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Afet ve İktisadi Ahlak: 6 Şubat 2023 Depremleri Sonrasında Türkiye'de Konut Piyasalarının Yönetimi

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Dr. Engin Aras

Disaster and Economic Ethics: Governing Housing Markets after the 6 February 2023 Earthquakes in Türkiye

Abstract

This article examines the sharp rent increases observed in the aftermath of the 6 February 2023 earthquakes in Türkiye through the lens of economic ethics. It builds on E.P. Thompson's moral economy, Karl Polanyi's thesis of embeddedness, and Amartya Sen's ethical reasoning and capability approach. We distinguish market signalling from opportunistic pricing using three normative criteria: needs-priority, proportionality, and adverse-effects control. Methodologically, the study conducts a review of applicable legislation and an analytical synthesis of institutional decisions; no field data were collected. The findings indicate that, given the constitutive role of housing for basic functionings, price formation in disaster periods cannot be left to spontaneity. The article proposes a policy mix combining temporary rent ceilings, targeted rent assistance, mobilisation of vacant dwellings, and stringent oversight, and formulates operational design principles for implementation. By bringing together Thompson's intuition of fair sharing, Polanyi's embeddedness, and Sen's freedom-centred capabilities, the study offers a workable legitimacy test for post-disaster pricing.

Keywords: : Economic ethics; Moral economy; Capability approach; Embeddedness; Post-disaster housing markets; Price gouging

JEL Classification: D63; I31; Q54; R31; Z13

Afet ve İktisadi Ahlak: 6 Şubat 2023 Depremleri Sonrasında Türkiye'de Konut Piyasalarının Yönetimi

Öz

Bu makale, 6 Şubat 2023 depremlerinin ardından Türkiye'de gözlemlenen keskin kira artışlarını iktisadi ahlak perspektifinden incelemektedir. Çalışma, E.P. Thompson'ın ahlaki iktisat yaklaşımına, Karl Polanyi'nin gömülülük tezine ve Amartya Sen'in etik muhakemesi ile yapabilirlik (capability) yaklaşımına dayanmaktadır. Piyasa sinyallemesi ile fırsatçı fiyatlandırma arasındaki ayrım, üç normatif ölçüt üzerinden yapılmaktadır: ihtiyaç önceliği, orantılılık ve olumsuz etkilerin sınırlandırılması. Yöntemsel olarak çalışmada, ilgili mevzuatın incelenmesi ve kurumsal kararların analitik bir sentezi gerçekleştirilmiş; herhangi bir saha verisi toplanmamıştır. Bulgular, barınmanın temel işlevler açısından kurucu rolü dikkate alındığında, afet dönemlerinde fiyat oluşumunun kendiliğindenliğe bırakılamayacağını göstermektedir. Makale, geçici kira tavanları, hedefli kira destekleri, boş konutların mobilizasyonu ve sıkı denetimi bir araya getiren bir politika bileşimi önermekte ve uygulamaya yönelik işlevsel tasarım ilkeleri formüle etmektedir. Thompson'ın adil paylaşım sezgisi, Polanyi'nin gömülülük anlayışı ve Sen'in özgürlük merkezli yapabilirlikleri bir araya getirilerek, afet sonrası fiyatlandırma için uygulanabilir bir meşruiyet testi sunulmaktadır.

Anahtar Kelimeler: : İktisadi ahlak; Ahlaki iktisat; Yapabilirlik yaklaşımı; Gömülülük; Afet sonrası konut piyasaları; Fırsatçı fiyatlandırma

JEL Sınıflandırması: D63; I31; Q54; R31; Z13

Introduction

The modern consolidation of economics as a discipline is commonly traced to Adam Smith's *Wealth of Nations* (1776). The mercantilist currents of the sixteenth century and physiocracy in the eighteenth laid the groundwork for what Smith himself, a professor of moral philosophy, would shape into classical political economy, thereby helping to establish economics as a distinct social science. In subsequent decades, however, mainstream approaches drifted away from explicit engagement with ethics, giving the field an increasingly mechanical cast. Contemporary work reminds us that much economic analysis has been built upon the experience of industrial societies. However, subfields such as economic anthropology and behavioural economics bring production patterns and individual decision-making into focus, yielding more human-centred evidence (Kahneman & Tversky, 1979; Mauss, 1925/1990; Özbudun & Uysal, 2012; Thaler, 2016). Such research underscores that economics is not composed solely of rigid mathematical theories and that psychology and culture are intrinsic to economic life.

