

The Mixed Housing Regime in Romanian State Socialism²

Abstract

Preoccupied with legitimizing the country's turn toward capitalism, anti-communist discourses in Romania are based, among others, on the assumption that state socialism eradicated all forms of private property while promoting central planning and state ownership. However, as my paper demonstrates, the development of the housing regime suggests the opposite. In my study I analyze the state socialist mixed housing system, using legislation and statistical data. As a first step, I take a critical position to transitology studies for their preoccupation with how an unregulated housing market was enabled and how the former housing system was dismantled. Then I clarify the central concepts used in my analysis. In the third section of my article, I discuss the constitutive role of housing in socialist and capitalist political economy and the transformation of state socialism into neoliberal capitalism. In the fourth part, I provide a detailed overview of the state socialist mixed housing system with the help of statistical data, contrasting it with the current, market-oriented housing regime. The paper concludes with the analysis of the state socialist mixed housing regime from two aspects: firstly, I discuss the connection between the state socialist mixed housing and property regime and the way the right to personal property and related policies outweighed the right to housing. Secondly, I am going to highlight the functioning of the state/market mix through the distribution of homes. The paper calls attention

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to the possibilities of a housing regime that may offer an alternative to the mechanisms of contemporary capitalism. By highlighting the pitfalls of the state socialist housing system, this analysis and its conclusions offer a few reference points that such an endeavor can use.

Context and Aims of the Analysis

While transitology studies emphasize the “monolithic systems of central planning and state ownership of assets” in socialist economies, research into the housing regimes in Central and Eastern Europe recognized that former socialist countries operated a mixed system of state and market, although to different degrees (Tsenkova 2009). As Sasha Tsenkova noted, many studies analyzed the process of privatization and deregulation of property markets or the restructuring of housing production (Baross – Struyk 1993; Renaud 1995; Clapham 1995; Hegedüs et al. 1996; Struyk 1996; Turner et al. 1992; Tsenkova 2009), while others focused on the reforms in the public rental sector (Lux 2003) and finances related to housing (Hegedüs – Struyk 2005). Furthermore, it was observed that “transition economies have experienced similar processes of change in the 1990s” as Western European countries did under neoliberalism, such as “the withdrawal of the state from direct intervention in the housing sector, residualisation of public housing and policy collapse” (Tsenkova 2009, 7).

I emphasize from Tsenkova’s arguments the idea that existing studies have been based on the concept of the “gradual transition and progress towards the development of the ideal market-based system”. Furthermore, they “provided practical policy recommendations on actions that need to be undertaken, designing a blueprint for housing reforms” (Tsenkova 2009, 7). Altogether, she and other analysts close to the World Bank were committed to policies enabling housing markets (World Bank 1993). As such, they aimed to prove that “the public housing experiments of centrally planned economies failed” (Renaud 1999, 757); “the public housing programs were wasteful” (Renaud 1999, 758); “the purely government-managed institutions – while seemingly created in the public interest – ultimately become inefficient, monopolistic and bureaucratic” (Renaud 1999, 765); “the socialist housing policies treated housing exclusively as a social issue to be met by the state and

they failed to appreciate the complex and specific features of housing as a major sector of any economy” (Renaud 1999, 769); and “the absence of a commercial housing finance system became one of the numerous problems of transition economies” (Renaud 1999, 768). Further on, their analysis stressed that the socialist housing system was responsible for many of its problems because it created uniform and typically small apartments, there were long waiting lists, and the rents were “absurdly low (the total housing expenditures were much less than 3% of total household expenditures” (Renaud 1996, 10). In addition, they promoted “the transformation of the old state financing mechanism into a modern, competitive financial system” and an overall banking reform, including the transformation of the “monobank system ... that acted as a treasury for the government” and operated “a monopoly saving bank that collected household deposits to finance the state plan” (Renaud 1996, 12–13). Renaud also affirmed that to repair the financial system of housing in former socialist countries it was necessary to rewrite “property laws ... to create the concept of real estate” (Renaud 1996, 17).

