

A Global Right-to-Housing Movement Versus Financialization

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Financialization enables a wealthy transnational class to accumulate capital through land, enhances inequalities through housing, and denies and deprives human rights. Housing activists must articulate an internationalist response to this global conflict, setting aside political and cultural differences and looking beyond the local scale of every housing conflict.

In February 2021, the Gittell Collective¹ at the Graduate Center of the City University of New York (CUNY) hosted a workshop on “Housing Financialization and the Need for a Global Renters’ Movement.” Our objective was twofold. One, we examined housing financialization as a result of an increased understanding of urban land and the built environment as financial assets. Two, we explored urban social movements struggling for the right to housing and their relationship—if any—with financialization. These are pressing issues in the context of worsening housing conditions in cities worldwide amid the Covid-19 pandemic. Before the health crisis, many communities already suffered difficulties in accessing affordable housing, or struggled or were unable to pay their rents and mortgages as a consequence of the 2008 economic crisis (Fields 2015; Teresa 2016). The pandemic has exacerbated these processes. Financialization is one reason for the current wave of dispossession and growing inequalities (Rolnik 2019). During the workshop, academics and activists from three continents shared their experiences studying housing financialization and fighting for the right to housing, and we produced two videos of the proceedings. The first² deals with financialization: its meaning, how it unfolds in space, and key ideas for a global right-to-housing movement. The second³ focuses on mobilization across different contexts.

What is financialization?

Housing financialization is an abstract concept with real consequence for working-class people. It treats land and the built environment as financial assets for wealthy people to invest in for profit. Instead of speculating in the stock market, investors place their money in various real-estate products, such as housing. As a result, the intrinsic social value of housing is subordinated to its exchange value, becoming a new frontier for capital accumulation (Rolnik 2013; Madden and Marcuse 2016).

Deindustrialization and economic restructuring in a globalized world are driving the process. As Aalbers (2019, p. 5) writes, “Financialization is, among other things, a pattern of accumulation in which profit-making occurs increasingly through financial channels rather than through trade and commodity production.” The current market expands housing investment by utilizing private equity funds, real-estate investment trusts (REITs), insurance companies, and the like. The US-based fund Blackstone is perhaps the best known within these companies that Beswick *et al.* (2016) studied as

¹ Website: <https://gittellcollective.gc.cuny.edu>.

² See: <https://youtu.be/8EUzb3goFhw>.

³ See: <https://youtu.be/RldwnBmCJ50>.

“global corporate landlords.” Their portfolios include foreclosed homes in United States suburbs and blocks of social housing with low-income tenants on the fringes of European capitals (Fields 2018; Janoschka *et al.* 2020). In both cases, their returns depend on speculation: either reselling housing for higher prices or increasing rents, which may include evicting socially vulnerable families. On the other side, tenants may feel helpless when having a (sometimes international) firm manage their monthly rent instead of a public body. Digital-economy companies are also involved in the global expansion of housing financialization; Airbnb and Vrbo have paved the way for housing investment in tourism-oriented urban economies (Cócola-Gant and Gago 2019).

The role of states and public institutions

States play a key role in the process. Developing fewer social-housing units promotes scarcity, and easing, eliminating, or denying rent-control regulations drives up prices, as Professor Tom Slater (University of Edinburgh) describes in the first video. Public land and housing privatization is a common policy in the current neoliberal austerity framework, making public assets accessible to private investors and being thus coherent with a larger financialization goal (Christophers 2018). Public institutions also facilitate conditions for these companies to operate (or speculate) and ensure the right to property over the right to housing.

Professor Raquel Rolnik (Universidade de São Paulo) explains that financialization is the last phase of an inherently unequal capitalist system, where a few people own the land and most can only access it—to live, to cultivate, to produce—through rent. Landlords’ rights are long-standing economic and political privileges, which explain, among others, the French Revolution, when bourgeois liberals fought against the exclusive rights of the nobility and clergy to exploit land. As Christophers (2018, p. 44) recalls, “[Adam] Smith’s belief that rent was money for nothing was shared by essentially all significant nineteenth-century economic thinkers. David Ricardo agreed with him (landlords were parasites). So did Marx (the landlord exploits everything from which society benefits).” Land value is socially created, and housing is a human right, so both should be treated as public goods. However, the state understands them as commodities, which, as Professor Desiree Fields (University of California, Berkeley) points out, allows financial and real-estate companies to allocate investment through different planning and zoning laws that in turn generate or perpetuate unequal access to public goods.

