



**Enikő Vincze  
Eva Betavatzki  
Maria João Berhan**

# **PRICES RISE, PEOPLE ARISE!**

**how housing  
movements  
reacted to  
the cost-of-living  
crisis**





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

Enikő Vincze, Eva Betavatzki, Maria João Berhan

# **PRICES RISE, PEOPLE ARISE**

**How Housing Movements Reacted to  
the Cost-of-Living Crisis**

2023–2024

## Authors

Maria João Berhan, Eva Betavatzi, Enikó Vincze

## Title

Prices Rise, People Arise—How Housing Movements Reacted to the Cost-of-Living Crisis

## Publisher

European Action Coalition for Housing and the Right to City

## Proofreading


Isabel Abrams

## Layout and Design

Ivana Anđelković

## ISBN

2023–2024



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## INTRODUCTION

In 2022, the European Action Coalition for the Right to Housing and to The City (EAC) members, united by a common concern about rising energy prices and the cost of living, took a collective stand. Recognizing that this current turbulence was exacerbating the housing affordability crisis, the EAC's research group initiated a questionnaire. Our militant research aimed to gather information beyond the official discourse, including testimonies from the ground and the actions of grassroots groups. The goal was to foster understanding and knowledge exchange among grassroots movements, primarily those fighting for the right to housing and the city and, secondarily, against the rising cost of living.

**This brochure, a product of our internal research, is not just a tool for education but a catalyst for future struggles.** Its aim is threefold. Firstly, to empower people active in grassroots movements with radical knowledge rooted in social tissue. Secondly, to provide a clear picture of what is happening in different European contexts to our active members. Finally, to facilitate an exchange of ideas for action between movements and dispel information about what has happened between 2022 and today regarding struggles.

The main content of the brochure you are holding (or viewing on your screen) is structured in two parts. The first section is a brief analysis of the situation by Enikő Vincze of the Cluj-based group Căși Sociale ACUM! Enikő explains how we got here and what factors led to the rising cost of living. She denounces the neoliberal policies of the European institutions, which have valued the profits of major private players at the expense of people's lives. The brief analysis reflects on how the energy cost crisis is embedded in capitalism and eventually linked to militarization and the use of gas as a tool of war.

In the second section, you will find the responses of the various EAC groups to the research group's questionnaire, elaborated under the guidance of Eva Betavatzi. The questionnaire, which consists of six

questions, concludes with a question about future mobilizations, i.e., what the local groups and the EAC might and could do. We hope that the answers will give you some ideas about actions and demands.

Maria João Berhan of the Habita! group in Lisbon concluded our brochure by synthesizing ideas about the causes and effects of the energy crisis and the need for alternatives to the system that created it. She calls for a struggle to transform housing and energy into socialized common goods managed by public powers or other collective forms of ownership.

### **A few words about 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 (EAC) is a European network whose aim is to create alliances and solidarity between movements defending and fighting for the homeless, the inadequately housed, and residents, who are taking action in the countries of Europe to obtain respect for the implementation of the right to housing for all without discrimination. Its action is independent of political, religious, and institutional organizations. It was set up in 2014 following a number of transnational meetings that helped to unite the participating movements around common demands, actions, and mobilization campaigns. Today, it is made up of 41 grassroots movements from 20 different European countries. The network makes it possible for dozens of grassroots movements to coordinate democratically and cooperate on a European scale: tenants' unions, groups working against evictions, groups of homeless people, groups struggling for public housing, and those defending alternative forms of housing, and so on. These groups operate in a wide variety of linguistic, cultural, and political contexts, and their diversity is one of the EAC's strengths.

## SECTION I.

# A GENERAL VIEW ON THE COST-OF-LIVING CRISIS. EU POLICIES AND STATISTICS

### 1. A dynamic picture of the current multi-crisis

In the context of accelerated globalization, since the 1990s, the leaders of the states belonging to the European communities established after the Second World War put into motion a series of policies to ensure the free movement of capital across national borders. They also aimed to “eliminate the anti-competitive practices imposed by public authorities in the Member States (MSs) for putting obstacles in the way of the **free movement of capital** and freedom of trade in goods and services.”<sup>1</sup> Separately and together, the MSs created the legal conditions for the advancement of neoliberal capitalism while calling for the withdrawal of the governments from regulating the allegedly free market and by demanding full **privatization and liberalization of prices** in all economic sectors (and not only). During the 1990s, most national electricity and natural gas markets were still monopolies, but slowly, the abovementioned principles were implemented in the energy sector as well.

The economic policies of the European Union (EU) created the conditions of possibility for the continuous increase of prices in the energy market, which exploded in the current **energy price crisis** under the changing economic conditions after COVID-19 and the war in Ukraine (see **Figures 1–10** presented in the Annex). Furthermore, the rising energy prices resulted in soaring **inflation** in the Euro area at rates not seen since the 1980s (as reflected in **Figures 11–14**) and led to the **persistently high increase in the price of food**.

There is an agreement that **households’ over-indebtedness** due to mortgages and consumer loans already existed before the current

<sup>1</sup> <https://www.europarl.europa.eu/factsheets/en/sheet/33/the-internal-market-general-principles>



economic crisis. Still, now, the situation is becoming more dangerous as they are currently faced with **high inflation that severely outpaces wage growth**. The current exorbitant upsurge of prices in all the consumption goods adds an unbearable burden on people who have already faced the housing affordability crisis, i.e., the continuous excessive increase of **house prices and private rents** (see **Figures 15–17**), while the housing-related expenses are among the highest proportion of household expenditures (as reflected in **Figures 18–21**).

Many analysts consider that the current rise in inflation has not been driven by an overheating labor market (or an increase in wages); instead, it has been compelled by **higher corporate profit margins**<sup>2</sup> (**Figure 22**) and **supply-chain bottlenecks**. Nevertheless, policymakers sustain that inflation is caused by excess demand despite their arguments being deconstructed by several investigations. The latter sustains that “corporations have taken advantage of supply-side problems during the pandemic to obtain unjustifiable extra gains in an already unequal society, ... and in a period of supply chain blockages and sharply rising basic commodity prices (food, energy), firms with pricing power hiked prices to sustain and even increase profits (2020-21).”<sup>3</sup>

Despite warnings against monetary measures run by central banks, i.e., against the very rapid and sharp **interest rate increases** (**Figure 23**), which would not restrain inflationary pressures in the medium term, these policies continued to dominate the solution package across countries. Leftist economists sustained as an alternative solution the introduction of price controls at national levels;<sup>4</sup> nevertheless, they recognized that this is more difficult given the fact

**2** [https://csimarket.com/Industry/Industry\\_Profitability.php?s=600](https://csimarket.com/Industry/Industry_Profitability.php?s=600)

**3** Michael Roberts: Inflation: causes and solutions, Blog, April 2023, <https://thenextrecession.wordpress.com/2023/04/27/inflation-causes-and-solutions/>

**4** Isabella Weber: Could strategic price controls help fight inflation?, The Guardian, December 2021, <https://www.theguardian.com/business/commentisfree/2021/dec/29/inflation-price-controls-time-we-use-it>

that generalized inflation is being driven by international energy and food prices. Others went further, promoting the idea that governments should take over companies from the energy sector or, differently put, there would be a need to enforce public ownership of the international energy and food companies that operate throughout the global supply chain. Because the growing interest rates endanger people with mortgage repayment obligations and create more so-called non-performant loans, analysts warned: "While it is too soon to know the full extent of the impact of the crisis on households' budgets, it is abundantly clear ... that such factors have the potential for catastrophic effects on consumers' finances and therefore on **consumers' capacity to repay their existing debts** (both consumer credit and mortgages)."<sup>5</sup>

In the past few months, energy and food prices have fallen back, and so have the profit margins, too. This is due to the fact that the **major economies slip into a slump**. Eventually, "it is the slump that will end high inflation (as it did in the early 1980s)", while the answers of policymakers – raising interest rates and reducing money supply – do not only lead to the restriction of demand but as well as to the rise of unemployment, weakening wage bargaining power (M. Roberts, see footnote 3).

## 2. The historical context of the current energy price crisis

The common market, the Treaty of Rome's (1958) main objective, was achieved through the 1968 customs union, the abolition of quotas, the free movement of citizens and workers, and a degree of tax harmonization with the general introduction of value-added tax in 1970.

The Single European Act entered into force on 1 July 1987 for the completion of the internal market in the European Economic Community, defining it as "an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured."

<sup>5</sup> FSUG Opinion Paper on Personal Insolvency, Financial Services User Group, 11 September 2023, p.1.

The by-then MSs of the European Economic Community agreed to start a three-stage transition process in 1989, including the introduction of free movement of capital between MSs (between 1990–1993), increased cooperation between national central banks, and the increased alignment of MSs' economic policies (1994–1998) and the gradual introduction of the euro together with the implementation of a single monetary policy, for which the European Central Bank is responsible (1999–today).<sup>6</sup>

The Single European Act was strengthened by the Maastricht Treaty (officially coming into force in November 1993), which created the European Union as we know it today and opened up the way for further mechanisms to coordinate the MSs' economic and fiscal policies.

The Internal Energy Market<sup>7</sup> was established by decision-makers as part of the EU Internal Market and, since 1996, through five Energy Packages, it created the conditions for energy price liberalization.

The First Energy Package consisted of the first liberalization of the national electricity and gas markets, which was based on introducing two new electricity and gas directives to be transposed into MSs' legal systems by 1998/2000.

The Second Energy Package was adopted in 2003, with its directives to be transposed into national law by 2004/2007. It referred to the freedom of industrial and domestic consumers to choose their own gas and electricity suppliers from a broader range of competitors.

The Third Energy Package, adopted in 2009, further liberalized the internal electricity and gas markets by separating energy supply and generation from the operation of transmission networks and crea-

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<sup>6</sup> [https://www.ecb.europa.eu/ecb/educational/explainers/tell-me-more/html/25\\_years\\_maastricht.en.html](https://www.ecb.europa.eu/ecb/educational/explainers/tell-me-more/html/25_years_maastricht.en.html)

<sup>7</sup> <https://www.europarl.europa.eu/factsheets/en/sheet/45/internal-energy-market>

ting a new European agency for cooperating with different national energy regulators (ACER).

The Fourth Energy Package was adopted in 2019. Through one directive and three regulations, it introduced new electricity market rules for renewable energies and for attracting investments and a new eligibility limit for power plants to receive subsidies; in addition, it required Member States to prepare contingency plans for potential electricity crises and increased ACER's competences for cross-border regulatory cooperation.

The Fifth Energy Package, published in 2021 and aiming to align the EU's energy targets with the new European climate ambitions for 2030 and 2050, was elaborated in the context of high energy prices driven by the post-pandemic recovery; it changed radically after the Russian invasion of Ukraine, which the EU blames to have been responsible for the extremely high gas and electricity prices in Europe without acknowledging the decade-long processes of privatization and liberalization of the energy sector.

In March 2022, the European Commission's communication on RE-PowerEU stated the EU's intention to phase out its dependency on Russian fossil fuels. In May, this plan put forward additional actions "to save energy, diversify supplies, increase the security of energy supply and replace fossil fuels by accelerating the roll-out of renewable energy." In October 2022, the European Parliament expressed regrets about the fact that the EC had tabled many of its proposals in the form of a Council regulation instead of a European Parliament and Council co-decision procedure. It stressed that EU consumers who cannot afford their energy bills should not have their supply cut off and underlined the need to avoid evictions of vulnerable people unable to pay their bills and rent. It also called for an appropriate price cap for imports of pipeline gas, new measures to tackle speculation, and a cap on revenues from so-called infra-marginal technologies used to produce electricity to benefit consumers and businesses. It tasked the Commission with analyzing the decoupling of electricity and gas prices.

To summarize, the current energy crisis is an energy price crisis under which the costs of gas and electricity have become unpayable for many households and small enterprises. This crisis resulted from the privatization of energy companies, the liberalization of energy prices, and, even more, the interference of financial markets in the energy markets. Today, many gas companies, private and public, trade their shares on the stock market, while state subventions provide their secured profits. The mentioned economic processes resulted from the political decisions of the EU institutions that aimed at creating new capital accumulation opportunities and derisking the investment of businesses in the energy sector. The financialization of the latter (similar to the financialization of housing) subordinates people's needs to the interests of private capital.

The business logic prevailing in the production and trade of energy became even more evident with the situation created due to the invasion of Ukraine by Russia and the proxy war between the United States and NATO on the one hand and Russia (and its economic partners) on the other hand. EU decision-makers ruled to move away from Russian gas as a means of economic sanctions and war against Russia. Gas became an instrument of war. Reducing gas consumption was presented to EU people as an obligation to punish "The Russians" by not consuming "The Russian Gas."

Such calls made the mobilization for actions of those who suffered from the increase in energy prices more difficult because it made it even more unclear who was responsible for it. In the past two years, the above phenomena happened in parallel with a compulsory increase in military spending in all the NATO and EU countries (and not only). However, the latter trend also started well before the eruption of the war in Ukraine in February 2022, foreseeing the escalation of a local war into a global military clash for remaking the current global order by the leading imperialist powers. The energy crisis is related to all the other turmoils created by the capitalist political economy regime; therefore, it could be solved only within an alternative to capitalism realized via the struggle of the labor classes supported by the housing and ecological movements. They are in the front of

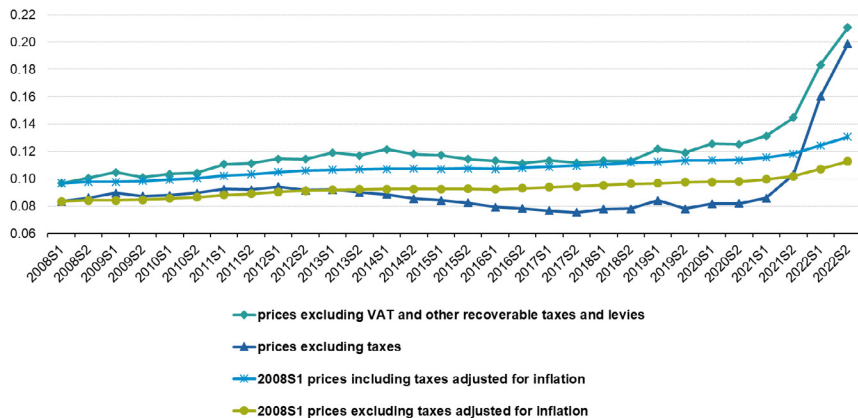
condemning the transformation of housing, energy, nature, and militarization into tools of exploitation and capital accumulation. Our struggle for housing justice for all should be a battle for a world without exploitation and wars.

