



**THE
COMMONIST HORIZON**

**Futures Beyond
Capitalist Urbanization**

Edited by
Mary N. Taylor and Noah Brehmer

The Communist Horizon: Futures beyond Capitalist Urbanization

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Chapter 3

A MOVEMENT TO TRANSFORM EVERYTHING: KNOWLEDGE PRODUCTION TOWARDS SOLIDARITY ECONOMY IN HUNGARY

Ágnes Gagyí and Zsuzsanna Pósfai, in conversation
with Mary N. Taylor

Three friends came together in 2021 to discuss the knowledge production unfolding in Hungary towards commoning and building a solidarity economy. Tracing ten years of research and action by a network of actors that has led to the development of a first rental cooperative house, the Gólya Cooperative, and the Kazán Community House, Ági and Zsuzsi reflect on the challenges and promises of small research-oriented initiatives, and questions of the commons vs. the solidarity economy. Asking how the observable capacity of people to take care of themselves can be freed from the extractive circuits of capital, they propose tracing relations of value while attempting to build technical solutions, allowing them to enter market relations but work against them and build the social power that can sustain such solutions.

Mary N. Taylor: Zsuzsi, you are an urbanist and one of the cofounders of the Periféria Center, and Ági, you are a sociologist and a cofounder of the Solidarity Economy Center. Together, the two centers are involved in a project to develop something that could be called a “commons” with regard to housing in Budapest. You came to this via your work in groups that are networked together, by drawing on social movement experience, and lots of research and analytical

work of different kinds. Can you speak a bit about the practical work, as well as your broader movement experience and research background? What are the goals, accomplishments, challenges, and histories of this initiative?

Zsuzsanna Pósfai [Zsuzsi]: What you are referring to as our project of commoning is mainly work aiming to develop new housing cooperatives; more specifically, rental-based housing cooperatives. The idea of this was born about ten years ago, connected to the broader political context of Fidesz (the rightist party ruling with a two-thirds majority since 2010) coming to power, and our mistrust of the state. In the beginning we imagined physically connected spaces, such as a big building with a community space, a bar, workshop areas, and housing as well. But I don't think any of us called it commoning or commons. It was connected, rather, to the idea of self-determination. The bar and community space (which is Gólya Cooperative today) developed faster and was important for different political movements from 2011 onwards.

After operating for several years in a rented space (from which its name came), Gólya bought a large building on the edge of a huge brownfield site. The public comes together at concerts, performances, workshops, lectures, while several allied organizations also have workspaces. The semi-public, or collectively used space of offices, workshops, daycare, and sports hall (everything but the bar and public space) is now called the Kazán Community House. We are currently working on putting this part of the building into a structure of collective ownership that will guarantee this purpose for its use for the long term.

Meanwhile, the housing idea was constantly there but remained an informal network of people living in shared flats for many years. Around 2012, we started learning more systematically about housing cooperatives, developing organizational, legal, and financial models that could work in our context, partly supported by international contacts and learning from their experiences. In 2016, we started working more seriously on finding a house and in May 2018 we

purchased one, moving in January 2019. This house is not a cooperative in the legal sense but functions as one.



FIGURE 3.1. *Gólya Cooperative bar and community space, Budapest. Photo by Gólya Cooperative.*

We also established an Eastern European network of pioneering housing cooperative initiatives, MOBA Housing Network, in January 2018. *Moba* means the same thing in Bosnian/Serbian/Croatian as the Hungarian word *kaláka*. Both refer to collective work and mutual help, whether in agriculture or in building houses. I think we are attached to this name because it really roots the idea of collectivism and mutual aid locally. *Moba* is a practice that people in Eastern Europe can relate to, and we chose to articulate it in this language because most members of MOBA are from the Balkans. So, it demonstrates our commitment to building on notions and practices that are present in our own societies.

The next step in this process of housing commoning is the establishment of an alternative real estate developer. This is an idea that we came up with sometime in 2020, based on some basic Marxist ideas of the city: that access to property and access to real estate determines, in the end, who has access to space in the city. We felt that we already had some experience in collaborative real estate development, due to Gólya Cooperative having bought and renovated an old industrial building, and due to our experience of having developed the first cooperative house. We call this new organization the Alliance for Collaborative Real Estate Development, and with it, we aim to help different leftist grassroots organizations have access to space and to organize cooperative forms of affordable housing.

Ágnes Gagyí [Ági]: These projects emerged from a shared research trajectory about the current transformations of capitalism and Hungary's place within it, and about the city and real estate in that context. As Zsuzsi mentioned, together with many other organizers of this project we make up a relatively coherent group or network. This network is made of an early cohort of the Hungarian New Left generation who were organizing together, living in these connected flats, taking part in diverse political initiatives together or with others. This same network also gave birth [in 2010] to the Working Group for Public Sociology, *Helyzet* [Position], that has been trying to understand the current social, economic, and political transformations taking place in Hungary already under the first of Fidesz's three consecutive terms (starting in 2010), and how these processes fit into long-term dynamics of global capitalism. Our research in *Helyzet* has given us tools for understanding our context. This is also true for the research Zsuzsi and others were doing around urban questions.

Mary: Can you speak a bit about this urban research? How is understanding the capitalist production of space useful to understanding urban conditions and how capitalism operates today? How has your research fed into the practical work you do?

