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TÜRK KIZILAY

COMPLEMENTARY EMERGENCY SOCIAL SAFETY NET (C-ESSN) PROJECT

FINDINGS OF POST DISTRUBUTION MONITORING SURVEY (ROUND 3)

KIZILAYKART PROGRAMMES

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02 Introduction
03 Survey Methodology
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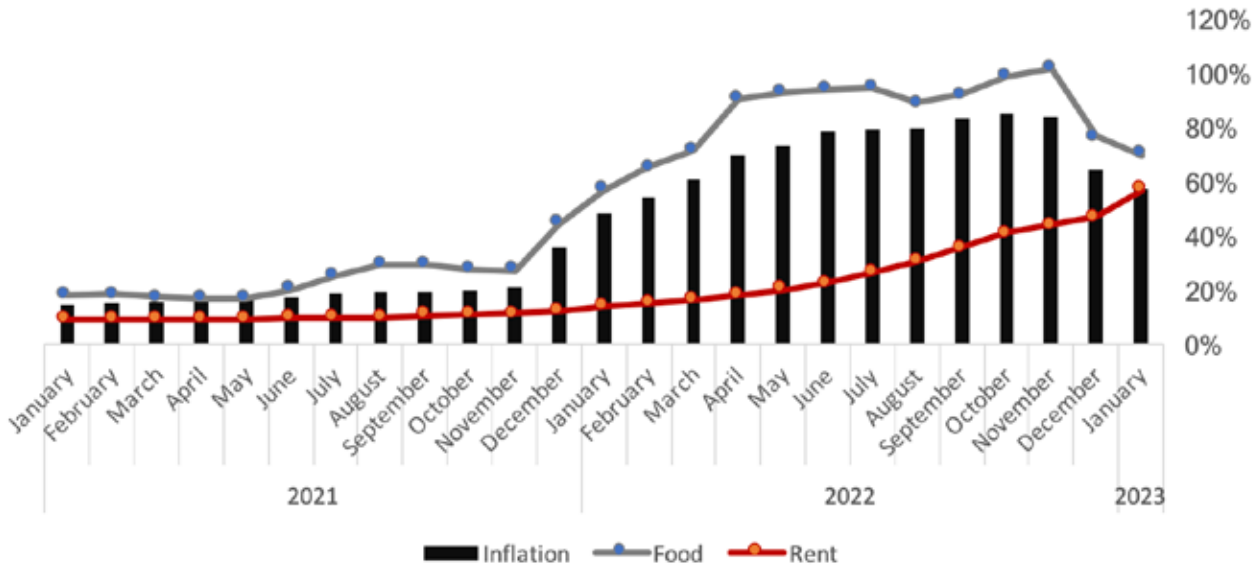
HALKBANK
KIZILAYKART

SUMMARY

In late 2019, the outbreak of the Covid-19 pandemic created a worldwide crisis environment, profoundly impacting the economies of nations. As a result of this economic shock, countries across the globe witnessed a surge in inflation. Türkiye, too, found itself affected by these crises and shocks, and since November 2021, the annual inflation rate has soared, impacting the cost of living within the country. This economic experience in Türkiye vividly reflects the challenges and difficulties prevalent in the global economic landscape



Graph 1: ***Monthly Inflation, Food and Rent rates***

As the Post Distribution Monitoring (PDM) study concludes, like the local community, has to cope with different challenges due to the cost of living and economic problems in the country context.

INTRODUCTION

ABOUT THE PROJECT

As a large population of more than 4 million registered people. Türkiye is home to a huge number of IPs. and about 320,000 people have international protection[1] status from other nationalities. In response to these demographic structures, the Government of Türkiye has either ensured temporary or international protection for these people, depending on their nationalities. Furthermore, the government has provided them with unrestricted access to basic services upon registration with the Presidency of Migration Management (PMM).

To support the Government's efforts, the Complementary ESSN (C-ESSN) Project intends to improve the living standards of the most vulnerable people with Temporary or International Protection status, as well as those with Humanitarian Residence Permits and individuals in the process of seeking International Protection in Türkiye. Through this project, eligible households receive a debit card (KIZILAYKART) that provides a predefined monthly amount of cash. The ultimate goal of this Project is to regularly disburse cash support to target group.

