> Email from Robert Buckley to Mark Stephens, 10 October 2013

municipalities could choose to retain ownership of housing, in practice this choice was rendered impractical by the removal of the effective means to manage and maintain it by raising sufficient rental income. In the Czech Republic, the share of public housing had decreased from 35 per cent in 1991 to 8 per cent of total housing stock by 2011; for Poland the respective figures are 32 per cent in 1991 and 8 per cent in 2011 (Hegedüs, et al., 2012).

The way in which privatization replicated socialist-era inequalities has been demonstrated by Lux (2009) for the Czech Republic, Pichler-Milanovich (2001), and in more detail by Yemtsov (2007) for Russia, Serbia and Poland. Of course all former public tenants were made 'richer', but the former *nomenklatura* became even 'richer' due to the higher property values of their dwellings:

It is obvious that housing privatization programs created winners and losers depending on where people happened to be living at the beginning of transition (Yemtsov, 2007: 10) ... privatization universally, in all three countries favoured the rich ... It therefore contributed to the increase of inequality (ibid: 23).

Marcuse makes a similar point:

... [privatization] is a question not of property rights development, but of the reallocation of already existing rights that have been lodged elsewhere in the past... with substantial and differential impacts on different groups in society (1996: 143).

The privatization process reflected an ephemeral co-incidence of interests between the ideological predilections of the international agencies providing a convenient template for the pragmatic politics of stabilisation. Consequently, it did not mark the 'transition' to a liberal housing market, but rather a process of 'transformation' (Stark and Bruszt, 1998). It helps to explain why the dramatic change in legal tenure was accompanied by such muted changes in its fundamental nature.

## **6. Ideology, power and the role of the market in post-socialist housing**

Within the new landscape of mass home-ownership, the development of housing finance institutions and housing markets would be key to defining the nature of the emerging housing systems. However, in contrast to privatization, the establishment of housing finance systems was not supported by a simple co-incidence of the ideology of international agencies and the demands of pragmatic politics. Instead there was competition between proponents of different housing finance models. External advisers were present, but so too were business interests, notably the German and Austrian banks. These had a 'fundamental impact' on the new housing finance systems (Struyk, 2000: viii).

Much US-led international advice conceived the future in terms of secondary market institutions facilitating securitisation (Jaffee and Renaud, 1996). In an environment of low demand for mortgages, an unstable (often publicly owned) banking sector, weakly established legal systems, flourishing clientelism and corruption, unreliable cadastres, non-existent capital markets, some consultants saw the priority problem as being lack of liquidity

in the banking system, and aimed to skip the stage of first establishing a primary mortgage market. There was even the belief that the secondary mortgage market would naturally create the institutions required for a primary mortgage market (Jaffee and Renaud, 1996: 23). The view of the superiority of a system founded on securitization later became so deeply entrenched that an OECD official asserted that best practice involves:

... a risk-based mortgage lending system supported by a securitisation scheme... with the removal of cost ineffective subsidy schemes and deposit based lending (Shinozaki, 2005: 61).

In reality, securitisation was pursued seriously only in Russia (and later in Ukraine). The principal attempt was made by USAID, whose work resulted in the establishment of a Fannie Mae-type agency – the Russian Federal Agency for Housing Mortgage Lending (AHML, also known as ‘Natasha Mae’) – in 1996. The decision to create the facility was made after the commercial banks made it clear that they were unwilling to hold long-term debt and that ‘they would only increase the volume of such [mortgage] lending if there were a liquidity facility to refinance their loans’ (Struyk and Kosareva, 1999: 29). As anticipated it did not begin to lend until systems had been established and the mortgage law (which until 1998 prohibited repossession with vacant possession in the event of default) reformed. Progress was severely disrupted by the financial crisis of August-September 1998 (Struyk and Kosareva, 1999), and AHML did not purchase any loans until 1999 when it purchased five valued at \$80,180 (Mints, 2000).

There were other attempts to create secondary market facilities, including one promoted by a senior US Congressman. However, according to one senior advisor, this was no more than a ‘side show’<sup>3</sup>, and AHML remains the key secondary market institution in Russia today. It has been attributed with contributing ‘to the rapid growth in mortgage lending’ after 2005 (Kosareva and Tumanov, 2012: 202), but this assessment must be placed in context. By 2010, Russia’s mortgage debt stood 2.8 per cent of GDP, which although ‘28 times more than in 2004’ (ibid.: 202), was nonetheless the lowest of any of the post-socialist countries for which data are available (EMF, 2012). Although it pursued the most ‘financialized’ mortgage strategy of any of the post-socialist countries, Russia emerged as having one of the least financialized housing systems. Chiquier et al (2004: 35) noted, ‘Simply creating a secondary market institution will not create a market,’ but this is true of any financial model. Hence, Zavisca (2012) attributes the phenomenon of ‘property without markets’ to cultural attitudes towards mortgages and tenure, as well as economic explanations based on market failure and affordability.

