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# CASH ASSISTANCE IN TIMES OF COVID-19



## Impacts on Refugees Living in Turkey

Findings from the Post-distribution  
Monitoring (PDM) Survey (Round 10) on  
Emergency Social Safety Net (ESSN) Applicants

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## LIST OF ABBREVIATION AND ACRONYMS

<b>DGPC</b>	Directorate Generals of Population and Citizenship Affairs
<b>DGMM</b>	Directorate General of Migration Management
<b>ECHO</b>	European Civil Protection and Humanitarian Aid Operations
<b>ESSN</b>	Emergency Social Safety Net
<b>FCG</b>	Food Consumption Group
<b>IFRC</b>	International Federation of Red Cross and Red Crescent Societies
<b>LCSI</b>	Livelihood Coping Strategy Index
<b>MEB</b>	Minimum Expenditure Basket
<b>MoFLSS</b>	Ministry of Family, Labor, and Social Services
<b>PAB</b>	Pre-Assistance Baseline
<b>PDM</b>	Post-Distribution Monitoring
<b>rCSI</b>	Reduced Coping Strategy Index
<b>TRC</b>	Turkish Red Crescent

## Executive Summary

Turkey is currently hosting the largest refugee population in the world reaching up to more than 4 million refugees, of whom 3.65 million<sup>1</sup> are Syrians living under Temporary Protection. More than 90% of these refugees in Turkey live outside of camps. Since the beginning of the Syrian crisis, the Government of Turkey is providing extensive support to refugees by ensuring access to basic rights and services, including education and healthcare.

Intending to effectively respond to this massive refugee influx, the Turkish Red Crescent (TRC) retrofitted its KIZILAYKART platform that initially supported Turkish citizens by providing cash assistance. Since 2012, with its responsive structure and nationwide coverage, the platform has become an essential tool to integrate refugees into the existing national social safety net mechanism through delivering cash assistance to the most vulnerable, allowing them to cover their needs across different sectors, including basic needs, education, protection, and livelihoods. **By 2020, more than 2.25 million individuals have benefitted from KIZILAYKART's humanitarian cash response.**<sup>2</sup> The Emergency Social Safety Net (ESSN) as one of the flagship programmes under the KIZILAYKART platform, is funded by European Civil Protection and Humanitarian Aid Operations (ECHO) and it is implemented by the International Federation of Red Cross and Red Crescent (IFRC) and Turkish Red Crescent with the partnership of the Turkish Ministry of Family Labor and Social Services (MoFLSS).

Aiming to strengthen more the programme's existing quality and accountability, monitoring and evaluation activities play a crucial role within the platform. As one of the most important and comprehensive studies, Post-Distribution Monitoring (PDM) survey is the primary instrument to determine the effectiveness of the assistance and its effect on the life of the recipient households benefitting from the ESSN programme. PDM survey measures income, expenditure, debt, and coping oriented variables at the household level. The survey has a stratified simple random sample and representative on both national and regional levels. Data was collected in the period between June and September 2020 under the COVID19- circumstances via remote outbound calls. PDM surveys are conducted quarterly with the participation of around 5000 recipient and non-recipient households in each round.



PDM round 10 findings show that there are significant changes in the overall situation. This is mainly because of the COVID19- pandemic which has a direct impact on the economic behavior of the household. A rapid assessment conducted to see the impact of the COVID-19 and focus group discussions specifically organized as complementary to the assessment clearly point up how the pandemic has changed the socio-economic environment. Considering the economic indicators such as debt, expenditure, income in the comparison between the recipient and non-recipients households, survey findings reveal the COVID-19 pandemic's negative economic impacts on the household level for both groups.

Based on the survey findings, it is a solid fact that there is a significant tendency for borrowing. The main reason for households to contract debt is to cover food, rent, utilities, or essential non-food items, such as hygiene products. In terms of income, there is a significant difference between the recipient and non-recipient households, the latter has a higher median income. The main impact of the COVID-19 pandemic is the loss of employment. There is at least one person with 80% of households reporting to have in the household who lost his / her job due to the pandemic. Although recipient households were affected negatively by the COVID-19 pandemic, regarding the coping-oriented indicators, they showed lower scores compared to non-recipients. This situation can be considered as an indication that the ESSN assistance has positive effects on households. However, more additional studies are required to have a comprehensive understanding about the effects of the COVID-19 on vulnerable groups.

1. Directorate General of Migration Management, Temporary Protection, Ministry of Interior, accessed December, 2020, <https://en.goc.gov.tr/temporary-protection27>

2. There are other programs within the KIZILAYKART platform apart from ESSN. Those are "Conditional Cash Transfer for Education (CCTE), Adult Language Training Program (ALT), Vocational Course Incentive (VCI), Vocational Training Incentive (VTI), Vocational Course Allowance (VCA), Culinary Training Project (Kitchen of Hope)". <http://platform.kizilaykart.org/en/index2.html>



# Survey Findings

## Food Consumption Group (FCG), Coping Strategies

**Food Consumption Groups (FCGs)** which is basically a categorization based on households' food security status and consumption frequencies of food items give an understanding of their vulnerability with regard to consumed food. The percentage of recipient households within the acceptable group is 76.9%, while for the non-recipient households, it is 64.2%. The poor and borderline groups are higher for non-recipient households. The percentage of households under the borderline is 22.9% and the percentage of the poor consumption group is 12.9% (Figure 1).

According to the survey results, recipients are accumulated more in acceptable group comparing to non-recipients. On the other hand, higher percentages of non-recipients fall under the borderline and poor consumption groups in contrast to recipients. Therefore, recipients' higher percentage in the acceptable group and less involvement in other consumption groups indicate that the ESSN assistance relatively eased the challenges including possible effects of the COVID-19 pandemic.

**Coping strategies** are behavioral responses to food insecurity which may occur as a shortfall in food consumption and to economic troubles of households emerging due to lack of financial resources. When households cannot access enough food, afford to buy food, or meet basic needs, they generally apply some coping strategies in order to overcome this challenge. Thus, the increase in the use of coping strategies may demonstrate deterioration in their economic conditions. According to Reduced Coping Strategy Index (rCSI) and Livelihood Coping Strategy Index (LCSI), two main proxy indicators, recipient households are comparatively better off. While the mean rCSI and LCSI scores for recipient households are 9.19 and 3.57, respectively, non-recipient households' scores have higher values: 12.18 and 4.46 (Figure 2).

Having lower scores in both indexes shows that, on average, recipient households have used fewer coping strategies than the non-recipient households mainly due to the contribution of regular ESSN assistance. In addition to that, there are more possible explanations for this. Within the data collection period, there was a 1.000 TRY economic top-up provisioned in two installments to every recipient household in June and July 2020.

Figure 1:  
Food Consumption Groups (FCG) Scores

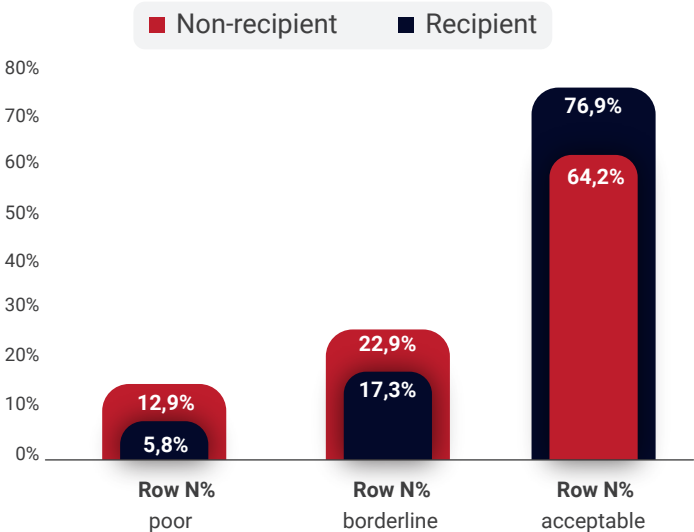
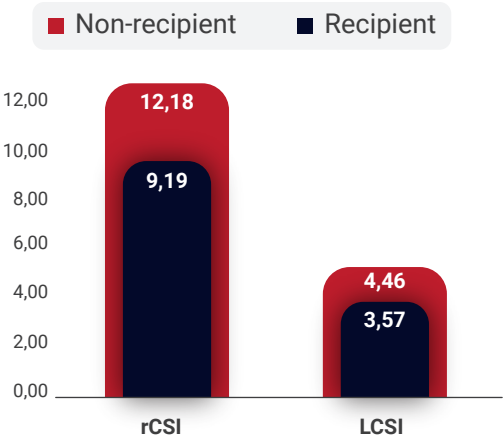


Figure 2:  
LCSI and rCSI Scores



It was provided between the two regular ESSN top-ups with a higher amount than standard payments. As stated by participants during the focus group discussions, this enabled recipients to meet their urgent needs instead of applying additional coping strategies. Also, the Eid celebrated in August 2020 was another occasion in changing the consumption behavior of people positively since it was a period of sharing among communities as part of a cultural phenomenon. Lastly, with the drastic increase in debt amounts, people were able to cope with their challenges without using or with less using other strategies considered within the index calculation.

## Debt, Expenditure and Minimum Expenditure Basket (MEB)

**Debt is a key indicator for the sustainability of the household economy when the necessities and expenses exceed the income level.** During the reporting period, which coincides with the ongoing COVID-19 pandemic, a sharp increase in debt was observed compared to COVID-19 Rapid Assessment. Especially, considering the median debt for non-recipient households (2.200 TRY), it is higher than recipients (2.000 TRY) even though the ratio of households with debt is similar in both groups (83,8% for non-recipients and 80,9% for recipients). To cope with the increased household expenditures and loss of income, they stated during the focus group discussions that they had to borrow to keep paying for the accumulating expenses,

which at the same time might have helped to stabilize the coping related indicators (i.e. rCSI and LCSi). PDM findings show that food, utilities, and rent are the top reasons for contracting debts.

Loss of income and relatively smaller amount of debt have consequently resulted in less expenditure for eligible households. Considering the median expenditure per capita, ESSN recipients have spent less in contrast to non-recipients (433 TRY vs. 565 TRY).

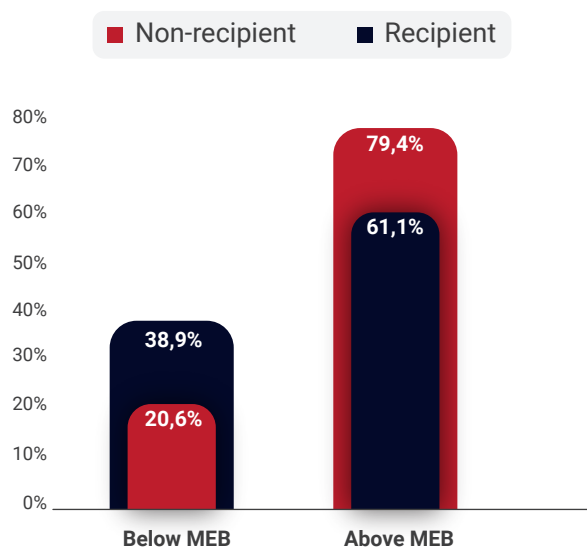
## Minimum Expenditure Basket (MEB)

It is consisting of goods and services that households need regularly or seasonally in order to meet their basic needs. After determining the minimum cost of essential needs for each relevant sector (food, water, health, education, accommodation, etc.) and population's consumption necessities based on household-level expenditure data, the threshold as the MEB cost for refugees was calculated as 386 TRY per person in May 2020 which was the time of structuring the survey sample. Recipient households with expenditure above MEB are 61.1%, while for non-recipient households, it is 79.4% (Figure 3).