PURPOSE OF THE STUDY

The main purpose of this survey is to do an assessment of the impact of the C-ESSN assistance on the underlying socio-economic status of the most vulnerable beneficiaries. The assessment puts special emphasis on measuring expenditure trends, indebtedness, coping mechanisms and food consumption patterns. Essentially, the key intention was to track shifts in these indicators over a period of time and to monitor the impact of the assistance program over time.

OBJECTIVES OF THE STUDY

The study encompasses several key objectives. Firstly, it seeks to quantify the extent to which essential expenditures such as food, housing, utilities, non-food essentials, healthcare, and education are adequately covered. Secondly, it aims to elucidate the pivotal role

that income, debt, and expenditure play in unravelling the economic resilience of households. Thirdly, the assessment endeavours to gauge the intensity of coping mechanisms adopted when faced with economic or financial challenges. Lastly, the study sets out to evaluate the robustness of food consumption patterns, ensuring their stability and security.

1 The actions by the international community on the basis of international law, aimed at protecting the fundamental rights of a specific category of persons outside their countries of origin, who lack the national protection of their own countries.

SURVEY METHODOLOGY

RESEARCH DESIGN

The approach applied for this Post Distribution Monitoring (PDM) survey is shaped as a cross-sectional survey design. This design entails the collection of observations from a representative subset, or cross-section, of a larger population or phenomenon. Importantly, these observations are collected at a single instance in time, capturing a snapshot of the situation. In the context of this survey, the focal point of analysis is the household unit. In other words, the survey focuses on studying and understanding the characteristics of individual households within the population at the given moment.

SAMPLE

The sample sizes for the group benefiting from the C-ESSN Project were determined using a rigorous framework, with a confidence level of 95 per cent and a margin of error set at 5 per cent. The third phase of the Post Distribution Monitoring (PDM) initiative, referred to as PDM 3, took place from November 2022 to January 2023. During this period, a comprehensive set of responses was collected from a significant cohort of 1,757 households. These findings were then compared to the results of PDM 2, which was conducted from June 2022 to October 2022. It is worth noting that the data collection was carried out through enumerators from the Türk Kızılay (Turkish Red Crescent) 168 Call Center in Gaziantep through phone surveys.

AREA OF STUDY

The sampling framework for the C-ESSN has been meticulously formulated, accounting for the requisite minimum sample sizes within each distinct stratum. This configuration facilitates the dissection of baseline data along the lines of geographical demarcations as well as the eligibility criteria of the C-ESSN. Given the widespread dispersion of the C-ESSN demographic across the expanse of Türkiye, the pursuit of a comprehensive survey that embodies a nationwide scope necessitates the adoption of regional stratification. To this end, a division into four geographic strata has been identified, their boundaries determined by the proportion of the C-ESSN households. The complexities inherent in the implementation of a nationally representative survey on an extensive scale have historically posed operational obstacles. To overcome such challenges in advance, a strategy of merging select regions was executed, the rationale resting upon considerations of both the C-ESSN population distribution and the socio-economic dynamics characterizing the respective regions. Notably, the metropolis of Istanbul, a key trade hub in Türkiye, stands as a distinctive stratum owning to its unique socio-economic structure. Additionally, the Turkish Statistical Institute (TurkStat) accords Istanbul with the distinction of an independent stratum. In line with this framework, autonomous random samples were drawn from these four regions, as illustrated visually in Figure 1.

