

## SOCIO-ECONOMIC ADVANTAGES OF USING THE “LOCAL CLUSTER” MODEL IN IMPROVING THE EFFICIENCY OF HOUSING AND COMMUNAL SERVICES IN THE REGIONS

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### Abstract

In this article analyzed the efficiency of enterprises operating in the housing and communal service system. Using the experience of developed foreign countries, have been developed recommendations on the organization of activities in the field based on the public-private partnership mechanism.

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In the concept of socio-economic development of our country until 2030, it is envisaged to start the process of transforming populated areas into "smart city" type settlements. In the implementation of this concept, the field of housing and communal services plays an important role.

The fact that the structural changes based on the introduction of market relations in the main branches and sectors of the economy at the national level, which began after independence, bypassed the field of housing and communal services, has a negative impact on the accumulation of problems in this field and the social development of the population based on the characteristics of the field. Based on this situation, communal reforms, which started 10 years late from 2001, fell into the process of stagnation again by 2006, and the continuation of structural changes in the sector entered the stage of sharp shift from 2017. However, reforms in the field of housing and communal services, which are somewhat disconnected from the development of other sectors and sectors of the economy, face significant obstacles in the process of development.

The analysis of the existing management systems of the housing and communal services sector showed that, despite the fact that the process of introducing new technologies, automation of management processes and other highly effective measures has been started by systems and enterprises in the regions, the existence of the following circumstances will allow the sector to be integrated into a single system in a short time and the enterprises within it are not provided with operational efficiency:

1. Insufficient availability of adopted targeted programs of special direction.
2. Inadequate use of principles and methods of analysis of investments made in the field and justification of investment decisions.
3. Lack of justification of budget funds allocated to the sector in terms of social efficiency of the adopted programs.

A qualitatively new approach to alleviate the above-mentioned shortcomings to a certain extent is the

extensive involvement of housing and communal services consumers in the process of data collection, analysis, evaluation as a component of the formation of programs for the development of housing and communal services. In our opinion, one of the main obstacles in solving this problem is not only issues of monitoring the quality of services, but also analysis of problems and methods of system development with consumers and insufficient development of interaction with them.

The analysis of the formation of the housing and communal services system in the residential areas of our country shows that today this system has been formed as a result of state-level social policy and reforms in the field, mainly in the areas of cities where multi-family houses are located, as a system based on certain connections. Enterprises providing housing and communal services have not been formed as a system in the areas where one-story and model project houses are located, which make up the main part of the population centers, and the services of the supply of communal resources and household waste removal services in this direction are direct contacts of individual enterprises with consumers. based on

From the experience of developed countries, it can be seen that today in these countries, settlements are not divided into urban and rural categories, and the level of consumer use of housing and communal services in large cities and small settlements with a large population does not differ in quality. From this point of view, it is important to form organizational structures that can provide services to consumers at the same level in all types of settlements in the field of housing and communal services in our country today.

The fact that housing and communal services enterprises in the form of housing owners' associations mainly cover multi-family houses and these enterprises do not provide services for providing consumers with communal resources in the range of services, that consumers come into contact with a large number of suppliers for services in one direction, on the other hand, It causes utilities to communicate with thousands of customers at once, a process that requires both parties to incur significant time and additional costs. At the same time,

Taking into account the above, it is proposed to establish a form of business operation within the framework of the cluster of housing and communal services, which economically unites the creators and suppliers of services in the field of housing and communal services into a single system, and to provide the needs of consumers with quality services within the framework of the effective activities of the participants of this cluster. will be done.

The cluster approach is the basis for the organization of new forms of knowledge collection by directly stimulating new scientific and technical directions and their commercialization, while indirectly developing the education and science sector and venture business.

Based on the analysis of various manifestations of clusters, it was possible to distinguish more than 10 signs: activity results, type of manufactured products, accumulation of knowledge in companies consisting of small enterprises, differences in the composition of relationships within the cluster, market behavior, production scale, degree of dependence of enterprises on the cluster, the degree of centralization of production, the basis of cluster formation. (Table 1).

