

Landlords vs Commoners: Housing Conflicts and Political Divides

BY TOBIAS BERNET

A capitalist economy geared towards the interests of property-owners presents an enormous obstacle to the democratization of housing provision. However, the idea of collective property rights has an increasing transnational appeal, writes Tobias Bernet.



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Words can be telltale. If you rent an apartment and you use the English language, you have a *landlord*. This is a forceful reminder of how quasi-feudal relations permeate our contemporary capitalist economies. These are hardly the “meritocracies” that the (neo-)liberal narrative makes them out to be, something that the issue of housing illustrates like few others. Income from real property, the “ground rent,” corresponds to no productive economic activity *per se*—as the founders of modern economics knew. Yet we still allow the privileges that come with ownership of land to exert immense influence over our increasingly urbanized societies. This article examines the role of housing in today’s global political situation, addressing both the capital-driven rise in housing costs in many metropolitan areas, as well as the supposed urban-rural

dichotomy equated with a conflict between “cosmopolitan” worldviews on the one hand, and the nativist and reactionary attitudes of “new” right forces on the other.

It is worth recalling that a bubble in the highly financialized US hous-

ing market was one of the main triggers of the 2008 financial crash. Ten years on, the world economy is superficially booming, yet with all sorts of government-sponsored patches that make most critical experts extremely uneasy. As David Harvey argues, both the cyclical nature of capitalist crises and states’ roles as lenders

of last resort are closely intertwined with the spatiality of the global order. In short, endeavors to resolve a crisis of “over-accumulation” often include incentives—such as low interest rates—to redirect capital into the built environment. This results in

and prospective home buyers are less enthusiastic. Housing costs have risen sharply to the point where many centrally located neighborhoods are becoming unaffordable, not only for those in precarious economic positions, but for the middle class as a cursory observation reveals that this problem doesn’t play out in the same manner everywhere. To better understand the particularities of different housing economies, it is helpful to employ a framework of *varieties of housing provision*.¹

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apparent paradoxes, such as the German housing market being regarded as a “safe haven” for capital immediately after the American market had blown up. Indeed, the return on real estate in Europe’s largest economy—mostly in cities—has surpassed most other types of investment.

Unsurprisingly, German tenants

well. Political responses have been muted at best; consequently, many German cities have seen large housing-related protests. In Berlin, especially, there is a feeling that the city risks becoming “another Paris or London.” Germany is of course by no means the only country facing a housing affordability crisis. Yet even

Anglo-Saxon vs German tradition

From this angle, the US and Germany represent two distinct traditions. The US has a deeply commodified system of housing in which the individually or family-owned home—supplied through a specific, highly debt-based market—is the dominant form of tenure. Owning one’s own home has been part and parcel of the “American Dream” since colonial times. During the New Deal era, the US government began subsidizing mortgages; but the practice of “redlining” non-white neighbor-

hoods excluded African American and other ethnic minority communities from this vital mechanism of wealth accumulation. Public and other social housing has always been residual at best and—by way of ethnic segregation—punitive at worst.

In Germany, by contrast, homeownership rates have traditionally been low, especially in urban areas. Rented housing is strongly regulated (with sudden rent hikes and terminations being prohibited in most cases) and provided by a wide variety of institutions. There still are considerable amounts of public housing in many cities, in spite of a wave of privatizations in the 1990s and early 2000s. The cooperative model of democratically controlled, collective ownership has proven more resilient towards recommodification, and cooperatives continue to provide another important segment of non-profit housing. Yet due to a decrease in subsidies (including the expiry of earlier programs), the amount of truly inexpensive units continues

tionships mentioned at the start. In the quasi-feudal world of housing, the landlords' counterparts can be called tenants, but also commoners: The "common" class that does not own the land on which it lives, but also those engaged in "commoning," referring to the notion of the *commons*. Here lies, perhaps, a formula for housing rights movements the world over. Those who do not live off other people's need for shelter must unite to create commons-based systems of housing provision. These can take different forms. Yet the historical record (in both market and command economies) suggests that the bottom-up, self-help model of the cooperative is better suited to producing and maintaining a stock of de-commodified housing than state-controlled entities.

