

ACCESS TO CREDIT PROGRAM FOR SOCIAL HOUSING OF LOW INCOME PEOPLE: AN EMPIRICAL STUDY IN HA NOI CITY, VIETNAM

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Abstract

In Vietnam, along with economic growth, urbanization is taking place rapidly, causing pressure to provide housing for urban residents, especially those with low income. This study analyzes the factors affecting access to credit to buy social housing of low-income people in Hanoi city. The study uses data from a survey of 500 people who have participated in social housing programs and a regression model based on Heckman's theory and empirical model of people's access to credit. The results show that variables including age, gender, income, marital status, access to informal credit are significant factors affecting the ability to access formal credit and loan amount. From credit institutions to buy social housing for low-income people in Hanoi. The study also discusses social housing purchase policies in Vietnam and suggests implications for increasing low-income people's access to credit sources to purchase social housing.

Keywords: Social Housing, Low Income People, Credit Access, Loan Program, Urban Financing, Regression Model, Hanoi, Vietnam

1. INTRODUCTION

The demand for appropriate and safe housing is a basic need and a condition for comprehensive and synchronous human development, as well as a decisive factor to develop human resources for the development of countries (Iversen, 2001; Demirguckunt el al. 2009; Ansell et al. 2017). Among types of housing, social housing is a fairly common housing type in both developed and developing countries. Social housing is usually owned by a state agency or types of housing owned and managed by the state or by social, non-profit organizations. The laws of each country are very specific about who can access this type of housing (Ho et al., 2002; Hacker, 2004; Hemerijck, 2010).

In Vietnam, concept of social housing appeared the first time officially in the Law on Housing (2005) as 'Houses are built by the State or by organizations and individuals for the subjects specified to hire or purchase' (Article 2). Social housing is prioritized by the Law to meet 10 target groups, of which the largest number is the poor and near-poor households in urban areas (Vietnamese Law on Housing, 2005).

During the years before 2009, the Vietnamese Government did not almost focus on formulating social housing development policies. From 1954 to the 1980s, the government's housing construction programs were mainly new construction and subsidized rental housing for government officials and urban workers, but only provide

one-third of the necessary housing units for public servants. In the 1980s, the State provided land to state agencies for officials and employees to build their own houses (Tran Ha Kim Thanh, 2011; Le and Truong, 2019). However, housing for other groups is not mentioned in the Government's policies and programs. Since 2009, the Government has introduced a policy to develop social housing, with the aim of developing housing for workers in industrial zones, students and low-income people living in urban areas. In 2011, the Government's "National Housing Strategy to 2020, vision to 2030" stipulates those who have difficulty in housing, including low-income people in urban areas and laborers will be supported by the state. However, after more than 10 years of implementation, the implementation of social housing development in urban areas still faces many challenges making it difficult for low-income people to own house (Nguyen Quoc Nghi, 2009; Truong and Nguyen, 2019).

Currently, the social housing market, especially the urban social housing market, is currently unbalanced, and there is a big shortage of supply. Social housing has a low ratio compared to the total floor area of houses built only partially meeting the needs of the people. In addition, the land fund for social housing development is still limited, social housing projects are small-scale, mainly concentrated in densely populated places, thus putting pressure on the infrastructure system of the region (Truong and Nguyen, 2019). Out of a total of 2,256 commercial housing development projects, urban development investment projects with a total area of nearly 43.8 thousand hectares, only 1,040 projects spend 20% of the land fund for construction investment. Social housing, with a total area of about 3.35 thousand hectares only reaches 36.34% of the demand for social housing development by 2020). Regarding the land fund for workers' housing, up to now, the whole country has 253 housing projects for workers with a land use scale of about 600ha (accounting for about 41% of the land area invested in construction and put into use). On the other hand, the product structure is still less diversified, lacking small-sized, low-value houses and apartments and houses for rent with flexible payment methods (Hanoi Real Estate Association, 2022). In addition, the process of urbanization is taking place strongly at a fast pace in Vietnam, which leads to an increasing demand for housing in cities and urban areas. The strong development of the real estate market in recent years, especially the informal market, has led to speculation and profit from houses and land, making it difficult for low-income people to access, leading to an increasing imbalance in the urban housing structure and social instability. According to the Hanoi Real Estate Association (2022), the city currently has about 150,000 civil servants, but only more than 10,000 officials have been supported with preferential loans with an interest rate of 4.7%/year for 20 years to buy a house; about 2.5 million immigrants, mainly workers, most want to rent or buy social housing but have very little access to formal financial sources.

