

PREFIGURING THE RIGHT TO HOUSING: FROM POST-SOCIALIST CHALLENGES TO NEW MODELS OF URBAN DEVELOPMENT IN CROATIA AND BOSNIA AND HERZEGOVINA

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Abstract

This paper analyses the transformation of housing systems in Croatia and Bosnia and Herzegovina after the post-socialist transition and explores how new models of housing can integrate social justice and sustainability. Using the conceptual framework developed by Oosterlynck et al. [1], the study examines the relationship between property structures, social autonomy, and community contexts in both countries. A qualitative comparative analysis, supported by case studies from Split, Zagreb, Sarajevo, and Mostar, reveals how privatization, weak institutional frameworks, and speculative development have eroded the social function of housing. The research draws on critical urban theory, particularly Lefebvre's and Harvey's interpretations of the right to the city, and Rolnik's analysis of housing financialization. The findings indicate that both Croatia and Bosnia and Herzegovina face a structural deficit of affordable housing and institutional fragmentation, but also that emerging cooperative and community-led initiatives point to possible pathways of reform. By linking theoretical reflection with practical implications, the paper proposes the establishment of an Adriatic Housing Lab — a regional platform for policy innovation, knowledge exchange, and pilot projects promoting social and ecological housing. The research contributes to broader debates on urban justice and sustainable development in post-socialist Europe.

Keywords: *right to housing, right to the city, post-socialist transition, cooperative housing, urban policy, sustainability, Croatia, Bosnia and Herzegovina.*

JEL classification: *R21, R31, R38, P2, H7*

INTRODUCTION

Housing represents one of the most complex and essential dimensions of social welfare, economic stability, and spatial justice. It not only reflects material well-being but also determines access to employment, education, and public services. In the context of post-socialist countries, housing policy plays a central role in shaping both urban transformation and social cohesion.

In Croatia and Bosnia and Herzegovina, housing systems mirror the profound structural transitions that occurred after the dissolution of Yugoslavia and the shift to a market-based economy. The collapse of socialist welfare mechanisms, coupled with privatization and the withdrawal of the state, led to fragmented urban governance and deep inequalities between regions and social groups. Despite the high homeownership rate inherited from socialism, housing has become increasingly unaffordable and spatially exclusive, especially for young households and lower-income groups.

Cities such as Split, Zagreb, Sarajevo, and Mostar have undergone rapid spatial and economic transformations driven by tourism, investment-led development, and speculative construction. These processes have intensified the commodification of housing and weakened the social function of urban space. The growing gap between policy frameworks and citizens' housing realities illustrates how the post-socialist transition has failed to ensure equitable access to urban resources.

The main objective of this paper is to analyse the evolution of housing systems in Croatia and Bosnia and Herzegovina and to propose innovative approaches that reconnect housing policy with social equity and sustainability. The study integrates theoretical reflection and comparative case analysis, positioning housing as a key arena for democratic urban transformation. It also aims to highlight prefigurative practices — small-scale, community-led initiatives that anticipate systemic change — as potential models for future housing governance in South-Eastern Europe.

1. METHODOLOGY

The methodological framework of this paper combines comparative qualitative analysis and theoretical synthesis. It seeks to connect the conceptual discussion on the right to housing with the concrete institutional and urban realities of post-socialist societies in South-Eastern Europe.

This research adopts a multi-scalar analytical approach, structured around three interrelated dimensions following Oosterlynck et al. [1]: Property structures – examining the impact of privatization, deregulation, and ownership concentration on housing accessibility and affordability. Autonomy and collective agency – exploring to what extent citizens, tenants, and community organizations can influence housing policy and participate in urban decision-making. Neighbourhood and community context – analysing how socio-spatial conditions, local economies, and governance structures shape housing opportunities at the city level.

The study uses comparative case studies of Croatia and Bosnia and Herzegovina as primary analytical units. These countries share a common socialist legacy but have experienced different post-transition trajectories: Croatia's integration into the European Union provided access to institutional support mechanisms, while Bosnia and Herzegovina remains a fragmented, post-conflict society with complex governance and limited public investment capacity.

Data for the analysis were collected from a combination of sources, including national policy documents, academic publications, reports from civil society organizations, and international institutions such as UN-Habitat and the European Housing Observatory.

Methodologically, the paper relies on interpretative policy analysis, which allows for contextual reading of documents and initiatives rather than statistical generalization. This approach helps reveal the underlying narratives, institutional logics, and power relations that structure housing policy. It also allows for the identification of emerging patterns — cooperative, community-led, or hybrid housing models — that prefigure broader systemic change.

Finally, this methodological structure supports the paper's dual goal: to diagnose existing challenges in housing governance and to conceptualize potential directions for socially just and sustainable housing reform in the post-socialist urban context.