In 2000, reactions to the discipline's attachment to formalism coalesced in the post-autistic economics movement, signalling an internal critique of excessive mathematization. Like many social sciences, economics has long borrowed from physics and its concepts (Tepeler & Akan, 2023); unlike physics, however, economic hypotheses, laws, and theories are contingent on human and social behaviour varying across time and place and thus can accommodate multiple, partly competing explanations for the same phenomenon (Eğilmez & Kumcu, 2015). As Ayşe Buğra (1988) notes, two elements stand out in Smith's project: a systematic explanatory scheme akin to natural science aspirations and a societal objective linked to human freedom. Whether Smith succeeded on both fronts is open to debate, but what is clear is that most economic theories are formulated for "normal times." Exceptions arise chiefly when the normal flow of life is disrupted.

A glance at the history of economic thought shows that influential theories have often emerged after crises or in anticipation of them: Keynesian economics in response to the Great Depression, or Marxist theory as a critique of capitalist crisis tendencies. It is therefore unsurprising that economics has no ready-made, comprehensive theory for extraordinary conditions. However, such conditions war, famine, and natural or human-made disasters can profoundly shock economies. Against this background, the Kahramanmaraş-centred earthquakes of 6 February 2023 in Türkiye can be considered a historical rupture. Beyond physical destruction and loss of life, the earthquakes exposed structural fragilities in social organisation and economic behaviour. During this period, access to basic needs housing, food, health, and security was severely disrupted. Market reactions and their moral evaluation came swiftly into public view. In some localities, rents surged within days; prices of basic goods rose speculatively; and hoarding was reported.

Public reactions reflected material hardship and a deep sense of justice and moral expectation. Nineteen days after the disaster, a press briefing by the then Minister of Interior stated that the state was taking action against exorbitant rent increases in the disaster zone an announcement that marked an important turn in the public debate (Ministry of Interior, 2023). Crucially, the discussion concerned the magnitude of rent hikes and the fact that they occurred within the affected provinces themselves. Moreover, those responsible for excessive increases were not external investors but individuals recognised as disaster survivors. Where their homes or premises were undamaged, some sought to convert a shared calamity into private gain by imposing sharp rent increases on fellow victims. This is a striking illustration that, in disaster settings, markets and the moral bonds within society can fracture. Criminal incidents recorded during the post-earthquake period widely reported in the media fall squarely within the ambit of law and carry sanctions. By contrast, many market decisions taken by economic actors in today's neoliberal order do not necessarily conflict with the letter of the law, nor are there well-specified prescriptions for their conduct under extraordinary conditions. The behaviours observed in disaster-time housing markets, therefore, underscore a broader point: economic decisions cannot be assessed solely through the lens of rational utility maximisation; they must also be related to social ethics.

This study analyzes the pricing and supply behaviours that emerged after the 6 February 2023 earthquakes through the lens of economic ethics, framing them as practices of opportunism. The theoretical framework integrates Thompson's (1971) moral economy, Polanyi's thesis of embeddedness, and Sen's ethical reasoning and capability perspective. We aim to show that market reactions observed under disaster conditions require economic analysis and normative evaluation, and propose a principle-based set of criteria for that evaluation. The guiding question is: Which ethical tests should market behaviour pass during disasters, and how does economic ethics address these tests? The study develops a typology across three planes: historical (norms and expectations), structural (embeddedness and institutional arrangements), and normative (capabilities and equity to derive policy implications.

1. Literature Review

When examining the socio-economic impacts of disasters, it becomes evident that market signals alone are not determinative; rather, local dynamics, trust networks, and collective expectations play a decisive role. Scott (1977) explains peasant household behaviour through the notion of a "subsistence ethic," arguing that risk aversion and adherence to social norms shape economic rationality. In his account, economic actors are motivated not solely by profit maximisation but also by the pursuit of survival and social legitimacy. Applied to disaster contexts, this perspective suggests that the legitimacy of market behaviour and proposed solutions is determined not merely by price mechanisms, but by locally embedded moral expectations and networks of trust. The expectation of a "fair price" that emerges during disasters is not a spontaneous reaction; it is a historically constructed social norm. Although fairness expectations are not confined to disaster periods, demand-driven price increases in the absence of corresponding cost increases are frequently perceived as opportunistic (Kahneman, Knetsch, & Thaler, 1986).