A more complex picture emerged in central and south-east Europe, where German and Austrian banking interests were active. According to Struyk (2000) the emergence of contract savings schemes in many countries was attributable to the interaction of external commercial interests with popular demand mediated through parliaments:

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<sup>3</sup> Email from Raymond Struyk to Mark Stephens, 9 November 2014

... it is not surprising that the Bausparkassen programs in all of the Visegrad countries were a parliamentary initiative. They were assiduously promoted by banking interests from Germany and Austria and typically opposed by the government (Struyk, 2000: 54-55).

However there were significant differences in the implementation of housing savings schemes. Those implemented in the Czech and Slovak Republics in 1993 were similar to the German model. Hungary followed in 1997, Croatia in 1998, Romania in 2003 and Bulgaria in 2004. Legislation was passed to allow for Bausparkassen in Poland, but they have not been introduced in practice. Slovenia introduced its own distinctive model of housing savings based on the existing banking sector. In the Czech and Slovak Republics, housing savings schemes became popular as general savings vehicles, in contrast to Hungary and Croatia, where they were more closely tied to house purchase.

The complexity of the emerging housing finance institutions is confirmed by the mixture of publicly and privately owned, specialist and non-specialist institutions, operating alongside a variety of subsidy systems, including grants, interest subsidies and guarantees (Roy, 2008; Stephens, 2010). However, these institutional descriptions are uninformative as to the material character of post-socialist housing systems. It is also highly relevant that the creation of nations of largely debt-free home-owners meant that there was less urgency in the creation of housing finance systems. Demand for mortgage finance was further limited by the tendency of socialist cities to be over-supplied with mid-range properties (Lowe, 2003), low incomes (Stephens, 2005), and cultural resistance to debt (Zavisca, 2012).

[Table 1]

Using the indicators explained in section 3, Table 1 seeks to capture not just the extent to which owner-occupation has become dominant, but the way in which housing finance and housing markets have emerged to transform illiquid socialist systems into liquid financialized ones.

The dominance of owner-occupation in post-socialist housing systems is clear: in no post-socialist country home-ownership is owner-occupation below 80 per cent, whereas it is higher than this in only one country in southern or western Europe. Moreover, it is outright ownership that is prevalent throughout the region (Column A). In each of the 10 countries where data are available, at least 60 per cent of the population lives in houses that are owned without a mortgage. Among the sub-groups outright ownership is highest in SE Europe where it exceeds 80 per cent, but there is variation within groups. Only 11 per cent of the owner occupied population lives in homes on which a mortgage is secured, some 16 percentage points fewer than in Southern Europe (Column B). Among the post-socialist countries, mortgaged ownership is generally weakest in SE Europe (4%) and strongest in Central Europe (17%). There is some overlap between the *most* mortgaged home-owner sectors in Central Europe (Czech Republic and Hungary) and the *least* mortgaged home-owner sectors in Southern Europe (Cyprus, Greece, Italy and Malta). The division between the post-socialist and Southern European countries is more acute when the share of mortgage debt in

the economy is considered: only Italy and Hungary come close to overlapping (Column C). Among the corporatist countries, which have an even lower level of mortgage debt than the Southern European countries, only Austria has a level of mortgage debt that is close to the highest level among the post-socialist group.

The indicators of housing as a source of (accumulating) and liquid wealth (columns D-F) are more difficult to judge. They are inherently less reliable and comparable, being affected by cycles that may not be synchronised and also by partial coverage. Nonetheless, the real house price index suggests growth in house prices since 2000 is comparable to the rest of Europe, notwithstanding a boom and bust in some countries. Real price volatility (measured by standard deviation) appears to be relatively high among the post-socialist countries, and cannot be explained by low levels of transactions as these appear to be high compared to most of the rest of Europe. So housing would appear to possess some of the attributes of an asset whose value generally grows, but is subject to much fluctuation. Moreover, although not 'financialized' in terms of financing, transaction levels do suggest that housing is quite frequently traded.

Interestingly, there is no coherent crystallisation between the indicators, for example between levels of mortgage debt and real house price appreciation, or between price appreciation and transactions. In contrast to Schwartz and Seabrooke's (2008), we find no consistent pattern has yet emerged, apart from the one clearly dominant and exceptional feature of these countries: the dominance of an owner-occupied sector unencumbered by mortgage debt.

