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RENEW POST-SOCIALIST CITIES: THE FUTURE OF HOUSING ESTATES AND THE NEXUS OF ECONOMIC AND SOCIAL CAPITAL

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ABSTRACT

This presentation focuses on the future of post-war housing estates and provides a compelling rationale for the need to mobilise economic and social capital to ReNew these places into vibrant neighbourhoods. The issue is particularly critical for the post-socialist world of cities, where 53 million apartments in large housing estates are the home of 170 million people. These suburbs, planned according to modernist planning principles, were the flagship of socialist housing and planning policies.

The presentation has three main elements. First, it looks at the transition challenges affecting the housing estates. Housing reforms have proceeded with 'trial and error' promoting neoliberal policies of deregulation in housing finance, market-based access to housing and experimentation with fiscal programs promoting homeownership. Rates of homeownership over 85 percent, growing affordability problems, collapsing house prices by 30-70% since 2007, and mortgage defaults of 15-20% are signs of policy and market failure.

Second, it provides a compelling rationale for a more strategic investment in the housing estates and calls for policy measures to ensure quality of life. Shortage of economic capital, coupled with organisational and technical challenges, have led to physical deterioration, abandonment of essential social infrastructure and privatization of public spaces. Programs of retrofitting and energy efficiency upgrades have been discontinued due to fiscal austerity. The residents in many cases have abandoned the formal systems instead of mobilising social capital to ReNew their assets. Finally, the presentation provides examples from neighbourhood improvement programs in Vienna, Amsterdam and Stockholm where strategic investment in diverse, socially cohesive and participatory projects sustains the vibrancy and vitality of existing neighbourhoods making them resilient to crises and attractive places to live.