

**FOR ANOTHER EUROPE,  
WHICH DEFENDS THE RIGHT TO HOUSING**

**HOUSING** is **NOT** a  
it is a **COMMODITY**  
**HUMAN RIGHT**



**EUROPEAN ACTION COALITION  
FOR THE RIGHT TO HOUSING AND TO THE CITY**

# FOR ANOTHER EUROPE, WHICH DEFENDS THE RIGHT TO HOUSING

We, members of the European Action Coalition for the Right to Housing and to the City coming from 20 countries,

I. Experience the everyday growth of housing problems in Europe. Millions of people are homeless or living in insecure and inadequate houses.

II. Affirm that the EU institutions bare significant responsibility for the current housing crisis!

III. Demand the EU to acknowledge its responsibility in the implementation of austerity and neoliberal reforms, and its collusion with national governments' policies in the current housing injustice that affects us all!

EUROPEAN ACTION COALITION  
FOR THE RIGHT TO HOUSING AND TO THE CITY

**MEMBERS:**



# **SUPPORT** the **CONSTRUCTION** and **MAINTENANCE** of **GOOD QUALITY** **PUBLIC** and **NOT-FOR-PROFIT** **HOUSING**

# I. HOUSING CRISES IN THE EUROPEAN UNION

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 remains 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.

At the same time as states were forced into austerity, profits were on the rise in the construction sector, the financial sector, the touristification of our cities, and all kinds of speculation on land and housing. Finding affordable and adequate housing is increasingly difficult for more and more people, because in the cities where jobs are available, housing is expensive, while the rest of the territories are suffering of disinvestment and underdevelopment. Given their indebtedness to the banks, the number of families on the verge of being evicted and losing their livelihoods increases every day.

Private rental price continues to grow in all countries, and local governments are usually not able or do not want 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. **More than 11 million homes sit empty across Europe and, according to the European Union, there are 4.1 million homeless people across Europe.** 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 and market fundamentalism informing housing politics. In Central and Eastern Europe, almost the entire public housing fund has been privatized. In the old EU Member States, where there is still a public housing fund that might be privatized and where housing associations own social housing they can put on sale, governments are facilitating their privatization. All this is happening in the context of contemporary global capitalism where housing is financialized to a higher extent and severity than ever before across the countries, 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, and eventually the whole control over the housing stock using it as an asset for financial speculations. Because the system of public housing that could counteract these tendencies is going through a systemic destruction and the flux of financial capital is out of public control, more and more households become increasingly indebted to financial institutions in their effort to become homeowners.

# APPROVE

DIRECTIVES to **REGULATE**  
the **PRIVATE RENTING SYSTEM** for  
the  
**PROTECTION**  
**OF TENANTS' RIGHTS**

**MANDATORY** DIRECTIVES to  
**STOP EVICTIONS**

## II. THE RESPONSIBILITY OF THE EU

Even though housing policy is considered a matter reserved to the nation states under the principle of subsidiarity, the compulsory economic and fiscal policies of the European Union, in parallel with a weak execution of the principles of “social Europe” and the very strong enforcement of implementing severe austerity policies especially in Southern and Eastern Europe, highlight the responsibility of the EU for the current housing crises.

The EU constitution is based on guaranteeing the free movement of capital across the borders (Art. 26 & 63 TFEU) and favorable conditions for competition (Art. 107 TFEU). In parallel, socio-economic human rights such as the right to housing are not assured in fact.

In 2007, the EU released the “White paper for general services of public interest” (SGEI). The concept of “general services” came to substitute the concept of public services. SGEI include, among others, the “social services of general interest”, which “are those that respond to the needs of vulnerable citizens, .... for example, social security schemes, employment services and social housing.” The EU affirms that these services “can be provided either by the state or by the private sector”. This principle was introduced in the later Lisbon Treaty, but taking care that competition rule is not distorted and the use of state aid is limited. In 2011, the “Commission’s Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest” (EUR-Lex: Document 32012D0021) provided that the Member States benefit from the exemption from notifying the Commission about state aid used for the SGEI, stating: “... undertakings in charge of social services, including the provision of social housing for disadvantaged citizens or socially less advantaged groups, who due to solvency constraints are unable to obtain housing at market conditions, should also benefit from this exemption.”

In 2009 the European legislative frame was used to condemn the Netherlands government for offering state aid for housing corporations constructing social housing (as not-for-profit organizations, but also active on the market), after a complaint by the Dutch Association of Institutional Investors. The latter demanded that “all operators should be allowed to participate in the provision of social housing with same level of state support”. At that time, the Netherlands had 33% public housing owned by the housing corporations, of which diverse income groups benefited from, and out of which 98% were under rent regulation. The European Commission decided that an income ceiling for accessing housing was necessary in the Dutch public housing system and also determined that the “extra” public housing stock should be sold off. Regulations were imposed, requiring that any housing development activity be done on the private market without any public involvement.

