

Push: An exposure of financial parasitism and the global housing crisis

Jean Shaoul
7 March 2020

Push is a documentary by Swedish filmmaker Fredrik Gertten that follows UN Special Rapporteur on the Right to Adequate Housing, Leilani Farha, as she travels around the world trying to understand why housing has become so expensive.

Housing prices are soaring everywhere. Mortgages and rents take up an ever-increasing proportion of income, that have fallen in real terms since the global financial crisis in 2008. In Toronto, for example, house prices have risen by three times the increase in income over the last 30 years.

In London, it takes four incomes to afford a two-bedroom apartment. The high cost of housing is pushing people into poverty and homelessness. Many of those made homeless are families with children.

In the poorer countries, the number of people living in informal housing (which includes unplanned, squatter and marginal settlements, unconventional dwellings, non-permanent structures, inadequate housing, slums, housing not in compliance with planning and building regulations, etc.) exceeds 1 billion, one seventh of the world's population.

This is testimony to the flagrant breach by governments worldwide of international law that enshrines the right to housing under the International Covenant on Economic, Social and Cultural Rights of 1966.

The film's director, Gertten (born 1956), worked for several decades as a journalist before moving into television film production. More recently, his work has focused on global issues and injustice. *Bikes Vs. Cars* (2015), looked at the conflict between cyclists and motorists in cities around the world; *Bananas!** (2009) treated the battle of Nicaraguan fruit workers against the international corporation Dole, winning Gertten several awards. *Big Boys Go Bananas* (2011) dealt with the legal issues involved in the attempt, withdrawn after two months, by Dole to sue Gertten and the film's producer Margarete Jangård.

Push is significant because it rejects gentrification as the source—as opposed to a manifestation—of the problem. Instead, Gertten seeks to understand the lack of affordable housing and the injustices that arise from a broader economic perspective. He provides a devastating exposure of the criminal role of the finance industry, aided and abetted by an army of lawyers, advisors and not least governments, in evicting people and

jacking up rents after giving properties a superficial makeover.

Released last year, the film is currently screening in several cities in the UK. It is available for showing at events on request to the distributors.

The film shows Farha, an energetic and passionate Canadian lawyer and director of an anti-poverty NGO in Ottawa, conducting extensive research and interviews into how and why people are being pushed out of their homes in Valparaiso, London, Barcelona, Stockholm, Toronto, Hong Kong, Tokyo and Seoul. In some cases, this is carried out by thugs hired by the corporate property owners.

She asks why 72 residents of Grenfell Tower in the richest borough in London were killed. One of the tenants, Nick Burton, whose wife died of injuries sustained in the fire, movingly describes the events of that night. He speaks about their rescue after a two-and-a-half hour wait and the horror of having to leave his dog behind and clamber over bodies as he escaped down the stairwell. Burton notes that many of those made homeless were, at the time of filming, still in temporary accommodation.

Farha describes the Grenfell inferno as “a physical representation of the displacement of a community. For me that's the narrative of the world right now.” The problem, she says, goes far beyond gentrification: housing “has been financialized” by big capital.

She says, “I believe there's a huge difference between housing as a commodity and gold as a commodity. Gold is not a human right, housing is.”

In an interview, Saskia Sassen, professor of sociology at Columbia University in New York and author of *Global City*, says, “This is not at all about housing. The buildings function as assets.” She describes the investments in housing as high-end land grabs, explaining that an empty apartment is sometimes a better asset than its use as a home. “The value of all real estate that functions as an asset is \$217 trillion, more than double the global GDP of all the countries in the world.”

Sassen argues that the heart of the issue lies in the finance industry that “sells something it does not have” and thus “needs to invent brilliant instruments that allow it to invade other sectors.”

In a telling metaphor, she compares the financial sector to

mining, “Once it has extracted what it needs [from housing], it doesn’t care what happens to the rest.” The corollary is that those who are pushed out of their homes are the slag.

