

Improvement of Management Activities of Private Partnership of Housing: Problems and Solutions

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Abstract: The article examines the nature and significance of the fundamental reforms in the sphere of housing and communal services of the Republic of Uzbekistan. Main goal of this paper work is studying current issues in this area and explaining modern development tendencies regarding public private partnership of housing system in Uzbekistan. Main outcomes of the research are optimization of the regulation and legislation instruments based on the Presidential Decree and some practical suggestions and recommendations for effective problem solving management activities of private homeowners' partnerships in housing maintenance in Uzbekistan.

Keywords: accommodation, housing management, repair and maintenance, house types, public-private partnership, housing and communal services, utility payments

Introduction: The essence of the country's wide-ranging reforms is to ensure the well-being of the people. This is directly related to the living conditions of the population and the level of development of the sphere of housing and communal services of the countries.

In this regard, it is necessary to improve radically the coverage of the population with quality housing and communal services, to advance further the housing use system by creating a harmonized technological chain of interaction between all organizations in the field of housing and communal services, and to create an effective system of technical supervision over compliance with the requirements for maintaining apartment buildings, as well as to improve the quality and financial and economic stability (stability) of partnerships of private owners of households (PPOH). For these purposes, the Decree of the President of the Republic of Uzbekistan dated April 18, 2017 No. UP-5017 was adopted "On measures to further improve the management of housing and communal services" [3] and Resolution of the President of the Republic of Uzbekistan No. PP-2900 "On the organization of activities of the Ministry of Housing and Communal Services of the Republic of Uzbekistan" [4], as well as Resolution of the President of the Republic of Uzbekistan No. PP-2922 of April 22, 2017 "On measures to further improve the system of maintenance and use of multi-unit housing for 2017–2021" [5]. Decrees and decisions adopted in recent years themselves confirm the importance of improving the housing and communal services management system in the country today.

In the republic, as in all sectors of the economy, the housing and communal services sector inherited from the old system, which from the point of view of structural execution was structurally imperfect, consisting of multi-apartment buildings and an economically inefficient system of their maintenance and repair, an inefficient system of industry management, based on the administrative command and accustomed to live off the budget. From the first days of independence, the reform of the housing and communal services system began in the country. The State Housing Fund was privatized, the main law of the industry "Housing Code of the Republic of Uzbekistan" [2] was adopted, legislative and regulatory acts were developed to ensure the organization of public services based on market mechanisms, and a concept and programs for deepening economic reforms in the public services system were developed, aimed on its comprehensive development.

It should be noted that in relation to scientific research in this area, the possibilities of using the housing stock and its effective management in the work of several scientists in the CIS countries were studied, including S. A. Kirsanov, M. N. Lomova, K. S. Stepaev [11, 12, 15]. Local scientists also studied some aspects of housing development in the context of modernizing the economy, improving the economy and managing housing and communal services, and efficient use and management of housing. In particular, among them are the scientific works of V. I. Yodgorov, R. I. Nurimbetov, S.N. Normurodov, R.Nurimbetov, S.Normurodov Also, researcher practicing scientists N.Abdullaev, A. Kh. Nabiev, K.A. Tantybaeva and N.M.

Vishnevskaya also made suggestions and recommendations for improving the private management system housing stock in the country [8, 9,10,13, 14, 16].

The standard of living of all segments of the population and the social environment in our society are associated with the effective functioning of the housing and communal sector, which is of great social importance. Over the years of independence, large-scale reforms have been carried out in Uzbekistan aimed at creating a modern market for housing and communal services. The consistent implementation of structural reforms in accordance with the established solid regulatory framework has allowed the formation of a completely new system of management and use of the housing stock. In order to further improve the level of public utilities, measures are being taken to develop and modernize water supply, sewage and heating systems by directing centralized state investments and attracting foreign investments provided by international financial institutions. At the same time, an analysis of the current state of housing and communal services revealed a number of problems that need to be urgently addressed.

The lack of an integrated approach to the management and use of multi-unit housing stock due to insufficient coordination of the actions of private partnerships of homeowners and housing and communal services by local executive authorities, becomes the reason for further improvement of the system of high-quality and guaranteed communal services to the population, and also causes legal objections of housing owners. The proper control over the maintenance of the multi-unit housing stock is not organized; in most cases, violation of the established requirements for the technical operation of the housing stock and the safe living of the population in it is allowed. The rules and deadlines for the repair and restoration of buildings and structures are not respected, demolition of old houses is not carried out, the condition of adjacent territories to apartment buildings does not fully comply with sanitary standards, rules and hygiene standards.