**Table 1 Classification of clusters by common characteristics<sup>1</sup>**

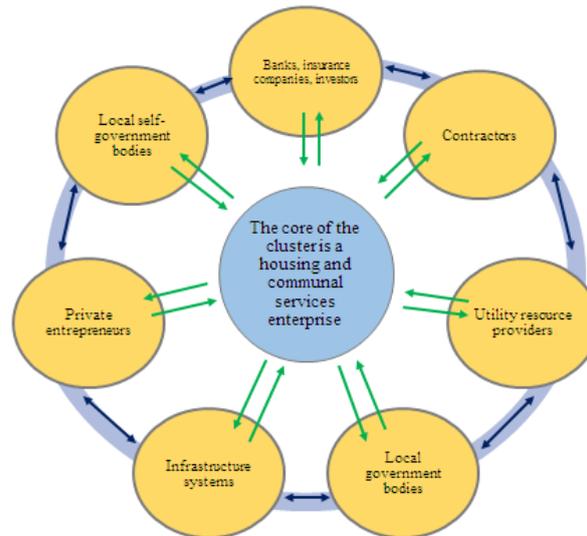
Classification symbol	The essence of the cluster
According to the directions of activity	Product-producing industrial clusters
	Service provider clusters
By product type	Clusters producing traditional products and services
	Innovative or intellectual clusters that seek to create

<sup>1</sup>Zakharenko I.K. Analysis of innovative clusters// Rossiyskoe predprinimatelstvo. -2014, No. 22 (268). -S. 67-69.

	completely new directions in meeting needs
Accumulation of knowledge in companies composed of small enterprises	Innovation-oriented technological clusters created in leading scientific research centers
	Historically formed industrial clusters based on traditional activities
By network types	Mining and processing clusters
	Clusters based on industrial production and transportation
	Clusters specializing in the provision of services, including financial services
	Marshall clusters consisting of small and medium-sized enterprises operating in the service and high-tech sectors
	A crucial role is satellite clusters belonging to a branch located outside the main area
	A cluster of state-owned enterprises operating in the interests of the state
On differences in the composition of intra-cluster connections	Clusters formed as a result of efficiency optimization
	Clusters formed as a result of market dependence
	Clusters formed as a result of separation of production processes
	Clusters based on common technologies and "product lines".
	Clusters based on system relationships
	Clusters based on product sales control
According to the scale of production	Clusters based on unique characteristics of companies
	Small clusters - export income up to 5 million US dollars, consisting of up to 5 enterprises, number of items up to 100
	Average clusters - export income of 5-50 million US dollars, consists of 5-10 enterprises, the number of items is 101-1000
On the basics of cluster formation	Large clusters - more than 15 enterprises with export income of more than 50 million US dollars, more than 1000 jobs
	Self-formed clusters are the result of reliable connections of enterprises in the region and specialization of business.
By the number of jobs	Artificial clusters are clusters formed in the organization of enterprises and local government bodies
	Stable clusters - the number of jobs does not change significantly during the year
	Developing clusters - the number of jobs will increase
	Shrinking clusters - the number of jobs is shrinking

In the field of housing and communal services, the activities of the "local cluster of housing and communal services" proposed for the effective use of the multi-family housing stock and the regulation of the provision of relevant communal services, the activities of the "local cluster of housing and communal services" include the development of the consumption of services in the sector and the development of communal resources provided for consumption. taking into account the natural monopoly in the process of production and distribution, it is based on the supply of resources and services provided by the cluster's supply systems and service providers and contractors to consumers based on the current demand by the enterprise, which is considered the core of the cluster, established on the principle of public-private partnership."Local Cluster of Housing and Communal Services" proposed in order to establish the activity of regional control structures in the effective use of multi-apartment housing stock and regulation of the provision of relevant communal services, aims to meet all

the needs of consumers living in certain areas in this direction, and in general, its composition and activity directions can be seen in Figure 1.



**Figure 1. Entities forming the "Local Housing and Communal Services Cluster".<sup>2</sup>**

The form of the enterprise, which is considered the central subject of the cluster, consists of the form of a company or joint-stock enterprise, based on the added share of the founders, which consists of partners - representatives of local state administration, private entrepreneurs, and representatives of consumers. Decisions made by the management system of the enterprise are made with the participation of the consumers of this strategically important sector, the private entrepreneur who performs the function of organizing and implementing the activity, and the representatives of the state bodies providing the necessary funds and property for the activity. The participation of all three partners in the development of decisions ensures that the interests of all entities in the process of production, distribution and consumption of their services, which are the result of the activities carried out, are taken into account.

