

Kholodilin, Konstantin A.; Meerovich, Mark G.

**Working Paper**

## Similar challenges - different responses: Housing policy in Germany and Russia between the two world wars

DIW Discussion Papers, No. 1391

**Provided in Cooperation with:**

German Institute for Economic Research (DIW Berlin)

*Suggested Citation:* Kholodilin, Konstantin A.; Meerovich, Mark G. (2014) : Similar challenges - different responses: Housing policy in Germany and Russia between the two world wars, DIW Discussion Papers, No. 1391, Deutsches Institut für Wirtschaftsforschung (DIW), Berlin

This Version is available at:

<https://hdl.handle.net/10419/98405>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

Discussion  
Papers

Deutsches Institut für Wirtschaftsforschung

2014

# Similar Challenges - Different Responses

Housing Policy in Germany and Russia between  
the Two World Wars

Konstantin A. Kholodilin and Mark G. Meerovich

Opinions expressed in this paper are those of the author(s) and do not necessarily reflect views of the institute.

#### IMPRESSUM

© DIW Berlin, 2014

DIW Berlin  
German Institute for Economic Research  
Mohrenstr. 58  
10117 Berlin

Tel. +49 (30) 897 89-0  
Fax +49 (30) 897 89-200  
<http://www.diw.de>

ISSN 1619-4535

Papers can be downloaded free of charge from the DIW Berlin website:  
<http://www.diw.de/discussionpapers>

---

Discussion Papers of DIW Berlin are indexed in RePEc and SSRN:  
<http://ideas.repec.org/s/diw/diwwpp.html>  
<http://www.ssrn.com/link/DIW-Berlin-German-Inst-Econ-Res.html>

---

# Similar challenges – different responses

## Housing policy in Germany and Russia between the two world wars

Konstantin A. Kholodilin\*      Mark G. Meerovich<sup>§</sup>

June 16, 2014

### Abstract

The World War I played a key role in shaping modern housing policy. While in the pre-War time virtually no housing policy existed, the beginning of hostilities led to an almost immediate and comprehensive state intervention in the housing market, particularly among those engaged in the war. Despite initially similar conditions and challenges induced by the war, housing policy was carried out in different countries differently. This is particularly true for Germany and Russia. Even though both went through similar processes during the inter-war era, the different objective functions pursued by their political regimes shaped their housing policies in completely different manners. This paper compares the housing policies in Germany and Russia, identifying the similarities and differences.

**Keywords:** Germany, Russia, housing policy, World War, rationing, tenant eviction, rent control.

**JEL classification:** N44, N94, P25, R38.

---

\*DIW Berlin, Mohrenstraße 58, 10117 Berlin, Germany, e-mail: [kkholodilin@diw.de](mailto:kkholodilin@diw.de)

<sup>§</sup>Национальный исследовательский Иркутский государственный технический университет (National Research Irkutsk State Technical University), ul. Lermontova 83, 664028, Irkutsk, Russia, e-mail: [memark@inbox.ru](mailto:memark@inbox.ru)

# Contents

|          |                                    |           |
|----------|------------------------------------|-----------|
| <b>1</b> | <b>Introduction</b>                | <b>1</b>  |
| <b>2</b> | <b>Similar starting conditions</b> | <b>1</b>  |
| <b>3</b> | <b>Different housing policies</b>  | <b>2</b>  |
| 3.1      | Germany . . . . .                  | 2         |
| 3.2      | Russia . . . . .                   | 8         |
| <b>4</b> | <b>Conclusion</b>                  | <b>14</b> |
|          | <b>References</b>                  | <b>16</b> |
|          | <b>Appendix</b>                    | <b>18</b> |

# 1 Introduction

Housing policy is, as a rule, specific to the type of the state carrying it out - democratic, authoritarian, or totalitarian. Given similar starting conditions it can evolve in completely different directions. Even with similar political systems, it is not guaranteed that two countries will have similar housing policies. In this paper, we compare the housing policies of Germany and Russia during the intra-war period.

This analysis is useful for two reasons. First, it allows identifying similarities. In both countries, the starting conditions of the housing market were almost identical because of the similar a) political regime; b) general socio-economic processes before the World War I; and c) consequences of participation by both countries in World War I. Even later, in the 1920s, during the Weimar Republic in Germany and New Economic Policy in Soviet Russia, the economy of both countries can be, to some extent, described as market oriented. Similarly, the early 1930s saw in both countries a dramatic shift in the political situation — both Russia and Germany moved towards totalitarian regimes that implied again certain similarities in their political and economic lives.

Second, the comparative analysis undertaken in this paper facilitates the identification of differences between the two countries. The housing policies of each of the two countries, despite certain similarities in political regimes, macroeconomic characteristics, as well as some legal terms and rules, were cardinally different.

Thus, the similarities and differences of the housing policies in Germany and Russia between the two world wars form the subject of the paper. It is structured as follows. The next section examines the starting conditions. In section 3, the housing policies of Germany and Russia are briefly described. Finally, section 4 concludes.

## 2 Similar starting conditions

Both Germany and Russia started from similar positions in the period under consideration. The fast growing urban population, during the industrial revolution, faced an acute shortage of housing supply, especially in large industrial centers that were the main areas attracting new labor. A particularly large housing deficit existed in the lower segment of the housing market, namely in that of small and cheap apartments.

In German cities, the share of rental housing attained 80-95%<sup>1</sup>. In Russia, the situation was very similar. For example, in St. Petersburg in the late 19th century, this indicator approached 94%. Virtually all workers lived

---

<sup>1</sup>Brander (1984), p. 81.

in rental housing. In that period, the housing law in both countries almost did not regulate the relationships between the tenants and landlords. It was departing from the principle of “a contractual freedom” that allowed the unscrupulous landlords to take advantage of the tenants’ stressful situation: At any moment, the landlords could either raise the rent or end the contract. The result was a high tenant turnover and insecurity. Both in Germany and in Russia, subletting and bed-lodging (*Schlafgänger* in German and *коячник* (*koyechnik*) in Russian) flourished, as shown in [Brander \(1984\)](#), [Юхнёва \(2007\)](#), and [Яковлева \(1993\)](#). In the latter case, singles, who did not have their own dwelling, rented not a room or its corner, but rather a bed on a part-time basis.