## **7. The role of the household**

With the role of the state greatly diminished (through privatization) and the role of the market seemingly chaotic, one would expect the role of household/ family to be greater. Mandic (2012) used European Quality of Life Survey data from 2003 to examine the links between home-ownership and family welfare in the EU-27. She hypothesises that extended family structures indicates 'sharing household resources' (ibid.: 76), that mortgage-free ownership 'indicates the presence of other [non-market] sources, coming from family and kinship – in monetary form or in kind' (ibid: 77), and establishes that high levels of home-ownership are an urban as well as rural phenomenon. We also attach importance to household structure, but employ a wider range of indicators. The association of mortgage-free ownership with 'family and kinship' is surely questionable where privatisation has been so prevalent. Moreover, a broader range of sources is required to establish the role and nature of self-provision.

### Familialism

Demographic indicators provide a valuable overview of inter-generational sharing of housing welfare. The data on forms of inter-generational households (Table 2) relate to urban areas in order to avoid comparisons that are distorted by different levels of urbanisation.

[Table 2]



Among the ‘never socialist’ EU countries, there is a broad relationship between household types and welfare regimes, when all five of these indicators are considered. The indicators identifying couples living with adult children and single older men and women living with others provide the strongest evidence of southern European familialism; the pattern is still present if less consistent among those identifying extended families in general and children aged under 18 living within an extended family. At the other extreme the social democratic countries, where the state is strongest in terms of welfare provision, the indicators suggest that familialism is weakest.

As a whole the indicators support the hypothesis that familialism also plays an important role in the post-socialist countries. The pattern is clearest in the South East European countries. The average for these countries is higher than the Southern European average on all but one indicator. The prevalence of extended families is twice that of the Southern European countries and the proportion of children living in extended families is three times the Southern European average. The proportion of couples with adult children, and the proportion of elderly single men and women living with others are around the Southern European average. Within this group, Slovenia has lower proportions of extended families and children living in extended families, but the highest proportion of couples with adult children in this group.

The pattern is less pronounced but nonetheless distinct in the four Central European countries. The proportions of extended families and couples with adult children are a little below the Southern European average, but the proportion of children living in extended families is one-third higher. The proportions of elderly single men and women living with others are substantially below the Southern European average, but still considerably higher than in almost all other EU member states. Of the countries in this group, the Czech Republic appears to exhibit the lowest levels of familialism. It has an even lower proportion of extended families than social democratic Sweden. However, the proportion of couples with adult children is more in line with the familialist ‘model’, and the proportions of elderly single men and women living with others is higher than any of the west European countries other than Ireland.

The indicators for the three Baltic states also reflect familialism. In the group as a whole there is a higher proportion of extended families and children living in extended families than in the Southern European group. Although there is a lower proportion of couples with adult children and elderly single men living with others than in the Southern European group, these are above the averages for other welfare regimes, and reflect a relatively late age of leaving home (Mandic, 2008). The proportion of elderly single women living with others is slightly higher than in the Southern European group. As with the Czech Republic, Estonia appears to be an outlier in that there are comparatively few extended families and very few children live in extended families, but familialism is suggested by other indicators. In Russia, an explicit pronatalist policy whereby housing vouchers are granted on the birth of the second child, represents a reassertion of a long-term concern with population decline (Zavisca, 2012; Wood, 2012).

[Figures 1-3]

Cirman's (2008) study found that around one-quarter of Slovenian households who became home owners during 1991-2005 received financial assistance from their family. Evidence in the SHARE survey data (2010) fails to identify a consistent pattern of cash transfers between generations when financial gifts from people aged 50 or over to children *or* grandchildren is considered (Figure 1). However, when the question is narrowed to *grandchildren*, a clear pattern emerges, for transfers of relatively small amounts (250 or more in local currency) (Figure 2). Of the 16 countries included in the survey, five transition countries, two Southern countries and three Western (corporatist/ social democratic) countries appear in the top ten. Of the bottom six, five are western countries and one is Southern European. The pattern becomes less consistent when larger amounts (>5,000 in local currency) are considered (Figure 3). Three transition countries record the highest incidence of such gifts, but two transition and two southern European countries also record to lowest such incidences. Moreover, it is not certain how this can be interpreted, especially as the question is not ideal: even when the same currency is used, €5,000 in a transition country is likely to represent a much more generous gift than in a western European country. Whilst it is not known whether such transfers are directed towards housing, it is probable that they are linked since Mandic and Cirman's (2012) analysis identified such transfers (unspecified in scale or purpose) to be one statistically significant structural explanation of housing outcomes.

Whilst the data on cash gifts is supportive of the hypothesis that familialism is an important element of housing welfare in post-socialist Europe, the demographic data is compelling. All post-of these post-socialist countries exhibit much higher levels of inter-generational dependency in direct housing provision than in the social-democratic and corporatist countries. There is a continuum ranging from the Czech Republic, Estonia and to a lesser extent Lithuania which generally exhibit less inter-generational inter-dependence than is the case in Southern Europe. At the other end of the spectrum the South Eastern countries, especially Bulgaria and (on some indicators) Romania, exhibit a greater level of intergenerational interdependence. To borrow Iacovou and Skew's (2011) terminology, in some respects they form an 'extreme' southern European group. Hungary and Poland lie somewhere in between.

