

Increasing The Effectiveness Of The Housing Finance Management Mechanism

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Abstract

In this article is describes problems property management through private property and home equity. The situation in the housing sector is a fairly adequate criterion for the effectiveness of the functioning of the region's economy of Uzbekistan, and its reform is a key moment of socio-economic transformation.

Keywords: *Efficiency, financial security, housing management, housing stock, improvement, public-private partnership.*

INTRODUCTION

In the process of modernization of our economy, the development of a number of measures to provide the population with private housing, their management, maintenance and repair of housing stock, as well as the effective state policy in this area will play an important role. Successive reforms in Uzbekistan should be recognized, first of all, with their social orientation, protection of human interests and the welfare of the population. In this process, it is necessary to take into account the peculiarities of the reform of public utilities that are directly related to the life and lifestyle of each citizen, the construction of modern affordable housing for social strata, the management of housing, and the introduction of modern market mechanisms. Also, the changing legal and economic conditions, the demand for housing and the practice of its construction have created new problems. The relevance of the theme is the introduction of modern management of homeowners' associations in managing the housing stock, restoring their financial and economic stability, providing them with the material and technical base, modern and capital repair of outdated housing, and the introduction of new scientific achievements. Reducing costs during the operation of the housing stock, organizing the provision of quality public services to the population, and managing and improving the skills of private homeowner associations at taking into account the above points, it is important to note that this topic is relevant. This is because by improving the efficient organization of housing management it is possible to strengthen economic growth in the sector.

The crisis of the housing stock industry, manifested in the moral and physical deterioration of fixed assets, the poor state of communications, the poor quality of the services provided, the inefficient use of material, labor and financial resources, is obvious and has a systemic nature, which necessitates its reform[1,2,3]. Housing reform is aimed at "creating market conditions in this sector, reducing the administrative presence, developing competition in order to improve the quality of service and its price".

At the current stage of housing reform, the most important is the financial problem, including budget and extrabudgetary support for ongoing reforms. The financial support of the reform has a complex and multifaceted character, in which the social component, which ensures the growth of the welfare of the population as a whole, plays an active role.

Financial support for the reform of the industry requires the integration of efforts and concerted actions of various forms of ownership and individuals. Among the sources of financing the industry, there are three main channels for receiving funds: the main, additional and consolidated.

Sources of financing are: funds of the Housing Fund Reform Assistance Fund; funds of the Center for the Modernization of Communal Infrastructure of the National Bank; budget funds of the municipality; funds from various institutional investors; bank loans; own funds of enterprises; funds of homeowners and non-residential premises[5; 6;]. Among institutional investors, it is worth highlighting: investment funds,

insurance companies, pension funds, banking institutions. We believe that mechanisms of raising funds from the population play an important role. It is advisable to develop mechanisms to raise public funds in the housing stock.

Methods of research

Factors stimulating the attraction of extrabudgetary sources include the allocation of budgetary funds by the Housing Fund Reform Support Facilitation Fund and budget allocations. A real source of expanding the financing of housing investment is bank loans[7; 8;].

Budget funds are the main source of financing for utilities and come in the form of subsidies for:

- covering the difference in prices for the services, products;
- capital investments;
- payment for products, services.

The bulk of the budget for the maintenance of the housing fund comes from the local budget.

According to the Long-term budget strategy, the Republic of Uzbekistan for the period until 2021, the development of the housing sector involves a reduction in subsidies to the population and an increase in the share of market relations in this sector, so the costs of the budget system will be gradually reduced. In addition, sector reform is partly funded by the Housing Reform Facilitation Fund, which reduces the direct burden of the budget system.

In general, sources of financial resources can be represented according to fig 1.