### 3. Annex – statistical figures quoted in the text

#### 3.1 The evolution of natural gas and electricity prices

**Figure 1**

Development of electricity prices for non-households consumers, EU, 2008–2022 (Euro per kWh)

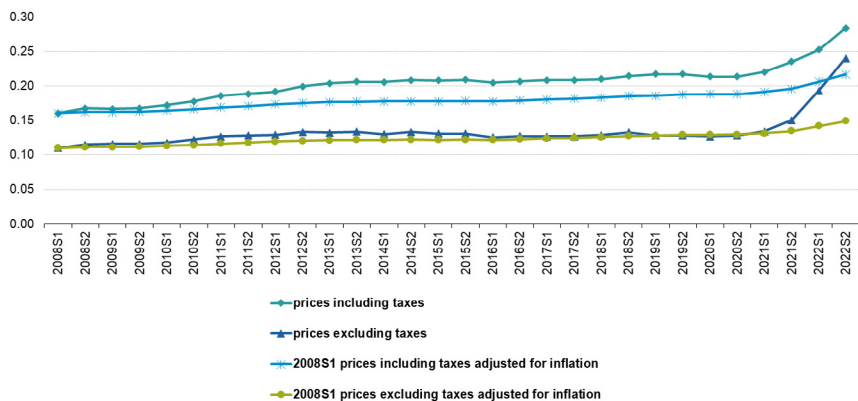


Source: Eurostat (online data codes: nrg\_pc\_205)

eurostat

**Figure 2**

Development of electricity prices for households consumers, EU, 2008–2022 (Euro per kWh)

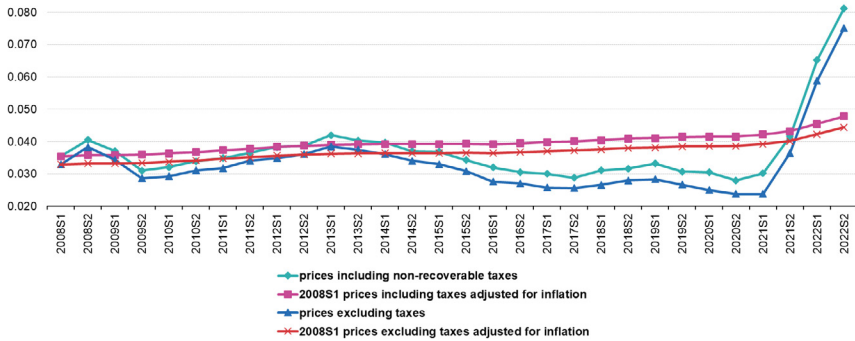


Source: Eurostat (online data codes: nrg\_pc\_204)

eurostat

**Figure 3**

Development of natural gas prices for non-household consumers, EU, 2008–2022 (Euro per kWh)

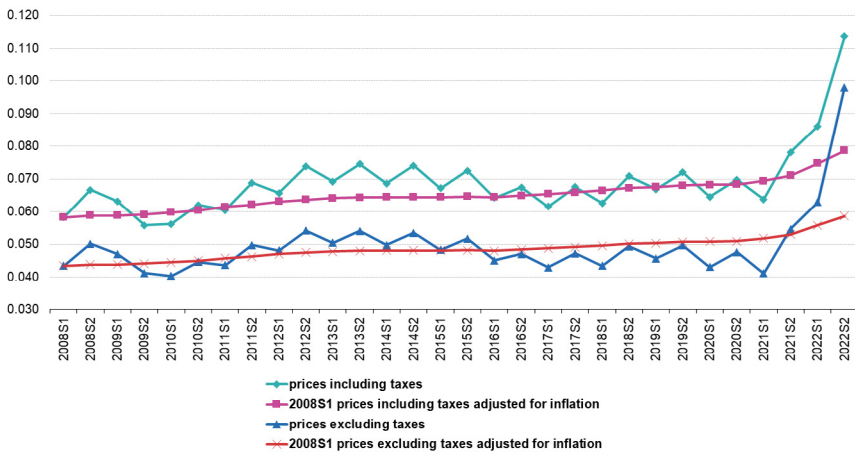


Source: Eurostat (online data codes: nrg\_pc\_203)

eurostat

**Figure 4**

Development of natural gas prices for household consumers, EU, 2008–2022 (Euro per kWh)



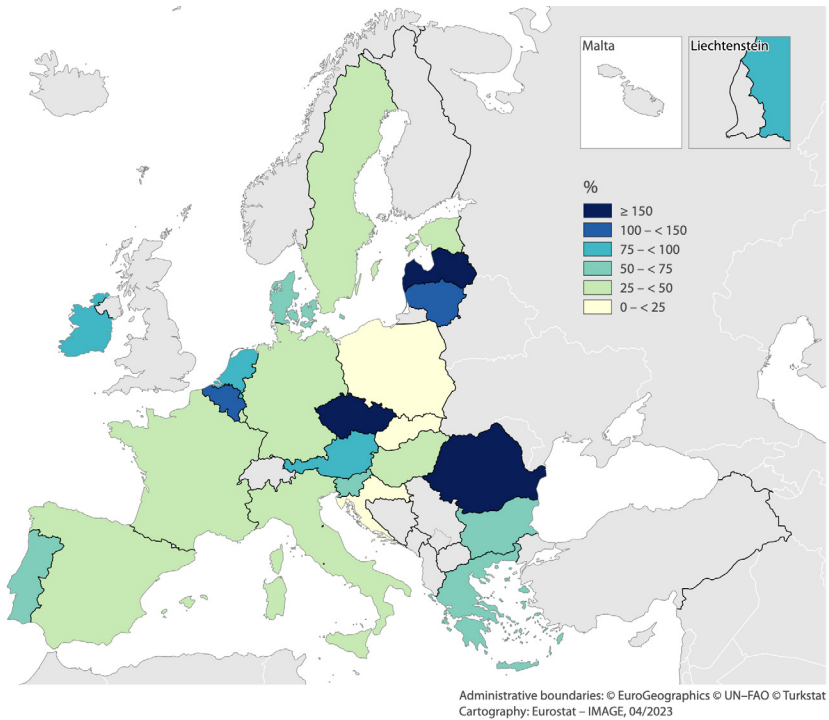
Source: Eurostat (online data codes: nrg\_pc\_202)

eurostat



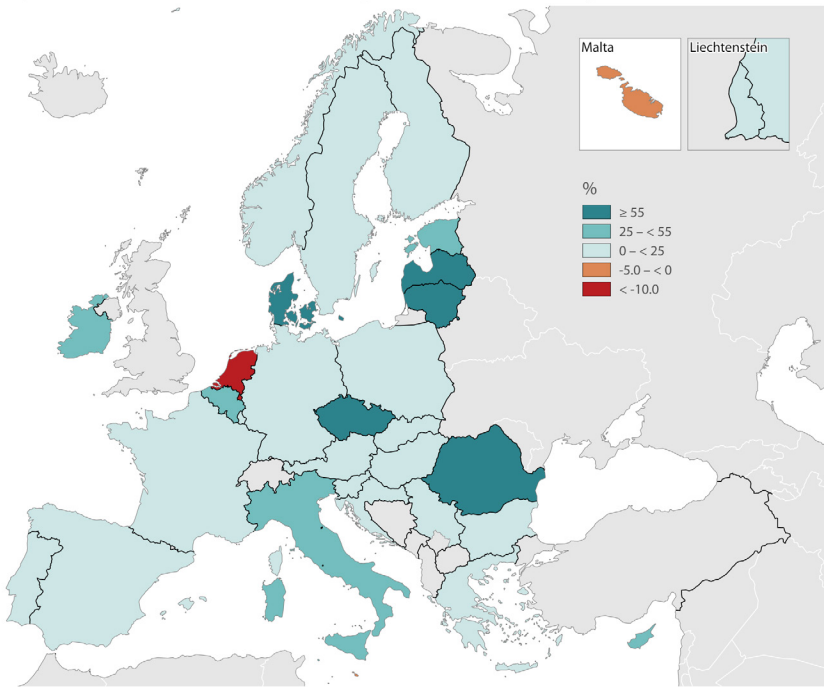
**Figure 5**

Change in natural gas prices for households, second half of 2022 (compared with the 2nd half of 2021, based on prices in national currency; in %)



## Figure 6

Change in electricity prices for households, second half of 2022 (compared with the 2nd half of 2021, based on prices in national currency; in %)

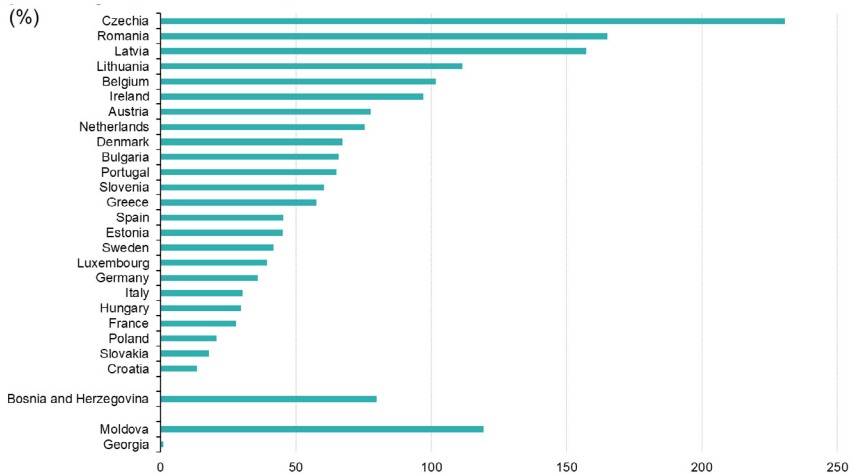


Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat  
Cartography: Eurostat – IMAGE, 04/2023

eurostat 

**Figure 7**

Increase in natural gas prices for households, compared with previous year, same semester, second half of 2022

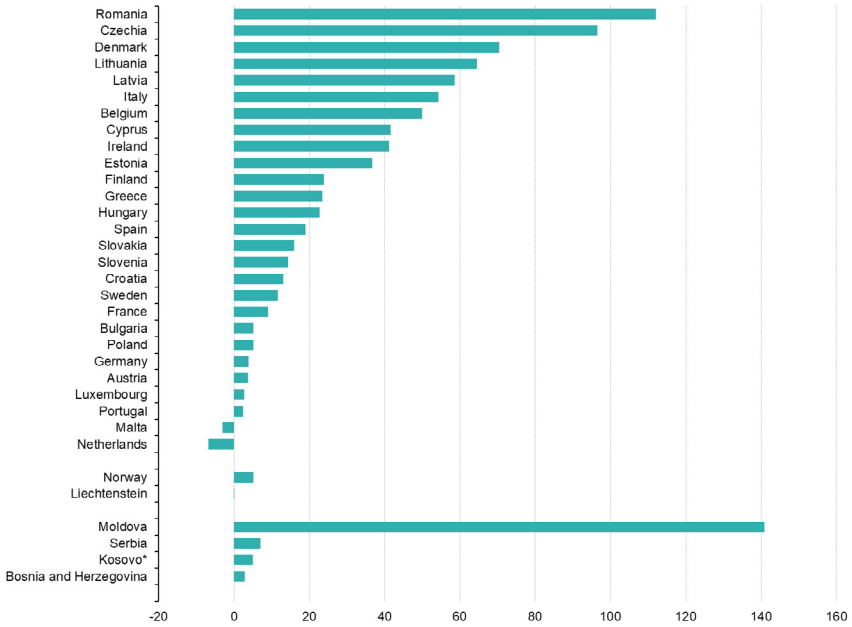


Source: Eurostat (online data codes: nrg\_pc\_202)

eurostat

**Figure 8**

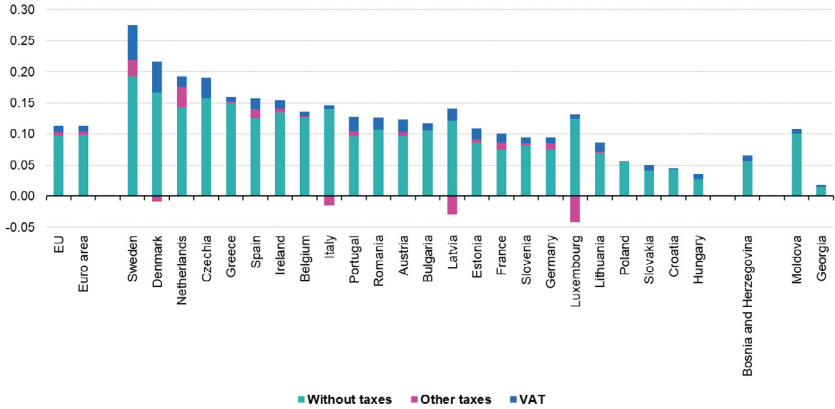
Increase in electricity prices for households, compared with previous year, same semester, second half of 2022



(\*) This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo Declaration of Independence.  
Source: Eurostat (online data codes: nrg\_pc\_204)

**Figure 9**

Natural gas prices for household consumers, second half 2022 (Euro per kWh)

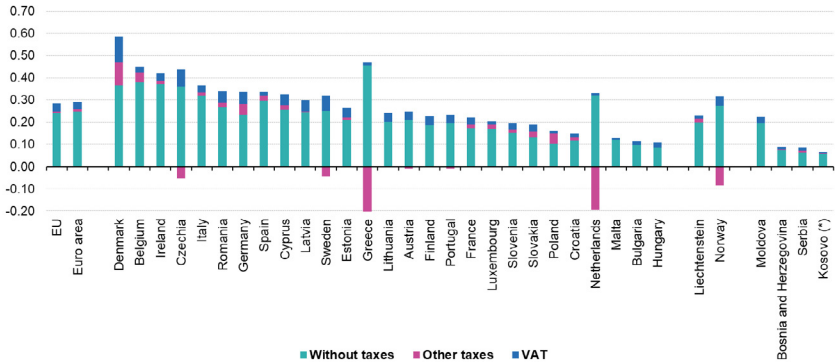


Source: Eurostat (online data codes: nrg\_pc\_202)

eurostat

**Figure 10**

Electricity prices for household consumers, second half 2022 (Euro per kWh)



(\*) This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo Declaration of Independence.

