

DIFFICULTIES IN REALIZING A SOCIALIST HOUSING SYSTEM

by

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Housing problems together with their underlying State policies, priorities and their specific intermediate situation seem to be a proper field to present some inter-relationships and contradictions of Hungary's socio-economic, political, and social political relations on the level of the actual social processes as well as in terms of ideologies and policies aiming at changing these processes. However, housing problems are rather complex and this fact makes difficult our brief discussion; a presentation and analysis of the actual social processes, let alone social conflicts and recent readjustment and correction policies. Inherent in this limitation some reduction and simplification of our field could not be avoided: more factors are missing from than have been included into our paper. It is our understanding that we rather recognize than conceal this shortcoming unlike some other scholars did.

The goal of our study:

1. To present an overview of some factors of Hungary's housing problems during some decades. Some knowledge of these factors is necessary to understand the actual housing problems, reforms and people's reaction to them.

2. To present and analyze the actual content of these.

BUILDING THE GROUPS OF A SOCIALIST HOUSING SYSTEM

A rapid economic growth started in the European countries following World War II. This period of economic growth -- ending when production reached the potential level had the war had never taken place -- called as a "period of reconstruction" by economists. The primary period of this reconstruction ended in Hungary by 1949 when production level reached the one prior to the war. Nevertheless, a complete reconstruction had not been ended that time and "a further rapid development seemed to be ordinary; what is more, it was officially considered that time as a development made possible exclusively by the Socialist economic planning. Hence a speed of economic growth characterizing the year of 1950 became extrapolated for the forthcoming years of the same five year plan. However, when economic development reached a trend /obviously not recognized that time/ in 1952 a further fulfillment of that plan became illusory. Serious political and economic consequences of that unrealistic plan are well known." /4. pp. 32-33/

Hungarian economy was then characterized by a too high level of accumulation, an oversized rate of investment, a forced development of industry and especially of heavy industry connected with the military, and as its drawback a decline in consumptions, investments into infrastructure and housing.

A primary reconstruction took place in the housing sector, too, until 1949 and consequently the starting conditions of the period analyzed in our paper can

adequately be illustrated by that stage. Sixty-three percent of Hungary's inhabitants lived in villages, seventeen percent of them in the capital, and twenty percent in other towns. Most of the apartments /70 percent/ consisted of merely one room . . . , and six million people, about two thirds of the population lived in such apartments that time with an average of 3-4 people in a room. A smaller proportion /27 percent/ are one-bedroom apartments and only an insignificant number of all apartments are larger. Running water could be found only in 17 percent of all apartments /ten percent also with bathrooms/ and there was no electricity in 54 percent of them. Three fourth of all apartments had no electricity in villages but 90 percent of them had it in the capital. Practically there was no running water in villages /whereas 66 percent of them had running water in the capital/. Bathrooms could be found in only 6 percent of the one-room apartments but . 78 percent of the larger ^{than} one-bedroom . . . had bathrooms. The most common form of housing was the family home in the country /98 percent of ^{houses} were one-storied and 85 percent of these buildings included only one apartment each/.

Housing conditions differed significantly depending on whether a family lived in rural areas or in towns ^{the} /the capital/, and depending on the size of these apartments.

However miserable those housing conditions were, the actors of ^{the housing system} /tenants as well as policy makers, . . . , as well as those in charge of

distributing the State-owned apartments/ could judge the housing conditions as proper or poor, changing or not only in terms of the previous housing conditions and their aspirations could be adjusted accordingly. Some of those "corrections" resulted in basic factors surviving until now.

a.l. Previous to nationalization ⁱⁿ/1946/ when inflation at top speed had been terminated and our monetary system had become stabilized, the new forint introduced, rents had been fixed on a quite low level: they were about one third of the level characterizing the pre-war years.*

Beyond economic consideration such as capital incomes derived from rents had to be reduced or wages of industrial workers had to be kept on a low level, impact of rent-inflation had to be eliminated some long-range ideological conception was a basic determining factor inherent in policies whereby rented apartments "should become a specific service compensated only through a symbolic sum on the side of tenants since the costs of operation and maintenance were to be paid by the socialist State. In the long run, hence, the Socialist State was to

* A very important factor cannot be discussed here: a s.c. "limited housing economy" together with the fixed rents were not new to townspeople and the relevant institutions. Between 1916 and 1926, then in 1941 and 1943 until 1945 a similar system functioned in Hungary and such urban housing systems and policies are also known in other European countries.