2. THEORETICAL FRAMEWORK

The theoretical foundation of this paper draws on critical urban theory and the evolving debate on the right to the city. Henri Lefebvre's seminal work *Le Droit à la ville* [2] conceptualized the city not merely as a spatial or economic entity, but as a social product shaped by everyday life, collective action, and political power. His central argument—that urban inhabitants have the right to shape the city's form and meaning—provides the intellectual basis for understanding housing as a political and social process rather than a purely economic commodity.

David Harvey [3] later reinterpreted Lefebvre's ideas in the context of neoliberal globalization, emphasizing that the right to the city is “a collective right rather than an individual one,” meaning that it can only be exercised through social movements and political organization. Harvey's perspective underscores the structural conflict between capital accumulation and the social use of urban space.

Raquel Rolnik [4] extends this argument by demonstrating how housing has been transformed globally into a financial asset—a vehicle for investment and speculation rather than a social necessity. This financialization process, driven by deregulated markets and privatization policies, has produced a global housing crisis characterized by rising inequality, displacement, and the erosion of urban commons.

In the context of post-socialist Europe, these theoretical insights acquire particular relevance. The transition from collective to private ownership in the 1990s created a paradoxical condition: widespread homeownership coexists with deep housing insecurity and a lack of affordable options. The disappearance of public rental housing and the withdrawal of the state from housing provision have undermined social cohesion and urban resilience.

Oosterlynck et al. [1] introduced the concept of prefiguration as a means of understanding alternative housing initiatives that embody future social relations in the present. Prefigurative practices are not utopian ideals, but real and practical experiments that challenge dominant power structures and propose new forms of governance, cooperation, and solidarity.

This paper adopts the notion of prefiguration as both a theoretical and analytical lens. It positions housing not only as a site of inequality but also as a potential laboratory for systemic transformation. Cooperative housing projects, community land trusts, and other non-market models illustrate how citizens can reclaim agency and produce new spatial and social relations that anticipate more equitable urban futures.

Through this lens, the right to housing becomes a dynamic process—one that links individual well-being with collective responsibility, social justice, and ecological sustainability. The theoretical framework thus provides the conceptual bridge between urban justice theory and the empirical cases explored later in this paper.

3. INSTITUTIONAL CONTEXT AND HOUSING POLICY

The institutional framework of housing policy in Croatia and Bosnia and Herzegovina has been profoundly shaped by their shared socialist legacy and divergent post-socialist trajectories. During the socialist era, housing was considered a fundamental social right and was largely managed through socially owned enterprises, municipal authorities, and workers' organizations. Apartments were distributed through state-controlled systems based on employment and social status, while rents were symbolic and heavily subsidized.

This system, though limited by bureaucratic inefficiencies, ensured that housing was widely accessible and that urban development followed the logic of collective welfare rather than market profitability. However, the dissolution of Yugoslavia in the early 1990s marked a decisive rupture. The introduction of neoliberal reforms, war-related destruction, and the fragmentation of governance systems radically transformed housing from a social right into a private commodity.

In Croatia, the process of mass privatization between 1991 and 1996 enabled tenants to purchase socially owned apartments at symbolic prices, leading to an exceptionally high homeownership rate of over 90%. While this policy temporarily stabilized social conditions during the transition, it simultaneously eliminated the public housing stock and undermined the capacity of municipalities to provide new affordable housing. Subsequent housing programs, such as the state-subsidized housing loan scheme (POS program), focused on ownership rather than rental models, thereby reinforcing property-based inequality.

In Bosnia and Herzegovina, the situation was even more complex. The 1992–1995 war caused the destruction of approximately 450,000 housing units and the displacement of more than two million people. Post-war reconstruction was primarily driven by humanitarian aid and international organizations, with limited long-term strategic planning. The Dayton Peace Agreement institutionalized a fragmented governance structure, dividing housing responsibilities among entities and cantons with limited coordination at the national level. This has resulted in inconsistent legal frameworks, uneven access to public housing, and weak institutional capacity for long-term housing planning. Both countries continue to face a structural deficit of public and affordable rental housing. The private rental market remains largely unregulated, often characterized by informal arrangements, lack of tenant protection, and tax evasion. Social housing policies, when they exist, are fragmented and chronically underfunded.

Municipalities are frequently unable to implement social housing projects due to limited financial autonomy and insufficient cooperation with national authorities. Moreover, the housing issue remains marginalized in public discourse and disconnected from broader strategies of urban, environmental, and regional development. The absence of an integrated housing policy has reinforced social polarization, encouraged speculative investment, and intensified urban sprawl. The combination of privatization, weak institutional frameworks, and limited public oversight has thus produced a housing regime that is simultaneously overly privatized and institutionally fragile. Addressing these conditions requires not only new legislative frameworks but also a redefinition of housing as a social and ecological infrastructure — a key element of sustainable urban development.