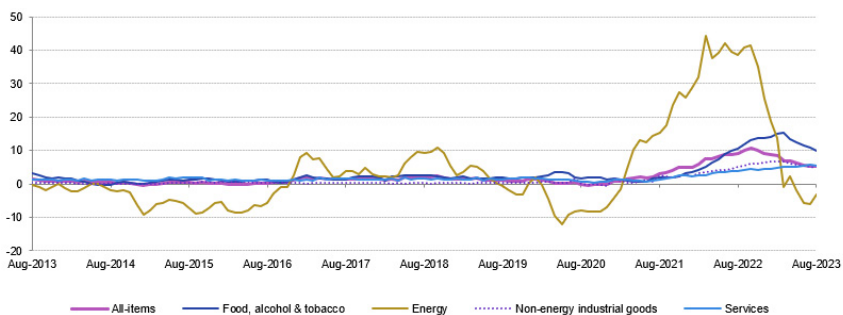
Source: Eurostat (online data codes: nrg\_pc\_204)

eurostat

## 3.2. Inflation and its components (2013–2023)

**Figure 11**

Euro area annual inflation and its main components, August 2013–August 2023 (estimated)



Source: Eurostat (online data code: prc\_hicp\_manr)

eurostat

**Figure 12**

Euro area annual inflation and its main components: wights for 2023 and rates for August 2022 and March 2023–August 2023 (estimated)

	Weight 2023 (%)	Aug 2022	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023
<b>All-items HICP</b>	<b>1000.0</b>	<b>9.1</b>	<b>6.9</b>	<b>7.0</b>	<b>6.1</b>	<b>5.5</b>	<b>5.3</b>	<b>5.3e</b>
<i>All-items excluding:</i>								
energy	897.7	5.8	7.9	7.4	7.0	6.9	6.7	6.3e
energy, unprocessed food	852.7	5.5	7.5	7.3	6.9	6.8	6.6	6.2e
energy, food, alcohol & tobacco	697.9	4.3	5.7	5.6	5.3	5.5	5.5	5.3e
Food, alcohol & tobacco	199.8	10.6	15.5	13.5	12.5	11.6	10.8	9.8e
processed food, alcohol & tobacco	154.8	10.5	15.7	14.6	13.4	12.4	11.3	10.4e
unprocessed food	45.0	11.0	14.7	10.0	9.6	9.0	9.2	7.8e
Energy	102.3	38.6	-0.9	2.3	-1.8	-5.6	-6.1	-3.3e
Non-energy industrial goods	262.7	5.1	6.6	6.2	5.8	5.5	5.0	4.8e
Services	435.3	3.8	5.1	5.2	5.0	5.4	5.6	5.5e

e estimate

Source: Eurostat (online data code: prc\_hicp\_inw; prc\_hicp\_manr)

eurostat

Figure 13

Harmonised index of consumer prices – all items, annual average inflation rates, 2013–2022 (%)

Geopolitical entity	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>EU (*)</b>	15	0.6	0.1	0.2	1.7	1.9	1.5	0.7	2.9	9.2
<b>Euro area (*)</b>	14	0.4	0.2	0.2	1.5	1.8	1.2	0.3	2.6	8.4
Belgium	12	0.5	0.6	1.8	2.2	2.3	1.2	0.4	3.2	10.3
Bulgaria	0.4	-16	-11	-13	1.2	2.6	2.5	1.2	2.8	13.0
Czechia	14	0.4	0.3	0.6	2.4	2.0	2.6	3.3	3.3	14.8
Denmark	0.5	0.4	0.2	0.0	1.1	0.7	0.7	0.3	1.9	8.5
Germany	16	0.8	0.7	0.4	1.7	1.9	1.4	0.4	3.2	8.7
Estonia	3.2	0.5	0.1	0.8	3.7	3.4	2.3	-0.6	4.5	19.4
Ireland	0.5	0.3	0.0	-0.2	0.3	0.7	0.9	-0.5	2.4	8.1
Greece	-0.9	-14	-11	0.0	1.1	0.8	0.5	-1.3	0.6	9.3
Spain	15	-0.2	-0.6	-0.3	2.0	1.7	0.8	-0.3	3.0	8.3
France	10	0.6	0.1	0.3	1.2	2.1	1.3	0.5	2.1	5.9
Croatia	2.3	0.2	-0.3	-0.6	1.3	1.6	0.8	0.0	2.7	10.7
Italy	12	0.2	0.1	-0.1	1.3	1.2	0.6	-0.1	1.9	8.7
Cyprus	0.4	-0.3	-1.5	-1.2	0.7	0.8	0.5	-1.1	2.3	8.1
Latvia	0.0	0.7	0.2	0.1	2.9	2.6	2.7	0.1	3.2	17.2
Lithuania	12	0.2	-0.7	0.7	3.7	2.5	2.2	1.1	4.6	18.9
Luxembourg	17	0.7	0.1	0.0	2.1	2.0	1.6	0.0	3.5	8.2
Hungary	17	0.0	0.1	0.4	2.4	2.9	3.4	3.4	5.2	15.3
Malta	10	0.8	1.2	0.9	1.3	1.7	1.5	0.8	0.7	6.1
Netherlands	2.6	0.3	0.2	0.1	1.3	1.6	2.7	1.1	2.8	11.6
Austria	2.1	1.5	0.8	1.0	2.2	2.1	1.5	1.4	2.8	8.6
Poland	0.8	0.1	-0.7	-0.2	1.6	1.2	2.1	3.7	5.2	13.2
Portugal	0.4	-0.2	0.5	0.6	1.6	1.2	0.3	-0.1	0.9	8.1
Romania	3.2	1.4	-0.4	-1.1	1.1	4.1	3.9	2.3	4.1	12.0
Slovenia	1.9	0.4	-0.8	-0.2	1.6	1.9	1.7	-0.3	2.0	9.3
Slovakia	1.5	-0.1	-0.3	-0.5	1.4	2.5	2.8	2.0	2.8	12.1
Finland	2.2	1.2	-0.2	0.4	0.8	1.2	1.1	0.4	2.1	7.2
Sweden	0.4	0.2	0.7	1.1	1.9	2.0	1.7	0.7	2.7	8.1
Iceland	4.1	1.0	0.3	0.8	-1.7	0.7	2.0	1.2	3.7	5.7
Norway	2.0	1.9	2.0	3.9	1.9	3.0	2.3	1.2	3.9	6.2
Switzerland	0.1	0.0	-0.8	-0.5	0.6	0.9	0.4	-0.8	0.5	2.7
Montenegro (*)	:	:	:	-0.1	2.7	2.6	0.5	-0.5	2.5	:
North Macedonia (*)	2.7	0.0	0.1	0.2	2.1	2.3	0.7	1.2	3.4	14.0
Albania (*)	:	:	:	:	3.2	1.8	1.7	2.2	2.3	:
Serbia (*)	7.7	2.3	1.5	1.3	3.3	2.0	1.9	1.8	4.0	11.7
Türkiye (*)	7.5	8.9	7.7	7.7	11.1	16.3	15.2	12.3	19.6	72.3
Kosovo (*)	:	:	:	:	1.5	1.1	2.7	0.2	3.4	:

: not available

(\*) The data refer to the official EU aggregate. Its country coverage changes in line with the addition of new EU Member States and integrates them using a chain-linked index formula.

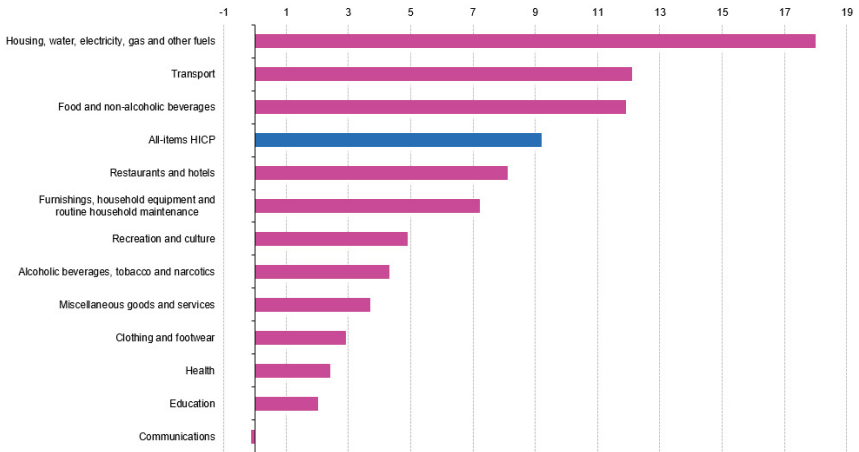
(\*) The data refer to the official euro area aggregate. Its country coverage changes in line with the addition of new EA Member States and integrates them using a chain-linked index formula.

(\*) Definition differs.

Source: Eurostat (online data code: pro\_hicp\_aind)

**Figure 14**

Harmonised Index of Consumer Prices main headings – EU annual average inflation rates, 2022 (%)



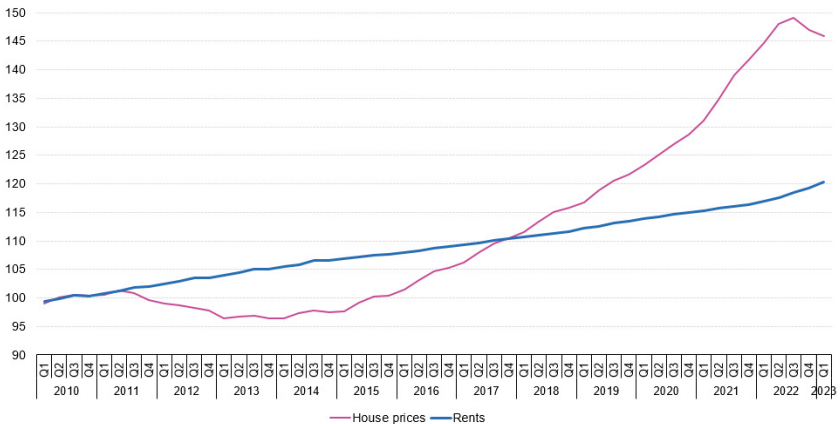
Source: Eurostat (online data code: prc\_hicp\_alind)



### 3.3. Evolution of house price and rents, between 2010Q1–2023Q1

**Figure 15**

House prices and rents – EU, 2010Q1–2023Q1 (2010=100)



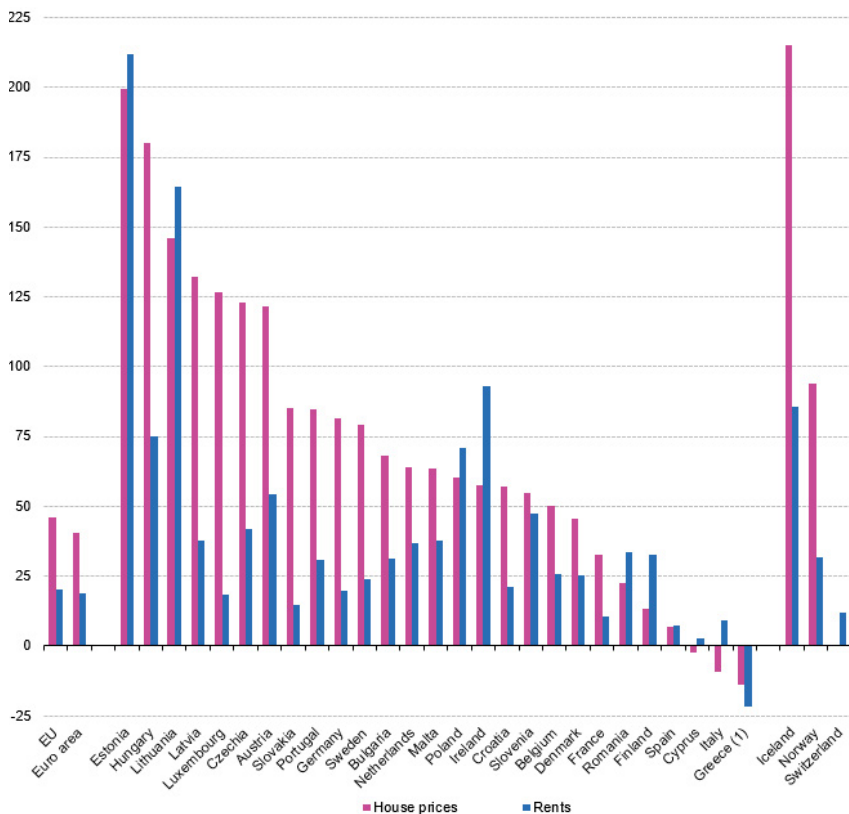
Source: Eurostat (online data codes: prc\_hpi\_q, prc\_hicp\_midx)





**Figure 16**

House prices and rents – Changes between 2010 and 2023 Q1 (%)



(1) House Prices: data from Bank of Greece; 2022 instead of first quarter of 2023.  
 Source: Eurostat (online data codes: prc\_hpi\_a, prc\_hpi\_q, tipsho20, prc\_hicp\_a, prc\_hicp\_midx)



Figure 17

House Prices – Quarterly and annual rates of change, 2022Q2–2023Q1 (%)