Zsuzsi: Our urban research started during our university years in an organization that many of us were members of—the College for Social Theory [*Társadalomelméleti Kollégium*, TEK]—and where some of us initiated a critical urban studies group.¹ One of our first activities was a David Harvey reading group, and we also translated several of his writings to Hungarian. Translating Harvey’s “The Right to the City” into Hungarian in 2009 was important in my personal learning process.² During this time I was also in the activist group *A Város Mindenkié* (AVM) [The City is for All], founded in 2009 by housed and unhoused people influenced by *Picture the Homeless* in New York City. AVM uses the strategies of advocacy and direct action in the field of housing, and does very important work, both in terms of direct interventions and putting the issue of housing poverty on the political agenda. My frustration with demanding things from a state that would continuously ignore us especially in the hostile environment of the Fidesz government pushed me towards thinking about housing in the framework of the solidarity economy.

Meanwhile, the critical urban studies group continued to work together. In 2012 we edited a critical urban studies reader that introduced important texts to Hungarian speakers and conducted reading circles and workshops and published some articles in the press.³ After leaving TEK, some of us were pursuing postgraduate degrees or working in research institutions. In 2018, four of us from the group founded the *Periféria* Center to continue this work in a more professional setting. So, it grew out of this long process of researching urban issues, housing, the production of space, capitalism, and cities together, and also individually, in our different more institutional or activist projects. *Periféria* Center’s research agenda has also developed in conversation with *Helyzet*, and there are very big personal overlaps between these two groups as well.

Ági: The Solidarity Economy Center (SEC), which is collaborating with *Periféria* on the housing cooperative project, is another node where we combine research coming out from this network with practical organizing. The SEC has been working since 2019 to build

solidarity economy solutions in the fields of energy, food, and housing, and to connect them to union organizing.

Zsuzsi: Our research has fed into the practical work in many ways. Understanding how money goes into fixed space, and into real estate particularly, helps us understand what's happening around us and is also essential for thinking about what you can do differently—about possible points of intervention. I am constantly using what I learned through my PhD research about housing finance, the housing market—even the vocabulary of these companies—in the practical work I do to develop new forms of finance for affordable housing.

When research is used in movement building it becomes a tool to frame things for others as well. I have a very powerful story from when I was still a member of AVM, and we were working to organize the residents of a few housing blocks that were going to be demolished because of a big real estate project. One of the guys that we were speaking to was going to be evicted, and the issue was how much and what kind of compensation they would get from the municipality. He basically explained rent gap theory in his own words: how the developer will have much more profit than what he receives as compensation. In such a situation, theoretical knowledge and research can be a tool for verifying peoples' experiences. My experience at AVM is very much part of my research trajectory, and I do think it would be very beneficial for proponents of the “advocacy strategy” and of the “housing commons strategy” to think more about their complementarities and potential linkages.

Mary: You're describing praxis, the relationship between theory and practice and the ways in which they drive one another. This dialectic over time seems to have a lot to do with your arrival to the question of the solidarity economy as you made your way to solidifying Gólya as a cooperative with its own building and developing the first rental housing cooperative. In fact, your practice continues to be a kind of research.

Ági: Yes, we were interested in how capitalism works within the Hungarian environment where we were trying to do politics from the left, but also quite connected to this magic of doing things autonomously. This is how we became interested in how informal reproductive capacity interacts with capitalist extraction, and how the state regulates what is formal and what is informal, legal or illegal, and sets the value of interactions in terms of how formal they are.

This problematic is also very much there on the level of housing or commoning, if you like. Practices such as *kaláka*, that Zsuzsi mentioned earlier, have been widespread in Eastern Europe. Thinking in strictly monetary terms, people help each other for free. But there is a moral economy to how they help each other. So, it's not objectively free: you're expected to give help back and there is a very complex system of how it is accounted for, a system that is connected at each point—in quite paradoxical and contradictory ways—to the conditions of the formal economy.

From our collective research we found that this informal aspect of the economy, and the struggle between reproductive interests and capitalist extractive interests we see in Hungary, is a generic feature of global uneven development. Its manifestations here are very similar to those in other semiperipheries. We learned that globally, people's informal reproductive work acts as a subsidy to capital from below. People reproduce themselves at least partly for free, and then are used as labor by capital.

We also see this in urban space. In urban places, especially in semiperipheries and peripheries, the incomes of a significant part of inhabitants do not cover their housing costs, and much of this gap is bridged by self-built, often informal dwellings. The research of Helyzet member András Vigvári shows this going on in Budapest's periurban areas from the 1920s, throughout socialism, until today.⁴ Basically, those people work city jobs, yet reduce the cost for capital by taking care of their housing at a price that is suppressed through self-building, secondhand materials, and semilegal status. It is even more illustrative when these same people work in temporary, low-paid construction jobs on one of those overpriced inner-city real

estate projects into which financialized investment is poured for speculative profit, while the workers themselves use second-hand construction materials, their free labor and skills, and the help of their peers in order to be able to live somewhere.

Our efforts to build solidarity economy solutions revolve around this question: in all aspects of the present system, there is an observable capacity of people to take care of themselves, the whole system would collapse without this massive volume of informal reproduction—how do we free this capacity from the extractive circuits of capital? This is not just a question of form, because cooperatives, just like self-built housing (two examples of what many call commoning), can be subordinated to those circuits. It is rather about tracing relations of value, trying to build technical solutions that allow you to enter market relations but work against them, and building the social power that can sustain such solutions. The tricks that we are trying to think of are about how to build this capacity within conditions set in such a way that all efforts to survive are captured for profit.