### Self-build

There is evidence that the environment whereby the state has retreated and efficient market institutions have yet to develop has allowed self-build housing to be a significant source of housing welfare in some post-socialist countries. However, the level of self-build varies greatly as does its nature.

Statistics are sparse and the difficulty in distinguishing between different forms of self-promoted housing in the west prevents benchmarking. Our survey of literature and experts suggests that self-build (where the family itself constructs at least part of the house) appears to be most prevalent in those countries where there is a legacy of self-build from the socialist period.

Tsenkova's report on south-east Europe suggests that 80 per cent of new housing is produced by private developers 'mostly in the form of self-help' (2005: 69). Estimates for Romania based on the building materials commonly used in self-built housing suggest that 13 per cent of urban and 59 per cent of rural housing constructed between 1990 and 2002 were self-built.<sup>4</sup> In Slovenia, where statistics do exist, self-built housing accounts for 70 per cent of completions since 1990, although the share has fluctuated (between 89% in 1999 and 41% in 2008).<sup>5</sup> Palacin and Shelburne (2005) give a figure of 38 per cent of completions being self-built in Hungary (in 2004). In contrast, there appears to be less self-build in the Czech Republic where only 4.5 per cent of 20-35 year olds reported acquiring their home through self-help in 2003<sup>6</sup>. However, in Estonia, Leetma, et al (2012) found that one-third of *dachas* around Tallin had become permanent homes, and more than half of them had been substantially renovated or replaced with new houses. Substantially upgraded *dachas* are also reported to be a feature of the outskirts of Russian cities.<sup>7</sup>

The nature of self-built housing varies between countries and – even within the post-socialist period – over time. 'Informal' settlement covers a range of housing and not only squatter settlements and run-down housing in city centres, but UNECE estimates that more than 50 million people live in such housing in the 20 countries within its remit (Tsenkova, 2009b). While such housing is not exclusively in post-socialist Europe, it seems likely that most of it is. 'Market' informal (i.e. illegal) self-development occurs, notably in cities such as Tirana where the urban population has grown rapidly, and in countries affected by the Yugoslav wars that caused widespread population displacement (ibid.). In these countries *illegality* combines with self-help to create a form of 'anti-state housing.' It may be regularised later, as occurs in Albania where there were some 270,000 claims for legalisation in 2006 alone.<sup>8</sup> However, where land has been obtained legitimately, tax evasion is commonly associated with self-built housing, and contributes to its anti-state character.

Soatia's (2013) observation, based on Romania, that self-built housing is increasingly associated with fulfilling aspirations to live in low density suburban housing, rather than fulfilling acute need is clearly quite widespread. For example, in Estonia, *dacha* housing was occupied on a permanent basis during the 1990s recession as a 'reserve of affordable housing' (Leetma, et al, 2012: 18), but through widespread upgrading and even replacement, it has moved upmarket, and provided building plots for housing during the short boom of the mid-2000s. Self-built housing became an important element in some socialist countries, largely because of the state's ability to provide housing was limited. In a fundamental sense it is weaknesses in both market provision and of state regulatory (and sometimes legal) systems that allow self-build to flourish in many post-socialist countries. Although it reflects a

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<sup>4</sup> Information provided by Adriana Soaita.

<sup>5</sup> Information provided by Andreja Cirman.

<sup>6</sup> Housing young generation survey, 2003

<sup>7</sup> Information provided by Sasha Tsenkova.

<sup>8</sup> Information provided by Doris Andoni.

panoply of path dependencies, it is consistent with the view that when state and market fail, the role of the household in the production of welfare becomes more prominent.

## 8. Conclusions

This article aimed to present an historically-grounded interpretation of post-socialist housing reform in Europe, employing a conceptual framework that combined the explanatory power of regime theory with the identification of the respective roles of the state, market and households in the provision of housing welfare.

Acknowledging generalisation, and the areas where data are limited, the evidence nonetheless suggests the following interpretation.

Socialist-era housing systems continue to exert a strong path dependency more than two decades after the collapse of communism. Their unique characteristic was a *unitary tenure structure*, whereby both state-rental housing and owner-occupied housing conferred very high levels of security with low levels of marketability. These sat within a framework which promoted the nuclear family, and in which allocation was predominantly non-market although ‘primitive’ markets flourished, and these allowed for (variable) levels of aided self-help housing. In contrast to the west, housing policy was, however, a deliberate source of reward and inequality.

