

CALL UPON CANDIDATES
RUNNING FOR THE EUROPEAN PARLIAMENT:

Public social housing!

Priority of the European Parliament Agenda for 2019-2023

*Blocul pentru Locuire*¹

**SUPPORT THE ADOPTION OF A EUROPEAN HOUSING STRATEGY THAT ALLOWS FOR
AND ALSO REQUIRES THAT MEMBER STATES**

- **REGULATE REAL ESTATE BUSINESS FOR THE BENEFIT OF PUBLIC GOOD**
 - **SUPPORT THE PRODUCTION OF PUBLIC SOCIAL HOUSING
AND OTHER TYPES OF NOT-FOR-PROFIT HOUSING**

**IN ORDER TO ENSURE UNIVERSAL ACCESS TO ADEQUATE HOUSING IN
ACCORDANCE WITH THE FUNDAMENTAL RIGHT TO HOUSING**

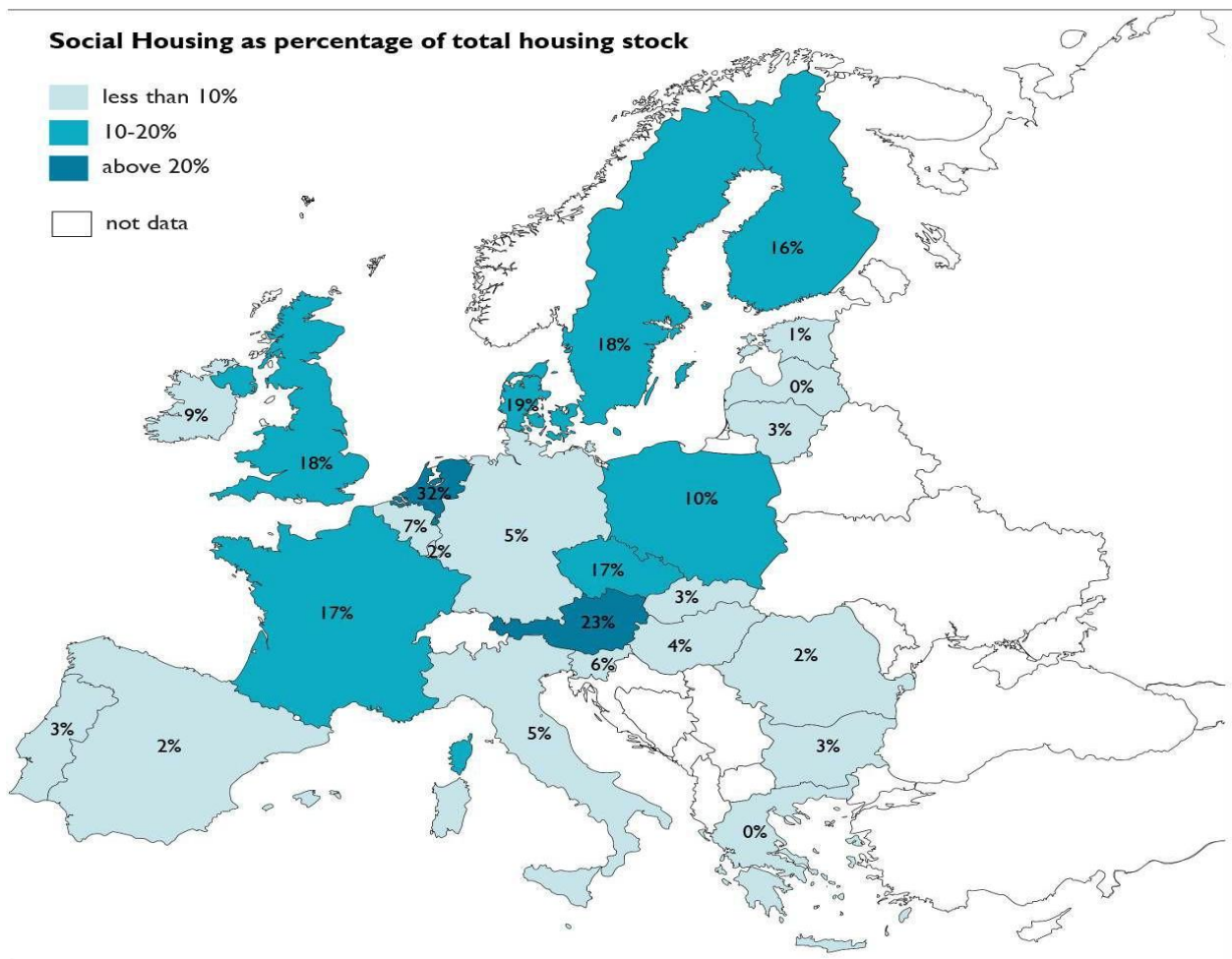
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¹ Blocul pentru Locuire (Block for Housing) was established in 2017 as a decentralized network of groups that militate for housing rights, housing justice and the right to the city: *Căși sociale ACUM!* (Social homes NOW!) in Cluj, *Frontul Comun Pentru Dreptul La Locuire* (Common Front for Housing Rights) and *E-Romnja* in Bucharest, *Dreptul la Oraș* (Right to the City) in Timișoara. Later, *Asociația Chiriașilor din Cluj* (Tenants' Association in Cluj) and *Roma Just* joined the network as well.

