

HOUSING ACCELERATES PAUPERIZATION



Google images: Dilapidated housing in Liege, Belgium.

The question of housing has traversed the successive forms of production of all class societies, visibly expressing the impoverishment of the oppressed classes and their very precarious conditions of life and reproduction. But it is with the CPM that this question acquires its full meaning, revealing its functions of segregation, repression and socialization. That is why the bourgeoisie also became interested in this question, from its class perspective, in order to reform it and adapt it to its demands of domination. That is why, for example, in its rise to industrial power, it organized workers' housing close to the centers of production and directly linked to work and wages. These were the famous "corons : small miners' houses" around the coal mines, described by Zola in his *Germinal*.

The advantage of this "progressive" management was, of course, social and security, since it made it possible to group, control and select the proletarians and to tame them more completely. Indeed, in the event of riots or strikes, the workers ran the risk not only of losing their jobs and wages, but also, automatically, their family housing. Everything was already integrated in these neighborhoods: from the stores (and their consumer credit) to the places of worship, from the cafés to the "people's house". As in today's ghettos, with their "ethnic" stores and their various "religious associations," all social reproduction was already under strict class control, from birth to the burial of the proletarians.

Living Marxism has always been keenly interested in the condition of the working class, its (over)life and the ways in which it reproduces its only asset: labor power. Friedrich Engels had already brilliantly initiated his political and social commitment, independently of Marx, with his work "The Situation of the Working Class in England." In this first critical sociological essay addressed to the workers, F. Engels stated in 1845: "*The situation of the working class is the real basis from which all present-day social movements have arisen, because it is at the same time the extreme point and the most visible manifestation of the present miserable social situation.*", *The Situation of the Working Class in England*, p. 31, éditions sociales, Paris, 1973. Nearly thirty years later, he returned to this same observation when he prefaced the pamphlet edition of three articles that would become "The Housing Question." Its text is also a frontal critique of reformism, then represented by Proudhon, but still very much present today when it comes to urban problems and the recurrent shortage of decent and affordable housing¹.

¹We have already analyzed the problem of the city and the urban question in our complementary text: "The city, a field of ruins of capital" *Matériaux Critiques* N° 11 and on our website: <https://materiauxcritiques.wix site.com/monsite/textes>

Engels develop, among other things, how the bourgeoisie tries to solve the housing question by creating "ugly neighborhoods" *"where the workers are crammed together (which) constitute the focus of all the epidemics which periodically afflict our cities."* F. Engels, *The Housing Question*, p. 51, éditions sociales, Paris, 1976. Even today, this question is a very pertinent indicator of the impoverishment, both absolute and relative, suffered by very large sectors of the proletariat and the lower classes of society. In the same way, the bourgeoisie and its "bohemian petty bourgeois" stratum are always at the forefront of innovative "solutions" and new projects to plaster, green and camouflage the misery of daily survival.

"A part of the bourgeoisie tries to remedy social anomalies in order to consolidate bourgeois society. In this category fall economists, philanthropists, humanitarians, people concerned with improving the lot of the working class, organizing charities, protecting animals, founding temperance societies... in short, reformers of all kinds. And this bourgeois socialism was even elaborated in complete systems". K. Marx-F. Engels, *Manifesto of the Communist Party*.²

From shared housing to artistic squats, from flooded caravan parking lots to low-rent secure housing for the lower middle classes in areas that remain socially dangerous, not to mention evictions... anything goes to fuel the current urban conflict between gentrification and impoverishment, ultimately arbitrated by ground rents and the rising rents that accompany growing demand. In this tense and changing context, competition from tourist rentals (Airbnb) or "coliving" and the invasion of vagrants, beggars and newly arrived refugees overlap. These different elements make up what has been euphemistically translated in the press as a "sense of insecurity", a diluted formula to interpret the cumulative increase in crime and repression. This same sensation, felt or fantasized, is a primary source of fodder for "populist" political forces, from the right to the extreme left of capital.

