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Development of Household Communal Economy

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Abstract: The article is devoted to foreign experience in the organization of management and regulation in the field of housing and communal services market. The author analyzes the possibilities of regulation and management of housing and communal services abroad; The experience of reforms implemented in the development of Western European countries is studied; possibilities of using foreign experience in reforming the local housing and communal sector were determined. Based on the analyzes carried out in the article, specific recommendations are given to increase the role of self-management bodies of the population in the management of this sector, and to improve the quality of providing housing and communal services to the population.

Key words: housing and communal economy, multi-storey building partners' company, monopoly, housing and communal economy, managing organization.

The housing and communal economy is one of the largest sectors of the economy and social sphere of any country and has a significant impact on the development of economic relations and the social well-being of the country's population. The main social task of the housing and communal economy is to provide the population with communal services necessary for the life and activity of each person.

It should be noted that the housing and communal economy as an economic branch is amazing in its scope. Thus, 52,000 enterprises and organizations operate in this field in Russia, almost 30% of the state's main funds work, and more than 4.2 million working-age residents of the country are employed.

At the same time, problems have increased: funds have become significantly outdated, the quality of services has decreased, and fees have increased. Publicly owned utilities have neither the ability nor the desire to seek reserves to improve utility quality and reduce costs [3]. All this determines the relevance of the research topic.

The main purpose of this article is to determine the ways of reforming the housing and communal economy based on the analysis of the leading foreign experience. To achieve this goal, it was necessary to solve the following tasks:

- to determine the characteristics of reforming the housing and communal economy of the Central and Eastern European countries, which have the same conditions as in Russia for the development of the economy;
- To study the experience of the reforms carried out in the developed countries of Western Europe;
- to determine the possibilities of using foreign experience in the reform of the local housing and communal sector.



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Today, housing and communal services in Russia often force people to pay for services they do not actually receive. For example, in the provision of heat supply and hot water services, a certain temperature of the heat carrier must be maintained, and fees for this service are often charged according to standards.

regardless of whether this temperature is maintained or not. Cold water consumption is very high. Many services included in the rental fee are out of touch with reality. This situation is related to the preservation of the monopolized system of maintaining housing and providing housing and communal services in our country. Housing and communal organizations have no real incentives to improve the quality of services and reduce their prices, and the consumer, deprived of choice, is forced to pay for services he does not receive. At the same time, the housing and communal service sector itself is characterized by an inconvenient and ineffective management system. In network enterprises, on the one hand, there are actions that increase the price of the provided services, and on the other hand, the available opportunities for saving resources are not being used.

At the same time, Russia is not alone in these problems. Such a situation was observed in most countries of the world, the process of reforming the housing and communal economy took place in all developed countries in the last two decades.

The analysis of foreign experience shows that in the 60s and 70s of the last century, services in the housing and communal sector were, as a rule, provided by organizations belonging to the state or local authorities. But then the situation changed. In many cities, garbage collection, road repair, beautification, street lighting and other services have been implemented by private firms selected on the basis of competition. A private contractor operating in a competitive environment, unlike a state or municipal organization, has to stay in this market and work as efficiently as possible to make a profit. As a result, the entire sector will not be burdensome for the state, and the population will have the opportunity to demand quality services.

Today, the situation of the housing and communal economy in Russia is similar to the situation that developed in the countries of Central and Eastern Europe at the end of the last century, when the reform of the housing sector was also at the edge of reforms. Meanwhile,

liberalization of the economy and transition to the market form of organization of economic relations caused the need to revise the housing policy in all countries of the region. Reforms in the field of housing and communal services became a part of economic changes, but the specific methods of their implementation depended on financial opportunities and the direction of economic reforms in a particular country [4].

At the same time, the following changes have become characteristic of all post-socialist countries: a shift in the structure of sources of housing construction financing in favor of the private sector; privatization of apartments; maintenance of housing fund and change of payment mechanisms for housing and communal services. Almost all countries of Central and Eastern Europe have transitioned to a market economy from the Soviet era, and in the process of reforming the housing and communal sector, they faced the problem of rising utility tariffs, which significantly exceeded the growth of the population's income.