In our country, over the years, the issue of managing state property and using property has been developed and implemented solely on the basis of strict regulatory requirements. Therefore, the use of buildings and structures is also limited only by state decrees and decisions of local authorities. As a result of this, buildings and structures were not used rationally and many areas of the buildings also remained unused. As a result of the introduction of market relations and changes in property relations in the republic, it became possible to dispose of private property and use it for various purposes. Issues related to the efficient use of residential premises, especially the rational use of residential buildings, have now become one of the most important and pending issues. Commercial lease of unused space in a residential building brings additional income to private partnerships. These funds can be used for routine repairs of public areas of residential buildings, improving the quality of public utilities, building children's playgrounds and sports grounds for children, as well as landscaping the area around the building. In addition, by creating various types of household services for residents, including such as dental, hairdressing, training courses, sports fields and other public services, it is possible to ensure the effective organization of their time and provide children with full and meaningful free time.

It must be emphasized that as a result of reforms in the field of housing and communal services, in particular, in state programs adopted annually, these issues are identified as one of the important priority areas and the solution of such problems as the development of public-private partnerships in housing and public services, further improvement of the quality of public services and other pressing issues.

In recent years, large-scale programs aimed at modern housing construction in rural areas have had a significant positive impact on the level and lifestyle of the population. In addition to the consistent continuation of this work, improving the housing and communal services, accelerating the development of the engineering and social infrastructure necessary for this, is the focus of the candidate. This will also help improve the quality of housing conditions, as well as the level of provision of social infrastructure for the most vulnerable and socially disadvantaged sections of the population.

Ensuring the social acceptability of utilities and living expenses in apartment buildings is relevant today. In this regard, it is necessary to develop low-cost and alternative types of utilities that are not related to industry engineering infrastructure. It is also necessary to develop clear, economically viable criteria for setting prices and tariffs for services provided by entities of natural monopolies, including electricity and heat, gas supply, drinking water and sewage. In order to regulate relations in the field of housing and communal services, to create a legal framework in our country, relevant laws, a number of government decisions and relevant programs are being implemented. The new legislation that will be developed in this area should serve

as an effective solution to such problems as the further acceleration of the introduction of modern technologies in the housing sector, changes in utility prices and timely collection of payments for services.

Today's fast-paced time itself encourages utilities to apply information systems to their work processes and automate their responsible work. Using automated information systems will help reduce utility bills and ensure timely payments. This creates great convenience for both public utilities and the public.

In this regard, further improvement of the legislation aimed at regulating housing and communal services in the country is necessary, based on the pace and logic of market reforms in Uzbekistan. All this is very important due to further modernization of the housing and communal services system, ensuring the availability and quality of utilities. The radical improvement and efficient use of apartment buildings, timely repair and restoration work, as well as the cleanliness and improvement of multi-apartment residential areas is one of the vital factors in creating favorable living conditions for residents living in such houses.

Nowadays, the consistent implementation of structural reforms in the country, based on a strong regulatory framework, allows us to create a completely new system of management and use of the housing stock. Over the past 5 years, based on the decisions taken to improve the activities of private homeowner's associations, on the current and overhaul of multi-unit housing stock, a set of measures has been implemented, including the repair of roofs, basements, facades, porches, elevators and irrigation networks of multi-apartment buildings as well as concretization of sidewalks and improvement and gardening of adjacent territories.

At the same time, an analysis of the work carried out in this industry shows that there are a number of unresolved issues in the activities of private homeowners in the maintenance, operation and maintenance of multi-unit housing stock.

Speaking about this, it is important to note first of all that a comprehensive approach and mechanism of interaction between local authorities and private homeowner's partnerships in the management and use of multi-unit housing has not been formed. There is a lack of effective oversight of the contents of multi-unit housing stock, and in many cases the standards and requirements for maintenance and safe living of the population are violated. There are no rules and deadlines for repair and reconstruction of apartment buildings, which, of course, leads to legitimate discontent of the population.

The decree of the President of the Republic of Uzbekistan "On measures to further improve the storage and use of multi-unit housing stock for 2017-2021" was adopted in order to improve the technical condition of multi-unit housing stock and its rational use, timely repair and restoration work, as well as creating the necessary conditions for the further improvement of territories adjacent to apartment buildings [5]. In this regard, a study of the experience of some developed countries in this area shows that in most countries the provision of utilities, including the management, maintenance and operation of a real estate complex, is carried out by non-profit organizations. Examples include territorial community groups in the United States (Planning Unit Developments - PUD), condominium associations, housing cooperatives in Canada (Housing Cooperatives), syndicates in France (Syndicate), homeowner joint stock companies

in Finland and associations of co-owners of apartment buildings in Ukraine (association of co-owners of apartment buildings - ACAB), partnerships of homeowners (PH) and housing and construction cooperatives (HCC) in Russia.