In my paper I use the case of Romania to discuss how the mixed property relations in housing and the state/market mix, i.e., the mixed housing regime, constituted a cornerstone of state socialism; and its transformation played a fundamental role in the transition to capitalism after 1990. The fact that personal housing properties existed and there was a state-controlled market before 1990 paved the way to housing policies (linked to market and finance) after 1990. However, the latter changed the system of state-regulated personal property and housing transactions by creating new institutions for the emerging housing and financial markets. As a result, the Romanian state, under pressure from international financial organizations, such as the World Bank and the IMF, abandoned the system of mixed housing that had been so essential, thereby pushing the country’s housing regime towards a paradigm of extreme marketization and the predominance of the private sector. It is important to note that all these developments took place in an era of neoliberalism and financialized capitalism. Therefore, they must be examined in the context of their role in this global system.

I also take a critical stance toward the political trend that promoted the role of the market and undermined the state’s position in producing and distributing housing, and at the same time, as a new experiment of global capitalism, delegitimated the idea of a mixed housing system and eliminated it from practice. At the same time, this politi-

cal trend subordinated the state to the market, reducing the state's role to creating the legal frames so that the private housing sector can function. Based on this criticism, I also invite all to consider the possibilities of a housing system that may offer an alternative to the housing regime of contemporary capitalism. The market-oriented housing sector needs to be deconstructed (both ideologically and practically) in favor of a new, mixed housing system that serves people's needs and helps them assert their right to housing. The new system should draw on the experience of the inadequacies of the mixed housing regime in "really existing socialism" as well as of the disastrous effects that the capitalist market-dominated establishment brought about. What makes such an endeavor difficult, besides the limitations of political imagination, is that housing policies are closely intertwined with real estate, fiscal and financial policies, general economic policies, urbanism, and territorial development. Therefore, housing should be discussed in the context of other sectors and policy domains or, more accurately, in the context of the whole capitalist political economy.

Central Concepts of the Analysis and the Politics of the Housing Regime

The mixed housing regime is the central concept in my analysis. I use the term housing regime to denote how housing production, exchange, and consumption is organized and what are the roles, responsibilities, and activities of different actors in this structure. Moreover, the housing regime involves a compound of ideological and material practices performed by social, political, and economic actors in a field marked by power relations, creating accumulation versus dispossession or privileges versus disadvantages. The mixed housing system in Romanian state socialism was characterized by a mixed housing property regime (regarding housing production and consumption) and a state/market mix in the housing exchange and distribution mechanisms.

Furthermore, the "actually existing" Romanian socialism was a form of state socialism in which the distinction between the public (property) and the state (property) was blurred both in economic production and housing. Besides, state ownership of the means of economic production and social reproduction (such as housing) prevented the workers (as labor force and tenants) from controlling

the public goods that they produced or used. This made it possible for the state to function as a power structure against the public interests after 1990 and destroyed the public sector through privatization.

The legacy of the socialist housing regime was stigmatized and then dismantled during the transformation from state socialism to neoliberal capitalism. The revival of a socialist mixed housing model implies the creation of a novel institutional system for the production and exchange/distribution of housing, as well as a financial system that would facilitate the creation of a sizeable public housing stock, to which the logic of the market and capital accumulation does not apply. In the early 1990s, the World Bank held the view that what mattered most was to enable housing markets to work. For more than three decades, the financialized housing system has created crises and justified itself by offering solutions to the very crises it generated. It is time now to change the global and national political attitude to housing and realize that the state needs to establish a mixed housing model based on the parity of public and private ownership and the regulation of the real estate market. In this system, the state should be involved in the direct production of a large public housing stock administered and controlled by tenants' unions, as well as in the regulation of the housing market so that the housing costs should not overburden the households, regardless of their tenure status (homeowners, private renters, social renters).

The Key Role of Housing in the (Changing) Political Economy

Housing is at the core of the capitalist political economy (Aalbers – Cristophers 2014) as a consumer good, instrument for the social reproduction of the labor force (Vincze 2020), and a financial asset (Aalbers 2016, 2017, 2019; Gabor – Kohl 2022). Moreover, in late capitalism, the housing sector was part of the built environment as a secondary circuit of capital (Harvey 1982). In countries of advanced capitalism, the capital accumulation regime became finance- and real estate-driven (Hofman – Aalbers 2019), whereas in Romania, often defined as an emergent market, the housing regime turned out to be real-estate-development-driven (Vincze 2022). Housing was central to the socialist political economy, too: construction works contributed to job creation and generated demand for the products of the industry. However, most importantly, it served the general aim of

