Increase in competitiveness of housing-and-communal services

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Abstract. The problems, interfering effective activity of housing-and-communal complex are considered in the article. Some factors of the increase in competitiveness and the importance of transactional expenses are revealed. The assessment of competitiveness of the organizations of the sphere of housing-and-communal services is considered as the set of the following basic elements organizational and administrative, marketing, financial, production, indicators of quality, indicators of development, labor indicators interconnected with processes of the organization. The author proves that the increase in competitiveness is possible by carrying out organizational and administrative, innovative, technological, economic transformations, increasing quality of services, reducing costs for production and realization of services, providing new services.

1 Introduction

Competitiveness of the organization of housing-and-communal services is an ability to render competitive services, to change or keep the occupied market share, depending on the realized strategy and is reached by means of increase in management efficiency, introduction of innovative technologies, rational use of resources of the organization, achievement of high level of investment appeal [1].

The main problem of functioning of institutes of housing-and-communal services is ensuring efficiency of their activity as main factor of competitiveness in the market of services and resources. Its main features are:

- the manifestation of negative consequences of a monopoly position of the organizations suppliers of housing and communal services which is expressed in unreasonable overestimate of the prices, unsatisfactory quality at absence at the consumer of an opportunity to refuse these types of service;
- high level of wear of municipal infrastructure and the unsatisfactory condition of housing stock which is characterized by existence of the shabby, hazardous dwelling;
- imperfection of funding mechanisms and structure of management;
- the increase in a share of expenses of the population at payment of housing and communal services leading to decrease in the standard of living;

The housing-and-communal services have the huge potential of energy saving - the regional problem of transition to energy efficient model of economic development on a quarter is solved in the housing-and-municipal sphere [2, 3].

The accounting of features of this field of activity has allowed to specify the main directions of development of the competition and creation of conditions for her development it is expedient to develop the competitive relations in the sphere of management, service and repair of the housing stock Creation of the Competitive Environment and Development of the Competition first of all depends on effective
division of the rights and duties between owners of housing stock, management companies and the contract housing organizations.

2 Current Situation Review
The market of housing-and-communal services represents the mixed type of the market which is characterized by existence of competitive and exclusive sectors.

The directions of housing-and-communal services in which the developed competition is possible are: maintenance and maintenance of housing stock, in particular, service and repair of intra house systems (sanitary, electro-technical, heat supplies); repair construction works; servicing of elevators; servicing of television antennas; service of gas stoves; service of external lighting; service and repair of the engineering equipment, public places and maintenance of the house adjoining territory; export of household waste; management of housing stock; installation and repair of metering devices of thermal energy, cold and hot water, gas; gardening of territories [4].

The branches of housing and communal services tied to engineering networks in which subjects of natural local monopolies act are water supply and water disposal; heat supply; power supply; gas supply.

Now the allocation policy in the general activity of exclusive structures of certain spheres which they can give on the terms of a subcontract to other economic entities - the third-party organizations (works on repair and a turn of external engineering networks is pursued; works on repair and maintenance of electric devices).

For separate fields of activity in the market of housing and communal services, in particular, for management of housing stock, in program documents gradual transition to the competitive relations was predicted. Management of housing stock remains that field of activity in which administrative methods of managing remain. The situation with introduction and development of competitive bases to the sphere of management of housing stock is at the moment adverse as the existing network of the created services of the customer and condominiums is insufficient for development of the competition in the sphere of management of housing stock [5, 6].

The competition in branch is developed now poorly as the most part of the enterprises still are or unitary, founded by owners of municipal and federal property, or the same enterprises are incorporated, but their structural organization and the pursued policy remained invariable. Researches of domestic scientists show that high degree of concentration is characteristic of the market of housing and communal services and, as a result, - poor development of the competitive environment.