Based on these findings, it can be interpreted that non-recipient households are slightly better off in terms of covering the MEB. However, as the MEB is calculated based on the ability to afford the minimum cost of needs, it is important to consider the income and correspondingly the expenditure values. In parallel, debt is another critical tool to cover expenses. Thus, from a wider perspective, it is seen that most non-recipients are standing above the MEB threshold because they have more income, but also a higher amount of debt compared to recipient households. According to per capita income analysis, an average recipient household's income is around 166 TRY. For non-recipients, per-capita income is around 375 TRY. Even it seems that ineligible households have more opportunities in generating income and borrowing, it does not solely mean that they are in a better condition than eligible households especially comparing to other economic indicators. Therefore, the ability to meet the expenditures of minimum essential needs is not enough in itself to explain either the overall vulnerability or economic security. When the breakdown of groups is considered, recipient households are accumulated closer or slightly over the threshold. In other words, the breakaway gap for eligible households is smaller. It means that most ESSN recipients are affording the cost of MEB but not much as ineligible households. Having 61% of households does not necessarily mean that they are self-sufficient in meeting their basic needs, especially taking into account the impact of the ESSN assistance in the calculation. So, this points out that how the ESSN assistance together with the economic top-ups keeps eligible households resilient to the challenges including the impact of COVID-19.

Figure 3:

### Breakdown of households covering Minimum Expenditure Basket (MEB)



## CHAPTER ONE

### INTRODUCTION

**The Post Distribution Monitoring (PDM) surveys are important tools to assess the utilization and the impact of distributed cash assistance on households.** The worldwide COVID-19 pandemic is forcing living conditions economically and socially. They play a critical role in developing a data-oriented monitoring and evaluation (M&E) framework in line with the programme objectives, since PDMs track both the programme impact and also provide evidence-backed results to donors and the implementing partners. In the context of the Emergency Social Safety Net (ESSN) programme, reduced Coping Strategy Index (rCSI), Livelihood Coping Strategy Index (LCSI), Food Consumption Score (FCS), debt, the minimum expenditure basket (MEB) as well as a series of economic indicators are primary sources used for the assessment and most of the raw data is collected via PDM surveys.

PDMs are conducted in each quarter with the sample of the ESSN applicant population including both eligible and non-eligible households. Since the beginning of the programme, ten rounds were completed in addition to the Pre-Assistance Baseline (PAB) survey which provided overall baseline values before the provision of the assistance. The last round of PDM survey has some uniqueness comparing to others. First of all, the PAB survey, which forms the basis of the PDM, was conducted at the beginning of the programme (May 2017) and the sample was selected according to the pool size at that time. There are very important differences between the ESSN pool in May 2017 and the pool in the recent period. This is not only a numerical difference but also covering many different areas such as changes in the socio-economic status of people, their involvement in social and livelihood environment, and changes in their ESSN status as well. Consequently, there is a very serious decrease in the PAB sample used as a control group over time. For these reasons, PDM 10 has been accepted as a baseline in the degree of strengthening the representativeness. Besides, there is a significant time difference between the survey times with the emerging changes in macroeconomic conditions, and factors that directly affect the economy within the scope of combating COVID-19.

Secondly, PDM10 was performed within the period of the COVID-19 pandemic. As designed far from seeing the impact of pandemic itself, PDM10 was aiming to follow up the progress on households' economic security and behaviors via proxy indicators in respect to historic data. However, an ad hoc rapid assessment conducted in April 2020 showed that the COVID-19 pandemic had remarkable impacts on the recipient households. Even it is not a study designed specifically for measuring the impact of COVID-19, due to its sample size and coverage, PDM10 also gives some extent of how vulnerable households are impacted by the pandemic. It was another solid justification for the uniqueness of the PDM10.

Lastly, throughout the report, households' vulnerabilities are explained by variables related to their economic structure and coping strategies. However, the Food Consumption Score (FCS), one of the programme indicators of the ESSN, has less correlation with some specific indicators which are expected to have consistency in themselves. The reason for focusing on the FCS is obtained after a series of PDM data collection and analyses. In order to have a meaningful justification for this, the raw data and calculation method have also been reviewed. After the various controlling process, it is also noticed that the consumption tendency of the target group is directly affecting this inconsistency in addition to the challenges in income opportunities, changing expenditures, and negative coping strategies. For instance, it is a very well-known fact that the consumption patterns of the target group are changing especially during religious holidays such as Eid-al Adha and Eid-Al Fitr. In order to prevent any outlier values, data is not collected during these times, but FCS is still giving controversial results. FCS-based findings are briefly provided within this report until the additional analysis about the reliability of the FCS is completed. Nevertheless, this report aims to cover that the resource usage of households is a complex process, and programme indicators are affected in different ways, regardless of the wealth level of the households. As having a multi-dimensional aspect, therefore, there is at least a necessity about reaching consistency between the indicators for a comprehensive understanding about the vulnerability of the target group.

This report is consisting of mainly three chapters. In the first chapter, a piece of brief introductory information about the Turkey context is given. It also includes how the ESSN programme evolved during the implementation period and how PDM surveys are playing a key role in programme monitoring. The second chapter is mainly discussing the methodology referring to the sampling structure, study area, and limitations. The third chapter is including a detailed analysis of survey findings in comparison with the results supported by statistical models. These results mainly shed light on what changed with the provision of the assistance. The final chapter contains concluding remarks and recommendations based on the survey findings.

## The Context

# Turkey hosts the largest refugee population in the world with more than 4 million people

under International or Temporary Protection.

There is **3.64 million Syrian population**<sup>3</sup> which is the highest percentage among nearly **70 different nationalities**.

Most of them are preferring the provinces such as Istanbul and Gaziantep, mainly for the high number of job opportunities; and also Hatay in order to keep the cultural and family ties strong due to the geographical proximity to the Syrian borderline.

Since the beginning of the refugee crisis, Turkey's approach was to provide safe areas for people and to create an opportunity to continue their lives in dignified and humane conditions. This open-door policy for Syrian refugees who escaped from war to start a new life, Turkey's response has been an exemplary model for other either hosting refugees or countries planning to provide humanitarian assistance to the refugees. The Government of the Republic of Turkey supports their access to fundamental rights and services of the refugee population. They can access public health and education services at zero cost. Even though the world economy is in a state of uncertainty and the COVID-19 pandemic is expected to push the global economy into a recession, Turkey managed to sustain the achievement of its humanitarian response.

Turkish Red Crescent (TRC) as part of its comprehensive response to the refugee influx launched its KIZILAYKART Cash-Based Assistance Platform, which was formerly designed to assist Turkish citizens, in providing cash assistance to refugees.

KIZILAYKART platform brings humanitarian, private, and public sector actors under one roof and gives regular cash payments to the most vulnerable refugees via existing banking infrastructure. Moreover, it is built based on the already existing national social system which enables the integration of vulnerable people into existing governmental and non-governmental social protection structure.

The platform was first used for refugees in 2012 to support the refugees residing in temporary residence centers, in partnership with World Food Programme (WFP) and used for In Camp Food Assistance Programme. Nine different cash programmes were implemented under the KIZILAYKART covering different sectors such as basic needs, education, and protection; six of them are still operational.<sup>4</sup>

**By 2020, more than 2.25 million individuals benefitted from KIZILAYKART's humanitarian cash programme. The Emergency Social Safety Net (ESSN) is currently the largest cash assistance programme under the platform. It has reached more than 1.7 million refugees with monthly cash stipends to help refugees cover their basic needs while giving them full agency with the freedom of choice.**

The programme is implemented in cooperation with the Ministry of Family, Labour and Social Services and the International Federation of Red Cross and Red Crescent (IFRC); funded by the European Commission's Directorate General of Civil Protection and Humanitarian Aid Operations (DG ECHO) and supported by the Ministry of Interior Affairs' Directorate Generals of Population and Citizenship Affairs (DGPC) and Migration Management (DGMM). Refugees under temporary and international protection can apply to the ESSN and, if considered eligible, receive a 120 TRY (€13) monthly stipend per person.<sup>5</sup>

The year 2020 was a kind of milestone with the impending danger of the COVID-19 pandemic. With the announcement of the first case of coronavirus in March 2020 and increasing contamination of the pandemic, a series of measures were implemented by the Government of Turkey until April 2020. Then measures were relaxed in June 2020 with the restrictions to some extent as part of combating the pandemic.

3. Directorate General of Migration Management, December 2020.

4. Turkish Red Crescent KIZILAYKART Cash Based Assistance Programmes, accessed December, 2020, <http://platform.kizilaykart.org/en/index2.html>.

5. The ESSN monthly assistance, which is set at 120 TRY and corresponds to 13 €, is specified in the November exchange rate. In addition to the monthly assistance, households receive quarterly top ups. For more detailed information about ESSN programme, see: [https://ec.europa.eu/echo/essn\\_en](https://ec.europa.eu/echo/essn_en), <http://KIZILAYKART-suy.org/EN/faq0.html>



The Ministry of Health, in December 2020, along with 16,646 deaths announced. The worldwide COVID-19 pandemic is forcing living conditions economically and socially pandemic's devastating impact and approximately 1.8 million cases reported in Turkey. Due to the recent increase in new cases, the government introduced a series of new containment measures; restaurants and cafes were closed, and movement restrictions were imposed in the evening of weekdays and weekends, schools were closed, and distance education was decided by the end of the year. This situation impacted both the refugees and the Turkish host community and created a serious challenge. The severe impact on the labor market has made refugees particularly vulnerable, who employ informally.

IFRC and TRC conducted a rapid assessment in order to see the impact of the pandemic on the social and economic lives of refugees benefitting from the ESSN programme. The results showed that there were a remarkable increase in debt and expenditures mainly because of the loss of employment during the pandemic. This deterioration was also noticed in the findings of PDM round 10.

## Purpose of the Study

**This particular PDM is aiming to understand the utilization of cash assistance and its impact on meeting the basic needs of the recipient households.** The overall purpose is to assess how eligible households' economic condition and behaviors against challenges are affected in a certain time with the contribution of the ESSN assistance. A series of economic and coping-oriented variables are the main instruments to track this progress. PDM survey specifically focuses on the following objectives as well:

- To assess how the food consumption habits are secure
- To measure to what extent the minimum expenses such as food, rent, utilities, non-food items (NFI), health, education, etc. are met
- To determine the severity of coping strategies applied in case of having economic /financial difficulties
- To determine how income, debt, and expenditure values are critical in understanding households' economic resilience
- To understand the possible impact of external factors such as the COVID-19 pandemic and its implications.



## CHAPTER TWO

# RESEARCH METHODOLOGY

### 2.1. Research Design

PDM rounds can rely on structured household or individual level surveys depending on the programme design. In the ESSN context, based on the survey sample, household-level data is collected through interviews with individuals. In other words, PDMs are conducted as a household survey and giving household level quantitative indicators. There are basically two reasons for this. First of all, based on the programme design, the ESSN has household-level targeting. By taking into account the composition of individuals while determining the eligibility status<sup>6</sup>, the cumulative monthly payments are calculated against the household size. Therefore, demographics (including household size, age, gender, and education levels) expenditure, income, and other programme indicators' data are collected at the household level. Secondly, considering the homogeneity of the household structure, any individual-based financial input including regular or unsteady income, cash assistances or debt affects the economic situation of the entire household. Based on the rational choice theory,<sup>7</sup> individuals are acting with their own self-interests in mind by making decisions on prioritizing needs and preferences. However, it has household-level consequences considering the expenditure and use of financial assets. For example, head of household, elder members of the households, or spouses' decisions on prioritizing income over education can force some members of the family not to continue with their education and start working. As a result, by keeping the impact of individuals limited, the unit of analysis is accepted as a household in order to have a more comprehensive approach while assessing the vulnerability of households.

