

## **BLOCUL PENTRU LOCUIRE**

### **The Block for Housing**

#### ***Action against Labour Exploitation and Housing Deprivation***

*Project and research summary*

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Our most recent project, titled "The Block for Housing – Action against Labour Exploitation and Housing Deprivation" was carried out with the support of Rosa Luxemburg Stiftung, between February and November 2019.

#### **It proposed the following:**

- Continuing the political self-education of our groups and, thus, supporting the actions of BPL members. More precisely, the radicalization of how we understand the structural causes of housing injustices and the housing crisis, manifested in a multitude of ways: evictions, lack of public housing, housing cost overburden, inadequate housing conditions, overcrowded homes, debts, foreclosures, homelessness.
- Expanding the networks through which the BPL can promote its political messages, in particular by creating an alliance between unions and the members of the BLOCK.
- Developing a body of critical knowledge regarding the interconnection of labour and housing issues, labour rights and housing rights, through militant research. Our understanding of these connections is based on the awareness of the centrality of the need for housing in the process of social reproduction of the labour force and in the process of exploitation, as well as on the consciousness about how the high costs of housing and the low wages are interconnected in the workers' pauperization and precarization.

- Contribution to placing housing demands on the Romanian trade unions' agenda.
- Addressing the link between the weakening of trade union power, the austerity measures imposed in Romania since 2009 and the state reform policy (i.e., reform in the direction of reducing the state's social responsibilities).
- Discussing with the unions the results of our militant research on labour and housing.
- Publication of a special issue of the newspaper Cărămida. Magazine for Housing Justice.
- Production of materials to promote our messages (posters, flyers, stickers, brochures, research reports, film).

**As an important part of our project, the militant research was a suitable framework for:**

- The production of knowledge about why and how housing is important for workers and for the trade unions.
- Identifying how are the housing problems seen by trade union leaders.
- Demonstrating the links between the level of incomes and the costs of housing in determining the material-financial situation of the workers.
- Raising awareness about the relationship between labour and housing, labour rights and housing rights, exploitation of labour and creation of profit from the high costs of housing.
- Developing, together with the union leaders, a discourse to raise awareness on the need for an alliance for labour and housing, and to mobilize it in order to demand a just, feminist and anti-racist politics of housing.
- Identifying possible joint actions between the housing justice movement and trade unions in the near future.

**In order to produce useful knowledge for housing justice activism, we used the following investigation methods:**

- Documentation on statistical analyses regarding income and housing in Romania.

- Documentation on labour law and social dialogue legislation, as well as on the activity of trade unions, federations and trade union confederations in Romania.
- Documentation on the presence of the housing theme in the documents of international labour organizations and on the agenda of several trade unions from abroad.
- Semi-structured individual and group interviews with trade union leaders about the trade unions in Romania, their issues and the challenges that they are faced with, the workers' housing problems, and opinions about the potential inclusion of these issues on the trade unions' agenda.
- The exploratory application of a questionnaire among pre-university education employees (online) and sanitation workers (face-to-face).
- Discussing our research results with union leaders, and using these situations as opportunities for a dialogue about the possible engagement of the union struggle with the issue of housing justice.
- Creating short videos with messages formulated under the auspices of the "Alliance for Labour and Housing" to be broadcasted among the general public.

The last four methods not only generated knowledge, but also functioned as a means of raising awareness of housing issues faced by the workers as a possible demand of the trade unions, due to its intrinsic connection with the reproduction of the labour force<sup>1</sup> and with the income level of the employees.

## The conclusions of the research by chapters

### **1/Statistical data on housing costs**

Several housing-related issues (inadequate conditions, overcrowding, insecurity, indebtedness, evictions, informal housing etc) also affect the workers in the areas where the highest paid jobs are concentrated (such as in Bucharest, or in the counties of Cluj, Timiș, Ilfov, Brașov, Sibiu, Iași). The cause of this situation is the high costs of housing and the fact that they absorb a large part of the monthly expenditures of the population! That is, the high costs of living consume a large part of people's monthly income also in the case of workers with higher salaries. In Romania, housing-related payments

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<sup>1</sup> *Meaning the reproduction of the workers' ability to keep working – through rest, food, medical care (body and mental health care), social time, entertainment etc.*

(rent or credit instalments, taxes, but as well as water, electricity, gas, etc.) are the second largest category of costs, after food. If we add to the expenses with housing the money spent on furniture, repairs and maintenance, together they become higher than the amounts paid by people for food. With the price of transport included – which are related to the location / positioning of the house closer to or further from the workplace, vital public services, children's school, etc. – housing-related expenses become much higher than any other category of spending, reaching about 40% of the Romanian households' monthly expenditures (compared to about 27% for food), at the level of the entire population.