‘Giveaway’ privatization is the defining feature of post-socialist housing systems, marking a universal retreat of the *state*. It has created a distinctive cluster of housing systems that combined very high levels of homeownership (‘super-homeownership’) and low levels of mortgage debt. The ultimate source of this welfare, however, is often the state, not the family as is the case in the idealised version of the southern European model. Although the state may have retreated, through privatization it has left behind a form of *state legacy welfare*.

However, the (initial) distribution of housing remained (deliberately) unchanged to replicate socialist-era inequalities as part of the well-known shock-absorber strategy. Moreover, it remained non-financialized, so the (housing) *market* has remained underdeveloped as a source of asset-based welfare. Although an array of financial intermediaries and instruments has developed, and indicators of ‘financialization’ are inconsistent, nowhere has a housing market developed that has transformed illiquid socialist tenure into consistently liquid assets.

With weak markets, the scope for the *household* to become a source of housing welfare (by default) has become more pronounced. There is strong evidence to suggest very high levels of familialism (inter-generational support) in the form of extended families sharing housing, although there is also some evidence of cash and in-kind transfers. High levels of self-built housing suggest that housing welfare is created from within the family. Much self-built housing in south-east Europe is developed illegally and assumes the character of *anti-state* housing. Overt state-backed pro-natalist policy linked to housing appears to be confined to

Russia. Together, the highly path-dependent configurations of housing welfare is strongly suggestive of a process of ‘transformation’ rather than ‘transition’.

A plausible (though hardly definitive) interpretation is that the co-occurrence of the neo-liberal ideology of the international agencies and the pragmatic concerns of those in power that produced give-away privatisation was unstable, hence the apparent lack of coherence in the respective roles of markets and households. There remains no settled collective ideology to produce the kind of stable power structures gave rise to the western welfare regimes. Until these are attained, the post-socialist countries are likely to experience *housing welfare regimes by default* – in that no conscious decision beyond privatization has been taken – and their distinctive characteristics will remain a peculiar marriage of *state legacy welfare*, very high levels of intergenerational support and (at least in some countries) *anti-state welfare*. In the tradition of comparative welfare regime literature macro-level indicators have been employed in this study. As such it provides a conceptual framework that might form the basis for more detailed ‘system-embedded’ (Stephens, 2011) studies that examine the sociology of these systems and focus on one or a small number of countries.

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Table 1 Characteristics of Housing and Mortgage Markets

	A Outright Ownership (% 2011)	B Mortgaged Ownership (%, 2011)	C Mortgage Debt: GDP (% 2011)	D Real house price index (2000=100)	E Real house price volatility (St.Dev.)	F Transactions as % owner stock (2000-2011)	G Notes
<b>Liberal ave.</b>	<b>30.9</b>	<b>38.3</b>	<b>81.1</b>	<b>105</b>	<b>9.2</b>	<b>6.6</b>	
Ireland	35.7	34.6	83.5	73	11.7	6.0	F: 2000-10
United Kingdom	26.0	41.9	83.7	154	8.3	6.4	F: 2006-11
United States	-	[66.1]	76.1	89	7.6	7.4	B: total owner stock
<b>Social democratic ave.</b>	<b>14.5</b>	<b>55.0</b>	<b>82.0</b>	<b>137</b>	<b>5.8</b>	<b>4.5</b>	
Denmark	14.4	52.7	100.9	112	9.6	4.6	
Finland	32.2	41.9	42.7	137	4.0	3.8	F: 2008-11
Netherlands	7.6	59.6	106.2	127	5.6	4.8	
Sweden	3.7	65.9	78.1	170	4.0	4.8	
<b>Corporatist ave.</b>	<b>30.1</b>	<b>31.3</b>	<b>40.7</b>	<b>138</b>	<b>4.5</b>	<b>3.2</b>	
Austria	31.8	25.7	27.8	100	2.6	-	D,E: 2001-11
Belgium	29.9	41.9	47.2	185	7.9	3.1	
France	33.7	29.4	42.4	175	6.3	3.9	
Germany	25.3	28.1	45.3	91	1.3	2.7	
<b>Southern ave.</b>	<b>55.0</b>	<b>21.9</b>	<b>50.8</b>	<b>116</b>	<b>7.1</b>	<b>2.8</b>	
Cyprus	58.5	15.3	71.3	133	11.2	-	D,E: 2003-11
Greece	60.1	15.7	36.4	84	9.2	3.2	F: 2002-10
Italy	57.3	15.6	22.9	133	3.5	1.8	
Malta	63.1	17.7	45.2	126	8.0	-	
Portugal	41.0	34.0	66.6	91	2.4	3.0	F: 2000-10
Spain	49.8	32.9	62.1	129	8.2	3.1	
<b>Transition ave.</b>	<b>76.2</b>	<b>9.9</b>	<b>17.5</b>	<b>141</b>	<b>17.6</b>	<b>4.7</b>	
<b>SE Europe ave.</b>	<b>83.8</b>	<b>3.3</b>	<b>10.6</b>	<b>149</b>	<b>14.8</b>	<b>3.4</b>	
Bulgaria	85.7	1.5	11.7	159	19.5	3.1	
Romania	96.0	0.6	5.5	-	-	5.8	F: 2005-11
Slovenia	69.8	7.7	14.5	138	10.1	1.3	D,E: 2004-10; F: 2008; 2010-11
<b>Central European ave.</b>	<b>71.1</b>	<b>14.5</b>	<b>18.2</b>	<b>128</b>	<b>15.2</b>	<b>3.5</b>	
Czech Republic	61.9	18.1	13.0	160	10.8	-	
Hungary	66.7	23.1	22.5	95	13.0	4.5	
Slovakia	82.0	8.2	17.8	128	16.3	-	D,E: 2003-10
Poland	73.7	8.4	19.6	129	20.7	2.5	F: 2002 only
<b>Baltic State ave.</b>	<b>75.5</b>	<b>10.6</b>	<b>28.7</b>	<b>142</b>	<b>26.0</b>	<b>7.0</b>	
Estonia	66.9	16.7	36.7	163	25.7	8.0	D,E: 2002-11
Latvia	74.2	8.3	30.0	121	26.3	5.9	F: 2000-05
Lithuania	85.5	6.7	19.3	-	-	-	D,E: 2002-08
<b>Russia</b>	-	[84.0]	2.6	179	15.8	6.3	B: total owner stock; F: 2010-11