Similarly, Aldrich (2012) accounts for regional differences in post-disaster recovery through variations in social capital. He empirically demonstrates that in communities where horizontal ties (neighbourhood and civic networks) and vertical ties (state–society relations) are strong, physical reconstruction proceeds more rapidly. This finding indicates that post-disaster economic regulation cannot be reduced to technical or financial instruments alone; it is equally bound to the reproduction of social relations. Consequently, strengthening social bonds is as critical as investing in physical infrastructure for institutional resilience. In this respect, Aldrich's work provides a contemporary sociological articulation of Polanyi's embeddedness thesis: the economy does not function independently of social relations.

The governance of disaster risk extends beyond technical calculation into the realm of moral and ideological choice. Barry (2024) demonstrates that natural disaster insurance schemes oscillate between the poles of "solidarity" and "individual responsibility," revealing that decisions regarding premiums, coverage, and subsidies rest upon normative commitments rather than purely technical criteria. Insurance thus becomes not merely a financial mechanism, but a moral decision concerning how social risk should be distributed. Başbuğ et al. (2015), examining the Turkish Catastrophe Insurance Pool (DASK), show how this moral economy debate is embedded in policy architecture; the performance of the public–private model depends significantly on levels of public trust and perception. However, the capacity of such models to secure justice remains contested. Soden et al. (2023), in a comprehensive review, find that only a small proportion of disaster risk models quantitatively disaggregate vulnerability across social groups. In the absence of equity-sensitive modelling, technically rational decisions may reproduce distributive injustices.

At the macro level, the economic consequences of disasters are closely linked to governance quality and institutional capacity. Kahn (2005) demonstrates that higher income levels and stronger institutions systematically reduce disaster mortality. Cavallo and Noy (2011) show that while disasters typically contract output in the short term, long-term effects vary depending on institutional structures, access to finance, and the quality of reconstruction. Hallegatte and Przyluski (2010) contribute a conceptual framework emphasising poverty traps and distributional impacts, arguing that disaster losses must be evaluated beyond aggregate figures. Together, these studies underscore that disasters are not purely "natural" events; their economic outcomes are mediated through institutional and social structures.

Intervention in post-disaster market mechanisms constitutes a directly moral and legal debate. Zwolinski (2008) defends high prices during crises on the grounds that they incentivise supply and may improve resource allocation, arguing that such increases do not necessarily worsen consumers' positions. In contrast, Snyder (2009) contends that excessive pricing undermines the principle of equal respect and restricts fair access to essential goods. Satz (2010) further argues that certain market exchanges become morally problematic under conditions of vulnerability, particularly when they deepen the disadvantage of already fragile groups. This theoretical tension assumed a concrete institutional dimension in Türkiye following the 6 February earthquakes.

The Turkish Human Rights and Equality Institution (TİHEK, 2023) addressed excessive rent increases within a right-to-housing framework, emphasising that housing cannot be treated solely as a commodity but must be regarded as a fundamental right. This position foregrounds a normative priority between market freedom and human rights. The inspections and administrative fines imposed by the Ministry of Trade (2023), together with the oversight mechanisms activated by the Competition Authority (Ministry of Trade, 2024), reflect attempts to institutionalise this normative priority within administrative and competition law. Thus, the issue of "fair access" becomes not only a social expectation but a concrete field of regulatory intervention.

Nevertheless, a notable gap remains in the literature: the systematic evaluation of post-disaster housing price formation through a principle-based framework that integrates historical moral economy theory with institutional governance mechanisms is limited. Existing studies tend to focus either on macroeconomic losses, social capital dynamics, or abstract normative debates. Yet price behaviour in post-disaster housing markets requires simultaneous assessment through the lenses of historically embedded norms (Thompson, 1971), structural embeddedness (Polanyi, 1944), and individual capabilities (Sen, 1987). This study seeks to address that gap by developing a principle-based legitimacy test for price formation under disaster conditions.

2. The Theoretical Foundations of Economic Ethics

Economic ethics is a conceptual ground that holds economic activity and should be assessed not only in terms of utility maximisation and the rational individual assumption but also in terms of ethical values, social responsibility, and justice. Going beyond the abstract individual of the *homo economicus* model, this approach contends that economic action is intertwined with historical, cultural, and normative contexts. For a long stretch of history, economic questions were treated within moral philosophy, natural law, and political thought. In antiquity, Aristotle discusses *oikonomia* (household/management) in relation to the good life and the order of the *polis* in the *Politics*, and treats exchange and justice within the framework of virtue ethics in the *Nicomachean Ethics* (Aristotle, 2019; 2024). In medieval

Scholasticism, topics such as the just price and usury (interest) reinforced the view that technical and moral standards must evaluate market relations. Comprehensive historical accounts of this continuity confirm that economic reasoning long preceded the normative terrain (Blaug, 2006; Buğra, 2020). Ülken (1945) argues that, prior to the modern period, economics was not conceived as a market technique detached from morality, but rather as a discipline complementing the moral fabric of society and the administration of the state. The addition of the term "political" to "economy" (political economy) signified a shift from household management (oikonomia) to a matter of public governance concerning the entire nation. In this sense, economics evolved from a question of domestic prudence into a problem of collective order and statecraft.