	Change compared with the previous quarter (%)				Change compared with the same quarter of the previous year (%)			
	2022		2023		2022		2023	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Euro area 20</b>	<b>2.2</b>	<b>0.8</b>	<b>-1.7</b>	<b>-0.9</b>	<b>9.2</b>	<b>6.7</b>	<b>3.0</b>	<b>0.4</b>
<b>Euro area 19</b>	<b>2.2</b>	<b>0.8</b>	<b>-1.7</b>	<b>-0.9</b>	<b>9.2</b>	<b>6.6</b>	<b>2.9</b>	<b>0.3</b>
<b>EU</b>	<b>2.3</b>	<b>0.7</b>	<b>-1.4</b>	<b>-0.7</b>	<b>9.8</b>	<b>7.3</b>	<b>3.6</b>	<b>0.8</b>
<b>Belgium</b>	1.3	2.4	-0.4	<b>1.5</b>	5.9	5.3	4.8	<b>4.8</b>
<b>Bulgaria</b>	3.1	4.1	0.4	<b>1.6</b>	14.6	15.6	13.4	<b>9.5</b>
<b>Czechia</b>	3.4	1.0	-2.2	<b>-1.1</b>	22.3	15.6	6.9	<b>1.0</b>
<b>Denmark</b>	1.3	-3.5	-6.4	<b>2.5</b>	2.6	-2.1	-6.4	<b>-6.2</b>
<b>Germany</b>	2.1	-1.0	-4.9	<b>-3.1</b>	9.7	4.3	-3.4	<b>-6.8</b>
<b>Estonia</b>	8.0	0.8	0.2	<b>0.0</b>	27.4	24.2	16.9	<b>9.2</b>
<b>Ireland</b>	1.8	2.8	1.2	<b>-0.8</b>	14.3	11.9	8.6	<b>5.1</b>
<b>Greece</b>	.	.	.	.	.	.	.	.
<b>Spain</b>	1.9	1.7	-0.8	<b>0.7</b>	8.1	7.6	5.5	<b>3.5</b>
<b>France</b>	1.7	2.7	-0.5	<b>-1.0</b>	7.1	6.5	4.9	<b>2.9</b>
<b>Croatia</b>	3.7	2.8	4.7	<b>2.0</b>	13.6	14.8	17.3	<b>14.0</b>
<b>Italy</b>	2.3	-1.1	-0.1	<b>0.1</b>	5.2	2.9	2.7	<b>1.1</b>
<b>Cyprus</b>	2.3	5.8	-4.0	<b>2.0</b>	2.0	5.3	4.4	<b>6.0</b>
<b>Latvia</b>	5.4	1.2	-0.6	<b>0.0</b>	16.3	13.6	8.6	<b>6.0</b>
<b>Lithuania</b>	5.9	3.0	1.9	<b>1.8</b>	22.1	19.3	16.0	<b>13.1</b>
<b>Luxembourg</b>	2.2	2.1	-1.5	<b>-4.1</b>	11.7	11.0	5.5	<b>-1.5</b>
<b>Hungary</b>	5.7	2.3	-1.8	<b>2.2</b>	24.9	23.2	16.6	<b>8.6</b>
<b>Malta</b>	3.5	1.1	0.7	<b>1.1</b>	7.6	6.3	5.9	<b>6.6</b>
<b>Netherlands</b>	2.9	0.5	-2.5	<b>-1.0</b>	18.1	12.1	5.3	<b>-0.1</b>
<b>Austria</b>	2.1	3.2	-1.2	<b>-1.4</b>	12.3	11.9	7.2	<b>2.6</b>
<b>Poland</b>	2.0	2.4	1.4	<b>-0.1</b>	12.4	12.1	9.3	<b>5.8</b>
<b>Portugal</b>	3.1	2.9	1.1	<b>1.3</b>	13.2	13.1	11.3	<b>8.7</b>
<b>Romania</b>	3.7	-1.2	2.5	<b>-0.4</b>	8.5	7.0	6.8	<b>4.6</b>
<b>Slovenia</b>	3.3	2.3	1.4	<b>1.6</b>	15.6	15.2	11.6	<b>8.8</b>
<b>Slovakia</b>	5.5	2.8	-0.8	<b>0.0</b>	16.6	14.6	9.7	<b>7.6</b>
<b>Finland</b>	1.4	-1.2	-3.5	<b>-1.8</b>	2.4	1.3	-2.3	<b>-5.1</b>
<b>Sweden</b>	0.5	-3.1	-3.6	<b>-0.8</b>	7.1	1.1	-3.7	<b>-6.9</b>
<b>Iceland</b>	7.7	6.3	1.4	<b>-0.3</b>	20.7	24.1	21.0	<b>15.8</b>
<b>Norway</b>	2.1	0.2	-3.6	<b>3.1</b>	6.7	6.1	3.0	<b>1.7</b>
<b>Switzerland</b>	2.7	1.2	1.2	<b>-1.2</b>	7.5	6.3	4.8	<b>3.9</b>
<b>Türkiye <sup>(1)</sup></b>	35.2	22.3	15.3	<b>22.2</b>	160.7	189.0	167.8	<b>132.9</b>

: data not available

<sup>(1)</sup> definition differs.

Source: Eurostat (online data code: prc\_hpi\_q)

eurostat 

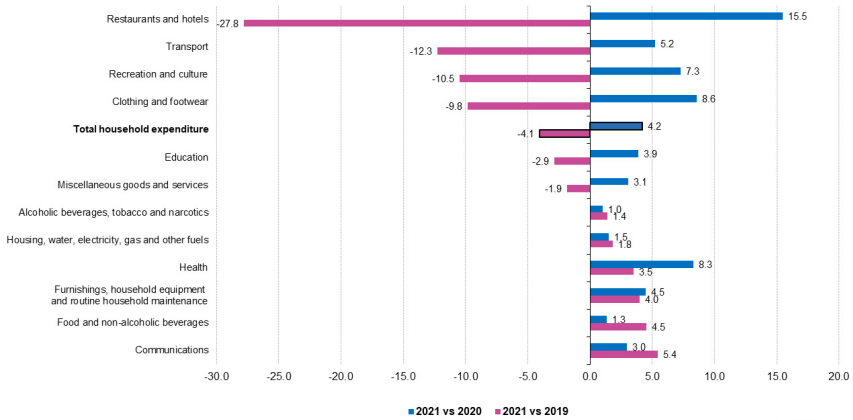
### 3.4. Evolution of expenditures by consumption purpose

House prices are currently under-reflected in the HICP (Harmonised Index of Consumer Price).<sup>8</sup> This is problematic, especially when one has in mind that shelter is often the biggest expense of households (see **Figures 18–22**). The reason behind the housing prices not being included in HICP, and their increase not being considered when speaking about inflation, is both historical and technical. When the euro was created in 1998, there was no unified methodology for measuring the cost of housing across all Eurozone member states. As a result, no consensus was found on how to incorporate it into HICP, so policymakers simply decided not to include it. Since 2000, Eurostat has worked on establishing an experimental index, the owner-occupied housing price index (OOH), and it released its first data in 2006. However, its inclusion into HICP has still not been achieved. Historically, the European Central Bank adopted the approach of looking at home purchasing as an investment and not a consumption cost, therefore advocating for no inclusion of imputed rents in the HICP. However, primary residence housing can be considered as both an investment and a consumer expense.

<sup>8</sup> <https://www.positivemoney.eu/2020/01/housing-prices-inflation-index/>

**Figure 18**

Household expenditure by consumption purpose, EU, % change between 2021–2020 and 2021–2019

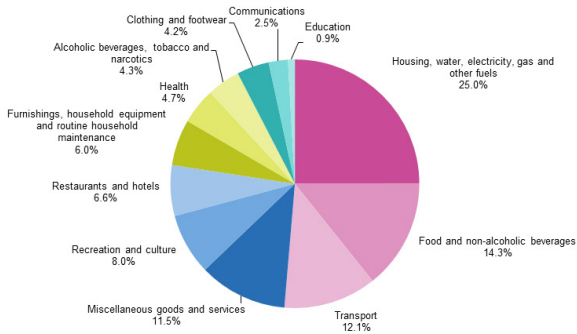


Source: Eurostat (online data code: nama\_10\_co3\_p3)

eurostat

**Figure 19**

Household expenditure by consumption purposes – 2021, share of total

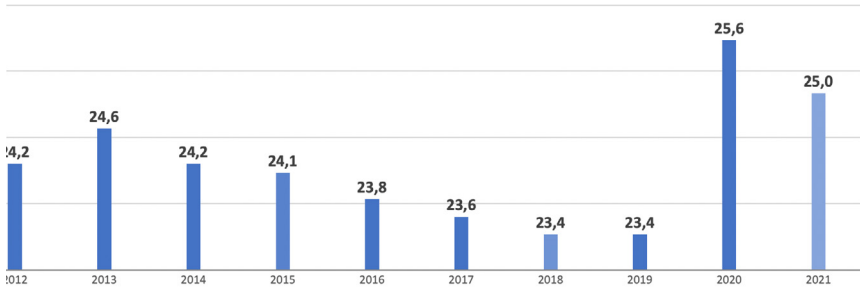


Source: Eurostat (online data code: nama\_10\_co3\_p3)

eurostat

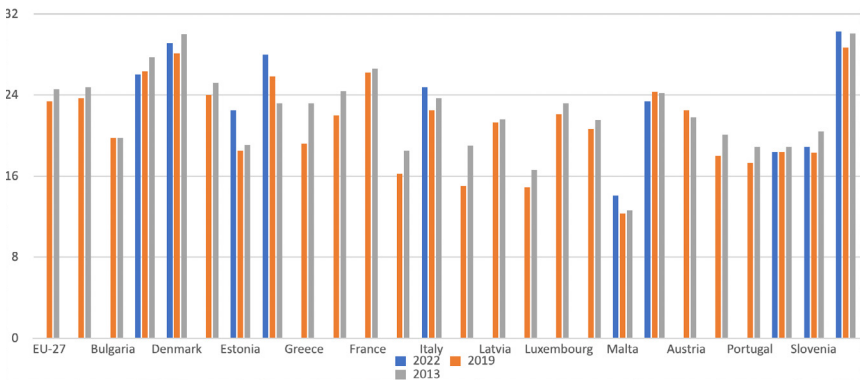
**Figure 20**

Housing, water, electricity, gas and other fuels consumption, % of total expenditures, EU, 2012–2021



**Figure 21**

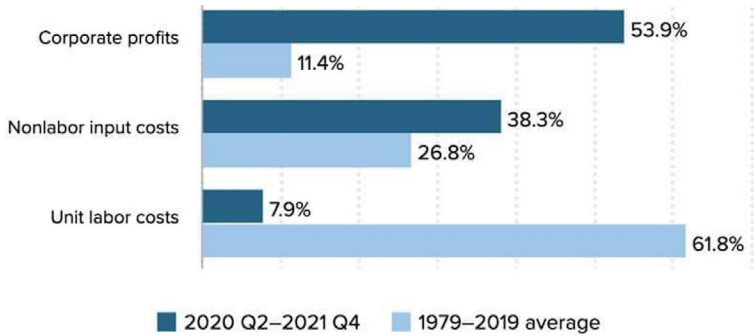
Final consumption of households for housing, water, electricity, gas and other fuels, 2013 and 2019 (2022, where available)



### 3.5. Drivers of inflation

**Figure 22**

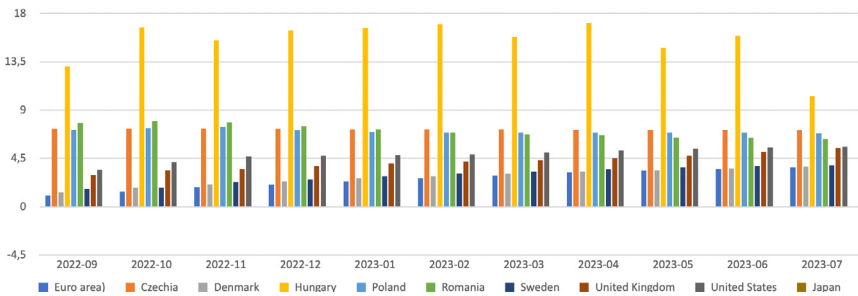
Contribution of profit to price growth compared to nonlabor and labor costs' contributions<sup>9</sup>



### 3.6. Evolution of interest rates

**Figure 23**

The three-month interest rate, selected countries, 2022/09–2023/07



<sup>9</sup> Source: Author’s analysis of data from Table 1.15 from the National Income and Product Accounts (NIPA) of the Bureau of Economic Analysis (BEA) <https://www.epi.org/blog/corporate-profits-have-contributed-disproportionately-to-inflation-how-should-policymakers-respond/>

## SECTION II. HOW ENERGY AND COST OF LIVING CRISIS AFFECT THE HOUSING CRISIS

EAC member groups' opinion, May–July 2023

This text includes the answers of some of the EAC member groups<sup>10</sup> to a questionnaire developed by the EAC Research Group in April 2023. We aimed to collect information from the grassroots about the energy crisis, related inflation, and cost of living crisis, as well as how this is connected to the old housing crisis. Through the collage below, we describe how the recent types of crises are affecting the right to housing and access to adequate housing of the impoverished and dispossessed people or racialized minorities whom EAC activists usually work with.

EAC did this small militant research relying on the knowledge produced by activists during their actions. This “informal knowledge” is missing from official statistics and is not included in the mainstream analysis of the addressed issues; therefore, we wanted to ensure that this knowledge is recognized. Nevertheless, the EAC member groups also referred to statistical data in their replies.

**10** AITEC and Droit Au Logement/DAL (France); Bond Precaire Woonvormen (Amsterdam, The Netherlands); Căși sociale ACUM!/Social housing NOW! (Cluj, Romania); Habita! with the contribution of “Jobs for Climate, Portugal” (Portugal); Habitat et Participation (Belgium); Initiative Against Auctions (Athens, Greece); Iniciativa nájemníků a nájemnic/Tenants' and women tenants' initiative (Czech Republic); Ort Till Ort (Sweden); PAH (Spain); Stop Evictions (Vienna, Austria); The Roof (Belgrade, Serbia).

## 1. How has the energy crisis affected the living conditions of people in your local context?

(Possibility of heating, cooking, lighting, use of hot water)

### **Austria**

In Vienna, prices have increased incredibly, even in social housing. We have heard of cases where people's rent in Gemeindebauten (the town's social housing) increased to 130€. The problem is even worse in the private sector.

### **Belgium**

In Belgium, from September 2021 to August 2022, households paid 6.1 billion euros more for gas, electricity, and heating oil than in 2019. Even though part of this loss has been offset by automatic indexation of wages and social security contributions, the energy bill still weighs heavily. Particularly for low-income households, it represents a proportionally much more significant burden. The poorest households have stopped using their "normal" heating systems to either stop heating themselves or switch to alternative heating systems, which can also be hazardous to their health. According to the King Baudouin Foundation, already in 2019, 21% of Belgians were in fuel poverty. More and more Belgians are using prepaid meters with the help of social services. An amount of energy in the form of a prepaid card is activated (for heating, cooking, etc.), and when the card is fully used, they turn to other "solutions" (4.25% of Belgians in 2020). On average, half of the Belgian homes are estimated to be energy "flats". However, coping with drought and extreme heat is a significant issue in these "passive" homes, too. It should also be pointed out that water scarcity is also affecting more and more people.

### **Czech Republic**

Ultimately, the energy crisis was not as bad as we expected. We thought people would get angry and go to the streets, but the rise felt by the population was not that high. It did not affect many people, but some got big bills for heating. Also, it showed that "cap" (the word



almost forbidden in post-socialism) is possible because the government did a cap on energy prices.

### **France**

There was a significant decrease in the use of energy in France. People tended to turn off or down the heating (and wear warmer clothes at home, for example). The use of hot water also decreased, as did the use of electricity and gas in general. This is due mainly to the cost of energy and the fact that the government explicitly asked the population to use less energy because of the crisis. From October 2021, energy prices rose drastically in France following the rise in inflation (a general rise of 5%, up to 16% for basic food products) in 2022. The energy crisis emerged in a difficult social and economic context during Covid 19. Energy prices increased by 28% between 2021 and 2022. The rise in energy prices directly impacted rent and living costs. Individual expenses (heating, hot water) doubled, especially for households or tenants using gas supplies. Collective expenses related to shared spaces (staircase, elevator) also increased. As a result, inhabitants were obliged to restrict and rationalize their use of heating (when not collective), hot water, cooking, etc. In some social housing dwellings, landlords tried to control energy expenses by reducing the heating temperature of houses during winter. As a result, temperatures were lower than average in the apartments during winter while energy bills rose. Despite all the restrictions families were making on their expenses, a growing number of families could not pay their energy bills and are now facing high amounts of debt.