Notes: A; B: individuals, except USA and Russia = % stock; B: [xx] excluded from averages; A-F: all averages unweighted (i.e. do not account for population size)

Source: A; B: EU-SILC, except USA and Russia = EMF (2012), Table 4; C: EMF (2012), Table 1; D; E: calculated from EMF (2012) tables 11, 28; F: calculated from EMF (2012), tables 4, 5, 9

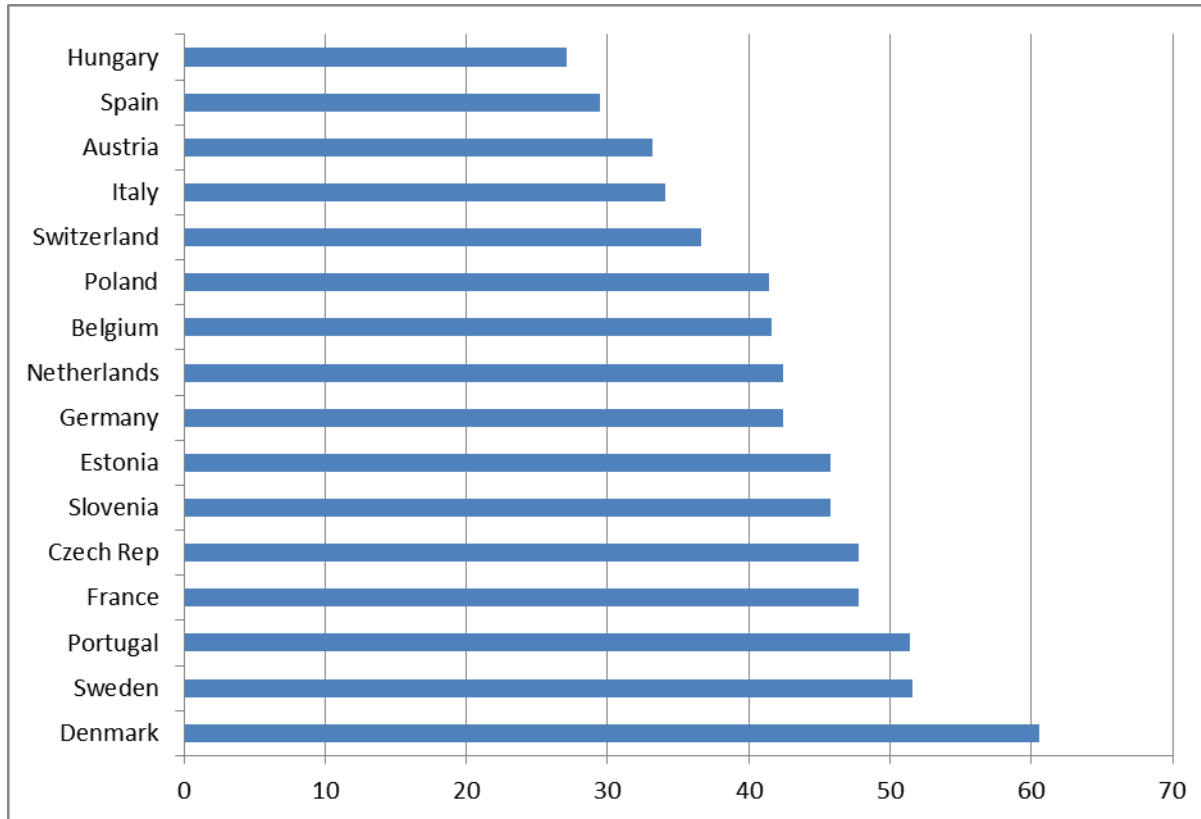
Table 2. Household Characteristics (densely-populated areas)