Right-to-housing movements

Struggles over the right to housing highlight these arguments in different ways and contexts. In the workshop, we identified three distinct types of mobilization. First, social movements against foreclosures or those affected by mortgages support more public investment in housing and denounce the unbalanced relationship between the right to property and the right to housing. Campaigns have focused on accountability over bank businesses, especially when linked to real estate, as Rob Robinson (Right to the City Alliance) recollects. Social action also led to anti-gentrification battles and stressed the unfairness and silence around evictions in working-class communities; a way to raise awareness has been to map them as Erin McElroy (Anti-Eviction Mapping Project) and Talita Gonsales (Despejos Zero) have done in the Bay Area and São Paulo respectively.

Second, tenants’ unions and renters’ associations denounce rising rents, worsening housing conditions, and landlords’ predatory practices. Their claims are similar throughout cities, as Rita Silva (Habita, Lisbon) and Isaac Rose (Greater Manchester Housing Action) illustrate in the second video. They advocate for maintaining or introducing rent-stabilization and rent-control measures alongside more social housing.

Third, nonprofit organizations and mutual-aid groups focused on homelessness help “rough sleepers” or unhoused persons by providing temporary shelter, clothes, or food, and upholding the universality of the right to housing. In some contexts, as in Cape Town and Buenos Aires, the struggle is about the right to access land where people can settle informally, as Mandisa Shandu (Ndifuna Ukwazi) and Ricardo Apaolaza (Frente de Organizaciones en Lucha), respectively, have described. Squatting land and empty (often bank-owned) housing has been another strategy for these latter movements, especially autonomous and subaltern groups. Yet reclaiming—or retaking—housing and challenging the right to private property is not a tactic shared by all social movements, in the same way that not all activists agree with lobbying institutions. Here we hit a division that resonates with the scale of action.

Most of these struggles are carried out at the neighborhood level, often scaling up to the city, where urban-planning decisions are usually made by white, middle-class, educated men. Mobilization across movements in different cities sometimes reaches state governments because they hold power over housing policies. Coordinated international outcries are rare, but they exist. Examples include the Right to the City Alliance,⁴ as Rob Robinson explained, or the European Housing Coalition,⁵ where Habita is organized with other right-to-housing movements across the continent. At this scale, we see a growing interest in financialization.⁶

Nevertheless, opposition to financialization has generally been scarce. As Rita Silva explains, it is difficult for people to understand how it is connected with their struggle to pay rent or find affordable housing. The rise of institutional investors or financial corporations is concealed in mass media—sometimes the same investors hold interests in large media firms, as in Blackstone’s case (Gottfried 2021)—while their effects on people are localized in neighborhoods and towns. The material issues, such as stopping an eviction or organizing a rally, unfold in specific places. The need for activists to deal with acute and pressing matters, their lack of time and means, or the limits to changing the system from within hinder mobilization beyond their communities. Besides, anarchist activists, skeptical of the state, are usually not comfortable participating in struggles that aim at merely reforming policies or institutions. Their concerns, however, sometimes also stem from the degree of possibility to change the system from within, so it is not simply an ideological standpoint.

New directions for research and activism

Researchers from a variety of social-science disciplines are now examining polarized societies and cities. These debates often forget or fail to deal with the fundamental force of uneven development at the core of capitalist societies and cities (Smith 1984). Inequalities are increasing among world regions, countries, and in urban areas. Affluent (usually white) neighborhoods become richer while low-income (Black, Latinx, indigenous) communities are impoverished in cities on different continents. Housing financialization is one reason. While the wealthy and powerful reap higher profits, in part due to investing in real estate across borders, communities struggle to survive—a situation the pandemic intensified. Amid increasing inequalities, there is a war on the public used in the interest of those on top (Peck 2010). Housing financialization illustrates how neoliberal ideology, including austerity frameworks, is not about dismantling the state but recovering and using it to serve class and racial interests.

The final question is: what can we do? Two key ideas came up during the workshop. First, we need to use concrete examples that are easy to understand when discussing financialization. It is a complex term and it does not convey its impact on communities. I have tried to do that here: financialization is a way for a wealthy transnational class to accumulate capital through land, based

⁴ Website: <https://righttothecity.org>.

⁵ Website: <https://housingnotprofit.org>.

⁶ See, for example: www.rosalux.eu/en/article/1365.housing-financialization.html.

in property power. Financialization increases inequalities through housing and denies and deprives many a human right. Underlying this argument is the idea that we—people and institutions—create land value with our activities and relations in specific places, but a small part of society appropriates those values for personal profit.

Second, activists and communities from different backgrounds need to come together across cities. We must understand that, beyond the local scale of every conflict around housing, there is a global scope; we need to articulate an internationalist response. This means setting aside our political and cultural differences and fighting for a greater good and imagining new ways of collaborating. This challenge is as crucial as the housing emergency itself.

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