### 2.2. Study Locations (map of the provinces / stratifications)

When such a large-scale programme is implemented, nationwide coverage is generally an operational challenge for the survey design. In order to overcome it, regional stratification is applied. Although around 80% of the ESSN applicants are concentrated in 10 provinces, the remaining population is dispersed all over Turkey. As a result, rather than focusing on several provinces, Turkey was stratified based on the proportion of applicant households (Figure 4). Black Sea, Eastern Anatolia, Central Anatolia, and Thrace Regions were combined as one stratum based on the similarities in the programme application figures and relatively in socio-economic dynamics. Besides, Istanbul is accepted as a stratum by itself because of its peculiarity in socio-economic factors. The province is also considered an independent stratum by the Turkish Statistical Institute (TurkStat).

Figure 4:  
Map of Regional Strata



6. The ESSN programme has six demographic criteria. These criteria are dependency ratio greater than or equal to 1.5 (essentially, at least three dependents for every two able-bodied adults), families with four or more children, single females, elderly headed households, single parent households (male or female), and households with one member at least 40 percent disabled.

7. Mary Zey, "Rational Choice and Organization Theory", International Encyclopedia of the Social & Behavioral Sciences, 2001

## 2.3 Sample Size and Sampling Technique

The PDM sample is a stratified random sample with a margin of error of %5 and a confidence level of 95%. The sample consists of two groups, recipients and non-recipient households. The sample design is focused on national and stratum level representation of the recipients and non-recipient households. **The total sample size for PDM-10 is 5.148.** Both the size of the programme and its geographic coverage increase the sample size and require a cost-effective and time-efficient data collection method. Even though the response rate for phone surveys is relatively low compared to face-to-face data collection, it allows reaching more households in a short period.<sup>8</sup>

Table 1:  
Baseline and PDM-10 Samples

Name	Type	Eligible	Ineligible	Total Sample	Date
PAB	Baseline	5.297	3.393	8.690	February 2017 - May 2017
PDM-10	Cross	2.582	2.566	5.148	June 2020 - September 2020

## 2.4. Limitation and Assumption

Limitations and assumptions regarding the PDM survey can be listed as follows:

- The PDM survey is designed to be representative of the ESSN applicant pool, but not for the entire refugee population living in Turkey. Therefore, findings and any implications related to them are limited by the ESSN scope.
- Taking into account the programme size, the stratification of the sample design does not provide a picture for each province (except Istanbul) but shows the aggregate situation at a stratum level.
- During the data collection process, tracking and reflecting any instant and unexpected changes in socio-economic or employment status of survey participants - due to mainly COVID19 -pandemic were not possible. Therefore, periodic differences are neglected and data is used as a snapshot of the current situation.
- In the period of data collection, there were additional economic top-ups and the possibly positive contribution of Eid. Since the frequency and regularity of the PDM survey are not changing because of any external factors or additional programmatic implementations, the direct impact of these additional positive economic means was not measured. However, with the support of focus group discussions, these factors were taken into consideration while explaining the progress.
- Even prevented any misleading data by giving a break in data collection just right after Eid, it did not solely mean that households were consuming everything during this break. Consumption of accumulated foods or any financial assets coming as a donation could be extended over a period of time. As this is not a predictable and measurable process, the survey assumes that the consumption habits of the target group are as they are at regular times even after the break.

8. Response rate is the most widely used indicator for measuring the quality of a survey. It is calculated by dividing the number of people who answered the survey to the number of people the survey was sent (the sample size), the result is multiplied by 100, since it is usually expressed in the form of a percentage. (Yehuda Baruch, "Response Rate in Academic Studies-A Comparative Analysis", Human Relations, 1999.)

## CHAPTER THREE

# DATA ANALYSIS AND DISCUSSIONS

The PDM survey is designed to measure both food and economic security-oriented variables as the Livelihood Coping Strategy Index and reduced Coping Strategy Index, and also economic variables that have important effects on household consumption, production, and savings, such as total expenditure, total debt, and income. The effect of economic indicators on a household may vary based on country, province, and household basis.<sup>9</sup> As argued by various economic theories<sup>10</sup> a household's economic behavior is intricate. The decision for a household to either spend or save its income and financial assets can be influenced by both external and internal factors, consequently how much of the income is spent on basic needs can also vary. In short, both the coping indexes and economic indicators do not provide an overall result by themselves, but a holistic approach to data analysis that incorporates different variables to fully understand a household's vulnerability is required.

Chapter 3 is built around the above mentioned approach of analyzing recipient and non-recipient households on the national and regional level. Statistical tests show that there are meaningful differences between female and male-headed households; consequently, findings are also disaggregated by the gender of the head of household. Moreover, economic and coping-oriented indicators were analyzed in a comprehensive approach to approximate household vulnerability as part of this holistic approach. In the first section, household income and expenditures are analyzed based on the disaggregation of the ESSN status with the recipient sub-groups and regional stratum. While doing this, the unemployment and minimum expenditure basket are other areas referred to in order to strengthen the analysis. In the second section, household debt is examined by taking the possible reasons for borrowing into account with the effect of changes in income and expenditures. The rest of the section is covering an analysis of the coping strategies by giving gender-based details in addition to the ESSN status. The utilization of the Livelihood Coping Strategies (LCSI) and reduced Coping Strategies (rCSI) by the households are detailed while determining the severity of these indexes.

### 3.1. Households Income and Expenditure

Household income and expenditure are two core indicators that enable understanding the economic behavior and accordingly consumptions habits of households which can differ due to individuals' decisions.<sup>11</sup> There are multiple ways of researching household behavior on consumption. Hence, analyzing this complex process requires a comprehensive approach.

Household income indicates the goods and services that households can purchase on the market. Household income is adjusted for differences in the needs of households of different sizes.<sup>12</sup> The median value of income is giving an overall picture of the financial capacity of households in spending for certain items as part of consumption preferences.

9. Duncan Ironmonger, "Household Production and the Household Economy", Research Paper, Department of Economics - Working Papers Series 759, The University of Melbourne, 2000. Kaşif Batu Tunay, "Gelişmiş ve Gelişmekte Olan Ülkelerde Hane Halkı Tasarruflarının Makro Ekonomik Belirleyicileri", 2017.

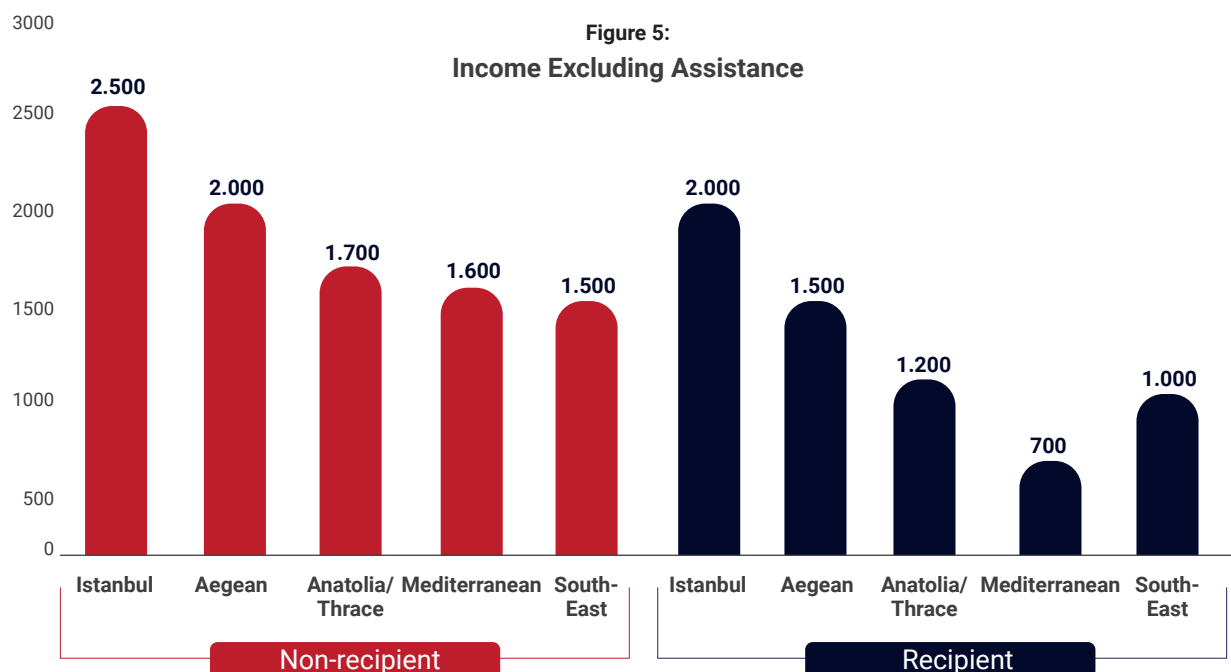
10. In the discipline of economics, the approach to understanding household consumption can be grouped into two, theories that argue income directly affects the consumption and theories that incorporate external factors and perceptions to explain the decision-making process. John Maynard Keynes argues that consumption is directly related to income in his absolute income theory, as disposable income increases, consumption will also increase, but the increase in consumption does not exceed the increase in income and consumption maintains a stable level. Conversely, James Stembler Duesenberry's relative income theory postulates that consumption is not only related to disposable income, external factors such as the neighborhood a person is living in can also affect the consumption decision; consequently, when income decreases this may not show its effect in the same scale on consumption levels due to external factors. However, Irving Fisher postulates a two-period model; individuals base their consumption on the present and the future. A household may prefer present consumption to future consumption. In this case, they spend more than their current income and can borrow money. Second, they prefer the future consumption of current consumption. In this case, most of their income remains and they can save. For more information; John Maynard Keynes et al., *The general theory of employment, interest and money*, The general theory of employment, interest and money, Harvest Book, Harcourt, INC, 1936. James Duesenberry, "Income, Saving and the Theory of Consumer Behaviour", Harvard University Press, Cambridge, 1949. Irving Fisher, *The Theory of Interest*, New York: MacMillan, 1930.

11. Luisella Goldschmidt-Clermont, "Household Production and Income: Some Preliminary Issues", 2000.

ILO, "Household Income and Expenditure Statistics Seventeenth International Conference of Labour Statisticians", International Labour Organization, Geneva, Switzerland, 2003.

