

An Evaluation of the Activities of Grihayan Tahobil (Housing Fund)

M Harunur Rashid Bhuyan, PhD

Abdul Hye Mondal, PhD

Zabid Iqbal, PhD

Maruf Ahmed

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Outline of the presentation

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Introduction

- **Grihayan Tahobil (Housing Fund) Program was the brainchild of the Honorable Prime Minister Sheikh Hasina.**
- **This program is being administered by the Prime Minister's Office.**
- **This project is essentially based on the basic human needs approach.**
- **In FY 1997-98, the Government of the People's Republic of Bangladesh (GoB) formed Grihayan Tahobil (Housing Fund) with the initial seed money of Tk. 500 million through budget allocation.**



Features of Grihayan Tahobil loan

- The primary objective of Grihayan Tahobil is to alleviate the acute crisis of housing of the homeless, poor and low-income brackets of people of the country, especially female workers, homeless families due to river erosion and poor people in the urban slum areas.
- Individuals who are poor and have 1 to 10 decimals homestead land are eligible for loan amount of TK 70,000 to build 220-300 square feet house.
- Already 61,092 houses have been built from this loan scheme.
- Beneficiary have to repay the loan within 3 to 10 years at 5.5% simple interest rate.
- Undertaking housing provisions for industrial workers employed in factories, especially for female workers.
- Taking initiative for the construction of flats/dwelling houses for the housing of the disadvantageously deprived people of the society, especially workers employed in the tea gardens.



Composition of Grihayan Tahobil Steering Committee

- Grihayan Tahobil (Housing Fund) Steering Committee (HFSC) consists of thirteen members with the Principal Secretary, Prime Minister's Office, as the Chair and Adviser, Grihayan Tahobil, Fund Management Unit, as the Member-Secretary.
- Other eleven members of the HFSC are: Governor, Bangladesh Bank, Secretary, Ministry of Finance (Finance Division), Secretary, Ministry of Finance (Banking and Financial Institution Division), Secretary, Local Government Division, Secretary, Ministry of Social Welfare, Secretary, Ministry of Land, Secretary, Ministry of Housing and Public Works, Secretary, Ministry of Women and Children Affairs, Director, NGO Affairs Bureau, Miss Aroma Dutt, Executive Director, PREEP Trust, Dhaka, and Momota Chakladar, Executive Director, Pabna Promise, Pabna.



Objectives

The central objective of the study is two-fold:

- (i) Evaluation of social program of Grihayan Tahobil, and**

- (ii) Evaluation of the economic and social status of the beneficiaries of Grihayan Tahobil and assessment of the overall social impact of the Project.**



Methodology

- **To accomplish the objectives, the study has made use of both primary and secondary information. The secondary data were obtained from various official sources especially the project office.**
- **To understand the targeting efficiency of the program and the impact of the program on the targeted population, information was collected from a representative group of non-beneficiaries.**
- **A wide range of information pertaining to economic and social life of the rural people were collected.**
- **The nature and growth drivers of the locality has also been collected to match with the supported activities under this program.**

Methodology Cont...

Data Source	Number
Primary Data Collection through Structured Questionnaire	48 districts of the country
a) Beneficiary Households (Treatment Group)	1700 HH (received loan between 2014-2017)
b) Non-beneficiary Households (Control Group)	300 HH
Views of different stakeholders of the program through Key Informant Interviews (KIIs)	45 persons (Chairman, Member, School/College Teacher, Imam, Govt./Private Service Holder etc.)
Qualitative Data Collection through Focus Group Discussions (FGDs)	25 FGDS (184 persons) (19.56% female and 80.44% male)
Institutional aspects of the program through Checklists	Housing Fund Management Unit and 47 NGOs
Visit and additional FGD with beneficiary	Ashulia Ladies Hostel for RMG workers



Socio-economic and demographic profile

Indicator	Program	Non-program	Diff.	S.E.	t-value	p-value
Proportion of female headed households (%)	4.00	6.33				
Average family size	4.50	4.46	0.04	0.09	0.48	0.63
Economic dependency ratio (NE/E)*100	1.75	1.81	0.06	0.08	0.7	0.47
Average Age	27.36	26.46	0.90	0.53	1.70	0.09
Currently Married Household Head (%)	95.82	93.33				
Member (06-14 yrs.) attend in a school	96.75	97.46				
Average years of schooling	5.87	5.73	0.14**	0.11	1.25	0.21

Note: *, ** and *** denotes significant at 1%, 5% and 10% level respectively.

Income, expenditure and asset of surveyed households

Indicator	Program	Non-program	Diff.	S.E.	t-value	p-value
Per capita total income (Tk./month)	4437.16	3649.52	787.64**	202.7	3.88	0.0001
Per capita total expenditure (Tk./month)	2988	2319	669**	174	3.8	0.0001
Non-land asset (Tk.)	95895	75017	20878**	9675	2.16	0.03

Note: *, ** and *** denotes significant at 1%, 5% and 10% level respectively.