industrialization by providing homes to the working class, a growing group of people in the cities where the developmentalist state created new jobs. Likewise, housing was essential for transforming state socialism into capitalism (Vincze 2017) for at least two reasons. First, by privatizing the housing stock and supporting private production of private homes by households or developers, the housing market could sustain the formation and evolution of the market economy (according to the World Bank recipe from 1993). This transformation occurred in Romania in the 1990s in the context of global capitalism, which already reflected an increasing trend to financialize housing and facilitated the free movement of (financial and real estate) capital across nation-states. Therefore, this country, too, as a semi-periphery, could be used by capitalist economies as a territory for spatial fix (Harvey 2001), providing opportunities for capital investment into all economic sectors, including real estate development.

Housing is not only an economic issue intertwined with politics. As public policies generally do, housing policies function as technologies of power fueled by ideologies (Shore – Wright 1997). Housing ideologies (Ronald 2008) play a crucial role in creating and legitimizing housing systems and property regimes: for example, they might promote homeownership, the concept of access to home as a merit, or the idea of housing as an entirely personal, i.e., non-political matter. At the same time, housing ideologies can potentially back up changes in the housing regime due to a transformation of the political economy. State socialism in Romania regulated housing as a consumption good, promising to improve the working class's quality of life. Article 1 of Law 4/1973 declared that the housing system maintained by the state was "an essential condition for promoting the well-being of the entire population." The law viewed the development of housing in the context of "the rapid development of the national economy, the modernization of cities and workers' centers, the increase in the number of workers and specialists, the continuously rising salary and other types of income of the working people" and improving their comfort. However, the Romanian Constitution(s) failed to recognize the right to housing, while acknowledged the right to private home ownership.

After 1990, transformational ideologies denigrated the state's capacity to ensure and efficiently administer good homes for its citizens, primarily based on the financial constraints that endangered the continuous development of the public housing sector. The collapse of the socialist economy (induced by the forces of global capitalism)

was used as a general argument for transforming the housing regime. Some Romanian politicians held the view that the initial right-to-buy measures did not serve to privatize the old state-owned housing stock but were intended as instruments of social protection in the context of the privatization-led deindustrialization that resulted in the loss of millions of jobs. Nevertheless, with time, the state dedicated itself to serving the interests of capital, looking for investment opportunities in housing and real estate. On the one hand, the state withdrew from housing production while reducing investments into public services. On the other hand, the state adopted fiscal, monetary, banking, construction, and urban planning policies to support the construction of new private homes. Thus, the earlier system of mixed housing was transformed into a market-dominated regime, while both state and capital contributed to the super-commodification, assetization and financialization of homes.

*From a Mixed System towards a Market-Oriented Housing Regime:
the Case of Romania in Figures*

The housing regime in state socialist Romania was characterized by:

- A high rate of the public rental or state-owned homes (in 1989, this rate was 32.33% for the whole country and above 56% in urban areas), see Fig. 1.³ This rate was similar but higher than in capitalist statist/developmental welfare regimes (such as France, Austria, Sweden, Finland, and Japan), where the average rate of social rentals in 1992 and 2002 was 20.7% (Schwartz – Seabrooke 2009, 10, Fig. 1.2).
- A relatively high rate of homeownership (about 67.67% in the whole country and above 43% in urban areas in 1989). This rate was similar but lower than in market welfare regimes (such as the UK, USA, Canada, Australia, New Zealand, and Norway), where the average rate of homeownership in 1992 and 2002 was 70.1% (Schwartz – Seabrooke 2009, 10, Fig. 1.2).

³ Calculations by the author, based on INS (Romanian National Statistical Institute) data for late 1990 (the total number of existing homes and the number of houses constructed in 1990, vs. the total number of state-owned dwellings and the number of state-funded homes built in 1990).