12. OECD, "Household income", in *Society at a Glance 2019: OECD Social Indicators*, OECD Publishing, Paris, 2019. <https://doi.org/45/10.1787/ae3dae-en>



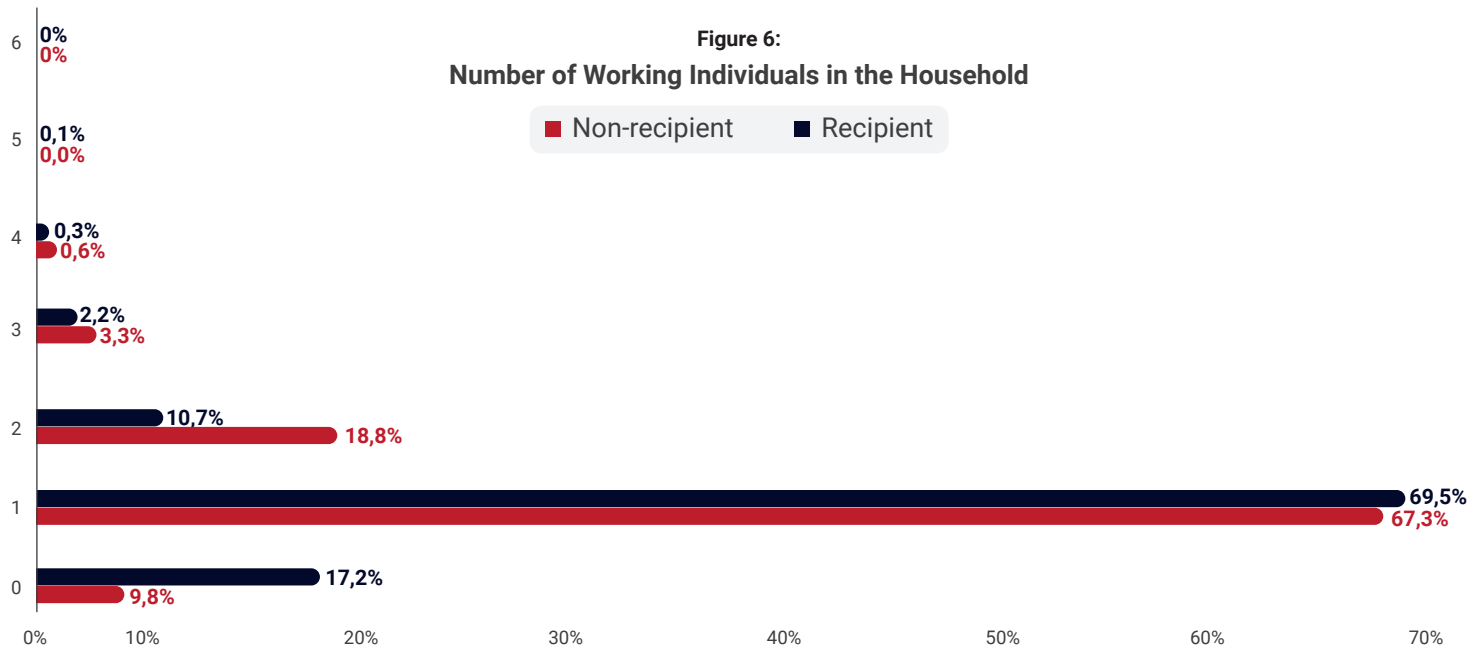


The findings point out that the median income is around 1000 TRY for recipient households while it is 1800 TRY for ineligible. Both recipients and non-recipient households have the highest income in the İstanbul region (Figure 5). This can be explained by higher economic activity and a variety of job opportunities in İstanbul with its noticeable social and financial infrastructure as the financial center of Turkey.<sup>13</sup> Also, it is seen that the regions with the lowest income for recipient and non-recipient are Mediterranean and South-East, respectively.

Differences are observed between the incomes of the recipient and non-recipient households, both based on per capita and household-level income. While the per capita income of non-recipient households is 375 TRY on a median basis, the income of recipient households is 166 TRY. In order to confirm whether the difference in income between the recipient and non-recipient households is statistically significant, an additional statistical test was conducted and it was found that there is a meaningful difference between these households in terms of income. This imbalance between incomes reflects that ESSN assistance is an essential contribution for the recipient households. It means that with the contribution of the ESSN assistance, recipients' income values have comparatively become higher than non-recipients and as a result, the resilience of the eligible households has increased.

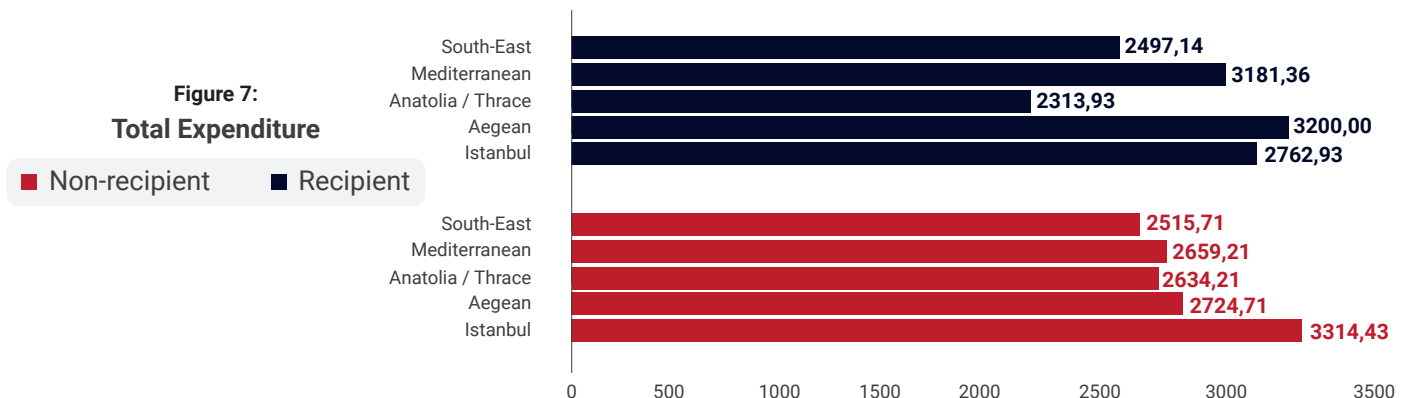
Considering the ability to generate income, as **Figure 6 shows**, there is at least one employed person in the majority of the recipient and non-recipient households. This is a critical fact to keep in mind especially after experiencing the impact of the pandemic on employment because, in 81.2% of the non-recipient households, there is at least one person who lost his/her job while it was 78.4% for recipient households due to the COVID-19. This analysis shows that how households are drastically affected by any changes due to their employment status since the employed members have a critical role as breadwinners of the household. In the majority of these households, there is at least one person and the loss of employment can eventually cut the income flow and make them more vulnerable without leaving any other income-generating opportunity.

13. Hülya Saygılı and K. Azim Özdemir, "Regional Economic Growth in Turkey: The Effects of Physical, Social and Financial Infrastructure Investments", Central Bank of the Republic of Turkey, 2017.

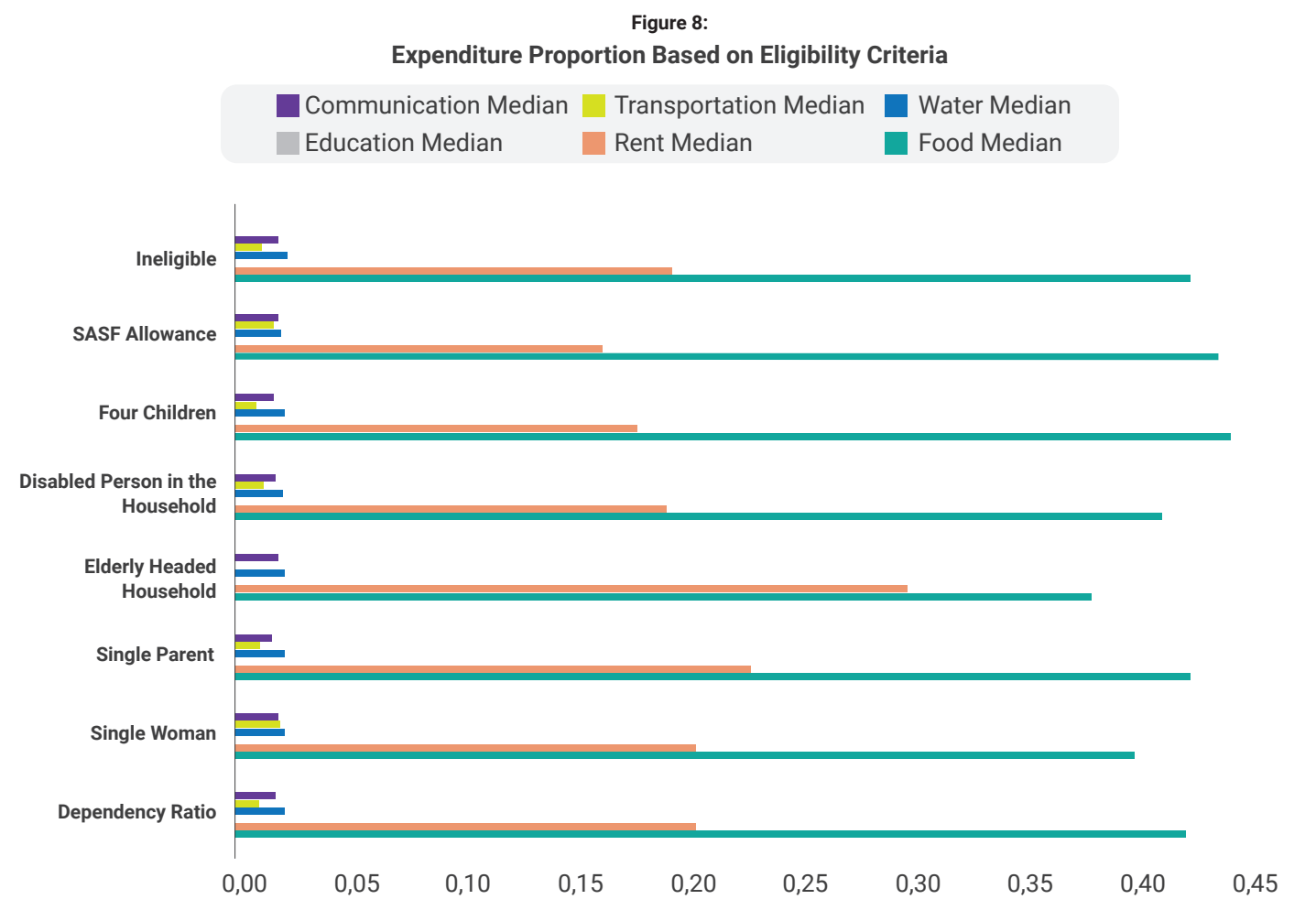


Expenditure basically indicates households' involvement in economic activities. It does not only show the payment amount for specific items but also gives ideas about the reason behind each economic behavior. There are certain items such as rent, utilities, food, water, etc. which are core basic needs to be covered with regular payments in an ideal scenario. In addition to that, other items including education, health, remittances, and debt repayment can also demonstrate how households' are prioritizing their basic needs based on their economic sufficiency. Thus, expenditure is a basis for other proxy indicators such as coping strategies, borrowing, and the ability to meet the MEB.

According to the survey results, the median expenditure for recipient households is around 2.607 TRY while per capita median expenditure is 433 TRY. On the other hand, for non-recipient households, median expenditure is around 2.745 TRY and per capita expenditure is 565 TRY. Expenditure of eligible households is standing at the highest amount in Aegean and Mediterranean regions. In contrast to eligible groups, non-beneficiaries have close values among all strata. Istanbul is unique with the highest level of expenditure for this group (Figure 7).



**Figure 8** shows the proportion of expenditure of households based on eligibility criteria with the proportion of expenditure and for every recipient sub-group as well as the non-recipient group. For every household, food has the highest ratio in expenditure, followed by rent and utilities.



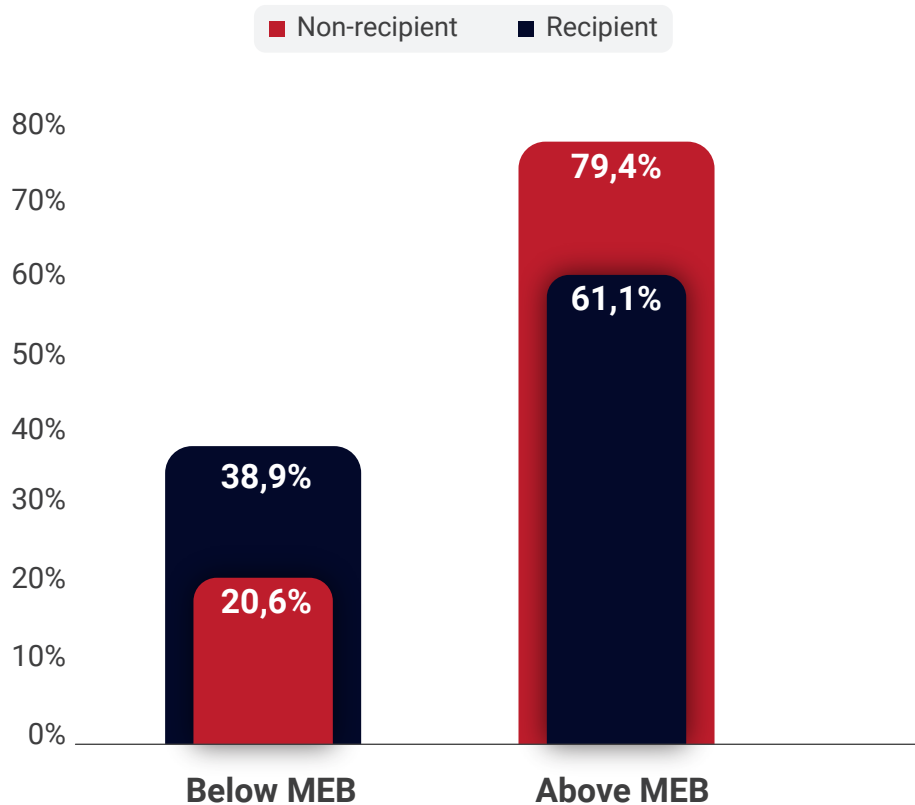
PDM-10 data collection was covered shortly after Eid al Fitr and during Eid al Adha. These religious holidays are changing the consumption behavior and expenditures of people positively since it was a period of sharing among communities as part of a cultural phenomenon.