### **Greece**

There are a million families in Greece that received letters to cut electricity. They owe much money for their energy bills and are threatened with cuts. It is a considerable amount of people. Thousands have electricity cuts already, but we do not have numbers. Some reconnect illegally or borrow/share electricity with their neighbors. Others leave with electricity and use other means for cooking, such as gas or lamps with batteries. The main consequences of the increase in energy prices are related to heating; to lower the price, people do not warm their spaces. In Greece, there are many examples of people (10

at least) who got burned because they used wood to heat themselves. Maybe they got burned or asphyxiated because of energy poverty. In Greece, electricity costs 278 euros/megawatt hour, the fourth most expensive in Europe in 2022 (in Sweden, the price was 61€ and in Portugal 179€). Even though Greece has many possibilities for creating energy through wind and sun, everything is used only for the profit of enterprises and not to make energy more accessible to households. Gas prices also went up.

## **Portugal**

Energy poverty results from poor house construction, low wages, and a high energy price. This problem is well known to the Portuguese, as all these factors have often been combined in our country for a long time. So, the energy crisis is clearly an aggravating factor of vulnerability for the population living under marginalized conditions, but not only. Although Portugal has a mild climate, extreme cold and hot weather exists, especially in some regions. Currently, there are more than 2 million people (out of 10 million) living at risk of poverty, including population experiencing other kinds of socio-economic pressures such as women heads of the family, migrants with precarious job conditions, elderly in abandonment situations and well as other groups for whom housing affordability is already a challenge that takes the majority of their incomes. The energy crisis, with a clear impact on the prices of heating, cooling, cooking, lighting, and other essential services, represents an additional load. Although this fact is transversal to different countries, Portugal has been known for its general poor-quality housing construction, which increases the health risks and mortality risks during heat and cold waves, mainly affecting the elderly population. Moreover, Portugal is one of the countries in the European Union with higher population aging rates. All of this, combined with the recent extreme climate events and energy poverty, had increased risks for this elderly population, which currently faces housing problems due to abandonment, lack of stable housing renting contracts, and lack of maintenance of the houses from landowners. Data on this problem differs significantly according to the source. The official data

(Living Conditions and Income Survey,<sup>11</sup> Eurostat<sup>12</sup>) mention that 17% of people cannot afford to heat their houses properly, 1,1% more in 2022 than in 2021. However, recently, almost one-third of Portuguese families have not regularly used any heating.<sup>13</sup> According to the Long-Term National Strategy for Combating Energy Poverty 2021–2050<sup>14</sup> between 1.2 and 2.3 million people live in moderate energy poverty, and between 660,000 and 740,000 people are in extreme energy poverty. The 263,033 families living with less than 6790€ per year spend more than 14% of this income on energy bills. A survey on sustainable construction<sup>15</sup> shows that around 80% of families cannot afford to heat the house adequately, 89% of respondents, in all regions of the country, consider their homes thermally uncomfortable, 88.4% of those say they have had a significant increase in energy consumption to air-condition their homes, 61% assumed to have felt colder at home this winter, due to the increased cost of energy (they have been used to feel cold, not used to consume more energy), 32% use only heaters, mostly electric or wood ones, and 16% use more clothes to save money.

## Romania

Low-income people reduced the consumption of heating sources and electricity out of necessity, i.e., they could not pay for the increased prices. Paradoxically, those who did not use gas for heating and were not even connected to electricity, as is the case of many households from informal settlements, were not affected directly by the energy price increases (but were affected by the general inflation induced by

**11** [https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine\\_destaques&DESTAQUESdest\\_boui=541059446&DESTAQUESmodo=2](https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaques&DESTAQUESdest_boui=541059446&DESTAQUESmodo=2)

**12** [https://ec.europa.eu/eurostat/databrowser/view/ilc\\_mdcs01/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/ilc_mdcs01/default/table?lang=en)

**13** <https://www.jornaldenegocios.pt/economia/detalhe/como-e-que-os-portugueses-aquecem-as-suas-casas-pouco>

**14** [https://www.consultalex.gov.pt/ConsultaPublica\\_Detail.aspx?Consulta\\_Id=280](https://www.consultalex.gov.pt/ConsultaPublica_Detail.aspx?Consulta_Id=280)

**15** <https://www.csustentavel.com/comunicado-estudo-conforto-termico-pcs/>

these, firstly by the massive increase of basic foods' costs). Of course, they continued living in inadequate conditions, suffering from cold and lack of lighting. The calls made by the government or energy supplier companies to save energy due to the extraordinary conditions created by the war in Ukraine were irrelevant compared to the financial state of affairs of millions of households. Almost half of the 7,5 million inhabited homes (out of 8.5 million in Romania) used solid fuel or fuel oil for heating.<sup>16</sup> In 2022, there were over 4.1 million people who lived in poverty (cc 22% of the population),<sup>17</sup> while the rate of in-work poverty was at 14.5%.<sup>18</sup> The level of net minimum income in the country was 1524 lei, and almost 35% of the employees earned this amount.<sup>19</sup> According to official declarations, 4 million persons benefited from the energy cards provided by the government in 2023 (see point 4 below).<sup>20</sup> A survey made by KRUK Romania and IRES in November 2022<sup>21</sup> showed that 22% of Romanian households were delayed with their regular payments, their majority for utility bills (15%), and 7% for bank loans. Over half of the debtors owned at the most the value of one month's income; however, 16% owned more than three monthly incomes. Furthermore, 30% of the households declared that they made a living only with strict necessities.

**16** <https://www.zf.ro/companii/cum-se-incalzeste-romania-al-doilea-cel-mai-mare-producator-de-gaze-20285217>

**17** <https://tradingeconomics.com/romania/at-risk-of-poverty-rate-eurostat-data.html>

**18** <https://ec.europa.eu/eurostat/databrowser/view/TESOV110/default/table?lang=en>

**19** <https://www.startupcafe.ro/taxe/salariu-minim-2022-brut-net-complet.htm>

**20** <https://www.digi24.ro/stiri/actualitate/social/guvernul-a-aprobat-modificari-pentru-utilizarea-cardurilor-de-energie-se-pot-plati-si-datorii-de-anul-trecut-dar-cu-o-conditie-2343647>

**21** <https://economedia.ro/analiza-kruk-22-dintre-romani-au-restante-cei-mai-multi-la-facturi-acestia-datoreaza-in-medie-cu-antumul-a-trei-venituri-lunare-aproape-toti-vor-plati-mai-intai-facturile-la-utilitati-si-apoi.html>

Arrears on utility bills were already high in the former years (14% of households in 2018–2020).<sup>22</sup>

### **Serbia**

Some people save money by not heating their houses or reducing heating to the bare minimum. They do not heat at night and try to spend as much time as possible outside their homes where there is heating (at work). People started buying furnaces and stoves that burn wood or coal; therefore, these nonelectric heaters were a shortage last winter. Some of them can be used for cooking, too. Poor people tend to cook at night when electricity is cheaper than during the day (the same goes for laundry and other chores that require enhanced electricity use), but poorer groups did these things before. We assume that more and more people now resort to these practices than in the previous period. A collective that cooks food for whoever is in need says that more and more people are coming for a cooked meal (probably due to their increased popularity). In Belgrade, they make around 1000 meals a week.

### **Spain**

Many people have had to reduce the use of heating, limiting the consumption of hot water and cooking food. Reducing heating may result in not keeping the house at a suitable temperature, finding places to spend time outside, or heating only one room. These measures can have consequences for people's health and children's education. Unheated dwellings can become damp and moldy if they are not adequately ventilated so as not to lower the temperature. Children may have problems studying and doing homework when the whole family has to spend most of their time in the same room.

### **Sweden**

The raised price of electricity was used as an argument by landlords to raise the rents since houses in Sweden need heating for a big part of the year.

<sup>22</sup> [https://ec.europa.eu/eurostat/databrowser/view/ilc\\_mdex07/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/ilc_mdex07/default/table?lang=en)

## **The Netherlands**

The energy crisis affected each household in different ways. Poorly isolated homes became much more expensive to heat. Many municipalities focused on cutting costs to compensate for the increased energy prices. Instead of stable energy contracts, variable contracts suddenly became the default so energy corporations could keep inflating the prices, leading to even more precarious living situations.

## **2. How does the energy crisis affect people's housing security in your local context?**

(Rent, mortgages, ability to stay in the houses, risks of evictions)

### **Austria**

We do not have exact numbers on evictions, but many people have to leave their homes sooner or later because of the increased rents caused by the energy crisis. Even the city government made a so-called "Rettungsschirm" to stop people from getting evicted. So, if even the municipal government does something, it is quite a problem; otherwise, they would not do anything.

### **Belgium**

Belgium's three regions have set up a rent control system based on PEB (Performance Energétique des Bâtiments). The idea is to allow landlords to index their properties only if they are well insulated, with a system of increments. However, this measure, which seems to benefit the most modest members of society (whose rent will not be increased), could backfire in several ways: the landlord will nevertheless wish to carry out work to insulate his home and will be able to expropriate the tenant under certain conditions – the landlord will not wish to carry out work, which will prevent him from increasing his rent. However, he will expose the inhabitants to both cold and heat. Lastly, not only is the calculation of this PEB highly uncertain (from one expert to another – but also because the insulation is not homogeneous in most homes), but some owners use experts who offer them PEBs above the reality of their home. In addition, the market for social housing loans is in steep decline, as people can no longer afford to buy their own homes, even on a social basis

(mainly because of the rising cost of materials). As a result, many social players in Wallonia are turning to so-called alternative housing, such as light housing.

### **Czech Republic**

There was a leap in the prices of all goods; everything got more expensive than it was 1–2 years ago.

### **France**

Around 3.5 million households in France are facing difficulties in paying their energy bills, according to a study published by the National Observatory of Energy Poverty (ONPE) in 2020. Debts related to electricity bills lead to many cuts and other energy restrictions. 2022 marked a record number of cut-offs and energy restrictions for unpaid energy bills (gas and electricity): around 863,000 families were affected by cuts in 2022, 10% more than in 2021. The number of people struggling to pay their energy bills is growing exponentially: 25% in 2021 to 27% in 2022. The energy supplier decided to reduce electricity use rather than cut it completely. However, it does not change the fact that energy cuts are still happening and that power reduction only allows one to complete small tasks (charging one's phone, for example).

Regarding evictions, officially, debts for unpaid energy bills should not lead to evictions. Social housing owners signed in 2022 a joint charter committing not to engage in eviction procedures for debts regarding energy bills. In the private sector, energy is supplied directly by private or public companies without any connection to the owner. Because of the suspension of tenant evictions during the winter period, there was no increase in evictions, but now that evictions are possible again, the situation might be catastrophic. According to Fondation Abbé Pierre, nearly half of the social housing organizations recorded an increase of more than 10% in the number of households in arrears with rent payments of more than three months in December compared to last year. So, more and more people are at risk of eviction. Moreover, the Kasbarian/anti-squat law passed in

June would worsen this situation, as it plans to toughen penalties against squatters and speed up procedures for unpaid rent.

### **Greece**

There are people affected. When rent and energy prices go up, many people want to avoid finding and renting a house (young people, for example, stay in their family house or an overcrowded house). Adding energy prices to rental prices makes housing cost 60 to 70% of their wages. Those with high energy bills cannot pay their rent and are more easily threatened with eviction. Another case is those who have to pay back their mortgages and therefore can not afford their energy bills and are threatened with debts and electricity cuts, which is also a form of eviction. When you owe some money after three bills are unpaid, then your situation “καθεστώς καθολικής οφειλής,” and you have to pay higher prices for the energy of 25%.

### **Portugal**

People have to choose between paying the rent or buying food, so rent and mortgages are second in this choice, exposing themselves to evictions. The energy and cost of living crisis are causing an increase in open and silent evictions of low-income families since they struggle to pay rent, which has been exponentially rising in the last years,<sup>23</sup> putting one-third of families in a situation of being overburdened with housing expenses.<sup>24</sup> Rents have risen more than 40% in five years. In Portugal, a third of tenants spend more than 40% of their income on their homes, including rent and energy costs.

The rights of individuals facing eviction are also seriously undermined, and no public support or assistance is available. Public institutions are failing to support and take these families' rights, as some evictions come from municipalities and even central state institutions. Although not fully effective, the law prohibiting evictions since

**23** <https://www.publico.pt/2022/09/30/economia/noticia/rendas-aumentaram-40-cinco-anos-2022312>

**24** <https://www.publico.pt/2023/06/27/economia/noticia/portugal-terco-inquilinos-gasta-40-rendimento-casa-2054691>



the pandemic has limited legal evictions. However, this law has just been repealed, increasing the risk of losing one's home. The government has also announced that eviction procedures will be speeded up. Raising rents leads people to find precarious solutions; even parking garages are used to make a living. Moreover, for the ones that live in old buildings, the inability to heat, together with poor thermal isolation conditions, results in the growth of mold and mildew, characteristic of energy poverty and very harmful to health, and are difficult to solve through adequate maintenance due to the money spent increasing mortgages fees and cost of energy consumption. In the case of tenants, the lack of maintenance from the landowners is a driver for being evicted without alternatives in the context of rent rising, leading to silent evictions.

### **Romania**

Due to the increase in energy prices that resulted in the high level of inflation, households had less money to spend on rent or mortgages. According to non-official estimates quoted by the National Housing Strategy 2022–2050, the percentage of people living in private rental is 15% in the big cities. Even until the current cost of living crisis, student renters chose to share apartments to decrease their monthly costs, contributing to Romania's high housing overcrowding rate (above 41% in 2021). There is no evidence of evictions from private rental housing because many contracts are not registered, and the renters leave if they cannot pay before any eviction procedure starts. According to data from the Romanian Central Bank,<sup>25</sup> the number of mortgages increased from 89,175 (in 2020) to 106,169 (by the end of 2022) but continued to decrease since then, to 104,878 in May 2023. This country's bank interest rates increased from 1.75% in 2015 to 6.75% in 2022.<sup>26</sup>

**25** <https://www.bnr.ro/Credite-acordate-gospodariilor-populatiei-5771-Mobile.aspx>

**26** <https://www.focus-economics.com/country-indicator/romania/interest-rate/>

## **Serbia**

We do not have information on how rising energy costs affect housing security. Nevertheless, we can mention that rent dramatically increased in the past year and a half due to the massive immigration of Russian citizens. Affluent Russians mostly moved to Serbian cities, especially Belgrade and Novi Sad, but to smaller towns, too. Rents rose more than 100% in and around city centers, sparking gentrification that had already been happening. The energy crisis is not that noticeable in comparison to this change. More than 200,000 Russians have moved to Serbia since the beginning of the war.