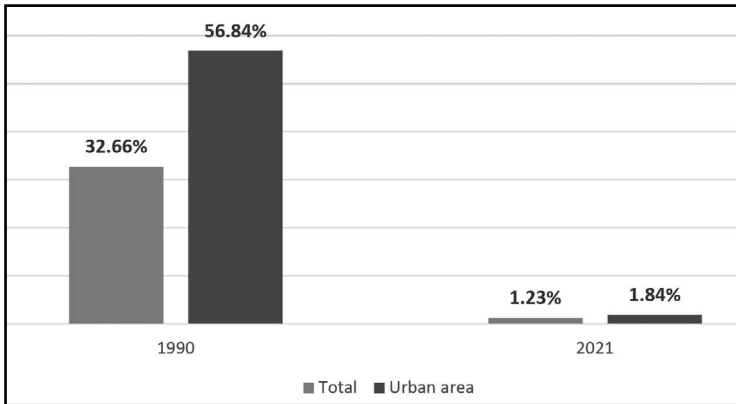


Fig. 1. Housing units in public ownership compared to the total housing stock, in the whole of Romania and in urban areas, 1990 and 2021. Source: Romanian National Statistical Institute

Between 1951 and 1989, 5,528,465 new homes were constructed in Romania. As seen in Fig. 2, 984,083 (53.98%) of these were built through public funding.⁴ The share of state-funded homes compared to the total number of newly constructed housing units was even higher in 1990 (88.07%),⁵ when construction companies still in state ownership finished the housing blocks that they had started to build earlier. This relatively high rate was maintained in 1991 (76.97%) and 1992 (49.84%); however, the number of new state-funded homes started to drop, and private construction companies started to get involved in the building projects. The share of dwellings built through state funding fell to 6.01% in 2000, and 2.28% in 2021.

The state implemented the right-to-buy policies in Romania through Laws 61/1990 and 85/1992. As a result, despite the high number of apartments constructed by the state between 1990 and 1992, the share of the state-owned housing stock decreased from 32.66% in 1990 to 11.28% in 1992, and further to 9.17% in 1993. The declining trend has continued ever since: the share of state-owned stock fell to 4.8% in 2000 and to 1.23% in 2021.

⁴ Calculations by the author, based on data published in *Anuarul Statistic 1990* (Romania's Statistical Yearbook for 1990).

⁵ Calculations by the author, based on INS data.

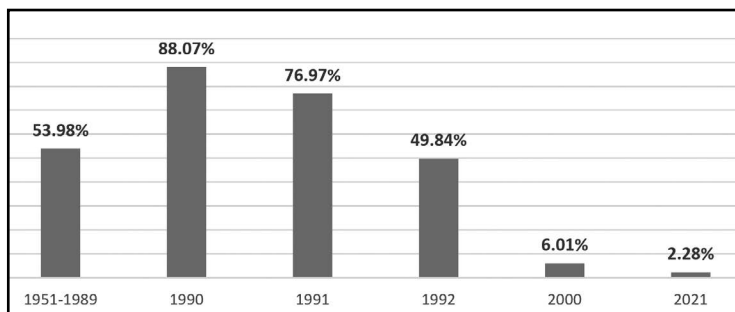


Fig. 2. The ratio of housing units built through public/state funding to the total number of homes constructed in Romania, 1951–2021. Source: Romanian National Statistical Institute

It is important to note that between 1951 and 1989, the state sold to the population 411,584 apartments, i.e., 14% of the housing stock constructed by the state in this period (a total of 2,984,083 homes). Relative to the total number of state-owned dwellings in 1989 (2,572,499), including the state-constructed homes and the ones nationalized by the state, the percentage of homes sold to the population was around 16%.⁶

Between 1990 and 2021, 1,170,083 new homes were constructed through private funding. Moreover, the number of homes in private ownership grew to 4,077,503 between 1990 and 2021. The difference of 2,907,420 housing units in the private housing stock was composed of the state-constructed and -owned homes that the state sold to the population between 1990 and 2021 (see Fig. 3). This means that 71.30% of the total private housing stock that existed in 2021 was built from public funds, mainly before 1990. Or, differently put, 71.30% of the existing housing units that could be commodified and sold on the unregulated housing market was built from public funding, which shows how the state and the public sector was transformed in order to support capital and the private sector.

⁶ No direct figures are available about the number of homes constructed with public funding and sold by the state to the population between 1951 and 1989, and therefore, I calculated these percentages based on data about the number of homes built from the state budget between 1951 and 1989 (Anuarul statistic al României, 1990), the total number of homes in state ownership in late 1990 (INS), and the number of dwellings constructed from the state budget in 1990 (INS).