For example, in Hungary, tariffs for energy, gas and other types of fuel increased 14 times in 1991-2001, and in Poland 18.5 times. Utility rates in the Czech Republic have not increased as quickly as in other countries in the region, but the state still has subsidies for utilities, which help keep rate increases at bay.



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Undoubtedly, some categories of citizens face difficulties in paying for housing and communal services, because their share in the family budget of households is increasing significantly. In order to alleviate the situation of the population in need of social protection, in most countries, programs have been introduced to help certain categories of the population pay for housing and communal services, targeted subsidies have been allocated, and they have been given to households entitled to receive benefits based on benefits. . special criteria.

However, each country in Eastern Europe has gone its own way and has certain characteristics of housing and communal services reform.

Thus, a large part of the communal housing stock in Poland is owned and managed by local authorities (gminas), which, under the 1994 Act on Housing Payments and Tariff Incentives, have considerable freedom of choice in the implementation of policy in this area. This Law provides, in particular, that gminas increase utility rates to cover the costs of maintaining housing stock, while providing certain benefits to low-income residents under special programs [2]. Of course, without reforming the housing payment system, local authorities can finance the reconstruction of the housing stock, but increasing

reef reform is not very popular in the territorial community. Based on this, each Polish local government is trying to implement its own policy in this area. For example, the cities of Gdynia and Szczecin have an "aggressive" policy on housing payments and are among gminas that regularly increase rates. In order to overcome political and social resistance to the increase in tariffs, the municipalities of Gdynia and Szczecin are inviting all interested actors of the housing market (city council members, tenants, citizens and local authorities) to discuss proposals to raise rents to the market level. made sure. The same communes have made tariff increases an integral part of their long-term plans for the development of the housing sector. At the same time, Kraków started introducing differential tariffs, a methodology that helps gminas apply a market-based housing payment structure to their share of the housing stock. Rates in this city are determined by the quality and location of housing . The Radom Social Housing Association, which manages Radom's communal housing fund, has convinced citizens of the need to approve increased tariffs to increase housing maintenance and repair costs. At the same time, it regularly reports to the society about all funds spent for these purposes.

To understand the nature of the changes made in this area, the experience of East Germany is important, where after reunification with the West in 1990, the reform of the neglected housing and communal sector began. The goal of reforming the housing and communal economy was to create competition in various sectors of the housing and communal economy. For this, according to the authors of the reform, it was necessary to remove the monopoly and corporatization of service enterprises, to modernize the communal infrastructure and housing stock, and to improve the pricing of housing and communal services. In order to improve prices, Germany switched from providing social assistance to the population through public services to targeted subsidies. Subsidies are given to low-income families according to their income level: the rich help the poor and do not share the lower tariff scale with them. Grants and low-interest loans were used to upgrade networks and equipment. Loans aimed at the modernization of the housing stock were also granted by the German Federal Government

institutions, municipalities, energy suppliers and the European Community. It should also be noted the significant increase in the price of services and the simultaneous transition to billing for services



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provided according to their actual consumption. This led to the saving of resources by the population. It should be noted that during the reforms in Germany, the entire housing sector was actually privatized (land also became the property of enterprises), but at the same time, transparent schemes of enterprise activities were provided. The selection of service entities on the basis of a competition began, which was reinforced in the relevant legal documents. This motivated the improvement of the quality of services and more efficient management of the new owners.

In addition, despite constant competition, it was not enough for utilities to simply supply resources and charge for their consumption. There was a need to provide a number of additional services to consumers. A new term "multilateral utilities" appeared. For example, utility companies include neighborhood cleaning, waste collection and disposal, in-house infrastructure maintenance, telecommunications, and more in addition to their core activities. the state housing fund realized through the sale of state and communal housing. Privatization of the housing fund was aimed at attracting funds for the formation of individual private property, mobilization of private initiative and responsibility, repair and modernization of housing. Housing cooperatives were transformed into partnership organizations (partnerships of apartment buildings or condominiums) with legal capacity and the right to make independent decisions. Such organizations, among other things, strictly controlled the quantity and quality of the provided services and protected the interests of apartment owners in various cases [1, 5].

In addition, special attention was paid to improving the efficiency of public utilities in Germany, which was achieved by introducing modern technologies and automation. In addition, special state banks aimed at supporting the development of the housing and communal sector were established. They allocated preferential loans for the implementation of specific targeted programs aimed at increasing the efficiency of resource use and saving.