This study uses regression model to identify the factors affecting access to credit to buy social housing of low-income people in Hanoi. The study begins with a literature review of the model and empirical studies in the related field to propose an analytic model. Next are the results of quantitative analysis of factors affecting people's access to credit and loan amount to buy social housing? The discussion will further analyze the context and

policy of social housing in Vietnam. From the research results, we will propose policy implications to increase the access of low-income people to financial resources for social housing.

2. LITERATURE REVIEW

Social housing is the term for housing provided to people with low income or special needs at an affordable price on a secure basis. Social housing is usually owned by the state, either in the form of a council or by non-profit organizations such as housing associations (Ansell et al. 2017, Wang et al. 2014). The principle of social housing is that the private sector cannot provide the necessary level of affordable housing for all those in need and the state must intervene to ensure it is provided to those with low incomes. The provision of social housing is seen as an important antidote to housing inequality, as rent increases are limited to ensure affordable prices for those most in need. In private rentals, tenancy agreements are offered by landlords who agree to pay rent according to the terms of the contract. In contrast, local governments allocate housing based on availability in the area at the time and who is eligible or not on their waiting list (Ho, 2002; Nguyen Quoc Nghi; 2011).

Rehm et al. (2012) with the assumption that credit markets are imperfect argue that the non-price distribution of credit is the result not only of government intervention, but also of people's behavior lenders and borrowers in the information asymmetric environment in the credit market. Pan (2004) with the lifetime income hypothesis, argue that the difference between income and expenditure (thus saving or borrowing) is determined by households choosing the level of consumption optimal use in each period, with intertemporal budget constraints. When the present value of income is expected to increase, then reducing saving is considered optimal: households will reduce assets, or borrow if assets are not available. Conversely, households will save if they anticipate lower income in the future, for example, in retirement.

Oesch (2013) show that income often takes the form of a "hump": low at an early stage as well as later in life, when people completely or partially withdraw from the labor market. Therefore, this model predicts that borrowing will be higher for young households and middle-aged households will save for retirement. Rehm (2009) also demonstrates that formal credit access is not only influenced by income and assets, but also by the socioeconomic characteristics of households. Socio-economic characteristics reflect a household's reputation with lenders and thus determine their access to and degree of formal credit. Credit supply and credit limit of formal credit institutions Capital market in rural developing countries, credit supply, especially formal credit is often smaller than demand, so lenders must limited credit distribution among loan applicants. According to Wang (2014), credit limit is a situation in which a person who wants to borrow can't get a loan, or the loan amount is less than the amount applied for borrowing. McCarty et al. (2013) show that formal credit supplies are hindered by moral hazard and adverse selection problems in an asymmetric information market environment. Credit institutions often want to lend money to people who are well-informed, trustworthy, and trust them to

use capital efficiently and repay their loans. Lack of information is the reason lenders do not respond to the needs of borrowers. Borrowers are defined as credit-limited when they do not meet the requirements of the lender, or the lender does not meet the loan demand (Menaldo et al, 2015). The important role of borrower information in lender approval decisions was pointed out Bell (2015) through the credit rating step of borrowers. To assess the creditworthiness of an applicant, a lender must study many aspects of the applicant: the intended use of the loan, its ability to generate income, and its ability to generate sufficient cash from household income and assets.