## **Spain**

The high energy cost has added to the family budget, making other payments more difficult. Solving a power cut can be more urgent than paying a mortgage or rent, ultimately leading to eviction. Some tenants do not have electricity or gas meters in their name and must reimburse the landlord for the bill. In these cases, there may be more risk of eviction for non-payment and less opportunity for payment assistance.

## **Sweden**

The increase in electricity prices led to a general increase in the prices of everything (food, goods, transport, etc.), which made the increased rent even tougher to handle. This puts people at risk of being unable to afford their housing or needing to lower their standard of living.

## **The Netherlands**

Due to uncertainty about how high the energy bills would be, many people needed help to budget their expenses properly. This meant either spending less on other things or cutting down on usage. With energy and gas, only so much can be cut. A lot more evictions could have happened, and many people have gone into debt. Energy poverty takes place in different households. In 68% of the cases, this happens to people in public social housing, 20% in privately owned housing, and 12% in owner-occupied housing. Renters are generally hit harder in terms of housing security than owner-occupiers. This results in generalized insecurity, health problems, and extra costs. Regardless of the compensation schemes, many people lived in cold

houses during wintertime, resulting in precarity and false choices between, for instance, food or warmth. Estimates of TNO state that energy poverty without government help would have doubled to over 1 million people.

### 3. In your opinion, did the cost-of-living crisis affect the housing crisis?

#### **Austria**

The more people leave their homes, the higher the chances that the rents will increase. In Vienna, we are already facing a problem of vacant flats and buildings, which could worsen when flats are left. There is a significant tendency to leave them empty, do "luxury" renovations, and rent them in a higher segment. The people who get evicted often live in houses that should be renovated soon so that the owners can raise the rent. This process could speed up.

#### **Belgium**

Opinion of Belgium's construction sector economists: "Despite rising prices for building materials and interest rates, Belgium's construction sector outperformed neighboring countries in 2022. These good figures are due to full order books at the start of the year, a mild winter, and various government support measures, such as reducing the VAT rate on demolition-reconstruction and tax incentives for energy renovations. Despite these good results, activity remains 3.4% below pre-pandemic levels, and it will be 2025 before the sector returns to pre-covid levels. In 2023, the number of building permits for new homes fell by 8.3% in the first ten months of this year." The construction sector is, therefore, experiencing an inevitable recession, which is also due to prolonged administrative procedures. If you want to get help to renovate your home, you have to call in an approved expert, but these experts are overwhelmed by requests – and planning permission is a real obstacle course. Moreover, it is worth noting that 10% of Belgian companies work in the construction sector, representing 7% of total employment. Any "problem" in this sector has significant economic repercussions in Belgium.

## **Czech Republic**

The Czech Republic is a post-communist country, meaning housing ownership is the norm. The mortgages were relatively cheap in the past (interest rate 1–2%), but keeping them on this level was impossible. The market got overheated. When the wave of inflation came, the Czech national bank decided to raise the interest rate, which also led to a rise in mortgage interest rates. Now, it is evident that property is not for everyone any longer, and the future of housing is rent. The landlords have already started to push the normalizing rhetoric of rent and try to sell it as a flexible and modern decision for housing. However, what it means is that there is a particular part of the middle class that got disenfranchised. This part of the middle class is losing their security now, and it is possible for us as a left to organize them. The middle class is the basis of capitalism, and if turned against it, it could change something. Instead of the individual owners, the ones who will buy the flats will be the institutional landlords and investors, meaning that the market is developing towards monopolization, which is quite a typical story. Construction goes with the normal tempo. The change happened in the structure of those who buy.

## **France**

The increase in energy prices has resulted in the rising cost of construction materials. The unpredictable variation of the energy and building materials costs has provoked delays in construction works, with construction sites finishing later than planned. In order to be able to deal with these delays and their consequences, construction companies have raised their cost of work, i.e., the budget asked to local governments. For this reason (and others), local governments have reduced the number of building permits. The slow level of construction has led to a further decrease in housing supply and, as a result, an increase in rental and homeownership prices. The cost increase also impacted the final housing price, which also grew. Moreover, inflation, increased energy, and increased rent costs also impacted households planning to buy housing. More and more households are canceling their credit purchase, and the stock of empty new-build housing is increasing.

## **Greece**

In the last few years, inflation of energy prices, explosion, rent increase, and also prices of food and petrol for those who use cars, all this together without any wage increase. Now, the government gives a wage increase of 6–7%, but the inflation is 15% for food and 60% for other things. So, this wage increase cannot cover the inflation in general. Those who are poorer are in an awful condition. There is a combination of political decisions and inflation consequences. From one side, there is the market dynamic, and the government facing this dynamic does not want to intervene, except for the poorest part of the population, where they give a little “epidomata” to avoid people dying in the streets. The Greek government gave tens of millions of euros for “help” with the money from the COVID programs and debt. The Greek public debt went up. For example, the Greek government does not want to control rent. Even in energy prices, they refused to put a ceiling; they preferred to give benefits “epidotisi”.

## **Portugal**

Construction costs rose 23% in 2023, but refurbishing has raised 38%, while new construction has raised 19%. The cost of living is increasing in all aspects (rent, electricity bills, food, gasoline, etc.). Banks are also raising their interest rates, significantly increasing mortgage payments for families who own homes. The prevailing narrative in the media and public institutions is that we need to increase construction in order to lower prices, thereby confirming that capitalist/liberal ideology continues to dominate and erode the rights of families while benefiting those who already have power and wealth. Moreover, increasing construction results in higher energy consumption in a context where energy must cover the population's fundamental rights.

## **Romania**

As a reaction to the cost-of-living crisis in Romania, the number of transactions in the residential real estate market decreased, while, at least for a while, the prices remained high. More recently, housing prices have started to decrease as well. Developers affirm that only the luxury homes market is not affected. The private rental sector

reacts differently. Experts suggest that rents will grow (because the market will force those who need a home and cannot afford to buy to pay more). Even more, they appreciate that in the near future, the developers will start constructing more for rental purposes, so the build-to-sell trend, which has been predominant until now, will lose its strength.

### **Serbia**

Immigration again, rather than the energy crisis itself, affected mortgages, and it is complicated to get one these days. Interest rates are very high, and monthly installments have doubled for those who have already had them. New people find getting bank loans almost impossible and undesirable, leading to the frozen housing market. In the previous months, rents dropped by about 20–30% (say real estate agents) since no more people from Russia are coming and local people cannot afford them. There are no changes in the prices of flats for sale yet.

### **Spain**

The cost of energy has increased the price of building materials, but the cost of housing has more to do with speculation and government policies. The recent rise in Euribor, the benchmark for most mortgages, adds hundreds of euros a month that many households cannot afford. Those who have been able to bear the costs of the energy increase are now at risk of eviction for non-payment of their mortgage. In Spain, with a shallow level of public housing and the high cost of rent, there is no option of adequate housing for many with low or even mid-income.

### **Sweden**

There has been a decrease in housing construction, partly because of increased energy costs, rising interest rates, living costs, and construction costs. This was also due to a change of government this past year (to the right).

## **The Netherlands**

Oddly enough, the two crises are kept separate. We have a housing crisis and an affordability crisis. The current main issue for construction is the carbon oxide crisis. The affordability crisis, however, is, of course, the same crisis with a different focus. The constant price increase is one of the main problems in housing construction. It also showcases the problematic dependency of having a "housing market." The value of a home now depends on market speculation, which gives no certainty whatsoever. The value of the ground has become a significant indicator for rent prices, thus increasing the price of the ground and making construction more expensive.

### **4. What were the governmental measures to counter these effects? What do you think about them?**

(Responsibility in the crisis and political/economic outcomes of measures taken)

## **Austria**

The energy company "Wien Energy" is in the hands of the state and made a plus of around 400 million euros last year. This is an increase of the profit of 176% compared to 2021. At the same time, Wien Energy's energy prices increased. For compensation, the government is paying fixed sums to every household to compensate for the higher energy costs. Instead of limiting the profit of the town-owned energy company and preventing the increased energy costs, the government's payments are only a symptom control and do not help the renters sustainably. Also, compensation payments are insufficient for many people and will only be paid for a limited time.

## **Belgium**

On the one hand, in Belgium, there is an automatic indexation system for a majority of employees when the cost of living (basket of products and services) exceeds an increase of 2%. Salaries are then indexed by 2% either directly or at the end of the year. Energy currently accounts for around 10% of this basket – a percentage that has been rising in recent years. Although this system is attractive to employees, it pushes up inflation – in June 2023, inflation in Belgi-

um, excluding energy and food, was still 8.70%. This directly impacts structures (companies – associations) that do not have the means to bill the entire increase to the end customer.

On the other hand, the Belgian government has taken several measures to limit the impact of these cost-of-living increases. One measure for all Belgians was to lower VAT on gas and electricity. Several measures were targeted at lower-income people, with the introduction of social tariffs. Finally, specific support measures have been put in place for those not part of a network (gas – electricity) (chèque mazout and chèque chauffage à pellets). As a result, many people on modest incomes were able to weather the worst of the crisis. However, it is the future that's most cause for concern: the end of all this support on the one hand, and the fact that it is no longer possible to obtain fixed-rate contracts, allowing us to avoid the impact of this type of crisis. The future will not be rosy!

### **Czech Republic**

They put a cap on energy prices. The biggest problem is still rent, not the energy.

### **France**

An energy shield was set up by the government in 2022 in order to moderate the risks of unpaid bills. Its effects are minimal. According to INSEE, from 2021 to 2022, the increase in electricity, gas, and petroleum products prices has led to a general rise in energy prices of around 28% over the past year. This increase would have been twice as high (+54%) without the tariff shield introduced by the government in early 2022. More specifically, The price of electricity for households increased by 4.7% instead of 36.9% if the tariff shield had not been put in place.

Nevertheless, this aid is not applied similarly to the public and private housing sectors. The annual aid of the state to public housing is 1300E/year, while for private individual housing, it is 5000E/year. To illustrate with an example: for a social housing apartment, the aid will be 110E/month, while for a 200 M2 individual house (where



the energy losses are much more critical), the aid can go up to 420E/month. In response to the ecological and energy crises, the government has made the energetic renovation of buildings or apartments that do not respect insulation standards compulsory. Among other things, this law prohibits landlords from renting apartments that do not comply with thermal insulation standards (G+ level) from 2025 and a rent freeze (from 2023 on) for the current tenants. Despite this measure's environmental and energy benefits, some social drawbacks must be considered: owners who want to escape the obligation of renovating their properties are encouraged to sell them and evict the renters living in them. Another consequence is the rise in rent following the renovation of the apartments, making them unaffordable for former renters.

Despite the energy and living costs increase, the government has not done much to tackle the housing crisis. It released its new "program on housing" with a few wholly insufficient measures. They did not even mention social housing when 2.4 million people in France are waiting for social housing. The government does not do anything about the speculation related to housing, especially in the real estate market. They also do nothing to regulate platforms like Airbnb, let alone tackle the problems of gentrification that it leads to. The same goes for housing and city planning as the government prepares for the Olympic Games 2024. The government did raise the budget allocated to the "Housing First" program. However, many organizations state that the government is responsible for creating homelessness, as shown once again by the Kasbarian law they passed lately, which is incoherent.

## **Greece**

There is a combination of political decisions and inflation consequences. From one side, there is the market dynamic, and the government facing this dynamic does not want to intervene, except for the poorest part of the population, where they give a little "epidomata" to avoid people dying in the streets. The Greek government gave tens of millions for "help" with the money from the COVID programs and debt. The Greek public debt went up. For example, the Greek go-

vernment does not want to control rent. Even in energy prices, they refused to put a ceiling; they preferred to give benefits "epidotisi". The government could limit the profits of companies. For example, when the food prices increased from 15 to 40% in the supermarket, the supermarkets almost tripled their benefits. The government does not want to limit the capitalists' profits, place ceiling prices, or raise taxes. In two years, supermarkets have doubled their incomes; they had 2017–2021 1 billion €, a 10% yearly increase. So, in five years, they increase their revenue by 10%. Only milk and bread have ceiling prices. This has to be extended to other products. Increase taxes and reduce VAT: increase direct tax and decrease indirect tax. There is a political responsibility for the cost-of-living crisis.

## Portugal

All the situations (rising energy prices, rising loan interests, and inflation) are mainly considered inevitable and caused by mysterious and external forces and with no relation to the direct action of the state and government or with the enormous profits accumulated by banks and energy corporations, those having been privatized about ten years ago. So, the measures are mainly assistencialist, supporting the incapacity of people to pay and never addressing the real cause of inflation. As follows, a few measures were implemented, but too few for the vast need. In 2021 and 2022, tiny support was given as a discount of a few cents daily for 15 days on electricity bills,<sup>27</sup> an extraordinary amount of 60€ to face the rising cost of food,<sup>28</sup> and another extraordinary support of 240€ for very vulnerable families.<sup>29</sup>

**27** <https://www.edp.pt/particulares/apoio-cliente/perguntas-frequentes/pt/contratos/beneficios-sociais-ou-condicoes-especiais/o-que-e-o-regime-de-apoio-extraordinario-ao-consumo-de-energia-eletrica/faq-19589/>

**28** <https://www.dgeg.gov.pt/pt/areas-transversais/politicas-de-protecao-ao-consumidor-de-energia/apoio-aos-beneficiarios-de-tarifa-social-de-energia-eletrica/>

**29** <https://www.deco.proteste.pt/comunidades/financas-pessoais/orcamento-familia/conversation/10653/apoio-240-euros-quem-tem-direito>

In 2023, an extraordinary subsidy of up to 200€ monthly was given to help pay the rent for families that already paid a social price for electricity (180 thousand families). This measure left out many families, either because they have electricity contracts in the landlord's name or because there is no regular electricity contract for people living in self-built neighborhoods. A 720€ annual support for families who pay back their mortgage to the bank.<sup>30</sup> Another extraordinary 360€ for very poor families.<sup>31</sup> The "zero VAT" policy for some food items had little impact on prices because food distribution chains increased prices, nullifying the measure's effect, as the government does not regulate or punish these large companies. The measures mentioned above are insufficient and haphazard and do not address any of the causes of inflation, nor do they touch the rising profits of large landlords, banks, or energy companies. The amounts involved in these supports and subsidies are unworthy and insufficient to solve the precariousness of the most vulnerable families and respond to their food, housing, and energy needs. They leave many people out, but they have a pacifying effect in the context of extreme difficulty.