4. CASE STUDIES: CROATIA AND BOSNIA AND HERZEGOVINA

The comparative analysis of Croatia and Bosnia and Herzegovina reveals how the post-socialist transformation of housing systems has produced distinct yet interrelated urban dynamics. The case studies of Split and Zagreb in Croatia, and Sarajevo and Mostar in Bosnia and Herzegovina, demonstrate how local governance, economic restructuring, and social fragmentation have shaped divergent pathways of housing development.

4.1 SPLIT: TOURISM AND THE DISPLACEMENT OF RESIDENTS

Split, as Croatia's second-largest city and a major tourist destination, exemplifies the pressures of tourism-driven urban development. Since Croatia's accession to the European Union in 2013, the expansion of short-term rentals (such as Airbnb) has transformed the city's housing market. Apartments once used for long-term rental or family housing have been repurposed for tourism, resulting in rising rents and declining housing availability for local residents.

This process of touristification has created a dual housing market: one catering to global visitors and another struggling to meet the needs of low- and middle-income citizens. As a result, the social fabric of historical neighborhoods like Varoš and Radunica has eroded, while new speculative developments have emerged on the urban periphery. Despite municipal initiatives promoting affordable housing, such as the POS program, demand continues to outstrip supply.

4.2 ZAGREB: INVESTMENT URBANISM AND THE FINANCIALIZATION OF HOUSING

Zagreb's post-socialist trajectory reflects broader trends of investment urbanism. The city has experienced a surge in private real-estate investments, driven by domestic and foreign capital seeking profitable returns in the housing sector. Urban planning has increasingly been subordinated to private interests, often at the expense of social and ecological considerations. The lack of effective rent control, limited regulation of land use, and weak enforcement of building codes have exacerbated socio-spatial inequality. Large-scale developments such as "Zagreb Manhattan" (later abandoned) illustrate the conflict between civic activism and profit-oriented planning. However, civil society movements and academic initiatives in Zagreb have recently renewed the debate on the right to housing, calling for transparent governance and community-based alternatives.

4.3 SARAJEVO: FRAGMENTED GOVERNANCE AND POST-WAR RECONSTRUCTION

Sarajevo presents a distinct set of challenges shaped by its post-war reconstruction and fragmented governance. The destruction of housing during the 1990s conflict and subsequent population displacement have deeply altered the city's urban structure. Reconstruction efforts, heavily influenced by international donors, often prioritized speed over sustainability, leading to inconsistent architectural quality and spatial fragmentation.

The city's governance is divided among multiple municipalities, each with limited financial and administrative capacity. This institutional fragmentation has hindered the implementation of cohesive housing policies and sustainable land management. While international projects, such as those supported by UN-Habitat and the European Bank for Reconstruction and Development, have introduced pilot initiatives for affordable housing, long-term strategies remain weak.

4.4 MOSTAR: DUAL URBAN IDENTITY AND UNEQUAL ACCESS

Mostar's case illustrates the enduring consequences of post-war division. The city remains socially and spatially segregated, with parallel institutions, school systems, and even housing markets operating along ethnic lines. The privatization process in the early 2000s further reinforced inequality, as access to housing often depended on wartime property restitution and political affiliation. Public investment in affordable housing is minimal, and private developers dominate the market. The reconstruction of central areas has largely prioritized commercial and tourist-oriented projects, leaving peripheral neighborhoods under-served and infrastructurally weak. Despite these challenges, grassroots initiatives—often led by NGOs and academic partners—are emerging, advocating for urban inclusivity and the right to common spaces.

4.5 COMPARATIVE INSIGHTS

Across all four cities, housing reflects the broader contradictions of post-socialist transformation: the tension between privatization and social responsibility, the marginalization of the public sector, and the growing influence of speculative capital. Split and Zagreb illustrate how integration into the European market can accelerate real-estate-driven urbanism, while Sarajevo and Mostar reveal the long-term institutional consequences of conflict and fragmentation. Yet, despite their differences, both contexts share a critical need for policy frameworks that reconnect housing with social, economic, and environmental sustainability.

5. DISCUSSION

The comparative analysis of Croatia and Bosnia and Herzegovina highlights a series of structural patterns that are characteristic of post-socialist urban development. Both countries exhibit a hybrid housing regime, in which the dominance of private property coexists with institutional fragility and weak public intervention. This configuration has produced a paradox: while the majority of citizens are homeowners, growing segments of the population face housing insecurity due to limited affordability, poor regulation, and inadequate social support systems.