The housing shortage caused by World War I was exacerbated in Russia by revolution and civil war. There are at least four basic reasons for this: a) the aforementioned housing shortage that existed prior to World War I; b) the lack of housing construction during the war; c) a loss of housing stock during hostilities (especially in Russia); and d) an increase in the number and size of households due to the desire of people to make up for the time lost as during the war marriages and child-bearing were postponed awaiting “better times.”

### 3 Different housing policies

#### 3.1 Germany

It would not be an exaggeration to state that in Germany the housing policy in the modern sense — as purposeful efforts of the government to foster the housing construction by all types of investors, to act as the housing projects owner, and to regulate the relationships between the landlords and tenants — was born with the outbreak of the World War I. Before then, the government avoided intervening in the housing sector and confined itself with some minimal regulation regarding the quality parameters of housing (suniness, dryness, size).<sup>2</sup> The 1900 German Civil code provided a complete freedom of contractual relations in the housing market.<sup>3</sup> This implied that the relations between the tenants and landlords were regulated exclusively by the contracts they concluded.

---

<sup>2</sup>For instance, in some German cities, minimum standards of housing area per person varying between 3 and 4 square meters existed. However, even these standards, which from current perspectives seem to be insufficient, were regularly violated; see [Brander \(1984\)](#), p. 102-103.

<sup>3</sup>So, §565 of the German Civil code stipulates that a housing rental contract without definite duration could be terminated by the landlord, depending on rental payment frequency, at the end of the current payment period (week or month). In addition, landlords might immediately evict a tenant, if the latter violated the contractual conditions, particularly if subletting the dwelling without landlord permission (§553) or did not pay rent, on time, for at least two subsequent periods (§554). See [Achilles et al. \(1909\)](#).

Typically, model contracts, which were compiled by the individual landlords and their associations and that primarily protected the landlord's interests, were used.<sup>4</sup>

This situation changed radically during World War I. Initially, the departure of men to the front along with the forced return of many wives to their parental households, in order to reduce the housing costs, helped mitigate the housing shortage. However, later on, as a result of the inflow of the new labor into the cities (especially, to the centers of the armament industry) and an almost complete cessation in the construction of new housing, the shortage of dwellings once again became acute. An already strained situation deteriorated even more when the soldiers started to return back home.

Attempting to avoid social turmoils, German authorities actively intervened in the housing market. In order to alleviate the housing problem in the short run, authorities employed three forms of regulations.

First, tenants were protected from eviction. Already in 1914, a few days after the outbreak of war, a moratorium on litigation against war participants was imposed.<sup>5</sup> This was extended to include their family members for the case of death of the war participant.<sup>6</sup> This made it virtually impossible to evict them from the housing they were renting. The regulations enacted at the end of the war extended protection to other tenant categories.<sup>7</sup> The tenant eviction was now only possible upon a court decision and only in one of the following cases: 1) if the tenant was causing serious problems for either the landlord or other tenants; 2) if the tenant was unduly utilizing or misusing his dwelling in such a way as to endanger the dwelling or the whole building; 3) if the tenant, without the landlord's permission, was subletting his dwelling to a third party; 4) if the tenant had not paid rent for an excessive period of time; or 5) if the landlord urgently needed the rented out dwelling (and was able to prove this need in court).<sup>8</sup> In the latter case, the eviction could only take place if the tenant being evicted was provided with a different dwelling. Moreover, in certain cases, the tenant could claim moving expenses from the landlord.

Secondly, rent was frozen. This measure concerned only the so-called "old housing" (*Altbauwohnungen*), that

---

<sup>4</sup>Häublein and Lehmann-Richter (2009), p. 363.

<sup>5</sup>Gesetz, betreffend den Schutz der infolge des Krieges an Wahrnehmung ihrer Rechte behinderten Personen vom 4. August 1914, Reichsgesetzblatt (RGBl), p. 325-328 ("Law concerning the protection of persons who as a result of the war cannot take advantage of their rights").

<sup>6</sup>Bekanntmachung über das Kündigungsschutz der Hintergebliebenen von Kriegsteilnehmern. Vom 7. Oktober 1915, RGBl, p. 642-643 ("Act on eviction protection of the surviving dependants of the war participants").

<sup>7</sup>Bekanntmachung zum Schutze der Mieter. Vom 26. Juli 1917, RGBl, p. 659-660. ("Act on eviction protection of tenants") and Bekanntmachung zum Schutze der Mieter. Vom 23. September 1918, RGBl, p. 1140-1143. ("Act on tenants' protection").

<sup>8</sup>Gesetz über Mieterschutz und Mieteinigungsämter. Vom 1. Juni 1923, RGBl, p. 353-364 ("Law on tenants' protection and arbitration councils").



is, the housing built before 1918. The rent in these houses was fixed at the July 1, 1914, levels. It was called “legal rent” (*gesetzliche Miete*), or “peacetime rent” (*Friedensmiete*), and could not be freely increased by the landlords.<sup>9</sup> Any changes to rent were only made by the authorities. At the local level, the issues of rent setting were dealt with by “arbitration councils.”

Thirdly, a so-called housing rationing (redistribution of the scarce existing housing stock) together with restrictions upon the migrations between regions and in some cases even prohibitions to marry were introduced.