The idea of "commoning" housing provision does not entail a dismissal of any kind of individual or family homeownership. For Brazilian families in informal settlements, getting their titles recognized is doubt-

and ethno-nationalist authoritarianism are often highly compatible. It is by no means coincidental that the housing economy is a favorite sphere of activity of the politically powerful, the ultra-rich, and the professionally criminal (anything but mutually exclusive categories), and hence awash with all kinds of illicit money. Virtually all of the authoritarian characters who have risen to prominence in recent years have been involved in dubious real-estate dealings—with Donald Trump personifying gilded ground-rent neo-feudalism like no other.

There is increasing acknowledgement that if cosmopolitan urbanity is to be an effective antidote to reactionary anti-egalitarianism, it cannot remain blind to economic issues, especially the allocation of the wealth that is urban land. Vice versa, there can be no meaningful commoning movement that isn't intersectional. And it probably won't succeed if it doesn't address the discrepancy between cities' economic

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tificial intelligence will render many of today's jobs obsolete. They propose paying everyone a basic income as a way to soften the transition to a world without work. Whether such a world is a prospect to welcome or to resist is a question that will be central to politics in the coming years. Political parties will have to grapple with the meaning of work and its place in a good life.

4. Patriotism and national community

Free trade agreements and immigration are the most potent flashpoints of populist fury. While these are economic issues, the passion they evoke suggests something more is at stake.

Workers who believe their country cares more for cheap goods and cheap labor than for the job prospects of its own people feel a sense of betrayal that often finds ugly, intolerant expression—a hatred of immigrants, a strident nationalism that vilifies Muslims and other "outsiders," a rhetoric of "taking back our country."

Liberals reply by insisting on the virtues of mutual respect and multicultural understanding, but this principled response, valid though it is, fails to address an important set of questions implicit in the populist complaint. What is the moral significance, if any, of national borders? Do we owe more to our fellow citizens than we owe citizens of other countries? In a global age, should we cultivate national identities or aspire to a cosmopolitan ethic of universal human concern? The populist uprising highlights the need for democratic public discourse to address the big questions people care about, including moral and cultural questions. We need to rethink a central premise of contemporary liberalism: that the way to a tolerant society is to avoid engaging in substantive moral argument in politics.

Revitalizing public discourse

The insistence that citizens leave their moral and spiritual convictions outside the public square seems to avoid the danger that the majority may impose its values on the minority and to prevent the possibility that a morally overheated politics will lead to wars of religion. It seems to offer a secure basis for mutual respect. But it ill-equips us to address the moral and cultural issues that animate the populist revolt. For how is it possible to discuss the meaning of work and its role in a good life without debating competing conceptions of the good life? How is it possible to think through the proper relation of national and global identities without asking about the virtues such identities express, and the claims they make upon us?

Liberal neutrality flattens questions of meaning, identity, and purpose into questions of fairness. It therefore lacks the moral, rhetorical, and sympathetic resources to understand the cultural estrangement, even humiliation, that many working class and middle class voters feel; it ignores the meritocratic hubris of elites.

Donald Trump is keenly alive to the politics of humiliation. When he withdrew the U.S. from the Paris climate change agreement, Trump argued that he was doing so to protect American jobs. But his decision's real political rationale was contained in a seemingly stray remark: "We don't want other countries and other leaders to laugh at us anymore." This resonates with Trump voters, even those who care about climate change. For those left behind by three decades of market-driven globalization, the problem is not only wage stagnation and the loss of jobs; it is also the loss of social esteem.

Mainstream liberal and social democratic politicians who think the problem with globalization is simply a matter of distributive justice miss this dimension of politics. Despite liberal thinkers' claim to the contrary, there is a philosophical affinity between the neo-liberal faith in market reasoning and the principle of liberal neutrality. Market reasoning seems to offer a way to resolve contested public questions without engaging in contentious debates about how goods are properly valued. When two people make a deal, they decide for themselves what value to place on the goods they exchange. Similarly, liberal neutrality seems to offer a way of defining and justifying rights without presupposing any particular conception of the good. But the neutrality is spurious in both cases. Markets are not morally neutral instruments for defining the common good, and liberal public reason is not a morally neutral way of arriving at principles of justice.

The assumption that it is possible to outsource moral judgment to markets, or to procedures of liberal public reason, has created an empty, impoverished public discourse. Such a vacuum of public meaning is invariably filled by narrow, intolerant, authoritarian alternatives—whether in the form of religious fundamentalism or strident nationalism.