Honaker (2011) pointed out that, in practice, credit transactions on the basis of observable characteristics, credit institutions, besides using statistical information related to repayment history, often Asking the borrower's collateral, many banks also link with suppliers in the form of installment credit financing or entrustment to other representative organizations. Wooldridge (2010), in the study on formal credit access to buy houses of households in urban Indonesia, through binary regression analysis concluded that most of the surveyed households are credit limited. The factors that strongly affect the likelihood of being restricted from formal credit are: household size (number of family members) has a positive effect, while the education level of the household head and household income negatively affect their creditworthiness.

Wang et al. (2014), in their study on access to home credit of low-income households in China by Probit regression, concluded the factors affecting the formal credit access of Chinese households are: the education level of the household head and the household's wealth are positively related to formal credit access; income sources and local policies are also factors that strongly affect the ability of households to access formal credit; The age of the household head, the value of savings and the number of children under working age in the household also affect the household's ability to access credit.

Currently, although there are specific mechanisms in place, commercial banks are currently very reluctant to lend money to low-income people to buy affordable housing. In addition, for social housing projects only for low-income people, there is still a paradox that people who are eligible to buy preferential social housing are not eligible for people who are eligible for loans are not eligible to buy social houses for low-income people. Therefore, real estate credit for low-income people has not changed significantly (Nguyen Ngoc Vinh, 2011).

Tran Ha Kim Thanh (2011) research on "development of housing credit for middle- and low-income people" shows that there are 6 factors affecting the trend and ability to develop housing credit for people with low income of commercial banks in Ho Chi Minh City as follows: special preferential policies, capital sources, collateral, loan value, credit management mechanism, ability to accumulate and repay debt. In the current situation, banks appraise home loan applications based on their own policies. However, in general, home loan interest rates are still quite high, usually at ceiling interest rates and adjusted up when deposit rates increase. With such a credit policy, it is very difficult for low- and middle-income people to access the bank's capital to own a house.

3. MODEL SPECIFICATION AND DATA

Model specification

To determine the factors affecting the accessibility of loans to buy social housing of low-income people, Probit model is used has the following form:

$$y_i^* = \beta_0 + \beta_j X_{ij} + u_i \quad (1)$$

In which, X_{ij} are the explanatory variables (factors affecting access to loan programs); β_0 is the slope and β_j is the regression coefficient of the model to be estimated; u_i is the random error. The dependent variable y_i^* indicates the ability to access loans.

Since access to loans is not observed, we only observe the loan results of low-income homebuyers, so model (1) is rewritten as follows:

$$Y_i = 1 \text{ if } y_i > 0 \text{ and } Y_i = 0 \text{ if otherwise } (2)$$

Where Y_i is a binary variable, take the value 1 if the homebuyer gets a loan and get the value 0 if the homebuyer does not get a loan. To determine the probability of getting a loan to buy social housing, models (1) and (2) are generally rewritten according to Honaker et al. (2010) in the form:

$$\begin{aligned} \Pr(Y = 1 | X_{ij}) &= \Pr(y_i^* > 0) \\ &= \Pr(\beta_0 + \sum_{j=1}^k \beta_j X_{ij} + u_i > 0) \\ &= \Pr(-u_i < \beta_0 + \sum_{j=1}^k \beta_j X_{ij}) \\ &= F(\beta_0 + \sum_{j=1}^k \beta_j X_{ij}) \quad (3) \end{aligned}$$

The probit model is used to estimate the probability of a low-income person's home loan (p_i) based on the assumption that u_i has a normal distribution and the cumulative probability density function (CDF) is symmetric across zero.

Then, Equation 3 is rewritten as:

$$\begin{aligned} p_i &= \Pr(-u_i > \beta_0 + \sum_{j=1}^k \beta_j X_{ij}) \\ &= \Phi(\beta_0 + \sum_{j=1}^k \beta_j X_{ij}) \quad (4) \\ &= \int_{-\infty}^{\beta_0 + \sum_{j=1}^k \beta_j X_{ij}} \phi(z) dz \end{aligned}$$

In which, Φ is the probability density function (PDF) of the normal distribution. The estimated coefficients β_j in the probit model are not used to explain significance as in the

conventional regression model. Therefore, the marginal effect will be calculated and used to explain the significant β of the model instead of the estimated coefficients based on the formula:

$$\frac{\partial p_i}{\partial X_{ij}} = \phi(z)\beta_j \quad (5)$$

The method of maximum likelihood estimation (MLE) is used to estimate the coefficients β_j as well as the marginal effects from the model.

