

# Prospects of Housing Fund Management System in the Republic of Uzbekistan

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## Abstract:

This article provides information on the prospects for the housing management system in the Republic of Uzbekistan and the development of services for the efficient use of housing.

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In the short period since independence, the country has undergone reforms in all areas of the economy, including the management of communal infrastructure and housing and communal services. In particular, a number of measures have been developed to provide the population with private housing, their management, maintenance and repair of housing. In this process, there are specific features of the reform of the utilities sector, the construction of modern affordable housing, housing management, the introduction of market mechanisms in this regard, which are directly related to the life and lifestyle of every citizen. "In EU countries, local authorities usually provide affordable housing to people who cannot afford it. In some countries (UK, Sweden, Germany, Ireland), local governments are directly involved in the construction and use of social rental housing. In some cases, states (the Netherlands, the United Kingdom, France, Ireland, Germany) cooperate with private housing associations, corporations, housing and communal services and private investors in providing housing to the social strata of the population. Today, private homeowners' associations in the UK are the leaders in housing fund management, but the chances of homeowners' companies receiving a grant to service and manage a housing fund are very low. The state must provide housing and improve living standards for all segments of the population and provide them with financial support. However, homeowners' associations, tenants, and non-governmental organizations can solve the financial problems associated with housing management on their own. "

Legislation in construction defines a set of necessary or recommended legal norms, rules, requirements for engineering research, construction and reconstruction of buildings and structures, operation and maintenance of buildings and structures in accordance with the new economic and social conditions, regulations and management system.

The main direction of the legislative system in construction is the legal protection of the rights and interests of society and the state, consumers of construction products in the growing freedom and initiative of enterprises, organizations and professionals.

As the President of the Republic of Uzbekistan Sh.M.Mirziyoev noted in his Address to the Oliy Majlis on the most important priorities for 2019, "In the World Bank's Doing Business ranking, our country ranks 134th in construction.

This indicates that there are many problems in the field.

For example, in the construction industry, there are 17 permitting procedures that take an average of 246 days to obtain. Isn't that an injustice?

The Cabinet of Ministers must immediately consider measures to improve the norms and regulations in this area." [4]

At the initiative of the President, significant changes have been made to address the accumulated problems in the construction sector, and today the reforms in this area are beginning to bear fruit.

In 2018, the programs "Obod Qishloq" and "Obod Mahalla" were met with great satisfaction by our people. This year, 3 trillion soums have been allocated for construction and beautification works. As a result, 416 villages received a new look.

In January-March this year, a total of 11,179.7 billion soums were spent in the Republic of Uzbekistan. UZS, the growth rate was 105.9% compared to the same period last year [4].

In accordance with Article 1 of the Law of the Republic of Uzbekistan "On establishment of the Day of construction workers of the Republic of Uzbekistan" ZRU-450

dated December 21, 2017, the second Sunday of August is designated as the Day of construction workers of the Republic of Uzbekistan [2].

In accordance with the Decree of the President of the Republic of Uzbekistan dated April 2, 2018 "On measures to radically improve the system of public administration in the construction industry" PF-5392, the Ministry of Construction of the Republic of Uzbekistan was established on the basis of the State Committee for Architecture and Construction.

The main tasks of the Ministry of Construction of the Republic of Uzbekistan are as follows [2]:

- Carrying out a unified scientific and technical policy in the field of engineering and technical research for urban planning and construction, increasing labor productivity, reducing the cost of construction and installation work, the introduction of innovative energy-efficient and energy-saving projects and solutions;

- organization of development and approval of the general scheme of population distribution in the territory of the republic, planning schemes of the Republic of Karakalpakstan, regions, Tashkent city, districts, cities, master plans of settlements and other town-planning documents, monitoring their implementation;

- Preparation of proposals on the main directions of state policy in the field of urban planning, coordination of design and construction activities, increasing the efficiency of design and survey organizations and expanding the regional network, organizing the development of individual, model, reusable and experimental projects and project solutions; examination and so on.

The Ministry of Construction is also the authorized state body implementing the unified state policy in the field of architecture and construction in the Republic of Uzbekistan.

Coordinates the activities of JSC "Uzstroyaterialy" on deep processing of local raw materials, increasing the volume and expanding the range of competitive and export-oriented construction products, as well as the development of program measures to meet domestic demand for new types of high quality construction materials.

In order to radically improve the technical condition of the apartment building and its proper use, to create the necessary conditions for the timely implementation of repair and restoration work, as well as to beautify areas adjacent to apartment buildings, the President of the Republic of Uzbekistan on April 24, 2017 "2017-2021 Resolution No. PQ-2922 "On measures to further improve the system of storage and use of multi-apartment housing in the coming years" is the most relevant topic in the field of public utilities today [1].