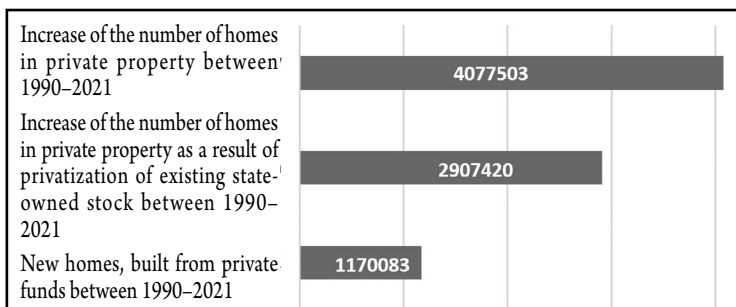


Fig. 3. Number of homes in private ownership and their funding, Romania, 1990–2021. Source: Romanian National Statistical Institute

The data presented here suggest that in Romanian state socialism, besides personal residential property, a housing market also existed, and housing units were exchanged, and after the collapse of the socialist housing regime, the homes built from public funds continued to be sold on the unregulated housing market.

The State Socialist Mixed Housing Regime

As mentioned above, the housing sector was an essential component of the productive economy in state socialism, partly due to the need to produce a new, extensive public housing stock in support of industrialization. New industries needed labor force, and the new labor force migrating from rural to urban areas needed new homes. The state coordinated all these interventions (industrial development, internal migration, housing, educational and healthcare services, cultural and sports facilities, etc.) across economic sectors and territories through the Planned Socio-Economic Development Law 8/1972 and the Systematization Law 58/1974. After 1990, the ideas of central planning and systematization were erased from public policies. According to Law 446/1996, the production and ownership of new social housing was transferred to the institutions of local public administration, and even if they had an obligation in this matter, there was no way to hold them responsible if they failed to provide a sufficient housing stock. Such transformations, combined with other factors, co-created the conditions for the emergence and growth of real estate development, nowadays dominated by institutional devel-

opers and investors (mostly with Romanian capital in the residential sector and with foreign capital in retail, office, and logistics).⁷

In the following section, I explore the state socialist mixed housing system in two steps. First, I look at the production of homes in the mixed housing property regime, and secondly, I discuss the state/market mix mechanisms of housing distribution and exchange.

The priority of the right to personal property over the right to housing and the production of homes in the state socialist mixed housing property regime

The Romanian Constitutions adopted between 1945 and 1989 recognized the right to personal property (but not the right to housing), for example, in the following Articles: “The right of personal property of the citizens of the People’s Republic of Romania to the income and savings derived from work, to the house of residence and auxiliary household besides the house, to household and personal objects, as well as the right of inheritance to the personal property of citizens shall be protected by law” (1952). Furthermore, “the basis of the socialist social-economic formation is the socialist ownership of the means of production, which is either in the form of state ownership (common property of the people) or in the form of cooperative-collectivist ownership (ownership of collective agricultural households or cooperative organizations)”. “The right to own personal property shall be protected by law. Incomes and savings derived from work, the dwelling house, the outbuildings, and the land on which they stand, as well as the goods of personal use and comfort, may constitute objects of the right to own personal property” (1965). Decree 92/1950 on the nationalization of buildings and lands did not stipulate the nationalization of private homes, but aimed to “take away from the exploiters an important means of exploitation ... the buildings that belong to former industrialists, landlords, bankers, traders and other elements of the big bourgeoisie, buildings that housing developers own, ... buildings under construction, built for exploitation, which have been abandoned by their owners, ... buildings damaged or destroyed as a result of the

⁷ Research into this phenomenon is conducted within the framework of the project titled “Class formation and re-urbanization through real estate development at an Eastern periphery of global capitalism”, see www.redurb.ro.

earthquake or the war, built for exploitation and whose owners did not take care of their repair or reconstruction.”

Trying to secure socio-economic rights for the working class,⁸ and facing the high expenses of housing construction while the costs of public rental were relatively low, the state allowed a mixed ownership regime to evolve. Nevertheless, at this point, to be somewhat faithful to the socialist principles, or at least not to turn housing into a means of exploitation, the state had to devise instruments to exert control over homeownership. The right to personal property was limited in the urban areas. Citizens had the right to own a single home, while the construction or purchase of housing by citizens for resale or rental was prohibited (Law 4/1973); the owner and his family had the right to a housing space corresponding to their needs: each member of the family was allowed to occupy one room each, and the household could own two more rooms at most; the rooms that exceeded the needs of the owner and his family would be rented by the owner, and if the owner failed to rent these rooms, the executive committee of the people's council could rent them to the entitled persons; an apartment in personal property that was not used by the owner and his family was entirely subject to regulation and rent (Law 5/1973, Decision 860/1973). In addition, the construction of new homes had to be in line with the local systematization plans, with strict compliance with the construction regime, in terms of the number of levels, the density of the buildings, and their architecture (Law 4/1973).