## Romania

Law no. 357 of the 13th of December, 2022, regarding the measures applicable to final customers in the electricity and natural gas market from the 1st of April, 2022-March 31, 2023.<sup>32</sup> This law defines the maximum price for energy (both gas and electricity) that a company can ask for, according to the level of consumption: 0.68 lei/kWh (up to 100 kWh consumption); 0.8 lei/kWh (consumption between 100.01 and 255 kWh); 1.3 lei/kWh (over 300 kWh consumption). This measure applies to all households regardless of income. It is not a regularization of the price on the energy market. It is a subsidization of the energy price that reaches the suppliers (cc 60% of the total invoice

**30** <https://www.deco.proteste.pt/dinheiro/comprar-vender-casa/noticias/credito-habitacao-quem-tem-direito-apoio-quanto-vai-receber>

**31** <https://www.portugal.gov.pt/pt/gc23/comunicacao/comunicacao?i=apoio-extraordinario-de-90-e-pago-hoje-a-um-milhao-de-familias>

**32** <https://legislatie.just.ro/Public /DetaliiDocumentAfis/262447>

price is paid by the state directly to the supplier). It is a measure that combines price liberalization with subsidizing companies and contributes to the maintenance of the prices and the companies' profits.

Governmental Emergency Ordinance no. 166 of the 8th of December, 2022, regarding some measures to support vulnerable categories for energy price compensation, partially supported by non-reimbursable external funds.<sup>33</sup> This Ordinance defined vulnerable categories as persons with income below 2000 lei. Those, in this case, are provided with energy cards worth 700 lei twice in 2023, in February and September. According to the governmental declarations,<sup>34</sup> Four million persons benefited from such cards for a total of 2.8 billion lei.

### **Serbia**

Serbia still imports gas from Russia and gives large subsidies for electricity and heating. This is probably why the energy crisis has not been felt that intense here in relation to housing. On the other hand, inflation is enormous, around 15% last year. Food prices have risen, especially for staple foods, and everything is much more expensive. At first, the government regulated the prices of oil, milk, flour, sugar, and salt, but only for a few months. It is estimated that by the end of the year, inflation will drop to 8%, but many are suspicious about these projections because the prices of necessities keep going up. We suspect that this will lead to more and more people deciding not to pay their utilities so that they can eat and that it will pile up their debts, eventually leading to housing problems and more encounters with bailiffs.

### **Spain**

In April 2022, Spain reached an agreement with the European Union to decouple the price of electricity from the price of gas. This meant a drop in the price of electricity for some types of contracts. There

**33** <https://legislatie.just.ro/Public/DetaliuDocument/262296>

**34** <https://www.digi24.ro/stiri/actualitate/social/guvernul-a-aprobat-modificari-pentru-utilizarea-cardurilor-de-energie-se-pot-plati-si-datorii-de-anul-trecut-dar-cu-o-conditie-2343647>

is a social bonus available to large families and vulnerable people that lowers their energy bills. In some cases, there is also a ban on supply cuts for vulnerable people. Regarding transport, some buses and trains were made free or at a reduced cost. There was a discount of 20 cents per liter of petrol and diesel during the year 2022. In housing, there have been some measures, such as a moratorium on evictions in some cases. For those with mortgages, measures to defer the payment of the capital for 2 or 5 years or to give the house instead of payment of the debt are available for those that meet the scheme's requirements. The new housing law has some positive elements, such as the possibility of limiting rents in stressed areas. However, it depends on the Autonomous Communities for its application and will probably have little effect. A housing law presented in parliament and rejected in September 2021, which the PAH formulated with the backing of more than 150 entities and the support of 9 political parties, would have helped to solve the housing problem in Spain.

### **Sweden**

We were given electricity support based on our electricity consumption. This meant that those who used more electricity got more support (and those people were generally the rich since those with strained economies tended to adapt to raised electricity prices by lowering consumption). The political right also decided to keep the statistics of who received the most support secret. The electricity support was also often given to the landlords instead of the tenants.

### **The Netherlands**

The measures were mainly focused on relieving the financial burden via subsidies from the municipality and tax decreases for energy companies. The government took on much of the financial burden instead of fixing the price gouging from corporations. Moreover, the government has ordered municipalities to support housing corporations that signal tenant payment issues. This leads to intrusive involvement from municipalities, who are often improperly prepared for the various factors that influence housing insecurity. As an alternative, tenants are offered payment schemes by social housing

corporations to stay in poverty, just above or below the poverty line for a longer period. In this way, the number of evictions can be kept relatively low. However, the poverty/precarity rate can be kept high. Furthermore, government subsidies for gas go directly to households and people. They then pay this to the privatized energy companies. In this way, energy companies can secure their profits with state backup. They are leaving more than 600.000 people in less, but still precarious, situation. While these energy corporations profit, no attempts are being made to take direct public control over energy companies or social housing corporations. In the National Housing Action plan, the government aims to end the situation where 280.000 poorly insulated houses, with E, F, or G labels, often cheap social rental houses, are 'phased out.' It needs to be clarified how. If this means demolishing, it is bad; if this means isolating homes with state finance, it is good. The government needs to do more to support its citizens and manage to address the central issue effectively. This means that much tax money has been used to give the impression of more stable prices. Energy corporations have profited as much from these subsidies as they compensated for the financial burden of price gouging on the citizens.<sup>35</sup>

## **5. Were there any self-organized initiatives in your local context? Were there any actions, mobilizations, or campaigns to face the rising cost-of-living crisis?**

### **Austria**

We had a big rally in front of the energy company. We also made open assemblies because the costs of living rose so much. At the same time, another left-radical group from Vienna made a poster campaign about the interrelations of the energy crisis and the inherent crisis character of capitalism. In general, it is tough to mobilize people

**35** <https://www.tno.nl/nl/duurzaam/systeemtransitie/sociale-innovatie/energiearmoede-voorkomen/>, <https://www.ad.nl/economie/geen-verwarming-aan-en-koud-eten-600-000-huishoudens-leven-in-energiearmoede~ad7222ea/>

in Austria and Vienna for housing struggles because people are very used to the administration dealing with their problems individually.

### **Belgium**

Yes, on a local scale, many associations have mobilized to provide direct aid (with shortages of food baskets) or inform people of their rights. The media reported on the associations' difficulties in coping with the crying need: "Faced with the energy crisis, requests for help have never been so numerous in Belgium. Moreover, that is even among social classes that have never experienced difficulties. However, the non-profit sector is struggling to help them. Affected by the crisis, they are now wondering how to continue to operate." An association in the center of Brussels (CAFA in Saint Gilles) explains: "But today, with the energy crisis, it is overwhelmed with requests, including those from a new public: households with two salaries who now have to choose between feeding themselves or paying their energy bill.

Moreover, for its workers, like Louca Licata, it is all the more difficult because we do not have the protective measures to cope with the sheer scale of the situation. A lack of means translates into anger: When people come to the service, they come with anger because they do not understand the situation. It is a nebulous situation. It is not very easy to understand. So, she also comes with a certain distrust of politicians, companies that supply electricity, etc. Furthermore, we have to deal with all the problems that come up, and with all this anger, which is not always easy [...] And the most challenging thing is that we do not really have a solution. So we find ourselves faced with helpless people, which is complicated for social workers to deal with."

### **Czech Republic**

Yes, there was a campaign called "Energy to the People" organized by the climate movement. The campaign was aiming to insulate windows. However, it could have been more successful and became known only in the houses of people from the activist left scene. There was also a demonstration during this campaign, but it was not that well attended either.

## **France**

Throughout 2022, a growing number of tenants were mobilized spontaneously or organized against the rise of energy bills and sometimes water bills due to the changeover of telemetric meters. Since the beginning of 2023, mobilizations of social housing tenants have taken place in Marseille, Grenoble, Lyon, Paris, and Saint-Denis, demanding lower charges and rents, an increase of state aids (APL), and a freeze on energy prices. Raising rents and energy prices are today (and expected to be during the next year) one of the main preoccupations of tenants. Organizations like DAL, for example, organized many demonstrations and gatherings to raise awareness about the terrible consequences of the Kasbarian law. Self-help initiatives are often organized for urban renewal projects. These projects usually plan to destroy housing and then build new ones without effectively considering the inhabitants' opinions. Lately, in Toulouse, Mirail, for example, as in many other cities, a group of residents started to resist a destruction project and have been joined by architects.

## **Greece**

In Greece, there are many initiatives against the expensive cost of living. They are from neighborhoods, even from more central ones. Their purpose was to make people aware of their rights. There were some attempts in supermarkets to ask for a decrease in prices (15 actions), and some succeeded (αυτομείωση). There is an excellent movement to reconnect electricity. It is a reconnection of the fuse until you can find money to discuss with the energy company you buy from. Until now, there is tolerance because you were not stealing electricity but just reconnecting the electricity board. The companies did not evict people who had reconnected. Only a few days ago, some people were accused of illegal reconnection. In Greece, the movement is concentrated on people who had mortgages and cannot repay them, but on a level of renters; only now have some people started getting interested. So, there is nothing to show on this level. Squats were a movement that faced much repression, especially with the last government of Mitsotakis. The squats that exist still are silent. Those who are threatened with eviction are called squ-



atters; many refugees and immigrants squat in empty buildings, and some even say they live in a squatted city.

## **Portugal**

The Climate Justice Movement has demonstrated many times in 2022 and 2023 with marches and direct action against the profits of energy corporations and for energy justice. Organized by a new collective based on periphery neighborhoods, there was a massive mobilization in February against the rise of the cost of living and for a fair and just life. It will happen again in October. In April, during the HAD of EAC, a very expressive demonstration was organized by a platform of collectives that has put into the streets around 30 thousand people in defense of housing rights against the package of policies that the government has called "+ Habitação" and which are essentially measures to support property, overriding the need to inhabit and not addressing the deep and urging housing crisis. This protest occurred in several cities nationwide, with thousands of people taking to the streets. The same platform had a demonstration at the end of June and aims to organize a new one in September.

The main demands are the following: End of evictions and demolitions without the alternative of decent housing that preserves the household in its area of residence. Lower rents and fix the values indexed to the household's income, never exceeding 20%. Guarantee the automatic renewal of the current rental contracts. Fix the value of the installments of the loans for the first housing loans at the value of the installment paid in June 2022 without public compensation to the bank. The immediate revision of licenses for tourist speculation: local accommodation, hotels, and tourist flats. To collectivize the empty houses of real estate companies, investment funds, and large landlords, we want the publication by the end of November 2023 of a list of vacant properties owned by the state or by the corporate sector and vacant private properties. Put a real end to gold visas, the Migrant Entrepreneurs program, and the non-habitual resident status, which are all incentives for digital nomads, and end the tax exemptions for luxury real estate and companies and investment

funds. Additionally, since the pandemic, local groups have provided direct support (such as food) to needy families and individuals.

### **Romania**

We have yet to learn about self-help initiatives. In November 2022, in Cluj-Napoca, Căși Sociale ACUM! together with Gastivists and Fridays for Future, organized the protest "Everything is too expensive"<sup>36</sup> to contribute to raising consciousness about how the increase in energy prices goes hand in hand with the increase in the profits of energy companies. On January 2023, we made a webinar on this topic with the same aim. How do we explain the low participation at these events? By the temporary measures mentioned in point four of the questionnaire, which have some pacifying effects on the majority of people. People internalized the calls that put the responsibility on their ability to make savings and did not think they could do something against the energy companies that made extraordinary profits, even if they knew about them.

### **Serbia**

Only the ones that already existed, such as solidarity kitchens, which increased their activities in 2020. We are unaware of any campaigns related to the cost of living and energy crisis alone; at least, not one has shaken the public like in other European countries.

### **Spain**

There have been marches and demonstrations to protest against the rising cost of living throughout 2022. In October, there was a demonstration called the "Gran Marcha" in Madrid.<sup>37</sup> At least 15,000 people, according to the Madrid Government Delegation, and many more, according to the organizers, attended the march to demand the revaluation of salaries and pensions in line with the Consumer Price Index (IPC). In its struggles for housing and anti-eviction, the

**36** <https://casisocialeacum.ro/archives/7231/protest-totul-e-prea-scump/>

**37** [https://www.elespanol.com/espana/20221015/miles-personas-manifiestan-madrid-reclaman-ipc-pensiones/710928941\\_0.html](https://www.elespanol.com/espana/20221015/miles-personas-manifiestan-madrid-reclaman-ipc-pensiones/710928941_0.html)

PAH has included “Suministros Básicos Garantizados so that every family has access to water, electricity, and gas.”

## **Sweden**

Outside of our efforts, there were none that we knew of.

## **The Netherlands**

The cost-of-living crisis has led to several actions and campaigns, but most locally without garnering much attention. There were no large-scale organized attempts to energy strike like in Belgium<sup>38</sup> or the UK.<sup>39</sup> Nevertheless, Bond Precaire Woonvormen (BPW) is since 2020 supporting and organizing the action-campaign.<sup>40</sup> Rents have risen over 35% in the last ten years. After paying rent, more than 800.000 people live with insufficient money to pay for necessary things like food or warmth. Thousands of people all over the Netherlands refuse to pay the rent increase by the 1st of July.<sup>41</sup> Seven local groups in Ermelo, Utrecht, Veenendaal, Amsterdam, Den Bosch, Leeuwarden, and Den Haag emerged and started to work on the campaign from below in different neighborhoods. Also, nationally, people are helped with a step-by-step plan to refuse the rent increase. The website is available in English. See here our working method.<sup>42</sup> Nationally, the wage moderation, energy, inflation, and affordability crises have increased the popularity of unions. The mobilization and amount of actions regarding purchasing power of labourers has increased significantly. Some successes were made. But due to high inflation levels there is little purchasing power growth or even decrease.

**38** <https://www.wijbetalenniet.be/>

**39** <https://dontpay.uk/>

**40** [www.wijweigerendehuurverhoging.nl](http://www.wijweigerendehuurverhoging.nl)

**41** <https://bondprecairewoonvormen.nl/2023/06/nieuwsbrief-wwdh-10/>

**42** <https://wijweigerendehuurverhoging.nl/faq-de-huurverhoging/>

## 6. What do you think about how this will go on? Do you know about initiatives or ideas for the future?

### **Austria**

We know about the "Don't pay UK" which reached many people. In Germany, the campaign "Wir zahlen nicht" was not even signed by 5000 people. So, campaigns like this only sometimes work. However, on the other hand, the campaign "Deutsche Wohnen und Co. " was quite successful in Berlin. Much grassroots work must be done to convince people that a realistic alternative to the capitalistic system exists.