Zsuzsi: Yes, I think this is the big challenge, because in the end you're using the limited resources that exist within networks, but the idea would be to draw in further resources; and not just to stretch the ones that exist already. It is always a question with these self-help structures of how much you are just cushioning the effects of a crisis or of capitalism itself. And then, when you want to draw in external resources, when you get down to the practical and technical aspects, then you realize it's not so easy to divert capital to anti-speculative and community purposes.

Ági: Although what urban movements address is very often the interface of property relations, the situation is not completely covered by the question of who owns urban real estate. What we see as this seemingly unsolvable question of urban housing poverty is ingrained in the general logic of capital reproduction, based on the capital-labor relation where labor is made free. If you look at how urbanization produces those masses “free” from their own capacity

to reproduce themselves, then housing poverty has to do with the fact that while capitalism “frees” labor, it does not pay for its reproduction completely; it always generates a larger “reserve army” that is the background against which the “free” contract between labor and capital happens.

Globally, we see this in the horrible growth of slums. Even in Hungary, in a relatively good situation, there is a growing mass of people who live in cities but are unable to pay for their housing. Then there are the vertical chains through which consumption even in a Hungarian village is connected to lower positions in global labor, the effects of financialization, and lending cycles. Understanding these processes that produce urban poverty as an element of the capitalist production of space is important when thinking about urban commoning.

Mary: Ági, you recently expressed when you spoke at Luna6 that while the commons is more about property structure, the solidarity economy is about political economy and thus, more expansively “a movement to transform everything.” The solidarity economy is, you said, “a technology to disrupt and transform all the means of value circulation.” Can you talk a bit about the relationship between the commons and the solidarity economy?

Ági: Well, conceptually, the commons starts from an ideal scenario where the property or a certain good is collectively owned and managed. When we find these very small examples of commons, and study them up close, then we find that they have commons qualities and non-commons qualities, because of course they are still connected to the broader capitalist context. The solidarity economy perspective is not so much about identifying the qualities of this ideal situation of the commons and trying to grasp them, although this is also important because if you’re not able to see it, then you can’t think about potentials. Solidarity economy thinking is more about expansion, about the process: how do you go against the value circulation that now subordinates reproduction to capital extraction and what kinds of techniques, what kinds of institutions, what kinds

of alternative circuits can you build? And how do you expand them against the resistance of the system?

Let's translate it to the case of urban commons. If you approach urban commons in terms of how a building can be owned and managed by a group of people, then the solidarity economy perspective would ask this: what else do these people live from? How is the building connected to utility markets or to the future pressures of selling it for a higher price? How does your institution create a capacity to go against those pressures? This is because it starts from seeing capitalism as a broad structure of capital-labor relations and real estate, housing, as one of its aspects.

Mary: So, it's expansive in the sense that it networks all these different questions about how capitalism works, and theoretically, how to transform beyond capitalism.

Ági: Yes, theoretically, and very practically. Like, we are facing climate change, right? Even if you own a building, what are you going to do with it in order to be able to resist the 40-degree heat [104°F]? How are you going to build it? From what materials? How do you get the money that you use to buy the materials? I mean it's just there in all directions.

Zsuzsi: It's also expansive in the sense that it needs to expand in order to survive. As long as these initiatives are isolated and small it's rather natural or necessary that they will be very much linked to the initiative of certain individuals or certain groups, and that they dissolve after this individual incentive is lost. I think the only way that these initiatives can become significant beyond the creation of specific spaces is if they are capable of growing, expanding, and networking. Otherwise, they just crumble under the system or dissolve into it.

Mary: In *Omnia Sunt Communia*, Massimo de Angelis writes that commons and commoning will collide with outside social systems and argues for the cultivation of a semipermeable membrane that

allows for autonomy and resilience in the face of the pressures from this broader environment.⁵ Can you talk about what you've been learning from this long-term praxis regarding methods that allow for a common support space, but limit how the outside effects it?

Ági: Well, it seems to me that we were working with this problem before we learned about this notion, but we really liked it, because it applies to the problematic that we're working with, and it makes it very easy to explain through real examples. One example the Peer2Peer Foundation people like to highlight is the issue of licensing. If you are open source to everyone, like Linux, then a corporation like IBM can use it as well as the community who develops it for free. But if you create a commons license that creates a membrane between commons use (for free) and market use (for pay), then you can initiate a one-way flow that can benefit the commons. In this case, the commons license would function as a semipermeable membrane. I think the alternative real estate developer has such a logic, but Zsuzsi can explain that better.

Zsuzsi: In the case of housing there are two very important instances of the semipermeable membrane. The first is when you draw in capital. We struggle a lot with the fact that you need to use resources from the markets due to the fact that real estate costs a lot of money. In this period of financialization, there's so much capital going into real estate.⁶ Our aim is to figure out how to create institutions able to use at least part of this capital for the purposes of the solidarity economy. The next instance is in assuring that these houses are not resold; that they are kept in the ecosystem and don't go back to the market at three times the price. Both instances are actually very complicated when you get down to the practical details. In the first instance, you have the question of what financial resources can be drawn into these alternative real estate projects. There are huge differences depending on where you are in the global economy. In many places in Western Europe and North America, such projects have become interesting for impact investors and ethical banks. In our region, these kinds of financial products are

not available—and just like the mainstream commercial banks, these presumably ethical financial actors also consider our region to be riskier.