take over an ever increasing share of these costs with economic development, similarly to education and health care." /1. p.41/

a.2. Nationalization of houses /namely the ones that included six rooms or more/ took place only some years later following the "year of turning" /1951/ when a one-party system took over. /It should be noted that 84 percent of all buildings included only one apartment each; 96 percent of all buildings in the country included only one or two apartments each; however, 54 percent of all buildings in the capital included more apartments each./

Nationalization, hence, changed the legal conditions only for people living in larger ~~estates~~ or blocks of flats in urban areas. Nevertheless, other factors had also their impact on the actual housing conditions for various social groups.

a.3. Three factors of construction of flats that time had their long-range impact: infrastructural investments including housing-oriented investments had been reduced within total investments /they did not even reach five percent of total investments, and hence increase in this field between 1951 and 1953 did not even reach the level of those in the years of Great Depression, 1930 to 1933/; volume and rate of building private houses had been reduced; construction by the State served merely a political and economic concept of building "new socialist towns" against the originally declared ideology inherent

in reducing or eliminating inequalities in different areas; and together with that^h housing problems of functionaries of the state machinery, administration and management /mainly recently appointed from among the working class/ had urgently to be solved. Their housing problems had their justified priority against any other consideration as these families anyway did not live under proper housing conditions, either. A large part of the new municipally owned apartments had to be used for this purpose: to solve housing problems of managers and leading experts in recently formed industrial plants and other institutions. These new apartments served at the same time as a permanent indirect income for these families. Hence, solving housing problems of working class families living previously in urban districts had been pushed into the background" /7. p.16/; furthermore, the two determining spheres of building apartments had been separated in terms of financial investments too /between 1951 and 1954 ninety-two percent of state financing and credit was used for forty-four percent of all new apartments while only 8 percent of these sums was used for privately built homes/.

a.4. While important changes started in terms of ownership and constructions, the system of distribution and economy of housing was also changing. Spontaneous occupations of apartments started already during the war and they mainly became legalized through a permanent modification of legal measures inherent in ~~the~~ "fixed housing policy." A specific system of spontaneous actions on the side of people at large, occupations, pressures

and a mutual interrelation of the offices in charge of distributing apartments, the gradually developing power centers developed whereby the exact rules of distribution had not been legally clarified throughout the years and particular interests of inhabitants and power groups had been realized directly in administrative ways, and often through violent actions. /Apartments that could arbitrarily be occupied first became available during the war as 600 thousand Hungarian Jews were deported. Almost one million people served some term as prisoners of war and hundreds of thousands died while some other hundreds of thousands -- mainly upper middle class families, the former elite -- escaped leaving the best apartments behind. Furthermore, apartments belonging to their family members left behind over the size of rightful claim could also be taken over /fully or partially/ by force. In the name of "class struggle" and legalized by an order of the Ministry of Interior 5292 apartments were emptied in Budapest alone in 1951 as their tenants had been considered as "persona non-grata" and deported to the country /2. p. 25/. This action alone resulted in apartment contingents to be distributed for many years. Then there were other relevant events, too: following the war and peace treaty villages or groups of villages were changing hands due to resettlement of German or Slovak minorities and repatriating many Hungarians ~~from~~ Slovakia and Transylvania./

It is hard to precisely define who were the "losers" and ^{who} the "winners" of these processes; however, it is safe to state that leading and middle groups of the new power

elite and a rather limited ^{group} of the new urban working class elite or the "new working class cadres" as well as many "ruthless hustlers" could better their housing conditions at the expense of the previous upper and middle classes. An overlapping of politics and social policies had hence again become a direct historical experience for various groups of Hungarians.*

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Considering all these factors it is not surprising that ten years after the start, in 1960, 63 percent of all apartments are still one-room apartments /a decrease of 7 percent/ and only 17 percent of them had bathrooms /an increase of 7 percent/, 23 percent of them had running water /an increase of 6 percent/. Only the "electrification program" following the Soviet model could show a significant result of its realization during the fifties as proportion of the electrified apartments increased from 46 /in 1949/ to 75 percent /in 1960/.