The Heckman model (1979) is used to estimate the amount of loan to buy social housing in the condition of sample selection bias.

Let v^* be the demand for loans to buy social housing, the loan demand equation is written as:

$$v_i^* = \gamma_0 + \sum_{l=1}^n \gamma_l W_{il} + \varepsilon_i \quad (6)$$

Because the people who apply to buy a house and have a loan need in the survey sample often have a certain probability of getting a loan. This probability affects the loan outcome (V_i) if the loan equation is estimated based on the original observed sample. Equation (6) is rewritten as:

$$v_i = \begin{cases} v_i^* \\ 0 \end{cases} \quad (7)$$

The estimated model is rewritten as follows:

$$y_i^* = \beta_0 + \sum_{j=1}^k \beta_j X_{ij} + u_i \quad (8.1)$$

$$v_i^* = \gamma_0 + \sum_{l=1}^n \gamma_l W_{il} + \varepsilon_i \quad (8.2)$$

In which, the coefficients in (8.1) are defined in the probit model and the dependent variable v^* is the need for loans of low-income people to buy social housing in Hanoi measured in money. The independent variables W_1 to W_n are explanatory variables including the personal socio-economic characteristics of the household, the individual applying for a loan, and the housing characteristics are based on empirical studies of Egami (2019), Wang et al. (2014).

Heckman (1979) proposed estimates of the loan equation with adjustment for sampling bias using the results of probit model. The estimator can be rewritten as follows:

$$V_i = \gamma_0 + \sum_{l=1}^n \gamma_l W_{il} + \sigma_{12} \lambda [\phi(z) / \Phi(z)] + \varepsilon_i \quad (9)$$

In which $\varepsilon_i = \sigma_{12}u_i + \zeta_i$ is the presence of sampling bias and σ is the covariance between u_i and ε_i . The coefficient λ is determined based on information about the ability to borrow capital to buy social housing to improve the estimated value of the parameters in the loan amount model. The t test is used to test the significance of λ . Thus, the Heckman model not only evaluates the factors affecting the accessibility to the social housing loan program of low-income people, but also evaluates the factors affecting the number of social housing loans. The model results also provide parameters to check the fit of the model and the influence of each independent variable on the dependent variable.

Data collection

The data to run the model in this study is collected based on the list of low-income people participating in the loan program to buy social housing in Hanoi in the period 2017-2022. According to the data reported by the Bank for Social Policies, the total number of approved applications for loans for the purpose of buying social housing is 1,745 applications across the city. Meanwhile, the number of people registering to buy social housing in the area is very large. To get information from borrowers and cannot get loans from the social housing loan program, the survey sample is determined to include 2 groups: group 1 is those who get loans from the program to buy social housing, and group 2 are those who cannot get loans from the program to buy social housing even though they have loan applications. After obtaining the list of 2 groups, random sampling method was used to select 280 borrowers who were able to borrow money and 220 who could not get loans from the social housing loan program to collect information.

4. RESEARCH RESULTS

Socio- economics characteristics of respondents

Information on personal characteristics of low-income people in the sample is presented in Table 1. The results show that the average age of respondents in the survey sample is about 30 years old, ranging from 23 to 50 years old. With such an average age, it is not too high, suitable for long-term loans to buy social housing.

Table 1: Socio- economics characteristics of the sample

Variables	Average	Minimum	Maximum
Age (years)	30.8	23	50
Income (million VND/month)	12.7	7	17
Working time (years)	7.8	2	18
Number of dependent people (person)	0.9	1	4
Amount of credit (million VND/month)	345.5	0	750
Time of residence (years)	19.3	2	55

Source: Analyse from survey data (2022)

Respondents have an average income of about 12.7 million VND/month. This is the average income compared to the regulations that low-income people are allowed to buy social housing in Vietnam. In which, the lowest income is 7 million VND and the highest

is 17 million VND. Considering the average level of Vietnam, these people have a relatively low income, so it is difficult to get a bank loan to buy social housing; they do not guarantee the ability to repay with that income.