But the lack of institutional finance might also become an advantage in some cases. It was a very interesting learning experience for us that when we couldn't get a bank loan for our housing cooperative, we were able to finance 50 percent of the costs through direct loans from the network supporting our initiative. In the end we had no bank loans at all! It is very reassuring in the sense that there's this other network you can build on. However, it's not something that you can scale up really easily, so we will have to work on this a lot in the next period. Community finance can be an important resource, and having realized this, we want to develop peer-to-peer and community-based financial mechanisms in a more systematic way.

In terms of the second instance of the membrane, we've been thinking a lot about legal structures that prevent resale and ensure decommodification. There are solutions, but as long as we need to rely heavily on financial resources that individuals can bring into these housing projects, it is difficult to entirely cut out individual property rights, especially in the context of an ownership-dominated housing market. This is again the problem of where you get the resources from. The individual alternative for people in this context is to rely on property which will accrue a lot more value over time.

With the alternative real estate developer, we are building an institution that can actively manage the semipermeable membrane in these different instances. It can be an actor that draws in financial resources for the purposes of real estate projects within networks of solidarity economy, and one that also creates a legal structure which can keep these properties off the market in the long term.

These dilemmas also reflect the different scales of how you relate to your outside environment. There is the scale of relating to broader capitalist processes and big market actors, and there's also the scale of drawing individuals into your alternative ecosystem. These can be difficult to bridge when creating structures that will bear the biggest results in twenty to thirty years. For instance, the

houses we buy now will only become debt-free then. We need to gain peoples' confidence in a system that doesn't yet exist, which is hard. It needs a lot of trust. At the moment, these structures are still very small, but you already have to create rules for the long term and for a larger ecosystem.

Mary: I was thinking about what you have said, Zsuzsi, about "impact investors." I can see how that particular category of investors would be useful if they were in the region because they will invest in things that others won't, but aren't they often just as extractive? I read books on alternative investing and see authors boasting that on top of its social value it promises greater returns.

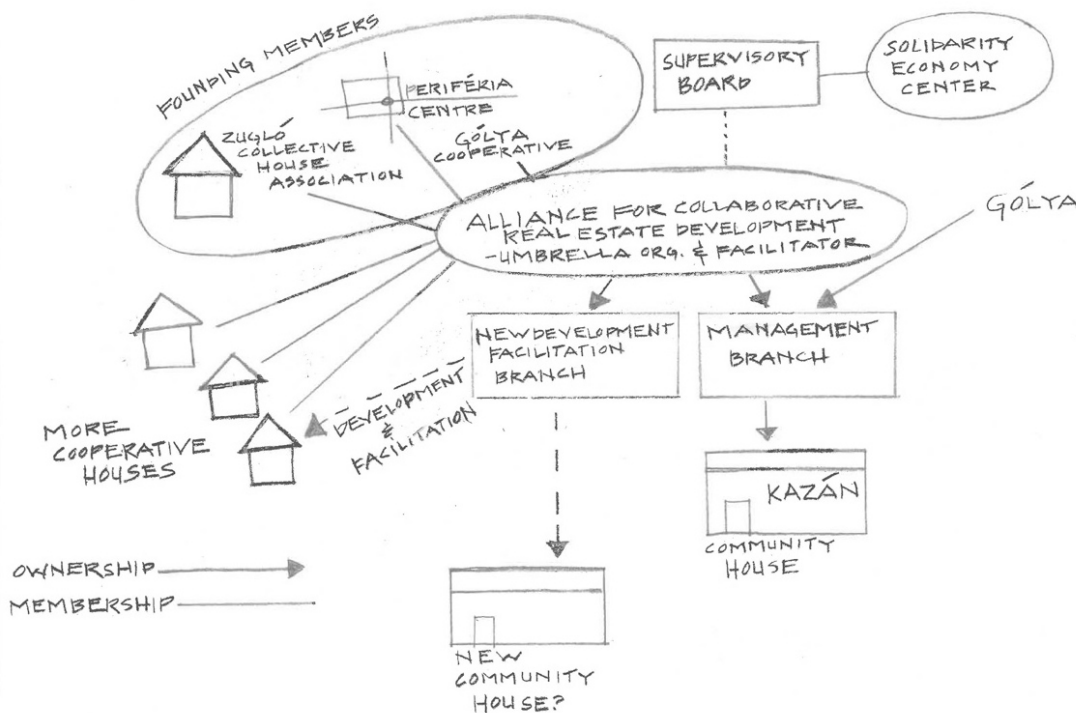


FIGURE 3.2. Hand-drawn diagram illustrating the Gólya Cooperative's alternative real estate development. Illustration by Mary N. Taylor.

Zsuzsi: Yes, I think it's important to see that the recent interest in impact investing has also happened because there has been a general loss of profitability in many spheres. And these financial actors will not put money into anything that is risky for them or where

they would not have financial gains secured. The question is whether we have any way of using these resources in a way that is acceptable for us. This is an important question in the field of housing because we will never have enough money only from our own network to acquire properties on a larger scale.

This is also where the role of the state comes in. In many contexts, less extractive financial resources available to solidarity economy-oriented real estate projects have some kind of state sponsorship. One example is subsidized loans given by public banks. This support is often given to commercial real estate actors, and only rarely to nonprofit ones. The more public money or subsidy goes into collaborative housing projects (even if this is through loans), the more affordable they can be for end users. The state can intervene in several other ways as well, from setting interest rates, through giving tax breaks, to intervening in land policy. All of these instruments influence who has an easier job on the real estate market. Sadly, I think it's to some extent an illusion that we will be able to significantly scale up these initiatives completely against both state and the market, which both have much more resources than small solidarity economy initiatives will ever have.