During the Enlightenment and the early modern period, "political economy" remained closely bound to moral and public-administration thought rather than existing as a fully independent science. The intellectual continuity between Adam Smith's *The Theory of Moral Sentiments* (1759) and *The Wealth of Nations* (1776) both written while he was professor of moral philosophy at Glasgow shows that even at the birth of modern economics, moral sensibility and the idea of justice occupied a central place (Smith, 2006). In the late nineteenth century, however, with the marginal revolution (Jevons–Menger–Walras), the subject and method of economics shifted toward a more positive and formal frame; institutionally, the discipline transitioned from political economy to economics/*iktisat*. In this transition, Marshall's influence on terms and methods was decisive: the language of modern textbooks and their analytic style positioned economics as a science separate from moral and political philosophy (Blaug, 2006). Yıldız (2021) interprets this transformation as a rupture. According to Yıldız, the neoclassical attempt to establish economics as a pure science governed by universal laws gradually detached the market from its social foundations, transforming it into a socially disembedded sphere and an abstract mathematical model. From the perspective of sociology, this shift has been criticised as a form of abstraction that distances economic analysis from the moral and social contexts within which economic life actually unfolds.

This separation had become entrenched by the first half of the twentieth century. University curricula and academic journals adopted the name economics, and the discipline took shape as an analytic science focused on allocating scarce resources among alternative uses (Blaug, 2006; Buğra, 2020). Even so, a historical reading shows that economics's moral and social origins did not vanish entirely; especially the classics (Aristotle, Smith) continued to supply a normative backdrop for modern debates (Buğra, 2020).

In sum, by the late nineteenth century, economics had differentiated itself methodologically and institutionally from moral philosophy and political thought, becoming a modern economic science. However, this transformation did not mean that the discipline abandoned its ethical and public concerns altogether; the normative legacy of the classics has endured in the background of economic analysis (Smith, 2006; Buğra, 2020).

A similar ethical concern can be found in Immanuel Kant's notion of the "kingdom of ends." In Kant's moral philosophy, individuals must always be treated as ends in themselves rather than merely as means for achieving external goals (Kant, 2015). This principle suggests that economic interactions should respect the intrinsic dignity of persons and should not reduce human needs to mere instruments of profit maximisation. From this perspective, market practices that exploit individuals' vulnerability during extraordinary circumstances such as natural disasters raise significant ethical concerns. The Kantian framework thus provides an additional philosophical foundation for evaluating market behaviour in relation to fairness, dignity, and social responsibility.

In what follows, the study builds its theoretical foundation on the approaches of E.P. Thompson, Karl Polanyi, and Amartya Sen. The rationale for selecting these three thinkers as the main pillars of the framework is set out under the following three headings.

2.1. E.P. Thompson and Moral Economy

E.P. Thompson's (1971) concept of moral economy proposes that market relations should be assessed not merely through the laws of supply and demand and profit maximisation, but within the frame of social norms, perceptions of justice, and collective memory. In his seminal article, "The Moral Economy of the English Crowd in the Eighteenth Century" (1971), Thompson examines popular reactions to shortages and rising food prices in eighteenth-century England. He argues that these reactions were not irrational "mob violence," but rational and normatively motivated actions grounded in a historically shaped understanding of fair price (Thompson, 1971). In this view, the price-setting freedom of market actors is evaluated within the boundaries of social justice.