These problems, created in the context of the development of the real estate market and the transformation of housing into a very expensive commodity and investment object, as well as of Romania's transformation into a "country of cheap labour", make us affirm: the housing market is not the solution, but the cause of the housing crisis. Therefore, in the coming years it is necessary to produce and redistribute a significant housing stock outside the market. Ensuring access to public housing is crucial in cities with a growing population, and should be addressed as a priority for low-income workers and those living in insecurity and inadequate conditions.

## **2/Labour legislation**

The legislation on social dialogue, adopted in Romania in 2011 by the austerity government, violates the Convention for the defence of human rights and fundamental freedoms, the Charter of Fundamental Rights of the Union, ILO Convention no. 87 on freedom of association and protection of trade union law (1948), and ILO Convention no. 98 regarding the application of the principles of the right to organize and collective bargaining (1949), ratified by Romania.

Many of the problems with the labour law come from before 2011, for example: the minimum threshold of 15 employees for setting up a trade union, the threshold of 21 members to benefit from a collective labour contract, the recognition of the labour conflict only if it holds from the period of negotiation of the collective agreement, and others. The preservation of these legislative vestiges, together with the deregulations of the 2011 legislative framework, favours capital and disadvantages employees or the labour force.

The flexibility of labour promoted by the new legislation in fact means its precarization, because of deregulations regarding the employment contract, as well as labour unions and workers' rights organizations.

Discussions about changing the law of social dialogue began about two years ago. Following the 2019 European Parliament elections, the largest labour union confederations in Romania – C.N.S. Cartel ALFA, CNSRL-FRĂȚIA, BNS, CSN MERIDIAN and CSDR – brought back on the Government's and Parliament's agenda the need to

amend Law no. 62/2011 of the social dialogue. But the Association of Employers did not offer a legal notification for the changes proposed by the trade unions' project. As a result, the Romanian president rejected the proposal and the 2011 law could not be modified.

### **3/Examples of labour organizations fighting for housing rights**

As a result of the global weakening of the trade union movement, organizations find themselves in a position to reduce activities rather only around direct negotiations with employers and governments on labour relations. Thus, the housing conditions of the workers, once important themes of the trade union activism, are now marginal at best. Historically, some organizations have developed their own housing stock, while others have advocated for the right to housing of employees and for "the right to housing" as a general social message.

International trade union or labour organizations support the right to housing through a series of positions and documents, such as: the Workers' Housing Recommendation from 1961 of the International Labour Organization; Recommendation nr. 9 of the document Recommendations for New Urban Agenda made by the Public Services International in February 2018; or several articles under the ETUC Action Programme 2019-2023 adopted by the European Trade Union Confederation in May 2019.

Among the recent campaigns of unions from other countries, we mention the following initiatives: Stamford Organizing Project (USA); Raise The Roof - Homes for All Campaign (Ireland); UNISON housing campaign (UK); Unione Sindicale di Base initiative through its working group Association of Tenants (Italy).

### **4/Trade union leaders' opinion about the interconnectedness of housing and labor**

Through the interviews conducted with 15 union leaders from Cluj, Bucharest and Timișoara, we explored their positions on topics such as: labour force, wage policy, the role of the state in the economy, privatizations and their impact, the transformation of unions and labour in post-socialism, the relationship between labour and housing, the transformation of housing policies in the 1990s.

In the interviews with union leaders, a recurring topic was the reflection on the consequences of the privatization of the Romanian economy and how this process created ground first for the domestic, and then for the foreign capital and for the multinationals, which found in this country a cheap labour force. The state is seen either as

not being sufficiently involved in market regulation (by guaranteeing socio-economic rights, by redistributing resources, by maintaining infrastructure and public services or, for example, by controlling the banking system), or it is seen as having a contribution and being complicit in bankruptcy and/or degradation of industry and services, to the benefit of private actors. The insufficiency, demotivation, precariousness and lack of bargaining power of the workers, as well as the difficulty of attracting young staff have been accentuated by the legislative changes of 2011, adopted by the austerity government of Romania at the pressure of the Foreign Investors Council.