Mary: A strategy that community land trusts have used is to get the state to give land.

Zsuzsi: Yeah, and it's complicated, because at the same time, it is what you want to be independent from. I've been speaking to friends and colleagues from Western Europe who have had supportive state interventions before and they have said, "now we want to do a community land trust without the state and without the municipality because we've discovered that it's not good to be dependent on them." And they are now creating bottom-up land trusts that are controlled by the community organizations, aiming to fundraise for themselves from various sources.

Mary: One aspect of the relationship between commons and solidarity economies is scale. Both Periféria and the Solidarity

Economy Center work primarily in the city. A lot of people speak about commoning as tiny projects, but it seems to me that when you're thinking with the solidarity economy, you can approach scale in a number of ways, also in terms of capitalist development and the way that capital works.

Ági: The Solidarity Economy Center works in Budapest. We have also been working with farmers and community-supported agriculture projects, but we are small at the moment. The most general background to this question is that we operate within this hundreds-of-years-old global system that is, you know, driving us towards catastrophe very soon and there's the real scale of that thing. Compared to that, all such initiatives look hopelessly tiny. But in thinking about the solution, you really need to consider the whole of it. That's why questions about our capacity for scaling and the question of broader value circulation are at the center, even when we are working on smaller things, and why we are not trying to develop "inspirational" models only that look good in themselves.

Zsuzsi: There's this contradiction that I mentioned earlier: it needs to grow, because otherwise it will collapse. To scale up in the field of housing, I think you need to build with or engage people who materially have a housing problem: who are having issues that are not really solved by the current conditions and for whom it is not only a political or value choice, but an economic one. At the same time, as long as we're in this difficult material position as an alternative housing network, it's actually not so accessible to people who are unable to engage with material resources and time. In order for it to keep existing, to really be able to sustain a system where these properties don't go back to the market, you need to scale up. But for that you need external resources, because building on internal ones alone is going to keep it too small and inaccessible. And being able to scale up is also very much dependent on how much you can involve other social groups, and not only the ones who would resonate with the ideology. These different elements are codependent in a way. Outside the city it's easier in many ways,

since real estate prices are much lower. In our conversations with groups that want to establish rural communities that would also include agricultural activity, we are mainly able to contribute our knowledge on financial and legal aspects. But our core activities are focused in the city.

Mary: The rental housing cooperative has been looking for funds to buy property. As Zsuzsi has said, you can't compile enough resources from the solidarity economy, you have to pull in capital. What things have you learned regarding the logic of financial capital? I'm thinking about the various organizations that you've been working with or considering working with. Maybe there's a few other things that you'd like to add specifically about the logic of financial capital and also with respect to the membrane.

The membrane goes both ways, right? We cannot allow things out or we cannot allow things in, and we can selectively do both. But so many organizations that are doing initiatives that would provide cheaper housing or various kinds of access to social goods or reproductive goods, are quite attached to the logic of finance. For example, to sustain themselves and their members, cooperatives or unions may invest their funds in problematic things as they seek high rates of return. Pension funds, for example, are big investors in agricultural land grabs and commercial housing construction. The logic of finance is so pervasive—how might we interrogate these relationships?

Zsuzsi: I think that building larger networks is an important part of the answer. As long as you have an individual house or even a few houses you will be very dependent on the terms and conditions that a lender or investor will give you. We can use the example of MOBA, where the ambition is to create an internal fund that members can use and where we set the criteria and adapt it to our own needs. Of course, you need to attract money into that fund from somewhere, but then there's already this buffering institution between the financial market and the housing initiatives. And I think that this buffering function can also work on a smaller scale. For instance,

what makes it worthwhile for people to go into a rental housing cooperative, rather than taking an individual mortgage? One important argument is that you're not left to face financial actors alone; there's this collective institution between them and you (but of course, many people do not have the option of taking an individual mortgage). MOBA is this protective layer on a bigger scale, and it is also a way of pulling resources into our structures. Another good example that's quite inspirational in terms of how this can expand to an international scale, is that the seed funding that we got for the MOBA revolving fund came from the biggest Swiss housing cooperative (ABZ) as a donation.

Mary: So here is the example of the Swiss cooperative acting outside of that financial logic.

Zsuzsi: Right—which they did because we have a model that is quite similar to theirs.

Ági: One more thing about the financial logic that comes down to use value. Real estate appreciation these days is a consequence of the financialization of capital during crisis. Finance capital is the most liquid form of capital but it's nothing other than capital, part of a relation the other side of which is labor, which produces capital but also needs to live somewhere. When you are building these semipermeable membrane type of institutions in terms of even already just one house, but even on higher levels like MOBA or hopefully a broad system in which you have your own bank and you circulate your own money in a different logic, there is the other side. That includes all the other functions like what you eat, where you get your heat from, how you pay for it, etc. Here lies the problem: as long as you need to work on the capitalist labor market to get those things, your whole life depends on how profitable the company in which you work can be. You need others to be exploited in order to be able to reproduce yourself, and this is why building any of these projects is not only about facing the financial logic—such as having

to repay a collective loan—because you're facing the whole logic of capital relations all the time.

