Housing policy and wealth disparities: lessons from U.S. history and their application in Ukraine

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Abstract.
This paper explores the historical context of U.S. government intervention in the housing market post-Great Depression, emphasizing the pivotal role of policies in shaping housing finance. The study recommends adapting key findings to address wealth inequality in Ukraine, urging a critical evaluation of existing policies and highlighting community engagement as vital. Emphasizing the impact of U.S. government policies on housing and community services, the paper advocates recognizing broader implications in Ukraine. In conclusion, the study provides a foundation for Ukraine to address wealth disparities and foster social justice by critically analyzing policies, contextualizing them historically, and implementing measures for equitable wealth distribution.

Keywords:
Housing post war
Housing affordability
Housing governance
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Ukraine
Literature review. Throughout an extended period, housing has been critically important in the context of wealth inequality, particularly in post-war economies such as the United States. Chambers, Garriga, and Schlagenhauf's [1] research delves into the intricate connection between government policy, housing stock, and economic recovery in the post-World War II period. The Servicemen's Readjustment Act of 1944, better known as the G.I. Bill, stands out as a key policy that significantly influenced housing models, providing veterans access to affordable mortgage credits and shaping housing trends in the United States.

Agbai [2] presents a comprehensive analysis of the racial wealth gap in property ownership and housing values in the U.S., with a focus on housing benefits outlined in the 1944 G.I. Bill. This study underscores the link between state policy and wealth inequality, emphasizing that even racially neutral policies may exacerbate disparities in housing ownership and wealth. It highlights the importance of recognizing the broader social and economic environment in which such policies operate, especially their impact on marginalized communities.

Transitioning to the Ukrainian context, research by Nimko [3-11] examines the application of international experience in youth mortgage lending, focusing on the unique challenges associated with Ukraine's transitional economy. This study underscores the importance of adapting global practices to the country's specific historical and socio-economic context, acknowledging economic and social inequality alongside a history of political upheavals as distinct challenges for Ukrainian policymakers.

Ogorodnik [12] explores the state's role in the development of Ukraine's banking system, shedding light on the stages of formation and the impact of state capital on the country's banking sector. Additionally, Ogorodnik's work [13] in the same year examines conceptual approaches to defining 'state-owned banks' and explores ways to enhance their development in Ukraine. This research is invaluable for understanding the changing role of state institutions in Ukraine's financial landscape.

Furthermore, Ogorodnik's research [14-15] addresses non-performing loans in Ukrainian state banks, emphasizing the
critical need to address the issues and root causes of problematic loans in the state banking sector. It highlights the complex interaction between state institutions and the financial industry in Ukraine.

Turning to legal regulation in Ukraine, Nimko (various works) examines various aspects of administrative responsibility, legal regulation of land auctions, environmental protection, nuclear energy, and food safety. This legal perspective sheds light on Ukraine's regulatory and legal framework, emphasizing the importance of proper governance and oversight in various spheres.

In summary, the reviewed literature demonstrates a multifaceted connection between housing, financial policy, and wealth difference, particularly in the United States and Ukraine. This underscores the need for context-aware policies that consider the unique socio-economic and political environments of these countries. It also emphasizes the roles of state institutions and legal norms in shaping the economic and financial landscape.

Main Text:
During World War II, the United States faced a severe housing shortage, primarily due to the return of veterans and their families. In response, the government enacted the Servicemen's Readjustment Act of 1944, popularly known as the G.I. Bill. This legislation provided veterans with the opportunity to access affordable mortgage credits, significantly increasing the chances of homeownership for a considerable portion of the population. The repercussions of this program had far-reaching effects, shaping housing patterns in the United States post-war.

The historical context of government intervention in the U.S. housing market, especially after the Great Depression, underscores the defining role played by the government in shaping housing finance and policy. These interventions aimed to address issues such as mortgage terms and housing affordability [1].

The application of findings from this international experience to Ukraine's context requires adapting fundamental principles to the country's specific historical and socio-economic context. Ukraine faces its unique set of challenges, including economic inequality, social disparities, and a
history marked by political upheavals. The study recommends key findings that can be used to combat wealth inequality and promote social justice in Ukraine:

Ukrainian policymakers must critically assess existing policies to identify areas where seemingly neutral policies may inadvertently deepen wealth inequality among different communities, especially marginalized groups. This includes analyzing how policies impact marginalized groups and communities, even if they are not explicitly mentioned in the policies [2].

It is crucial to engage marginalized groups and communities in the decision-making process to ensure a comprehensive understanding of wealth inequality. Government policies in the U.S. have left a significant imprint on the housing boom. Factors such as the deduction of mortgage interest and the treatment of homeownership have significantly influenced housing ownership levels. Recognizing the broader implications of general equilibrium and taxation on housing and community services is essential.

In conclusion, the findings of this study lay the groundwork for Ukraine to address wealth disparities and foster social justice. By critically analyzing policies, contextualizing them within their historical backdrop, and implementing measures for equitable wealth distribution, Ukraine can embark on a path to reduce inequality and cultivate a more just society.

References:

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