Land ownership pattern of surveyed households

Indicator	Program	Non-program	Diff.	S.E.	t-value	p-value
Marginal holders (land size < 0.5 acre)	85.80	86.91	1.1	0.007	1.46	0.14
Small and medium holders (land size 0.5-2.5 acres)	13.65	12.75	0.9	0.08	1.8	0.07
Large holders (land size > 2.5 acres)	0.55	0.34	0.21			

Note: *, ** and *** denotes significant at 1%, 5% and 10% level respectively.

Household head's main occupation

Main occupation	Program	Non-program	Total
Wage employment	39.29	38.67	39.20
Self-employment in farm sector	50.59	51	50.65
Self-employment in non-farm sector	6.53	6.67	6.55
Mostly from non-earned activities	3.59	3.67	3.60



Households loan and savings status

Indicator	Program	Non-program	Total
Total loan	24688	25198	24765
Marginal household (land size<0.5 acre)	24211	24198	24209
Small and medium household (land size 0.5-2.5 acre)	25454	24342	25285
Large household (land size>2.5 acre)	33965	82000	41029
Total savings	7457	7152	7411
Marginal household (land size<0.5 acre)	7680	7174	7604
Small and medium household (land size 0.5-2.5 acre)	6432	6809	6489
Large household (land size>2.5 acre)	12925	11392	12700

Reasons for taking loan from Housing Fund

The reasons for taking housing loans from Housing Funds by the borrower				
Quick to get	Lower Interest Rates	Easy to get /need low official records	Longer repayment time	Others
15.41	39.47	18.12	27.00	0
Whether the borrower received any loan from the same NGO before getting the Housing Fund loan				52.71 %
No. of times the borrower took a loan from that NGO				4.76 times
Whether any member of the households received any loan from the same NGO before getting the Housing Fund loan				14.47 %
No. of times the members of the household took a loan from that NGO				2.76 times
Whether the households ever fail to repay the monthly installments of housing loan				16.24 %
No. of times the households have failed to repay the monthly installments				3.68 times



Perception of social benefit of the loan

- **About 93 percent of the program beneficiary households have experienced an upward change in social status during the last 5 years.**
- **Where 49 percent of the non-beneficiary households have experienced an upward change in social status during the last 5 years.**
- **On the other hand, 47 percent of the non-beneficiary households think that there have been no changes in their social status during the last 5 years.**
- **Results indicate that access to housing fund loan for a new but less expensive house is likely to change the social status of a household.**



Income and expenditure: T-test Result

- The construction of a new house through housing fund loan leads to an increase in the income of the beneficiary households by Tk. 560 per month.
- This increase in income is perhaps due to the investment made by beneficiary by minimizing the maintenance cost of the house.
- Per capita income and expenditure among program beneficiary households are higher than non-program households .

Categories	Program	Non-program	Diff.	S.E.	t-value	p-value
Per-capita net-income (Tk./month)	3124	2572	551	184	3.0	0.003
Per-capita expenditure (Tk./month)	2988	2319	669	174	3.8	0.0001

Perception about women empowerment

Decision-making issues	Beneficiary (%)	Non-beneficiary (%)	P-value
Women going outside the village	43 (0.01)	37 (0.03)	0.05
Women involving economic activities crossing the sphere of households	30 (0.01)	27 (0.03)	0.41
Women going to public places like: market, school, health care center	37 (0.01)	31 (0.02)	0.07
Women visiting to her own or relatives home	26 (0.01)	18 (0.02)	0.003
How the woman will receive medical beneficiary	32 (0.01)	27 (0.03)	0.15
Deciding on children education (which school to study, which teacher or private tuition)	25 (0.01)	17 (0.02)	0.005
Whether the house will be constructed	2 (0.00)	3 (0.00)	0.41
Whether Housing fund loan from the GO for constructing a new House will be taken	2 (0.00)	3 (0.01)	0.22
Accepting NGOs for membership	9 (0.01)	6 (0.01)	0.08
Whether to attend the NGO meeting	25 (0.01)	20 (0.02)	0.10