For Thompson, the "fair price" is not simply an economic equilibrium but a norm that preserves social stability. The idea of a "just price" has a long intellectual history that predates Thompson's formulation of the moral economy. In classical and medieval thought, particularly within the scholastic tradition, the notion of a just price was associated with moral and theological concerns about fairness in exchange and the prevention of exploitation (Baldwin, 1959; Langholm, 1992). Similar concerns were also reflected in historical regulatory practices. In the Ottoman Empire, for instance, the narh system functioned as a form of price regulation intended to prevent excessive profiteering and to secure fair access to essential goods in urban markets. Through market inspectors and official price lists, authorities attempted to maintain price levels that were considered socially legitimate within the prevailing moral and administrative order (Kütükoğlu, 1983; Pamuk, 2000). Thompson's contribution differs from these earlier traditions in an important respect. Rather than treating the fair price as a doctrinal or administrative rule, he interpreted it as a historically embedded social expectation that shaped popular perceptions of legitimate market behaviour in eighteenth-century England (Thompson, 1971). Eighteenth-century communities believed that the price of bread should be determined not only by production costs and demand but also by society's need to secure fair access to essential food. This belief legitimized public intervention by the state and local officials in order to secure fair access to essential food. From a different perspective, however, liberal economic thought has often maintained that justice in markets can emerge through voluntary exchange and price mechanisms without direct intervention. The tension between these views reflects competing moral conceptions of how fairness in markets should be achieved. Moral economy thus refers to an ethical framework through which communities evaluate market behaviour and defend norms of fairness and social legitimacy.

Thompson's approach is especially pertinent to understanding post-disaster market behaviour. In crises such as earthquakes, floods, or pandemics, increases in the prices of essentials cannot be treated as purely economic outcomes; they must also be examined against shared moral values. For instance, after the 6 February 2023 earthquakes, exorbitant rent increases in the affected region cannot be explained solely by "higher demand." As in Thompson's eighteenth-century cases, market freedom in a crisis collides with a collective sense of justice.

While public reactions to market actors may appear to contradict economic rationality, Thompson contends they embody a coherent logic of justice. Those who raise rents or food prices in disaster zones may appear rational within standard economic reasoning, where price adjustments are treated as normal responses to supply and demand conditions. From a moral economy perspective, however, such behaviour may violate socially embedded expectations of fairness and weaken the legitimacy of market exchange. This dynamic undermines not only market relationships but also the broader social conditions necessary for post-disaster recovery.

From a moral-economy perspective, the legitimacy of state intervention in crises rests on firm theoretical ground. In Thompson's historical examples, local authorities took active measures against hoarding, breaches of export bans, and speculative pricing to protect the fair price. Analogously, today, emergency measures such as rent freezes, price ceilings on basic foods, or sanctions against hoarding aim to protect economic order and the moral integrity of the community.

Thompson's moral economy cautions against treating post-disaster market behaviour as a brute "economic reality." It calls for evaluation in light of historically shaped collective values, emphasising that market freedom is not absolute in periods of crisis and that protecting social justice is indispensable to economic stability and moral cohesion.

2.2. Karl Polanyi and the Embedded Economy

Karl Polanyi (1944) treats the modern capitalist market order as a historical aberration, arguing that severing economic activity from its social context produces destructive social and moral consequences. In *The Great Transformation* (1944), his notion of the embedded economy underscores that, across history, economic systems have operated within social relations, traditions, and moral norms. With the nineteenth-century ideal of the self-regulating market, production and distribution were disembedded from society, and labour, land, and money were recast as "fictitious commodities." (Polanyi, 1944).

This unravelling proceeds through what Polanyi calls the double movement: on one side, market mechanisms are liberalised; on the other, society demands protective regulations against the social damage that liberalisation can generate. The double movement is not merely economic but also a moral tension, because unfettered market freedom can undermine solidarity and social cohesion. For Polanyi, economic relations can never be fully detached from their social setting; the market must be re-embedded within moral and social limits.

Polanyi's lens is crucial when applied to post-disaster market behaviour. In contexts such as earthquakes, the "free play" of market forces e.g., rapid rent spikes or speculative price surges in essentials signals a weakening of social bonds. Polanyi would not advocate *laissez-faire* in such crises but rather constraints grounded in solidarity norms and public intervention, because a disembedded market produces economic and human losses.

Polanyi's idea of fictitious commodities becomes even more salient in disasters. Housing in the affected zone is not merely a good to be traded or rented at market value; it is directly tied to the right to shelter. Leaving the post-disaster housing market entirely to market forces sharpens the conflict between public welfare and market logic. Hence, Polanyi favours moral limits on market rules treating housing less as a commodity and more as a right (Baum, 1996).

Polanyi's perspective also shows that a moral economy cannot rest on individual conscience alone; it must be constructed at structural and institutional levels. Re-embedding the market requires more than technical tools like price controls; it entails placing social values at the centre of economic decision-making. In this view, post-disaster market regulations should not be temporary stopgaps but components of durable social resilience.

