



International Union of Tenants

Association Internationale des Locataires

www.iut.nu

Bruxelles

30.10.2012

1 (3)

Intervention of Barbara Steenbergen, Head of EU office of the International Union of Tenants (IUT)

Please check against delivery

First thanks to the rapporteur Mr. Hencks for the invitation to this meeting and giving us the mandate to speak. I am sharing my speaking time with my colleague Eddie Jacquemart from the French union of Tenants, la CNL.

We think it is indispensable that the voice of the tenants, the consumers of the housing market, is heard too when discussing the state aid cases in social housing.

Why is that? Because with every decision of lowering income limits the EC is lowering our members' chances to find an affordable housing.

According to a recent survey from Eurobarometer on the social impact of the ongoing crisis, 43% of the EU citizens are afraid that they can't pay their rent or mortgage anymore. In 2010, the share was 29%
- So what happened?

An answer from EU Commissioner Laszlo Andor, 2010:

« The crisis demonstrated an enormous market failure, not only in the financial sector but also in the housing sector, and it became very clear that market forces alone cannot resolve these problems, not only for the extremely poor, but also for larger groups of society

So, is the EU an advocate or opponent of social housing?

I think today we should broaden our view and also debate the credibility of the EC in the light of the decision of the « Dutch case »

- Is it the job of the EC to support or to jeopardize national social policies?
- Should administration follow policies or is it the other way round?
- Is Article 14 TFEU still valid- do member states have a wide discretion to define the scope of their social services, or is it EC competition law that rules?

IUT head office
P.O. Box 7514
SE-103 92 Stockholm
Sweden
tel. +46 8 791 02 25
fax: +46 8 20 43 44
info@iut.nu

IUT liaison office to the EU
23, rue du Luxembourg
B-1000 Bruxelles
Belgium
tel. +32 2 51 30 784
fax: +32 2 51 30 955
barbara.steenbergen@iut.nu

Let me start with an example not coming from Sweden, the Netherlands or France. I will start with a figure from Cologne, Germany.

Cologne is one of the richest regions in Germany, a town of media, science, and a booming third sector.

A boomtown? Well, that depends: According to the housing department of the city administration, 50% of all citizens from Cologne have the theoretical right to access social housing.

What does this show: Not the income limits of Cologne are too high, the economic crisis leads to a massive loss of wealth of the citizens. It is a shift downwards not only for the poorest households, but also for the middle incomes.

So, my question is: Is it wise to force MS to further lower income limits?

What is the overarching goal of the EU? I think it should be to create a more social Europe of equal chances and access to good quality social services.

So, from that point of view the IUT doesn't give a yellow card to the EC, but a red one.

With the decision of the Dutch case you put 650.000 people in the NL aside- most of them young families or key workers like nurses, policemen, bus drivers.

They are excluded from social housing because of the lower income limits- from 38.000 to 34.000 Euro- because they just earn a little bit more.

They are excluded from private housing because there is no supply in the lower segment of the market

They are excluded from home ownership because they lack solvency for the banks.

They are standing with their back against the wall.

We give another red card to those organisations launching the complaints.

Private investors and landlords: what is your real goal? You have the possibility to build new affordable housing- the market is no closed shop.

And there is a lot of demand- just built more. But you don't invest, but misuse EU competition law with complaints that shall freeze the market.

By that, you create more shortages and housing scarcity at the market- with the result that the rent prices are increasing. Is this the hidden agenda you are following?

So, might the decision in the Dutch case be a manifest error of the EC?

Is the EC in the legal position to define the target group of social housing?

In November 2012, one month before the launch of the new Almunia package, a big majority of the European Parliament stated on the reform of the state aid rules on SGEI: Public services must be accessible to all sections of the population. The restrictive interpretation taken by the EC in the target group for social housing is in conflict with the higher goal of a social mix and universal access.

Where can we find back this clear statement of a democratic instance, the European Parliament, in the recent Almunia package?

What about the national competence for housing policy? Many member states of the EU want to provide housing for larger parts of the society- it's part of their welfare system.

So, my final remark is: The EC should revise their ruling in the Dutch case. Every country should have the right to define their target group of social and affordable housing themselves.

They know best their national, regional and local specifics of their housing markets. For the Dutch market, we, the tenants' unions go for a limit of 40.000 € for a single household.

We need a safe and secure legal framework to build more affordable housing- it is now up to the EESC to ask the EC to put the cards on the table.

More info :

barbara.steenbergen@iut.nu