Nevertheless, expenditure by itself does not provide a full picture of a household’s ability to cover these needs, therefore the ability to meet the cost of the minimum expenditure basket is taken into consideration in order to get a deeper understanding about the economic situation of these households.

According to the Minimum Expenditure Basket (MEB)<sup>14</sup> findings, 61.1% of recipient households measured that they are above the threshold value of MEB, which was 386 TRY per person, whereas, for non-recipient households, it rose to 79.4%.

14. The Minimum Expenditure Basket (MEB) is defined as what a household requires in order to meet basic needs – on a regular or seasonal basis – and its average cost. The indicator unit of measurement is kept as percentage, it refers to a sample of recipients. The purpose is to calculate the percentage of households receiving the ESSN grant who have become more economically independent and more resilient.

**Figure 9:**  
**Percentage of Households Above / Below Minimum Expenditure Basket**



These results can be evaluated as non-recipient households are in a better position than recipient households in terms of meeting the MEB. Even though non-recipient households seem above the MEB threshold value as opposed to recipient households, taking households' income and expenditure values into account plays a crucial role in determining their situation. When these factors are disaggregated into beneficiary status, it can be seen that non-recipient households are higher not only on income but also on debt. As it is seen from this result, different households have different dynamics in terms of economic indicators, thereby comparing one variable with another does not only mean that whether one group is superior to another. Hence, to draw a conclusion on households' overall vulnerability or economic security, only covering minimum essential needs is not sufficient by itself. Additionally, the distribution of MEB values of recipient households accumulates closer to or slightly above the threshold value of MEB. Namely, the gap for meeting the MEB for eligible households is smaller. This can be concluded that most of the recipient households meet the cost of the MEB, but with a lower percentage than non-eligible households. Considering the MEB value of recipient households, having a percentage of 61.1 does not necessarily mean that they are self-sufficient in meeting their basic needs when the impact of the ESSN assistance is considered. Hence, this can be evaluated as ESSN assistance along with the economic top-ups make eligible households more resilient to the challenges including the impact of COVID-19.

As stated at the beginning of this chapter, the overall picture needs to be evaluated from a holistic approach. Therefore, all indications stated above do not give a clear understanding individually. Rather than that, it is crucial to have an eclectic perspective while understanding the economic behavior of the target group. Studies in the literature show that; the difference between income and expenditure provides basic information about the consumption and saving behavior of the household. Any changes regarding the income, for example, cause another behavioral reaction in expenditure, borrowing, and consumption respectively. The less income generated by a household, the more debt, and expenditure amounts is increasing. This intricate economic behavior can be mainly shaped by financial ability, preferences, and necessities. For this reason, the following areas are explored in line with the findings.



### 3.2. Household Debt

Household debt is defined as the indebtedness of households in relation to their income that is their spending and saving capacity<sup>15</sup>. It means that debt is a tool to find out an equilibrium between income and expenditure when the latter exceeds the purchasing power of the household. However, debt can turn into a devastating crisis itself that people have to cope with it if not manageable. High debt ratios are often interpreted as a sign of financial vulnerability.<sup>16</sup> During the analysis process of debt, only households with debt are taken into consideration for both eligible (83.8%) and ineligible groups (80.9%).

Survey results point out the highest debt values are in the Aegean region for non-recipients and recipients as well. The lowest debt values are in the Mediterranean and Anatolia / Thrace for non-recipients and recipients, respectively (Figure 10).

Figure 10 :  
Comparison of Median Debt of Recipients and Non-recipients Households

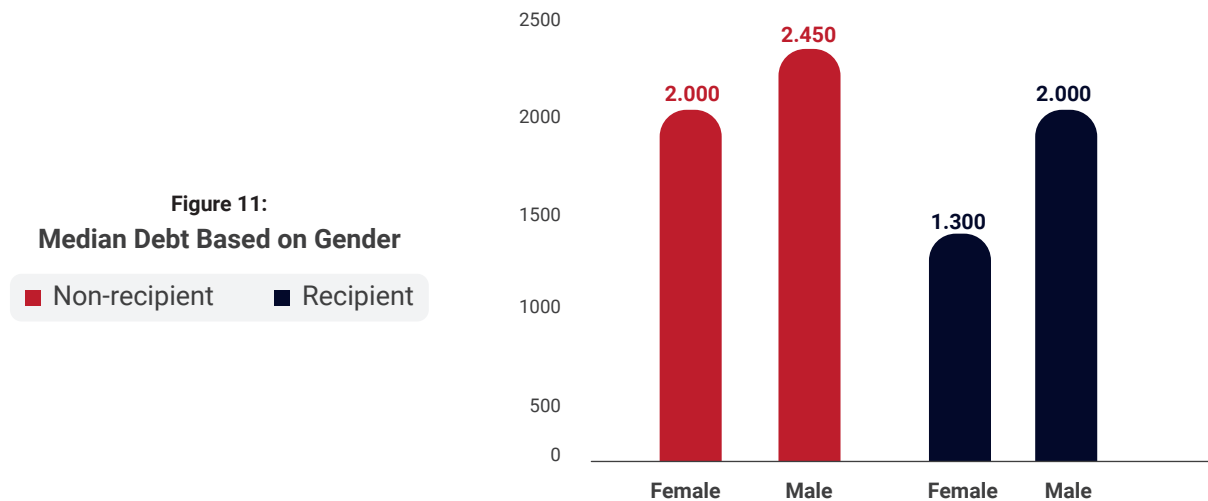


15. OECD, Household Debt, OECD Factbook 2016-2015: Economic, Environmental and Social Statistics, OECD Publishing, Paris, 2016.

<https://dx.doi.org/10.1787/factbook-23-2015-en>

16. Ibid.

**The median debt of recipients and non-recipient households is similar:** For the former, it is 2.000 TRY and 2.200 TRY for the latter. Debt levels show a dramatic increase for recipient households comparing to the COVID-19 rapid assessment in which the median debt for recipient households was 1.500 TRY.<sup>17</sup> On average, the recipient households have less debt compared to the non-recipient households, but this does not reflect that the recipients are better off. Considering the amount of income and its inconsistency for both eligible and ineligible groups with the high level of expenditure, it can be said that debt is a common instrument for most households to sustain their daily lives.<sup>18</sup> While the debt-to-income ratio needs to be read with caution due to the different timeframes (debt was assessed as a cumulative value and income as a monthly value), comparing debt with income is still an important indication of vulnerabilities. This is an indicator of the financial stress that the households are facing.<sup>19</sup>



The difference between expenditure and income seems counter-intuitive, however, the increase in debt explains the increase in expenditure, so it is evident that households contracted more debt to compensate to cover their basic needs and any challenges resulted after the pandemic. Besides, statistical tests show a significant relationship between debt and expenditure levels.<sup>20</sup> Further analyses were conducted to identify how different groups are affected differently. The relation between total debt and eligibility criteria and strata variables was investigated. Total debt was identified as the dependent variable while eligibility criteria and strata were selected as independent variables in a dyadic approach.<sup>21</sup> Accordingly, it has been concluded that the difference between household debt and expenditures is statistically significant, so the increase in household expenditures can be associated with the increase in debt status. Considering the median debt between male and female-headed households, it can be said that ineligible female-headed households have a remarkable level of debt which is equal to eligible men-headed households. It shows that ESSN recipients have comparatively less contracted debt (Figure 12). The assistance plays a crucial role in that case as a consistent and safe economic support for these households.

17. Turkish Red Crescent and International Federation of Red Cross and Red Crescent, "Impact of COVID-19 on Refugee Populations Benefitting From The Emergency Social Safety Net (ESSN)", <https://reliefweb.int/report/turkey/impact-covid-19-refugee-populations-benefitting-emergency-social-safety-net-essn> (accessed December 24,2020).

18. The consensus in the field of economics is that debt behavior has an economic dimension. Debt behavior and debt attitude concepts can be used interchangeably in the literature. When household income changes, consumption changes with income. Accordingly, the debt attitude/behavior of the household differs. Since the household is considered as the smallest unit in the economy, debt behavior is affected by micro and macroeconomic factors. However, it is also shaped by non-economic variables such as social, psychological, cultural, and religious and preferences. References are available; Christelle Meniago, et al., "What causes household debt to increase in South Africa?" (Economic Modelling, no. 33-2013) Dag Henning Jacobsen, "What influences the growth of household debt?", <https://norges-bank.brage.unit.no/norges-bank-xmlui/bitstream/handle/2504442/11250/jacobsen.pdf?sequence=1&isAllowed=y> (accessed December 24,2020). In this regard, Max Weber's concept of use-value shed lights on the non-economic factor of household behavior. According to Weber, when households decide to buy an item, they also consider the benefit of the product, in addition to its price. Moreover, as Fisher argues households may prefer present consumption and contract more debt in the process. More information, references are available;

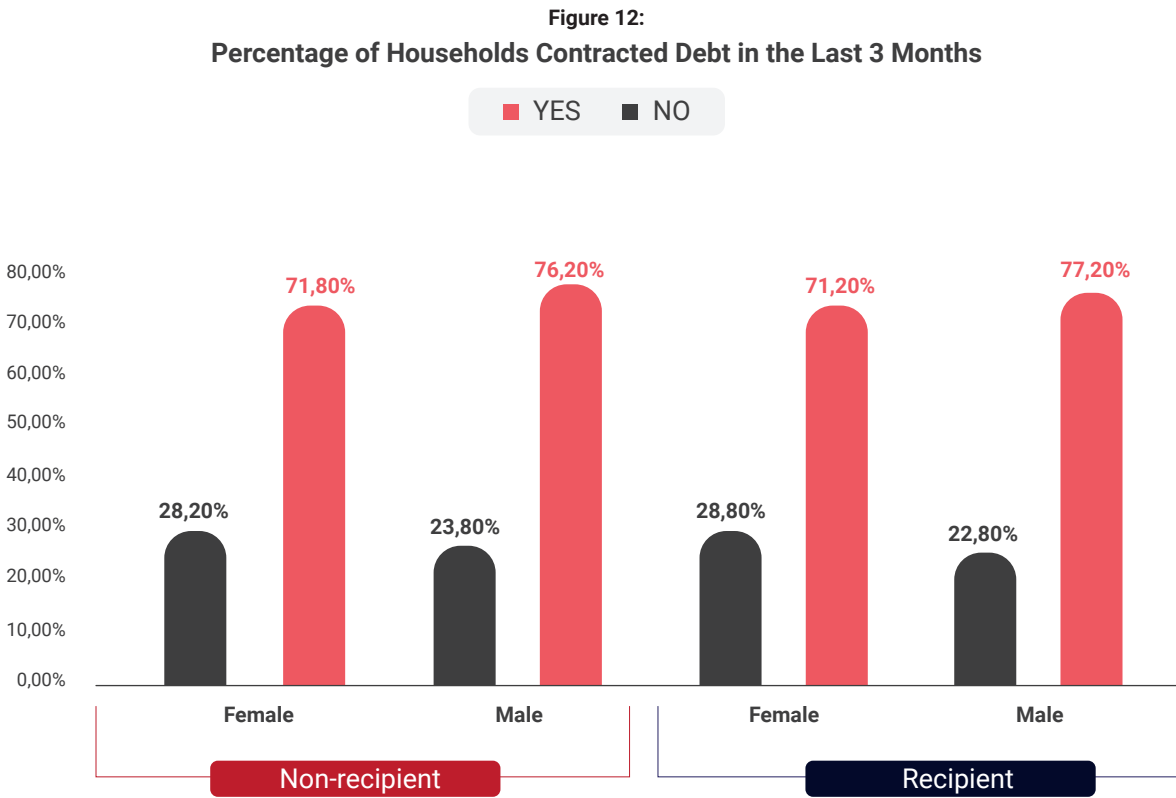
Jane Wheelock and Age Mariussen, "Households, Work and Economic Change: A Comparative Institutional Perspective", Springer, 1997. *Ibid*.