	Extended and other	Children (<18) living in extended family	Couple with adult child(ren)	Single men (65+) living with others	Single women (65+) living with others
<b>Liberal ave.</b>	<b>7.5</b>	<b>5.2</b>	<b>11.6</b>	<b>22.2</b>	<b>20.0</b>
Ireland	10.3	4.4	13.8	32.1	24.5
United Kingdom	4.6	5.9	9.3	12.3	15.5
United States	-	-	-	-	-
<b>Social democratic ave.</b>	<b>2.2</b>	<b>3.7</b>	<b>5.3</b>	<b>7.6</b>	<b>5.1</b>
Denmark	2.6	9.9	2.8	1.8	2.3
Finland	0.7	0.8	4.7	10.9	5.2
Netherlands <sup>1</sup>	2.2	1.5	9.1	9.7	5.3-
Sweden	3.4	2.5	4.5	7.9	7.6
<b>Corporatist ave.</b>	<b>3.5</b>	<b>10.1</b>	<b>8.1</b>	<b>8.1</b>	<b>12.0</b>
Austria	4.4	18.7	9.0	9.8	12.9
Belgium	4.4	14.6	8.4	7.5	15.8
France	3.9	6.9	8.0	12.0	11.8
Germany	1.1	0.0	6.8	2.9	7.3
<b>Southern ave.</b>	<b>6.1</b>	<b>8.8</b>	<b>21.0</b>	<b>38.6</b>	<b>39.0</b>
Cyprus	5.7	2.4	24.0	41.6	36.3
Greece	5.7	6.3	20.1	40.9	41.4
Italy	4.7	5.3	18.4	26.9	30.1
Malta	5.3	2.2	27.1	35.0	41.4
Portugal	6.4	22.5	16.0	46.6	36.2
Spain	8.5	14.1	20.6	40.8	48.7
<b>Transition ave.</b>	<b>8.9</b>	<b>16.3</b>	<b>18.8</b>	<b>26.9</b>	<b>36.9</b>
<b>SE Europe ave.</b>	<b>12.4</b>	<b>25.7</b>	<b>23.2</b>	<b>36.9</b>	<b>42.5</b>
Bulgaria	15.6	35.3	21.6	44.3	49.3
Romania	13.1	29.5	22.8	24.4	38.1
Slovenia <sup>1</sup>	8.4	12.2	25.1	41.9	40.2
<b>Central European ave.</b>	<b>5.9</b>	<b>12.0</b>	<b>18.9</b>	<b>19.4</b>	<b>30.6</b>
Czech Republic	3.1	3.6	16.0	14.5	23.8
Hungary	7.5	18.1	14.6	27.1	34.6
Slovakia	6.6	8.8	26.7	14.9	36.3
Poland	6.4	17.6	18.1	21.2	27.5
<b>Baltic State ave.</b>	<b>9.4</b>	<b>12.7</b>	<b>14.3</b>	<b>26.9</b>	<b>39.8</b>
Estonia	4.3	1.5	12.2	22.1	32.4
Latvia	14.8	29.8	12.6	32.2	49.3
Lithuania	9.1	6.7	18.0	26.5	37.6