The interviewees highlighted the new challenges for the unions, including: the co-optation and pacification of the union struggle through involvement in European funded projects; the smear campaigns against union leaders; the lack of resources and power of the trade unions; the hierarchical reporting in the union structures; the passivity of the members; the fragmentation of the trade union movement. In addition, the difficulty and fear of unionization in the private sector and the anti-union policy of the private companies contributed to deepening the discrepancies between the private and the public system, fuelling dissension and separation between the two categories of workers. Leaders' view on the political role of unions is exemplified most eloquently by how they perceive the union negotiations with authorities and employers. The perspective that emerges from the interviews is one that is mainly non-confrontational, stemming from the assimilation of the union activity with the idea of social dialogue, which implies the existence in the process of negotiation of equal parties, with similar interests and benefits.

Although union leaders acknowledge the merits of the unions' involvement in housing during really existing socialism, the role they assign to trade unions today is almost exclusively related to labour relations, in particular the level of salaries and working conditions. Therefore, the reflections of the interviewees regarding the struggles, successes and failures of the union are restricted to this framework. Part of the explanation for this perspective is linked to how leaders view the unions' connection with public policy, and eventually how they view their political role.

Considering that during socialism the trade unions were important actors in the implementation of housing policy, there is a positive appreciation among those interviewed – both from a historical perspective, as well as of their personal and family history – on the role of unions in accessing housing, as a fundamental element in the social reproduction of the labour force. In today's context, workers' expectations for the union to address their basic needs, as during socialism, are criticized by leaders not necessarily in the sense that unions should not get involved, but most importantly from the perspective that they no longer have the resources and power that they once had.

The opening towards the topic of workers' housing condition is related to how the leaders evaluate the situation of the laborers from their own sector of activity, recognizing the living conditions as closely related to their co-workers' physical and mental health. However, the involvement of the unions in the field of housing is seen, despite the awareness of the serious housing problems of the workers, as a matter of the past.

Precisely this lack of perspective must be changed, under the conditions of the galloping aging of both the workforce and the union environment.

Although union leaders are aware of the workers' housing problems, housing precariousness is almost exclusively linked by them to very low incomes, and not to the high costs of housing. This perspective is a second element that we intend to change together. Thus, restoring the theme of housing on the union agenda would mean not only the recognition, in the Romanian and international context, of the historical importance of the unions in the fight for housing justice, but also the deconstruction of the idea that the role of the unions is exclusively related to (negotiating for) wages and work conditions. In this sense, the Alliance for Labour and Housing that we propose addresses the possibilities of a common struggle for strengthening the social state and public services, among which housing is an essential element.

Interviews reveal a discrepancy between recognizing the scale of housing problems and imagining possible solutions to them, which are seen rather through the real estate market and loans, and less by restoring the social role of the state. In this context, the Block for Housing research can contribute to a better understanding of the real estate and credit markets, the exploitation mechanisms they require, thus helping the unions to imagine otherwise solutions to the housing crisis, i.e., solutions outside the market and outside private profit. Even if the solutions to the workers' housing problem today are mainly imagined through the market, once the discussion is restricted to the necessity of developing public housing and guiding the discourse on housing as a public service, the interviewed leaders were looking for ways and arguments to introduce housing in the negotiating structures of which the trade unions are part of.

In today's context, broadening their agenda is a challenge for the trade unions from Romania. The theme of housing can have great potential for mobilizing and unionizing workers, especially those who are precarious, demotivated and disappointed. In particular, the theme of housing can be a tool for attracting young workers both on the labour market and into the unions, recognizing that they have a different housing situation than their parents or grandparents had. Even more, the theme of dwelling on the unions' agenda would be to reaffirm the profoundly political role of the trade unions, to counteract neoliberal policies and to create a discursive alternative to the economic paradigm, in which the consequences of destroying the social state are transformed into individual responsibility, stigma, blame, and personal failure.

## **5/Exploratory survey on housing issues among employees**

In our militant research, we initiated a survey to map the housing conditions of the members of the Romanian trade union environment. At this early stage, we obtained answers from pre-university education (113) and sanitation (27) employees from Cluj county.