The working time of the respondents ranged from 2 to 18 years, with an average of 7.8 years. Households with the maximum number of dependents are 4 people and some households have no dependents, the average number of dependents is 0.9 people. In addition, people have lived in Hanoi for at least 2 years and 55 years at most, with an average of 19.3 years. Long-term stability in the local area often allows them to access loans more easily. The maximum loan amount is 750 million VND; the average loan amount is 345.5 million VND. In the group of borrowers, the number of people working in the public and private sectors is quite similar. Most of the respondents are married, which is also consistent with the fact that married people often have a great need for housing with the desire to have a stable place to live. The qualifications of the interviewees are mainly common (accounting for 68%).

Factors affecting the accessibility of credit program by low income people

Next, Probit model is used to analyze the factors affecting the accessibility of bank loans to buy social housing of low-income people in Hanoi. With the assumption of other factors being constant, the influence of each variable on the factors affecting the ability to access bank loans to buy social housing of low-income people in Hanoi is found as follows (Table 2).

To ensure the reliability of the model, a number of tests of the model's fit were carried out. The estimated results in the model show that the values of the independent variables in the model are suitable to explain the variable access to credit program (p value of Chi square is 0.00). The model's prediction accuracy is 95%.

Table 2: Factors affecting the accessibility of credit program by low income people

Independent variables	Symbol of variables	Coefficient β	P _{value}
Age (years)	AGE	0.039	0.215
Gender	GENDER	-0.18	0.453
Income (million VND/month)	INCOME	0.051***	0.000
Educational level (years)	EDU	1.423***	0.009
Occupation	OCCUP	0.35	0.832
Marriage	MARRIED	0.082***	0.008
Time to settle (years)	TIME	-0.023	0.707
Working time (years)	WORKING	0.189	0.208
Number of dependents (person)	NDEPEND	-0.096***	0.000
Informal loan (million VND/month)	INFORLOAN	-0.982***	0.000
Constant	CONST	-5.034***	0.000

Note: '***', '***' statistical significance at the α level of 5% and 1%, respectively;

Source: Analyse from survey data (2022)

Firstly, the income of the interviewees has a positive relationship with the ability to access bank loans to buy social housing of low-income people and is significant at 1%. The marginal impact coefficient of income is 0.051, indicating that when income increases by 1 million VND, the ability of low-income people to access bank loans to buy social housing increases by 0.51 percentage points. The fact shows that the income factor is very important to the bank when deciding to lend, because the money saved each month can guarantee repayment of the loan or not is based on higher income, they have easier access to social housing credit program than those with lower income.

The educational level variable is significant at the 1% level, the positive coefficient of education level shows that this factor has a positive correlation with the ability to get a bank loan to buy social housing of low-income people in Hanoi. The impact coefficient of education level is 1.423, which means that people with higher education are 14.23 percentage points more likely to get bank loans to buy social housing than those with higher education levels. The reason is that people with a high level of education are associated with a higher ability to guarantee loan repayment, so credit institutions often appreciate the educational level of borrowers to buy social housing. In Hanoi, the level of education is also a factor that the bank is interested in because people with a higher education level mostly have better jobs and incomes, so the bank evaluates their ability to repay loans well, therefore easier to get bank loans than people with less education to buy social housing.

The marital status of the interviewees is positively correlated with the ability to access bank loans to buy social housing and is significant at the 1% level. The marginal effect coefficient of marital status is 0.082, which implies that married people are 8.2 percentage points more likely to get bank loans to buy social housing than unmarried people. This result is consistent with previous research results, that low-income people with families are more likely to get loans from financial institutions to buy houses than single people because of their accumulated more financial resources. The fact in the survey sample shows that the number of low-income people with families who have received a bank loan to buy social housing in Hanoi is more than the number of unmarried people. This is consistent with the existing theory and experimental studies. In case of not being able to get a loan, the number of unmarried people is more than the number of married people. This implies that married people have easier access to bank loans to buy social housing than unmarried people because family ties are associated with better debt repayment commitments than unmarried people.

