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## “HOUSING POLICY” AND PROVISION OF HOUSING SERVICES IN FOREIGN COUNTRIES

Housing markets and housing policies are in an interdependent relationship with each other. On the one hand, housing markets can be seen as an outcome of housing policy frameworks and long-term housing policies. On the other hand, changes in the housing market provoke new housing policies and force the revision of existing housing policy instruments. This study examines the general challenges and specific problems of housing provision in the developed world. It includes a review and a classification of housing policy instruments, as well as trends in current reforms. The article briefly describes the world practice of housing and communal services management. The management of this component of social quality of life in economically developed countries is assessed and recommendations for Ukraine are developed. The differences and peculiarities of management in this sphere are revealed, including those related to the degree of participation of the state and private sector in making management decisions. The study applies a methodological approach to the study of the world practice of housing and communal services management using the analytical method.

**Keywords:** public utilities, housing and communal sphere, competition, management, state-private partnership, housing and communal services.

### 1. INTRODUCTION

Another important factor shaping housing policy in the last ten years is the ageing of society and the shrinking size of housing. The first factor is mainly due to the shortage of barrier-free apartments suitable for the elderly, while the second increases the tension in urban housing markets and stimulates the demand for smaller apartments. It should be considered that the ageing society is considered a very important factor influencing housing policy. Thus, although ageing societies are already influencing housing policies in developed countries, at least to some extent, there is reason to believe that these pressures will increase in the foreseeable future. The same can be said for the decline in household size. Housing policy in the narrow sense focuses on the quantitative and qualitative provision of housing services. It is about the availability, accessibility, and affordability of

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housing for different social groups. Despite these underlying objectives, housing policy varies considerably across EU member states. The manifestations in each country are simultaneously the result of an individual historical evolutionary path, demand characteristics and national regulatory and financing measures.

Against the background of national housing stocks and changing housing needs, distinct profiles of national housing policies have emerged over time. However, research on contemporary housing policies in Europe from a comparative perspective is scarce. This research project aims to provide a comprehensive overview of the different programmatic approaches and characteristics of national housing policies.

The overall approach can be broken down into two distinct objectives: First, to provide a comprehensive overview of housing policy issues in economically developed countries, and second, to provide a better understanding of specific housing policy issues. Third, based on the lessons learned, to provide recommendations for the development of housing policy in Ukraine.

Theoretical and empirical methods: analysis, synthesis, generalization, comparison.

Relevance of the topic. The importance of housing policy is undeniable, since it is on it that the quality of services provided to the population depends, as well as the degree of satisfaction of the population with housing.

The purpose of this study is to identify the features of housing policy of developed countries and the development of recommendations based on foreign experience for Ukraine.

## **2. STATEMENT OF THE PROBLEM**

The problem of studying the world experience of housing policy of developed countries remains relevant in scientific circles. At present, these problems are not given due attention. To solve these problems, it is necessary to use non-standard approaches in the management of the housing sector and improve the legislative framework. The situation of governance structures in housing policy in developed countries is very diverse. This applies both to the horizontal distribution of competences between different national units (ministries, agencies, specialized authorities, etc.) and to the vertical distribution of competences between individual administrative levels. The study did not find any striking links between the type of competence distribution and the type of housing policy implemented. The willingness to reform also varies widely.

The issues of housing policy management, as well as regulation of relations between state authorities and housing sector subjects have long been studied by Ukrainian and foreign scientists, among which it should be noted (Seleznyova, 2021; Ruzhynska, 2019; Brauer, 2019; Leung, Bond, 2020; Allais, 2021).

## **3. MAIN RESULTS**

The term “housing provision” has not been clearly conceptualized and it has been used in a confusing manner. It is derived from the notion that there are combinations of social agents involved in housing provision that relate to each other in an empirically observable way. The term “provision” not only refers to the process of housing production but also to the entire process of housing production, exchange, and consumption (Pfnür, 2021).

Hence, housing provision is a physical process of creating and transferring a dwelling to its occupiers, its subsequent use and physical reproduction and at the same time, a social process dominated by the economic interests involved. Conclusively, housing provision

means to makes housing available for consumption in the same way as building a stock of food in a larder. It is not to say that consumption lies outside the provision process-provision is a means to an end called consumption.