In the case of the pre-university education employees, the housing occupancy regime is strongly correlated with the age category of the tenants: the average age of persons living in private rent is 32 years, that of the owners with bank credit is 42.1, and that of the owners without credit is 49.5 years. Those who today may be most directly interested in raising the public and social housing stock are people living in private rent. They belong to the generation that never received housing from the state, and could not or did not want to buy housing on the market, but they pay a large part of their income on private rental.

Compared to the national situation and that of the union members from the pre-university education system, the data that stand out in the case of the sanitation workers are the low rate of ownership, the degree of overcrowding of the houses and the frequency of evictions. The homeownership rate for sanitation unionists is only 22%, of which 7% are inherited homes and 3% are homes purchased by bank credit. The percentage of about 52% of the sanitation workers in our sample renting their home represents a substantial overrun of the national average, and the rate of about 26% of occupying informal housing is a strong indicator for the advanced precariousness of the sanitation workers in Cluj-Napoca.

Our major conclusion, also confirmed by the preliminary results of this survey, is that there is much room for increasing the standard of living by reducing the costs directly or indirectly related to housing. The most effective and logical way to do this is by building public housing. Increasing the stock of public housing would directly reduce the housing costs of the beneficiaries and indirectly put downward pressure on private rents at the municipal level, and would offer commuters an alternative solution. For unions, embracing the theme of housing could have the additional benefit of attracting young employees to the union struggle.

## Conclusions regarding the NEED FOR AN ALLIANCE FOR LABOUR AND HOUSING

- ▶ The material situation of the workers is defined both by their income level and by the costs of housing. Thus, the low incomes and the high expenditures with housing (rent or mortgage, housing maintenance, utilities) together lead to the workers' pauperization. From the perspective of the labour force, this is the essence of the housing crisis in Romania.
- ▶ The difference between wages and the costs of the "minimum consumption basket for a decent living" (see Syndex 2019 report) could be reduced not only by increasing wages, but also by reducing housing costs. Moreover, the reduction of the latter can be ensured by producing a significant stock of public housing redistributed through social rent, depending on peoples' income level.



- ▶ Adequate housing – which does not burden the workers, and does not make them dependent on real estate loans or on low-income jobs and inadequate working conditions – is not just a goal of the union struggle. It is also a condition for its advancement: because if the workers have adequate housing, they will be more empowered and less vulnerable in their fight for labour rights.
- ▶ The state should invest more in the construction of public housing, instead of supporting the real estate market profits. Employers need to stop exploiting the labour force through low wages and take responsibility over part of the housing costs of their employees.

## Promotion of our results

In addition to our militant research report, we have made use of the knowledge gained through this militant research in the following materials:

- A flyer with the message of the Alliance for Labour and Housing, which was distributed among the members of several unions in Romania (pre-university education, commerce, sanitation, as well as a trade union confederation),

<https://www.desire-ro.eu/?p=3881>

<https://bloculpentrulocuire.ro/2019/12/16/actiune-impotriva-exploatarii-muncii-si-deprivarii-locative-flyer/>

- A special issue of Cărămida. Magazine for Housing Justice (no. 9 / November 2019), which was distributed in printed and online version <https://casisocialeacum.ro/caramida-nr-9/>
- Video-series including the messages of the Alliance for Labour and Housing, promoted online [www.youtube.com/playlist?list=PLin23yKAzT-In4NEsG37kWtQLXw-Y48Qcf](http://www.youtube.com/playlist?list=PLin23yKAzT-In4NEsG37kWtQLXw-Y48Qcf)

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BLOCK FOR HOUSING is a decentralized network of grassroots organizations fighting for the empowerment and political organization of communities for housing justice. The BLOCK was formed in June 2017, as a result of the former actions of local militant groups; Căși sociale ACUM!/ Social Housing NOW! From Cluj, Frontul Comun pentru Dreptul la Locuire (Common Front for the Right to Housing and E-Romnja from Bucharest, Dreptul la Oraș (Right to the City) from Timisoara. In 2018, Asociația Chiriașilor din Cluj (Tenants' Association from Cluj) and RomaJust joined the BLOCK.

<https://bloculpentrulocuire.ro/>

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