

The expropriation of the rental sharks requires a socialist program

Sozialistische Gleichheitspartei
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The following statement was distributed by members and supporters of the Sozialistische Gleichheitspartei (Socialist Equality Party, SGP) at a demonstration over unaffordable rent prices on September 11 in Berlin.

The Socialist Equality Party calls for a yes vote in the September 26 referendum on the socialization of the housing stocks of large real estate groups in Berlin. The rent price madness cannot be stopped without expropriating the rental sharks. But real expropriation can only be achieved in struggle against the Social Democrat/Left Party/Green Senate and on the basis of a socialist program that puts the needs of the people before the interests of capital.

Rents in Germany's capital city have doubled over the past ten years, and the price of undeveloped land has increased eightfold. Speculation in housing has become one of the most important levers for redistributing social wealth from the bottom up. While major property companies like Deutsche Wohnen and Vonovia and their shareholders are reaping fantastic returns without lifting a finger, the population is being fleeced.

Rising rents, excessive ancillary costs and luxury renovations mean that hard-working people have to spend more than half of their income on rent or can no longer afford an apartment at all. The human right to housing, anchored in the UN International Covenant on Economic, Social and Cultural Rights, has been sacrificed to the profit hunger of rental sharks.

Acceptance of the referendum will not change that. The Senate—a coalition of the SPD, the Left Party and the Greens—has already shown the Berlin population the middle finger and made it unmistakably clear that it will not accept a positive result.

In the “official communication on the referendum” the coalition contrasts the “arguments of the Senate” with the “arguments of the sponsor,” the Initiative to expropriate Deutsche Wohnen & Co. “The referendum does not have a specific bill as its subject,” it notes. “In the case of success, it is therefore not legally binding on the Senate and the

decision on the enactment of a socialization law would be incumbent on the House of Representatives.”

In other words, because the vote is not on a specific bill, but on an assignment to the Senate to draw up a bill with clearly defined requirements, the Senate declares the result to be “legally non-binding” and invokes the sovereignty of the House of Representatives.

It has been known for twenty years that the House of Representatives and the Senate parties are in league with the rental sharks. At that time, the SPD and the Left Party (which was still known as the PDS) sold almost 200,000 public apartments to private real estate companies for pocket change. To this day, nothing has changed about this partnership between the Senate and the rental sharks. The Senate actually encourages the latter to drive up rent prices.

While the text of the referendum demands a—legally possible—“compensation well below market value” and the initiators estimate a sum of 7.3 to 13.7 billion euros for 200,000 apartments, the Senate has published a sum two to three times as high. According to its calculation, the real estate groups can collect 28.2 to 36 billion euros for 243,000 apartments.

In practice, however, the Senate funnels far greater sums into their pockets. Finance Senator Matthias Kollatz (SPD) is in the process of agreeing with Vonovia and Deutsche Wohnen to sell almost 15,000 apartments to municipal housing associations before the referendum is voted on—at a price of 2.4 billion euros. The two housing giants are currently merging and selling some apartments but will still control 10 percent of all rental apartments in Berlin after the sales.

To put the numbers in perspective: In 2004 the SPD/Left Party Senate sold 65,000 apartments of the municipal corporation at an average price of 6150 euros to Deutsche Wohnen; the initiators of the referendum set an average apartment price of 37,000 to 69,000 euros for the compensation; the Senate calculates with 116,000 to 148,000 euros per apartment; and Kollatz buys apartments from the corporations at an average price of 163,000 euros!

These numbers give an idea of the gold mine that the SPD, Left Party and Greens have opened up for the rental sharks. In addition to the increases in value, there are also high takings. Deutsche Wohnen distributed over 350 million euros to shareholders in 2019 alone; that is 2100 euros per apartment, which flowed directly from the pockets of the tenants to the accounts of the shareholders.

The SPD, the Left Party and the Greens stand—despite their crocodile tears over the high rents in the election campaign—with both feet in the camp of capital. This applies not only to the housing issue, but also to the health care system—where the Charité and Vivantes hospital employees are currently on strike against the unbearable consequences of years of austerity and privatization measures—and the public service and local transport, where they are destroying tens of thousands of jobs and lowering wages.

The referendum itself is—even if it were implemented in full—completely inadequate to solve the burning housing shortage. It only demands the socialization of the holdings of all private housing companies with over 3,000 apartments. They are to be transferred to a non-profit institution under public law in which the tenants have a democratic say. This would affect around 200,000 to 250,000 apartments, which are intended to alleviate the lack of affordable housing for low-wage earners. This would not stop the acute housing shortage in the capital and speculation in housing by medium-sized companies and private investors.

The modest goals of the referendum are not only due to the fact that the initiators strictly adhere to the prescribed legal framework that protects capitalist property. Most of them come from the ranks or the circle of the Senate parties, especially the Left Party. Their whole strategy is geared towards getting the Senate to change course, although—as all historical and international experience shows—it is impossible.

The Left Party is doing everything it can to be accepted into the next federal government—under a right-wing social democratic chancellor Olaf Scholz and in alliance with the Greens, who have become pioneers of German militarism. It therefore does everything possible to prove its “reliability” in domestic and foreign policy to those in power.

The SGP pursues a completely different strategy than the initiators of the referendum. We do not rely on the established parties and trade unions, but on the independent movement of the working class, which is developing with great dynamism worldwide.

Protests and strikes against low wages, unbearable working conditions and social cuts are increasing worldwide. And almost everywhere these struggles develop in an open rebellion against the old workers’ parties and unions, all of which are in the camp of the ruling class. Here

in Berlin, Siemens workers have fought against layoffs and train drivers against wage cuts in the past few days. The employees of the state-owned Charité and Vivantes clinics are on an indefinite strike.

The success of the referendum so far is an expression of this explosive atmosphere. In 2019, in just three months, 77,000 signed the motion for its initiation—almost four times as many as required. This year, in just four months, 350,000 supported the referendum with their signature, although only 175,000 would have been necessary.

The ruling class and its parties are responding to the international offensive of the working class by strengthening fascist forces, arming the state apparatus and fuelling militarism. This reaction is expressed most clearly in their inhumane corona policy, which sacrifices all human lives to the profit interests of corporations and rejects a scientifically based policy to eradicate the virus.

The aim of the SGP is to give the opposition and the struggles of the working class a socialist orientation, to unite them internationally and—together with their sister parties in the Fourth International—to build a socialist mass party.

If you really want to expropriate the rental sharks, you should vote for the list of the SGP in the Berlin House of Representatives and the Bundestag election on September 26th. We advocate the expropriation of all housing groups without compensation. In our election programme, it states:

“No social problem can be solved without expropriating the banks and corporations and placing them under the democratic control of the working class. Their profits and assets need to be confiscated and the trillions given to them last year recovered. The world economy must be reorganized on the basis of a scientific and rational plan.”



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