With the dependent variable, the negative coefficient of the number of dependents and significance at 1% shows that the dependent factor is negatively correlated with the ability to access bank loans to buy social houses of low-income people in Hanoi. The marginal effect of dependents is -0.096, implying that households with more dependents have 9.6 percentage points lower access to bank loans to buy social housing than households with more dependents. Thus, households with more dependents have lower access to bank loans to buy social housing than households with fewer dependents. This result is

consistent with the research results of Wang et al. (2014) with the conclusion that the number of dependents has a negative relationship with the household's ability to get a bank loan to buy commercial housing. The more dependents are, the more the household's living expenses will be, and the less money saved, the lower the ability to guarantee loan repayment.

The variable Informal borrowing is negatively correlated with low-income people's ability to access bank loans to buy social housing in Hanoi. The marginal effect of informal borrowing is -0.982, which means that the participants in the social housing credit program interviewed have borrowed funds from informal sources, the ability to access bank loans to buy their social housing is 9.82 percentage points lower than those who do not have loans from informal sources when applying for a bank loan to buy social housing. Those who do not have informal loans only spend for the necessities of life, while those who have informal loans in addition to spending for the necessities of life, they also have to spend a sizable amount of money. For the repayment of informal loans with high interest rates, monthly savings will be less than those without informal loans. Therefore, banks often assess the ability to guarantee loan repayment of the group with informal loans lower than those without informal loans.

Factors affecting the amount of loans to buy social housing of low-income people

In the next section, the Heckman model is used to determine the factors affecting the accessibility of the home loan program and the amount of money to be borrowed to buy social housing of low-income people in Hanoi. This model includes low-income people's access to loans (Table 3) and loan amount to buy social housing (Table 4).

The model fit test parameters show that the model is significant at the 1% level and is suitable to explain the variation of the dependent variable.

Table 3: Factors affecting low-income people's access to loans

Independent variables	Symbol of variables	Coefficient β	P_{value}
Age (years)	AGE	0.055**	0.038
Gender	GENDER	-0.081***	0.008
Education level (years)	EDU	-0.021	0.432
Construction area (meter square)	CONSTAREA	0.017***	0.000
Number of dependents (person)	NDEPEND	-0.031	0.623
Working time (years)	WORKING	-0.021	0.786
Income (million VND/month)	INCOME	0.028***	0.005
Marriage	MARRIED	0.071**	0.025
Constant	CONST	-143***	0.000

Note: '**', '***' statistical significance at the α level of 5% and 1%, respectively;

Source: Analyse from survey data (2022)

According to the estimated results, the factors affecting the accessibility to the social housing loan program for low-income people in Hanoi are explained by the factors of age, gender, marital status and age and the area of the house expected to be purchased.

Table 4: Factors affecting loan amount to buy social housing

Independent variables	Symbol of variables	Coefficient β	P _{value}
Age (years)	AGE	0.031**	0.231
Gender	GENDER	-0.134	0.433
Income (million VND/month)	INCOME	0.043**	0.007
Educational level (years)	EDU	0.917	0.143
Occupation	OCCUP	0.4319	0.356
Marriage	MARRIED	0.321**	0.158
Time to settle (years)	TIME	0.891	0.551
Working time (years)	WORKING	-1.672	0.178
Number of dependents (person)	NDEPEND	-1.578	0.259
Informal loan (million VND/month)	INFORLOAN	-0.021	0.679
Constant	CONST	-3.23***	0.000

Note: '**', '***' statistical significance at the α level of 5% and 1%, respectively;

Source: *Analyse from survey data (2022)*

Factors affecting the loan amount to buy social housing for low-income people in Hanoi include age, income and marriage. The variable age is positively correlated with the amount of bank loans to buy social housing as shown by the coefficient $\beta = 0.031$, which is in line with the expected sign and is significant at the 5% level. This indicates that the older the borrower is, the higher the amount of bank loans to buy social housing will increase.