19. Although both external and internal factors affect household debt behavior, income has a direct impact on debt levels (Fatma Pınar Arslan, "Public Debt and Income Inequality in Turkey", Journal of Research in Economics, Volume: 3, Issue: 2019, 2.). The income level of the household determines types of having debts. Households do not only borrow to cover their basic expenses, but perceptions and expectations play a role in consumption habits and may push a household to contract more debt. Therefore, if the household members think their income will rise in the short term, it can lead to an increase in consumption and debt levels. Conversely, insufficient income, lack of economic opportunities, or prolonged unemployment can also lead a household to borrow money for basic needs. It is important to emphasize that a household's income may increase due to borrowing, however, this sudden spike in income is not sustainable (Evrim İmer Ertunga, "Ekonomik Büyüme, Finansal Gelişme ve Hanehalkı Borçluluğuna İlişkin Bir Değerlendirme", Finans Politik & Ekonomik Yorumlar, Cilt: 54 Sayı: 2017 629.).

20. Correlation analysis were conducted between households' debt and households' total consumption/expenditure. Correlation analysis was conducted between households' debt and households' total consumption/expenditure. Based on the result, Spearman's rank correlation coefficient was 0.203 and significant at the p-value<0.05 level.

21. Two independent sample tests were used to measure whether there is any relationship between the variables of total debt eligibility criteria and stratum. Since normality assumptions were violated and also the total debt variable contains outlier values, Mood's median test was applied. Post-hoc tests were also applied in order to measure the source of the significant difference as a result of these tests.

Notwithstanding, the debt levels and the analysis results point out that further studies are required to comprehend the debt behavior of the households. In the 10th round of the PDM survey, debt questions were improved to provide an in-depth understanding of the debt behavior by asking why households were getting debt and from whom. The study explored what proportion of households acquired new debt in the past three months and the proportion of household expenditure that was used to repay past debt.



**Figure 12** shows that majority of the households had acquired new debts in the last three months. It coincides with the rising period of the pandemic. Around 75% of male and female-headed recipient households had contracted new debts while it is around 72% for non-recipient households. This severe result is a critical summary of how the target group is trying to cope with the challenges mainly due to the pandemic by utilizing debt. PDM findings also show debt repayment proportion for both recipients and non-recipients; 11.9% and 12.6%, respectively. This is a clear fact to assume that households will be overwhelmed under the accumulated debt because of the limited repayment and as a result, borrowing opportunities will be lost. The majority of the households are either indebted to local shops or their friends. According to focus group discussions, Kızılaykart is accepted as an assurance while borrowing especially in local shops.

The analysis points out that the refugee household primarily acquires new debt to cover their basic needs such as food, rent, and utilities (Table 2). These findings confirm the inference that both recipient and non-recipient households' contracted new debt to cover their expenses hence the impact of unemployment is not visible at this stage on expenditure.

Table 2:  
Primary Reasons for Contracting Debt

Reason for Getting Debt	Non-recipient		Recipient	
	Frequency	Percent	Frequency	Percent
Food	1.634	78,7%	1.918	88,7%
Utilities	624	30,1%	857	39,6%
Rent	939	45,2%	735	34,0%
Essential Non-food Items	314	15,1%	686	31,7%
Healthcare	267	12,8%	202	9,3%
Clothing	120	5,8%	189	8,7%
Education	46	2,2%	24	1,1%

Since the past decades, the financial means of an average household have been worsening.<sup>22</sup> It is possible to argue that this negative trend makes households in poverty, even more vulnerable. The COVID-19 pandemic and its impact on the global economy puts vulnerable households in even a more disadvantaged position. As a result, contracting new debt creates a vicious cycle for vulnerable households because their disposable income is already limited and repaying the debt with limited financial means creates more burden for the households. This situation is defined as financialization and it emphasizes a household's debt ratio in terms of its total financial liabilities divided by its disposable income.<sup>23</sup> This is obvious in the PDM results after pointing out the increase in debt (including new debt in the last three months), limited repayment of the debt, and income levels.

22. Alan Greenspan, "Understanding household debt obligations", The Federal Reserve Board, <https://www.federalreserve.gov/boarddocs/Speeches/20040223/2004/default.htm> (accessed December 2020 ,24).

23. Costas Lapavistas and Jeff Powell, "Financialisation varied: a comparative analysis of advanced economies", Cambridge Journal of Regions, Economy and Society (379-359 :2013).

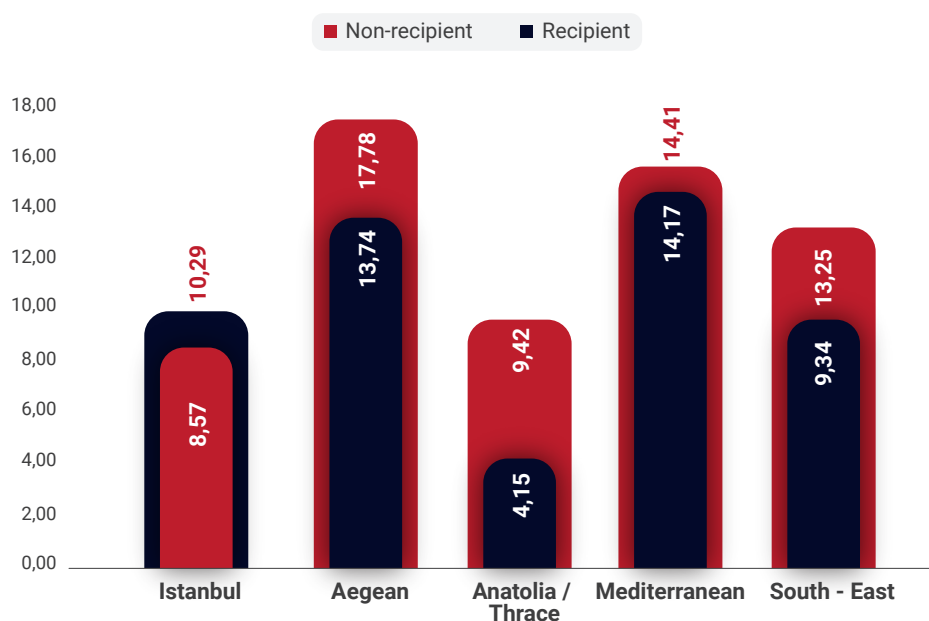


### 3.3. Coping Strategy Index

The Coping Strategies Index (CSI)<sup>24</sup> aims to understand how people behave when they cannot access enough food.<sup>25</sup> It is often used as a proxy indicator of household food security. Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe, and nutritious food which meets their dietary needs and food preferences for an active and healthy life.<sup>26</sup> When households experience either perceived or actual shocks, they have a variety of behavior patterns to cope with the effect of these shocks. The CSI captures the concept of vulnerability by directly measuring these behavioral coping responses.<sup>27</sup> Also, it is a particularly powerful tool for monitoring the same households or population over time and gives a good picture of overall household food security, and establishes a baseline for monitoring trends and the impact of the intervention.<sup>28</sup> There are two types: "Full CSI and Reduced CSI".<sup>29</sup> In the ESSN context, reduced CSI (rCSI) is used. rCSI is very useful for comparing regions and countries, or across income/livelihood groups because it focuses on the same set of behaviors. There are no universal thresholds for rCSI, however, the higher the rCSI, the more severe the coping is applied by a household.

This indicator is calculated by taking the weighted sum of these variables. The Monitoring and Evaluation framework of the ESSN is using the reduced version of the CSI.<sup>30</sup> The rCSI is calculated using five standard strategies utilized in the last seven days. **These are mainly consisting of the following behaviors:** Relying on less preferred or less expensive food, borrowing food or relying on help from friends or relatives, reducing the number of meals eaten per day, reducing the portion size of meals, reducing quantities consumed by adults so children can eat.

**Figure 13:**  
**Reduced Coping Strategy Index by Region**



**Figure 13** shows the rCSI score on a regional basis, the highest score for non-recipients is in the Aegean region (17.78); non-recipient households in this region have also the highest debt level. Non-recipient households in Istanbul have the lowest rCSI score (8.57), conversely, non-recipients in Istanbul also have the highest income level among all groups. Examining the effect of household income on rCSI, there is a significant negative relationship, and when household income increases, rCSI decreases.<sup>31</sup>

24. rCSI (Reduced Coping Strategy Index) is a proxy indicator that has been used to access household food insecurity. The rCSI is calculated using five standard strategies for a seven day recall period. The five standard coping strategies and weights are: relying on less preferred-less expensive foods (1), borrowing food from their relatives (2); limiting portion size at meals (1), restricting food consumption (3); and reducing the number of meals eaten in one day (1).

25. USAID, "The Coping Strategies Index: Field Methods Manual (2nd Edition)",

<https://www.spring-nutrition.org/publications/tool-summaries/coping-strategies-index-field-methods-manual2-nd-edition> (accessed December 2020 ,24).

26. Norwegian Refugee Council, "Global Livelihoods and Food Security Strategy",

<https://www.nrc.no/globalassets/pdf/strategies/global-livelihoods-and-food-security-strategy2025-2020-nrc-global-lfs-strategy2025-2020-.pdf> (Accessed January 2020 ,10).

27. Daniel Maxwell et al., "Alternative Food-Security Indicators: Revisiting the Frequency and Severity of Coping Strategies", Food Policy, no. 29–411 :(1999) 4.

28. Devereux, Stephen, Livelihood Insecurity and Social Protection: A Re-emerging Issue in Rural Development, Development Policy Review, no. 519-507:(2001)4.

