

Berlin voters say: Expropriate the landlords!

written by Gregory E. Williams
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At a protest against high rents in Berlin, demonstrators hold a banner with the inscription 'Wohnen fuer Alle!' (Housing for All) on September 11, 2021.

Renters around the world should watch developments in Germany's capital city, Berlin. Housing activists there achieved a tremendous breakthrough by getting a referendum passed to expropriate the property of big corporate landlords owning 3,000 or more units. The referendum states that these properties are to be converted into public housing. The vote was 56.4% in favor.

Many of the properties in question were publicly owned to begin with; in the mid 2000s, the city privatized half of its 400,000 units, and there were previous rounds beginning in the 1990s, after the overturn of the socialist German Democratic Republic (GDR) and the creation of a single capitalist state.

The campaign for the referendum, "Deutsche Wohnen & Co. enteignen" (expropriate Deutsche Wohnen & Co.), goes back to 2018. But it got a boost in April when a constitutional court struck down Berlin's rent cap, which froze rents at 2019 levels for 90% of apartments for five years.

It was the big landlords and real estate investors, along with a coalition of right-wing parties, that brought the issue to court. Among them was Deutsche Wohnen, the campaign's namesake, which alone owns 240,000 units, or 11% of all units in Berlin.

The court ruling was, therefore, the result of an organized capitalist assault on working-class Berliners, who had overwhelmingly supported the rent cap. Renters were enraged, as they say their rents jacked up during the pandemic.

But activists met the capitalists' organization with their own. Dont Rhine, of the Los Angeles Tenants Union, spoke with referendum organizers and observed: "The referendum campaign mobilized large numbers of people to canvas neighborhoods. This meant organizing neighborhood campaign captains and block committees to canvas buildings and have many tenant-to-tenant conversations.

"Much of this effort was organized autonomously from large organizations but

conducted from within activist and social relationships. The grassroots nature of the mobilization also ensures an active base in possible future fights to ensure that the referendum is translated into law.”

Die Linke (the Left Party) and the Green Party supported the referendum, even though they did not spearhead it.

Broader lessons

Now, the challenge is for the movement to keep up the pressure so that the city government carries through with the expropriations. The referendum is not legally binding. However, with 80% of the Berlin population being renters and one victory already behind them, there seems to be a basis for intensifying the struggle.

The implications for the world outside the city are not being lost on commentators. Even [a writer for the Guardian noted](#) that “this successful campaign marks a potentially transformative moment — one that could have a major impact on housing struggles in other cities, and also serve as a template and inspiration for activists in Europe and elsewhere.”

There may be many strategic lessons here. For one, Berlin is showing that it is possible to take on the big landlords. Indeed, the sheer size of these corporate and financial entities could be their weakness.

As property companies grow to massive proportions, buying up more and more units, a basically new situation arises, and it mirrors the overall tendency of capitalism towards monopoly.

Historically, one barrier to tenant organizing has been that housing ownership is dispersed. Tenants across a city might be facing similar situations, but they are dealing with countless different landlords. Apartment complex-level organizing has happened in many places, along with wider rent strikes. But now the situation is that

there are, in Berlin as in cities around the world, thousands of tenants renting from the same landlord; In New York City, Blackstone Group owns some 13,000 rental units.

The Berlin referendum shows that it is possible to build an effective city-wide housing movement (and why not bigger?). Imagine thousands of tenants working together to take on their landlords, as union workers take on bosses.

What causes housing crisis?

In 1872, Frederick Engels entered into the German housing debate, penning three articles that were collected as “[The Housing Question](#).” In these articles, Engels outlined fundamental dynamics of modern society that cause housing prices to rise over time.

Agricultural landed property is beyond our scope here. In regard to housing, Engels emphasizes that the industrial revolution led to rapid urbanization, which turned land in the cities into a scarce resource. Under capitalism, land is privately owned, because of historical processes of theft and dispossession — Marx and Engels called this primary accumulation.

If land is privately owned there will be a market for it. It will be bought and sold. The value of housing is determined in part by land and in part by what it costs to build the housing, as with any other commodity. Housing is produced by workers, and is a commodity in the strict sense; land has a capitalized value that goes back to the land owner via rent.

However, land determines the value of housing — and by extension the price — in a special way, that is, through location. Property values and rents vary widely, depending on proximity of city centers, schools, hospitals, transportation infrastructure, etc. An apartment in Manhattan costs more than one the same size in

a Midwestern town.

Public investment, as with roads, is a big part of the equation. Put another way, workers' tax money increases the value of private property when it is used to improve an area.

The point of all this, for Engels, is that housing becomes a scarce commodity that eats up a huge portion of workers' income. Workers are first exploited by the boss, and then made to part with even more of the value that their labor has produced in the form of rent payments.

When Engels was writing about the situation in Germany, housing scarcity was absolute. That is to say, there simply weren't enough units to house all the workers who were moving to the industrial cities, and this drove prices up.

But it is now evident that the logic of capitalism reproduces housing scarcity even when homes sit vacant. This is the case in the United States today where some [17 million homes are vacant](#) for one reason or another, according to U.S. Census data for 2017. Homes are scarce as commodities, and especially so for workers whose real wages have fallen for decades.

This trend has only been sped up through shocks like the 2007-2008 global financial crisis — through boom cycles of speculation and then foreclosures. The rapid financialization and monopolization of the Berlin housing market, for example, occurred following the 2008 Great Recession.