Interviewees' income is positively correlated with the amount of bank loans to buy social housing at 1% significance level. This indicates that, if the average income of the borrower increases by 1 million VND, the loan amount will increase by 0.043 million VND. In other words, the more money people have on their own, the more money they can borrow from banks to buy social housing.

The coefficient of the marital variable is positive ($\beta = 0.234$), which is consistent with the initial expected sign and is significant at the 5% level. The results show that the marriage factor is positively correlated with the amount of money borrowed from the bank to buy social housing of low-income people in Hanoi. This implies that married people received 2.34 million VND more in loan amount than single people.

5. DISCUSSIONS

In Vietnam nowadays, housing development policy can be considered as an action of the Government to realize the housing objective: solving the problem of homelessness and improving the quality of housing. In other words, housing policy can also be understood as government intervention in the housing sector. In the pre -*Doi Moi* (Renovation) period in Vietnam, housing was seen as a social welfare rather than a commodity. As a result, housing policy during this period provided subsidized rental apartments, built to minimum standards, and with rents as low as 1% of salary.

Since the subsidy period, entering the period of market economic development, Vietnam has abolished the subsidized housing system. Realizing the importance of housing in the process of economic development as well as ensuring social security, the Government has issued many housing policies to encourage all economic sectors to participate in construction and housing development, regulations on support and incentives to create favorable conditions for units participating in investment and development of social housing.

Along with putting social housing on the list of types of housing prescribed by law, the Government has also issued many documents, mechanisms and policies to promote and develop Social Housing, with the aim of promoting and developing social housing support for disadvantaged, low-income people in urban areas and rural areas, such as: Law on Housing 2014; Decree No. 100/2015/ND-CP dated October 20, 2015 of the Government on the development and management of social housing with specific provisions on support and incentives to create favorable conditions for residents organizations and countries participating in investment and development of social housing; Directive No. 03/CT-TTg of the Prime Minister on promoting the development of social housing

Some banks participating in the social housing development program already have preferential loan programs. In addition, on April 1, 2021, the Government issued Decision No. 532/QD-TTg on preferential lending interest rates of the social policy bank for purchase, lease purchase of social housing; new construction or renovation or repair of residential houses according to the provisions of Article 16, Decree No. 100/2015/ND-CP dated October 20, 2015 of the Government on development and management of social housing.

Thereby, the preferential lending interest rate is 4.8%/year. The preferential loan program for social housing is implemented at the Bank for Social Policies. Objects eligible for loans to buy social housing are: people with meritorious services to the Revolution; low-income people, poor and near-poor households in urban areas; employees who are working at enterprises inside and outside the industrial park; officers, professional non-commissioned officers, professional and technical non-commissioned officers, professional soldiers, workers in agencies and units of the People's Police and the People's Army; cadres, civil servants and public employees.

Borrowers must ensure that they meet the following conditions: first, they must make a monthly savings deposit at a bank with a minimum deposit period of 12 months from the date of signing the credit contract with the Bank for Social Policies. festival; the minimum monthly deposit equal to the borrower's monthly repayment; secondly, for a loan to buy/lease-purchase social housing, the borrower must have sufficient capital and have at least 20% of the value of the purchase/sale/lease-purchase contract for social housing; for loans for construction or renovation or repair of residential houses, at least 30% of the estimated value or cost calculation plan; thirdly, have sufficient documents to prove the subjects, housing situation, residence conditions, income to enjoy the social housing policy as prescribed; fourth, having income source and ability to repay debt as committed

with the bank; fifth, there is a written request for a loan to buy/lease-purchase social housing, including the commitment of individuals and household members who have not yet received a loan to support social housing incentives at the bank or other credit institutions.

Up to now, the whole country has built about 5 million m² of social housing for low-income people. However, the achieved results are still too low compared to the set target, in fact only 41.5% of people's needs for social housing have been solved. The main reason is said to be that current mechanisms and policies are not suitable to encourage investors to participate in the development and construction of social housing.