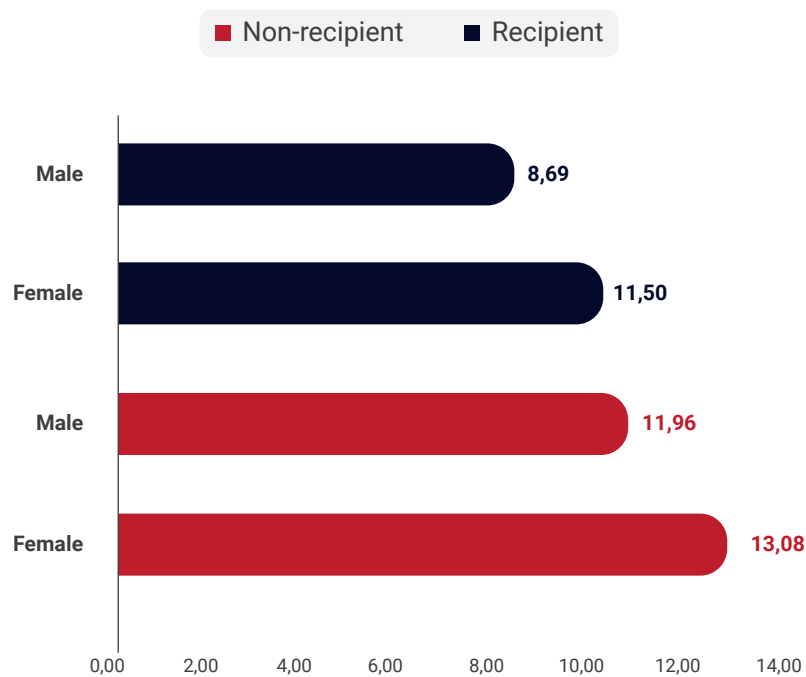
29. Diakonie Katastrophenhilfe, "Cash Transfer Programming Technical Note: Outcome Indicator Operationalization Multi-purpose Cash-Grants Complementary to the CTP Working Paper on Indicators", [https://shop.diakonie-katastrophenhilfe.de/images/downloads/10-2016\\_TechNote\\_IndicatorOPS.pdf](https://shop.diakonie-katastrophenhilfe.de/images/downloads/10-2016_TechNote_IndicatorOPS.pdf) .(Accessed, January 2020 ,10).

30. rCSI has five standard strategies: relying on less preferred (1), less expensive foods (1), borrowing food from their relatives (2); limiting portion size at meals (1), restricting food consumption (3); and reducing the number of meals eaten in one day (1).

31. Regression analysis and correlation test were utilized to see relationship between income and rCSI variables. Results stated that there is a significant negative relationship between rCSI and income variables. According to regression analysis result, one TL increase in income the model predicts a decrease of 0.001 score in rCSI.

Recipient households in the Mediterranean stratum show the highest rCSI score among recipients (14.17), while households in Anatolia/Thrace have the lowest score (4.15). Overall, except for the Istanbul region, recipient households' rCSI score is lower than non-recipient households, an indication of improvement in food and economic security for recipient households. Comparing the overall rCSI scores for the non-recipients and the recipients, scores are higher for the non-recipients (12.18) than recipients (9.19). It can be seen in Figure 14 that the rCSI scores for the female head of households are higher than the male head of households. It is observed that there is a decrease in the use of reduced coping strategies by recipient households compared to non-recipient households. This indicates that mainly the ESSN assistance helps recipient households to meet their basic needs and they refer to coping strategies less than non-recipient households.

Figure 14:  
Reduced Coping Strategy Index by Gender Head of Household



rCSI is giving an idea about the behavioral response of households in a time of limited or no access to food. On the other hand, there is an additional indicator to see the food security which is based on food consumption and which is very changeable due to internal and external dynamics of households.

Food consumption and related coping strategies are two basic behavioral responses to sustain food security. Regarding Food Consumption Groups (FCG)<sup>32</sup>, findings reveal that the share of recipient households within the appropriate consumption group is 76.9%, whereas, for the non-recipient households, it is 64.2%. Moreover, the percentage of non-recipient households that fall under the poor and borderline groups is measured as 12.9% and 22.9%, respectively. Since the proportion of recipient households are higher on the acceptable group and fewer on other consumption groups as compare to non-recipient households, it can be an indication of recipient households comparatively mitigated the challenges as well as potential effects of the COVID-19 pandemic.

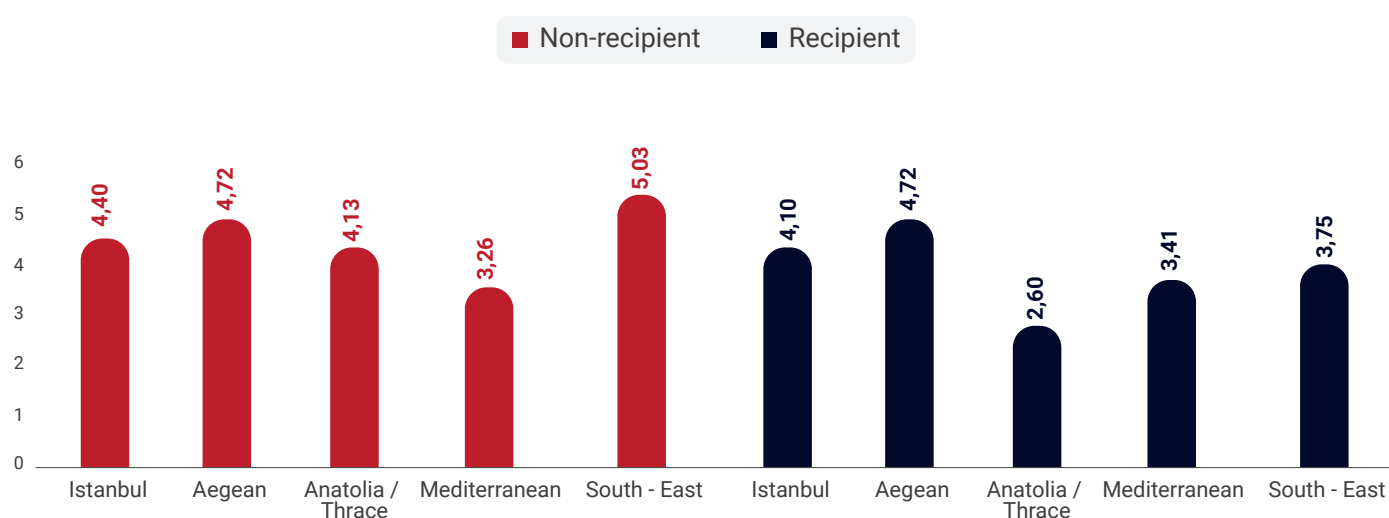
32. FCS (Food Consumption Score), Food consumption measures how well a family is eating. The "Food consumption score" (FCS) is a score calculated using the frequency of consumption of different food groups consumed by a household during the 7 days before the survey. There are standard weights for each of the food groups that comprise the food consumption score.

### 3.4. Livelihood Coping Strategies

In times of economic slowdown or downturn<sup>33</sup> like the current global economic recession mainly caused by the COVID-19 pandemic, any increases in unemployment figures, or decreases in wages and income make people more vulnerable in accessing food and basic needs. In addition, this situation reduces the economic and social resilience capacity of the household. In order to deal with it, households generally apply coping strategies to ensure their economic safeties. Accordingly, the Livelihood-Based Coping Strategy Index (LCSI) aims<sup>34</sup> to understand a household's livelihood and economic security in terms of income, expenditure, and assets. LCSI is measured to better understand longer-term household coping capacities and its behavior to adapt to the recent economic shocks. These coping strategies consist of three categories depending on the severity; stress, crisis, and emergency, and it is calculated as the weighted sum of each category similarly to rCSI. LCSI is assessed through 13 questions. to understand this severity and these questions are assigned with different scores depending on the severity. The range of the score is changing from 0 to 25. A higher value of LCSI indicates a worse economic insecurity and vice versa.

According to survey results, the LCSI for recipients and non-recipient households are 3.58 and 4.49 respectively. The Aegean region has the highest LCSI score with 4.72 for recipients which means that they have applied more to livelihood coping strategies. For non-recipients, the South-East region has the highest level of average LCSI score (Figure 15). Overall, the LCSI scores for the recipients are lower values than the non-recipients in all regions apart from the Mediterranean, indicating that recipients are slightly better off compared to non-recipients.

Figure 15:  
Regional Comparison of LCSI for Recipients and Non-recipients Households



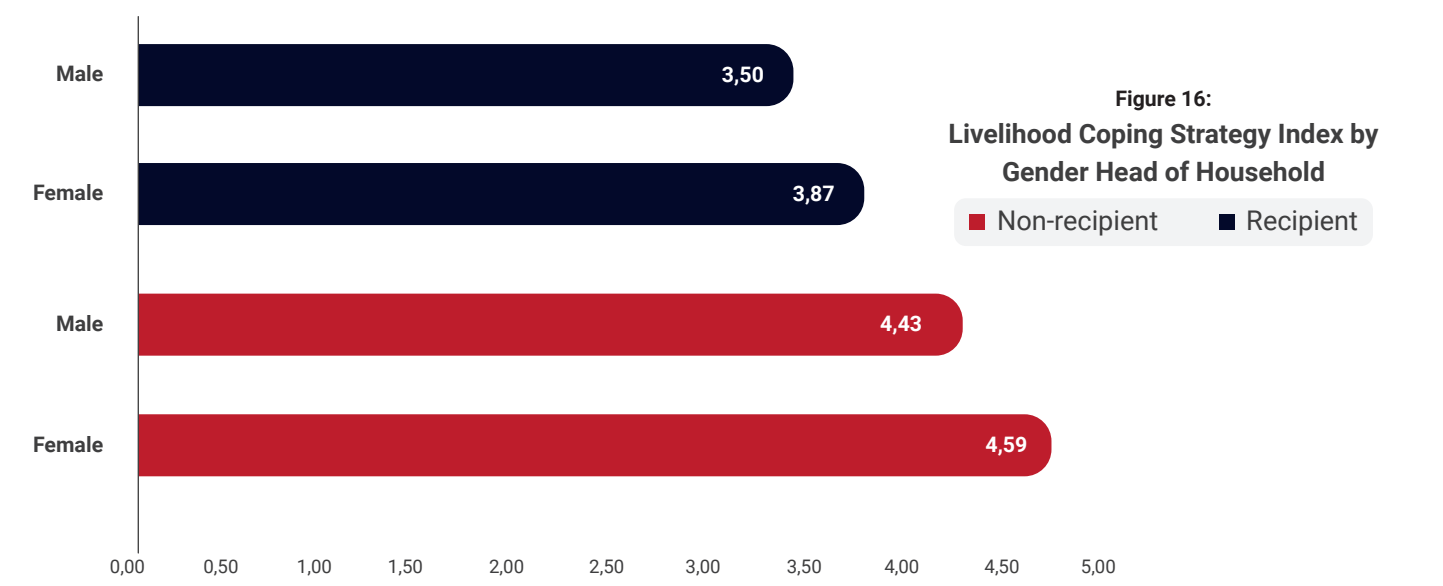
33. Economic slowdown is the growth of economic activities at a slower rate. The rate of increase in real GDP recorded during one period falls for another period, but it is seen only if this decrease remains positive. Economic downturn/recession means that there is no economic growth and there is a decrease in economic activities. It can also be expressed as negative economic growth or economic contraction relative to the real GDP ratio. For information about economic slowdown and downturn/recession link is here;

<https://www.buissnesstoday.in/moneytoday/query-corner/how-is-an-economic-recession-different-from-a-slowdown/story/7820.html>