Process of reforming of housing and communal services assumes that this sector of economy has to become eventually active. For branch there will be norm a rivalry of the firms making the same goods or services. The priority of receiving profit will induce the enterprises to develop and realize own strategy directed to creation of the competitive relations where as the central focus of the competition can be:
- price;
- the new or improved product, the expanded list of production;
- technical innovations, application of new less expensive methods of production and rendering services;
- service, styles, guarantees, stimulation of the buyer, economy of consumer expenses, conveniences, etc.

The market of housing-and-communal services, i.e. services in contents and maintenance of housing stock, assumes two levels of development of the competition (Figure 1).
Figure 1. Levels of development of the competition

3. Results
The main institute in the market of housing and communal services is the firm which is carrying out housing and communal services. Efficiency of functioning of firms in the market of housing and communal services is estimated at theories of the public choice from the point of view of features of housing and communal services as public benefit, accessory and special type of structure of the market of the housing and communal services representing local natural monopoly [7].

The public benefits delivered by local natural monopolies are characterized by territorial accessory. The theory of the public benefits considers the local public benefits as specialized for any separately taken geographical region, and consumers at making decision on the place of the accommodation can carry out the choice concerning their quantity and types. Total benefits though are available to new permanent residents without any additional expenses, nevertheless are limited to one community (area). The person seeking to minimize the expenses and to receive the greatest advantage of the public benefit in the presence of the voluntary choice can evade from participation in the general expenses. For granting the public benefits it is necessary to provide support of the population to have an opportunity to apply sanctions against those who seek to evade from participation in the general expenses. In small groups it is rather easy to consider a contribution and efforts of each member and to apply public coercion in order that individuals bore the share of responsibility on ensuring joint use of any benefits. In big city groups of consumers of the public benefits, it isn't so simple to solve this problem. Here everyone individual is more anonymous and can evade from execution of expenses with big degree of impunity. Thus, there is a problem of "free rider" when each consumer has an incentive for evasion from payment when providing his share of the public benefit with others.

The citizens possessing certain privileges on utilities are in this case in a privileged position in comparison with other residents and play a role of "free riders". As a result, there is a contradiction of interests of various groups of the population of the city. On the one hand, citizens are interested in equitable and equal distribution of the benefits and don't wish to pay at own expense the benefits for someone of another. On the other hand, they need certain social guarantees of possession of the public benefit at the minimum level providing normal activity [8, 9].

It is necessary to be limited to really necessary level of privileges and whenever possible to strengthen special-purpose character of payment of this benefit. The problem is complicated by the fact that the public benefit provided by local natural monopoly is mixed. With the advent of new associates, there can be a need of his expanded production that will involve additional costs. Heat supply when growth of number of houses of the residential district worsens a condition of this benefit can be an example if only granting doesn't undergo it change according to new requirements. Since a certain moment, each again built house reduces consumption of the public benefits by another, earlier located citizens, and his source becomes overloaded. In what degree various individuals have to participate in creation of additional quantity of the public benefit – the question, difficult for the decision, which is also giving rise to a problem of "free rider" [10, 11].

Exit from current situation as R. Coase considers, is use of market economy. In such circumstances the role of the state has to come down to encouragement of the agreement between interested persons
or groups. As economic interests of the parties are implemented, agreements between them gives the chance to find the acceptable solution of the problem of by-product by negotiations [12].

Other group of the problems connected with local natural monopolies comes from the specific relations of property arising in the municipal enterprises in housing sector. According to Sycheva E. A. the municipal property is the relations between economic subjects of city social and economic reproduction territorial system on joint possession, distribution and use of industrial and social complexes for providing conditions of a continuity of reproduction of this system. The specific systems and complexes providing activity of the population and normal functioning of all social and economic organism of the city act as objects of municipal economy.

The property of the population of the municipality (M) is created and collects due to tax and other payments of the population, and also remains, multiplied and reproduced work of many generations. The local population is an active subject of self-government.

The population of the municipality defines the requirements to local natural monopoly through electoral bodies of municipality which, in turn, through executive power regulate her activity taking into account interests of the population.