The reason for the delay in the progress of hundreds of low-income housing projects is that the preferential policies for social housing development are specified by the Government, but the source of refinancing to support the development has not been arranged because the support package of VND 30,000 billion ended the loan from the end of 2016, leading to the lack of capital for projects. In addition, people face difficulties when carrying out procedures to borrow money to rent and buy social housing. And another reason is that the local government has not really paid attention to and created a land fund for the development of social housing.

The current policy on social housing still has limitations, which inhibit the development of social housing in Vietnam. The limitations in the implementation of the current social housing development and management program have not been resolved, which are: (1) the localities have not yet developed a specific social housing development program; (2) socialization of social housing development is not really attractive and effective; (3) the applied social housing development model is not really flexible; (4) the object of access is not guaranteed to be fair; (5) lack of close coordination in management among functional agencies; (6) there is not enough attention to livelihood and community activities.

6. CONCLUSIONS AND IMPLICATIONS

Vietnam in general and Hanoi in particular are developing with rapid urbanization. The increasing trend of mechanical migration from rural areas to urban areas, plus labor movement into industrial zones and clusters in many localities, has increased the housing needs of workers. . Therefore, addressing housing needs for workers in the process of industrial-oriented development is a huge challenge. Housing policy in Vietnam has been formed very early, with a change from a subsidy and housing distribution policy to a housing policy according to the market mechanism (mechanism of households, self-created individuals accommodation). In other words, the policy of "settlement" is one of the factors creating social stability for people to "set up a business". However, the settlement policy is always associated with the ability of each household and individual, from creating their own accommodation to the State's support policies through social housing policies. Experiences of other countries show that the policy to support access to social housing is one of the priorities of the State in the development process.

Solving the problem of capital for accessing social housing is always an issue that attracts attention not only from State management agencies but also with people wishing to buy, rent and buy social housing. The actual implementation of credit policies for social housing has not yet met the needs of homebuyers. This has reduced the attractiveness of very humane social housing policies and laws in Vietnam. Implementing a comprehensive financial strategy opens up great opportunities in finding financial sources to serve the needs of accessing social housing for households and individuals in need in Vietnam. As the State's support policy for people who have difficulty accessing housing, social housing lending activities need to be carried out not only by state-owned joint-stock commercial banks, commercial banks. Simplicity and convenience in accessing social housing credit are principles that should be respected throughout the implementation of social housing credit in the National Comprehensive Financial Strategy.

Today, financial inclusion has become one of the central elements in the strategy to develop the financial system in Vietnam, especially for vulnerable groups in order to enhance access and use of financial resources, contributing to creating livelihood opportunities, circulating investment and saving capital in the society, thereby promoting economic growth. Financial inclusion means providing users with available financial services at a reasonable cost, enabling customers to use financial services on a regular basis to suit the needs of the user. In this sense, financial inclusion is not limited to improving access to credit, but also includes improving people's financial literacy and protecting consumers.

From the perspective of mechanisms and policies, Vietnam has a National Comprehensive Financial Strategy to 2025, with orientation to 2030, issued together with Decision No. 149/QD-TTg dated January 22, 2020 of the Prime Minister in which the content of financial inclusion is defined as the fact that all people and businesses can access and use financial products and services in a convenient way, suitable to their needs, at affordable costs. reasonable, responsibly and sustainably provided, with an emphasis on the poor, the low-income, the disadvantaged, small and medium-sized enterprises, micro-enterprises, towards the universalization of products, basic financial services provided by licensed institutions, including payments, remittances, savings, credit, insurance. In Vietnam, financial inclusion is becoming one of the financial tools to achieve socio-economic development goals, targeting those who have difficulty accessing financial services due to various reasons.

CONTRIBUTION

The authors have participated equally in conception, design, analysis and interpretation of the data; drafting the article, revising it critically for important content; and approval of the final version (Submitted on 9th September, 2022).

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