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SECTION TWO: LOCALITIES

The Financialization of Everyday life or the Domestication of Finance?

How mortgages engage with borrowers' temporal horizons, relationships and rationality in Hungary

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Abstract

Scholars applying notions of governmentality and performativity to everyday finance and work on the financialization of daily life suggest that the daily encounter with financial products, credit rating systems and new political and media discourses promoting a financial entrepreneurial spirit lead to the penetration of financial logic into everyday realms that were once free of economic calculation. This article, drawing on interviews with Hungarian mortgage borrowers, looks at how exactly financial products shift everyday subjectivities, by focusing on three key terrains: relationships, time

frames and rationality. We argue that albeit mortgages do carry their own specific logics (certain time frames, rationalities and approaches to relationships are required by certain mortgages), these logics hardly ever succeed in shaping everyday subjectivities to their own image. Finance is ‘domesticated’: mortgages are appropriated to existing relationships, temporal structures and rationalities guiding everyday life. New subjectivities emerge and a novel financial logic is applied to everyday life mostly in cases when the take-for-granted course of events breaks down: when mortgages are denied and people face payment difficulties and defaults. In these cases, previous routines of rationality are questioned, relationships are put to (a financial) test and time frames are revaluated according a financial logic.

Keywords:

borrowers financialization Hungary mortgage performativity rationality

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Disclosure statement

No potential conflict of interest was reported by the authors.

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Note: Léna Pellandini Simányi is the first author; Ferenc Hammer and Zsuzsanna Vargha are both second authors.

Notes

1 For a discussion of the different uses of financialization, see French et al. (2011).

2 For a useful introduction to these debates, see Holton (1992), Slater (1997) and Zelizer (2005).

3 Individuals cannot identify with the subject position of the investor to which they are summoned in an unambiguous manner: investment as a technology for the calculating and embracing of financial market risk/reward fails to bring order to future uncertainty and instead leads to heightened anxiety; and the performance of investment stands in

tension with the practices of work and consumption that also appear as essential to securing, advancing, and expressing individual freedom in neo-liberal society (Langley 2007, p. 70, our italics).

4 Banks each developed their private internal scoring systems, not public to consumers.

5 Between 2003 and 2010 the total value of mortgages rose from 1.5 billion to 4.4 billion Hungarian Forints, due almost exclusively to Forex mortgages. From few thousand in 2000, by 2011 15.2 percent of households held a mortgage, with roughly 300 thousand families holding Forex mortgages and the same number holding Forint mortgages in a population of under 10 million (KSH 2011, 2014).

6 See also Zelizer (1985).

7 Even Weber's instrumental rationality falls into this group; see also Garfinkel's 'rationalities' (Garfinkel 1967) and anthropologists' references to everyday arithmetic (Lave 1988).

8 Note that our focus is not on analysing mortgage meetings as calculative spaces and sites of qualculation (for similar see Vargha 2011). Rather, we look at how the mortgage takes on a life beyond that site, in other, everyday calculative spaces.

Additional information

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