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Conceptualizing 'Financialization': Governance, Organisational Behaviour and Social Interaction in UK Housing

Introduction: Contesting financialization

In an important article, French et al (2011: 800) cast doubt on the value of studies that frame contemporary developments in capitalism through the lens of financialization, pointing out that it is 'a highly malleable concept, made up of a plethora of contested narratives, and there is a variety of definitions in circulation'. Without more 'precision', they explained 'there is a danger financialization will become a chaotic concept, a blanket term which is stretched too far to cover a range of related, but fundamentally different projects' (French et al 2011:801). Seven years on from their article, it is apparent that no precise definition of financialization has taken hold, that scholars are divided about its value and question whether it adds sufficiently to the insights that are possible through related concepts such as neoliberalism and commodification.

Our interest in the concept of financialization is premised on our assumption that more scholars will use it to analyse contemporary developments in housing (and other fields) and therefore it will shape the ways housing researchers select their objects of inquiry and also decide on the methods of their investigation. In this paper we aim to interrogate the theoretical underpinnings of financialization and review its utility for enhancing an understanding of contemporary housing practices[1] and neoliberal policymaking since the GFC (Global Financial Crisis). We begin by examining some of the criticisms that have levelled against the concept and ask whether it is a useful addition to more longstanding concepts such as neoliberalism, commodification and marketization.

There is a consensus that since the 1980s, housing has become a key instrument and site for commodification activities, when governments initiated a series of reforms designed to privatise public housing, extend homeownership and curtail the role of the state. However, it was in the aftermath of the 2007/8 GFC that a number of housing researchers deployed the concept of financialization to explain 'the increasing dominance of financial actors, markets, practices, measurements and narratives' (Aalbers, 2015:215) and the penetration of finance into new areas of society (Palley, 2013).

One of the major criticisms that have been made against the concept is that it is amorphous. Consider for example, Christophers (2015), who argues that financialization 'has fundamentally fragmented. To the degree that it is excessively vague and stretched, it is a nebulous and even, arguably, an unhelpful signifier' (Christophers 2015:187). Amongst the other reasons why Christophers argues that financialization has become 'unhelpful' is that in much of the social science literature, scholars fail to differentiate between financialization as a categorization and as an explanation. At its worst, financialization stands for a 'vague notion of 'the (increased) contemporary importance of finance'. Its deployment will not lead

[1] We use the term 'processes' to denote the broad ideological, economic and societal changes. Practices are the policies and actions that institutions adopt in response to these processes.

to an enhanced understanding as there will always be a risk of 'conceptual slippage' where scholars offer new variations of a concept. For all of these reasons, he invites researchers to deploy concepts such as commodification, globalisation and neoliberalization rather than financialization.

A similar criticism is offered by Poovey (2015: 221) who claims that financialization 'in the scholarly literature too often relegates 'finance itself' to a black book'. In Poovey's view, much of what is written on financialization has little to say on issues such as institutions and legal frameworks and its impact is often assumed rather than empirically demonstrated. As she writes, 'to get beyond vague generalisations about financialization …. I think we need to grasp the peculiar nature of finance itself' (222). Unlike commodities or services which are typically exchanged or consumed when they are bought, financial assets 'are claims to or contracts about *future* returns. Because the purchase of financial assets represents a deferral of consumption, investors' *expectations* about financial markets and assets play an important role in financial decision making' (222, emphasis in original), thus emphasising both the inherently speculative quality of financialization and the way in which it has become embedded in individual social behaviour.

It is evident from French et al (2011), Christophers (2015) and Poovey's (2015) criticisms that financialization, when deployed generically, conflates specific processes, including: globalization, neoliberalism (e.g. privatization and marketization) and commodification. We concur with their argument that these processes are best viewed separately but also suggest that globalization is framed as an economic and technological landscape for financialization practices to take hold; neoliberalism construed as an ideological rationale for these practices; and privatisation, marketization and commodification are the terms to describe the forms which these practices are enacted.

