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PROSPECTIVE FOREIGN EXPERIENCE OUTCOME IMPLEMENTATIONS OF HOUSING FUND MANAGEMENT IN UZBEKISTAN

Abstract: This article discusses the experience of foreign countries associated with the management of a housing fund. We consider housing models in developed countries such as France, Germany, Sweden, the Netherlands and Finland. Proposed modern approaches to the housing management. Main purpose of the article is explaining main advantages of effective management system housing fund by focusing on development history of western experiences. As for the outcomes of current article can be discussed innovative and structural approaches on organizing, planning and acting as a not VAT creating business activity but as a municipal duty of the government.

Key words: housing funds, managing institutions, condominiums, tenants, housing and communal services, housing and communal services.

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Introduction

In the last few years there has been a growing interest in housing management. One of the important tasks today is to study and implement in practice the best and most effective management practices in the management of sectors and industries of the economy, which have been confirmed in many parts of the world, the positive implementation of large-scale reforms in Uzbekistan. In this regard, we can say that the Republic of Uzbekistan pays great attention to the use of best practices in economic management of industrialized countries in all sectors and industries. The standard of living of the population of any modern country largely depends on the results of reforms in the field of housing and communal services.

Innovative improvement of the coverage of the population with quality housing and communal services, further improvement of the housing system based on the formation of a coordinated technological chain of cooperation between all organizations in the field of housing and communal services, effective technical control over compliance with apartment buildings. In order to create a system, as well as to improve the quality of work and ensure the financial

and economic stability of private homeowners' associations. "The housing and communal services of the President of the Republic of Tajikistan" On measures for further improvement of the management system in accordance with the Decree No. UP-5017 of the Ministry of housing and communal services [1].

Method

We started by investigating previous researches in this concern and have used comparative analyses with various advanced models of developed countries best historical practice. These experiments were carried out to find out improvement methodology for application of optimal management system into housing fund both rural and urban houses.

Results

Western Europe and the United States, the model of co-ownership of a residential building - apartments, in which a homeowners association is formed (a form similar to ours - there is a private homeowners' association) - is widespread. For example, in the Czech Republic and Slovakia, condominium members may prohibit the sale of a landlord's apartment until

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they pay their utility bills, or may require the landlord to sell the apartment through an auction, and pay off the debt in cash [8]. In our country, this model is difficult to implement because most buildings are not at a high level of physical and spiritual demand, as their repair requires a high level of cost for the owners. The priority of the creation of condominiums is the joint ownership of new buildings, new buildings, single facilities, mainly housing, as well as other real estate.

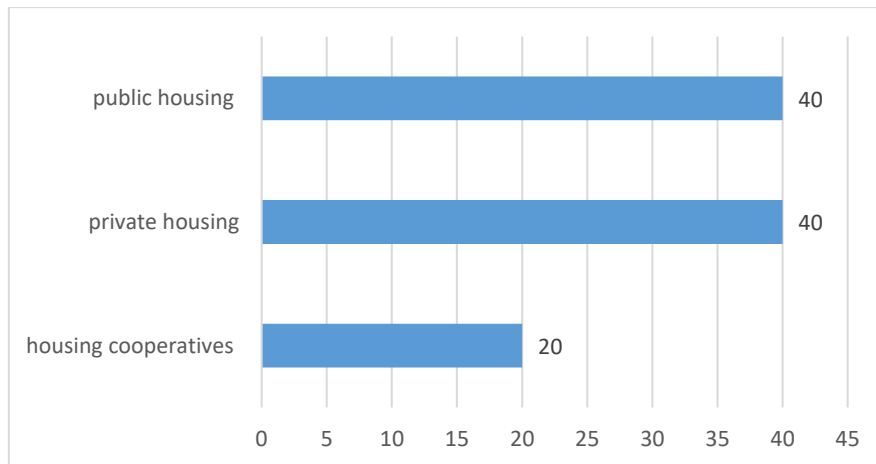
The decree states that one of the main tasks and activities of the Ministry of Housing and Communal Services is: "Preparation of proposals to improve the regulatory framework in the field of housing and communal services, modern forms of housing and communal services, taking into account the best practices of developed countries and development and implementation of methods". In this article, we aim to make a comparative and critical study of the best international practices in this field. Today, foreign models of homeowners management regulate the legal and economic aspects of the purchase, possession and use of housing at a high level and take into account the interests of citizens in the first place.