Accordingly, Polanyi's theory grounds the moral and social legitimacy of constraining market autonomy under extraordinary conditions. Interpreting exorbitant rent increases in disaster areas not only as an economic problem but also as a rupture of social ties is well supported within his framework. The remedy he suggests is to re-embed the economy in society's ethical values and principles of solidarity.

2.3. Amartya Sen and Ethical Reasoning with the Capability Approach

Amartya Sen (1987) criticises the narrow understanding of modern economic theory centred on utility maximisation, arguing that economic decisions should be considered not only in terms of "rational self-interest" but also regarding moral, human, and social values. He contends that economics must be assessed not as a purely positive science but with its normative dimensions. In *On Ethics and Economics* (1987), Sen grounds this claim, noting that the modern severance of economics from ethics has produced social harms at theoretical and practical levels.

At the core of Sen's later work is the idea that individuals should be evaluated not merely by income or wealth, but by their capabilities and functionings what they can be and do (Sen, 1999). Functionings refer to realised states (for example, being well-nourished or safely housed), whereas capabilities denote the fundamental freedoms to achieve those states. Thus, it is not only access to food that matters, but the capability to be healthily nourished; not only possessing a dwelling, but the capability to live in safe and dignified housing.

Sen’s perspective is especially salient in disaster contexts. Leaving access to housing, food, and health services to market conditions after an earthquake directly constrains people’s basic functionings. For Sen, this is not merely an economic failure but also an ethical one, since the unrestrained operation of market mechanisms in crises can diminish the life chances of the most vulnerable. Evaluation of disaster-time market behaviour must therefore consider not only price movements but also their effects on people’s capabilities.

Sen’s (1987) notion of ethical reasoning further holds that individuals can make decisions with other-regarding considerations in mind, challenging the *homo economicus* assumption. For instance, a landlord in a disaster area who refrains from raising rents may act not only out of material calculation but also from a motivation to ease others' lives a motivation that economic analysis should render visible.

Within Sen's framework, supply-demand dynamics cannot explain exorbitant rent increases after disasters. They reflect a weakening of social solidarity and an erosion of public responsibility. The remedy lies not only in market interventions but also in institutions that strengthen ethical deliberation. Ultimately, economic policy should secure the freedom to realise valued ways of living.

Sen’s (1999) capability approach also provides a long-term vision for disaster policy: beyond immediate relief, societies should invest in capability building education, health, and social security so that individuals become more resilient to future crises. In this way, it is possible to strike a morally grounded balance between market logic and social resilience.

The approach thus reminds us that post-disaster market regulation should not be a temporary crisis fix but a sustainable component of social justice. Sen’s theory, at both normative (what ought to be) and positive (what is) levels, strongly supports drawing the boundaries of the market with moral values.

As for the broader intellectual background Weber, Smith, Kant, Bentham, and Mill these thinkers are not treated in detail here because they either address economic ethics at a more abstract normative level or offer limited tools for analysing market behaviour in crises. While Smith’s notion of sympathy or Kant’s duty ethics provide important philosophical frames, they are less directly suited to the immediate analysis of post-disaster opportunism, price manipulation, and public responsibility.

3. Opportunism in Disasters and the Crisis of Neoliberal Reason

Disasters are not only natural events that yield physical destruction and human loss; they are also ethical thresholds at which market rationality is tested. The way markets behave in moments of crisis must be evaluated not solely by economic parameters but also by moral values. In this respect, the influence of neoliberal rationality on post-disaster behaviour puts both a critique of the *homo economicus* model and the limits of the “invisible hand” on the agenda.

Neoliberal discourse treats market mechanisms as sufficient to generate crisis responses. However, in extraordinary circumstances such as disasters, this view risks legitimising behaviour prioritizing individual profit maximisation, thereby ignoring unethical opportunism. Sandel (2012) argues that as markets penetrate every domain of life, moral judgment is displaced by price signals, a logic that threatens social solidarity in crises. When prices are allowed to rise freely in goods such as housing or basic food, restricted access is not merely a matter of supply–demand dynamics but an ethical breakdown.

While many neoliberal thinkers interpret post-disaster price increases as the efficient allocation of scarce resources, an economic-ethics perspective interrogates this claim. Discussing the legal and ethical debate on price gouging, Zwolinski (2008) notes that such practices can appear theoretically rational but remain difficult to justify in terms of public morality. This illustrates how detached from its moral context, market behavior can produce social alienation.