*"The latest survey by INSEE and the Ministry of the Interior shows that the general feeling of insecurity is increasing in the country, especially among young women aged 18 to 24. The feeling of insecurity is increasing in France. Last year, 21% of French people reported feeling unsafe in their neighborhood or village, compared to 18% in 2022. These are the results of the annual in-depth survey conducted by INSEE and the Statistics department of the Ministry of the Interior, based on a sample of 110,000 people."*³

All major European cities are experiencing the same criminogenic phenomenon: *"There is a real manhunt, with a market for contract killings"*⁴; *"89 shootings and 9 dead: the bloody toll in Brussels in 2024: 'A new shooting leaves one dead in Anderlecht. Another one. This macabre routine goes hand in hand with a catastrophic criminal balance sheet for the capital of Europe (...)' The figures for settling scores and clashes between rival gangs are simply mind-boggling. The Brussels prosecutor's office notes an increase of 43.5% in 2024 (62 such incidents were recorded in 2023, 56 in 2022, etc.)"*⁵

²On the website : <https://www.marxists.org/francais/marx/works/1847/00/kmfe18470000.htm>

³"The feeling of insecurity continues to grow in France, especially among young people", G. Billet, on the website: bfmtv, published on November 15, 2024: https://rnc.bfmtv.com/actualites/police-justice/le-sentiment-d-insecurite-continue-de-monter-en-france-surtout-chez-les-jeunes_AV-202411150429.html

⁴"75e shootings related to drug trafficking in Brussels in 2024 ", E. Bock, sur le site web sud info publié le 23/12/2024: <https://www.sudinfo.be/id932519/article/2024-12-23/75e-fusillade-liee-au-narcotrafic-bruxelles-en-2024-il-y-une-authentique-chasse>

⁵"89 shot and 9 dead: shootout related to drug trafficking in Brussels in 2024, Max Helleff, published on the Sud Presse website on December 24, 2024: <https://www.virgule.lu/international/89-fusillades-et-9-morts-le-bilan-sanglant-de-bruxelles-en-2024/31201803.html>

This is nothing more than the classic war of all against all, popularized by Hobbes, which characterizes the chaotic and degraded situation of neighborhoods with a strong proletarian component. This anomic situation contrasts sharply with the very rare moments of active solidarity, such as that of the neighbors of Valencia, Spain, after the floods of October 2024, who organized independently to help each other and demonstrate against the negligence of the state and royal authorities.⁶

Rent: a drastic drain on wages even in a credit economy

Rent, the rental price of a movable or immovable property, is an attribute of sacrosanct private property, which translates into a conventional financial requirement: as a general rule (although it is less and less observed in practice), "the rent must represent at most one third of the income, or the salary must be three times higher than the rent". Obviously, this financial rule also applies to mortgages, the equivalent of rent paid punctually to the bank or other lending institutions. In addition, there is a growing trend for banks and other lending institutions to increase the number of credit options available, thereby increasing the cost of debt (interest) considerably, making it much riskier (and more expensive) for the borrower, but also more lucrative for the creditor. As a result, it is increasingly common for both households and governments to have to borrow to pay the interest on previous debts. It is the downward spiral of the credit economy. Some banks even offer "perpetual debt": *"Faced with a debt burden so heavy that you have to borrow to repay previous loans that have come due, some people are proposing to create loans that only require you to repay the interest, with no principal repayment."*⁷

In mature capitalism, this credit economy has supplanted the market and monetary economy. In this sense, credit is the most important creation of the capitalist system, designed to overcome its limits and contradictions (including the tendency of the rate of profit to fall). This is one of the main tendencies of what Marx calls the phase of the real subsumption of labor under capital.

"Marx⁸ distinguishes between the "credit system" and the "monetary system," and considers that "in developed capitalist production, the monetary economy only appears as the basis of the credit economy." S. de Brunhoff, Originality and relevance of Marx's monetary theory.

This reality corresponds to the process of autonomization of the financial sphere, which makes it possible to "artificially" increase or boost the financial capacities and, therefore, the consumption of the subaltern classes previously considered too "poor" and, therefore, insolvent.

"If, at the beginning, capital appeared on the surface of circulation as a capitalist fetish,

⁶See this important proletarian reaction: "Nobody will silence us We will speak in the name of our dead", written by our comrades of the Barbaria group: <https://barbaria.net/> and published in French in our magazine Matériaux Critiques N°10 as well as on the website: <https://materiauxcritiques.wixsite.com/monsites/textes>

⁷"What is perpetual debt?" published on the website on January 25, 2021: <https://www.fortuneo.fr/blog/une-dette-perpetuelle-655>