Mary: How can we connect commons and solidarity economy more directly to questions of debt and capitalism's compound growth rate of 3 percent? What are the ways in which the semipermeable membrane can be used not just to fund the commons but to transform relations? One of the things about the disparities of wealth at the current conjuncture is that, in order to access (even basic) resources, much less accumulate them, one of the few options people and groups have is to borrow. You're not just getting the funds but you're ending up in an often quite risky debt relationship. Insofar as capitalism as a system grows older—because the growth of global capital growth is compound—it is massively larger than it was even fifty years ago, much less two hundred years ago. I guess I'm trying to get at this question of scale as it's related to both gathering resources outside of the logic of capitalist accumulation, but also the way in which that is directly related to a compound growth rate produced mainly via finance relations, with the built environment being a big part of that. What are the ways a semipermeable membrane can be used not just to fund a commons, but to transform relations given these conditions?

Ági: Well, left analysis generally agrees that the housing problem is connected to a general problem of capitalist growth, to which financialization was supposed to produce a fix. This enhanced extractive logic is also evidenced in the financialization of agricultural land, water, and other natural resources, and the global surge of infrastructures serving long-distance financialized trade logistics, for example. The whole transformation of the labor regime over the last decades, with jobs moving to East Asia and now slowly leaving China, is part of this. Climate change and pandemic effects are by now disrupting this already extremely tight system of compensatory spatial fixes.

It's not only that capital is having a hard time recreating the conditions for its extended reproduction, but the existing channels

are also breaking down. This disruption is then used as a further source of monopolization—at the top, in capitalist mergers, but at the bottom where the basic solutions for social reproduction are also being transformed into extractive targets. Just getting clean water or land where you won't have forest fires, just being able to live on one side of the border that people who are chased by bloody conflict and climate displacement are not allowed to cross. Those people who enforce that armed border control also become a source of extraction through the privatization and financialization of so-called security. This process where the conditions of bare life are becoming a source of extraction is present in the financialization of housing too. From the perspective of capital's consistent growth rate and accelerating mass, we are in a late stage of fixes to a long-term drop in profitability. Crisis disruptions are challenging the system and generating even more aggressive incursions by capital into the conditions of bare life. Of course, as we know, crises also open up cracks where reproductive aspects can be organized differently.

Zsuzsi: Regarding debt, we can also interrogate what response the solidarity economy can give to the issue. On the one hand, we can create structures of social reproduction that are not dependent on debt and allow the liberty of not entering into an individual debt relation. On the other hand, solidarity economy initiatives can also develop mechanisms that offer solutions to people who are already in a debt trap.

Mary: A lot of thinking on the commons as well as the solidarity economy, if joyfully utopian, can also be blissfully naive. On the one hand, you have the idea of commons as isolated islands, and on the other, there is the practice of naming any initiative we feel affinity with part of the solidarity economy. One of the interesting things about remaining in this kind of bliss is that it allows you not to think too critically about where the resources that you get come from. I don't want to argue that this stage of capitalism, so-called "financialization," operates differently than other stages of capitalism. What I'm interested in is how people borrow money, and insofar as

you're borrowing money in a debt relationship, you're also being pulled into a particular aspect of the process of producing 3 percent compound growth because you're in debt at those rates. And yet, I hear a lot of people speaking as if that's not the case, as if they really have an autonomous sphere that's not connected to these processes at different scales.

From this perspective, I am wondering if and how degrowth could become a more useful concept for what we've been talking about here. Perhaps what I was trying to do when I formulated that question was to push you to articulate something about the imbrication of our, these, efforts into those details of capital. What happens when instead of holding up our picture of autonomy we recognize that imbrication? What happens if we recognize we are tied up in debt relations that suck resources out of our sphere to contribute to a growth that benefits extremely wealthy entities? The doubling of the wealth of billionaires across the period of the COVID-19 pandemic to date is illustrative. So, I was hoping to think creatively together about the things that jam that back, and I think you've spoken to that a bit. I mean there are these options, you know—you can get funds that aren't debt based, like seed funding. But of course, how was that money made? Is a "take the money and run" approach pretty much one of our only choices at this point? I guess other creative ways of doing it, which we haven't talked about at all here, are things like squatting or taking back municipal or private land and putting it, "property" of any kind, back towards social reproduction without the burden of debt. None of the projects we've been discussing here involve an element like that at the moment, so it makes sense that it wouldn't come up organically.

Zsuzsi: I'm happy to reflect on that, because actually, I think one of the hopes for getting financial resources for cooperative housing is that the market for individual mortgages will become saturated. This could push financial actors into new directions since they are under pressure to put their money somewhere. This can make them willing to develop new products, which we need for alternative housing projects.

However, this process pushes us into wanting to become “financially acceptable,” to learn how to develop good financial plans, etc. And in a way this means we succumb to the market logic, even if we hope to be able to use it to our benefit. As opposed to that, the logic of squatting, for instance, is to take space and housing based on the fact that it is a basic necessity. What we are experimenting with is how you may take their money, and then keep it in use for our own purposes. I think that’s possible, to a certain extent. That’s my hope, but maybe it is naive to think that we will be outsmarting the big guys. Even in a positive scenario, yes, you are contributing to overall financial growth through the interest rates you are paying.