That is what we are witnessing today. Three decades of market-driven globalization and technocratic liberalism have hollowed out democratic public discourse, disempowered ordinary citizens, and prompted a populist backlash that seeks to cloth the naked public square with an intolerant, vengeful nationalism.

To reinvigorate democratic politics we need a morally robust public discourse that honors pluralism by engaging with our moral disagreements, rather than avoiding them. Disentangling the intolerant aspects of populist protest from its legitimate grievances is no easy matter, but it is important to try. Understanding these grievances and creating a politics that can respond to them is the most pressing political challenge of our time. <

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The power of landlords and the capitalist economy present enormous obstacles to the democratization of housing provision.

to shrink, while large stock corporations have made inroads into the rental sector.

The American variety of housing provision is, broadly speaking, Anglo-Saxon; and the most successful implementations of the German model can in fact be found in Austrian and Swiss cities, with their large public and cooperative housing stocks. Greece represents a third variety, where condominium ownership is common and often intertwined with family relations: in many cases, several generations or branches of a family own apartments within the same multi-story building. Here, equating private homeownership with commodification is complicated by the logic of kinship—which might be considered typically "Mediterranean."

If we broaden the perspective to include the Global South, vast informal settlements and heightened precariousness of property rights enter the picture. Yet from an economic point of view, what is often perceived as a qualitative difference can be conceptualized as one of degree, if affordability is defined as the relation between average housing costs and average household incomes. In many Asian, African and Latin American urban areas, housing costs amount to well over 100% of the latter. According to a standard definition of affordability, roughly 30% would be acceptable; yet even in poor US neighborhoods, 80% is far from uncommon. People hence resort to informal settlements wherever the formal sector fails to provide homes that are at least marginally affordable.

Housing rights movements

What can be done about this global housing crisis? A hint might come from the semantics of rental rela-

lessly an achievement in and of their own; the same goes for US homeowners with "underwater" mortgages for fending off evictions. But in many places, private, individual ownership can only go so far in permanently securing access to affordable housing for all but the wealthiest households. Of course, the power of landlords small and large, and a capitalist economy which works in their favor, present enormous obstacles to the democratization of housing provision. Studying successful cooperative models in western Europe won't yield an immediate cure for the hardships of informal settlers in the Global South. But the knowledge exchange already taking place demonstrates the transnational appeal of the idea of collective property rights.

Conflicts over housing increasingly intersect with other societal fault lines. The common can also be read as the civic and thus the urban. The anti-modernism of right-wing movements has always been anti-urban—fearing the mingling that urban space facilitates, the potential for solidarity across ethnic and other divides. It therefore seems appropriate to describe the rise of far-right movements in many parts of the world as an "anti-cosmopolitan" backlash. The fact that this takes places within urban areas as well (consider, for instance, the strong urban base of India's Hindu nationalists) doesn't make this narrative less compelling.

The problem with this binary view is, rather, that it postulates a more or less unified, "liberal" urban camp, based on the assumption that the supposedly "new," "cultural" core conflict largely overrides the "old," economic left-right axis. Yet the issue of housing shows that there are important differences between leftist and neoliberal policy prescriptions, and also that urban development

and cultural importance, and their relative lack of political power in a world order still based on the sovereignty of nation states.

Authors such as Benjamin Barber have long argued that cities are the more appropriate building blocks for a planetary polity capable of tackling the challenges of the 21st century. Demographic data unequivocally tell us that mankind's future lies in cities. The heightened rivalry for urban space is also due to people voting with their feet. Rightwing politicians perpetuate anti-metropolitan provisions in electoral systems, sensing how big a threat internal migration might be to their power and the "purities" they strive to uphold. The antagonism between the national and the municipal has taken on new urgency in a range of conflicts between rightwing national governments and progressive majorities in larger cities. Two prominent examples are American "Sanctuary Cities" that refuse to assist in the deportation of undocumented migrants, and the "municipalist" electoral alliances in Spain that have made a former housing activist, Ada Colau, mayor of Barcelona.

The vision of a world of progressive municipalities is still blurry. Yet it opens up ways of thinking about the future that are far more hopeful than anything nationalism's "storied pomp"—repackaged by a caste of shady landlords—has to offer. <

1) See, for example, research carried out over the last four decades by Gosta Esping-Andersen, Jim Kemeny, Michael Harloe, Peter A. Hall, David Soskice, Herman Schwartz, and Leonard Seabrooke.

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