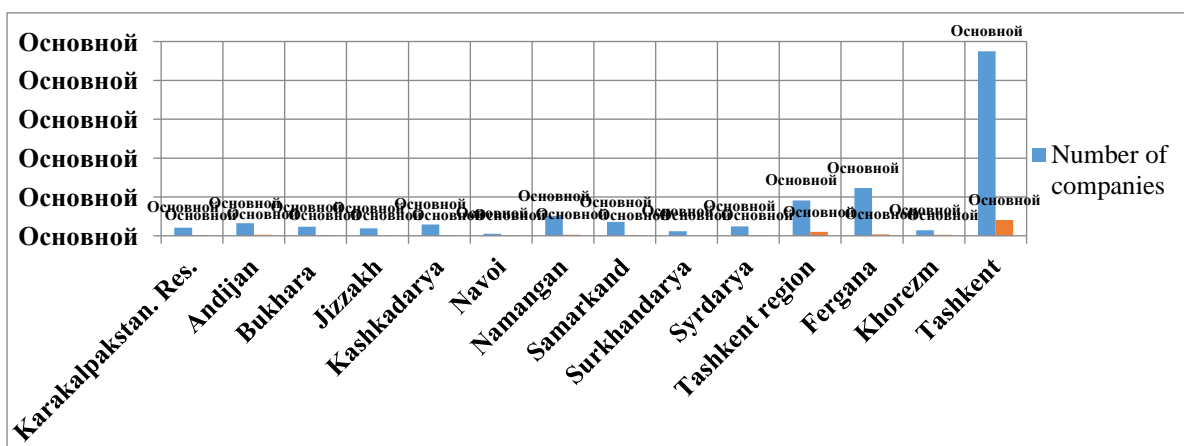
Currently, the main goal of changing the housing management system in the country is to transfer to new homeowners the rights, duties and financial responsibility for the maintenance of their property, which, in turn, fully coincides with the results of a new stage in the country's development.

Research Methodology: In this paper work it has been used qualitative method analyses with theoretical approaches based on Presidential Decree of the Republic of Uzbekistan and few scientists of this area both international and local. The methodological basis of the study is the legislative and regulatory acts in the field of housing and communal services, in particular, the Decree of the President of the Republic of Uzbekistan "On measures to further improve the management of housing and communal services" No. UP-5017 of April 18, 2017 [3] and the Resolution Of the President of the Republic of Uzbekistan "On the organization of activities of the Ministry of Housing and Communal Services of the Republic of Uzbekistan" No. PP-2900 of May 22, 2017, as well as the Decree of the President of the Republic of Uzbekistan "On measures on further improvement of the system for maintaining and using multi-unit housing stock for 2017–2021 "No. PP-2922 of April 22, 2017 [5].

At the same time, the technical condition of multi-apartment buildings is monitored, which are the main areas and tasks of housing and communal services defined in these decrees and resolutions, including the organization of capital and maintenance of multi-apartment buildings, coordination of the activities of private housing partnerships, the introduction of resource-saving and energy-saving technologies and equipment, the development of modern forms and methods of housing and communal services, a proposal and recommendations on organizing internships abroad for training personnel for the industry, the introduction of modern information and communication technologies and software products and databases in the industry, as well as the widespread use of modern statistical methods and observations, opinion polls, scientific observations, the collection of comparative data and processing relevant statistical information in methods of calculation, analysis and synthesis, induction and deduction.

Analysis And Results: Co-management of housing in multi-unit buildings in the Republic of Uzbekistan, as well as its maintenance, maintenance and repair is carried out by partnerships of private homeowners and managing organizations as a voluntary association. Partnerships of private homeowners are an association of private homeowners in several houses covered by a common land plot with improvement elements located tightly, close to each other or in one apartment building, which are considered non-profit organizations founded on the initiative of private homeowners [1].

As of January 1, 2016, 4787 partnerships of private homeowners and 352 managing enterprises served 29,409 housing units in the country [6] (Figure 1).



Source: Compiled by the authors based on data from the Uzkommunkhizmat agency.

Fig. 1. The number of homeowner’s associations and management companies in the Republic

Today, companies providing services in the utilities market are placing high demands. This, in turn, requires the involvement of qualified managers and personnel in these enterprises.

In developed countries, the training of housing management professionals is also very important. In many European countries there are technical universities and colleges that specialize specifically in the training of housing management professionals. At the same time, public utility companies also offer both general basic courses and various continuing education courses in this area.

It should be especially noted that in developed countries the presence of a special qualification document authorizing this type of activity is a market requirement for housing managers, and not only what is required by law. Homeowners (homeowners), in turn, do not trust their homes to professionals who do not have such skills. On the contrary, this allows qualified specialists in this field, especially managers with special certificates recognized nationally or internationally, to receive large and highly paid orders from homeowners.

If we pay attention to foreign experience in this direction, the leaders of these companies in Germany must have a higher education and qualification of an economist, engineer, lawyer or social services specialist, as well as personal qualities such as courtesy, ability to negotiate and resolve conflicts (conflicts). And in Hungary, according to the “Law on Homeowners Partnerships,” condominium managers can only be people who have undergone special vocational training.