The concept of a combination between physical and social processes in housing provision is continuous and usually changes over time and is known as a Structure of Housing Provision (SHP). It is then asserted that understanding the relation of those social agents to each other and to the physical aspect of provision associated with many issues in housing. All the stages in housing provision are interrelated, for example housing consumption is an outcome and the starting point for housing production and exchange. Undoubtedly, many actors and institutions are involved in the production, allocation, and consumption of housing. The most significant ones in the process are the developers (public and private institutions or individuals), the landowners, the financial institutions, the building industry (state, municipal and private), the local housing and planning authorities and the consumers.

What determines the nature of a structure of housing provision is how the various social agents intervene in the physical process of production, consumption, and allocation of housing. A social relation is part of a SHP if it is a component of the physical process of production, allocation, consumption, and reproduction of housing. It appears that, a SHP via a specific tenure form, is the product of, historically determined, social relations associated with the physical process of land development, building production, the transfer of complete dwellings to the final user and their subsequent use.

The term “housing policy” is used in different ways and covers a multitude of activities. However, the word “policy” is notoriously difficult to define with any precision. It is also used in a more static way, to describe how things are done as a matter of routine. Specifically, “housing policy” can be defined in terms of measures designed to modify the quantity, quality, price, and ownership and control of housing. These four elements cover the scope of policy as represented in the very general statements. The role of housing policy draws attention to the need to look at both central government level and the local level in housing industry. The role of the center is to make policy and to provide a framework of powers and opportunities for policy to be implemented. It is at the local level that implementation takes place: local authorities, housing associations, building societies, builders and others constitute the plethora of organizations through which policy is implemented (Kuts, 2022).

Housing policies must set overall objectives and define responsibilities and broad general direction for the nation. It is never complete, but always evolving. Housing policies also must be adjusted to reflect the new concern with decentralized urban growth which will mean decentralizing housing institution. It means deemphasizing the public sector role in housing construction and moving this responsibility to the private sector, both formal and informal. The social relationships between actors and institutions in the development process are mediated by policy component. What is needed in housing policies and their implementing mechanisms is to make a fundamental switch from a concern about housing as an output to housing inputs. For this reason, to achieve an understanding of current housing policy, it is necessary to analyze and comprehend policy historically.

The problem of managing housing and communal services (HCS) has been relevant for a long period of time. In the current 2023, housing and communal services play an increasingly significant role in the life of the population of any state and have a significant impact on the entire socio-economic sphere of society. Existing international experience indicates that the work of housing and communal services can be carried out quite

effectively, ensuring a balance of interests of citizens and organizations providing housing and communal services. In this regard, it is of scientific interest to study such experience to determine the possibilities of its application in Ukraine.

The number of privately owned premises continues growing. This means that international experience can be fully applied in this area but considering the requirements of national legislation. Analysis of management experience in the housing and communal services sector abroad (Brauer, 2019; Argyris, Schon, 2019; Ruzhynska, 2019; Seleznyova, 2021), allows us to identify several countries with more interesting experience, as well as assess the possibilities of using this experience, considering the problems existing in Ukraine management practice in the housing and communal services sector.

Thus, France adheres to strict rules for budget execution and financial accounting in social organizations, which are obliged to publish the results of their financial activities annually. This type of government monitoring is supported by reports of financial results to the population if the municipality manages more than ten thousand people. Information on financial indicators makes it possible to compare the performance of regional and municipal authorities.

In Great Britain, there are standards for the provision of social services, that is, the social quality of life. They are applicable for daily management and determination of their content. There is no comprehensive framework for assessing managerial work in the housing and communal services sector in England since they are mainly solving the same problems of the quality of public services provided every year.