Financialization in historical and geographical settings

In response to these criticisms outlined above s a strand of recent housing scholarship has explored the impact of financialization processes in specific localities. Examples include Aalbers (2017), who highlights the variegated and uneven features of financialization and Kohl's (2018) survey of 18 nation states, covering the years between 1920 and 2013. Kohl argues that prior to the liberalisation of the finance sectors rates of homeownership increased, with most householders incurring significant debts. The affordability of homeownership before the 1980s can be attributed to higher wages, as well as more interventionist governments. Much of the commentary on financialization has been focused on the role of the US economy (for example Gotham, 2009; Krippner, 2004) whilst other studies have analysed the impact of financialization in Italy (Di Feliciantonio, 2017); Spain (Palomera, 2014); Eastern Europe (Posfai, Gal and Nagy, 2018); Canada (Walks and Clifford, 2015); Brazil (Klink and Denaldi, 2014; Pereira, 2017), Hong Kong (Smart and Lee, 2003) or Colombia (Zapata, 2018). Wainwright (2015) has analysed securitization practices in France, Italy and Spain, whilst Romainville's (2017) study of Belgium considered the extent to which investment in housing projects have been capitalised and how political institutions can soften some of the more problematic effects of financialization. There have been a number of articles on the German example (Bernt, Colini and Förste, 2017; Wijburg and Aalbers, 2017) including Wijburg et al's (2018) reflection on the effects of stagnation in the early mid

2000s and the legacy of unification and privatisation policies. Their study focuses on the Ruhr region to show how institutional investors have shifted their operations from pure speculation to long term investment. Such examples illustrate how financialization practices are experienced in a variety of forms and contingent on specific social, political and economic factors. For example, in analysing the specificities of financialization Aalbers (2009) supplies a European focus to these debates, pointing out the differences across nations accentuated by financialization processes. Focusing on the Netherlands' housing market, Aalbers, Engelen and Glasmacher (2011) view the financial crisis as an example of 'cognitive closure' (1779) with pro-banking regulation not so much an effect of bankers hijacking regulators but rather 'the simultaneous seduction of politics by the promises of lucrative financial gains and the inability of politics to formulate an alternative perspective on financial globalization to the 'ad hoc' globalization pursued by bankers' (1790). Thus, whilst there may be global features to the financialization of housing, the impact of these developments is felt differentially, according to governmental, organisational and societal contexts.

The UK example

In the specific context of the UK, support for financialization processes can be viewed as a political response to the set of economic problems that engulfed the nation in the mid-1970s. The breakdown of the post-war Keynesian consensus followed a period of low economic growth, rising unemployment, government debt and high inflation. Academic research has highlighted the responses to these problems and analysed the role of financial institutions in the UK in generating market-based economic strategies. Consider for example, Davis and Walsh (2016 and 2017) who explain that the privileges accorded to financial institutions were an outcome of conflicts amongst ruling echelons. The benefits that have accrued to financial industries were thus facilitated, 'by a new alliance of financial and emerging state elites against industrial and established state elites' (Davis and Walsh 2017:28).

The political response to these economic problems identified by governing bodies established the terrain in which financial institutions (such as banks, developers and accountancy firms) were able to increase their influence on government policy, the business practices of organisations (both public and private) and the spending decisions made by households. Of course, this is not to suggest that financial institutions did not wield power in preceding periods, but these processes were accelerated from the 1980s onwards, when the Government under Margaret Thatcher explicitly pursued a pro-enterprise agenda (Bale 2012). Reforms underpinning this agenda included: the pursuit of monetarist policies, 'right to buy' discounts for public housing tenants, curbs on local government spending, the deregulation of the banking sector in 1988 (known as the 'Big Bang') and the privatisation of nationalised industries such as water, gas, telephone and railways (see Meek, 2014). Accompanying these reforms, was an acceleration in new communication and computer technologies to assist government, welfare, employment, banking and other agencies' engagement in financialization practices. Studies of subsequent periods (for example Crouch, 2009; Hay, 2011), showed how under the stewardship of Blair and Brown the pursuit of policies that benefited the City was judged to be the best way to secure long-term economic growth.

With the benefit of hindsight, it is possible to assess the political impact of this financialization agenda and we would single out a diminution of trade union bargaining power to secure wage rises (linked to increasing individualisation), high levels of job insecurity (caused by a capitalist emphasis on the importance of flexible labour markets) as having particular significance. In addition, as Edwards (2016: 223) points out, increased household indebtedness had a disproportionate impact due to 'the failure, since the 1970s, of personal incomes to grow as fast as output or consumption – the shortfall being partly made good by a boom of credit'. Unsecured household debt in the UK is the second highest in the OECD with debt held by households at 150% of income in 2015 (Guardian 2017); a process described (by Crouch, 2009) as marking a form of 'privatised Keynesianism' where risk is shifted from the state to individual households.