Romania on the social housing map of the European Union

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What should Members of the European Parliament do to change housing policies as to contribute to creating a Europe based on equality and social solidarity?



I. HOUSING CRISIS IN ROMANIA AND THE EUROPEAN UNION

The map from above (CECODHAS Housing Europe Review, 2011) shows that **Romania** is among those EU Member States where the percentage of the social housing within the whole housing stock is the lowest. According to the data of the National Statistical Institute, in 2017, from the total of 8.976.794 homes 8.867.146, over 98%, were in private property. This is due to the privatization of the old state housing fund (through policies of retrocession and the right-to-buy) and to the fact that after 1990 the majority of governmental housing programs supported the creation of private housing. Even the National Housing Agency promoted the removal of the dwellings from the state housing stock by selling them to the tenants. These measures ultimately sought to support the housing market and real estate-banking business with the aim of making the largest possible profit for banks and developers. They were part of the policies for the creation of opportunities for domestic and foreign capital investments, opening up Romania to the transnational investment funds in the field of real estate transactions. **Since housing is almost entirely accessible only through the market and most of the dwellings are built to be sold or rented, the commodity and capital accumulation functions of housing have become dominant and overshadow its social function.**

The Romanian state is reluctant to recognize the right to housing as a fundamental human right. It promises, at most, to ensure citizen right to access to housing. Moreover, it dissociates itself from the obligation to ensure the *de facto* access to housing for all through measures that could rebalance the income inequalities created by the capitalist political economy. Instead of strengthening governmental programs for social and public housing or protection measures for tenants evicted from restituted buildings, starting from 2010, the Romanian state further facilitated the eviction of people who had no other alternative but to occupy empty buildings/lands or to opt for various types of informal housing.

Despite its anti-discrimination legislation institutional racism continues to affect Roma in Romania. **In the case of Roma living in poverty, the racialization of ethnicity dovetails with that of poverty. This is visible in group-evictions, in actions that are pushing people to the underdeveloped urban and rural peripheries, and that continue to confine them in inadequate housing conditions and their exclusion from access to public social housing.**

Apparently, everybody knows that the rate of poverty and social exclusion in Romania, as well as the rate of in-work poverty are among the highest in the European Union. It is also common knowledge that Romania is in the top in European rankings on rates of housing deprivation, housing cost overburden and over-crowding.

Knowledge of the above phenomena must translate into political acknowledgement of what is fueling poverty and economic inequalities, namely:

- exploitation at the workplace,
- under-funding of the social protection system,
- high costs of living rooted in housing policies that support the big capital in this domain too.

After 30 years of neoliberal capitalism, it is time for a new public housing policy that seeks to eliminate existing injustices and inequalities.