There's no reason to assume that the long-term trend of soaring prices won't continue. Currently, 55% of the world's people live in urban areas, and the United Nations reckons that it will be 68% by 2050. And what might happen as climate refugees flee from one region to another, putting pressure on housing and other infrastructure?

Engels' conclusion was that the housing problem could not be solved without abolishing the private ownership of housing, land and the rest of the economy. As long as housing is a commodity to be bought and sold, all attempts to improve the situation through rent caps or other policies, will be of limited benefit. This is why the fight for public housing has always been so important, even short of full socialist revolution.

The long view of German struggle

Modern German history, overall, provides a rich case study of the housing question, as the German people made great strides on this front and experienced tremendous setbacks. Germany has had capitalist and socialist systems.

Tenants waged major street battles in Berlin in the 1860s and 1870s, as in the Blumenstrasse riots of 1872. For days, thousands of workers battled the eviction of a carpenter family.

Along with Hungary, Germany almost became a socialist state as revolutionaries got the upper hand at the end of World War I. Though the revolutionaries were defeated, by the time of the Weimar Republic (1918-1933), workers' power had developed to such an extent that the constitution guaranteed the right to housing, ensuring "a healthy dwelling" for all people. The state introduced a rental income tax to subsidize the creation of public housing, introduced rent controls and more.

The Nazi regime undermined almost all social gains of the Weimar period. But after 1945, the socialist government of the GDR struggled to provide housing for all. Much of the housing was destroyed or damaged during the war, but because they were developing a publicly-owned economy, they were able to marshal the society to the cause of reconstruction.

The GDR expropriated big land owners and built "socialist new towns" like Halle-

Neustadt in industrial boom areas, where city planners carefully designed the layout so that workplaces, shopping districts, recreational facilities, etc., were well integrated and accessible. Most importantly, they abolished the private housing commodity market.

Because of the extent of wartime damage and the GDR's isolation by the imperialists, it wasn't until the 1970s that they were able to truly begin addressing the housing shortage. Nevertheless, the average tenant paid only about 5% of income, and their lives were also integrated into broader support networks, like state-run childcare facilities and holiday camps provided by workplaces and mass organizations.

All of these things must be considered in terms of quality of life. The strides that the people of the GDR made were tremendous.

In the capitalist West, reconstruction got off to a much better start. This is because the West was traditionally more industrialized and prosperous, and suffered much less damage during the war. Furthermore, as part of the Cold War strategy, Washington steered investment into West Germany in order to build the state up to undermine the GDR and the other socialist countries.

Nevertheless, despite the western Federal Republic's status as an explicitly anti-communist bludgeon, workers there enjoyed many advantages. The continued strength of the workers' movement and the pressure exerted by the mere existence of a socialist alternative at the border contributed to the fact that the Federal Republic was the biggest social spender in the Western world until the early 1970s.

Indeed, after World War II, the Deutsch Gewerkschaftsbund, or German Trade Union Confederation, created the biggest housing construction companies in all of Europe. They alone built some 400,000 publicly-owned apartments.

When the Federal Republic devoured the GDR in 1990, it was not just the socialist system in the East that was destroyed. Most of the achievements of the working class in the West were also dismantled through successive rounds of privatization.

Many German workers have an acute sense of what was lost, again, having experienced both socialism and capitalism, as well as a capitalism characterized by many concessions resulting from organized workers' power.

In President John F. Kennedy's famous "Ich bin ein Berliner" speech, he also said: "There are some who say that communism is the wave of the future. Let them come to Berlin." He meant to imply that life on the other side of the defensive wall was unbearable. Today, we can reverse this. If some say that the continued domination of capital is the wave of the future, let them come to Berlin, where the working class knows what they've lost.

Imperialism, migration and housing

In 2015, Margot Honecker, former education minister of the GDR and spouse of GDR leader Erich Honecker, gave an interview. She made the following observation about German imperialism:

"Let me remind you that the socialist GDR was a guarantee of peace in Europe. It never sent its sons and daughters to war. The Federal Republic of Germany, however, participates in bloody wars that the U.S. and NATO instigate throughout the world.

"French Socialist Jean Jaurès (1859-1914) underlined this connection: 'Capitalism carries war within itself like the clouds carry rain.' And not only that. Capitalism also carries the seeds of fascism in itself. We had eradicated the economic roots of war and fascism in the GDR. The west of the country remained capitalist.

"In 1990, the GDR was absorbed into this society, which has caused so much harm

in German history. The past was brought back. No one can name that 'revolution.'”

Today, Germany is the premier political and economic power in Europe, dictating austerity for weaker states like Greece. In 2021, Germany's spending for NATO hit a record high of \$63.8 billion. This is money that could go toward uplifting people.

German troops began occupying Afghanistan in 2003, and didn't begin withdrawing until June of this year, as part of the U.S. exit. German imperialism, then, has been a key factor in the destabilization of West Asia. Like their counterparts in Washington, German leaders are to blame for the refugee crisis. In the first six months of 2021, [1,146 refugees died](#) trying to get to Europe.

In North Rhine-Westphalia, over 30% of the population is made up of first or second generation immigrants. The German military participated in imperialist intervention in the Syrian Civil War. So far in 2021, [40,472 new Syrian refugees](#) have been counted in Germany.

The German state owes these people housing and more. The damage done, it is necessary that a large percentage of the existing housing stock be converted into public housing in order to accomodate all people fleeing war and climate disasters.