The rationing of state-built and -owned housing (8 square meters per person according to Law 10/1968 or 10 square meters per person as specified in Law 5/1973) was intended as a means to provide more families with homes. Nevertheless, housing inequalities were not unknown in state socialism. Certain groups had access to larger homes: these were people employed in the central bodies of state administration, deputies of the Great National Assembly, heroes of socialist work, as well as judges, university professors, heads of religious cults, directors of industrial plants, theaters and publishing houses, scientists, and others who earned the title of *emeritus* in cultural production (Decree 860/1973). At the same time, other

⁸ This happened somehow in the spirit of the UN Covenant on Social, Economic and Cultural Rights of 1966, transposed by Romania into national law, albeit rather late, only in 1974.

workers had access only to low-quality apartments or workers' dormitories; however, this was an improvement for many, compared to commuting or the housing conditions in the countryside.

As seen in Fig. 4, the share of the investment budget that Romania devoted to housing fluctuated in the decades of state socialism. In 1960, the state invested into housing 15.69% of its total, relatively small investment budget. This dropped to 9.82% in 1970 and increased to 10.44% in 1980, while the total investment budget was raised three times. In the last four years of state socialism, there was a drop in total investments (compared to the peak of 249,001 million lei in 1986). However, the share of investment into housing continued to grow (from 8.20% of the total investment in 1986 to around 9.25% in the next two years) and fell back to 8.23% only in 1989.

The amount of money invested by the state into housing decreased between 1980 and 1986 (from 21,990 million to 20,436 million lei) as well as between 1987 and 1989 (from 22,783 million to 19,452 million lei, respectively). However, other datasets suggest that the percentage of homes constructed from state funds grew from 40.6% in 1956–1960 to 91% in 1971–1975, and above 98% in the 1980s (Kivu 1989, 124).

The distribution of housing supply and the state/market mix in state socialism

The creation and distribution of state-owned homes was organized within a hierarchical institutional system. First, the factories communicated the housing needs of their workers through the Ministry of People's Councils (*Ministerul Consiliilor Populare*), which, ac-

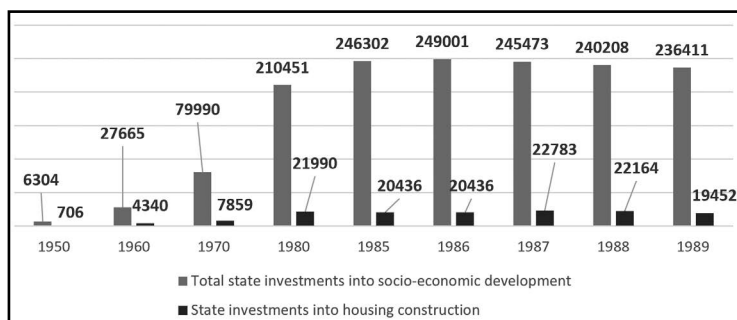


Fig. 4. Total investment budget and investment in housing in Romania, 1950–1989; millions of lei. Source: Romanian National Statistical Institute

cordingly, requested funding from the Central Planning Committee (*Comitetul de Stat al Planificării*) that corresponded with the county-level institutions of state administration. Then, the housing units were allocated from the county level to the People's Local Councils, whose executive committees did the actual work of distributing the apartments in different blocs of flats among state enterprises and institutions. The latter allocated them to their employees, based on the decisions of the Workers' Council (*Consiliul Oamenilor Muncii*) and trade unions. Finally, the state-owned housing stock was administered by the Urban Management Enterprise (*Întreprinderea de Gospodărire Orășenească*, IGO). In parallel with the mechanism described above, there was also top-down planning; the Central Planning Committee announced to the local councils and construction companies the number of new housing units to be constructed in different localities according to centralized industrial development plans across the country. Local institutions had to observe the directives coming from the center, but sometimes there were localities that could not use all the funds they were allocated for the construction of new housing units. In such cases, in the last trimester of the year their budget was redistributed among those cities that achieved the planned target and needed more housing units than they were initially allowed to build.