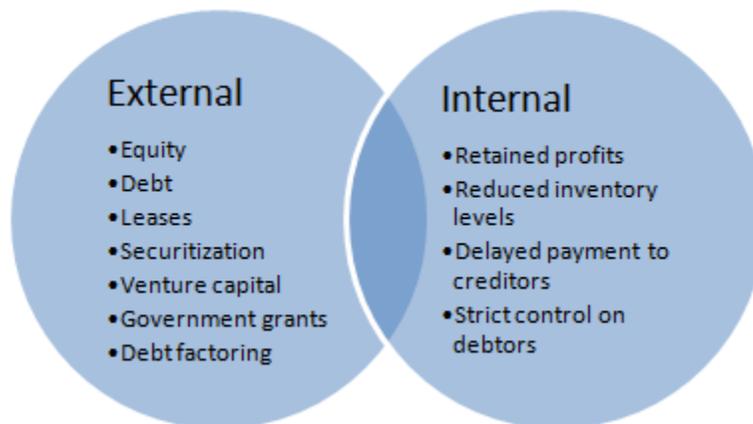


fig. 1. Sources of financial resources

The main problem of public utilities is the lack of funding for the construction and operation of housing. One way to solve this problem is to invest in this area.

In our opinion, the most promising option for attracting extrabudgetary sources of financing investment in housing is the mechanism of public-private partnership between local government and self-government, on the one hand, and private business, on the other hand[1; 4;].

Legislation of the Republic of Uzbekistan provides for several forms of joint stock company, namely:

- concession agreements;
- rent with investment obligations;
- privatization-investment model of cooperation.

One of the effective forms of attracting investment in the utility sector is concession agreements. Concession agreements can be applied for the comprehensive preparation of construction sites for the construction of housing and social infrastructure. To do this, it is necessary to isolate the activities for the construction of communal infrastructure (communications, substations, roads, etc.) in the territories of housing development through the formation of public concessions on the basis of open tenders for the development of communal infrastructure (infrastructural concessions) with the subsequent sale of the

equipped construction sites to developers[8; 9;].

The most popular joint stock company model in the utility sector should be called the rental model, which has found the widest application in the utility infrastructure.

It is proposed to form infrastructural concessions at open tenders, with the proceeds from the sale of land from the state turning the funds into the state part of the capital of the concessions. In terms of tendering, additional state participation in concessions may be provided. Upon completion of the concession's activities on arranging a specific site, the proceeds from its sale to developers at open tenders are distributed among the participants[5; 6; 7;].

From our point of view, the main obstacle to attracting external investment in the development of the industry is the imperfection of the pricing and tariff regulation system, as a result of which the industry cannot forecast its income, consumers-expenses, budgets-the amount of subsidies, investors-profitability, risk and inflation. Modern forecasting methods in the conditions of an unstable economic situation cannot give reliable results.

Improving housing finance is a complex and multifaceted process that provides a significant social component and affects the welfare of the population. Improving housing reform should be carried out in the following areas:

- improvement of the regulatory framework;
- Attraction of various sources of financing;
- Improving the pricing system, tariff system, taxation and credit policy;
- development of a planning and control system for the distribution and use of financial resources;
- Improving the management system and training.

Consequently, the success factors for financial support of housing reform will be: stimulation of the conclusion of concession agreements, long-term state financing, guarantees of return on investments, control over the implementation of programs, development of the information base.

Management of the housing stock of the region is carried out by influencing entities whose activities are associated with the operation, reproduction and expansion of the housing stock through the implementation of the functions of forecasting, planning, organization, motivation, accounting, analysis and control. The management effect is determined by the ratio of the results of management activities with costs in a certain period of time.

The housing stock is a complex facility, the management of which currently uses mainly the following models:

- management through a partnership of homeowners;
- management with the help of a management company.

To increase their competitiveness, management companies need to study and implement advanced methods of real estate management, to promote the maximum participation of private business in the modernization of the housing stock. The use of private-public partnerships based on the creation of self-regulatory organizations can be a way to attract private commercial structures to the housing fund in modern conditions. The creation of self-regulatory organizations of private enterprises of the municipal complex is a professional intersectoral association of private operators working in the fields of electricity, heat supply, water supply and sanitation, utilization of municipal solid waste. The main goals of creating the creation of self-regulatory organizations is to improve the quality of public services, attract a significant amount of private investment in the public sector and increase the reliability of the public sector as a whole[3; 9;].