Through its actions from above, the EU fixed the idea according to which social housing should be residual, limited to a clearly defined target group, i.e. “vulnerable groups” or “disadvantaged citizens”. Altogether, the EU is interfering into the Member States’ housing policies by limiting housing rights in different ways:

1. The Stability and Growth Pact, the European Fiscal Compact (developed since the late 1990s but reformed in the 2000s and after 2011), requires each EU member state to implement fiscal policies to keep the government deficit to 3% of the GDP and debt to 60% of GDP. This fiscal surveillance is the stepping stone of permanent austerity policies, which block national and local governments from investing in social policies in general, and in particularly in public/social housing.
2. Moreover, the EU sets several recommendations and conditions in different Memoranda and Agreements on structural adjustment policies. Especially after the debt crisis, EU member states such as Portugal, Spain, Greece, Ireland, Romania, and candidate members such as Serbia were forced to answer the crisis with austerity measures and “state reform”. Impositions were made for the liberalization of the rental market (including elimination of rent controls, creating/facilitating eviction mechanisms, and more precarious contracts); in other places, the agreement conditions imposed the selling of land and public assets, and the dispossession of properties from indebted families. Another imposition was the liberalization of urban planning and construction laws, allowing higher private profits, but also the privatization of public utilities.
3. The liberalization of financial markets within the EU and the architecture of the eurozone promoted large flows of financial capital into the mortgage markets. These markets are currently of great interest to the European Union, and member states (with some exceptions) have been actively supporting the mortgage system with public subsidies, and the promotion of the homeownership model. In 2007, the European Commission recalled the importance of housing mortgages, which accounted for almost 47% of the European Union’s GDP. That year, the Commission developed the “White paper on the integration of the EU mortgage markets”, which aimed to develop to an even greater extent the flow of financial capital. The Capital Monetary Union (CMU), a financial construction of the EU, is proposing a new wave of securitization, which is going to result in the rescaling of the existing national mortgage markets. It aims to create a pan-European market for mortgages - a market which always promotes indebtedment, exclusion of those who cannot access credit, and speculation in the financial and housing market, taking us into a new crisis. Laws in many EU countries already allow the totally liberated/ unregulated selling of household loans to vulture funds that can easily speculate on housing and land, while operating forced evictions.

4. In Eastern Europe, the EU, with other international institutions such as the International Monetary Fund and World Bank, imposed and continues to impose the privatization of the public housing stock, especially through property restitutions of formerly nationalized buildings and land, but as well as through auction sales and the right-to-buy policies. This process is clearing the ground, especially in city centers, for real estate developments, financial investments and speculation, gentrification, and rising rents. Public money is invested for the production of private housing, and governmental programs for developing public social housing are almost nonexistent. At the end of the day, the access to housing happens almost exclusively through the market, and international financial organizations promote “the efficientization of housing market” as solution to the housing crises.

One may conclude from the above: due to the EU vision which supports housing financialization on one side, and a residual model of social housing on the other side, today an ever-increasing number of people do not have access to housing in the private sector and cannot access public or social housing. At the same time, an ever-increasing number of people remain homeless due to forced evictions, as the result of profit-extracting debt management by banks and state institutions.

As a conclusion, the European Action Coalition for The Right to Housing and to The City states:

- without the adoption of the universal right to housing as a fundamental duty of all EU institutions and member states, and its implementation into a European housing strategy,
- without guaranteeing and supporting publicly regulated democratic not-for-profit housing for broad strata of the population, outside EU competition rules and financial capital flows,
- without an EU-framework which allows, encourages and supports strict social regulations of profit-oriented private landlords, market rents, land markets, mortgage, transparency, facility services and social measurements in cases of credit default,
- without protecting, encouraging and supporting the engagement and organization of tenants and other inhabitants for their rights and the needed structural changes in housing, land and real estate, the housing crisis can never be overcome.



# STOP

THE SPONSORSHIP  
of **BANK\$** and  
**MORTGAGE\$**

THE DISPOSSESSION

OF PEOPLE

for the benefit  
of **BANK\$**

PROMOTING and PUSHING for  
the **PRIVATIZATION** of  
**PUBLIC** and **SOCIAL HOUSING**

# III. DEMANDS OF THE EUROPEAN ACTION COALITION FOR THE RIGHT TO HOUSING AND TO THE CITY

The European Action Coalition for the Right to Housing and to the City asserts that the right to housing is a universal right! Therefore, we militate for a system that assures housing for all! We want a public housing stock that guarantees the right to housing for those who cannot afford a home from the market, and takes care that the fulfillment of the housing needs of low-income people is a high priority! We want to take out from the market as many buildings and as much land as possible! We militate for gaining social control on the production and distribution of the housing stock.

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?

1. The European Union should sign the International Convention on Economic, Social and Cultural Rights and endeavor to implement the imperative of ensuring the right to housing.
2. The European Union should bind Member States to adopt and implement the European Social Charter, in particular Articles 30 and 31.
3. 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.
4. 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 requires a) subsidies for social and affordable housing, as they 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 ‘offshored’, 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; b) 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.
5. EU should ensure that social policies have the same normative strength in relation to the Member States, just as obligations imposed by European economic and fiscal policy have.
6. The Urban Agenda for the European Union, under which the Housing Partnership Action Plan was adopted by the end of 2018, should emphasize more that the changes in the EU regulations regarding fiscal deficit and competition rule need to support the use of public money for producing public housing and to have a strict control on how public money is used for the creation of “affordable housing” by the private sector or the public-private partnerships.

We demand the future/newly elected EU parliament to use their power to ensure the following:

1. Housing rights for all, regardless of a person's citizenship or legal status.
2. Stop the sponsorship of banks and mortgages.
3. Stop the dispossession of people for the benefit of banks. Erase the household debt created inside the crisis as illegitimate debt.
4. Stop the accumulation of homeownership in the hands of investment funds or real estate developers.
5. Stop promoting and pushing for the privatization of public and social housing.
6. Support the construction and maintenance of good quality public and not-for-profit housing.
7. Take back privatized social housing from big landlords and companies and make it public again.
8. Transform and use empty properties and lands for public housing.
9. Approve mandatory directives to stop evictions, to protect homeless persons and inadequately housed persons.
10. Approve mandatory directives to regulate the private renting system for the protection of tenants' rights.