The shortages of state housing motivated the Romanian government to adopt new policies in the face of the growing demand for new homes in the cities. Decision 26/1966 of the Central Committee of the Romanian Communist Party and the Council of Ministers of the Socialist Republic of Romania proclaimed that people were allowed to build their homes with state support, which could be a provision of land for free use, bank loans, and technical support in the construction: "As a result of the growing volume of income available to the population and its increased possibilities of saving money – which expresses the continuous raising of the living standards of the workers – many citizens have expressed their desire to build their own homes personally. Responding to these requests, the party and the government considered that conditions have been met for constructing privately owned houses from the citizens' funds, with support from the state." In addition, Law 4/1973 specified that, after securing the fund intended for rentals, the state might sell state-owned housing units to the population. The Council of Ministers had to approve the annual list of buildings to be put up for sale. It was specified that the homes under the direct administration of state economic enterprises

and organizations, provided for their employees, could not be sold, only rented out. Even though the law postulated that there was state support for homebuyers whose average income was less than 1,100 lei per month per family member, in fact, employees with the highest income were mostly considered when the housing units were scheduled to be put up for sale. People whose homes had been demolished due to urban systematization projects were also prioritized; they received compensation and were supposed to use it to purchase a new home from the state.

Loans were offered for people to purchase housing units built by the state (in multi-story buildings) or for cooperatives (in one-story buildings), and the annual interest on loans taken from the People's Savings Bank (*Casa de Economii și Consemnațiuni*, CEC) was 2-5%, depending on income. A specific office near the local state administration (*Oficiul de Vânzare a Locuințelor*, Office of Home Sale) managed the cases of tenants who wanted to buy the apartments allocated to them and put them into contact with CEC.

Decree 93/1977 established the prices of the housing units to be sold by the state. In 1977, for example, a high-quality two-room apartment of 55 square meters cost 98,010 Romanian lei, while the price of a comfort two-room apartment of 34 square meters was 54,500 lei (a factory worker made ca. 2000-2700 lei a month and a miner around 3000 lei, as specified in Law 29/1974).

People's income was considered in the distribution of public rental or state-owned housing. Law 5/1973 stipulated that employees and pensioners with an average income per family member of up to 1,100 lei per month continued to benefit from public rental. Those with an average monthly income of more than 1,100 lei per family member were not excluded either, but they could benefit from the right to rent a home only within the limits of the available state housing fund and were required to pay an increased amount of rent (without exceeding, however, 20% of their revenues). According to Law 4/1973, priority was given to young people newly employed in production for five years, young married people up to 28 years of age for five years from marriage, and employees transferred in the interest of service for five years from the date of transfer. The officers and military supervisors from the Ministry of National Defense and those from the Ministry of the Interior were also mentioned in this context.

Law 5/1973 also regulated the rental of housing from the state housing fund under the administration of state enterprises, defin-

ing the following order of priority: skilled workers, primarily those from large industrial units; employees transferred in the interest of the service from other localities; specialized staff working in material production, design, scientific research, and education; graduates assigned to production, coming from other localities; families with several children; those hired based on competition; other employees and pensioners. Within the above categories, preference was given to those who had difficult living conditions and many children. The same order of priority also applied to the granting of loans to purchase housing from the state housing fund. Regarding rental contracts, Decision 860/1973 stipulated that these were accessories of the employment contract in the case of housing built from centralized investment funds, or being under the direct management of state socialist enterprises, or owned by cooperative organizations.

Those without a job did not have access to state-funded housing in any way. If they were occupying a home without a contract, authorities could intervene to evict them based on Law 5/1973. The latter stipulated that, in general, no person could be evicted from a legally owned home. However, tenants could be evicted if they damaged the apartment, if their behavior impeded appropriate cohabitation, and if they occupied the apartment illegally, or did not pay the rent or their share of expenses in bad faith for three consecutive months. Eviction had to be ordered by a court. If a person occupied a state-funded home under the administration of state enterprises without a rental contract, eviction was ordered without assigning an alternative home to the evictee and, if needed, with the involvement of militia (former police forces).