It should be noted that public-private partnerships are a promising form of solving housing and communal problems, a special role in ensuring the housing needs of the population belongs to state authorities and local governments. The solution to this problem largely depends on the interaction of state authorities of the subjects with local authorities.

joint stock company in its most mature and progressive forms can bring tangible benefits to society in terms of applying new technologies and managerial experience, saving time, and modernizing the economy.

According to the 2020 development strategy, it is envisaged to increase the efficiency of managing state property and budgetary institutions, in particular through the introduction and development of mechanisms of private-state partnership, principles of social responsibility in the interaction of state and private enterprises.

The synthesis of state regulation and market self-regulation is the basis for achieving the goals of housing and communal policies, both in the short and long term.

On the one hand, housing is a service sector and it is necessary to stimulate the development of market relations, on the other hand, housing services serve the needs of people, and the state is obliged to ensure social protection of their interests. The dual nature of the housing stock requires the development of a coordinated economic, social and financial-budgetary policy at all levels of government[1; 6; 10;].

Today it is already obvious that the modernization and technical re-equipment of the housing stock can only be realized if the efforts of all the authorities, the concentration of budgetary financial resources, private capital and public funds, i.e. pursuing a rational policy in the field of effective financial support for housing reform.

From an economic point of view, as the main reason that impedes the implementation of public-private partnerships as an effective form of solving state regional problems and tasks of local importance, we can single out the lack of necessary and current costs of a private investor who has assumed obligations to solve these problems. The authorities often consider partnership with business as a type of joint economic activity that generates a certain type of income for the parties: profit for economic entities, and corresponding payments for budgets of all levels.

We share the point of view of those specialists who believe that joint stock company is not a partnership for the mutual financial benefit of the parties to the agreement. The essence of the joint-stock company is that its participants in the course of joint economic activity receive different types of returns: economic entities - profit, and the state - an effective solution to their problems. In this case, the value of the budget return from one form or another of joint stock company may not have a decisive value.

Joint stock company in its most mature and progressive forms can bring tangible benefits to society in terms of applying new technologies and modern managerial experience, saving time, and modernizing the economy.

The European Union, which successfully practices this form of joint-stock company in the sector of civil works and services for water supply, energy, transport and telecommunications, confirms the benefits of the concession. They state: if we are talking about strengthening the role of the state in determining and implementing the goals of the economic strategy in the field of satisfying social needs, monitoring and regulating economic processes where market mechanisms fail, then the development of joint stock company's can become one of the tools to achieve such goals. This conclusion, based on European practice, is relevant for Uzbekistan.

We attribute concession agreements (assignment agreements) to the modern form of joint-stock company. A concessionaire who invests in state-owned land, subsoil, production facilities, structures and structures or conducts construction work acquires the right of the state to use the results of his investments for a certain period of time. However, he assumes the risks associated with this[1; 6; 7; 8; 10;].

Unfortunately, concession agreements did not find wide development in the housing and communal sphere. The main reasons for the low activity when concluding concession agreements are related to:

- insufficient initiative on the part of the owner of municipal property in terms of reforming the management and ownership of the housing stock;
- a change in property status and the absence of a formalized right of the state and municipalities to objects of communal infrastructure;
- the lack of a mechanism for sharing most of the possible risks between the concessionaire and the grantor;
- the inability to attract private intangible investments;
- lack of pre-emptive right to conclude a new concession agreement with a concessionaire who has faithfully performed his duties;

- the absence in the law of a number of civil transactions aimed at optimizing property management, including immovable.

The global economic crisis is forcing, as you know, politicians and analysts to take a new approach to state participation in economic life. The expansion of its control and regulatory functions is considered an urgent task. joint stock company could also contribute to its solution.

All levels of the executive branch and housing organizations themselves today have three main tasks:

- financial rehabilitation of housing enterprises;
- introduction of market relations and attraction of private business on the basis of concessions;
- Carrying out technological modernization of the housing stock in conjunction with private business.

Conclusion

Thus, public-private partnerships in the provision of services to the population, previously provided mainly by public sector facilities, are a promising mechanism and management method at present.

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