In 1918, a regulation was enacted that was aimed at the preservation, registration, and use of the existing housing stock, as well as the creation of new dwellings through conversion of non-housing into housing stock.<sup>10</sup> The key result of this regulation was a replacement of market distribution of housing with a public one, i. e., local governments obtained the authority to: 1) prohibit the demolition of the private housing and conversion of the housing into non-housing stock; 2) assign tenants to the unused housing, which was to be reported to the local authorities by the landlords,<sup>11</sup> and 3) take any measure, in case of an especially acute housing shortage, that the local authorities find necessary. The last provision gave local authorities the wide latitude necessary for intervening in the functioning of the housing market. For instance, Bavarian government introduced a state monopoly on the letting out of housing.<sup>12</sup> The local authorities in other Länder (federal states) started to identify “redundant housing,” both in the rental and owner-occupied housing, subsequently confiscating it and assigning new tenants who were officially registered as looking for a place to live (*Einquartierung*, or *Wohnungsrationierung*). However, no precise legal definition of the “redundant housing” existed nationally. It existed only in Baden, where a household was entitled to as many rooms as the number of household members plus one common room. All extra rooms were treated as “redundant.” In Bavaria, a more sophisticated scheme of identifying the “redundancies” was used, accounting for the age, gender, and health condition of household members.<sup>13</sup>

The housing shortage had also brought about “housing swaps,” a new institution where tenants (*Wohnungstausch*) could trade apartments among themselves, needing only the permission of the local authorities,

---

<sup>9</sup>Reichsmietengesetz. Vom 24. März 1922, RGBl, p. 273-279 (“Reich’s law on housing rent”).

<sup>10</sup>Bekanntmachung über Maßnahmen gegen Wohnungsmangel. Vom 23. September 1918, RGBl, p. 1143-1146 (“Act on measures against the housing shortage”).

<sup>11</sup>If the landlord declined to accept a tenant who was assigned into his dwelling by the local authorities, they could force him to sign the rental contract against his will.

<sup>12</sup>See Führer (1995), p. 306.

<sup>13</sup>See Führer (1995), p. 319-320.

not that of their landlords.<sup>14</sup>

The housing regulations introduced in Germany seriously limited landlord rights. Prior to World War I landlords had an almost unrestricted freedom to do whatever they wanted with their property. At the same time, tenants and homeowners also lost some freedom. On the one hand, the tenants lost freedom of choice in housing as they were forced to occupy the housing that was assigned to them by the local housing office. On the other hand, both tenants and homeowners were subject to a forced “consolidation,” when, if they possessed redundant housing, complete strangers were assigned living quarters within their dwelling. Sometimes this led to violent conflict. This feature made the housing rationing policy extremely unpopular.

All the aforementioned restrictions were regarded as provisional measures that would be abolished after the housing market situation improved. Nevertheless, the restrictions remained in force much longer than initially expected.<sup>15</sup> Only starting from the second half of the 1920s did their gradual dismantlement begin,<sup>16</sup> although this was interrupted in 1936, when the Nazis initiated their military preparations.

It should be noted that the restrictive measures were accompanied by incentive measures designed to foster housing construction, which fell dramatically during the World War I and the initial post-war years. To some extent this drop in construction can be explained by the fact that many small investors lost their capital as consequence of the 1922-23 hyperinflation. In addition, it was much more profitable to invest remaining funds in industry rather than housing, as housing had low rates of return due to the rent freeze and increased tenant protection.<sup>17</sup>

The state was forced to play an active role in accumulating funds and allocating large investments to the housing construction in order to compensate for the lack of private investment. Initially, the major source of

---

<sup>14</sup>Wohnungsmangelgesetz. Vom 26. Juli 1923, RGBl, p. 754-757 (“Law on the housing shortage”).

<sup>15</sup>Rent controls and tenant eviction protection were initially —according to *Bekanntmachung zum Schutze der Mieter* of 1918— set for an indefinite period, whose cessation was to be determined by the Reich’s Chancellor. Later on, new provisions were included in *Reichsmietengesetz* published in 1922 and the *Gesetz über Mieterschutz und Mieteinigungsämter* published in 1923— that planned the abolishment of these regulations effective July 1, 1926. Although intermediate laws extending these protections were not located, it is safe to assume that they remained in effect as, both were extended through 1928 (*Gesetz zur Verlängerung der Geltungsdauer des Mieterschutzgesetzes und des Reichsmietengesetzes*. Vom 30. Juni 1927, RGBl, p. 131 and *Gesetz zur Verlängerung des Mieterschutzgesetzes und des Reichsmietengesetzes*. Vom 24. Dezember 1927, RGBl, p. 513); in 1928 both were further extended through 1930 (*Bekanntmachung des Reichsmietengesetzes*. Vom 20. Februar 1928, RGBl, 25-38). In 1930, both were extended again, through 1931 (*Gesetz zur Verlängerung der Geltungsdauer des Mieterschutzgesetzes und des Reichsmietengesetzes*. Vom 8. März 1930, RGBl, p. 31). Finally, in 1933, in the law concerning tenant eviction protection, §54, which stipulated the regulation’s ending date, was removed, thus making its validity indefinite (*Gesetz über Mieterschutz und Mieteinigungsämter*. Vom 27. April 1933, RGBl, p. 235-240). In case of rent controls, similar provision, which was contained in §24, was removed in 1936 (*Reichsmietengesetz*. Vom 18. April 1936, RGBl, p. 380-383).

<sup>16</sup>In large cities, where the housing shortage was more acute, this process was slower. There, in the first place, the restrictions were removed from the upper market segment — that of large and expensive dwellings. See [Führer \(1995\)](#), p. 327-329.

<sup>17</sup>See [Silverman \(1970\)](#), p. 117-118.

the funds was the so-called housing construction fostering duty (*Abgabe zur Förderung des Wohnungsbaues*) that was collected from the housing users (*Nutzungsberechtigte*).<sup>18</sup> In case of rental housing, the users were the tenants. The hyperinflation led to a complete depreciation of the mortgage debt. In response to this, in 1924 a so-called “inhabited housing tax” (*Hauszinssteuer*, or *Mietzinssteuer*) was introduced. It was levied upon the owners of the built-up plots, who had mortgage debts on December 31, 1918, and sought to offset gains made as result of hyperinflation.<sup>19</sup> The revenues from this tax went into the budget of the corresponding Länder and served as a source of financing for housing construction. In particular, these means could be allocated in form of the building loans to families with many children, low-income families, and persons with war-related disabilities.

Large-scaled public (municipal) financing of the housing construction did not mean that private housing provision was crowded out of the market —construction funds were allocated to those who wanted to build housing, provided that they would keep the rent below a certain ceiling. As a result, all property forms of housing remained important in Germany: a) publically provided; b) employer provided; c) cooperative; and d) private housing.

