

STATE REGULATION OF THE HOUSING AND COMMUNAL SERVICES: REGIONAL ASPECT

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Abstract: The article deals with theoretical and practical issues of state regulation of housing and communal services at the regional level. An idea of the current state of housing and communal services in Russia and the Republic of Kalmykia is given; the main problems arising in this industry are identified. The structure of the housing market is investigated, the peculiarities of the functioning of the housing market are revealed. The practical aspects of the housing market development in the Republic of Kalmykia are analyzed using statistical methods. A number of promising directions for improving the efficiency of the development of the housing and communal services sector on the basis of a rational state policy are proposed.

Keywords: housing and communal services, housing market, state regulation, market of housing and communal services

Activities in the field of housing and communal services are aimed at meeting the material and household needs of citizens and make a significant contribution to the formation of the quality of life of the population. The development and modernization of the housing stock and the renewal of communal infrastructure should be focused on the creation of comfortable and safe living conditions and the provision of high-quality housing and communal services.

The sphere of housing and communal services is one of the largest sectors of the economy of the Russian Federation, making a significant contribution to the country's GDP (about 1% in the structure of gross value added), providing employment for the population (6% of total employment for large and medium-sized enterprises in 2018, according to data Federal State Statistics Service (Rosstat), as well as a sector that is one of the largest consumers of products manufactured in Russia, including energy resources, metals, polymer products. At the same time, the efficiency of organizing the housing and communal services sector, as well as the economic efficiency of providing resources and housing and communal services, are an important factor that determines the growth of consumer prices in the country, and have significant potential to increase such efficiency.

The development of the communal and housing sector in Russia has led to certain improvements in these sectors in comparison with previous periods. If in 2012-2014, according to the VTsIOM survey, the sphere of housing and communal services was noted among the most significant problems, then in 2018 the satisfaction of citizens with their living conditions, including the quality of housing and communal services provided, as well as an assessment of the costs of their payment, grew from 58% in 2012 to 72% in 2018.

Many systems and objects of housing and communal services need modernization and attraction of investments to ensure the quality and reliability of their functioning, including by increasing the level of technological development.

So, according to Rosstat, the emergency housing stock in Russia at the end of 2018 amounted to 25,473.8 thousand m² and every year the number of unfit for habitation and dilapidated housing only increases. It should be noted that today there are still people and families who live in houses built before 1920.

The depreciation of fixed assets related to housing and communal services is 43% of the total, while the renewal rate

does not exceed 10% annually (in 2018, the commissioning of fixed assets amounted to 8.2% of the availability of fixed assets).

At the same time, the communal and housing sector in the Russian Federation is characterized by a different state depending on the subject of the Russian Federation (or, in many cases, on the municipality).

The system of housing and communal services is based on the communal sector. It is part of the non-production sphere, and the purpose of its operation is to take care of the safety of the housing stock, ensure the proper operation and maintenance of the housing stock, the timeliness and completeness of the volume of housing and communal services provided to consumers, as well as the implementation of measures related to the improvement and improvement of the sanitary situation in housing and communal facilities.

The market for housing and housing and communal services is an important component both for the country's economy and for its spatial development. The potential of the housing market as a growth driver for the Russian economy is quite large. The housing economy considers the housing market as consisting of two components: the housing stock market and the housing and communal services market (HUS). (Fig. 1).

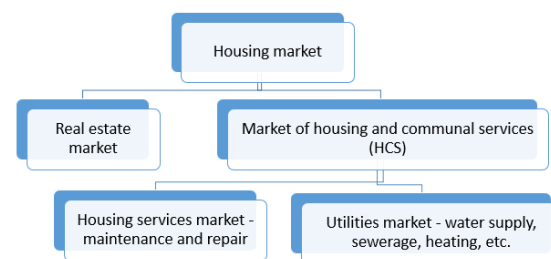


Figure 1. Housing market structure

The housing market is a market in which you can buy and / or sell housing. And the market for housing and communal services ensures the normal functioning of the housing stock. In a number of cases, it seems expedient to single out the markets for housing services and communal services. The housing stock market and the housing and communal services market are interconnected, actively interact with each other, but depend on various factors.