For example, many U.S. housing funds are owned by individuals, and the existence of different forms of ownership in a single residential building is almost non-existent. Residential buildings belong to a single property owner, either condominiums, or city property [3]. The presence of several forms of ownership in residential buildings is common for many of our homes, which poses a number of challenges in housing management. One of the countries with the best experience in the management of housing and communal services is Germany.

In East Germany, for example, in 1990, housing cooperatives accounted for 20%, private housing for 40%, and public housing for 40%.

Today, 80% are homeowners, 15% are commercial owners, and 5% are communal homeowners' associations. In addition, 80% of private owners own a housing cooperative and houses rented by the owners. Recently, 5% of state-owned housing companies were transformed into private enterprises. The reason is that in these companies - the costs are 2 times higher than in private companies, and the population has complained about the quality of service.

Figure 1. Housing funding structure in Germany



After the unification of the Federal Republic of Germany and the German Democratic Republic, the management of the housing stock began to be carried out by management companies and housing companies (limited liability companies) that had independent management status and were controlled by district or municipal authorities. In cities with a small housing stock, this fund was transferred to small specialized enterprises on a contractual basis.

The process of privatization of housing was carried out on a voluntary and paid basis, and at that time in Germany there were a number of benefits to encourage the privatization process, which included:

- soft loans of banks;
- subsidies for the purchase of apartments;

• Other financial assistance mechanisms in the context of Eastern land development.

Today, there are three types of ownership of housing and communal services in Berlin:

- 1) the enterprises providing public services existing as open joint-stock companies (from local government bodies the supervisory board for management of such enterprise is created);
- 2) homeowners' associations in the form of a limited liability company (LLC);
- 3) private enterprises with private homes for their employees.

Homeowners' associations in the form of LLCs differ from our private homeowners' associations in that each member of the partnership has one vote and is required to pay a membership fee to be reimbursed

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after two years in the event of termination of the partnership.

One of the six citizens will be selected to form a representative team in the company, and a list of persons who can replace the selected candidates will be drawn up if necessary. The Supervisory Board is composed of elected members of the meeting, who in turn elects the chairman of the company, his deputies and secretaries.

In Poland, as a Eastern European country, housing fund management is characterized by the following forms of ownership: companies, housing consumer associations, cooperatives and public construction companies. The co-operative form of housing management in this state appeared in the 70s of the last century, when the state allocated land plots to cooperatives for 99 years. At the same time, with the participation of the cooperative, citizens paid for 50% of the apartment, while the state provided loans in the amount of 50% of the value of the apartment. The main feature of this model is that cooperatives have the right to build and lease commercial real estate (cafes, shops, car parks). The rented funds will be used only for residential repairs (current, capital repairs).

Even today, the city government and private investors are actively involved in public construction companies. For citizens who cannot afford to buy a house in the real estate market, apartments will be built at the expense of the city government. A homeowners association is a co-ordinated association of homeowners. The purpose of such associations is to protect the interests of the population and to identify ways of development of a particular area.

In Finland, the management of a house or apartment is regulated by housing or apartment joint-stock companies, i.e. the owner of the apartment is the owner of the shares of the company that gives the company the right to own the house in which the company lives and is the homeowners' association. Homeowners are responsible for ensuring that the home is cost-effective and reasonable by electing a home manager and board each year. If there is only one homeowner, then homeowners' associations are formed to manage the homes. In this case, the property owner is fully responsible for the building and especially for the apartment. A special law on collective management regulates the rights of tenants in leasing houses. Every housing community has a tenant commission and every home has a housing committee.

The new form of ownership in this country is an apartment with the right of residence. To get the right to own the property, the tenant pays the first 15 percent of the value of the apartment upon relocation, but pays a higher rent to the homeowners' association. At the time of departure, the tenant will receive a refund of the amount added when moving into the apartment. This form allows you to protect the homeowner from various inconveniences.

