

## ON IMPROVING THE ACTIVITIES OF CONTRACTING AND DESIGN AND CONSTRUCTION ORGANIZATIONS IN UZBEKISTAN

**Sh.B. Akhmedova**

the master of the Higher School of Business and Entrepreneurship of the Department of “BUSINESS MANAGEMENT (MBA)”

**Abstract:** The article deals with the improvement of housing and communal services of the population of Uzbekistan, and also gives a brief overview of the results achieved in the field of housing construction, noted in the Action Strategy in the Republic of Uzbekistan for 2017–2021. In addition, the authors investigated the trends in the development of housing construction and the features of housing and communal services in Uzbekistan, the improvement of the activities of contracting and design and construction organizations, and also suggested the main directions for improving construction and design works.

**Keywords:** Housing, housing stock, housing construction, housing and communal services, contracting organization, design and construction organization, project management, housing and utilities, urban planning norms and rules.

**Introduction:** Construction has increased flexibility compared to other industries, the ability to relatively quickly expand the scope of construction and installation work in relation to the needs of the national economy as a whole [1–6]. This, first of all, applies to housing construction, as the most effective way to bring the construction industry itself out of the crisis. To restore and develop construction on new economic principles, a lot of long-term work remains to organize new and modernize existing production facilities in construction and related industries [7].

In the Republic of Uzbekistan, increasing and due attention is paid to the further development of all industries, including in the field of industrial management. A special place in solving pressing problems related to expanded reproduction and meeting the needs of the population is given to the sphere of capital construction. The basis for this is a number of decrees and resolutions of the President of the Republic of Uzbekistan and resolutions of the Cabinet of Ministers, which reflect the strategy, real tasks and measures to ensure the volume of construction in the industry and housing and communal sectors for a long period.

In a relatively short period of time, noticeable successes have been achieved in the construction industry, namely, many measures have been carried out aimed at radically renovating regions, creating a modern architectural appearance of cities and rural settlements, improving urban planning standards, as well as improving the housing, social and living conditions of the population, housing and communal services and services. In a short time, the foundations of new industries were laid, and attention was paid to the development of infrastructure. A significant contribution to the existing achievements in the socio-economic development of Uzbekistan has been made by the construction industry, in which significant institutional changes have been carried out as part of economic reforms.

Currently, the construction industry requires new approaches to organization and management, due to the demonopolization of this area and the strengthening of the market mechanism. In these conditions, increasing the efficiency of construction remains the most important task of both science and economic practice throughout its entire chain - from designing the construction of objects to putting them into operation [8]. The progressive development of the economy of Uzbekistan depends on the deepening of economic reforms in all segments, including construction and its production and technical base.

Brief overview of the results achieved in the field of housing construction in accordance with the Action Strategy in the Republic of Uzbekistan

The adoption of Decree of the President of the Republic of Uzbekistan dated February 7, 2017 No. UP-4947 “On the Action Strategy for the further development of the Republic of Uzbekistan” brought reforms to a completely new level [1]. In accordance with this decree, the “Strategy of Action for five priority areas of development of the Republic of Uzbekistan” was adopted, according to which a “Road Map” was developed, as well as a set of measures to implement such important tasks as increasing the standard of living of the population, providing conditions for improving its well-being, providing the population with affordable, cozy and in all respects comfortable housing, modernizing leading sectors of the economy, diversifying production, as well as further developing the sphere of capital construction. Taking into account the desires and needs of the people, in the Address of the President of the Republic of Uzbekistan Sh. Mirziyoyev dated December 22, 2017, made to the Oliy Majlis of the Republic of Uzbekistan, already this year as a result of the implementation of a project for the construction of affordable housing on the basis of preferential mortgage loans in cities and villages More than 3.5 million m<sup>2</sup> of standard houses and multi-storey residential buildings were erected. The growth in construction volumes over the past years has increased 20 times compared to 2023, compared to 2021, when the program for the construction of standard housing was launched, 3.5 times, compared to 2021, 2 times more housing was built for population. A 25-year plan for the construction of affordable, multi-storey housing with all the amenities for the population was approved, and already, in 2023, more than 1,800 thousand m<sup>2</sup> of such housing were built and put into operation, including it was especially noted that in Tashkent in the current More than 820 thousand m<sup>2</sup> of multi-storey housing stock were put into use this year, which is 3 times more than last year. Today, 23.8 thousand contracting organizations, 31 design institutes and about 1000 design organizations operate in the republic. To train qualified personnel in the construction sector, 3 specialized architectural and construction institutes operate in the country. Many higher educational institutions have areas of education and specialties related to architecture and construction, and 390 vocational colleges train specialists for the construction industry. In 2022, across the republic, at the expense of all sources of financing, a volume of construction work worth 131 trillion soums was completed, i.e. there was an increase of 120.5% compared to the previous year. Features of the development of housing stock and public services in Uzbekistan