A feature of the housing stock market, which determine the uniqueness of the housing stock, is that the housing stock has the following features:

1. Extremely diverse (large, small, built from different materials, located in different territories, etc.)
2. Immobilized (which means that the dwelling cannot be moved, and therefore the consumption of housing goods is possible only at the location of a particular dwelling)
3. Durable (once bought, the owner receives the useful properties of his home for many years of its use)
4. Has a high value relative to consumer income (therefore, the housing market is associated with financial markets and instruments to finance such a purchase).

Therefore, increasing the affordability of housing is part of the state's economic policy. When analyzing the housing market in its broad sense, the topic of government regulation of the market and government intervention inevitably arises. This is due to the failures characteristic of the housing market, which include the following:

- housing has a high cost and the cost of purchasing housing is significant relative to their income by consumers;
- housing often becomes the main asset of households.
- in this case, the consumer may not have the completeness of information about the acquired dwelling and / or the

seller of the apartment or house, that is, there is an asymmetry of information.

This can lead to abuse by sellers of their position, and, as a result, losses, including financial losses, by consumers. For example, the problem of “defrauded equity holders” is a direct illustration of this situation.

In addition, the following situation can also be attributed to the undesirable results of the functioning of the housing market, when, under the influence of various factors, areas of dilapidated low-quality housing, sometimes even slums, appear. This contributes to the segregation of people living in these areas, further exacerbating their situation.

The emergence of areas with low-quality housing affects the cost of housing, even new and high-quality in itself, but located in this disadvantaged area or even close to it. This is a manifestation of the external negative effect of dilapidated housing.

Practice shows that the main goal of government intervention in the functioning of housing markets is to improve the living conditions of the poor and low-income citizens and mitigate the cyclical nature of housing markets. It is important and necessary for the state to ensure the affordability of housing for the poor and needy citizens. Since housing is one of the basic needs of a person.

The quality of housing largely determines the standard of living of a person. The presence or absence of housing affects the decisions to create a family, the birth of children. When the need for housing is satisfied, a person has more resources, both financial and time, for development, investments in the development of himself and his family. Thus, there is a connection between the provision of quality housing with the development of human capital. A well-developed housing market, including rental housing, facilitates population migration, and thus provides labor market flexibility.

Housing affordability is important not only for the poor, but it is important for all citizens and categories of the population. Therefore, an important task of the state's economic policy is to increase the availability and quality of housing.

It is logical to apply Krugman's “second nature” factors to the market of affordable and high-quality housing, contributing to the concentration of economic activity mainly in post-industrial economies. The factors of “second nature” include human capital, agglomeration effect and developed institutions. It is obvious that without affordable housing it is impossible to count on the development of human capital, which means the agglomeration effect.

Since the middle of the 20th century, it was believed that the housing issue belongs to the social sphere and, therefore, is secondary, since GDP growth will lead to an increase in housing investment and, thus, the problem will be solved. By the end of the 20th century, the views of economists had undergone significant changes and housing began to be seen as an economic rather than a social factor. Research has emerged demonstrating the impact of housing investment on GDP growth and the overall welfare of a country. Today, it is increasingly confirmed that GDP growth is a stimulator of the growth of residential investment. However, there are other studies that support the conclusion that housing investment enhances economic growth. At least in the short term planning horizon for some countries. Empirical work also argues that a weak housing sector increases threats to economic growth during periods of crises and recessions.

The state of the housing sector leads to the most important consequences in the economy due to its scale and multicomponent nature. Many markets and areas of economic activity are associated with the housing sector. (Fig. 2).



Figure 2. The relationship of the housing market with other markets.

Housing investment can reach a third of gross investment in the economy, and this requires a developed financial market both for financing housing construction and bank lending to consumers for buying a home. In addition, property taxes are an important source of revenue for local budgets, including cities. Thus, the decline in housing investments, downturns in the housing market are extremely sensitive for the economy and therefore become objects of the state's economic policy.

In Russia, the right of citizens to housing is enshrined in the Constitution of the Russian Federation. The state implements a policy to ensure the availability and quality of housing. An important moment in the development of the housing market, which still influences the state of the housing and housing and communal services markets in Russia, was the privatization of housing. Privatization of housing is the endowment of citizens with ownership of the dwelling they occupy.