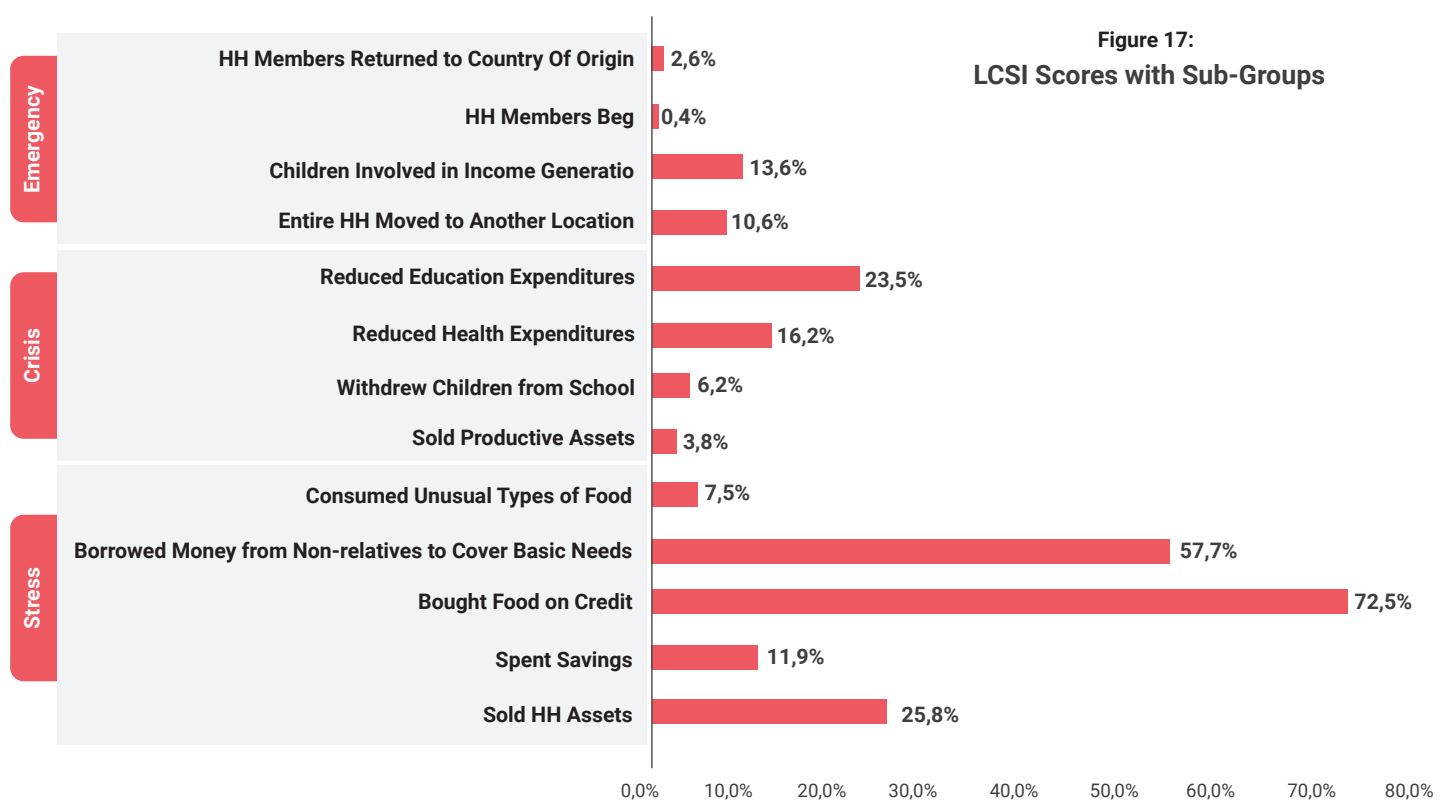
34. LCSI (Livelihood Coping Strategy Index), measuring reliance on livelihood-based coping mechanisms to cope with lack of food, remains low overall. Overall recipients most commonly buy food on credit and borrow money to purchase food. Households are more likely to use coping strategies that may affect them in the long term, especially more severe strategies such as withdraw children from school or reduce essential nonfood expenditures like health or education.

35. USAID, "The Coping Strategies Index: Field Methods Manual (2nd Edition)", <https://www.spring-nutrition.org/publications/tool-summaries/coping-strategies-index-field-methods-manual2-nd-edition> (accessed December 2020 ,24).

Gender disaggregation reveals that female-headed households’ score is slightly higher (3.87) than male-headed households (3.50). Non-recipient households, regardless of the head of the household’s gender, have an LCSi score of around 4.50. This difference can be attributed to the ESSN’s contribution to improving household resiliency (Figure 16).



It was examined whether there is a significant difference between indicators related to LCSi and rCSI and as a result, a significant difference was determined. Accordingly, the coping strategies adopted by households are classified as stress, crisis, and emergency, and are shown in the table below.



When coping strategies adopted by households are ranked according to the severity of the situation, it is seen that stress is worse than crisis and crisis is worse than an emergency. Households use all three strategy types, but the most used LCSl strategy among these strategy types is stress. According to this, while households adopted strategies such as coping with emergencies, sending children to work, and relocating to a household entirely different location, they used the strategy of coping with the crisis by reducing education expenditures and health expenditures. At the same time, households have to cope with severe stress, buying food on credit, and borrowing money. Regarding the debt values, this result seems meaningful.

Looking within each of the LCSl strategy types allows one to understand what individual coping actions are driving the use of each type. Within stress, the strategy is the most used coping mechanism are buying food on credit and borrowing money (72.5% and 57.7% respectively). Within crisis, the most frequently used coping mechanism are reducing education expenditures and health expenditures (23.5% and 16.2% respectively). Within an emergency, children involved in income generation and entire household relocating another different location.

Analysis results show that non-recipient households are negatively affected economically compared to recipient households. The main reason for this situation can be explained by factors such as economic slowdown /recession and unemployment that occurred together with the COVID-19 pandemic process. However, the point to be considered here is that although the income of the recipient households is lower, they are better situation in their coping strategies. So, it can be said that ESSN assistance has positive effects on the recipient households.

## CHAPTER FOUR

### CONCLUSION

**The PDM survey was conducted under the COVID-19 environment. The survey is measuring the impact of the assistance through the economic indicators which are defined at the beginning of the programme. However, the negative effect of the pandemic is perceived while reviewing the results. This report gives the overall picture of the sampled ESSN population and consequently, the findings of the survey are assessed together with the impact of the pandemic.**

PDM round 10 offers insights on how recipient and non-recipient groups are coping with the impact of the COVID-19 pandemic. COVID-19's negative economic impact especially hit hard the vulnerable groups. The majority of refugee households are employed informally, therefore their experience is more severe and the protracted nature of the COVID-19 pandemic gradually pushes vulnerable households further into poverty. Findings point out that in terms of economic variables (income, debt, and expenditure), non-recipient households have higher values; however, on coping-oriented indicators (rCSI and LCSl), recipient households have lower scores.

Regarding the economic variables, it can be said that the debt level is drastically increased for every group. The COVID-19 rapid assessment of IFRC and TRC measured the median debt for eligible households at 1.500 TRY. Around four months later, the debt level has increased to 2.000 TRY for recipients and 2.200 TRY for non-recipients who are in debt. For both groups, the primary reason for contracting debt is to cover basic needs like rent, food, and utilities. While median expenditure for recipients is 2.607 TRY and non-recipients is 2.745 TRY conversely, the median income is 1.000 TRY and 1.800 TRY for the recipient and non-recipient households, respectively. Obviously, ineligible households' expenditure and debt values are close to eligible ones. However, income differs for non-recipients with a higher amount. This results in more households standing above the minimum expenditure basket comparing to the recipients. There is an evident difference between expenditure levels and income, the latter is less than the former, which pushes households to contract more debt to cover basic needs. Taking into account the specific households with debt, it is seen that more than 70% of debts are contacted in the last three months. On the contrary, the repayment of these debts is very low for both groups. It shows how borrowing is a critical tool for households in the peak time of the COVID19- and how they are struggling with accumulated debt. Among the target group, debt is mainly utilized for stabilizing food security and regular payments such as rent and utilities. As stated in many focus group discussions, ESSN assistance plays a crucial role in regular payments since it is deemed as a safeguard financial support.

When disaggregated on the regional level, income and expenditure levels show an irregularity as income is decreased expenditure remained high for both recipient and non-recipient households. However, comprehensive analysis shows that debt and expenditure levels are correlated and it can be inferred that households contracted more debt to cover their basic needs which creates a vicious cycle for the households by incurring more debt in the long run. Additional analyzes were conducted to investigate this situation in more detail. As a result of additional analysis, it was determined that there was statistical significance between debt, eligibility, stratum, and criteria variables. Regardless, further studies are required to inquiry about household debt attitude / behavior.

Although the economic variables are pointing out a degrading situation for recipient households, coping indicators emphasize that they showing resiliency against the economic shock. Overall, LCSl scores for recipients are lower than for non-recipients, 3.57%, and 4.46% respectively. Moreover, rCSI scores underline the resiliency for recipients, as recipient households have used fewer coping strategies than non-recipients. rCSI scores for recipients are 9.19% while for non-recipients it is 12.18%. The most frequently used coping strategies are buying food on credit, borrowing money from non-relatives, and reduced health expenditures. When the results are evaluated overall, it is seen that the situation of the recipients is worse than the non-recipients. One of the main factors in this situation is the COVID-19 pandemic. The COVID-19 pandemic has profoundly affected every stage of the economic cycle from production to consumers worldwide. The negative effects of problems caused by COVID-19 in the workforce and employment continue since the beginning of the pandemic.



Business closures and disruptions, travel restrictions, isolation, quarantine, curfews, closure of restaurants and cafes, the shutdown of many industries, and their domino effect on other industries have had immediate and profound effects on businesses worldwide. Therefore, many people all over the world have been negatively affected economically and have lost their livelihoods which magnified the vulnerability of at-risk households. A strong indication of the impact of all these challenges is that in more than 80% of both recipient and non-recipient households, at least one person lost his / her job due to the pandemic.

**When the survey findings are disaggregated based on the regional strata, expenditure and debt are exceeding the income values in all strata without any exception. It means that the target groups are mainly using the debt to meet their needs in addition to their incomes. There are some highlights regarding these strata:**

- It is possible to say that Istanbul has more opportunities in terms of income-generating comparing to other strata. For both eligible and ineligible groups, income values are standing at the highest degree. Additionally, for the ineligible group, expenditure is also at the top, while rCSI score is standing at the lowest borderline. Especially for eligible groups, Istanbul is one of the key stratum determining the threshold for all indicators since the results are very close to it.
- In terms of expenditure, the Mediterranean and Aegean have the highest level of expenditures compared to other regions for the eligible group even the income is the lowest in the Mediterranean. For ineligible groups, debt and rCSI score is at the highest value in Aegean, while LCSi is listed in the first place in the Mediterranean.
- In Anatolia / Thrace region, rCSI and LCSi are the two indicators at the lowest degree for eligible groups.
- The rest of the strata have similar scores and values in line with the respective thresholds.

Female-headed households have more severe conditions considering the rCSI and LCSi scores which are above the threshold for both groups. Additionally, they have less debt levels which also means that coping strategies are more common instead of borrowing. As part of LCSi, reducing education expenses, withdrawing children from school, and involving them in income generation have significant scores to be considered under the protection mainstreaming.

Considering the impact and importance of the ESSN assistance, it can be stated that sustainability of the assistance and even increasing the transfer value in the current conditions under the COVID-19 circumstances are essential needs for households. However, additional assistance should be taken into account in order to increase the resilience of households due to reasons such as the uncertainty of the COVID-19 pandemic process, the possibility that it may continue in the middle and long term, the increase in unemployment during this process, the deprivation of regular income, the difficulty of the households in paying rent and bills / utilities. It is also worth keeping in mind that PDM-10 is reflecting the initial impact of the pandemic. In order to have a more comprehensive understanding related to households' reactions, the upcoming rounds will enable tracking these changes and the long-run effects of the COVID-19.

**In conclusion, as the COVID-19 pandemic's economic impact gradually increases its severity, vulnerable households have become more vulnerable and they became the first to be impacted by the loss of employment. However, as the report findings suggest, it is possible to argue that the ESSN assistance increases the resiliency of the eligible households, hence they utilize fewer coping strategies than ineligible households, in addition to their economic behaviors. The ESSN assistance is the backbone for the refugee population, however taking into account a range of needs, newly emerged vulnerabilities mostly due to the pandemic and its ongoing effect in the medium or long term, survey findings push to think further and wider for possible opportunities to connect with different sectors, development support, including social protection. In order to strengthen more the resilience of the most vulnerable group, establishing a common understanding of vulnerabilities, needs, and priorities, and reshaping the approaches accordingly can be a triggering effect for further steps in addition to ongoing humanitarian responses.**

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