***The analysis of the literature shows that the issues of adequate housing, quality, affordability and convenience have always attracted the attention of scientists and experts, and remain so today.***

Among the many foreign scholars who have conducted research on improving the housing fund management system are E. Ostrom, S. Nahrath, P. Chemetov, R. Baudoui, D. Paris, F.-O. The research of Seys et al. Is noteworthy [9,10,11,12,13].

It should be noted that when referring to scientific research in the field, a number of scientists in the CIS countries, including S.A. Kirsanov, M.N. Lomova, K.S. In the scientific works of Stepaev [4,5,8] the possibilities of using the housing stock and the organization of its effective management are studied.

Researchers of our country have also studied some aspects of the economics and management of housing and communal services. In particular, V.U. Yodgorov, R.I. Nurimbetov, I.X. Davletov's scientific works [3,2,7] are among them. Also, one of the practitioners who is actively conducting research in this field is A.H. Nabiev, K.A. Tantybaeva and N.M. Vishnevskaya's analytical work [6] also contains suggestions and recommendations for improving the management system of private housing in the country.

Among the material and spiritual needs of the people, the need for housing is one of the first and foremost needs. The reason is that a person cannot live a peaceful life unless a certain level of housing needs is met. [16]

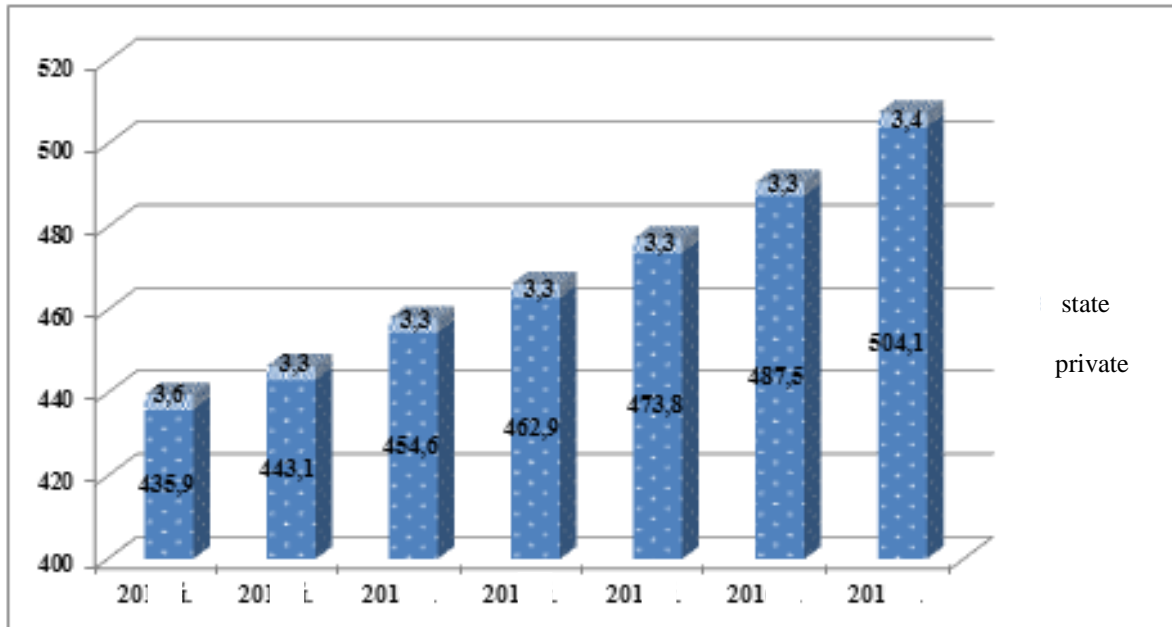
In this regard, a number of positive steps have been taken in this direction in our country during the years of independence, especially in the last 2-3 years, and continue to this day.

In order to positively address the planned reforms in the sector, a number of regulations have been adopted in recent years, and some have been amended.

However, the changing legal and economic conditions in recent years, the demand for housing, the practice of its construction have created new problems. Problems of improving the efficiency of housing management, modern management methods and technologies should be adapted to the working conditions of homeowners' associations. It should be noted that the problems of the utilities sector, in particular the analysis of the current state of efficiency in the use and management of housing: insufficient coordination of local executive bodies with private housing companies and housing and communal services ; insufficient organization of control over the maintenance of the housing stock; has arbitrarily taken up multi-apartment houses by the residents and caused them to turn (block) their backyards as courtyards. Overcoming these problems, which negatively affect the effective management of the housing stock, will be achieved through a radical overhaul of private housing companies, the restoration of financial and economic stability and the implementation of measures to ensure the consent of the population.