Since the social quality of housing and communal services must be permanently modernized, as the consumer environment changes and consumer tastes are updated (Allais, 2021), then in developed countries, housing and communal services management is distinguished as an independent type of activity since this type of management is aimed to improve the social quality of housing and communal services. The housing and communal services market is filled with proposals for managing this area of social services, as well as their constantly updated range (Argyris, Schon, 2019). In fact, homeowners in Europe have a greater choice than in Ukraine, since, according to our observations, management tools and services of companies that operate in the housing and communal services market are practically not updated in Ukraine.

In Sweden, quality control of housing and communal services (housing and communal services) is carried out by unions and associations that have branches at the regional and municipal levels. In this country, one of two well-known modifications of housing and communal services management is used – the “discount” model or the “depreciation” model. The basis of the “discount” model is the right to choose a range of services, while the package of services has a different price. The “depreciation” model is the economical use of utility resources for the choice of the service consumer (Allais, 2021). In our opinion, housing and communal services management models in Sweden are quite simple to use but are a tool for more effective social management.

In Finland, monitoring of housing and communal services is carried out by corporations, which include the residents themselves. Of these, about 50 thousand entrepreneurs both manage and operate residential property. A report on the financial condition of the housing and communal services fund is prepared annually. The same approach to managing the housing and communal services sector in Finland effectively ensures the social quality of life of the population. In fact, this is a business, but the principles of functioning of this sphere of social services differ from Ukraine ones in

reducing costs, saving all types of resources, and permanently introducing innovations (Pfnür, 2021).

For example, in Latvia or Estonia, it is not necessary to create a partnership; you can enter into an agreement with a company on terms that are convenient for everyone. In this case, the management organization develops proposals for the conduct of business and announces them at a general meeting of residents. The final decision is made by the residents at the meeting. As in any other structure, in the housing and communal services market, an organization that meets the high demands of consumers becomes more successful and competitive (Brauer, 2019).

Let's consider the management of the housing and communal services structure in Poland. This country was one of the first among the former socialist countries to come to an atypical type of governance. In Poland, a joint stock company was created with a 100% share of the state or city capital. This company controlled all types of public services. The holding was responsible for finances and technological processes.

Thus, the government wanted to establish a high level of quality in the services provided, as well as ensure better reliability in the operation of the property. Currently in Poland there are suppliers of different forms of ownership in the housing and public utilities sector. For example, the Krakow holding consists of energy, water supply, and transport supply organizations, and all shares of the holding belong to the Krakow City Hall, which fully controls all processes (both financial and production). It is also interesting that although the holding is a joint-stock company, there are no plans to sell shares (Kozych, 2012).

However, there are many private enterprises in the market for support services such as cleaning, garbage removal, and home repairs. But this area of business has good benefits from the state in lending. In addition, homeowners have the right to choose the entire range of services offered, and municipalities constantly monitor this right of residents. In most Western countries, residents are organized into condominiums and housing cooperatives (USA and Canada); unions and associations (Sweden); joint stock companies (Finland).

Let us present the pros and cons of managing housing and communal services facilities in developed countries, based on the models that countries use (Table 1).

Table 1. Features of residential building management practices in developed countries

<b>Countries</b>	<b>Characteristics of housing stock management</b>	<b>Advantages</b>
Norway, Denmark, Germany, Netherlands, Switzerland, Poland, Hungary, Czech Republic	Formation of associations of owners of residential and non-residential stock on a voluntary basis with the obligatory participation of owners.	Regulation of the quality and volume of these services is carried out only by the owners. A precise definition of the nature and responsibilities of the association of residents and management companies. Clarity of work of management companies and contractors of housing and communal services. Significant level of trust on the part of owners in the housing and communal services sector.

Table 1 (cont.). Features of residential building management practices in developed countries

<b>Countries</b>	<b>Characteristics of housing stock management</b>	<b>Advantages</b>
Hungary, Slovakia	Formation of a competitive market for housing and communal services providers. Each participant in this market has a narrow specialization.	Highly qualified quality of services in the housing and communal services system.
Switzerland, Denmark	Development of business insurance for management companies.	Transferring the risks of management companies to an insurance company. Fulfillment of contractual obligations among management companies, homeowners and those tired of housing and communal services.
Czech	A developed system of subsidies, as well as subsidies for homeowners who economically spend all housing and communal services.	Low cost for consumers of housing and communal services. The responsibility of residents of residential premises and management companies and providers of housing and communal services is high.
Poland, Sweden	Creation of a joint stock company with 100% ownership of capital by the state.	Developed legislative framework in the field of housing and communal services. The quality of housing and communal services is at a high level. The operating system of management companies is effective.