As one of the most economically developed countries, France's housing policy is aimed at ensuring that homeowners allocate additional funds for the improvement and renovation of housing and adjacent areas in exchange for affordable housing utilities. In France, there are syndicates with legal status [5] that unite the population of the housing stock. The syndicate's responsibilities include general real estate management and building renovations. Since 1965, the right, forms, methods, as well as the status of joint ownership of property owners in France have been enshrined in law.

One of the most developed countries in the field of housing and communal services is Sweden, which is one of the few countries where housing forms such as condominiums are not available. A distinctive feature of this country is that about 40 percent of the housing is rental housing, about half of which is owned by the city government [2]. There are a large number of tenant associations, and the number of families that can become members of one association can range from 20,000 to 20,000. Swedish experts consider this system to be a very successful policy. Due to the close cooperation between these associations and the state, the privatization of individual houses is still prohibited, and associations are usually run by 5-9 people elected by the general meeting of tenants.

In general, the Netherlands is the first country to pursue a modern housing policy that legally affirms the right to housing since 1901. Housing located in this state is managed by homeowners' associations (associations). At the same time, enterprises can make investment decisions independently, obtain loans, and have a number of other rights. Today, the country has two national federations representing about 800 state-owned homeowners' associations, about half of which hold conferences, seminars, and assist each other in property management.

Research shows that in addition to the policy pursued by the state and other organizations in the effective operation of housing and communal services, the fulfillment of obligations by the population living in these houses and their personal attitude to reforms in the field are important. There are examples of using non-standard solutions to manage the housing stock, as well as fostering a sense of responsibility in the homes in which residents live.

For example, there is a relatively modern approach to housing management, i.e. the practice of managing a residential building on the basis of dividing it into several independent parts (e.g. one house or neighborhood, covering the interests of all houses or residents of one house). As a result, "local" issues can be resolved by citizens themselves, who independently determine the list of issues that they can address and take an active part in making decisions about them and regulating housing activities. At the same time, "common" issues will have to be resolved

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in meetings between representatives of the housing company and pre-democratically elected housing developers.

This type of experiment was conducted in a city in southern Sweden, which covered 11,000 residential buildings [9]. The whole area is divided into 50 dwellings (about 200 dwellings each). At each precinct, citizens formed a local organization of tenants, who then elected a housing committee. As a result, more than 3/4 of the population joined local organizations, and the participation of tenants in local organizations was determined on a voluntary basis. The rent consists of two parts: a small area fee and a basic rent [6]. Local landscaping costs, electricity supply, water supply, heating system, repairs, area cleaning, garbage collection, insurance costs are included in the initial cost.

The second payment (basic rent) is real estate tax, insurance payments, payments for maintenance of the house and land planning. Another feature is that the tenants who formed the housing management committee were involved in the work, making the necessary payments, in a manner that they considered responsible for their local budget. The committee also made it possible to select any company that would provide services to the residential buildings. If there were conflicts or disputes between the district manager (city official) and the housing committee, the issues would be resolved in the Tenant Influence Committee - a conciliation commission consisting of an equal share of tenants and city housing policy workers [10].

The amount of rent was determined during negotiations between tenants and representatives of municipal (municipal) housing companies. This experiment began in 1992, and the Swedes are talking about some success in this regard: citizens are actively involved in the repair of housing and the whole neighborhood, the number of members in tenant organizations has increased.

Another example is the large-scale project of the Swedish housing company Svenska Bostader, which is engaged in the construction of 16 one-storey buildings. In this project, the tenants were involved in the development of projects and the direct construction of the buildings (pasting wallpaper, laying tiles, performing simple operations). The company provided experienced construction instructors and all materials. As a result, tenants not only have certain construction skills, but also interact with future neighbors. A communication and social environment has already been created before the facility is commissioned. As a result, at the stage of housing use, the work of the population on the repair and maintenance of the house has significantly improved. In addition, the citizens also received a one-year rent deduction for carrying out various construction works to participate in the construction

of these buildings. The project is reminiscent of former Soviet-era housing cooperatives.