The task for the EAC would be to support the knowledge transfer between our groups so we can learn from strategies all over Europe. Because it is also helpful to use examples from other contexts to convince people.

### **Belgium**

It seems that we cannot ignore the violence done to the poorest in the current context of multiple crises against a backdrop of energy sobriety on the part of those who think "ecologically." The term "voluntary energy sobriety" is particularly insulting. We carried out a survey last year. Here are a few extracts: "You're poor, so you cannot be a savior of the world! The conventional bourgeois bobo ends up looking condescendingly at the "dirty poor" who pollute. Transition is a bourgeois revolution! "It is the political approach to the problem that needs to change (...) Regarding housing, decisions can no longer be taken just between elected representatives with one or two lobbyists behind them. This is true for all parties, including ECOLO. The academic world and the building industry must be genuinely consulted, not merely given the status of guarantors. Not to mention the voluntary sector, which has useful ecological expertise and is responsible for rehousing the most disadvantaged... We need to have an honest discussion with the people concerned. We need to stand at the entrance to ALDI (=cheap store) and FÄRM (=eco-bobo store) at the same time and sound out the souls of the people who enter. What

is perhaps most unbearable is the sense of militancy that comes with buying organic products. This smugness is unbearable!"

EAC cannot do anything alone. Perhaps we should get closer to HIC, whose program for the year includes work on social justice in the face of ecological transition.

### **Czech Republic**

We need to analyze the influence of this crisis on different groups of people. We must also analyze how to address these groups through particular organizational practices. Many of those are losing their privileges; we can turn them to the left before they turn to the right. This unstable group inside the middle class could be brought closer to workers if we know what we can base their connection on. Housing is an excellent example because it can connect the disenfranchised middle class and the workers on a practical organizational level.

The role of EAC is to be a space, a platform where we share our experience of political work. We would like to know on which basis other groups do their analysis and what the outcomes of their practices are.

### **France**

We are not experts in this field; nevertheless, we align ourselves with other movements/ experts claiming that the most effective way to tackle the energy crises is by reintroducing state control in the different stages of production and distribution of energy and by nationalizing gas and energy production companies. Regarding the EAC, there could be two things that we could do: a) support and give visibility to organized or spontaneous grassroots struggles of inhabitants fighting against the rise of energy bills and rents (we could organize talks, webinars, campaigns, meetings for this specific topic, etc.); and b) create alliances and build the ground for joint mobilizations with ecological and movements and other collectives fighting the energy crises.

This crisis will keep on going and will worsen. French organizations are already trying to organize some actions related to housing struggles and the Olympic Games.

The EAC could also discuss the Olympics topic because it is a transnational event that always has terrible social and environmental consequences. It also happens in a year, leaving some time to discuss and think about transnational actions. The same goes for the MIPIM, even though the EAC has already taken action. The support shown by EAC during the Kasbarian law movement was essential.

### **Greece**

One solution: revolution! The main question is how to threaten these initiatives. In two ways: to make them more visible so that people get to know about them and to make people believe movements may succeed with their actions. With the government, as it is now, there is no way to discuss or expect anything. These will not want to be discussed at all. So, in front of the state, there is nothing to expect. Only if such a movement threatened the state (like mobilizations with 100,000 people). However, social self-defense is the only solution people are looking for, thinking about reconnecting electricity, asking for lowering food prices, and protecting someone from evictions, collective kitchens, and markets without intermediaries.

### **Portugal**

These multiple crises have the same origin: the capitalist system and the lack of democracy within institutions that claim to be democratic. The largest global companies are profiting like never before (especially fossil fuel companies, which have been recording record profits) while the cost of living increases. In the face of inflation arising from the dynamics of post-pandemic, war, and energy crises, the rise in interest rates has not resulted in a fall in housing prices until now, making it very difficult for the working class to pay rent. New bubbles and bursts in a volatile economic environment can accentuate the concentration of ownership since the previous global financial crisis. It is growing unsustainable. There is much discontent, but it is very disorganized. The cost of living keeps rising, as well as rent,

food, and energy. Wages are not rising; work is increasingly precarious. It is necessary to make the real explanation for how the crisis works prevail, with losses for the majority and big profits for the financial elite. The state promotes this way of working while putting on small band-aids that solve nothing but pacify society. The media does not dismantle the smooth machine of capitalism.

Moreover, still, it is a so-called socialist party in government. We must build a simple and understandable narrative that relates people's difficulties with the normal functioning capitalism. We should also discover and determine our role in organizing discontent. We should mainly address people rather than political power. They do not ignore what is going on. The main opposition to this structural functioning in Portugal comes from the climate justice movement and its different campaigns. For example, the "Jobs for the Climate" campaign proposes the creation of a public renewable energy service and another proposal to ensure "100% renewable and affordable electricity for all families by 2025." It also proposes nationalizing the public energy companies (production and distribution) privatized ten years ago.

With the EAC, we could reinforce the alliances already existing with the climate movement in each country.

### **Romania**

With the occasion of our protest mentioned, we formulated the following general demands, which we continue believing to be part of the solution to the cost-of-living crisis: Housing and utility costs should not exceed 20% of income. Salaries and pensions should increase in line with living costs. Energy, food, and housing market prices should be reduced and capped. Social utility rates should apply to all those who earn below the national average income. The number of social public housing should increase according to the real needs in the localities.

At the EU level, the EAC could participate in larger initiatives that make the EC accountable for its economic policies in the field of

energy, i.e., the privatization of companies across the Member States since the 1990s and the liberalization of prices and creation of the European energy single market with this aim. In Romania, the liberalization of the energy market began during the period of austerity measures with Law 123/2012; however, the Emergency Governmental Ordinance 114/2018 capped the prices for a while until another Ordinance, 1/2020, announced that the liberalization of natural gas respectively of energy prices will happen in Romania starting with July 2020 and January 2021. This liberalization trend should be reversed as a primary solution for the cost-of-living crisis, and EAC could raise awareness about this.

### **Serbia**

We think that more poor people will face evictions because of utility bills and living costs, but we have not noticed that yet in our practice. Law on Enforcement protects people with utility debts lower than 5.000 euros from evictions (this applies to homeowners, not tenants).

### **Spain**

The rising cost of living and basic supplies has burdened families already struggling to pay for their homes or find an adequate housing solution. Rising rents and mortgages have made it impossible for many. Meanwhile, the banks bailed out in the 2008 crisis are leaving homes empty. Those who, as a last resort, "repossess" or squat in empty homes face a lack of or cuts to essential utilities due to the refusal to install legal meters. The government continues to support big businesses that pay little tax and do not demand the repayment of the bailout money by the banks. Decent and adequate housing must be a fundamental right and include basic supplies for all.

### **Sweden**

Prices have increased more in Sweden than in neighboring countries. Those who are setting the prices (landlords and capitalists in general) are using these multiple crises as an excuse to raise prices even more than necessary. This has also affected the perspectives of the general public. Citizens tend to accept the raised prices, and a general feeling of "there is nothing we can do about it" is present.



Price negotiations have gotten more complicated for the institutions that are supposed to represent the people because it is difficult to know if the demands from landlords are reasonable since you cannot connect them to a specific cause. We are not aware of any large-scale efforts to combat this trend. What needs to be done shortly is the introduction of a rent ceiling and more transparency when setting prices so that any increase can be linked to a specific cause.

We think EAC could help by organizing groups against international corporations dominating the housing sector in different countries. That way, we could question why these corporations may raise rent more in certain countries and less in others.

### **The Netherlands**

Many crises are going on at the same time. We name it according to how we perceive it, but it all stems from the same issues of late-stage capitalism. Thus, we need to address the system's crisis as a whole. The affordability and housing crises are the same if you consider that the complete issue is a lack of money and being forced to work in exchange for it. The entire sense of precarity of living in a capitalist society is the crisis that needs attention. The crises became so bad that people could not afford to eat or have a home.

## CONCLUSIONS

When the energy crisis erupted in 2022, its effects were added to the old, well-known housing (affordability) crisis. It was immediately apparent that the same people affected by one are the more affected by the other. In the European Action Coalition for the Right to Housing and The City, we did not believe what local, national, and EU institutions spread around, i.e., that these crises were some natural and inevitable disasters whose repercussions should be silently suffered by people. So, we decided to go deeper in understanding the relations between the “new” energy and cost-of-living crises and the never-ending housing crisis, as well as their economy, politics, and lived experiences. As usual, we looked to share information that could mobilize politicized actions. Even if they are supposedly controlled now, or as the mainstream economists name it, “adjusted,” the increased energy prices that motivated writing this brochure still give us a perfect case to study how capitalism creates multiple crises and solves them while preparing the causes of the subsequent crises. Under the course of the two major conjuncture events in the last years (COVID-19 and the war in Ukraine), the political power provided an easy and mystifying explanation for the energy crisis: bottlenecks and scarcity were responsible for price rises.

### What can we learn from the brochure about the causes and effects of the energy crisis embedded in capitalism?

1. As Section I clearly shows, far from being inevitable, the energy crisis has been prepared for long. As an example of the most radical neoliberal faith, EU policies have first privatized and then deregulated the energy business, putting in the hands of capital alone the supply of something that should satisfy a basic human need and letting the profit makers fix the supply conditions. The apparent result was a massive rise in energy prices, allowing corporations to maintain their exorbitant profits.
2. The sudden increase in energy prices caused general inflation that affected all market prices, especially food and housing.

3. Even when the results of these choices were catastrophically present in many people's lives, the European Union, followed by local governments, continued its policy of increasing interest rates that benefited the bank system again. As in every crisis, the EU and Member States institutions pressed the bottom and a significant part of society, squeezing all the wealth to benefit the opposite, most affluent minority, deepening the gap between the rich and the poor.

4. The effects of the structural processes unveiled in Section I of this brochure are transpired in the narratives of housing activist grassroots groups presented in Section II. The EAC members' responses, with different traits more specified in different contexts, never deny the structural storyline but enrich it with details and lived experiences. People's voices reveal several significant aspects of the energy crisis:

- The poverty level increased generally and deepened for the ones who were already very poor. First was the incapacity to pay for energy bills, and then came the energy cuts, which increased energy poverty. Incapacity to pay for the house and its correlated expenses attained the so-called middle classes, turning a problem traditionally faced by the very poor into a problem of a large majority.

- The energy crisis turned into a cost-of-living crisis and ended to add insecurity to the long-course housing crisis: the incapacity to pay rents or mortgages made people lose their houses and so increased evictions. It also brought up other forms of housing insecurity, such as illness caused by cold and insufficiently heated houses and fire accidents caused by alternative ways of heating. Overcrowding increased overall as a strategy to cope with unbearable rents.

- Houses emptied by evictions were left empty for speculation or renovated (also for energy improvements). In both cases, they re-entered the market after some time with new and higher prices, preserving them for wealthier people.

5. When it became impossible to ignore the massive suffering of people, unable to choose between eating or heating their houses, incapable of paying rents and mortgages, and helpless in facing the imperious need for shelter, let alone a good house, most governments displayed small hand-outs and alms, to pacify the deep revolt feelings that could have fed a popular uprising. Never addressing the real causes for all three crises – housing, energy, and cost of living – nor even recognizing that they have the same origin – the profit as the engine of capitalism – the national governments and the EU rejected taxing energy corporations in an effective way as well as controlling rents. So, political decision-makers complied with another rule of neoliberalism that prevents taxes on profits as much as framing common needs in public responsibility. Some countries reported that the government has capped energy prices, showing that price caps on essential goods are possible and only depend on political will.

6. What (at least some) governments did not forget to do was protect property rights with laws that criminalized the failure to pay rent and mortgages, let alone squatting, as one way of giving back to houses the purpose they were built for.

### How can we organize against the crises produced by capitalism?

Identifying a cause for the crisis in state policies supporting the capital means that this (and other) crises are not inevitable and that there could have been an alternative to capitalism, contrary to what neoliberal prays say. Understanding the chain of causes for the energy crisis and pointing out how the EU policies support capitalism, we can better relate it with the other crises we already know: housing scarcity and insecurity, also dictated by the absurdity of having private property rights above human life.

1. Section II of our brochure reveals that local reactions to the energy crisis manifested mainly through:

- Solidarity and mutual aid strategies: distributing food, reconnecting electricity cuts, etc.

- Actions and protests to raise consciousness about rights, often putting together housing and energy justice movements and starting new cooperation platforms.

- Nevertheless, even if these actions were successful, social movements could not reverse the course of the multiple aggressions, from the high cost of living to laws prosecuting debts and squatting. So, frustration is tiring the social movement.

2. Recognizing crises as a permanent device of capitalism to reinforce its functioning, that is, to extract profit and accumulate wealth in just one side of human society, we must build real alternatives to capitalism and destroy the hegemonic storyline: individual failure, individual responsibility, and individual solutions. We must also reject the collective acceptance of this resignation trend.

3. EAC mainly addresses people from dispossessed and impoverished social categories in its actions. Nowadays, as the middle classes are being disenfranchised and not able to get a house to live in, we have an opportunity to organize with them as well.

4. To promote our approach, we must cooperate with and articulate with other organizations, especially those involved in housing and climate justice struggles.

### What do we demand from EU policy-makers?

As we are approaching the EU elections, and since its results can affect our lives, we address some simple questions to the candidates: Why is the EU always acting its economic and social policies in a direction that inhibits public investment into public housing or the regulation of prices, rents and financial speculations, and taxing the owners of banks and investment funds?

The states bailed out the banks when they went bankrupt in the 2007/2008 financial crisis. The banks bailed out in previous crises now take houses from families, causing a humanitarian crisis in

many places. Further, they let them empty to speculate their prices and later sell them to those who, having profited from the crisis, use empty houses as a money safety box. In the aftermath of the former financial crisis, the EU aimed to securitize capital investments further and created novel possibilities for expanding the non-banking financial sector that benefited from the quantitative easing measures to enlarge their global real estate, including housing portfolios.

The European Action Coalition for the Right to Housing and to The City condemns profiting from basic needs and the right to live. Being fundamental to life itself, housing, energy, and food, as much as air and water, are common goods and, as such, should not be merchandised and manipulated by the interests of profit-making. In any case, capital accumulation should never come before human needs.

**Housing and energy are essential for everybody's life and should be socialized common goods managed by public powers or other collective forms of ownership.**

**Let's fight for it together! Together, we are strong.**



Housing and energy are essential for everybody's life and should be socialized common goods managed by public powers or other collective forms of ownership.

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**LET'S FIGHT  
FOR THEM  
TOGETHER!**

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Together  
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strong.



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