Developing the notion of "disaster capitalism," Naomi Klein (2007) contends that disasters are leveraged as platforms for neoliberal interventions, turning "shock moments" into systematic economic opportunities. In this dynamic, the market is reduced less to a means of supporting communities in need and more to an instrument for opening new profit frontiers. David Harvey (2005) likewise argues that managing crises under neoliberalism becomes a mode of accumulation in its own right; post-disaster market reflexes are thus ideologically scripted.

From the standpoint of the ethics of markets, Satz (2010) shows that certain exchanges can be “noxious” and that some markets are morally indefensible under specific conditions. Leaving disaster-time markets for housing, medicines, and food entirely unconstrained exemplifies such noxiousness, undermining equality of opportunity and damaging the ideal of a solidary society. As Richard Titmuss argued in his influential book The Gift Relationship, introducing market incentives into domains of vital human need may weaken altruistic motivations and erode the social norms that sustain solidarity (Titmuss, 2018). In particular, Titmuss’ empirical analysis of blood donation illustrates how the introduction of financial incentives into practices such as blood and organ donation can generate serious ethical and social concerns.

Accordingly, we must also reckon with moral cost alongside economic notions such as opportunity cost. Sandel (2012) and Satz (2010) warn that a neoliberal logic, which systematically excludes non-market values, can be especially destructive in exceptional periods. The claim that markets can self-regulate in crises proves inadequate precisely where moral sensitivity is required most.

In sum, opportunistic behaviour in disasters calls for moral and economic scrutiny. The neoliberal framework that normalises such behaviour blurs the ethical boundaries of the market. In periods of deep social injury, such as disasters, what should come to the fore is not individual profit maximisation but public responsibility and ethical solidarity.

4. Institutional and Market Responses in the Post-Disaster Housing Market

Following the earthquakes of 6 February 2023, the housing market in the affected regions of Türkiye underwent a rapid and uneven transformation. While disaster conditions significantly increased the demand for housing, the supply of habitable dwellings was sharply reduced due to widespread destruction. This imbalance created strong upward pressure on rents, particularly in urban areas receiving large inflows of displaced populations. Although rent increases were not confined solely to the earthquake zone, the extraordinary circumstances of the disaster intensified the social and ethical dimensions of housing markets. It is important to note that rent inflation in Türkiye had already become a major social issue before the earthquakes. Especially in large metropolitan areas in the western parts of the country, rents had been rising rapidly due to inflation, housing shortages, and speculative behaviour in the property market. In response, the government introduced a series of legal measures aimed at limiting rent increases. By Law No. 7409, enacted on 11 June 2022, a provisional article was added to the Turkish Code of Obligations that capped annual rent increases for residential leases at 25 percent. This measure was later extended by Law No. 7456 until 1 July 2024. After that date, the temporary cap expired and the upper limit for rent increases reverted to the twelve-month average of the Consumer Price Index as stipulated in Article 344 of the Turkish Code of Obligations. Despite these regulatory measures, the housing market experienced significant tensions in practice. Many landlords expressed dissatisfaction with rent increases that remained below inflation, while tenants struggled with rising living costs and limited housing options. These tensions contributed to an unprecedented increase in landlord–tenant disputes and litigation across the country. In some cases, conflicts escalated into criminal incidents, illustrating the growing strain within the housing market.

Although the western metropolitan areas had already been experiencing rapid rent increases prior to the earthquakes, the disaster created a new wave of pressure on housing markets in the affected regions. The sudden influx of displaced populations increased demand for rental housing, while the destruction of residential buildings sharply constrained supply. In this context, the post-disaster housing market became a site where economic incentives, legal regulations, and social expectations interacted in complex ways. Empirical observations from the field further illustrate these tensions. Based on semi-structured interviews conducted in Malatya, Bayhan and Yasuntimur (2024) report that many earthquake survivors explicitly described post-disaster rent increases as "immoral." Some respondents also reported attempts by landlords to evict tenants despite the legal cap on rent increases. These perceptions demonstrate that housing markets in disaster contexts are evaluated not only through price mechanisms but also through socially embedded expectations of fairness. In this respect, the case provides a concrete illustration of the tension between fair prices and market prices described by E. P. Thompson (1971).