- As an EU Member State, it is time for Romania to prove that it is capable of contributing to the restoration of the social state, which takes responsibilities regarding the housing needs of people living on its territory, paying special attention to the many people with low incomes.

- As MEPs, you will be able to join the progressive forces from other countries, starting from your awareness about the specific manifestations of housing crisis in Romania.

The housing crisis generated by neo-liberal politics since the 1980s affects more and more people in all EU Member States.

The costs of housing are some of the largest expenditures for many households. The households' indebtedness with the housing costs remain constantly high, affecting poor and precarious social categories disproportionately.

Real estate prices are rising faster and higher than wages in most EU Member States, while income inequalities and housing exclusion reinforce each other.

Finding affordable and adequate housing is increasingly difficult for more and more people, because in the cities where jobs are available, housing is expensive.

Given their indebtedness to the banks, the number of families on the verge of losing their home and their livelihoods increases every day. Private rental price continues to grow in all countries, and local governments are usually not able to control it.

Young people are among the most affected categories by these problems: lack of adequate housing keeps them in various forms of dependency and makes them vulnerable in all areas of life, from work to private life.

Even if the EU condemns discrimination and racism, and has a European framework strategy for Roma inclusion, it still allows institutionalized harassment of Roma from Eastern Europe who are looking for living resources in the old EU Member States.

All these structural problems in the EU are rooted in the privatization of the housing stock (both the already completed privatization, and the one that is ongoing in the countries where there is still a public housing fund that might be privatized and where housing associations own social housing they can put on sale). In addition, all of these issues are part of housing financialization ongoing across whole Europe, even though in different ways and to different degrees. Various financial actors (banks, real estate developers, real estate agents, investment funds), aiming to increase their profits, take over both the production and transactions of housing. Because there is no public housing, more and more households become increasingly indebted to financial institutions in their effort to become homeowners.

Why should we promote a just and anti-racist public housing policy? Because it:

- guarantees the right to housing for all,
- provides adequate housing for people who cannot afford to purchase a dwelling on the market because of their salaries,
- reduces the number of people who are indebted for life to the banks for real estate loans,
- produces dwellings for homeless and for people at risk of eviction,
- attenuates price growth on the real estate market,
- becomes a factor in regulating real estate development for profit,
- is a factor that contributes to reducing the risk of triggering new waves of financial and real estate crisis.

II. FOR A JUST HOUSING POLICY: NEED FOR DISMANTLING NEOLIBERAL POLICIES

Changing housing policy in the EU and / or in Romania is impossible if the European policy environment as a whole remains unchanged. Residual social housing policies (albeit not properly supported) cannot solve the housing crisis by themselves, at the same time as privatization, commodification and financialization of housing continue to be the building blocks of the European neoliberal economic and fiscal policies.

That is why a new housing policy requires major changes in the EU's economic and social policy:

(1) **Rejection of the EU's neo-liberal economic policy.** Since the 1980s, neoliberal policy supports the unregulated movement of capital, including financial capital and investment funds, and implicitly its ability to capture a growing share of the housing stock of all countries, without bringing adequate and fair contribution to public budgets needed to secure the right to housing.

(2) **Redefining the content and status of social policy in EU.** It is necessary to move away from the definition of social policies as measures that burden the public budget and increase the budget deficit. It is necessary to promote a policy approach that supports these measures as investments in public goods, which ensure the social and economic rights of all citizens. Finally, yet crucially, EU should ensure that social policies have the same normative strength in relation to the Member States, like the obligations imposed by European economic and fiscal policy have.

