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Germany

Berliners vote for socialization of big real estate groups

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On Sunday, 26 September 2021 a large majority (56%) voted in favour of the socialization of big real estate groups in Germany's capital, Berlin, in a popular initiative referendum.

This referendum followed a democratic self-organised campaign that has already been going on for several years ("Deutsche Wohnen und Co enteignen"). It concerns real estate groups that own more than 3,000 dwellings each, or an estimated total of about 240,000 dwellings. The major French and foreign media may not make this a front page event (unlike the results of the parliamentary elections that took place on the same day): it has a fundamental meaning in our eyes because it shows that the ideas and demands that are at the heart of the historical program of communism, such as the expropriation of big capitalist groups and their management by workers and the popular classes, can win a majority in today's world, including in countries that are pillars of the world imperialist order.

An objectively favourable context

This major event took place in a context of dizzying rent increases and increasing evictions of tenants. Local legislation allows landlords not only to increase rents on the grounds of often superficial "renovations", but to evict tenants who would be unable to bear these increases. Berlin has been governed in recent years by a "red-red-green" coalition (SPD, Greens and Die Linke), but their timid attempts to curb real estate speculation have not been enough to stop the rise in the cost of housing.

The Berlin referendum was also taking place at the same time as parliamentary elections that revealed a clear weakening of the regime in Germany. These elections were marked by a record abstention rate and a wide dispersion of votes. The future German Chancellor, who will probably be Olaf Scholz of the SPD, will have to govern on the basis of a fragile majority from a coalition of two or three parties.

The general weakening of the regime, in particular through the unprecedented health, economic and social crises that continue to hit the German working classes hard, has superimposed itself on the particularity of the Berlin real estate market, which has experienced an unprecedented price increase since German reunification, against a backdrop of unrestrained real estate speculation. The combination of these factors has allowed a fundamentally communist demand such as the socialization of the big capitalist groups, which was still very much a minority view a few years ago, to win a big majority because it meets the immediate needs of the Berlin working classes.

A demand that must be imposed by force

However, the Berlin referendum takes the form of a simple invitation, addressed to the Berlin Senate (the equivalent of the city council), to legislate in the spirit of the referendum. In other words, the Berlin Senate is not legally obliged to follow the opinion of the majority of voters! In a recent referendum (September 2017), a majority voted to maintain Berlin-Tegel airport, but the "red-red-green" majority in the Senate ignored the result of the vote, pleasing the big real estate, construction and aviation groups who had very profitable plans to convert the old airport into a luxury residential area and build a gigantic new airport outside the city.

It is therefore obvious that the victory of the Berlin referendum is only a stage towards victory. In any case, it will take

an intense mobilization to force the Senate majority to effectively expropriate the big real estate groups. These big groups will not give up, as they have already shown by orchestrating a slanderous press campaign in the major German media. On the part of these capitalists who do not hesitate to evict their tenants to maximize their profits, we can anticipate increasingly violent measures as the prospect of expropriation materializes. It will therefore be necessary for the movement to organize itself in such a way as to resist attempts at intimidation and repression and be able to count on international solidarity.

Socialization yes, but without compensation!

The challenge of the struggle will not only be to force the Senate to respect the majority decision of Berliners, but to decide on two points that the wording of the referendum has left open. First, the referendum promises, in return for expropriation, "compensation well below market value". But market prices are exorbitant, this is the very reason for the referendum! Even compensation "well below" market prices could ruin the municipality. It is clear that the Senate would then have to impose heavy sacrifices on the inhabitants, making drastic savings on public services, and perhaps also imposing exorbitant local taxes on tenants and small proprietors.

It is therefore in the interest of the working classes in Berlin to impose an unparalleled expropriation of the big capitalist groups. This idea of an expropriation without compensation will certainly not please the Senate majority, and even less the rich real estate speculators... but every euro of "compensation" that would be paid to real estate sharks would have to be paid for by the rest of the population.

Secondly, once these housing units are socialized, the crucial question will be how they are managed, and therefore by whom. People in France are well aware of the opacity of the "Public Housing Offices", administered mainly by local elected officials and representatives of the state, whose interests and concerns are often far from those of the people, or even diametrically opposed. The referendum provides for management "with the democratic and majority participation of staff, tenants and the 'urban community' (*Stadtgemeinschaft*)". That the employees who take care of social housing "participate", that the tenants "participate", is the least of things! But "democratic participation" is a vague notion, which does not guarantee who will actually take decisions. And no one knows exactly what the "urban community" is - other than a small door through which to reintroduce local elected officials.

This issue is important because the management of socialized housing includes decisions on the level of rents, the allocation of housing and its renovation. It is therefore right that their management should be the responsibility of the people who have a vital need to be able to find dignified housing at affordable prices, that is to say the inhabitants. Concretely, the management could for example be assigned to a board of directors of socialized housing (and the current stock of public housing), elected by all the inhabitants of the city who do not exceed a certain level of income and wealth. That would be the fairest way, but we suspect that it would be impossible for the institutions in place, whether at the municipal or federal level to accept this.

The perspective of power for the working classes

By forcing the Berlin Senate to legislate, by excluding any counterpart for expropriations and by proposing management by the working classes, the movement for the socialization of big real estate groups would go beyond the sole question of housing, because it would challenge head-on the legitimacy of municipal and federal institutions. It would thus constitute a power opposed to that of the rich, which could set itself the program of satisfying the needs and realizing the aspirations of the working classes in the German capital. In doing so, it would constitute an embryo of government by the working classes.

Berliners vote for socialization of big real estate groups

Berliners' struggle for the socialization of the big real estate groups has only just begun, but it is already rich in lessons for us. Not only can it give good ideas to the inhabitants of other cities where life is too expensive, but above all, it deserves to be better known for the fundamental question it poses: which social class is most capable of exercising power in such a way as to satisfy the needs of the population? Obviously, not the one to which the big real estate groups belong...

PS:

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