Source: Authors' own work.

According to the authors, it is the functional responsibilities, as well as indicators of business activity, that make it possible to determine the individual (private), generalized and integral quality of management of the housing and communal services sector.

It is interesting that more and more advanced countries in the world are using the principles of market relations in the activities of management organizations, building a market for services aimed at servicing residential premises. Competition, as elsewhere, brings its own results, improving the performance of companies in accordance with the demand of residents. Also, many countries resort to managing houses through the association of the residents themselves, forming partnerships and condominiums.

Decision-making falls on the shoulders of the owners themselves, thus, many countries are trying to ensure that the residents themselves bear responsibility for their property and attract their more competent attention to the life of the house and assessing the quality of housing and communal services.

Experts divide the process of determining the social quality of housing and communal services into subtypes: assessment in the system; examination; calculation of the degree of quality of individual housing and communal services; verification of each type of service

(Project of the Program of Economic Reforms “Prosperous Society, Competitive Economy, Efficient State”. 06/02/2020). In any case, the methodology for assessing social indicators of the quality of housing and communal services (HCS) should be understandable and transparent, as well as easy to use (Leung, Bond, 2020). For these purposes, we propose a process approach (systemic, expert, computational assessment), which includes:

1. Modernization of the housing and communal services management system, controlled dynamically, including a change in the approach to management and evaluation of its effectiveness.
2. A rating system for assessing the effectiveness of housing and communal services management based on indicators that have been developed in the country, with the addition of a management model, expanding the range of package services in the housing and communal services market.
3. Implementation of a unified innovative assessment system throughout the country, considering foreign management experience in the housing and communal services system.

It is very important, according to the authors, to carry out systematic and computational assessment using a unified methodology. An expert assessment of the effectiveness of management in housing and communal services should be entrusted to organizations that are engaged in public activities and work without the intervention of state and municipal authorities. They can be homeowners or people who rent housing. At the same time, it is advisable to entrust payment for their labor to companies that will need public expertise.

#### **4. CONCLUSIONS**

More than a billion people worldwide lack adequate housing. In cities in developing countries, nearly 40% of housing is unauthorized, and about half is “squatter” housing with no legal rights to land. These overcrowded dwellings, where several people can live in one room, are rarely permanent, are in unsafe places and often lack access to potable water and proper sanitation facilities, often carrying price tags comparable to those in much richer countries.

As the alarming dimensions of housing policy failures become front-page news across the world, and as more and better data on the housing sector's role in the economy accumulate, the benefits of a well-functioning housing sector are becoming increasingly evident. The poor bear the brunt of housing market failures, but nearly everyone loses in some way. Too often, dysfunctional housing supply systems tend to produce their own pathology of policy responses rent control, slum clearance, heavily subsidized public housing, below-market interest rates for housing loans, and a host of other policies – that deal only with the symptoms of the original policy failures.

These responses further distort markets and result in large benefits for the lucky few and widespread costs for everyone else. In many cases, the biggest losers are exactly those groups that housing policies are intended to benefit. And frequently, the costs reverberate through the broader economic system, affecting investments in other sectors, savings rates, budgetary deficits, inflation, interest rates, labor markets and labor productivity, and even the balance of payments. The ubiquity and magnitude of these costs under-score the need to get housing policy right.

The authors believe that, undoubtedly, to ensure the efficient functioning of all housing and communal services subsystems, high-quality professional training of specialists is

necessary, including in the management of housing and communal services. And if in Europe many educational institutions (colleges, polytechnics) have appropriate educational programs that allow a graduate to become a manager of a house or housing and communal services facility, then in universities and colleges of Ukraine such specialized long-term training programs are clearly not enough, and This is one of the main reasons for the insufficiently effective work in providing housing and communal services.

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