

Beyond market expansion: A theoretical framework for understanding agency in peripheral housing regimes?

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In the early 2000s, the world experienced a drastic increase in housing financialization. Housing has become a major driving force of financial capitalism by becoming the main collateral for financial investment (Aalbers 2008, Schwartz and Seabrook 2009, Lowe 2011, Fernandez and Aalbers 2016). It was therefore the housing sector where the consequences of the financial crisis of 2008 were the most severe. Both journalistic and academic accounts refer to the crisis as the Great Recession emphasizing its scale or as the subprime crisis or the Great Eviction (Gottesdiener 2013) due to its roots in housing. In spite of its scale and the social problems it caused (evictions, indebtedness, homelessness, etc.), the crisis did not result in a fundamental rethinking and restructuring of economies in general and housing regimes in particular.

While the crisis did not result in a paradigm shift, it was a problematizing moment that led to the repoliticization of housing and a variety of unexpected small-scale, but non-paradigmatic policy changes, particularly in Europe's periphery. These changes did not transform housing regimes, but included radical departures from the dominant policy paradigm. Some of these changes are attempts to decommodify housing through social housing agencies, housing cooperatives, Housing First programs, while others are policies that aim to shift the burden of housing debt to financial institutions by forcing them to provide social housing, converting Forex mortgages to national currency or introducing moratoria on evictions in Spain (López and Rodríguez 2011, De Weerd and García 2015). There are also familialist policies aiming to facilitate the access of middle class families to home ownership through mortgage subsidies in Hungary (Bohle 2014).

These changes shed light on the importance to direct more attention to the mechanisms of agency that result in such divergences. The paper suggests that a Polanyian (1962) understanding would enable a more nuanced understanding of the dynamics between the global process of financialization (market expansion) and the attempts to mitigate its effects or even stop it altogether (social protection). The existing housing literature on financialization (Aalbers 2008, Fernandez and Aalbers 2016), dependent financialization (Harvey 1982, Smith 1990), varieties of residential capitalisms (Kemeny 1992, Schwartz and Seabrook 2009, Lowe 2011) and transitioning housing regimes (Hegedus and Tosics 1992, Turner 1992, Lowe and Tsenkova 2003) provide a thorough analysis of global market expansion

in housing and some measures of social protection. This paper seeks to offer a theoretical framework that complements these approaches with literature on contentious politics (McAdam, Tarrow and Tilly 2007) and policy regimes (May and Jochim 2013) to analyze the dynamics between market expansion and social protection more systematically in peripheral housing regimes. In addition to that, the paper explores two policy cases, the mortgage policies after the financial crisis in Hungary and in Spain aimed at offering protection for people affected by foreclosures to highlight how such a theoretical framework focusing on the dynamics between market expansion and social protection can be used to better understand non-paradigmatic housing policy changes.

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