
Housing Financialization in the Global South: In Search of a Comparative Framework

Rodrigo Fernandez*¹ and Manuel Aalbers²

¹SOMO – Netherlands

²University of Leuven – Belgium

Abstract

The financialization of housing in the Global South (GS) develops in different ways than in the Global North (GN) because the mechanisms underlying and pushing financialization are fundamentally different. We argue that subordinated and dependent financialization in the GS is the contemporary form of uneven and combined development, shaped by the financialization of the GN. The recycling of GN liquidity in countries lower in the global money hierarchy has contributed to the growth of mortgage lending in the GS. With the macro-comparative perspective in our paper we provide a toolbox that not only helps us to rethink the relations between GN and GS in shaping distinct patterns of uneven and combined financialization, but also to rethink the varieties of capitalism and residential capitalism approaches. In the GS we can distinguish between at least two additional types: ‘state-led market economies’ (Nolke *et al.*, 2015) and ‘less-financialized market economies’.

Keywords: subordinate financialization, global south, uneven and combined development, housing markets, mortgage lending, financial development

*Speaker