The housing and housing and communal services market in Russia is still actively reforming, and these reforms have an impact on related industries and areas of economic activity. The Russian housing sector is of great importance to the national economy. Investments in housing construction account for about one seventh of all Russian investments in fixed assets. (14.3% of investments in fixed assets at the end of 2017). The volume of housing construction has doubled over the period 2004 - 2017. (from 41 million sq. m. to 85 million sq. m.), and has been actively growing all the two thousand years. In addition, the active development of mortgage lending began, in 2017 the volume of mortgage debt reached 5% of the country's GDP. However, nevertheless, in comparison with the average values for foreign countries, it has not reached the value that reaches more than a third of GDP (35%). Thus, given the tightness of the living conditions of Russians, one can expect a significant growth in the housing sector in the future.

In the Republic of Kalmykia, the average housing supply per person at the end of 2019 is lower not only the national average but also the average for the Southern Federal District and amounts to 25.2 m² (Fig. 1). This is happening at the expense of the rural population. So, if in Russia the difference in the area of residential premises on average per one inhabitant in urban and rural areas does not exceed 10%, then in Kalmykia this gap is more than 25%. Moreover, in the context of the country, this indicator is higher in rural areas, in the Republic of Kalmykia the opposite situation (Fig. 3).

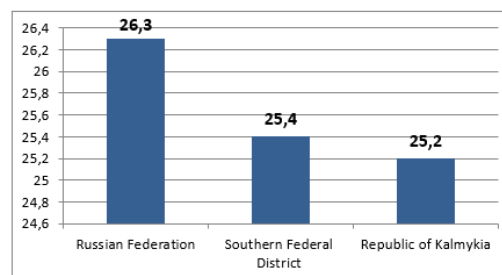


Figure 3. Provision of housing per inhabitant on average, m²

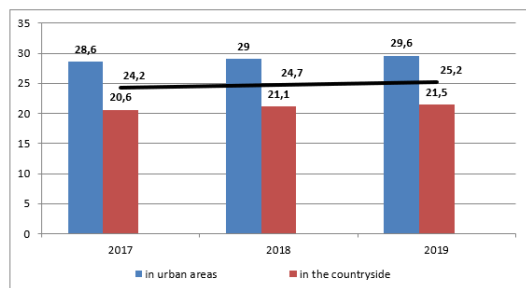


Figure 4. Average housing provision in Kalmykia, m²

At the same time, it is necessary to note a positive trend towards a decrease in the number of families in need of housing from 2015 to 2019, from 11,502 to 10,261 families. Also, the share of dilapidated and dilapidated housing in the Republic is below the national average. For 2012-2018 in the Republic of Kazakhstan, dilapidated and dilapidated housing stock has been steadily declining from 113.5 thousand square meters in 2012 to 43.3 thousand sq. m in 2018. As a result, in 2012-2018, the share of dilapidated and dilapidated housing stock in the region decreased from 1.8% in 2012 to 0.65% in 2018. In terms of the improvement of the housing stock in Kalmykia, it should be noted the low values of indicators for the provision of water supply and sewerage compared with the average Russian (more than 20%). In part of the rural population, these indicators are even more significant. In this regard, today there is a need to move from infill development to integrated development of territories (ICT), which provides for the construction and commissioning of not only housing stock, but also the creation of modern infrastructure, landscaping and a homogeneous social environment. Also, within the framework of these territories, it is planned to build housing for people with different levels of income and wealth. What is relevant for the population of Kalmykia, in particular, because the standard of living leaves much to be desired. The share of the poor in 2020 in the republic was 22.7%, and the median income was 16,411.9 rubles. (which is almost 40% lower than the national average).

ICT allows building new housing not only on free territories, but also for the renovation of existing buildings (perhaps, first of all, in Elista).

So, in Kalmykia, since 2020, the State Program "Comprehensive Development of Rural Areas" has been in effect, which provides for the introduction of new housing, social and engineering infrastructure, and improvement of residential premises in rural settlements.

Also, an individual program of socio-economic development of the region for 2020-2024 is being implemented in the republic, where in the part of housing and communal services, measures are planned to provide the population of Kalmykia with high-quality and affordable housing, the creation and modernization of infrastructure using promising technologies, updating of housing and communal services, etc.

In addition to the programs being implemented, if the budget loan is approved, the region plans to implement an investment project for the integrated development of a residential neighborhood in the city of Elista.

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