In Germany, housing policy at the federal level was overseen by the Ministry of Labor. At the same time, the Länder and municipalities possessed a wide autonomy in the field of rule-making and control over the housing situation. In particular, in order to settle the conflicts between the landlords and tenants in an extrajudicial way, “rental arbitration councils” (*Mieteinigungsämter*, or *Einigungsämter*) were locally created during World War I. These councils were comprised of representatives of both landlords and tenants. Their purpose was to settle housing conflicts between landlords and tenants out of court. Starting from 1917 the powers of the arbitration councils were substantially expanded.<sup>20</sup> The councils received the right to decide whether a tenant was evicted unjustly or if a landlord set rent too high—in the latter case requiring rent be reduced. The decisions made by the arbitration councils were definitive and incontestable, without any possibility of appeal. These decisions were

---

<sup>18</sup>In 1921, a law was enacted that requested the Länder to introduce a fee (at least 30 Mark a year per capita), whose revenues had to be directed into the construction of housing, especially of small and middle dwellings, and to be levied upon the users of the buildings constructed before the June 1, 1918. The users could be the homeowners, if they occupied their own dwellings, and tenants that rented the dwellings in such houses. See Gesetz, betreffend die vorläufige Förderung des Wohnungsbaues. Vom 12. Februar 1921, RGBl, p. 175-176 (“Law regarding an interim support of housing construction”). The fee was collected from the annual rental revenues and initially its rate was fixed at 5%, see Gesetz über die Erhebung einer Abgabe zur Förderung des Wohnungsbaues. Vom 26. Juni 1921, p. 773-776 (“Law on levying a fee to support the housing construction”).

<sup>19</sup>Dritte Steuernotverordnung. Vom 14. Februar 1924, RGBl, p. 74-90 (“Third extraordinary taxation act”).

<sup>20</sup>Bekanntmachung zum Schutze der Mieter vom 26. Juli 1917, RGBl, p. 659-660. (“Act on protection of the tenants”).

made at “reasonable discretion” (*nach billigem Ermessen*), that is, the councils had wide latitude in interpreting the existing laws. In some cases, the Länder authorities confined the jurisdiction of the arbitration councils to small dwellings, dwellings with a rent below certain level, or to particular areas.

The task of housing provision was performed by the “housing offices” (*Wohnungsämter*), which were part of the municipal authority bodies. Some offices were established even before World War I. Initially, they controlled the housing quality in terms of its healthiness and the occupation density (in order to avoid overcrowding). After the beginning of World War I and the accompanying housing shortage aggravation, their functions were expanded to include the registration of the available housing, creation of the lists of those who were in need for housing, and rationing the housing stock.<sup>21</sup>

Housing policy in German played a dual role. On the one hand, it was a tool of the social policy. On the other hand, it was used as an instrument of the wage policy, whose objective was to maintain the competitiveness of the German goods by keeping production costs in check. Given the relatively large share of rental expenses in the household’s income,<sup>22</sup> keeping rent stable and low allowed wage increases to be limited, if not avoided. The state maintained this balance through a rent freeze and, in some cases, even through its legally prescribed reduction (for example, rents were cut in 1931 as a part of an administrative general price decrease by the Heinrich Brüning’s cabinet in response to the economic troubles caused by the Great Depression).<sup>23</sup>

The accession of the National Socialists to power did not lead to any changes in the nature and direction of German housing policy. Initially, they continued the removal of the housing policy restrictions initiated by their predecessors. Thus, in 1933, housing offices and arbitration councils were dissolved.<sup>24</sup> In fact, they disliked the rationing of housing due to the extremely unpleasant impressions it gave the public. The National Socialists did not want to put their popularity at risk by reintroducing such measures. Three years later, in 1936, the Nazis reinstated the following regulations: a) tenant eviction protection; b) rent freeze at “peacetime levels;”<sup>25</sup> and c) a prohibition on converting housing stock into non-housing.<sup>26</sup> The only category of population that did

---

<sup>21</sup> [Amt für Wohnen und Migration München \(2011\)](#), p. 9-13.

<sup>22</sup> On the eve of the World War I, in 1910-1913, this indicator in Germany was 15.7%. By 1925-1929 — to a large extent thanks to the rent freeze — it went down to 11.3%. See [Saalfeld \(1993\)](#).

<sup>23</sup> Vierte Verordnung zur Sicherung von Wirtschaft und Finanzen und zum Schutze des inneren Friedens. Vom 8. Dezember 1931, RGBl, p. 700-745 (“Fourth act to safeguard the economy and finance and to protect the interior peace”).

<sup>24</sup> [Führer \(1995\)](#), p. 336 and [Amt für Wohnen und Migration München \(2011\)](#), p. 13.

<sup>25</sup> Verordnung über das Verbot von Preiserhöhungen. Vom 26. November 1936, RGBl, p. 955-956 (“Act on prohibition of price increases.”)

<sup>26</sup> Gesetz zur Änderung des Reichsmietengesetzes und des Mieterschutzgesetzes. Vom 18. April 1936, RGBl, p. 371 (“Law on changing the Reich’s law on housing rent and Law on protection of the tenants”).

not benefit from these protections were Jews. In contrast, in 1939 a special law made them virtually rightless in the housing market. According to it, the landlords received the right to evict their Jewish tenants for almost any pretext, provided that they could guarantee that the evicted would have an alternative dwelling. Further Jewish landlords were obliged upon request from local authorities to accept Jews as tenants.<sup>27</sup>

Nevertheless, circumstances caused the Nazi government to reintroduce the unpopular housing rationing. In 1939, the landlords were compelled to provide rental dwellings to families with many children.<sup>28</sup> In 1943, when faced with enormous housing stock destructions, caused by the allied bombardments of German cities, authorities were forced to issue an act that required, 1) reconversion to housing of the dwellings that were previously converted to non-housing uses; 2) registration of vacant, newly built, and reconverted housing units; 3) priority quartering to the vacant housing the persons belonging to the persons with “preferential and beneficiary” status (*bevorrechtigte und begünstigte Volkskreise*); and 4) limitation of immigration to areas with extreme housing shortages (*Brennpunkten des Wohnungsbedarfs*) and the encouragement of outmigration from these localities.<sup>29</sup> This meant a return to the housing rationing, albeit in a somewhat softer form than in the early 1920s.