In order to radically review the activities of private homeowner's partnerships, it is planned to develop a new draft law of the Republic of Uzbekistan "On homeowner's partnerships" by December 1 of this year.

This new bill provides for a review of public administration in the field of housing and community relations; introduction of effective mechanisms for regulating partnerships; measures to increase the liability of partnerships for compliance with laws and regulations on the use of housing; simplified mechanisms of financial and economic activity and accounting; incentive mechanisms for a wider involvement of state property in entrepreneurial activity.

An analysis of the industry shows that there are a number of problems in the work of the Housing and Communal Services for the maintenance, operation and maintenance of multi-unit housing stock that are waiting to be resolved. They include, for the most part, ensuring openness and transparency in the current and capital repairs of common areas of residential premises, including spent cash, construction materials, quality of work performed, and so on. At the same time, partnerships of private homeowners are currently carrying out the above activities simultaneously both as customers and contractors, on the basis of soft loans from commercial banks.

To date, there are 1,401 emergency and 118 old apartment buildings in the country that cannot be maintained or repaired due to an unprofessional approach to the planned maintenance and repair of the housing stock and determination of the amount of assessed contributions. In addition, there are many apartment buildings that require significant funding [7].

The analysis results showed that today there are some problems in managing the activities of private homeowner's associations in the country:

- ❖ Inadequate accounting and reporting in partnerships;
- ❖ most partnerships of private homeowners have high receivables due to the maintenance and operation of apartment buildings;
- ❖ insufficient professional knowledge and skills of the chairman and executive directors of partnerships of private homeowners selected from homeowners at the general meeting of homeowners. In most cases, the partnership employs former employees of other professions who are not professionals. For example, teachers, law enforcement officers and medical staff and so on.
- ❖ insufficient amount of mandatory homeowner contributions to the account of private homeowner's partnerships;
- ❖ lack of openness and transparency in the activities of partnerships of private homeowners, as well as insufficient interaction between homeowners and owners of non-residential premises, which, in turn, leads to legitimate objections and protests from residents of apartment buildings;
- ❖ lack of effective control over the content of multi-unit housing stock, in most cases, violation of procedures and requirements for the technical operation of housing and safe living conditions of the population;
- ❖ the low number of graduates of professional colleges and universities entering the work in the housing sector, due to the unattractiveness and low salaries of specialists in this field;
- ❖ insufficient compliance with the order and timing of repair and restoration work in apartment buildings.

Conclusions And Suggestions: In conclusion, it is important to note that in order to overcome these problems, we need to implement the following tasks and activities:

- ❖ Creation of a real mechanism of cooperation between the "Ministry - Management Company - PPOH";
- ❖ implementation of comprehensive measures to create a vertical management system for housing and communal services in order to develop the operation and maintenance of multi-unit housing stock;
- ❖ approval of methodologically defined minimum amounts of assessed contributions, determination and promotion of the best homeowners' associations through the organization and holding of competitions, such as "Best Homeowners' Association", "Best Home", "Friendly Neighbors", as well as the implementation of innovative ideas;
- ❖ introduction of common standards for the management, maintenance (maintenance) and operation of multi-unit housing stock;

- ❖ introduction of “know-how” (“billing programs”) by providing real, quick and timely registration of partnership members in real time, as well as by providing each homeowner with an identification number for paying utility bills and receiving mandatory contributions;
- ❖ maintaining modern accounting and reporting on the consumption of utilities and services in the regions;
- ❖ creation of Internet portals with a personal account of each consumer, and through it “Internet of Buildings” - the introduction of a system for monitoring buildings, accounting for utilities and the consumption of utilities and resources and their regulation;
- ❖ development of the activity of the State Unitary Enterprise Repair and Restoration Service and strengthening of their material and technical base for high-quality current and major repairs of apartment buildings and improvement of the front yard with all the elements (construction of children’s and recreational facilities, repair of roads, sidewalks and street lamps, etc.);
- ❖ implementation of measures to improve the living conditions of the population, as well as the timely and high-quality performance of work in the common areas of multi-apartment buildings and in engineering communications inside the apartments, as well as the improvement of the territories adjacent to the houses through the construction of playgrounds and sports grounds;
- ❖ modernization and strengthening of the material and technical base of enterprises and organizations in the field of housing and communal services, mainly providing enterprises with repair and restoration services with modern equipment and qualified specialists.

Consequently, at the place of the final conclusion, it can be noted that cardinal changes in the field, as well as the development of enterprises and organizations of the industry, strengthening their material and technical base, increasing the efficiency of the system of training qualified specialists, attracting them to work and systematically performing other similar important tasks improve the quality of public services in the republic, improve the standard of living and living conditions of the population.

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