The proposed "cluster of local housing and communal services" proposed for the effective use of multi-family housing stock and the establishment of regional control structures in the regulation of the provision of relevant communal services is a private housing that serves multi-family houses that exist in practice today. The main difference from the activity of the owner's company is that the enterprise introduces market relations deeper into its activities, as a small private operator, it purchases the main communal resources (electricity, thermal energy, natural gas and drinking water) from suppliers at wholesale prices and sells them to the population at retail prices, i.e. based on fixed tariffs. Today, utility resources are provided to consumers at prices that are delivered. Of course, in this process, the necessary network and equipment, the construction of devices and structures is relatively expensive for the enterprise financially, and the enterprise needs a very large amount of financial resources to build these tools. It is in this process that provides a part of the financial resources needed to finance the process through the public-private partnership mechanism.

In other words, the participation of the state in the three main processes of the cluster of local housing and communal services based on the public-private partnership mechanism is important:

1. Participation in the process of development of wholesale and retail prices - tariffs, taking into account the real payment ability of consumers and the costs of producers of these resources for the supplied utility resources.
2. Participation in the process of introducing financial resources for the process of creating the

<sup>2</sup> Developed by the author.

necessary equipment, network, facilities and systems by the enterprise, which is the main link - the core of the cluster.

3. Participation in the development of quality norms and standards that determine the quality of services created and delivered to consumers, and in the process of monitoring their compliance.

The allocation of necessary subsidies from the state budget for the cases specified in regulatory documents through social programs to the segments of the population in need of social protection, without being related to cluster activity, is considered an indirect influence on the activity of the state in the sector that is not connected to the cluster.

The entities that make up the proposed "cluster of local housing and communal services" are as follows:

1. Cluster core - housing and communal services enterprise provides housing and communal services to consumers.
2. Banks, insurance companies, investors - provide financial resources necessary for the activities of cluster participants.
3. Contractors - build, thoroughly repair and update buildings, structures, systems, networks necessary for the operation of the housing and communal services enterprise.
4. Communal resource suppliers - supply the main types of communal resources (electricity, thermal energy, natural gas and drinking water) to the housing and communal services enterprise at wholesale prices.
5. Local state bodies - provide state property to the housing and communal services enterprise based on the principle of public-private partnership for the implementation of activities, in necessary cases, as the founder, make additional investments of local budget funds, wholesale and retail prices of communal resources - in the direction of development of enterprise activities when setting tariffs participates in decision-making.
6. Infrastructure systems - provide various services necessary for the organization of the housing and communal services enterprise.
7. Private entrepreneurs - organizes and implements the activities of the housing and communal services enterprise, invests financial resources, and in general, implements the enterprise's activities.
8. Local self-governing bodies - ensure communication of the housing and communal services enterprise with consumers in the serviced area, take part in making decisions in the direction of development of the enterprise's activities in determining wholesale and retail prices of communal resources - tariffs.