### 3.2 Russia

Prior to the October Revolution in Russia, housing policy, if any, was along the same lines as in Germany. Legislation regulating the rental relationships imposed only very mild restrictions on the landlords (in fact, it only prohibited the conversion of housing to non-housing uses).<sup>30</sup> No restrictions on tenant eviction or rent levels existed. Only during the World War I, when Russia faced the same challenges as Germany, did Russian authorities introduce tenant eviction protection<sup>31</sup> and limit the growth of housing rents.<sup>32</sup> Soviet Russia was in a completely different situation, as seen Table 1. Formally, the same property forms in the USSR existed as in

---

<sup>27</sup>Gesetz über Mietverhältnisse mit Juden. Vom 30. April 1939, RGBl, p. 864-865 (“Law on rental relationships with Jews”).

<sup>28</sup>Verordnung zur Erleichterung der Wohnungsbeschaffung für kinderreiche Familien. Vom 20. April 1939, RGBl, p. 817-816 (“Act on facilitation of housing provision of the families with many children”).

<sup>29</sup>Verordnung zur Wohnraumlenkung. Vom 27. Februar 1943, RGBl, p. 127-130 (“Act on housing allocation”).

<sup>30</sup>«Закон о найме и отдаче в содержание частных имуществ» Свод законов Российской Империи, т. X, ч. 1. Законы гражданские СПб. 1900. Кн. 4, раздел 3, глава 2, отделение 1 (“Law on rental of the private properties” Code of Laws of Russian Empire, vol. X, part 1. Civil laws).

<sup>31</sup>The act required landlords to extend tenant contracts for one year if the tenant requested an extension no later than one month prior to the end of his contract for rental apartments or one week prior to the end in the case of rental rooms. Contracts were extended under the same conditions. The low-income tenants that rented beds or room corners were granted a right to prolonged contracts automatically, as long as they were paying their rent. It was prohibited to evict them. Landlords had only one option to evict existing tenants: prove that he needed the dwelling for himself and members of his family. See Гулидов (2011), p. 9.

<sup>32</sup>On August 27, 1916, the Council of Ministers issued an act prohibiting housing rent increases. If the contract was concluded before July 19, 1914, rent increases could not exceed 10%. Otherwise, rent was frozen at January 1, 1915 levels. Any increases in excess of these were forbidden. See Гулидов (2011), p. 9.

Germany and the Russian Empire: a) state housing; b) employer provided housing; c) cooperative housing; and d) private housing. However, while Germany did not abolish private property, in the USSR the nationalization of the housing in the cities was a top priority. This objective was achieved in the first months of Soviet rule: a bulk of the urban housing (all stone buildings and wooden buildings with the area exceeding 115 square meters) were confiscated from their former owners and nationalized.<sup>33</sup> This procedure was given a name of “municipalization”. The confiscated housing stock was provided to the branch-specific people’s commissariats (government agencies) — the bodies that were in charge of specific branches of the economy. In fact, they effectively possessed and controlled all the labor resources that were concentrated in the cities and, given the socialization of the economy, were bound to solve all issues related to their housing provision.

Against a background of economic collapse and hunger, which only encouraged outward migration from cities, the main policy goal of the Soviet government was to keep qualified labor in the cities, where it was needed. Another goal was to attract new employees. As a result, housing confiscated from private owners by the Soviet government, and allocated to the Commissariats, was subsequently used to attract those who did not otherwise have any shelter. Housing was provided conditional upon employment, thus serving to discourage people from quitting their jobs. The government supported this strategy of using housing as a tool to ensure that the state industry was supplied with labor by issuing the decrees that required individuals who had “lost the contact with the employer” to be evicted. In particular, such measures were supported by introduction of a legal definition of the so-called “fixedly attached” housing, that is, the dwellings that were transmitted by the government in the possession of the people’s commissariats. The provision of “state employer provided” housing was not regulated by the private contractual relations but rather by the “official working relations.”<sup>34</sup> This implied that “a death, transfer, or a dismissal of the employee that was provided with housing immediately led to his replacement by another employee who obtained the dwelling that was occupied by his predecessor.”<sup>35</sup>

The very first decrees of the Soviet government radically transformed the rental payment system across the

---

<sup>33</sup>«Об условиях демунципализации домов» — Декрет СНК от 28 декабря 1921 г. / Систематическое собрание законов РСФСР, действующих на 1 января 1928 г., М., 1929. т. 2. с. 861. (“On conditions of the housing demunicipalization”. (Decree of the Council of People’s Commissars, 28th of December 1921 / Systematic Collection of Laws of the Russian Soviet Federative Socialist Republic that are prevailing at the 1st of January 1928. Moscow. 1929. Vol. 2, p. 861, in Russian).

<sup>34</sup>«О разъяснении порядка освобождения жилищ в железнодорожных зданиях в полосе отчуждения от лиц, утративших право на их занятие» — Разъяснение НКПС и НКЮ №562 от 29 июля 1922 г. / Жилищное право. Комментарная сводка узаконений. М., 1923. с. 74 (“On clarification of the order of emptying the railroad’s buildings located in the waysides from the persons who lost their right to perform the corresponding duties”).

<sup>35</sup>Ibidem, p. 74.

entire country: Soviet authorities equalized the rights and obligations of the landlords and tenants, requiring the former to pay rent for the dwellings they occupied.<sup>36</sup> The only category of population completely freed from paying rent were Red Army soldiers, who were performing military services, as well as their family members.<sup>37</sup>

The Soviet government undertook the total housing nationalization in order to transform the state into the exclusive owner of the real estate and to utilize the housing as a very powerful means to control urban populations. The state became the exclusive provider of shelter. The rents paid by the tenants were now directly collected by the municipal authorities. Those who disobeyed the law faced extremely severe measures.<sup>38</sup> A huge flow of rents now accumulated in the hands of the state.

