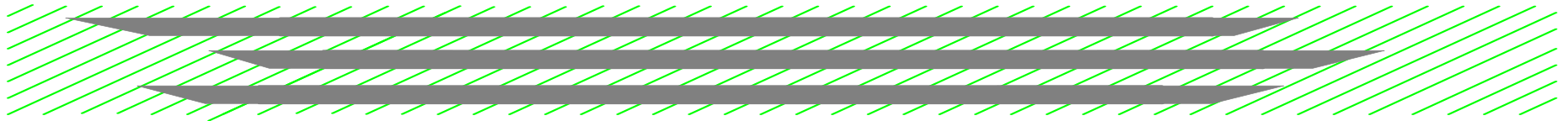


# József Hegedüs: Path dependency and new housing regimes in transitional countries



Plenary Session 1.

**Transition or Transformation? Path Dependency in Housing System Reforms in  
the Czech Republic.**

ENHR Conference

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# Outline of the talk

- East-European Housing model
- New approach is needed: housing systems - part of welfare regime
- Common challenges – different responses BUT.....
- Two common elements: „weak state” and „targeting failure”
- Conclusion: what happened and what is the future?



# East European Housing model

- EEHM had a dual character: state and private spheres under the **state hegemony**
  - State control over construction, allocation, and housing cost, however the state redistribution policy was “corrected” by the private sector (family network, quasi market)
  - Alternative versions (sub-models) - reaction to the „cracks”: Yugoslavia, Hungary.
- Explanation: soft structuralist approach – combines the „rational choice” type of explanation with the structuralist element (role of path dependence PD!)



# Housing and welfare regimes

- Social elements in housing policies have become decisive in the last decades

Welfare system has an effect on housing and vice versa.

- Failure of Esping-Andersen welfare regime theory to integrate housing

Argument of Kasza (2002): development of different sectors is not coordinated

- Conclusion: housing should be in a broad framework of the welfare system without assuming that there is consistence welfare regime



# Popularity of PD, and its weakness explaining transition

- In sociology explaining transition PD had a critical element: old communist power structure survives in the new systems
- Weakness:
  - Temptation towards a conspiracy theory
  - PD argument lost its importance after 20 years
  - The determining element of the transition was the new political and power situation



# Changes in the housing systems

- Common challenges after the transition
  - Public sector
  - Housing estates
  - Urban housing management
  - Lack of private housing finance
- Institutional responses: divergence or convergence
  - Privatization and the new social housing
  - Housing finance system
  - Housing service sector (utilities, etc.)
  - Welfare programs

# Two common elements: „weak” state” and „targeting failure”

## ■ „Weak state”

- Immature democracies
- Limited capacity of state administration
- Confusing role of state institutions

## ■ „Targeting failure”

- Informal economy and income polarization
- Income benefit programs are not able to provide enough income to survive
- Consequence: new poverty, slum, crime

# Conclusion: main features of the new housing regimes

- These systems are „transitory” even today because of the „weak states” and the „targeting failure” but under the global pressures
  - Global: Economic and financial crises (energy prices, debt crisis, etc.); Demographic processes: ageing and housing; Migration trends
  - Regional: Dominance of private institutional interests (banks, developers, etc.); Danger of uncontrolled processes (illegal building, squatters, rundown multi-story buildings, etc.); Difficulties with social housing, housing allowance programs, etc.
- Methodology → Hierarchy of Explanations: 1. structuralist (globalization, etc); 2. rational choices (possible options among the constraints) 3. „path dependency” (history matters)