A limited and peculiar change in ownership conditions is reflected by the fact that while in 1949 /previous to nationalization/ the owners and/or their family members lived in 62 percent of all apartments in 1949, also 62 percent of the apartments are in private hands in 1960. Proportion of private or rented apartments is essentially different in Budapest or other towns from that found in the villages in both periods. In terms of

* Similar occupation of apartments also took place in 1919 during the Hungarian Soviet Republic and then also in 1956-1957.

apartments for rent, their tenants or those who intend to rent apartments changes in ownership conditions have obviously had their significance.

A fixed rent independent of the actual market values of the different apartments is favourable to industrial workers, middle classes and managers living in such apartments in the urban districts; their indirect, relative "incomes" increased this way: the smaller proportion of their salaries and wages goes for rent, the better quality and environment their apartments have, the higher this "indirect income" will be. However, low rents will not motivate mobility of tenants and apartments for rent, will not cover maintenance costs and state budgets will never ensure these costs. These contradictions have, however, become clear and strained only in the next period.

THE BEGINNING OF THE AMBIGUOUS COMPROMISES

The events of October 1956 made the leaders of the political system suddenly realizing the fact that ideology alone or the previous practice derived from that ideology could not serve, anymore, as a ground for at least a minimal level of consensus between leadership and people-at-large. A steady increase of living standards has become an important means for consolidating the system. Inherent in that process a political decision was made already in 1958 stating that one million apartments had

to be built within 15 years to solve the so-called quantitative shortage /each family should have their own flat/. This first fifteen year plan for constructions started in 1960. One of the main contradictions between declared goals and actual practice can be revealed as follows. The fifteen year plan in its first form, planned a proportion of 60/40 percent between ^{state} and private constructions. However, as early as during the first third of that period untenableness of this rate became obvious as investments not distributed to the people-at-large got again their priority, and a readjusted plan for the period of 1961 to 1965 had been introduced that established a rate of 44/66 between constructions by the State and private parties. A rate of 63 /State/ and 37 /private/ was again planned for the next five years; however, that rate was changed again during its actual realization to 33 percent /State/ and 67 percent /private/ constructions. These plans and their alterations have well demonstrated that the leadership could take only unsuccessful attempts to realize their declared ideas.

The basis for this conception of housing policy continues to assume that a potential rapid economic growth will also produce increasing resources for building apartments for rent by the State and this form of housing will become dominant in dynamically developing urban areas parallel with further industrialization and private sectors will gradually be superseded, as its costs have been included into wages and salaries. Hence, privately built houses will survive only in rural areas where people can solve their

housing problems through incomes from household farming and resources of the family-at-large.

However, resources for realizing this concept of constructions by the State have not been produced and consequently a dilemma of quantitative/qualitative shortages has again become dominant. A maximal number of blocks of flats produced from the limited budgets could only be realized through keeping some qualitative features /size, number of rooms, etc./ on a low level.

Nevertheless, recent corrections were not a result of these contradictions in the field of construction of apartments but rather of some partially political anomalies observed in distributing the State owned apartments in already increasing number, and in separate ways of getting apartments.

In order to make it clear, a brief overview of the ways how families can get apartments in Hungary should be outlined ,its sequence shows the increase of State subsidies versus private sources:

The traditional real estate, family home, built or bought. Although this is the most widespread form in Hungary, it is just "tolerated:" it does not get directly any kind of State subsidy or preferential loan; it has an indirect support, however, through subsidies given to manufacturers of building materials /which, in turn, have also ensured the functioning of these manufacturers, industries/.

Block of flats or semi-detached houses organized or built privately. This is a gradually increasing but not

dominant form, enjoying some preferential building sites and loans for constructions, owing to the fact that the State has after all recognized the inclusion of private resources into home building, getting one's own apartment; nevertheless as an exchange the State tries to extend its authority as a regulatory agency into the field of private home building, exercising its authority through a great variety of conditions for preferential loans.

Block of flats built by municipalities /the State/ but sold to private parties, /through companies, or the monopolized saving bank/. This form is a rather firm realization of some considerations discussed above. People buying these apartments get not only preferential loans but also some dotation of the already finished apartments /briefly: they pay a reduced price with preferential conditions for loans/; however, private resources are here subordinated to a great extent to interests of municipal construction firms, distribution by industrial plants and other institutions, local councils and settlement policies.

New apartments built by the State and remaining under the ownership and authority of municipalities, whereby the State compensates for the full price as well as most of the forthcoming maintenance costs. These apartments are distributed by the municipalities or companies, various institutions; this is a preferential form of the "traditional" building of blocks of flats by the State.