Another best practice was observed in the UK, where housing and communal reforms lasted for 15 years, but everyone was happy with the result. Water and electricity supply was transferred to private companies. After the privatization in this area, the cost of utilities decreased significantly, but then tariffs increased. Today, payments for gas and electricity are growing at an annual rate of 6-10 percent. Londoners can easily switch power supply companies to another. The main thing is the right to perform this practice only once a week. One citizen has the right to use the services of several providers at the same time. For example, if one supplier provides electricity during the day, another can supply electricity at even lower prices at night. In this regard, the housing and communal services sector in our country is much weaker than in foreign countries. In general, there is a certain service regime in the field of housing and communal services in the UK, and some of the experience can be used in ways that are appropriate to our local conditions.

In Mozambique, located on the African continent, a very interesting system has been developed. All housing and communal services are based on a prepaid system, and local residents pay utility bills in advance, just as they replenish the balance of their mobile phone in advance. There are special account replenishment machines for this, which is one of the great services not available in other countries.

Since the 1990s, the government of Turkmenistan, a close neighbor, has been paying for its citizens. The country is rich in many natural resources and minerals. At the same time, the living conditions of the local population are not good enough, and among them there are many who cannot afford to pay utility bills. Water, gas and electricity have long been provided free of charge to the people of Turkmenistan. Today, there are many social benefits for the citizens of this country and they are unprecedented. No one else benefits from this foreign experience of housing and communal services. Discounts apply for travel on road transport, accommodation, petrol, food prices. However, this situation cannot last forever. The reason is that natural resources are limited and the country's economy is not developed at all. In 2013, the government began reducing benefits. Meanwhile, officials are considering abolishing them altogether.

In the United Arab Emirates (UAE), one of the warmest countries, the amount of payment for utilities in winter and summer does not differ sharply. Citizens do not pay for electricity and water. The state exempted citizens from these payments. That is, more precisely, the government determines the level of spending on services and sets a limit for each family. If the family exceeds the limit, the payment will be

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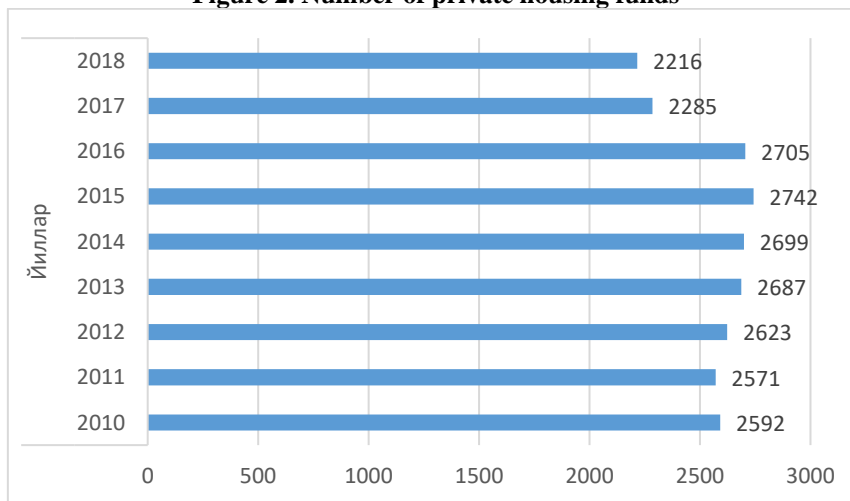
made in the prescribed manner. However, this amount is still very low and low. It should be noted that such benefits are introduced only for the local population. This is only 15-20 percent of the 9 million people living in the United Arab Emirates. Those who come to the country to earn money (about 80 percent of the population) enjoy high rates of housing and communal services. Renting a house in the UAE is also very expensive. This is the basis of social security in the country.

Discussion

Today, as in most countries around the world, Uzbekistan adheres to the elements of market mechanisms. It is known that market mechanisms have their own requirements, non-compliance with which does not make any business entity competitive. If the misconduct of a utility organization harms homeowners, the responsibility of the management organization for the safe operation of the premises must be insured, which is common in most European countries. However, the activities of insurance companies operating in this area are not in demand.