Conclusions: Pitfalls of the State Socialist Housing Regime

The mixed housing property regime that characterized housing production and consumption and the mixed state/market mechanism that operated in housing distribution and exchange, were the two foundations of state socialist housing regime. Until 1990, 43.6% of Romania's total population lived in rural areas (compared to the EU average of 25%), and the mixed housing property regime favored private homeowners (67% of the total) at a national level. In these terms, there was a gap between urban and rural Romania, the former displaying higher rates of homes in public property or public

rental (57% of the total). One may have expected that growing urbanization would improve the public rental system by responding to people's housing needs and respecting their fundamental socio-economic rights while eliminating inequalities inherent in the system. However, due to the regime change, when urbanization continued according to the logic of capital accumulation, the public rental system was destroyed and discredited, and market-oriented capitalism transformed housing into a super-commodity and a financial asset. Therefore, Romania now lags behind many advanced capitalist countries regarding the share of social and public housing in the total housing stock.

The developmentalist socialist state, acknowledging its financial limits, facilitated the creation of a mixed property regime by selling the state-constructed homes or by supporting the private construction of homes. The state did this while building millions of new housing units, rented out as consumption goods, and used as a space of reproduction of the labor force needed to meet the targets specified in the economic development plans. Changes in the political economy in the early 1990s capitalized on the socialist ethos of homeownership and used it as a justification for both the privatization of the total existing housing stock (which, although potentially served as social protection, also facilitated the creation of the housing market) and the withdrawal of the state from the housing sector as a producer and market regulator. Under these conditions, housing became a means of capital accumulation and profit-making.

The state socialist housing system was not fully rights-based, even if its right-wing critics have blamed it for treating housing more as a social issue and neglecting its economic and financial aspects. On the contrary: decisions made by the state on housing issues were firmly rooted in economic reasoning. The mixed housing system directly served socialist industrialization and related urbanization, and explicitly linked access to public housing with one's job. Moreover, even though the socialist political economy was committed to secure the socio-economic rights of citizens, the Romanian state did not recognize housing as a constitutional right, because this would have mandated equal access to adequate homes for everyone – a very costly commitment impossible to fulfill. The state socialist housing regime came into conflict with the promise of securing the socio-economic rights of all, and also with civic rights, when it imposed limitations on individual freedom regarding personal property. In addition, in the

effective practices of housing provision, a latent tension prevailed between recognizing the primordial value of the physical labor force on the one hand and the privileges accorded to party leaders and some intellectuals in terms of access to better homes on the other hand.

There is a major problem with the state-controlled mixed housing regime: after 1990, through the privatization of the state-owned housing stock made possible by the right-to-buy and retrocession laws, as well as the privatization of land, the Romanian state renounced the ownership of public goods. This was done under the influence of political and economic actors of global capitalism. Countries in transition were urged, for example, by the World Bank to “deliver specialized services to the housing sector within fully integrated and competitive financial markets” and not through closed networks of finance, which is “a trend supported by the rapid growth of global financial markets” (Renaud 1996, 18).

Furthermore, after and in parallel with the privatization of the state-owned housing stock, the state assured the prominence of private actors in housing production and exchange through the subsequent legislation regarding the private development of private homes, mortgages, urbanism, and fiscal facilities for constructors and developers. The new housing finance system involved the creation of a private banking sector, mortgages, and the opening up to institutional investors and developers producing and selling housing for profit. Market fundamentalists required even more, such as the creation of secondary market facilities and the use of the emerging private pension funds and life insurance companies as sources of capital for real estate investments and developments.

Reviving the public sector in the production and distribution of housing requires a new financial system, including a new regulation of taxation and loans. Such a shift has the potential to create a balance in the capitalist housing regime. Financial markets are intertwined with the housing market in a way that financializes homes beyond their real production costs and makes them unaffordable for many, while generating profit for several private real estate actors (including developers and constructors, investors, as well as property and asset managers and others). Striking a balance between the public and the private sector (Bowie 2017) or between the social and economic functions (Gallent 2019) would be crucial in general: in the planning, production, and distribution of housing, as well as in related policies. As part of an alternative to capitalism, this is a real challenge, because

all the nation-states (and their housing regimes) operate under the influence of globalized and liberalized financial markets, and therefore, such an alternative have to be found and implemented beyond and across their boundaries. Housing studies, undertaken with an approach that focuses on political economy, and committed to ending capitalism (Streeck 2017) and promoting socialism (Gilbert 2020), have the potential to play a role in this endeavor.

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