/Among the various ways of how people can get their apartments the inherited flats and/or tenant rights,

buying and selling, or trading private or municipal apartments should also be included./

Various ways of getting one's apartment are sharply separated according to the rate and volume of private resources and State subsidies /in terms of a family some sort of "national gift"/ invested. This fact, by itself, gives rise to tensions among people getting their apartments in different ways. These tensions are even deepened and sharpened by factors as follows.

b.1. Costs of getting one's home are continually beyond salaries and wages and consequently huge masses of people building their homes on their own must accept burdens much exceeding their actual capacities /they use up all of the physical and material resources of theirs and their families at large/ while other people just get the "national gift".

b.2. Furthermore, as a result of home building reduced in the last decades and of the gradually developing increased living standards, a significant and sound demand in the field of private home building, real estate trade has developed and this process has resulted in a rapid inflation of various ways how people can get their apartments; private burdens increase, the abyss between this private form and other ways of getting apartments has been deeper and deeper.

b.3. Situation of the "intermediate" private apartments receiving preferential loans and state subsidies.

is quite contradictory. For on the one side it is not understood by people relying entirely upon their own resources why others and not themselves got these preferential loans and subsidies, on the other hand people who get these benefits but still sacrificing their own resources will not understand why others, through getting a municipally owned apartment, get even more benefits.

b.4. All of these tensions could, nevertheless, be reduced had the ways of getting one's own apartment requiring larger private material resources been open rather to people who actually possess these resources, while the other ways requiring less private resources to the people who do not possess these private resources. /Had it been so, at least some conformity to the declared equillitarian principles could be traced; although we have some reservation whether they could indeed have their legitimizing impact in the population at large/. In fact nearby just its opposite took place: villagers working for the agricultural cooperatives or commuting between the industrial centers and their residences who have low incomes could manage their homes entirely on their own; from among the blue-collar industrial workers only the highly skilled, "most important" groups could get heavily sibsidized apartments; others could only build cheaper ones in inferior environments throughout many hard years; leaders, managers, professionals and intellectuals on various levels have usually enjoyed the privileged, heavily subsidized apartments.

b.5. Finally, in order to make these phenomena understood, economic considerations should also be included. Building of blocks of flats by the State has almost exclusively been concentrated within the urban areas and especially in county towns or other industrial towns occupying higher power positions. A higher demand for professionals in these powerful and economic centers has developed and construction, distribution of blocks of flats served this end. Although salaries of these professionals were above average, costs of building their own homes privately have obviously not been included into their salaries^{too}. Hence, the heavily subsidized apartments were given them as a quasi recognition of their importance, as "assignment in kind". This has to some extent been in accord with economic interests. However, it has further decreased the motivating force and role of salaries and wages.

A SOCIALIST REFORM FOR THE SOCIALIST SYSTEM OF HOUSING

We could give only a brief outline of tensions and conflicts within the housing system and policies characteristic of the period discussed. These problems and to a certain extent the impact of the reforms of the economic systems in 1968 led to a "housing reform" in 1971.

The essence of this "reform" is briefly:

c.1. To raise rents to a level that would cover costs of maintenance, renovation, operation. To terminate this way the symbolic character of rents whereby they become a

limited economic category and the privileged position of people living in municipally owned apartments would be decreased.

c.2. Options, ranks of the applicants as well as distribution of apartments built by the State /among the various ways of getting apartments/ had legally been regulated. New preconditions /such as family income limits per capita/ have been introduced into the distribution of different apartments with different levels of subsidy. These conditions have more efficiently ensured that apartments of higher level of State-subsidies should indeed be given to the poorer.

c.3. In the field of apartments built and owned by municipalities the so-called dues for the rights of renting an apartment, a contribution to home building has been introduced increasing burdens on the people renting state-owned apartments while extending this construction to trading state-owned apartments is a recognition of the fact that these apartments, too, have their differentiated use-value realized in monetary terms illegally in the market of trading municipally owned apartments.

c.4. Loans given to private builders as well as their content and the eligible groups have been increased. Tensions among various categories discussed above have partially been reduced this way and this form of getting a family's own home has changed from the "tolerated status" at least temporarily into the "somewhat supported" category.