Similar to Germany, housing policy in the USSR was conducted by a single ministry. In the USSR, this was the People's Commissariat of Interior Affairs (NKVD), whose activities were based on the same decrees and acts that were issued by both the party leadership and the government. The municipal authorities had no say in the rule making and were purely agencies carrying out the decisions made by the party and government as well as orders issued by the NKVD. As a result of the policy of mass municipalization of private housing stock and the later demunicipalization — an inverse process that started with the introduction of the New Housing Policy<sup>39</sup> and New Economic Policy — few house owners remained in the cities. Neither central nor local authorities cared about the rents that these owners were charging.

The housing policy of the USSR, similar to that in Germany, also played a dual role. However, it was focused differently. Soviet housing policy, especially from 1917 until the mid-1920s had two, but radically different sides: protectionist and discriminatory. The purpose of protectionism was to foster self-sacrificing work and a “correct” lifestyle within cohabitation and coworking collectives. Its target group was the so-called “socially close elements,” namely workers, civil servants, and specialists who were attracted by authorities to provide

---

<sup>36</sup>СУ РСФСР. 1918. №62. ст. 674, с. 744.

<sup>37</sup>This decision can be regarded as a continuation of the regulations that were introduced by the tsarist government. Moreover, it is to a large extent, analogous to the corresponding regulations adopted in Germany and other countries participating in World War I. It is worth noticing that in France this policy was also coined “moratory” — a decree that issued by the French government on August 14, 1914, put a moratorium (moratoire) on rental payments by family members of soldiers fighting and by low-income tenants. See [Croizé \(2009\)](#), p. 18.

<sup>38</sup>“... tenants are obliged to pay the rent within a conventional deadline on the current account of the Soviet of workers' and soldiers' deputies... The tenants... of dwellings... are prohibited to pay the rent to the former owners of these dwellings, while the latter are prohibited to accept it. The culpable of having paid the rent to the former owners of the real estates... are punished by a) prison confinement from 7 to 30 days; b) privation of right to occupy the dwelling they are renting and eviction in a three days term... The culpable of accepting the rent payments... besides being evicted from the dwellings they are occupying are punished by the prison confinement for up to 1 year accompanied by a confiscation of all their properties.” («Исполнительная часть проекта декрета об отмене права частной собственности на городские недвижимости». Газета Временного Рабочего и Крестьянского правительства. 1917. №18 от 25 ноября (8 декабря). с. 1). (“Executive part of the project of the decree on abolishment of the right of private property on the urban real estates”).

<sup>39</sup>See [Меерович \(2008\)](#), p.303.

public services (scientists, engineers, doctors, agronomists, painters, writers, etc.). The discriminatory part of the Soviet housing policy, which was in place throughout the period under study, addressed a different category of people: the so-called “socially alien elements,” namely, former representatives and descendants of nobility, civil servants of Russian Empire, merchants, entrepreneurs, former landlords, who were persecuted, repressed, and deprived of their electoral rights. However, by the late 1920s and during the first five-year plan periods, discriminatory policy was increasingly used against the “socially close elements” of peasants (unauthorized migrants to the cities that did not want to enter employment) as well as workers and civil servants who shirked, worked badly, openly opposed the decisions of administration, demonstrated nonconformity, or otherwise criticized the authorities.

In the early- to mid- 1920s, the leadership paid most attention to the formation of exclusive employer provided housing stock and, hence, development of a system of legal measures to use it as a means of coercion to work for state enterprises and government agencies. There existed many reasons for the people to refuse working in the state sector of economy: reluctance to collaborate with the new authorities due to the principles, unwillingness to perform the job that did not correspond to their qualifications, unwillingness to work under the offered conditions; disagreement with the incompetent party-led management; etc. In the absence of other incentives, the allocation of the state housing stock (only to those who took employment in the state sector of economy) turned into perhaps the most, if not only, effective means of managing labor resources. The Soviet authorities needed a “human material” that would be socially homogeneous, dependent, controllable, and attached to the workplace and lodging. This need was perfectly met by the “state employer provided” shared housing. Typical forms included worker dormitories and commune houses (dwellings where each room is occupied by a family). In such a way, those who worked together also lived together in the so-called “collectives of coworking and cohabiting people.”

The Soviet government tried to cope with the housing problem not by constructing new housing but rather by consolidating existing housing stock. Where in Germany serious efforts were concentrated on tenant eviction protection, in the USSR, by contrast, policy aimed at easing the eviction of tenants from the employer provided housing they occupied.

“Employer provided housing” was also used to intimidate neglectful employees — those working carelessly,



shirking, arriving late, violating the rules of the internal code of conduct, etc. The authorities were fighting against “poorly working employees:” idlers, truants, job hoppers (those who were often and self-willed changing their jobs), and grabbers (those who declined to do additional work for free). In this struggle authorities used a) financial measures (fines); b) moral measures (reprimand); and in extreme cases, c) dismissal. In particular, an employee, who during a single month committed three infractions, such as: a) coming late to the work without reasonable excuse; b) leaving for lunch before time; c) return late from lunch; d) leaving work before the end of working time; e) being idle during work — or four such infractions during two months in a row, was subject to dismissal for violating the legislation on work and workplace discipline.<sup>40</sup> However, the most effective threat was immediate eviction from housing upon termination of employment. The reason is that even “when having been fired for breaking the workplace discipline or having left their employment at the factory in a self-willing way,” these people kept lodging “in the housing that was built by the factories for their workers.”<sup>41</sup> As such they were eroding the integrity and moral environment of the collectives of coworking and cohabiting people. The government fought this decisively: it issued decrees ordering the immediate eviction from employer provided housing of those dismissed from employment.<sup>42</sup>

It should be noted that housing was used not only to recruit staff and enhance workplace discipline, but also to combat dissent and other opposition to the authorities. For this purpose a quite specific definition of “poorly working employees” was complemented by the rather vague and non-specific definition of “an disorganizer of production” and by an even more ambiguous term, “malicious disorganizer of production.”<sup>43</sup> In such a way it became possible to dismiss not only those who were working poorly, but also those who were possibly working very well and dilligently but were not happy with something, openly and loudly. These persons could now be denounced as “disorganizers” of production process (and, provided that they did this repeatedly, “malicious disorganizers”) and legally dismissed. The eviction of “malicious disorganizers of production” from the employer

---

<sup>40</sup> Меерович (2008), p. 667.