⁸On the website: https://www.persee.fr/doc/reco_0035-2764_1967_num_18_1_407746 See also our text: " The non-decadentist periodization of the MPC " in our magazine Matériaux Critiques n° 7 and on our website: <https://materiauxcritiques.wixsite.com/monsites/textes>

creator of value, it reappears here in the form of capital at interest in its most alienated and characteristic form." K. Marx, Capital.⁹

It is also one of the causes of cyclical crises caused by the excessive indebtedness of the most disadvantaged, mainly due to the exorbitant weight of the mortgage sector, such as the subprime crisis of 2007-2008. It was an uncontrolled and "toxic" contagion of excessively risky debts underwritten by mortgage banks (plus interbank credit) that triggered a global financial crisis. It was not a catastrophe for capital but allowed the system to purge itself and then take off again. Mortgages that anticipate wages to be paid for decades falsely support the myth of "home ownership for all" as a solution to the housing crisis. Especially since owning a home (especially on credit) does not mean owning productive capital, which would eliminate the need for paid work for the homeowner. There remains the "solution" of subletting, i.e., that another tenant, generally poorer than the owner, pays part of the interest on the debt. This perpetuates the process of rent extraction from wages by increasing the impoverishment of the lower classes.

The relation between tenant and landlord is not the same as that between worker and boss

It was Engels who brilliantly demonstrated the difference between the relation of exploitation inherent in the process of new value creation and the relation of alienation and oppression established between the tenant and his public or private landlord. Housing¹⁰, whether bought or rented (which means, in fact, bought for a fixed period, as in the sale of labor power), is but one commodity among many, which is also exchanged, equivalent for equivalent. Engels had already virulently denounced the legend according to which the landlord exploits the tenant, and that "the wage-earner is to the capitalist what the tenant is to the landlord."

To this falsehood he replied as follows: *"It is a simple sale of commodities, not a question between proletarian and bourgeois, between worker and capitalist; the tenant - even if he is a worker - presents himself as a man who has money; he must have already sold the commodity he possesses in his own right, his labor power, before he presents himself, with the price he has obtained for it, as a purchaser of the enjoyment of an apartment - or else he must be able to guarantee the future sale of this labor power. (...). Whatever the exorbitant advantages that the lessor obtains from the lessee, the only thing we are dealing with here is **the transfer of an already existing value**, previously produced; the total sum of the values jointly possessed by the lessee and the lessor remains the same afterwards as before (...). We are dealing with a mercantile transaction of the usual type, between two citizens, and it is carried out in accordance with the economic laws governing the sale and purchase of goods in general and, in particular, the sale and purchase of the commodity that is land".*

It is therefore fundamental to understand that exploitation takes place in production and not in the exchange between goods, that is, in circulation. The exchange between tenant and landlord is typical of this sphere of circulation and does not produce any new value. However, the fact remains that rents and their ever-increasing cost, especially as a function of the scarcity of supply, especially in large urban areas, lead not only to absolute impoverishment

⁹On the Marxists.org website :<https://www.marxists.org/francais/marx/works/1867/Capital-I/kmcapI-4.htm>

¹⁰This chapter is partly indebted to an article: "Quelques aspects de la question du logement" (Some aspects of the housing question) to which we contributed in 1983, and which was published in several issues of the magazine "Le Communiste", central organ of the G.C.I. in French before this group sank into modernism and complotism. It is available on the website: <https://archivesautono mies.org/spip.php?article1670>

when the possibility of housing disappears with the lack of income¹¹ (homelessness and the euphemism of the "homeless", living in cars, shacks, squatters, etc.), but also to relative impoverishment in comparison with the more expensive housing of the upper classes.

"A house can be large or small; as long as the houses around it are also small, it satisfies all the social requirements of a house. But if next to the small house a palace is built, the small house is reduced to the level of a thatched cottage. The small house is then the proof that its owner cannot be demanding or can have only very modest demands. And during civilization, it can grow as large as it likes, but if the neighboring palace grows as fast or even faster, the person living in the relatively small house will feel increasingly uncomfortable and dissatisfied within its four walls...." K. Marx, Wage Labor and Capital.¹²

Even if it does not correspond to the relation of exploitation specific to capitalism and wage labor, impoverishment, through the drastic bleeding of income that rent constitutes, is one of the principal constraints that daily oppress the proletariat and the subaltern classes. But, for the same reasons, it is also one of the favorite terrains of reformist compromises and patches, both in the public sector (the mirage of "social housing") and in the private sector.¹³