An evaluation given some years after introducing this reform said: "Turning year«as it might have been was 1971, but only to the extent, that ideology but first of all social practices had already left the previous ways, but could not yet find the new ones. This is to say that our actual situation is no less full of contradictions as the previous stages deriving from the very character of transitory stages." /1. p.46/

This evaluation was given in 1982, ten years after the reform and reenforced by other experts' evaluations as well as the opinion of the author of this paper emphasizes: however significant some measures of the 1971 housing reform were, the previous basic contradictions have by no means been solved in the seventies; some of them have indeed sharpened and new ones emerged. In order to avoid repetitions now we primarily focus on the recently emerged contradictions.

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Previous to that, however, let me present a brief overview of the changes of housing conditions in Hungary during the sixties and ^{after 1970} ~~between~~. Between 1960 and 1970 and ^{between} 1970 and 1980 a thirteen percent increase took place, and number of apartments increased with the 800 thousand.

Proportion of one-room apartments had gradually been decreasing: seventeen percent of decrease in the sixties and eighteen percent in the seventies took place and the proportion of these small apartments has finally decreased from 63 to 28 percent. However, in Budapest

even in 1980 38 percent of the apartments had only one room each. Relative number of apartments having running water and bathrooms has dynamically increased especially in the seventies /in 1960 23 percent of all apartments had running water, in 1970 36, and in 1980 65 percent: their rate in Budapest was 94, in other towns 77 percent in 1980 while in villages only 43 percent. In 1960 seventeen percent of all apartments had bathrooms, in 1970 32 and in 1980 61 percent; in Budapest 77, in other towns 73, and in the villages 45/.[⌘]

Volume /but not proportion which has actually been declining/ of homes built by the State had gradually increased until 1979 when a drastic cutback took place and its ~~value~~^{my} decreased to the half since then.

Differences in terms of qualitative indicators such as floor space and number of rooms is still significant /average floor space of the municipally owned apartments built in 1976-1980 was 54 m² while that of private ^{built} was 72 m²; 21 percent of the former but 49 percent of the latter have more than two rooms /one bedroom/). By 1980 32 percent of all ^{State owned} apartments are in colonies; two thirds of them were built during the seventies.

[⌘] It should be noted that more houses have bathrooms than a system of running water as water could be taken from the well. These houses with bathrooms conform the construction regulations but their owners can only hope for having running water installed in some distant future time.

Sixty-five percent of blue-collar and 88 percent of white-collar workers and professionals live in flats with all the usual offices in Budapest; in towns we find a similar situation while in the villages 31 percent of workers, 18 percent of peasants of agricultural cooperatives and 64 percent of professionals live in similar homes.

Sixty-two percent of all apartments were in private hands in 1960, 67 in 1970 and 71 in 1980. However, 62 percent of all apartments are still municipally owned in Budapest in 1980, while 34 percent in other towns, and 9 percent in the villages. In 1980 94 percent of people working for the agricultural cooperatives owned their own homes; 70 percent of blue-collar and 55 percent of white collar workers owned their own homes. This is to say that almost one half of the professionals /44 percent/, one third of workers /29 percent/ but only a small fragment /6 percent/ of people working for the agricultural cooperatives rent apartments.

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To turn back to the intensified or ^{new} contradictions of ^{the} housing system, ^{in 70-80} some changes as follows should be emphasized.

d.1. Due to a liberalization process wage and price conditions and disequilibrium between demand and supply of apartments relative to inflation in the private home building sector has further increased; what is more -- and

especially in the second half of the seventies -- this inflation reached apartments built from public sources but going into private hands. Subsidies given to State owned apartments for rent had also been increased. These processes have, by themselves, significantly reduced the impact of "housing reforms" otherwise full of compromises. This is well illustrated by the fact that an average privately built apartment needed 2-3 times as much cash as getting a municipally owned one in 1960, but by the beginning of the seventies this rate increased to 6-7, and by 1979 to 11.

d.2. Furthermore, "anti-reform" forces increased during the seventies in our field just as in relation to the overall economic reform; it is manifested in introducing a so-called "working class home building action" supporting blue-collar workers in the large industrial plants. /It is another question who were the ones who got these apartments, at what a price and what sort of apartments they got through this construction./

d.3. Meanwhile as a result of a great variety of processes social impact of the so-called second economic system which produces the officially not counted incomes redistributing wages and salaries has steadily been increasing. /This system includes a system of trade, work outside the socialized sector or crafts, small business as one's main job./ It would take another study to analyze how is this ^{of} second system ^{economic} connected with ^{the} housing system. This time we only state that without the income distri-

buting impact of the second economic system and without the actual work invested here the private home building and real estate buying characteristic of that period could not be realized at all and on the other hand the basic motivation and force behind the second ^{economic} system has been just this home building ~~from~~ from private resources /beyond home gardening, household farming/.