The conundrum for governments is that consumer indebtedness eventually stifles aggregate spending in the economy and so growth becomes more dependent on other stimuli to boost productivity (for example through exports, enlarging the size of the working population through extending the age of retirement or immigration). So financialization of the UK economy (including housing) we suggest, should be understood from the context of a legacy of economic weaknesses and failure to generate growth in the labour-intensive components of the economy, alongside the technological innovations referred to above. As Streeck (2016:116) points out, 'financialization made it possible for governments to push back the moment when they had to do something about the increasing inadequacy of their fiscal measures'.

Seeing financialization within an historical perspective adds depth to contemporary analysis and also extends the concept's analytical reach (even when applied amorphously). However, we agree with Aalbers (2015) that there is little merit in imposing a rigid definition. As he points out, concepts in social science are always value-laden, contested, open to multiple interpretations, and on occasions confusing. For Aalbers it is the *imprecision* of concepts that creates possibilities to transcend different lines of argument and pursue research across different scales. Furthermore, financialization, inadvertently perhaps, provides opportunities for researchers to facilitate dialogue across different disciplines. From a similar perspective Fairburn (2015:212) argues that financialization 'allows scholars to see connections between apparent and discreet developments. Fairburn identifies these as 'the expanded clout of institutional investors, the switch by investors and non-financial companies to speculate on non-productive parts of the economy'.

Deploying the concept of financialization

In this section we return to our claim that a productive way to deploy the concept of financialization is to undertake an analysis across three scales, namelygovernance, housing organisations and individual households (using the example of the UK to illustrate the forms that financialization has taken).

Financialized governance: Housing and the new welfare state

The first application of financialization we identify (influenced by political economy and regulation theory), emphasises the ways that circuits and flows of capital underpin financialization practices and have transformed the governance of housing. At the risk of generalisation, much of this research views government orchestrated financialization initiatives as an extension of neoliberal policymaking, through the 'relentless logic of commodification' (Forrest and Hirayama, 2015: 233) or 'hyper-commodification' (Madden and Marcuse, 2014). Rolnik (2013) for example, traces the history of housing policy in Western nations noting three significant developments: the dismantling of housing welfare systems; the privileging of homeownership through privatisation and associated financial instruments; and unlocking land values in large cities.

This strand of literature emphases explanation and context; so, for example, Aalbers (2008), explores broader processes of capital accumulation that have created the conditions whereby (non-productive) financial sectors are able to increase their share of profits compared with productive (industrial) forms of capital. For Aalbers, 'financialization' can be deployed to highlight other areas of the economy aside from accumulation strategies that prioritise financial products. Such an approach draws extensively on David Harvey's (1982) term 'capital switching' to explain why large financial institutions have sought to invest in the built environment in periods when usual sites of profit making (such as manufacturing) are deemed less lucrative. For Harvey, this 'spatial fix' sees the built environment as a circuit of capital flows including infrastructure and consumption practices. In his influential (2014) study, Harvey argues that since the GFC, significant flows of investment in the housing and built environment sectors of the economy have resulted from government intervention, such as quantitative easing measures.

Like Harvey, Aalbers (2008) argues that the extensive financialization now undertaken generates new forms of collective risk. As he explains, 'the interconnections in the economy have always been evident but in a finance-led regime of accumulation, risks that were once limited to a specific actor in the production–consumption chain become risks for all the actors involved in a specific industry' (Aalbers 2008:150). For others such as Sassen (2012), the key process has been the development of globalisation, producing an 'urban knowledge capital' which is more than the sum knowledge of professionals and firms within a city. As Sassen argues, finance is an 'invasive economic sector which constitutes an intermediate space between the globalized part of finance and the thick national and local cultures of investment of a country or a region' 2012, p.24). The global financial system is thus an 'assemblage of diverse components that deborders narrowly defined institutions of finance - firms and exchanges' (p.28). As we have argued, whilst it is helpful to see the global reach of financialization, there are always differential spatial impacts. For example, Gotham (2009) has written of the specific features of the US sub-prime market and its role in the GFC. As Martin (2011:612-613) writes, 'the creation and circulation of financial assets, and the mechanisms by which credit and liquidity are expanded and constrained, in the global monetary system are often tied to quite specific local geographies, just as those local geographies are in turn subject to the shifting sentiments and structures of global financial institutions and markets.