Public authorities also attempted to respond to these developments through regulatory and supervisory measures. Following the earthquakes, the Ministry of Trade and its affiliated bodies conducted inspections targeting excessive pricing and hoarding in markets for essential goods. According to official statements, administrative fines amounting to TRY 84,975,532 were imposed on 353 firms identified on e-commerce platforms as having engaged in excessive pricing after the disaster (Ministry of Trade, 2023). Similarly, the Competition Authority initiated investigations into real-estate brokers and consultants suspected of contributing to excessive rent increases, particularly in Ankara. According to reports, the Authority examined allegations that some actors attempted to form a cartel-like structure in the housing market. The Authority's subsequent reports indicate that regulatory measures aimed at preventing opportunistic behaviour in disaster conditions remain ongoing, with completion expected by February 2026 (Competition Authority, 2024). The Turkish Human Rights and Equality Institution (TİHEK) also addressed the issue from a rights-based perspective. Referring to Article 3 of Law No. 6701, the institution emphasised the prohibition of discrimination in housing transactions, particularly in rental and sales processes (TİHEK, 2023). Although these initiatives demonstrate that public authorities recognise the ethical dimensions of the problem, their long-term effectiveness remains uncertain.

Taken together, these developments illustrate that the post-disaster housing market cannot be understood solely through the logic of supply and demand. Instead, it emerges as a field where legal regulation, institutional capacity, and social norms interact in shaping market outcomes.

Conclusion

This study has examined the moral and institutional dimensions of rent increases observed in the aftermath of the 6 February 2023 earthquakes in Türkiye. While conventional economic reasoning tends to interpret price increases primarily through the interaction of supply and demand, the analysis suggests that such explanations are insufficient to capture the broader ethical and social implications of market behaviour in disaster contexts. Housing markets during extraordinary periods such as natural disasters become arenas where economic incentives, legal frameworks, and socially embedded expectations interact in complex ways.

The findings of this study resonate with E. P. Thompson's concept of the moral economy. Thompson argued that communities historically developed shared expectations regarding what constituted fair and legitimate prices for essential goods. When market practices violated these expectations, economic behaviour was no longer perceived as legitimate, even if it remained formally legal. The reactions observed in the post-earthquake housing market in Türkiye suggest that similar moral expectations continue to shape public perceptions of market behaviour. Rent increases that may appear economically rational were nevertheless widely interpreted as unjust, indicating that disaster-time markets remain embedded within broader social norms of fairness.

Karl Polanyi's concept of the "double movement" provides a complementary lens for understanding these dynamics. In periods of crisis, society tends to develop protective responses against the potentially disruptive effects of market expansion. However, the case of post-earthquake housing markets in Türkiye suggests that such protective reactions often remain temporary and fragile, especially in contexts where social trust has been weakened by economic inequality and institutional limitations.

Amartya Sen's ethical approach further enriches this analysis by shifting attention from the mere allocation of resources to the capabilities individuals possess to lead dignified lives. From this perspective, the problem of disaster-time rent increases is not only a matter of market efficiency but also one of capability deprivation. When access to basic housing becomes severely constrained, individuals' substantive freedoms and opportunities are directly affected.

Taken together, these perspectives suggest that disaster-time housing markets cannot be evaluated solely through the lens of price mechanisms. Rather, they must also be analysed within a broader ethical and institutional framework that takes into account social norms, public authority, and the protection of basic human capabilities. Strengthening regulatory mechanisms, reinforcing fair-price norms, and sustaining social solidarity during disaster periods therefore constitute not only economic necessities but also essential components of a more resilient and ethically grounded market order.

This study contributes to the literature on moral economy and disaster governance by examining post-disaster rent dynamics through the combined perspectives of E. P. Thompson, Karl Polanyi, and Amartya Sen. While conventional economic analyses tend to interpret price formation in disaster contexts primarily through supply–demand mechanisms, this study demonstrates that housing markets in such periods are also shaped by socially embedded expectations of fairness, institutional capacity, and the protection of basic human capabilities. By bringing the moral economy framework into the analysis of post-earthquake housing markets in Türkiye, the article highlights that disaster-time price formation should be understood not only as a market adjustment process but also as a question of ethical legitimacy and social justice.

The findings of this study also carry several policy implications for managing housing markets in disaster contexts. Strengthening transparency, improving regulatory capacity, and protecting vulnerable tenants may help mitigate opportunistic behaviour and support a more equitable recovery process. Standardised digital rental contracts and traceable payments. Establishing a unified rental contract system through the e-Government portal and requiring rental payments to be conducted through the banking system could enhance transparency and reduce informal practices in the housing market.

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