<sup>41</sup> «О мероприятиях по упорядочению трудовой дисциплины и улучшению практики государственного социального страхования и борьбе с злоупотреблениями в этом деле» — Постановление СНК СССР, ЦКА ВКП(б) и ВЦСПС от 28 декабря 1938 г. / Решения партии и правительства по хозяйственным вопросам. М., 1967. т. 2. с. 665-672. (“On measures to improve the workplace discipline and state social security and on combatting the abuses in this area”).

<sup>42</sup> Постановление ЦИК и СНК СССР (17.10.1937) «О сохранении жилищного фонда и улучшении жилищного хозяйства в городах» / Решения партии и правительства по хозяйственным вопросам. М., 1967. т. 2. с. 617-627; Постановление СНК СССР, ЦК ВКП(б) и ВЦПС (28.12.1938) (“On preserving the housing stock and improving the housing services”) and «О мероприятиях по упорядочению трудовой дисциплины и улучшению практики государственного социального страхования и борьбе с злоупотреблениями в этом деле» — Постановление СНК СССР, ЦКА ВКП(б) и ВЦСПС (28.12.1938) / Решения партии и правительства по хозяйственным вопросам. М., 1967. т. 2. с. 665-672. (“On measures to improve the workplace discipline and state social security and on combatting the abuses in this area”).

<sup>43</sup> СЗ СССР. 1933. №47. ст. 278.

provided dwellings was carried out in an extremely severe way: “immediately after their dismissal.”<sup>44</sup>

In Russia, self-organizing and voluntary housing cooperatives emerged long before 1917. After the October Revolution, when the memories of its effectiveness as a means to combat the housing shortage were still fresh, it surged again. However, the Soviet authorities, striving for the total socialization of all aspects of life, did not need extraneous self-organizing forces acting independently of state housing policy. Moreover, the autonomous cooperatives were a serious obstacle for the state, since they eroded its exclusive right to exploit the housing deficit as a means of controlling the people. Starting in 1924, through a series of legal acts and organizational measures, Soviet housing cooperatives were put in a legal environment that deprived them of any autonomy in town-planning, financial and economic as well as organizational decision making. In fact, in the second half of 1920s, the Soviet housing cooperatives were made completely dependent on the state and, subsequently brought under state control.

Private housing was also deprived of freedom. The state forced it to obey the same regulations as employer provided housing. “Private” dwellings in the USSR were not really private, for the state completely deprived the owner of almost all property rights, leaving only the responsibility to take care of maintenance. It appropriated the right to dispose freely of “private housing,” virtually equating it with “employer provided housing.” For example, in the mid-1930s, regional administrative capitals (Kirov, Krasnoyarsk, Pyatigorsk, Yessentuki, Mineral’nye Vody, Orenburg, Orsk, Omsk, Kuybyshev, etc.), were established, which caused a rapid growth of the number of the party, administrative, and law-enforcement functionaries. This, along with reduced construction by state-owned industrial firms for their employees, aggravated the housing crisis. The authorities issued a series of acts that allowed the local authorities to “confiscate 20% of living area in those private houses, where such a confiscation could produce a separate room with an area not smaller than the minimum standard.”<sup>45</sup> In order to house as many people as possible in the confiscated housing, the legal minimum standard of living area was reduced from 8 to 5 square meters per person by the state.<sup>46</sup>

The state, through its legal acts, forced municipal authorities to carry out regular “consolidations,” relocations, evictions, and so on in order to provide housing to an ever increasing number of municipal agency and

---

<sup>44</sup>C3 CCCP. 1935. №59. ст. 483.

<sup>45</sup>CY PCΦCP. 1934. №10. ст. 69; CY PCΦCP. 1934. №30. ст. 183; CY PCΦCP. 1935. №3. ст. 15; CY PCΦCP. 1935. №4. ст. 31; CY PCΦCP. 1935. №6. ст. 6; CY PCΦCP. 1935. №11. ст. 116; CY PCΦCP. 1935. №13. ст. 138.

<sup>46</sup>Ibidem.

service personnel.

All the above mentioned housing rationing measures were treated as provisional, which, like those taken in Germany, should have been removed once the situation improved. However, the housing deficit was expedient to the Soviet authorities, who purposefully exploited it as a powerful tool pushing people to find employment.<sup>47</sup> The main forms of housing property rights were inseparably related to employment. People could only obtain housing from companies and state agencies after becoming employed. Local authorities would also provide housing in a shared apartment if an individual was employed by a local government body. One could become a member of housing cooperative at one's workplace, which is where housing construction cooperatives were organized.

Thus, unlike Germany with its a) employer provided, b) cooperative, and c) private housing, in the USSR there was a) state-employer provided, b) state-cooperative, and c) paradoxically as it sounds, state-private housing. The state invested only in constructing one type of housing: "state employer provided" housing. To some extent it also invested in construction of "state-cooperative" housing, which was entirely at the disposal of industry management and municipal authorities. This investment was absolutely insufficient. The main reason was that a major part of the government budget was allocated not to the housing construction but rather to erection of the factories belonging to the military industrial sector, which was called "industrialization".

As a result, housing shortages in the USSR during the intra-war period was enormous and constant, without any reduction.

## 4 Conclusion

As the comparative analysis of the housing policy in Germany and Russia shows, despite similar starting conditions and similar political structures, identical housing policies did not result. See Table 1 for a brief summary of the similarities and differences in housing policies for both countries.

Housing policy in both countries, except for some measures, were radically different. This was related to the polar objective functions of both countries. German authorities sought to ensure social and economic stability by supporting those most vulnerable and exposed to the housing market fluctuations — the tenants

---

<sup>47</sup>See [Меерович \(2004\)](#), p. 659.

— by protecting them from eviction and arbitrary rent increases. Soviet authorities, which municipalized and nationalized private housing, thus making the government a “mega-landlord,” used housing in order to achieve completely different objectives: compel individuals to find employment and adopt a prescribed lifestyle.