The priority tasks of the construction industry at the present stage include: providing the population with affordable and in all respects convenient and comfortable housing, as well as the construction of social infrastructure facilities in populated areas, organizing and monitoring the effective use of funds allocated for construction work for the implementation of expected projects within the framework of investment programs in the industry [1].

As of January 1, 2024, the permanent population in the republic is 36,799,756 thousand, of which 16,533.9 thousand people (50.6%) are the urban population and 16,120.0 thousand

(49.4%) are the rural population. (Figure 2).

**Изменение численности постоянного населения Республики Узбекистан за последние сто лет**  
*по состоянию на 1 января, млн. человек, годы*



It should be noted that there is a constant increase in population from year to year. Given that more than 62% of the population is young people, the tasks of further development of housing construction in the country, as well as providing the population with affordable and in all respects comfortable housing, become especially relevant.

In the Republic, almost the entire housing stock is privately owned by the population, but in most developed countries the situation looks different, i.e. more than half of the families live in houses rented. According to statistics on the housing stock, in the country as of January 1, 2022, the total housing stock is 55.8 million m<sup>2</sup>, including non-state housing stock - 54.5 million m<sup>2</sup> (99.3%), and state housing stock fund - 3.3 million m<sup>2</sup> (0.7%) (Figure 2).

To date, a procedure has been drawn up for including the construction of new residential buildings in the public investment program, as well as determining the volume and cost of the initially planned work on the repair, maintenance and management of the existing housing stock. Along with this, the priority tasks are: identifying effective ways to manage the housing stock, mechanisms for organizing work on major repairs and reconstruction, studying acceptable best foreign practices and introducing them into practice, issues of financing construction work and organizing the effective use of allocated funds [2].

In accordance with the laws of development of a market economy, management of the housing stock and its maintenance requires: the use of modern corporate methods and management trends, the creation of high-level amenities for consumers, increasing the service life of buildings and structures, introducing into practice the latest achievements of science and technology, as well as the effective use foreign experience to bring them to a level that meets modern requirements [4].

In modern conditions in housing construction, it seems very important to take into account the duration of the investment cycle. The complexity, vastness and versatility of this problem require



the use of an integrated, systematic approach to solving it. The combination of information-logical modeling and economic-mathematical approaches allows us to develop an optimization model [5].

When modeling the development of housing construction, it is necessary to solve the problem of forecasting long-term trends in the growth of construction production, taking into account the requirements and restrictions, and the demand for housing.



Forecasting should be multivariate, allowing one to evaluate various development paths and opportunities, taking into account limitations and optimality criteria. Economic forecasting methods are based on statistical processing of data characterizing the existing structure of the housing stock [9].

This makes it possible to more objectively reveal the entire system of interconnections and relationships, the entire complex of state parameters and patterns of long-term development. One of the most important economic problems of housing construction management in market conditions is a comprehensive study of factors capable of stimulating its sustainable growth, namely:

- implementation of programs for localizing the production of building materials, parts, structures directly in Uzbekistan, in order to eliminate the factor of dependence on import supplies;
- implementation in full of the provisions of the legislation of the Republic of Uzbekistan, with the aim of justifiably moving forward in the development of housing construction;
- compliance with all building codes and regulations, in order to eliminate all alterations, increased costs of objects, utilities, etc.;
- development of a competitive environment in the housing construction market in order to provide the population with comfortable housing and apartments;

–implementation of investment programs as a document where the interconnected deadlines for implementation, volumes of financing, and also the relationships of all participants in the investment process are justified from a legal perspective.