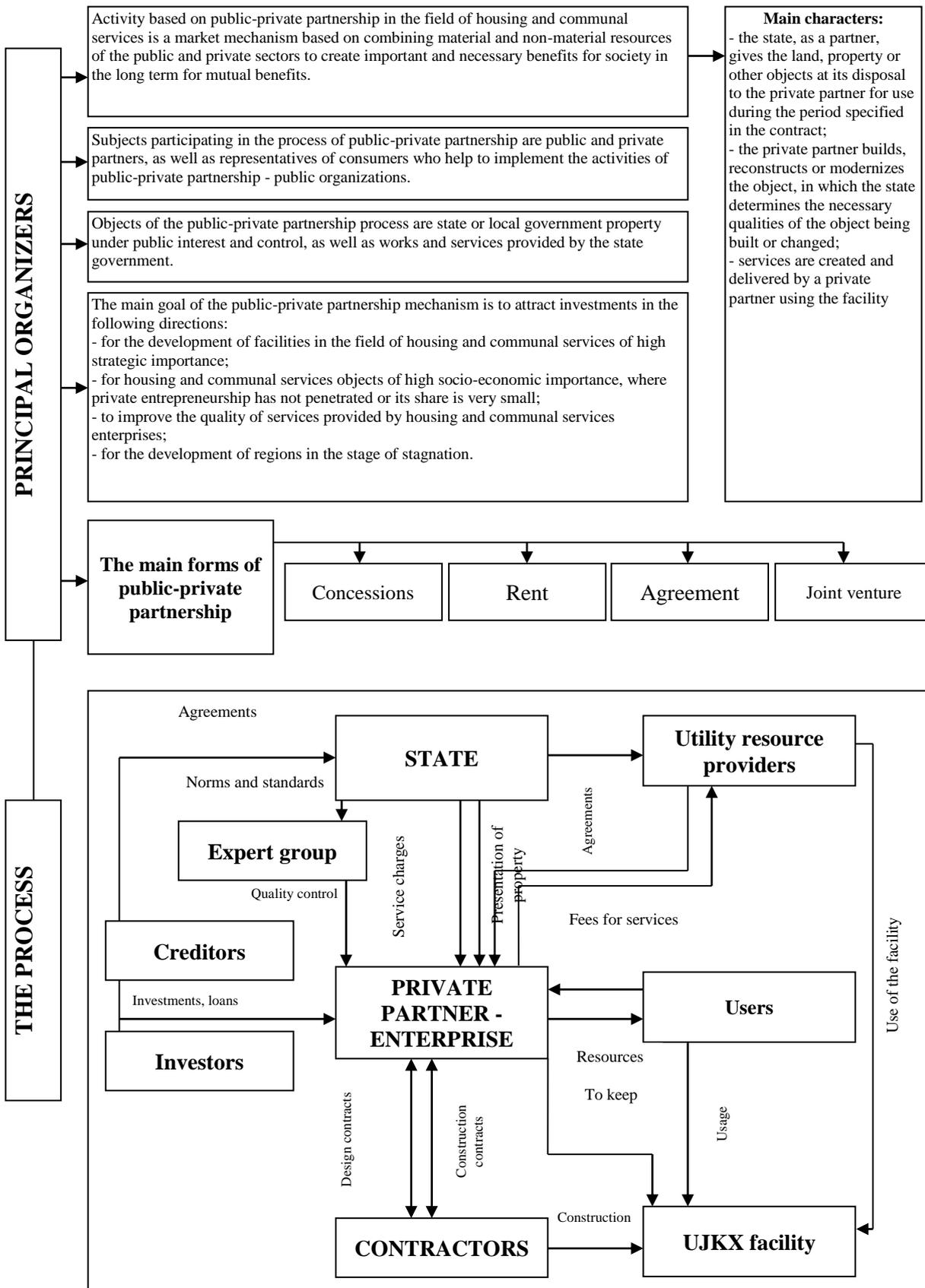
The enterprise, which is the central organizer of the cluster, will be organized on the basis of the principle of public-private partnership, taking into account the natural-geographical location of the settlement, the number of consumers, the size of the necessary networks and a number of other factors.

Organizing the activities of enterprises, organizations and institutions within the cluster requires the proper organization of necessary connections and the formation of a system of relations between participants and consumers within the cluster based on these connections. In order to ensure the correct organization of these relations, during the research, a model of the organization of a "local housing and communal services cluster" was developed based on the mechanism of public-private partnership in the field of housing and communal services, and it is recommended to use this model in the organization of the process (Fig. 2).

The proposed model shows the system of internal and external relations within the cluster, the direct and reverse relations of each participant with other systems and enterprises during the cluster's activity, as well as the legal basis of each process (laws, regulations, standards or contracts).

This model included the main elements of public-private partnership, the process of concluding contracts and the quality control of the services provided, and an expert group that minimizes the risks

arising from private business by ensuring compliance with the norms and standards established within the contract.