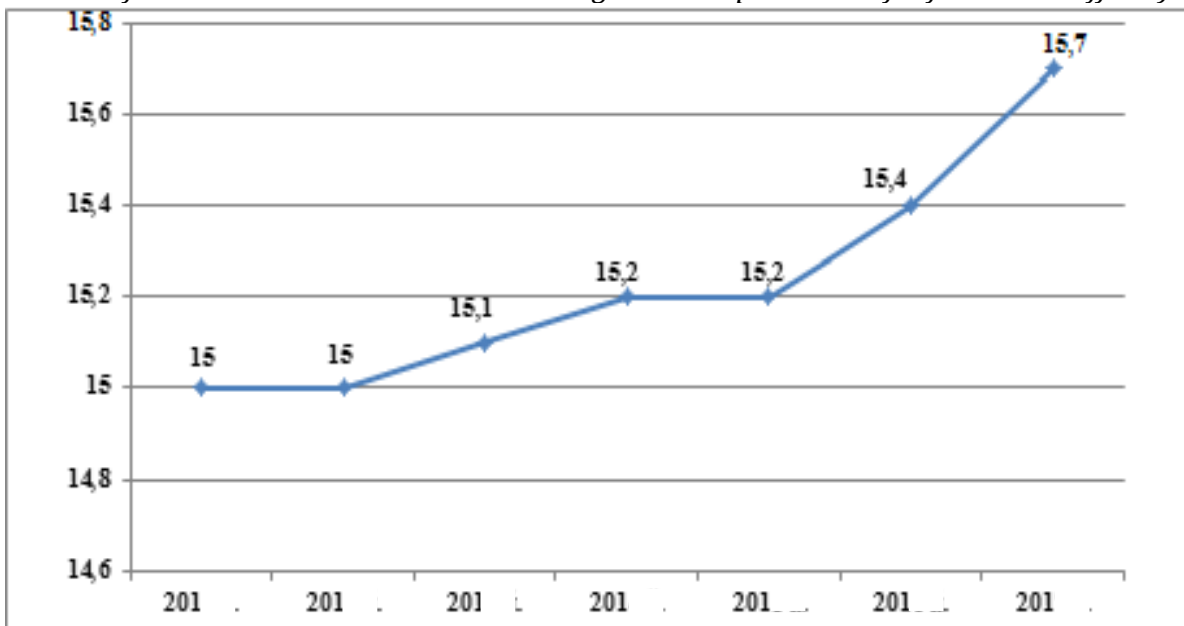
According to the statistics on the housing stock as of January 1, 2018, according to the results of housing stock monitoring, the housing stock in 2015 increased by 10.9 million sq.m. compared to 2014, in 2016 compared to 2015 by 13.7 million sq.m. .m., by 2017, it increased by 16.6 million sq.m. compared to 2016. That is, the total housing stock in 2017 will be 507.5 million square meters. Of which: private housing - 504.1 mln. sq.m. (99.3%); state housing fund - 3.4 mln. sq.m. (0.7%). These results show the rapid development of housing construction, overhaul and reconstruction in Uzbekistan.

Here, based on the total living space, the average living space per capita increased by 0.1 sq.m. in 2014 compared to 2013, by 0.2 sq.m. in 2016 compared to 2015, and by 0.3 sq.m. in 2017 compared to 2016. .m.



**Figure 1. Dynamics of growth of housing stock in Uzbekistan (mln.sq.m.) (as of 01.01.2018)**

*(Statistical collection of social development and living standards in Uzbekistan. Department of technical support for the distribution of statistical materials of the State Statistics Committee of the Republic of Uzbekistan. Order number №1741. 17.09.2018. Based on information from the author's account according to the Department of Information Affairs)*



**Figure 2. The average living space per person (sq.m.) (as of 01.01.2018)**

*(Statistical collection of social development and living standards in Uzbekistan. Department of technical support for the distribution of statistical materials of the State Statistics Committee of the Republic of Uzbekistan. Order number №1741. 17.09.2018. Based on information from the author's account according to the Department of Information and Communication)*

It should be noted that the radical reforms carried out in recent years in all sectors and industries of the country allow to achieve a number of positive results. As a result of the positive growth observed in the real sectors of the economy and in the service sector, a number of achievements have been made.

But even so, the current state of housing and communal services is still one of the most pressing problems. These are mainly the relative obsolescence of housing stock, the almost non-fulfillment of obligations of management companies to the population, the failure to carry out current and capital repairs on time, the timely evacuation of the population from emergency housing.

In particular, it is necessary to study the terms of the contract between consumers and service providers (electricity, gas, hot and cold water, other utilities) and pay special attention to the issue of equality of the parties, the existing laws and regulations to implement reforms in this area. there is a need to make changes.