The focus on local geography, inevitably entails a discussion of the financialization of land – wherein the planning process is used to facilitate investment rather than attending to socio-economic need. O'Neill (2013) suggests that land 'has become an arterial route in the circulation of finance' (451) which can be illustrated through the use of instruments such as Special Purpose Vehicles or the implementation of the Private Finance Initiative (to fund investment and regeneration programmes). Hence in 'becoming liquid, land is de-contextualised from the local and this has important consequences for the organisation and outcomes of the planning process (Savini and Aalbers, 2016: 881).

Studies of governance have used financialization to reflect on its wider implications for the urban environment, observing the shift in capitalism from accumulation through reproduction (i.e. investment in new goods and services) to accumulation by dispossession (a point also made by Harvey). Dispossession, for Andreucci et al, (2017) refers to a process of establishing exclusive property relations to assets that were previously not included within social relations of ownership and non-ownership. Examples of these are not only 'pseudo-commodities' that generate profit in the form of rent, but the appropriation of surplus value produced through rent rather than accumulation – a process described as 'value grabbing' (Andreucci et al 2017:4). For writers such as Vogl (2015) the opposition between state and market is an illusion; rather the relationship should be seen as a 'bipolar governance machine in which politics and economy consistently act on and interact with each other' (40).

These studies foreground the role of the state in performing 'a key facilitating and regulating role – not only does it establish, codify or enforce property rights regimes and relations, but in some cases also acts a de facto landlord or asset owner and therefore becomes the main terrace of class struggles over the rent it accrues'. (Andreucci et. al., 2017:5). Any expectation that governments would take a backstage role in advanced stages of capitalism has proved to be false (Bryan and Rafferty 2014) resulting in 'financialized self-expanding circuits of fictitious (financial) capital circulation' (Andreucci et al, 2017:8-9). Moreover, extracting rent from a consumer has a negative impact; so, for example, whilst consumers' capacity to purchase goods diminishes because of the high rent or cost of servicing mortgages, it is owners and investors who stand to gain the most. The transfer of wealth from renters and those in debt is thus made possible by the active engagement of government.

The role played by government is of particular interest to Lawrence (2015), who encourages scholars to use financialization to inform political research, as he notes, 'financialization is not economically, politically or socially neutral. Most power and wealth flowing from investment is appropriated by corporate managers and shareholders and rarely 'trickles down' (202). Writing from a Marxist perspective Norfield (2017) sees financialization as part of an economics of imperialism which has enabled financialization to play a key role in the emasculation of the welfare state, facilitating state retrenchment in welfare and advancing an agenda dominated by the notion of austerity. Equally important is the notion that as these processes are historically contingent and geographically specific, they should not be viewed as irreversible. As Montgomerie and Budenbender (2015) comment: 'current gains from residential housing are a one-off wealth windfall. The temporal and spatial limits of gains from residential housing mean that the same conditions cannot be repeated (often enough) in the way required for residential housing to provide a generalisable welfare function' (394). The consequence is there that 'many households appear wealthy while being definitively more financially insecure' (401).

The financialized firm: the changing role of housing organisations

The second scale of analysis is to focus on the role of housing organisations (influenced by a literature on critical accounting). A number of recent studies have looked at the effects of financialization developments in the banking sector on the role performed by housing agencies and specifically housing associations (HAs) – see for example Aalbers, van Loon and Fernandez (2017) on third sector organisations, Bruun (2018) on housing cooperatives in Denmark and work on the development of new vehicles for housing provision (Waldron, 2018). Writing from a UK perspective, Wainwright and Manville (2016) suggest that the requirement for housing associations to seek private sector investment has had a significant impact on a number of large housing associations, enabling them to extend their activities but also compelling them to relinquish their core (social) values. As reduced government funding for social housing organisations has incentivised not-for-profit agencies to engage with financial and capital markets to attract new sources of revenue HAs have begun to displace social and regulatory frameworks with a private sector agenda, focussing on 'asset management', valuations and risk modelling' (823). As Wainwright and Manville (2016: 825) report, in the UK housing associations have come under considerable financial risk due to their participation in bond markets. The reduction in HA capital development funding (per project) is one of the main drivers of change forcing associations to raise capital from financial markets. Wainwright and Manville point out that housing association sector debt increased from £23.3 billion to £63.4 billion between the years 2006-2015. Many small housing associations have chosen to merge with larger housing associations to take advantage of greater borrowing capacity that associations with larger portfolios are able to access thereby changing the structure of the sector in response to developments in finance.