d.4. While the economic contradictions of the housing system could be found behind the rationale of the "housing reform" in 1971, actual changes were a result of primarily the very contradictions of distribution in its largest sense. By the end of the seventies, on the other hand, the economic contradictions became unbearable to the extent as to force some changes within the housing system. The basic element of this contradiction has been /without discussing the various underlying factors, causes/ a gradual decline of the economic situation: capacity of state budgets has been declining and resources to be invested into home building have radically been cut.

UNCERTAINTY PREVAILS - COMPULSORY SITUATIONS
BUILT UPON EACH OTHER

Our historical overview is now ending with a discussion of some main trends of housing policies since the end of the seventies.

e.1. The State, the political leadership -- lacking the necessary financial resources -- have gradually left

some basic areas of housing system. Volume of home building by the State has radically declined and especially the number of municipally owned apartments for rent decreased; on the other hand, volume of cash required to get an apartment built by the State but for sale has significantly increased -- rents as well as electric/water/gas fees have multiplied; apartments formerly owned by the municipalities are sold to their tenants through new constructions of loans; a great variety of decisions /such as internal division and design of apartments built by the State, guidelines and measures of distribution of apartments/ are decentralized, given to the local municipalities.

e.2. Meanwhile home building from private resources has become widely accepted, guidelines and limits of loans, formerly reflecting centralized preferences have been eliminated and hence more people can get these loans /at the same time a differentiation by number of children in a family has been extended/.

e.3. By introducing loans and financially recognizing exchange value of municipally owned apartments an acceleration of mobility in the housing system became a goal /"everybody should move into apartments adequate to one's job (income)"/ and at the same time standards for the lowest level of "apartments" to be distributed by municipalities has been relaxed /even a one room apartment without running water, or a partly ruined apartment, an empty attic can be offered to a family/. The goal is to draw as much private resources as possible in all fields.

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At this point of our historic overview we must stop since at least a very brief discussion of today's political, "reform" aspirations, ^{situation and} reactions of the people-at-large cannot be avoided in order to evaluate the actual processes.

Let us begin with the "situation". What does "the withdraw of the State" means in various spheres of housing?

Rents paid by families living in municipally owned apartments have been multiplied without any compensation or consideration of the individual families' actual living conditions, incomes. Add to it the increase of maintenance, general expenses while real incomes have been decreasing or stagnating. Many of the families living in rented apartments are put this way into a serious, some of them into critical situation. An indicator of this fact is that number of families unable to pay rents and fees has steadily been increasing. Opposite to the official expectations not those who are not in need of the apartments but just the ones who are in need must give up their apartments moving into inferior ones.

People waiting for municipally owned apartments have not had much perspectives until now /by the end of the seventies the average waiting time was ten years in Budapest/ but now even one of the most important "intermediate" constructions has been eliminated /apartments built by the State but offered to sale under favourable conditions: the so-called "cooperative" apartments/ and

hence ~~the~~ a group lost any hope: families not "poor enough" to be eligible for municipal apartments but not "well off" to build their own ones. At the same time people waiting for apartments sold by the State under favourable conditions must face on the one hand the ever increasing prices of these apartments, on the other hand, they get the same prefab apartments in the same colonies as the more fortunate families who get them free, wondering about how this situation is possible at all. /Due to this fact, today hundreds or thousands of apartments of this sort are vacant waiting for the potential buyers for several months -- in a country where shortages are still extreme in this field./

Finally, people waiting for municipally owned apartments will sooner or later get them, but in an increasing number they get only temporary lodgings; blocks of flats without running water, ruined ones, wondering about how the State can offer such apartments to families in the eighties.

Some groups building their homes privately also face serious problems; their burdens have not decreased, on the contrary, they have rather increased in ^{result} of the declared program "all out for the private home building." Although conditions for loan have bettered, they cannot match inflation rates. These people must face not only price increases of building sites, material and construction, but also their actual shortages. One of the greatest traps is the shortage of building sites whereby the actual practice of municipalities can recall the initial ad hoc

forms of the former system of distributing apartments.