Housing: the ideal breeding ground for capitalist reformism

One of the consequences of this fundamental difference between exploitation and oppression can be seen in the struggles that regularly arise in relation to housing. It is difficult for these struggles to be collective (given the individual character of the rental contract) unless they are opposed to a single landlord, as in the case of social housing enterprises or the emblematic struggle of the Sonacotra hostels. In most cases, however, the dispute is between a recalcitrant tenant and a more or less sympathetic landlord, even if both parties are represented by unions or "tenants' unions". The individual character of the contract predominates, as well as the financial and social disparity between the "players". This divergence tends to push towards legal and negotiated solutions (voluntary or forced by a court), rather than opening and spilling over into a broader social conflict. The only significant exception is when the tenancy conflict is linked to a workers' struggle that spreads from the production centers to other production areas. But it is precisely this generalization of social conflicts, aimed at questioning the totality of social class relations, which prevents all organizations (associations, NGOs, trade unions, etc.) which live precisely from the survival of the social system and which reinforce the problems, such as that of housing, which they claim to address. It is when the proletarians dispense with these organizations, or even confront them, that they can defend their own interests. One of the most notable examples of this is the recurrent struggle, until recently, in the working-class neighborhoods of Naples,

¹¹"A lessor is a natural or legal person. This person, whether a private individual or a company, is the owner of a property that he or she decides to rent. The landlord can also be appointed by the owner. In this case, the lessor is not the owner but acts on behalf of the owner. This is usually the case for a real estate agency that manages a property for rent. "Lessor - definition and obligations" on the website Le figaro : <https://immobilier.lefigaro.fr/louer/guide-location-immobilier/1226-bailleur-definition-et-obligations/>

¹²On the website Marxists.org : <https://www.marxists.org/francais/marx/works/1847/12/km18471230-4.htm>

¹³In Belgium, for example, the public authorities make available to citizens several housing structures, mostly managed by the municipalities or the region (e.g., the housing fund, land agencies, social housing agencies and social housing). The complexity of these structures and their dependence on the political sphere obviously favor corruption, cronyism and a host of special privileges.

where the organized unemployed intervened to support neighbors who were victims of the ruins of their homes.

*"The dilapidation of the buildings, in particular the famous Vela, overrun by garbage and rats, has been denounced many times, according to the press since 2016, but the infiltration of water pipes and rainwater had been corroding the steel and concrete of the walkways and stairs for years and was irreversible. So, it was a matter of time before this catastrophe occurred (...) Scampia is a ghetto neighborhood inhabited mainly by proletarians and sub-proletarians. Abandoned, like the buildings, they manage as best they can to survive. The art of making a living has a long history in Naples. As in all capitalist metropolises, a minority is forced to engage in illegal activities in order to survive. While this neighborhood is criminalized by the media, even though certain filmography, it is also the object of a certain cosmetic policy that wraps the proletariat in hopes and illusions, covering up and mystifying the responsibility of local and national institutions. (...) The solidarity of many neighbors was organized, especially that of the "unemployed of November 7" who, together with the "unemployed of the Scampia construction sites", went to the site to distribute basic necessities after collecting them among the unemployed themselves."*¹⁴

These large housing estates with "low rents" (known as HLM) but with clearly deteriorated social conditions are also the perfect focus for state and parastatal policies in an attempt to deploy their more or less cosmetic (and electioneering) solutions to overcrowding and homelessness. In addition to reinforcing social fracture and segregation, these reforms are often limited to extending subway and bus lines to the suburbs and building a few sports and socio-cultural facilities, thus continuing to confine urban development.

"So, what should we do?"¹⁵ Demand the construction of social housing? Regulate or even freeze rents? Strike rents? Take back housing from timeshare owners? Socialize the private housing stock? Put (real) limits on access to public housing? Fight evictions? It would be a good start, yes, but in all cases, it will be necessary to obtain real concessions on the sacrosanct principle of private property. Otherwise, there will only be "small measures" that, in the long run, will serve to perpetuate profoundly unequal situations." A. Krzyszton, N. Renier: Social work and the housing crisis in Brussels.

And when these public policies become more proactive and effective, they produce and reinforce, inversely and paradoxically, the tendency to gentrification.