Commentators on housing associations (for example Manzi and Morrison, 2017) have argued that financialization processes have placed housing associations in an ethical quandary that requires them to choose whether to pursue a 'not for profit' or commercial strategy. Manzi and Morrison have highlighted a divide between two types of housing associations: those that are active players using market rhetoric to gain rewards and favourable status and; those that are likely to be left behind. They anticipate that 'a market logic is likely to compel organisations to abandon their social roots, as they widen their resident profile and divert their attention to building housing for outright sale' (15). The use of cross-subsidy (from market) housing to finance development activity and the sale of high-value stock in inner city locations has a fundamental impact on the social profile and purpose of the sector. From a broader perspective, the increasing proliferation of business language in organisational settings extends across both the public and private sectors. The consequence has been the dominance of value-based metrics and the centrality of marketing strategies in organisational practice: 'In the financialised firm, many senior managers become busier with communicating positive stories to appease credit rating agencies, market watchers and stockholders than with innovation or production gains' (Froud et al 2006).

Housing associations and local authorities are thus increasingly reliant on financial instruments provided by private sector lending institutions to support their housing development activities. Local assets (and housing stock in particular) are also configured as collateral for securing favourable loans and many housing organisations are developing strategies to sell high value stock (encouraged by government policies). As Smyth (2013:40) argues the large-scale voluntary transfers (from local authorities to housing associations) undertaken in the 2000s were designed to 'leverage private finance into the sector' and in practice this provided opportunities for banks to generate profits from loans to housing organisations. The observation by Edwards (2016:223) that financialization entails 'a set of fundamental transformations' that extend beyond the financial sector because of 'changes in the way in which financial firms think and behave' is prescient. Other writers have commented on the way that financialization 'has enabled HAs to access development capital in a time of limited resources' but at the same time has resulted in; a shift in operational approach away from social and public policy oriented frameworks, towards a commercial, financial agenda focused on '"asset management", valuations and risk modelling' (Wainwright and Manville, 2017: 823).

Financialization has an impact for the practices of the local state – with local government and third sector agencies seeking to realising opportunities offered by new financial markets. Hence Beswick and Penny (2017) use the term 'financialized municipal entrepreneurialism' to depict the new role of local welfare agencies. In their study of the London borough of Lambeth they comment that 'more than the facilitator and enabler of financialization, Lambeth Council is its active executor, constituting public housing estates as new sites of extraction for financial capital' (613). Thus 'the local state is no longer limited to providing strategic oversight to the private sector, but rather initiates financialization in order to develop its fiscal and political capacity to intervene in the housing market' (613). Moreover housing financialization is an important driver of urban division, producing heightened inequality and often worsened housing conditions, driven by cost-cutting, short-term 'assetizing' strategies, and the effects of fluctuations in the global financial ecosystem within which the homes were increasingly co-dependent (Beswick and Penney, 2017: 618).

It is not only housing authorities and housing associations which have been transformed by financialization practices. Large corporate landlords make extensive use of financial instruments to reduce transaction costs. Both Fields' (2017a and 2017b) and Rogers (2017) have considered the ways that the technology boom in the US in particular has fundamentally transformed real estate investment and operations with new digital trading platforms such as 'Roofstock' displacing brokers and local real estate agents. As Fields argues, digital infrastructures constitute an information dragnet allowing capital markets to trawl homes for data. There has been a shift in financial industries' engagement with housing from securitization to rent/landlordism. Research on the practices of corporate landlords outlined above provide weight to Ronald's (2017: 4) observations that since the GFC 'global capital seems to have descended on a number of housing markets, especially urban ones, with cross-border real estate buying increasing 334% between the years 2009 and 2015'. What this evidence demonstrates is the way that organisational behaviour (in public, private and voluntary sectors) is increasingly dominated by financial imperatives.