From the point of view of R. Coase's theory the property represents a certain set, "a bunch of the relations significantly differing in character and to consequences". Any act of exchange in the theory of the property rights is considered as exchange of bunches of competences. The set of the competences connected with this object is broader, the it has bigger value.

Various competences relating to property is to eleven today. Except the classical relations of property "the order – possession – use". They include the right for the income, for safety etc. In Russia natural monopolies are allocated with the right of economic maintaining which represents itself the right of municipal unitary enterprise to own, use and dispose of property of the owner in the limits set by the law or other legal acts. At the same time, these rights are significantly narrowed because of need of strict control of the owner of activity of the legal entities created by him – not owners. In the conditions of the market relations functioning of the enterprises – not owners has found the weaknesses and shortcomings hidden by former conditions of managing. The main shortcoming consists in opportunities of abuse of such enterprises of the economic freedom provided to them by the owner used not in his interests. For this reason, the right of economic maintaining neither according to the name, nor according to contents isn't close to the full-fledged property right [13].

The property rights, according to R. Coase, have to be specified that means detailed, whenever possible, most exact definition of all elements and the maintenance of a complex of the relations of property, i.e. subjects and objects of property and ways of investment with it. Ideally, according to theorists of the property rights, the specification has to provide the degree of exclusiveness of access to a resource equal to unit for each subject.

It has to promote creation of the steady economic environment, forming stable expectation of what they can receive as a result of the vigorous activity at individuals. In an opposite situation when the property rights are washed away, that is it is inexact are established, badly protected, limited to the bans, economic activity of society is reduced to such primitive level at which market agents will be motivated only with the most short-term benefits.

Particular natural persons can't act as subjects of public property. Therefore, absence of the specific owner-individual – her characteristic feature of any level. The population delegates to municipal authorities function of management of public property, but doesn't alienate the right for her. The public property isn't alienated, to his economic entity property rights are transferred. It is productive the functioning public capital breaks up to the capital – property and the capital – function that, in turn, gives rise to a problem of poor control of the enterprise [14].

4 Discussion
Consideration of the nature of the relations like principal – the agent in institutional transformations in the market of housing-and-communal services assumes three basic rules of why as well as what to regulate:
1. Firms and their suppliers of resources will take active part in policy of regulation and decision-making which directly concern them. It means that regulation has to create and will strengthen rents which will be divided between firms, their managing directors and hired workers. Moreover, groups of consumers with low organizational expenses most likely will enter the relations of cross subsidizing with groups of consumers with higher organizational expenses. From this it is possible to draw a conclusion that division of rents with labor and other factors of production and costs of deliveries to the groups receiving subsidies will be led to the structure of expenses attractive to an entrance to branch.

2. Regulation will prevent an entrance to branch of new firms. It neutralizes rents, and beginners most likely won't be well organized or presented in the course of regulation. In that degree in which organized groups of consumers are capable to take part in receiving a rent, usually through cross subsidizing or special services due to regulation they will also resist to an entrance to branch if it means loss or decrease in their share in rents. So will be even if the competition is favorable for consumers in general.

3. Degree in which regulation and decisions on an occasion of regulation differ from effective placements depends on need of creation and redistribution of rents in favor of organized groups. In general, these groups will want to maximize the potential rents available to redistribution. Degree in which deviations from efficiency are possible depends on the expenses shifted to unorganized groups. When the equilibrium volume of release becomes unequal to effective placement, the shifted expenses increase in the increasing proportion.