*"This analytical framework is then empirically tested in the case of the so-called "urban regeneration" policies implemented in Brussels since the early 1990s. The objective is to identify how public action contributes to the co-production of gentrification in Brussels, on what social and political bases, with what instruments and what effects, for and against whom. If it limits itself to pointing out the "perverse effects" of the gentrification process, even to deploring them, the research will not be able to account for the decisive role played by public action in this co-production of the gentrification process."*¹⁶

Hence also, historically, some of these initiatives to "help the disadvantaged" have become either "backwaters of peace" (some of the so-called "garden developments") for the "middle classes" waiting to become owners, or "hells" for newcomers, giving rise to territories

¹⁴Naples: In Scampia, against an economic and social system that brings only destruction and death, a call for class struggle resounds. Le Prolétaire, 25/07/2024, pcint, on the web site : https://www.pcint.org/01_positions/01_01_fr/240725_naples-scampia.htm

¹⁵On the web site Belgian Observatory on Inequality: <https://inegalites.be/Travail-social-et-crise-du>

¹⁶Mr. Van Criekingen, Gentrification in Policy, Metropolises 13 | (2013), on the website: <https://journals.openedition.org/metropoles/4753>

"without rights" where delinquency and crime reign. As a result, public policies constantly oscillate between the gentrification of certain areas or parts of neighborhoods and the militarization of others in a state of decay.

"The violence, sometimes unprecedented, committed by small groups of young people on nights of riots, is responded to with increasingly dense and complex police operations. A "militarization" of the police: regular use of helicopters equipped with infrared cameras and powerful searchlights; experimentation with drones for remote surveillance of neighborhoods, to check whether elements have stored projectiles on rooftops, to measure the size of concentrations; creation of special teams in urban departments, a sort of neighborhood RAID, extremely well trained, made up of volunteer police officers to professionalize the response to riots." L. Bronner, *La loi du ghetto, enquête dans les banlieues françaises*, p.212, Calmann-Lévy, Paris, 2010.

These processes of high mobility evolve at high speed under the effect of the disappearance or emergence of certain types of population, leading to the arrival or departure of trades and businesses which, in turn, reinforce this divided part of the population. Empirical evidence shows that the appearance in Belgium of stores such as Zeeman, Primarkt, Action and Wibra, and the continued closure of stores, are visible signs of the deterioration of the area and the decline in the purchasing power of the people who frequent it. Conversely, the appearance of "trendy" restaurants, antique shops, luxury stores, delicatessens and organic food stores are often signs of the process of "goboization" of the area in question. Thus, like a patchwork quilt, economically and socio-culturally homogeneous neighborhoods are juxtaposed, delimited by invisible but very real borders, forming a succession of ghettos, whether for the "poor" or the "rich". The difference between rents, on average, simply reflects this succession of neighborhoods and their degree of gentrification or decay, although in the long term, rents in all "developed" countries follow a clear upward trend.

*"Rents are soaring in Brussels. After two years of stabilization (rises limited to 0.8% in 2020 and 2021), average rents have risen by 3.9% in 2022 and 8.6% in 2023. That represents an increase of almost €100 per month in one year for new leases. All types of accommodation have experienced very steep rises. The average rent for apartments is now over €1,200, while studios have risen to over €800 per month and townhouses to over €1,000 per month €1,850."*¹⁷

The housing issue is thus not only an indicator, but also an accelerator of the general process of absolute and relative impoverishment that weighs on the "working classes". The "little reforms" which the various bourgeois and petty-bourgeois factions regularly pull out of their electoral hats, and which they sometimes try to implement, are not a real solution to what is one of the logical consequences of capitalist domination and of private and public property.

"This is a striking example of how the bourgeoisie solves in practice the question of housing. The hotbeds of epidemics, the filthiest cellars in which night after night the capitalist mode of production locks up our workers, are not eliminated, but only.... moved! The same economic necessity originates from them here as there. And if the capitalist mode of production persists, it would be folly to try to solve in isolation the question of housing or any other social question concerning the fate of the worker. The solution lies in the abolition of this mode of production, in the appropriation by the

¹⁷"Rents are skyrocketing in Brussels and rising in Wallonia," on the Walloon Union of Architects website: <https://www.uwa.be/blog/partenaires-3/les-loyers-explosent-a-bruxelles-et-augmentent-en-wallonie-1118#:~:text=Apr%C3%A8s%20deux%20ann%C3%A9es%20de%20stabilisation,an%20pour%20les%20nouveaux>

working class itself of all the means of production and of existence." F. Engels, *The Housing Question*, p.91, Éditions Sociales, Paris, 1976.

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