The competitiveness of a management organization should be reflected in the fact that they have an effective management system, financial stability, experience in housing fund management and the availability of certificates of compliance with professional standards. A striking example of this is Hungary, where there is such a law ("Homeowners Association"). According to him, only individuals, firms, private homeowners' associations, licensed in the specialty "Real Estate Manager" and "Condominium Manager" and with special state vocational training, can manage. In France, a syndicate is run primarily by a management company, which must have a special property management card issued by the district governor, as well as a certificate of professional civil liability insurance. Assistance and control to the manager (manager) is carried out by a special council consisting of syndicate citizens. In Germany, a homeowners' association in Berlin, in particular, includes two technical and financial directors under contract [4].

Figure 2. Number of private housing funds



Source: Stat.uz

All the experience of the above countries shows that it is advisable to entrust the management of the housing stock only to specially qualified people who have documents confirming their qualifications in this field. In general, comparative studies and analyzes of world experience in the management and organization of housing and communal services show that consumers of housing and communal services in the CIS countries have some features that distinguish them mainly from European consumers [3], which can be explained as follows:

- 1) significantly higher average level of consumer legal and technical knowledge (in the field of housing and communal services) in Europe;
- 2) problems with the European consumer, all issues are solved by consumer associations or other

public structures supported by the city (district) authorities, and in our case, each consumer has to solve the problems alone;

- 3) the possibility of consumers to submit to public associations for the preparation and approval of a bill that would address the problems that arise in the housing sector;
- 4) the high level of responsibility and attention to the environment of the consumer of European housing and communal services, in contrast to our consumers (level of mentality), in relation to the housing stock in which he lives;
- 5) everyone pays only for what they use, so in western countries, great attention is paid to saving energy resources. We do not have metering devices

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for some citizens, but there is a possibility of overpayment per square meter.

Thus, according to research, despite the significant differences between Europe and our consumers, the following ideas can be derived from international experience, which currently has the potential to be implemented in the context of our republic:

- to create favorable conditions for private homeowners' associations, to expand the scope of their activities, ie to expand their powers and, accordingly, to increase their responsibilities;
- development of association institutions (associations of homeowners' associations), as well as associations of organizations providing housing and communal services;
- creation of a regulatory framework for the establishment and operation of supervisory boards in local cities in order to constructively cooperate with the organization managing multi-storey housing in a particular area;
- introduction of mandatory practice in the establishment of a homeowners' association, development of a feasibility study;
- to organize seminars, courses, meetings with citizens in a systematic way in order to feel the responsibility in the field of housing and communal services, etc.

Today, local governments have almost all the powers to implement all the above ideas in practice. Only they will be able to use these powers effectively. In our opinion, in order to positively address the ongoing reforms in the field, accumulated in advanced foreign countries, it is necessary to do the following:

First, to improve the management system by eliminating monopolies through the development of

public-private partnerships in the field of housing and communal services;

Second, to reform the system of state subsidies in the industry, to develop and implement an effective system of tariffs, subsidies and benefits in order to increase the number of payers for utilities;

Third, the management of housing and communal services should be entrusted only to those who have special education, professional knowledge and skills in this field, the introduction of a system of exchange of experience with foreign universities, management organizations;

Fourth, to eliminate corruption in the field of housing and communal services by increasing the efficiency of the system, as well as increasing the effectiveness of the system for monitoring the implementation of the tasks set by the legislation in the field through the introduction of modern ICT in the industry;

Fifth, the transfer of payments for housing and communal services to the electronic system (online), increase the efficiency of the service system by eliminating excessive paperwork, and so on.

Conclusion

Taking into account and we can come to conclusion that developed countries have improved the mentality of the people in improving the legislation and management system of the country on the basis of various existing approaches to the provision of housing and communal services, management of housing stock. First of all, changes in the mentality of our people, our natural climatic conditions, as well as changes in the world and national housing and communal services. We believe that positive change is possible only with a deep understanding of its essence.

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