Ági: Maybe just one more thing to add. On the labor side, you are always producing the 3 percent. On all fronts. In all efforts to build an alternative, the question is how to build the ground on which you can extricate yourself from this, since in the given moment all of our functions are embedded in it. In terms of finance, this is a classic problem for building both cooperative systems and socialist economies because your problem is going to be that you are not getting capitalist investments. The classic solution has been to use your own resources, channel them together and then circulate them according to a different value hierarchy. This might sound good but, as we know, these systems weren’t able to free themselves from the subordination to global markets, and the costs of the struggle to resist while being part of them was largely borne by the population and natural resources from which those “inner” resources were gathered.

A major cause of this, in the state socialist case, was technological dependence. To improve the terms of trade with capitalist markets, extreme efforts were made both to buy technology and produce for export at the same time—in most cases ending up in a debt crisis. The other main problem is that because these efforts imply such huge conflicts of interest most of the resources had to go to defense. Looking at these previous efforts maybe has a stronger effect on us as we are looking at them from Hungary’s historical experience, so we are wary of evaluating any small initiative as the

beginning of a unidirectional march towards world revolution. Even if multiple small initiatives blossom, they won't change the global system, but from where we stand, we thought we needed to do the small initiatives to even learn how this is done, what it takes, and build some social background that can exercise power towards scaling them.

Mary: What specific concerns arise when we think about urbanization and commoning in the trajectory of postsocialist and semiperipheral development in Eastern Europe? Are there things that we need to know about the region when we think about urban commoning here? The knowledge production you've been engaged in generally favors the language of semiperipheral development to that of postsocialism. It would be interesting to hear you articulate your position on this.

Zsuzsi: I guess the whole postsocialist narrative has been about catching up to capitalism, which is a different understanding of the reasons behind the social and economic conditions in these countries. The argument for using the analytics of dependency theory and world systems theory is that the current situation in these countries should not be explained by a "sidelining" of our trajectory by state socialism for forty years that we must correct so that we can return to capitalism. Rather, it can be explained by a more structural condition that takes the form of different political regimes over time. From that perspective, highlighting the state socialist period is less relevant, as it too was a specific reaction to these broader processes of uneven development.

Ági: I'll enumerate a few points we usually mention regarding how the postsocialist/semiperipheral situation affects housing struggles. Since the privatization of state socialist housing, we have a housing system characterized by *super-homeownership*, which means that the largest part of the housing stock is in the hands of private owners. This makes access to housing hard for many (as you don't have a large rental market or social housing), which is why housing-

related debt is such a big issue. At the same time, this ownership system has also made it hard for large capitalist rental companies to enter the market, creating a different situation from many other places. In terms of financing, Hungary is in a subordinated position both in terms of its currency and the banking system, which appears even in how Western cooperative banks come to Eastern Europe to make higher profits. Meanwhile, cooperative financing and housing structures built up during socialism were largely canceled, so when you try to get a deal as a cooperative neither banks nor local governments get what you are talking about. MOBA came together based on the common understanding that the new cooperative initiatives in the region are in the same situation in that you don't have much rental housing and that cooperative rental housing solutions have a really hard time accessing finance.

Mary: Another question connected to trying to do cooperative projects or projects that are associated with commoning in a postsocialist context—or maybe I'll say post-Communist here—regards language. This is a context in which people have had a negative experience with something called Communist, as well as collectivist projects associated to that project, not to mention being subject to dominant liberal arguments that present it as an historical aberration, as Zsuzsi notes. What does it mean to pursue projects like this that can be coded as Communism (again, or differently) or not? I guess I'm asking about ideological openings or closures.

Zsuzsi: The common opinion is that people would refuse anything that has a similar vocabulary to institutions that existed during state socialism. But I think it's not so straightforward, and it depends a lot on the local context; on how collectivization happened in any given place, for example. It depends on the sector. Housing cooperatives, for instance, were actually a hidden way of accessing individual ownership in Hungary in the 1980s. Given this, our difficulty lies in explaining why the housing cooperatives we are promoting go against individual ownership. Agricultural cooperatives may have a different connotation, because they are often linked to violent

collectivization. I prefer to reclaim these terms rather than deny them. But some groups in MOBA explicitly use a different term for housing cooperatives than what was used during state socialism, so it varies.

Mary: One of the propositions of this book is that the language of the commons and commoning offers a horizon for a different kind of communism than that associated with the state socialist regimes in Eastern Europe. It was interesting that each of you separately misread commonist as communist when I invited you to take part in this project.

When we speak to what is being called commons or commoning in this volume it seems important to articulate that this language does not really have a strong presence in the projects that you're involved in—in fact it doesn't seem to be essential at all.

Zsuzsi: It's hard to say how much this is a language problem and how much it's a conceptual one. But it's definitely important that it was the Solidarity Economy Center that started to frame this issue for us in Hungary, and they made a conscious choice to use the solidarity economy framework.

Ági: On the level of organizing, I think the best way to approach this is a practical one, taking into account who you are speaking to and what project you are trying to work on with them. It is these processes that imply some actual involvement and stakes that the concepts travel through and gain their social weight. For instance, this year we had these large popular protests in Georgia against a hydropower project that is basically privatizing the whole river. In this context, the idea that the river should not be privatized is becoming a real thing. From what I know they don't necessarily call it commons, but I see this as an example where a broader popular consciousness asserts that something is being made into a commodity that should not be one. In the whole conceptualization of the commons idea (and what it could mean legally), antiprivatization struggles around water in Italy played the same role; not only in terms of protest but also in

terms of how you then build the capacity to institutionalize it. On the whole, I think this is about how the reality of the struggle is born, not so much about what state the debate about concepts is in. It is not so much the concept itself that is important, but this transformation of relations.