Apathy, worrying about an even worse situation is the characteristic reaction of the groups discussed above and if they are able to do so they work even more in the (second) system of economy; they increase their own self-exploitation and use up family resources to the extreme; they try to find individual, sometimes unmoral solutions.

It is hard to speak of "winners" in this situation; however, the "classic" winners of inflation belong to them: people in actual possession, the ones who had earlier got apartments of increased market value /within the ... environmental factors become especially important/, people who got larger municipal apartments, sometimes estates for their earlier merits and the members of these families when they want to buy these apartments for reduced prices and under favourable part-payment conditions, or they want to change them into smaller ones and hence, the earlier advantages derived from status are exchanged into market values. Obviously, we find among the winners the people possessing the financial resources and status to buy or build high quality apartments in good areas as they can feel safe about their best possible capital investments.

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As to the actual aspirations ... political, "reform", here it is even harder to get a clear view; to

outline trends and character of the actual conflicts. We must first note that when concepts exist at all, they are hardly ever disclosed to public opinion: some experimental or half-completed papers are only circulating within specialized institutions; there are some "reform projects" or some confidential official papers.

Projects concerning housing policies presented recently are inherent in searching for solutions outside the State budget, according to the actual major guidelines. Specialized "reform literature" has mainly followed this trend otherwise they could not have any chance to be even partially accepted.

Considering the actual conditions of housing system and its relations not too many viable options could be developed into a relatively coherent concept; though some differences may be observed. The most important division line along which conflicts have regularly broke out has been a definition of margins between ^{State} redistribution and market. In a paradox way just the institutions and members of the State machinery who "sympathetize with reforms" and want to "reduce State budgets" stood up for reducing redistribution by the State while some of the "reform intellectuals" and professionals declared an even more radical withdraw by the State, others have suggested instead of reducing this redistribution rather changing its actual ways.

Confusion has been intensified because -- due to administrative measures against critical research --

detailed, reliable information and analysis of the impact of changes were not available and hence the impact of some details and important elements of previous proposals could only be predicted in empirical ways but could not be calculated. (Another paradox: official projects inherent in reducing state budgets could hence circumvent an argument of "reducing inequalities": inequalities in bearing the burdens by various groups will be reduced if differences between various ways of getting apartments are reduced; hence privileges of social groups of higher status will be reduced as rents and expenditures of a rented apartment are ^{increased.} ./

One problem could not be solved either by "reformers" suggesting reduction of redistribution by the State, or by those who are in charge of "limiting State budgets", although the underlying interests were different: Today in Hungary the State as a regulatory agency or by its budgets might leave some sectors alone; nevertheless the vacuum created this way will not be filled by an operative market system. /Beyond this actual problem, the ^{mean characteristics of} redistribution ^{and} of a market system can also be discussed./ Such a market system has been limited so far both in areas and in its external conditions (namely by its own financial and legal regulatory measures); hence to change some regulatory roles will not by itself produce the needed results. Housing problems of groups, whole generations who must face them here and today cannot be solved by a housing system to be developed and operating in some distant future time. For, as it has been presented,

today aspirations of a trend officially "reducing state budgets" and at the same time presented as self-appointed "reformers" prevail.

On the other hand, to close our brief discussion, arguments inherent in welfare policies and general social policies presenting social problems referring to social conflicts remain weak in this struggle and they cannot base their arguments on existing safeguarding, welfare pressure groups; socialist equalitarian ideas, so often declared but never realized during recent decades, have already been discredited.

Hence we are in a situation -- and this might be one of the most important lessons to us -- whereby actually there is no viable concept in Hungary to present some social-political alternative to housing problems. Our paper, together with other essays of this volume might contribute to understanding why there is no such concept; and what will be the consequences of this conclusions, what is the message upon drawing our conclusions -- it might be fruitful to readers of other countries, too.

Budapest, April, 1986

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I tried to show by this paper
- not by explanations and by commentaries
from a special viewpoint, but only by the
emphasizing the most essential points of
the "story" (events) - that though the
housing-question has sociopolitical implications,
and important social consequences,
in spite of this it is only a certain part
of the housing-question, and the whole
housing-mechanism doesn't work on the
ground of (a good or bad) social policy.
For this reason it wouldn't be suitable,
if we used only our sociopolitical
viewpoint, and the sociopolitical categories.
(Different issues have peculiar dimensions.)

(Maybe, some sentences have to write into the
text, about this.)

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