The financialised subject: housing and social interaction

As discussed earlier, it is important to be cognisant of some of the limitations of the concept of financialization. A valuable critique of some of the more arcane and theoretically orientated discussion on financialization is provided by Langley (2008) who writes 'social scientists have almost exclusively concerned themselves with global finance' that is with the changes in the capital markets that tend to be viewed as defining contemporary finance. Langley argues that 'financialization seems to be thought of as ''out there' somewhere' as separate and differentiated from 'real' socio-economic life' (Langley 2008: viii). We would concur with his argument that there is a danger in seeing financialization practices as a monolithic force that infuses all social relations. Langley's work demonstrates the value of historical forms of enquiry that contextualise the current era in earlier processes. Used in the way suggested by Langley, financialization is a valuable heuristic concept.

Therefore it is at this point we turn to discussing the third scale for analysis: the ways that financialization has been internalised by individuals and affected quotidian interactions. Hence Davis and Walsh's (2017:31) observation that at 'a mass consumer level, financialised economies are more active in enrolling citizens into finance through a mixture of personal credit, card and mortgage debt, investment into public pension funds and securitization'. A similar observation is made by Martin (2002) who explains how 'financialization now asks people from all walks of life to accept risks into their homes that were hitherto the province of professionals. Without significant capital, people are being asked to think like capitalists' (12).

The financialised subject has therefore been an important object of recent research highlighting what Garcia-Lamarca and Kaika (2016) term the 'biopolitics of debt' and the 'technology of power that forges an intimate relationship between global financial markets and everyday life and human labour' (313). At this scale of inquiry, mortgaged subjects are seen as leveraged investors, through easy access to mortgage credit, fuelling an ever-expanding cycle of real estate speculation – actors are therefore 'at least as important as macroeconomic and institutional changes in expanding dynamics of urban capital accumulation under a financialized world economy' (323).

This 'great risk shift' from government to individual (Hacker, 2008) is manifested through the restructuring of welfare states and housing markets, as individual security is dependent on the fluctuations of financial markets. Thus 'due to the financialization of home, housing risks are increasingly financial market risks these days — and vice versa' (Aalbers, 2009: 285). For example, a study of residential property transactions in Edinburgh (Smith, Munro and Christie, 2006) noted how individuals who partake in these transactions adopt moralistic assumptions about buyers and sellers within a 'separate, self-contained economic entity – an economic object'. For Smith and her colleagues, 'professional working in housing markets, is thus defined, valued and judged, by the extent to which it relates to the market in a detached, scientific way' (Smith, Munro and Christie, 2006:87).

Financialization has accentuated the commodification of the home (Forrest and Hirayama, 2015) and while to some degree seeing the home as a financial asset has long been commonplace, this tendency has become heightened under contemporary capitalism with the purchase of housing moving progressively closer to the purchase of other commodities as 'part of the broader shift from the politically managed, embedded markets of Keynesian welfarism to the deregulated and reregulated contours of neoliberal globalisation '(Forrest and Hirayama, 2015:4-5). The trajectory of home ownership has therefore become equivalent to other forms of speculative investments, such as real estate, stocks and shares and currency exchange. Households who buy their home are increasingly interested in its capacity to generate wealth and such sociologically orientated studies have therefore highlighted how the instability of the GFC accelerated the financialization of individual behaviour and its impact on social interaction.

The emergence of the 'investor subject' and extension of conditionality in welfare is often linked to the concept of 'asset-based welfare'. This latter concept is based on the premise that 'the home is a store of wealth allowing households to redistribute this wealth over the life cycle; and second, the home is a reserve of cash, inasmuch as the equity stake can be converted into money through additional borrowing' (Montgomerie and Budenbender, 2015:390). Yet as the authors point out, in practice 'by privileging residential housing as an asset-class rather than a socio-economic good, asset-based welfare strategies actually create ever-greater levels of debt accumulation, which may or not translate into wealth gains for households' (392).