The analysis shows that local executive authorities do not adequately coordinate the activities of private homeowners' associations and housing and communal services. The lack of a comprehensive approach to the management and use of the multi-apartment housing stock is an obstacle to further improvement of the quality utility system, which in turn leads to legitimate objections from landlords. An effective system of control over the maintenance of multi-apartment housing stock has not been established. In many cases, there is a violation of the established requirements for the technical operation of the housing stock, safe living.

Also, the rules and deadlines for the repair and restoration of buildings and structures are not observed. The condition of the areas adjacent to the houses does not fully meet the sanitary norms and regulations. The population is not adequately provided with quality drinking water and central heating. A number of adopted normative documents do not fully provide the legal basis for the development of the industry. As a result, reforms in the sector are not yielding the expected results. In particular, the dominance of administrative methods over economic methods of management in the industry, high costs in management, high level of loss of energy resources in the provision of services have a negative impact on the activities of the industry. Lack of transparency in the formation of tariffs, lack of public awareness of expenditures, lack of knowledge and skills of members of private housing companies to operate in market conditions also have a serious negative impact on the situation.

The local executive authorities do not adequately coordinate the activities of private housing companies and housing and communal services, as well as the lack of a comprehensive and analytical approach to the management and use of multifamily housing. we can note that it is an obstacle to further improvement.



***In general, according to the analysis, the problems accumulated today in the field of housing and communal services of the republic can be systematized as follows:***

- Incomplete implementation of the system of market-based activities in private housing and communal services, housing management and the industry as a whole, as well as the predominance of administrative methods over economic methods of management in the industry;
- high costs of management, high level of energy and resource losses in the production and provision of services;
- Lack of transparency in the formation of tariffs and low level of public awareness of expenditures;
- high share of those who do not pay for utilities on time among the population who are able to pay utility bills on time;
- low investment attractiveness of industry organizations and high level of obsolescence (physical and spiritual) of communal infrastructure and fixed assets in the industry in general;
- high indifference of members of private housing and communal services to self-government, lack of knowledge and skills to operate in market conditions;
- problems in maximizing the simplification of the organization of the system of housing and communal services and the elimination of unnecessary costs, as well as the provision of more services in less time;
- cases of evasion of full payment for utilities (unauthorized use of resources without the installation of meters) and the persistence of indifference among the population, and so on.

***Thus, as a result of the study, it can be considered necessary to implement the following tasks in order to eliminate the above problems and increase the efficiency of the housing management system in the country:***

- formation in the minds of all employees working in the field of culture and skills of effective and rational use of resources (human, material, financial and time);
  - maximum simplification of the organization of housing and communal services and the elimination of unnecessary costs, as well as the provision of more services in less time;
  - formation of a systematic approach to the organization of public services in the field of housing and communal services, including its quality control;
  - Ensuring the development of innovative methods in the service sector through the introduction of modern innovations and information technologies and the creation of the maximum possible consumer value for investors;
  - Improving the efficiency of the housing system based on the formation of a coordinated technological chain of interaction of all organizations in the field of public utilities;
  - Establishment of a cost-effective production (service) system based on the principle of "on time with minimal costs" in the repair of housing;
- increase the efficiency of professional companies providing public utilities to the population, etc.



**In conclusion**, I can say that the average living space per person is growing every year. However, the annual growth of the housing stock is not at the level of demand for utilities and its management.

Based on the above, the conclusion is that there is no comprehensive approach to the management and use of multi-apartment housing, the condition of the areas adjacent to multi-apartment houses does not fully meet sanitary norms, rules and hygiene standards. Taking into account the non-compliance, as well as insufficient demolition of old houses, in order to further increase the efficiency of the rational use and management of the housing stock, we make the following suggestions and recommendations:

- Further improvement of public-private partnership in the effective use of housing in the country, in particular, their repair, maintenance and management, as well as improving the quality of public services and reducing costs in this regard;
- High level of interaction between enterprises and organizations of the system of repair, maintenance and management of the housing stock and homeowners, and in this regard to widely disseminate and explain the content of laws and regulations adopted in the field;
- Effective use of energy-saving materials, equipment, devices and technologies during the construction of new housing, existing housing and their operation, as well as the study of best international practices in this area and the implementation of their advantages. This in turn leads to a several-fold reduction in the energy consumption of buildings;
- Due to the fact that the structural and volume-planning solutions of apartment buildings and engineering-communication systems form a complex complex, it is necessary to take organizational measures related to the wear, tear and damage of building elements during their operation, their timely technical inspection and repair;
- There is a need for more outreach among landlords living in multi-storey residential buildings and operating in non-residential areas. Any repair work will be carried out at great expense. This work should not be carried out only between the chairman of the company, members of the board or local public authorities. Perhaps it is necessary to ensure the participation of homeowners living in this house, as well as the awareness and activism of property owners.

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