Joseph Stiglitz, a former chief economist at the World Bank and professor of economics at Columbia, explains the role of the 2008 global financial crisis and the US government in enabling private equity and the hedge funds to become global landlords.

He does not mince his words, stating, “Rather than helping the homeowners who were losing their homes, [the government] sided with the banks. They encouraged foreclosures to clean up the books, gave the money to the hedge funds and private equity firms, who then bought the distressed assets to make money. That’s how the 2008 crisis played an important role in increasing wealth inequality.”

Farha interviews Roberto Saviano, the Italian writer and author of *Gomorrah*, which exposed the workings of the Camorra crime syndicate and organized crime more generally. Ever since the book’s publication in 2006, when Saviano received death threats from the mafia, he has lived under police protection.

Saviano outlines the role of tax-havens in the property money-laundering business, explaining, “Tax havens are where criminal capitalism and legal capitalism meet and merge. Mafia organizations were the first to create and facilitate money-laundering mechanisms through tax havens.”

“You buy things with legal money—a restaurant, hotel or houses—then you sell those properties to your company in a tax haven. If you want to bring your dirty money back into your country, you simply buy it from yourself at a much higher price than you paid.”

He adds, “Companies don’t want inexpensive real estate. They want to pay as much as possible, to be able to hide more money.” As he points out, London—which has some of the most expensive houses in the world, many unoccupied—has become the money laundering capital of the world.

Push cites the activities of the private equity firm Blackstone as one of the largest corporate owners of housing, including former public housing estates. Since the financial crisis, Blackstone has spent some \$9.6 billion buying up hundreds of thousands of low-income houses across the US at big discounts, hiking up rents, evicting tenants for nonpayment and destroying local communities. Blackstone’s president, Jonathan Gray, admitted in an archived interview that the 2008 financial crisis was the source of a huge pool of cheap “assets” in the form of homes, whose owners had defaulted on their mortgages.

Farha visits Uppsala, Sweden, where she says Blackstone raised rents by 50 percent as they upgraded a housing estate, a claim the company denies. Tellingly, Blackstone boss Stephen Schwarzman cancelled a meeting with Farha at the very last minute, without rescheduling it—seeking to avoid any scrutiny—and thereby conceding the film’s claim.

Farha recognizes she cannot reverse the situation on her own

and to that end has formed The Shift as a global movement based on retaining the fundamental human right to housing—to move away from housing as an asset “to housing as a place to live in dignity, to raise families and participate in community.”

Her conception, however, is very limited. Despite all the evidence she has gathered, including the refusal of Blackstone’s boss to meet her and the company’s responsibility for the ongoing destruction of the Amazon rainforest, in order to facilitate the cultivation and export of grain and soybeans, Farha says, “I don’t believe that capitalism itself is hugely problematic.” But she adds, “Is unbridled capitalism in an area that is a human right problematic? Yes.” The film ends with a round-table meeting of mayors pledging to do a bit better.

There is much that is valuable and gripping in the film, but this needs to be distinguished from its bankrupt political perspective of pleading for reforms—such as rent control as in Berlin—from governments that have facilitated these rapacious corporations at the expense of the working class, or applying pressure on pension funds to divest from real estate investment trusts (REITs).

The film also points—by omission—to the impotence of the UN and the limitations of the “international human rights” approach. The UN Special Rapporteur for the Right to Adequate Housing was set up by UN member states to “examine, monitor, advise, and publicly report” without providing the mandate holder with any power of enforcement against the member states. Thus, all the Rapporteur can do is “raise awareness,” make recommendations to the authorities and call for people to put pressure on them to uphold human rights.

This passionate and informative film should be seen by everyone. It provides the most convincing case for the production of high-quality housing, so essential to humanity, on the basis of social need, not profit, and available to all. But that cannot be achieved without a social and political struggle against inequality and the capitalist profit system.

The productive forces of society—the giant banks and corporations, including the property companies—must be taken out of the hands of the financial elite and placed under the democratic control of the population. Combined with a major redistribution of wealth, such measures would free up immense resources for building homes and social infrastructure and ensuring all the rights of working people.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact