

# PSOE-Podemos government intensifies Spain's housing crisis and pushes thousands into poverty

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The global cost-of-living crisis is being worsened by NATO's war on Russia in Ukraine, aggressive central bank interest rate rises and, in Spain, the pro-capitalist housing policies pursued by the Socialist Party (PSOE)-Podemos government.

None of the political parties standing for the July 23 general election offer any solution to the mounting social misery, particularly among working-class households and young people.

According to online newspaper *El Salto*, from the global capitalist crisis of 2008 to 2022, 784,556 evictions have been carried out in Spain, becoming a chronic problem that affects thousands of families every year.

Although the number of evictions has decreased in the last two years to around 40,000 a year, below the more than 90,000 that occurred in the first years after the 2008 crisis, everything indicates that this figure will once again increase due to the rise in interest rates, the unbridled growth of rents and mortgages, the increase in prices and the below-inflation wage increases imposed by the trade unions and the PSOE-Podemos government on millions of workers. In 2022, while rents rose 7.4 percent, average salaries fell by 0.7 percent.

The PSOE-Podemos government has reacted to this social disaster by lifting all the minimal housing measures it passed during the COVID-19 pandemic. As of July, the government has allowed the rental price freeze, the extension of which ran from January to June 30th last month, to expire. After war in Ukraine broke out last year and the skyrocketing prices that followed, the government approved a freeze on rents at a time when many landlords were likely to increase their

prices.

The government has pointed to a new housing law setting the limit of contract increases at a maximum of 2 percent in 2023 and 3 percent in 2024. This is a fraud. The housing law is not even being implemented in most regions which control delegated housing powers. After May's local and regional elections, most regions are now run by the right-wing Popular Party and neo-fascist Vox, opposed to the paltry measures included in the Housing Law.

Even in those cases that these marginal increases apply, they will only do so in rental contracts already in place. Rent prices can be increased without limit if they are renewed with new contracts.

At the end of the year, the government will also lift the ban on evictions of vulnerable households when there is no housing alternative.

Increases in rental prices will impact young people and working-class families who are increasingly forced to rent due to the impossibility of buying a home thanks to low wages, job insecurity and the tightening of the conditions to obtain a mortgage. According to a report from the Bank of Spain, between 2011 and 2021 the number of rental homes has grown by 800,000 and the number of renters by two million.

In this last year, 24.2 percent of households rented. Of them, 48.9 percent are at risk of poverty or social exclusion, which the Bank of Spain attributes to "high prices in relation to work income." Just over 40 percent of the population is forced to allocate more than 40 percent of their family budget to housing.

Analyzing the situation in Madrid, the European city where rental prices grew the most in the month of May (by 4.5 percent), *Bloomberg* pointed out, "We have

witnessed two phenomena: touristification and gentrification,” adding, “Families have to compete with investment funds or foreign investors. Housing is still seen as an investment, not as a good that has a social function”.

Investment funds already control more than 500,000 homes across Spain while the number of tourist apartments continues to increase and now reaches 1.6 percent of the total, a number similar to the total social housing for rent.

For workers with mortgages, the situation is just as bad. According to the *Idealista* web portal, the leading Spanish real estate website, the price of housing has increased by 7.3 percent between March 2022 and March 2023, while mortgage installments are becoming more expensive on average by more than 50 percent since the European Central Bank began increasing interest rates.

The decision of the ruling parties PSOE and Podemos (rebranded as Sumar for the July 23 elections) to lift its paltry housing measures amid a deepening housing crisis and a snap election it called helps pave the way to a right-wing Popular Party (PP) and neo-fascist Vox party victory.

Over the past four years, the PSOE-Podemos government has implemented brutal attacks on the working class. Its pension cuts raised the retirement age to 67, it imposed below-inflation wage increases on broad layers of workers, and passed a labour law reform slashing workers’ legal protections in the workplace. It implemented the largest military spending increase in Spanish history, to over €27 billion per year.

The acting government’s indifference to human life is expressed in its profits-over-lives policy in the COVID-19 pandemic, which led to over 160,000 excess deaths and tens of millions of infections; and in the barbaric incarceration and murder of migrants, including letting migrants drown off the coast of the Canary Islands last month.

The PSOE and Sumar have not called these to renew the PSOE-Podemos coalition government, but to hand power to a PP-Vox coalition government in order to escalate the war in Ukraine and war at home. These forces are terrified at mounting opposition growing on their left, as workers come into confrontation with the government, including strikes of aircrew, pilots, metalworkers, judicial civil servants, and others.

According to recent data by the Ministry of Labour, between January and March the hours lost due to strikes totaled 181,979, an increase of 21 percent compared to the same period the previous year, while the number of strikes grew to 239, 28 percent more.

It is this social force that must be mobilized with workers across Europe and internationally to end the worsening housing crisis. The current private, profit-driven system must be replaced with a socialist programme under which housing is treated as a basic social right. Not a single major social problem can be solved as long as society’s resources, created by the working class, are controlled by a corporate oligarchy.

A workers’ government would redirect the massive wealth accumulated by the billionaires, property developers and financial speculators, and the billions being spent on the military and NATO’s Ukraine war against Russia to housing and other essential social needs. To do that, it would place the banks, finance houses and property industries under public ownership and workers’ control.



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