**Figure 2. In the field of housing and communal services, a model of the establishment of a "local housing and communal services cluster" based on the PPP mechanism<sup>3</sup>**

The housing and communal services enterprise, which is the main entity of the cluster, operates in the following scheme:

1. Study the real need for housing and communal services in the residential area of the specified population, taking into account the prospect of the area's expansion, and determine potential service volume indicators for the medium-term perspective, and based on the determined indicators, conclude wholesale contracts with utility resource suppliers, with consumers form a package of contracts for the provision of services.
2. Purchases the necessary equipment for the operation of the "local cluster" under a competitive contract, combining financial resources and aggregating available resources, gives orders to contractors for the construction of facilities and systems (networks) under a competitive contract, houses where consumers live and the main prepares networks for operation, installs accounting devices.
3. Delivers services within the framework of the needs of the population, i.e. consumers, for housing and communal services by launching networks and systems.
4. Accepts payments for the delivered services based on the volume of services and meter readings based on a set of contracts concluded with consumers and established tariffs.
5. Fully covers payments for utility resources purchased at wholesale prices from the proceeds from the sale of services.

The establishment of the proposed "cluster of local housing and communal services" not only in multi-apartment buildings in urban areas, but also in all areas of housing and communal services provides the following advantages in the field of services:

1. It provides consumers with quality housing and communal services based on established standards, and the possibility of providing one type of services in a stratified manner, taking into account the income of consumers, is expanded;
2. Creates an opportunity to replace the complex system of collecting payments for utility resources supplied to millions of consumers by natural monopoly organizations supplying utilities to a system where settlements are made with tens of thousands of small housing and communal services enterprises;
3. The degree of loss of resources in the network within the last network in the process of supplying utility resources is minimized;
4. Communal resource suppliers will reduce large costs associated with replacement, renewal and construction of internal networks, except for networks that transfer large utility resources;
5. Closes the range of relations between consumers and service providers;
6. Intensification of market relations in the field of housing and communal services, transfer of monopolistic relations between consumers and natural monopoly organizations to pre-consumer enterprises;
7. Brings contractual relations between suppliers and consumers to a new level;
8. It further clarifies the addressability of the state's social policy aimed at consumers of housing and communal services;

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<sup>3</sup> Developed by the author.

9. Expands the participation of local self-government systems in the system of housing and communal services;
10. Activates the participation of consumers in the formation of the quality of services and the level of consumption;
11. As a result of the development of small business and private entrepreneurship in the field, the level of provision of new jobs to the population will increase due to the formation of tens of thousands of new business entities.
12. Consumers' freedom to use alternative energy resources (solar energy, biogas, wind energy and other sources) will increase depending on the type of services offered.

In order to put the above system into practice, the Ministry of Housing and Communal Services of the Republic of Uzbekistan, which is responsible for the implementation of the state's policy in the field of housing and communal services, needs to implement comprehensive measures in the following directions:

- assessing the possibilities of establishing "local clusters" and the housing and communal services enterprises within it, taking into account the natural and climatic conditions of the regions, taking into account the regions inhabited by the population;
- implementation of extensive promotion activities about the activities and advantages of the system, which is set to be organized among consumers of housing and communal services, that is, among the population;
- development of drafts of necessary legal regulations to improve the regulatory and legal basis of the new system and ensure their entry into force at the government level;
- ensuring fair conduct of tenders and contests in the process of establishing new system enterprises;
- to control the full implementation of the public-private partnership mechanisms proposed in the model in new system enterprises to be established and, if necessary, to coordinate.

## CONCLUSIONS

A mechanism of public-private partnership was developed for use in the system after identifying the main factors hindering the development of the industry and it was recommended to use it in practice.

Based on the analysis of the efficiency and scale of the enterprises operating in the housing and communal services system today, using the experiences of developed foreign countries, operating on the basis of the public-private partnership mechanism in the field. It was recommended to organize the activity of "local cluster of housing and communal services". In the study, a model of "cluster of local housing and communal services" was developed based on the mechanism of public-private partnership, which reflects the composition of this cluster, the processes of organizing the activities of cluster subjects, and the content of bilateral relations. The main scope of the state's activity as a partner and entity protecting the interests of consumers has been clarified in the recommended model for establishing the activity of regional control structures in the regulation of the efficient use of multi-family housing stock and the provision of relevant communal services.

At the same time, the organizational structure of the housing and communal services enterprise, which is considered the central participant of the cluster, the directions of activity and the advantages in the development of the sector were substantiated. The directions of primary and important activities that should be implemented by the state as a reformer in the formation of this system, which is proposed to be organized on the basis of clustering, were determined.

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