The management of the open company or its highest managers have large practical powers, but under the law they are considered only as "the agents putting into practice the policy developed by the board of directors". The role of shareholders in questions of business is limited. These ideas considered within the subject which has received the name "Law and Economic Analysis of Open Corporations" is associated with names of economists from the Chicago university - representatives of so-called Chicago school. According to Robert Hamilton, the fact that the corporation is considered as "a clot of the contractual relations" in which shareholders act rather as donors of the capital, than final owners of the enterprise is characteristic of views of this school. As heads of corporation, as a rule, possess only a small or insignificant part of her share capital, interests of administration on maximizing the participation in property to some extent contradict interests of those who have presented the capital, i.e. to interests of shareholders. The last should incur expenses, chto6y to monitor work of the management and to minimize the redistribution of the capital in his advantage. Such expenses can include expenses on involvement of external auditors of controllers, etc. These expenses can be reduced if to enter the system of encouragement increasing interest of the management in maximizing the income of ordinary shareholders. Wide dissemination of joint-stock options, plans of purchase of shares for preferential price and other similar methods of encouragement of managers is explained by it.

Competitiveness of the organization should be considered as a dynamic indicator which changes depend both from external, and on internal factors. Management efficiency - the main condition of providing and the increase in competitiveness of the organization. It is necessary to create conditions for ensuring competitiveness of the organization on the basis of introduction of the innovative equipment and technology, optimum use of resources of the organization and to form criteria of competitiveness from the point of view of appeal in branch of this organization to the investor.

The main condition of achievement of the high end results of activity of the housing-and-communal services organizations (competitiveness, profitability, stability, complexity of development, quality of life) is the increase in management efficiency taking into account specifics of branch; identification of a role of quality of services and maintenance of their quality, orientation to the consumer, leadership of the head, motivation of personnel, the principle of consistency in management, constant innovations, mutually beneficial relations with suppliers. Considering numerous aspects of the concept "quality", it is possible to speak about several approaches to his definition reflecting the different points of view the quality focused on a product, the quality focused on the consumer, the quality focused on production;
the quality focused on creation of value. In modern economic conditions, predominating is approach according to which the main attention should be paid to requirements of consumers.

5 Conclusions
It is necessary to understand set of the measured properties (characteristics) of the housing-and-communal services satisfying inquiries of consumers in the comfortable conditions of accommodation rendered in certain time according to the established norms, requirements, rules and terms of the contract, and causing at the same time to society and the nature minimum possible damage Quality of housing-and-communal services as quality of housing-and-communal services it can be measured, secondly, qualitative housing-and-communal services are focused on satisfaction of requirements of consumers and normative documents, thirdly, reflects their ecological importance. Reforming of housing and communal services causes the necessity of creation of conditions of maintenance of competitiveness of the housing and communal services organizations and quality of their services. A consequence of increase in competitiveness of the concrete housing-and-municipal organization, degree of satisfaction of inquiries of consumers is increase in the occupied share in the market of housing and communal services that the profit of the organization and profitability gives the chance to increase realization volume, the Part of the got profit is shared between interested parties shareholders (dividends), personnel and the management (material encouragement), the state (taxes), society (charity) etc. The assessment of competitiveness of the organizations of the sphere of housing-and-communal services should be considered as set of the following basic elements organizational and administrative, marketing, financial, production, indicators of quality, indicators of development, labor indicators interconnected with processes of the organization. The order of an assessment of competitiveness of the housing and communal services organizations consists of six stages selection and justification of the indicators defining competitiveness of the organization, collecting necessary information for calculation of indicators, carrying out economic calculations for a competitiveness assessment, calculation of indicators of competitiveness of competitors, comparison of the generalized indicators of competitiveness of the organization and competitors, the analysis of the factors influencing competitiveness of the organization, and definition of ways of her increase. Problem group of indicators of competitiveness are indicators of development of the organizations, levels of coefficient of economic growth are low that talks unsatisfactory politics reinvestments of profit in development of activity, the organizations pay insufficient attention to expansion of the range of the rendered services and training of workers, increase in their professional level, are also not engaged in introduction of resource-saving technologies of the organization.

Thus, the increase in competitiveness is possible by carrying out organizational and administrative, innovative, technological, economic transformations, increasing quality of services, reducing costs for production and realization of services, providing new services. Competitive the organizations is attractive not only to the investor during creation of public-private partnerships, and at the choice by her contractors (partners) for business, among the companies, similar on kinds of activity.

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