The UK has created a socially acceptable and communal sector is also not interesting for Russia The UK has created a socially acceptable and commercially attractive environment in the public sector for nearly 15 years. For example, in 1997, a ban on disconnection of water supply services was introduced for domestic consumers, but at the same time, a decision was made to increase tariffs for non-payers. The quality of public services in this country is determined by a number of measurable parameters. In particular, the time to call the dispatch service (this is 30 seconds) and the time to complete a request for troubleshooting were determined. Another important stage of communal reforms is the consolidation of urban water management enterprises in the republic into ten regional state-owned companies, and then their privatization. Before privatization, the state wrote off all the debts of public utilities, took over the costs of bringing the property to a usable state, certified it and transferred its balance sheet.

It should be noted that, unlike Great Britain, in most European countries the utility infrastructure is not transferred to private ownership, but remains municipal and is used by private operators under concession agreements. For example, in France, utilities are mostly municipal. At the same time, in the housing and communal economy, the experience of using benefits based on the contract of the transfer of the utility service enterprise to a private company is very common. Provision of services is carried out by the concessionaire, at the same time, he has the right to collect fees from consumers for the provision of these services. The advantage of the concession is that housing and communal services are natural monopolies, especially in the field of water supply and sewage, and are not alienated from the state. The property is provided for temporary use by private firms, which



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pay the owner a reasonable fee, assuming all the commercial risks of his activity. Selection of concessionaires is carried out on a competitive basis. At the same time, the contract strictly regulates their activities, including the conditions of service provision and the level of tariffs. In order to ensure the quality of the relevant services, the authorities have the right to apply sanctions up to deprivation of the right to benefits. After the end of the contract period, the object, including the production objects created by the concessionaire, is transferred to the owner. Thus, there is a potential combination of two economic agents: state (municipal) property, on the one hand, and private management and investment, on the other.

In general, France has a tripartite system of housing and communal services: in addition to nationalized gas networks and state energy, there are also private companies, as well as companies that build their activities on the basis of concessions. At the same time, all French enterprises, especially those dealing with electricity, gas and water supply, sewerage, waste and industrial waste collection and processing, work closely with municipalities on the basis of concluded contracts and agreements.

There are many types of contracts. Some only ensure the operation of these systems, others - responsibility for repairs, others - for the construction of new housing and communal infrastructure. At the same time, the municipality assumes control over the quality of services to the population and the activities of the housing and communal economy. Service quality standards are set by the country's government, and each contract between the municipality and the operating company defines the system's operating conditions and service tariffs. It is interesting that recently there is a continuous consolidation of companies working in the housing and communal sector.

The use of different forms of multi-family housing management in France is also noteworthy. Associations of housing owners are formed in the houses, they conclude contracts with the city government for the provision of water, gas, etc., with a specialized enterprise for housing maintenance and a separate specialized company that monitors the quality of services. Firms that are service companies can be all over the country, but often in relation to home maintenance, especially minor repairs, can have different forms of ownership. is the field of small business, local companies.

The housing and communal economy, which is by its very nature an important infrastructure object of the state, is currently experiencing a crisis in Russia. An increase in utility bills for housing and communal services does not guarantee the improvement of the quality of the latter and does not solve the main problems facing housing and communal services. Therefore, its reform is becoming an urgent and urgent problem.

The analysis of foreign experience showed that the important directions of reforms in this regard are as follows:

- creation of a housing and communal services market (where the seller is not a monopolist, and the buyer has the opportunity to protect his rights and receive quality services);
- to help the work of enterprises of different types of ownership in this field;
- regulation of the process of formation of tariffs by legislation, granting of benefits and control of these processes:
- setting clear standards of the quality of public services;
- introduction of modern technologies aimed at reducing costs and saving resources by housing and communal enterprises, establishing special state banks that allocate loans for these purposes;



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- modern forms of self-organization of the population, which are legal entities and have clear rights to protect the interests of apartment dwellers and use the housing fund (primarily, apartment building partner companies) formation

In Russia, none of the above is still in practice. Therefore, reform of the housing and communal economy is urgently needed. But it is only successful when end users are confident that they are paying for the services they receive, and when service providers know that they will be replaced by someone else if the performance is poor.

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