It should be noted that due to a significant increase in the housing stock (despite the constant population growth), the specific housing area per capita is also increasing, for example, if the average living area per person in 2021–2022. was 18 m<sup>2</sup>, in 2023–2024. - 18.4 m<sup>2</sup>, (Figure 2) [1]. In 2025, this figure is expected to be 20 m<sup>2</sup> per person. The Decree of the President of the Republic of Uzbekistan No. PP-3646 “On the organization of activities of the Ministry of Construction of the Republic of Uzbekistan”, as well as in the Decree of the President of the Republic of Uzbekistan dated July 24, 2017 No. UP-5120 “On measures to introduce a project management system in the Republic of Uzbekistan”, in particular the following are stated critical conclusions, such as the lack of design engineers in design institutes of the construction sector, as well as the insufficient use of modern innovative methods in organizing design work in the industry and, as a result, the preparation of low-quality design documentation. State support for improving the activities of contracting and design and construction organizations. Along with this, the mentioned documents also define such important tasks as a significant increase in labor productivity in the construction industry, reducing the cost of construction and installation work, introducing innovative projects that ensure the reasonable use of resources, increasing volume of production of competitive building materials intended for export, construction of settlements in accordance with approved master plans and a number of other important tasks. At the same time, there are a number of other important problems in the industry that are awaiting solutions, in particular the introduction of modern mechanisms for implementation (implementation) in the field of capital construction of investment and infrastructure projects, mutual agreement in the field of construction and installation work and design and estimate documentation and streamlining the procedure for their approval. In order to further increase the role and responsibility of contractors in the industry, another important Decree of the President of the Republic of Uzbekistan dated May 22, 2018 No. UP-5445 “On additional measures to optimize the procedure for carrying out design and construction work in capital construction” was signed. In accordance with the above-mentioned Decree, it is allowed to give permission to work to contractors, without obtaining an appropriate license and (or) permission from the construction industry, including foreigners, when implementing on a turnkey basis (Engineering Procurement Construction) projects included in state programs by the national Agency project management under the President of the Republic of Uzbekistan. At the same time, it is mandatory to assign all responsibility for the quality implementation of projects to the contractor. Along with this, EPC contractors when implementing projects using the “fast-track” method (simultaneous design, procurement and construction work) must have practical experience, such as certain financial indicators, an appropriate number of engineers, and must also meet other criteria, established by the Agency. It should be noted that thanks to the Decree:

- it has been established that the Licensing Agency carries out activities for the development of architectural and urban planning documentation;
- licensing of activities related to the examination of construction projects has been cancelled;
- licensing of certain types of activities in the construction industry will be carried out by the Ministry of Construction of the Republic of Uzbekistan in agreement with the Agency;

–The Accreditation Center under the National Project Management has become the body responsible for the accreditation of persons carrying out the examination of construction projects in accordance with the procedure established by law. The Center can establish requirements for the use of national and (or) international regulatory documents in the field of technical regulation by EPC contractors who have achieved the right to implement projects using the “fast-track” method and can also coordinate it. In addition, it is also established that the Agency has the right to give permission for the direct signing of a public procurement agreement between EPC contractors who have achieved the implementation of projects using the “fast-track” method and government customers. The rapid development of the construction industry, the use of new technologies and energy-saving materials in construction, strengthening the material and technical base of construction contracting and design organizations, strengthening the system for training qualified personnel gives rise to a new era of industry development [3]. Reducing taxes in relation to housing construction and the use of a system of benefits contributes to an even greater increase in the volume (scale) of construction work and increases the demand for housing (need for housing). At the same time, tax benefits directly and indirectly influence the formation of the cost of construction of individual housing based on standard projects. It should be noted that the purpose of the benefits provided for organizing construction in rural areas is not only to reduce the cost of construction. At the same time, the ultimate goal should be the design of housing construction, the further development of industrial construction and engineering potential. To achieve the set goals, it is necessary to carry out work in the following areas: contracting organizations and enterprises of the building materials industry when organizing construction in rural areas are considered important subjects of contracting and construction relations. For this reason, supporting these enterprises and providing them with benefits makes it possible to effectively organize construction work, as well as reduce the cost of housing and social infrastructure [10]. The first group of tax benefits will directly affect the initial cost of housing construction, and they will be accepted in the price formation process. In the construction contracting market, in relations between customers and contractor organizations, the main factor determining the income (profit) of a construction enterprise is the size of the contractor’s other costs. Conclusion Based on the above, it should be noted that the implementation of investment and infrastructure projects, the implementation of large-scale construction and improvement works, in particular the construction of new housing in cities and villages, socio-economic infrastructure and industrial facilities remain priority areas in the capital construction industry. Further improvement of the development of architectural and urban planning documentation, examination of projects, as well as regulatory and legal and design and estimate documents, construction and contractual work in accordance with modern requirements, simplification of the procedure for approval, approval of design and estimate documentation and conduct of construction and installation work, as a strengthening the role and responsibility of contracting construction organizations in this area will become an important factor in the development of housing construction in the country.

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