Note 1: whole country

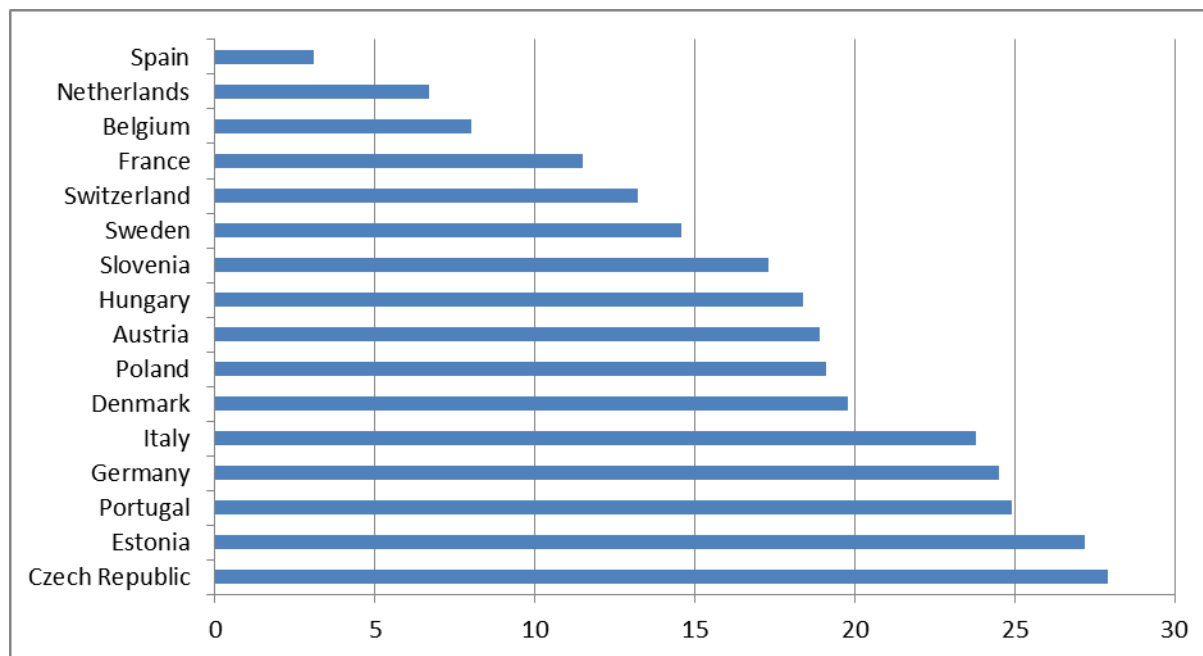
Source: EU-SILC, 2009

**Figure 1. Proportion of respondents who provided financial gift to children or grandchildren >250 (local currency)**



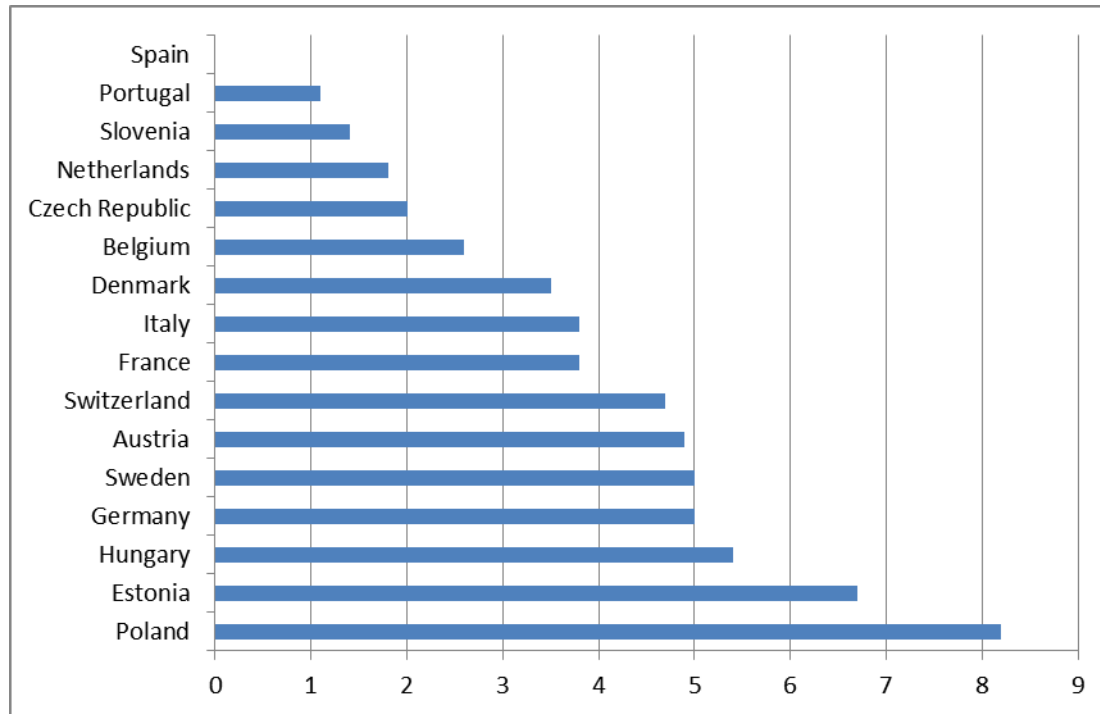
Source: SHARE, Wave 4

**Figure 2. Proportion of respondents who provided financial gift to grandchildren >250 (local currency)**



Source: SHARE, Wave 4

**Figure 3. Proportion of respondents who provided financial gift to grandchildren >5,000 (local currency)**



Source: SHARE, Wave 4