As a MEP, you will be able to support the following changes of housing policy:

(3) The European Union should assume an active role in the field of housing, and design and implement mechanisms through which it can exercise this role in relation to Member States, **with the aim of producing more public housing.**

(4) The European Union should sign the International Convention on Economic, Social and Cultural Rights and endeavour **to implement the imperative of ensuring the right to housing.**

(5) The European Union should bind Member States to **adopt and implement the European Social Charter**, in particular the following Articles:

Article 30 – The right to protection against poverty and social exclusion

With a view to ensuring the effective exercise of the right to protection against poverty and social exclusion, the Parties undertake:

(a) to take measures within the framework of an overall and coordinated approach to promote the effective access of persons who live or risk living in a situation of social exclusion or poverty, as well as their families, to, in particular, employment, housing, training, education, culture and social and medical assistance;

Article 31 – The right to housing

With a view to ensuring the effective exercise of the right to housing, the Parties undertake to take measures designed:

- 1. to promote access to housing of an adequate standard;*
- 2. to prevent and reduce homelessness with a view to its gradual elimination;*
- 3. to make the price of housing accessible to those without adequate resources.*

(6) The European Union should compel Member States to comply **with the international law on the prohibition of forced evictions**, i.e. evictions that leave the evicted people homeless or forced to live in inadequate conditions.

(7) The European Union should require Member States to transpose into their respective national legislation the provisions of ‘European Parliament Resolution of June 11 2013 on social housing in the EU,’ which has included the following ideas:

- **Subsidies for social and affordable housing**, which ensure fundamental rights, enable urgent social needs to be met and, as strategic social investments, help in a sustainable way to provide local jobs that cannot be ‘off-shored’, stabilize the economy by reducing the risk of property bubbles and household over-indebtedness, promote labor mobility, counter climate change, combat energy poverty and alleviate health problems stemming from overcrowding and poor living conditions.

- **Social housing should not be considered a cost to be cut** but as investment that pays off on the long term, given the beneficial effects of improving health and increasing social welfare, enhancing access to the labor market and empowering people.

The European Union must develop framework provisions regulating the free movement of capital and real estate/banking business so that they cannot capture and subject production and transaction of housing work to their own interests, and cannot trigger new financial crises.

For this purpose, concrete measures are needed, which:

- generate the resources required for the creation of new public housing,
- prevent continuing privatization of social housing,
- maximize the social use of the existing private stock of dwellings, for example by redistributing the buildings left unfinished by the developers, or the vacant and abandoned constructions,
- prohibit forced evictions,
- regulate private rental fees,
- regulate the housing market,
- cease the redirecting of public funds towards subsidizing mortgages, and use such funds for the creation of public housing.

Government support for mortgages and banks in general is not an adequate response to the housing crisis. On the contrary, this policy continues to place the state in the service of capital accumulation allowing for making huge profits from real estate (residential) transactions and mortgage agreements, while failing to meet the housing needs people have. Real estate markets do not solve the housing crisis; quite on the contrary, they create and aggravate it.

III. BPL's MESSAGE IN THE CONTEXT OF THE EU PARLAMENTARY ELECTIONS

Given that in today's Romania it is almost impossible to have access to housing outside of the market, which is increasingly dominated by banks, real estate agents and real estate developers,

Given that in most of the old EU member states the privatization of social housing and their takeover by the financial companies continues,

It is important to:

→ **TAKE BACK THE CONTROL ON HOUSING FROM REAL ESTATE/BANK CAPITAL!**

→ **STOP IMPOSING CUTS IN SOCIAL SPENDING IN EU MEMBER STATES!**

→ **STOP FISCAL POLICIES THAT IMPEDE ENSURING SOCIAL AND ECONOMIC RIGHTS!**

→ **ADOPT A EUROPEAN STRATEGY FOR HOUSING, IMPOSED ON MEMBER STATES, WHICH (1) REGULATES THE REAL ESTATE BUSINESS, FOR THE PUBLIC GOOD, AND (2) SUPPORTS THE PRODUCTION OF NOT-FOR-PROFIT HOUSING!**

Support the production of not-for-profit housing as opposed to the one-sided promotion of homeownership, because:

- it combats the ever-increasing indebtedness of more and more households,
- it alleviates people from the burden of high costs of living (prices, rents, utilities),
- it stops the process of pushing an increasing number of people in inadequate housing conditions,
- it impedes the illegitimate enrichment of big real estate owners,
- it limits speculation on the financial and housing market,
- it puts an end to the expanding real estate market that provides real estate credit to households, while wages remain low,
- it reduces the risks of a new real-estate/financial crisis.