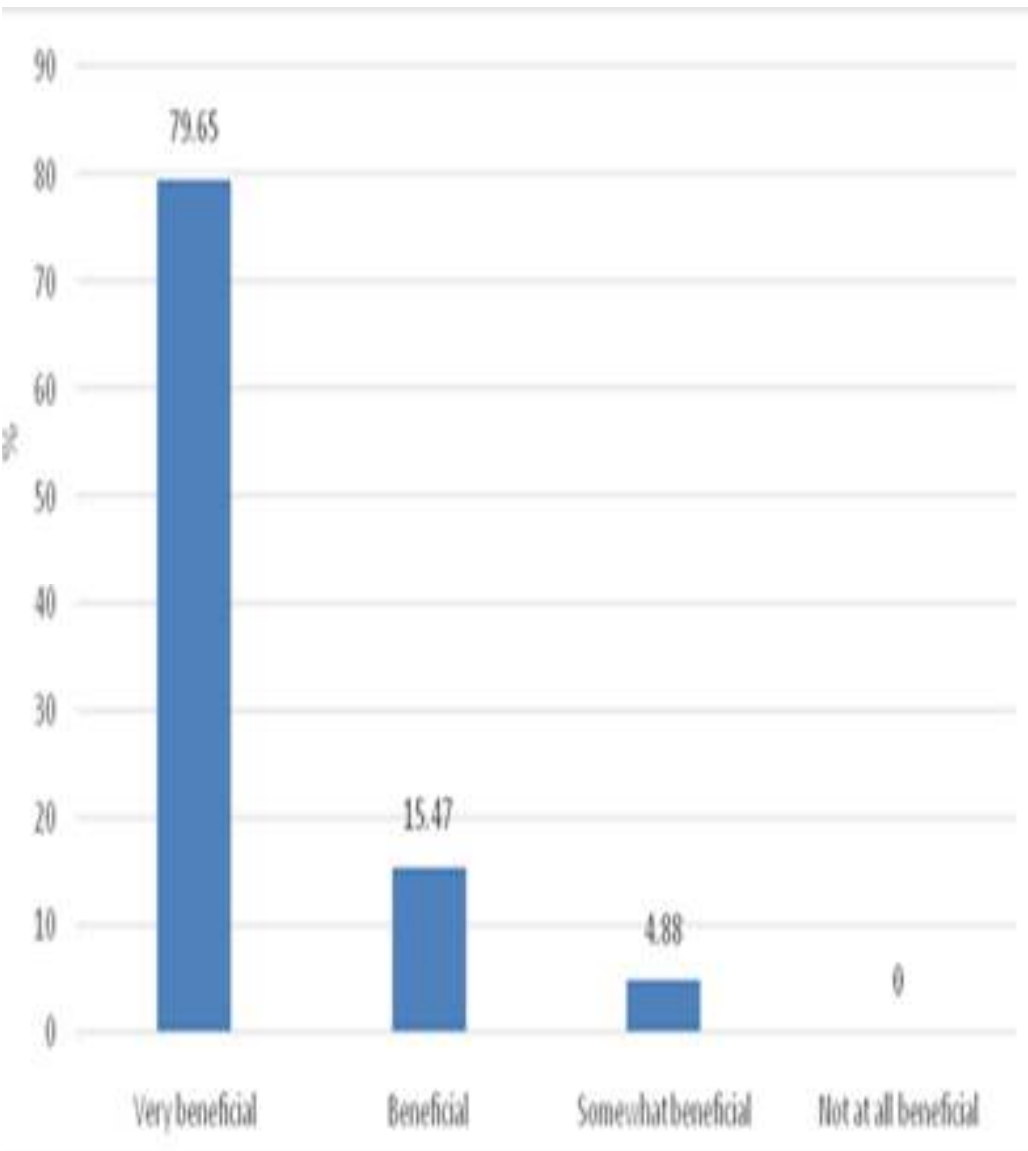
Note: The figures in the parenthesis show the Standard Error.



Perception on positive changes

Change Indicators	% Distribution of Beneficiaries (N=1700)		
	Yes	No	Total
Do you think that this new house has increased your social status?	97.35	2.65	100
Do you think that this new house has given incentive to your children in education?	98.12	1.88	100
Has this house provided a health-friendly environment to your household members?	97.12	2.88	100
Has this house brought in peace in your household?	97.94	2.06	100
Do you think that this new house has contributed to the marriage happenings?	100.0	0	100

Overall benefit of the Housing Fund loan



Level of satisfaction on the house built

Level of Satisfaction	% Distribution of Beneficiaries (N=1700)
Very satisfied	45.82
Satisfied	32.71
Fairly/somewhat satisfied	21.06
Unsatisfied	0.29
Very unsatisfied	0.12
All cases	100.0

Suggestions by the program participants to improve the HFL

Suggestions	Response
Time it would require to build the same house if the housing loan were not given	37.42 months
The loan is sufficient enough to build the house as per the borrower	13.35%
Appropriate loan amount to provide for constructing a house	Tk. 134,129
Appropriate interest rate for the housing loan	3.05%
Appropriate timeline to repay all of the loans	67.58 months
Appropriate monthly installments to repay all of the loans	Tk. 1363

SWOT analysis of HFL program

Strengths	Weaknesses	Opportunities	Threats/Constraints
Easy terms & conditions of loans	Limited opportunity to build house according to the recipients' choice/design	Increase in housing fund may increase loan amount	Lengthy processing time
Relatively low interest rate	Low loan amount to build a standard house	Weekly/monthly loan repayment flexibility	Repayments depends on the income of the family
Relatively long repayment period	Limited field supervision by the HF MU	Opportunities exist for greater coverage	Not complementary to other social protection
Progress friendly	The program is exclusive of the ultra-poor	Housing opportunities for the relatively poor	Limitations of HF MU field staff and budget



Policy recommendations

- **Amount of loan may be enhanced to Tk. 100,000.**
- **Loan repayment period may be extended to 15 years subject to intergenerational transfer of housing fund loan.**
- **Other social protection programs may be combined with HFL program.**
- **Field supervisory staff of HFMU may be increased along with budget for field supervision for closer monitoring and supervision of HFL program.**
- **Housing fund loan program may be continued on a regular basis to ensure affordable housing for the poorer people of the society.**

Thank You

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