Soviet industrial policy replaced material incentives to work with administrative incentives, including housing as a key incentive. Housing, through its provision, redistribution, confiscation, forceful lodging, and eviction, became the tools used to put pressure upon citizens. It must be noted that these measures were very effective, given that the housing is a fundamental need, especially in Russia where severe climatic conditions make shelter necessary. In those cases where people were not interested in working because everyday life troubles (food and consumer goods shortages, as well as long queues to obtain what was available) absorbed their energy, the threat of being dismissed and automatically evicted from their housing — with virtually no alternatives possible — was effective coercion. In contrast, in Germany, even under the Nazi government, housing was never seen as a means of manipulating people in order to guarantee their submission and stimulate them to work. Market incentives — in particular, market wages and a fear of becoming unemployed — were enough to make people work in Germany.

The need of Soviet authorities for socially homogeneous “human material” that was dependable, controllable, and attached to the workplace was fulfilled through the creation of “state employer provided” shared housing. This included, for example, worker dormitories and commune houses. Housing construction was financed by the state and without a free market, construction materials were impossible to buy. In Germany, which also faced huge housing shortage, the state was committed to the provision of housing in order to minimize political instability. It actively participated in financing housing construction by redistributing the funds from the sitting tenants and landlords, who had profitted from hyperinflation, to the construction of new dwellings, especially of inexpensive small apartments for low-income families, families with children, and war disabled veterans.

Soviet authorities purposefully created a socio-cultural, legal, and economic organization that ensured control over its citizens by manipulating the fulfillment of their fundamental needs, starting with shelter. As a result of such policies, during the intra-war period, housing allocation in Russia became an integral part of the state allocation system (along with other items satisfying fundamental needs, such as food, clothing, health care, education, old-age provision, and so on) and started to serve the same priorities as other elements of this

system. In particular, it was used by authorities to fulfill the “submission and control” task.

The housing policy of the USSR, similar to that in Germany, also played a dual role. However, it was entirely different. Where in Germany housing served both as an instrument of social policy and as a means of wage policy in order to maintain the competitiveness of German manufacturing products, in the Soviet Union it was used to protect the so-called “socially close elements,” thus fostering their self-sacrificing work and collaboration with authorities, and to discriminate against the so-called “socially alien elements,” who were treated as opponents to the new regime due to their social descent or beliefs. In contrast, German housing policy during most of the intra-war period was not discriminatory. It was only after the Nazis seized power that authorities started to apply ethnic criterion to actively discriminate against Jews in the housing market.

## References

- Achilles, A., M. Grieff, F. André, F. Ritgen, O. Strecker, and K. Unzner (Eds.) (1909). *Bürgerliches Gesetzbuch nebst Einführungsgesetz / Mit Einleitung, Anmerkungen und Sachregister nach dem Tode des ersten Herausgebers dr. A. Achilles*. J. Guttentag.
- Amt für Wohnen und Migration München (2011). *100 Jahre Wohnungsamt. 1911 bis 2011*.
- Brander, S. (1984). *Wohnungspolitik als Sozialpolitik. Theoretische Konzepte und praktische Ansätze in Deutschland bis zum Ersten Weltkrieg*. Duncker & Humblot.
- Croizé, J.-C. (2009). *Politique et Configuration du Logement en France (1900-1980). Vol. II und III*.
- Führer, K. C. (1995). *Mieter, Hausbesitzer, Staat und Wohnungsmarkt. Wohnungsmangel und Wohnungszwangswirtschaft in Deutschland 1914–1960*. Franz Steiner Verlag.
- Гулидов, А. Ю. (2011). Ценовая и транспортная политика на территории Владимирской губернии в годы Первой мировой войны. *Исторические науки 3-4*.
- Häublein, M. and A. Lehmann-Richter (2009). Mieterschutz in der Bundesrepublik Deutschland. *Wohnrechtliche Blätter 22(12)*, 361–381.

Меерович, М. Г. (2004). Социально-культурные основы осуществления государственной жилищной политики в РСФСР (1917-1941 гг.): Дисс. на соиск. уч. ст. докт. ист. наук. Иркутск. (Socio-cultural bases of carrying out the housing policy in the RSFSR (1917-1941): Dissertation for the degree of Doctor of historical sciences; in Russian).

Меерович, М. Г. (2008). *Наказание жилищем: жилищная политика в СССР как средство управления людьми (1917-1937 годы)* (*Punishing with housing: Housing policy in the USSR as a means to control people (1917-1937); in Russian*). Российская политическая энциклопедия (РОССПЭН); Фонд Первого Президента России Б. Н. Ельцина, (История сталинизма).

Saalfeld, D. (1993). Mieten und Wohnungsausgaben in Deutschland 1880-1980. In G. Schulz (Ed.), *Wohnungspolitik im Sozialstaat. Deutsche und europäische Lösungen 1918-1960*. Droste.

Silverman, D. P. (1970). A pledge unredeemed: The housing crisis in Weimar Germany. *Central European History* 3(1/2), 112–139.

Юхнёва, Е. Д. (2007). *Петербургские доходные дома. Очерки истории быта* (*St. Petersburg's commercial apartment houses. Essays on the history of the everyday life; in Russian*). Центрополиграф.

Яковлева, Ю. А. (1993). Регулирование рынка жилья в России в конце XIX — начале XX века. Диссертация на соискание учёной степени кандидата экономических наук. (Housing market regulation in Russia late 19th — early 20th centuries. Dissertation for the degree of Candidate of economic sciences; in Russian).

## Appendix

Table 1: Summary of similarities and differences of German and Russian housing policies

|                   | Germany   | Soviet Russia  |
|-------------------|---|--|
| Policy purposes   | reduce social tensions; help promote German competitiveness through low wages | Provide strong incentives to work where needed and to comply with the communist regime |
| Landlords         | many, relatively weak market power  | few, strong market power   |
| Property          | predominantly private   | predominantly state  |
| Tenant eviction   | tenants strongly protected  | tenants have no protection   |
| Rent control      | rent freeze   | rent freeze  |
| Housing rationing | strong  | strong   |
| Discrimination    | against Jews from 1939  | against “socially alien people” from 1917  |