The legacy of privatization remains one of the defining features of both systems. It created a generation of property owners but simultaneously dismantled the social infrastructure of housing provision. This transformation was further reinforced by neoliberal policy frameworks that prioritized market liberalization, fiscal austerity, and foreign investment over social equity. The result is a dual housing system — one oriented towards capital accumulation and another increasingly dependent on family networks, informal arrangements, or migration.

Yet, as urban housing crises intensify across Europe, several cities have begun to reintroduce alternative models that integrate social, ecological, and economic objectives. Vienna, often regarded as a benchmark of social housing innovation, combines municipal ownership, cooperative management, and long-term affordability mechanisms. The city's policy of reinvesting rent revenues into new housing construction ensures financial sustainability and social inclusivity.

In Barcelona, the cooperative housing initiative La Borda represents a model of community-led governance where residents collectively own, manage, and maintain their housing units. This project demonstrates how urban citizens can reclaim agency over their living conditions and challenge the dominance of speculative real estate markets. Similarly, Ljubljana has implemented pilot projects that temporarily allocate unused public land to cooperative or non-profit developers, thus experimenting with hybrid ownership models that balance public interest with local initiative.

These examples show that housing innovation emerges from the interaction between grassroots action and institutional support. The most successful models are those where public authorities, civil society, and academic institutions collaborate to establish transparent rules, equitable financing mechanisms, and participatory planning processes.

For Croatia and Bosnia and Herzegovina, the key challenge lies in adapting these principles to their specific political and institutional contexts. While Croatia has access to European structural and investment funds that could support social and cooperative housing programs, Bosnia and Herzegovina's fragmented governance requires a more coordinated national strategy supported by international partners.

Importantly, both countries can benefit from developing regional frameworks of cooperation, such as the proposed Adriatic Housing Lab, which could function as a cross-border platform for research, pilot projects, and policy exchange. By linking municipalities, universities, and NGOs, such a platform could test innovative approaches to cooperative housing, social rent schemes, and urban regeneration aligned with the United Nations' Sustainable Development Goal 11 — "Sustainable Cities and Communities."

Ultimately, the discussion underscores that the right to housing cannot be reduced to a legal or technical issue; it is a political and ethical question central to the democratic transformation of urban life. Building inclusive, resilient, and affordable cities requires not only institutional reform but also a reimagining of urban citizenship — one that places solidarity, sustainability, and collective agency at the heart of housing policy.

CONCLUSION

The transformation of housing systems in Croatia and Bosnia and Herzegovina reflects the broader dynamics of post-socialist transition, where the retreat of the welfare state and the ascendancy of market mechanisms have reshaped the meaning of housing. What was once understood as a social right has largely become a market privilege, accessible primarily to those with sufficient income or inherited property. This process has generated new forms of inequality, social exclusion, and spatial polarization that undermine urban resilience and long-term sustainability. The analysis presented in this paper reveals several key findings. First, both countries face a structural shortage of affordable and socially oriented housing, caused by decades of privatization and underinvestment. Second, the institutional capacity to address these challenges remains limited due to fragmented governance, weak coordination between local and national levels, and insufficient integration of housing within broader development strategies. Third, despite these constraints, emerging forms of citizen engagement and community-based initiatives demonstrate that alternative housing models are both feasible and socially transformative.

The concept of prefiguration—introduced by Oosterlynck et al. [1]—proves especially relevant in this context. By experimenting with cooperative, non-profit, and participatory approaches to housing, prefigurative initiatives demonstrate how new social relations can be enacted within existing systems. They act as laboratories of innovation, bridging the gap between individual needs and collective responsibility.

To achieve a more equitable housing system, policy reform should move beyond short-term subsidies and instead focus on systemic restructuring. This includes:

- re-establishing public and cooperative housing funds,
- introducing regulatory mechanisms for rent control and speculative land use,
- promoting energy-efficient and climate-resilient housing solutions,
- and ensuring meaningful citizen participation in urban planning.

Furthermore, international and regional cooperation offers a critical opportunity for policy learning. The establishment of an Adriatic Housing Lab—as proposed in this paper—could provide a shared institutional platform for Croatia, Bosnia and Herzegovina, and neighboring countries to exchange best practices, co-develop pilot projects, and advocate for housing justice at both national and European levels.

Finally, the right to housing must be reaffirmed not only as a normative principle but as a practical foundation for democratic urban life. Housing is the spatial expression of social justice; it determines who belongs to the city and under what conditions. Ensuring access to adequate, secure, and affordable housing is therefore not merely an economic or planning task—it is a civilizational imperative that lies at the core of sustainable development. Future research should focus on comparative analyses between post-socialist and Western European cities, emphasizing how local innovations in cooperative and public housing can contribute to global debates on urban justice and environmental transition. By reframing housing as a shared public responsibility rather than a private asset, both Croatia and Bosnia and Herzegovina can take a decisive step toward building inclusive, resilient, and socially just cities for future generations.

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