The literature on the financialization of everyday life tends to refer to the transfer of risk to individuals from the state; households are therefore expected to provide for their own welfare by building up their individual financial assets. The home is the primary example of this approach to asset-based welfare (Watson, 2009); a process which has led writers such as Lazzarato (2012) to refer to the phenomenon of the 'indebted man' – with debt seen as the fundamental social relation in advanced capitalist society. Other writers have considered the impact of financialization on specific groups, such as migrants (Zapata, 2013; Palomera, 2014) or focused on the impact of mortgage stress (Waldron and Redmond, 2017). Allon (2014) writes about the 'cultural economy of the quotidian' with the financial crisis seen as a cultural rather than economic event. Making specific reference to the US, Gotham (2011), Allon (2014:17) and Reid (2017) have analysed the role that race, class, gender and affective ties play amongst financialized subjects. As Allon observes there 'has been a substantial increase in class and race-based inequalities in relation to loss of home equity, rising levels of unsecured credit card debt, and in terms of overall wealth gaps and disparities since the collapse of the housing market and economic recession' (2014:17). These processes are equally evident in the UK context, with housing a key driver in exacerbating socio-economic polarisation (Dorling, 2015; Minton, 2017), primarily as a consequence of financialization.

Whilst much of the discussion of financialization that attends to this scale has focused on private, owner occupied housing markets, more recent studies have focused on the role of the private and social rented sectors – see for example studies of rental markets in New York and Berlin (Fields and Uffer, 2016) or Toronto (August and Walks, 2018). For Fields (2017b) rental housing is a 'frontier' for financialization and a new site for global private equity investment. Commenting on its necessarily incomplete and contingent nature, Fields sees financialization as a potential catalyst for struggle. Importantly, financialization is often met by resistance without and contradiction within. Her research considers how local activists and tenants engage with the negative impacts of financialization, arguing that it should not just be construed as an imposition but is itself also generative of new forms of resistance, alliances and 'subjectivities of dissent through collective lived experience' (2017b: 590). Her analysis point to the need to view financialization in the setting of broader systemic dysfunctions which can in turn generate new forms of resistance.

Conclusion

We began this paper by noting that it was during the GFC and its aftermath when housing researchers begun to make more extensive use of the term financialization to acknowledge that housing systems, organisations and individuals are increasingly affected by speculative forms of profit making within a weakly regulated banking sector that makes extensive use of instruments such as default swops, 'junk' bonds, securitization, sub-prime mortgages and other instruments. When deployed broadly, the concept of financialization thus encompasses disparate processes and associated practices, including globalization, neoliberalism, commodification and privatization. We have set out some of the criticisms that have been levelled against its broad use and argued that there is a need to disentangle broad processes and specific practices. We situated globalization processes (underpinned by economic and technological change) as providing the landscape which enabled financialization practices to take hold; neoliberalism as offering an ideological justification for the extension of financial practices; and privatisation, marketization and commodification as manifestations of the forms that financialized housing markets have taken.

In considering how the concept of financialization can be most effectively applied we concur with Aalbers' (2015) argument that there is little to be gained in imposing a narrow definition of the concept, rather it should be modified when necessary to account for new political and technological developments. We also proposed a framework to show how the concept can be deployed at different scales. We now return to the question raised at the start: what is the utility of the concept of financializaton for housing research? In our discussion of the concept and its application, we claimed that whilst much of the scholarship that has made use of the concept has been valuable, there is a tendency to conflate distinct processes, in some cases to analyse financialization as an all-encompassing singularity and to chart its trajectory as somehow inevitable. This noted, financialization can be usefully applied at structural, organisational and individual scales. This approach also offers scope for exploring further, the ways that financialization practices are resisted.

The concept of financialization is most productive when making explicit the historical continuities between present day practices and earlier phases of capitalist development. This historical frame, potentially provides a base for considering some of the longer term impacts of financialization processes. We anticipate that as financialization practices develop housing is likely to be treated less as a utility good and more as an exchange product to be traded like other commodities. On the other hand, there is evidence that many of these developments are being contested by local activists and community groups. Finally, returning to the question of its value, the concept of financialization offers researchers an extended vocabulary that can usefully add to long-standing concepts such as 'commodification' and 'neoliberalism', by highlighting the accelerated and global features of contemporary housing markets and the specific practices that are a feature of these markets.

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