Mary: Early on in our conversation you described yourselves as being very interested in autonomy, but at the same time, you are situated in this dialectic of building some type of autonomy while using the state to help do that. Yet small-scale autonomy is not your end goal either, because beyond these initiatives, there's the question of producing a larger scale of interaction or provisioning, if you will. Perhaps you would want to speak to that: the state as a tool, end goal, or horizon?

Zsuzsi: It's a difficult question. It would be good to use the state as a tool but in the current Hungarian context it is not a realistic possibility that we would be able to use the central state in any way. In many cases (in other countries), collaborative housing projects are currently supported by the local state. In Hungary, however, local municipalities have very limited resources, partly due to the Fidesz government's strategy to starve out the local liberal-left governments. Socially sensitive municipalities will often choose to use these very limited resources—rightfully!—to improve the housing situation of the most vulnerable social groups or for groups they find to be most important in their own constituency. The housing of these groups could perhaps be served by housing cooperatives, but from the perspective of the municipality it would be more complicated than plain rental housing. Finally, these models are still difficult to understand for local state actors who have no experience with them and tend to associate cooperatives with state socialism. Thus, cooperative housing initiatives will not have access to these resources under the current conditions in Hungary.

Ági: Regarding the state as a tool or end goal, even if we are doing small initiatives and simultaneously thinking about the broader

dialectics between state and movement that doesn't mean that we actually have influence on them. There is no class-based political capacity from below in Hungary right now.

What is called official politics today in Hungary basically operates on a middle-class and upper-middle-class basis, while special pockets of society are penetrated by the electoral machine for specific purposes. This is a blunt or even boring reality but it's something that has to be mentioned whenever we speak about possible relations between anticapitalist struggle and formal politics. If you go into representative politics today, under the present circumstances you'll have close to zero connection with the people whose interests you want to represent, other than symbolic messaging, which might get you some parliamentary seats but won't give you power in closed meetings with capitalist lobbies who hold social power. International left circles have been having these debates after the UK's [Jeremy] Corbyn and the US' [Bernie] Sanders campaigns failed, so I don't want to repeat these points—but the main idea is that electoral struggle is necessary, but without social power it is toothless, and you cannot build social power through the type of organizing that is formed through electoral campaigns.

Seeing the aftermath of the 2008 financial crisis in Hungary, we wanted to go into economic projects because we saw that this work was necessary but tended to be neglected here by the successive mobilizations around neoliberal crisis measures, and later, around Fidesz's new illiberal authoritarianism. These have sometimes included references to social issues but have mostly revolved around fast electoral coalitions with bourgeois opposition parties. In this context, our first attempts at collaborations that allow the next step in scaling up are focused instead on unions and local governments. On our present level, our next step towards the broader "political dialectics" are collaborations with unions where we link rank-and-file organizing with solidarity economy solutions.

Mary: For many, the language of commoning codes with autonomy from both capital and the state. Can you speak about your

approaches to commoning and solidarity economy from the perspective of the state, autonomy, and/or dual power?

Zsuzsi: Just on a very pragmatic level, I think the solidarity economy approach to organize people according to their material needs can be a powerful way to build a social basis for social power. But then again there's the contradiction that as long as you're small it's hard to convince people that you're actually going to be able to respond to these material needs.

Ági: I think we still haven't come up with a better strategy than the classic strategy of dual power, meaning that you need power to make the rules, yet the effectivity of those rules relies not in the state administrative structure, but in the social power that is embedded in the whole organization of society. You do need to implement those rules within the state administration too, but to have that, you need power within the real economy, within the structures of social reproduction. In the classic dual power model, this would be the role of the *soviets* [councils], the form where labor holds power within social reproduction.

1. TEK is not a “college” in the commonly used English-language sense. In Hungary, a college is a group formed around a topic or practice, often in an academic setting. Run by university students, TEK has been and remains important to left knowledge production among university students in Hungary. It can be seen as another node in the network described here, reflected also in its journal *Fordulat* [Turn]; for example, issue 27 was dedicated to questions of the solidarity economy.

2. David Harvey, “The Right to the City,” *New Left Review* 53 (September/October 2008), <https://newleftreview.org/issues/ii53/articles/david-harvey-the-right-to-the-city>.

3. Csaba Jelinek, Judit Bodnár, Márton Czirfusz, and Zoltán Ginelli, *Kritikai Városkutatás* (Budapest: L'Harmattan, 2013).

4. Ágnes Gagyí and András Vigvári, “Informal Practices in Housing Financialisation: The Transformation of an Allotment Garden in Hungary,” *Critical Housing Analysis* 5, no. 2 (2018): 46–55, <http://www.housing-critical.com/viewfile.asp?file=2544>.

5. Massimo de Angelis, *Omnia Sunt Communia: On the Commons and the Transformation to Postcapitalism* (London: Zed Books, 2017), 274.

6. “Global real estate represents nearly 60 percent of the value of all global assets or \$217 trillion USD—with residential real estate comprising \$163 trillion USD or 75 percent. This represents more than twice the world’s total GDP.” See United Nations Human Rights Office of the High Commissioner, “Financialization of Housing,” nd, <https://www.ohchr.org/EN/Issues/Housing/Pages/FinancializationHousing.aspx>