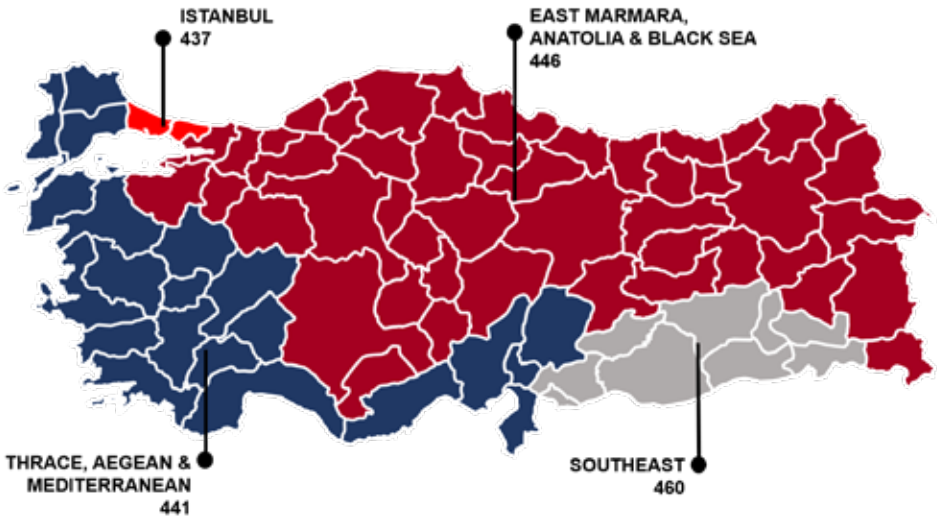


Figure 1: ***Map of Study Area***

FINDINGS

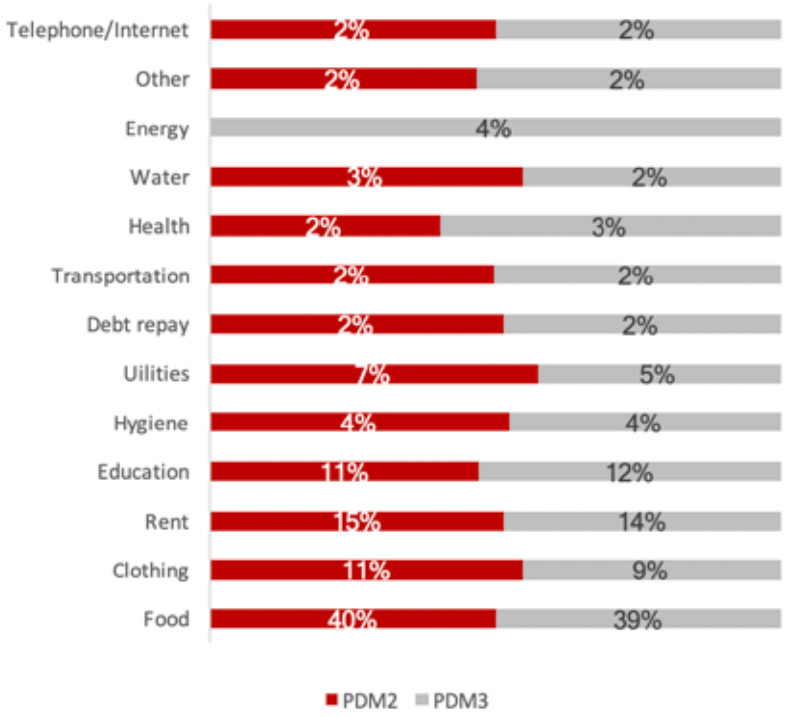
SOCIO-ECONOMIC INDICATORS

INCOME

From PDM 2 to PDM 3, the median household income for paid labour increased from 2.500 TRY to 3.000 TRY for the C-ESSN households. Moreover, even though the household's median income amounts raised, debt and expenditures also escalated together with their income, as explained in the following sections. Compared to Istanbul, the region with the highest household income amount (5.500 TRY), Thrace, Aegean and Mediterranean region has considerably lower income (2.400 TRY) for the C-ESSN households[2]. An upward trend in all three factors —household income, expenditures, and debt— can stem from a combination of influences. Economic factors like inflation and income growth can lead to higher costs of living and increased spending on goods and services, as well as borrowing for various purposes, contributing to higher expenditures and debt. The interplay of these elements forms a complex landscape that shapes the dynamics of household finances. Unskilled labour and KIZILAYKART are still the main sources of income with 42 per cent for the C-ESSN households, followed by skilled labour.

EXPENDITURE

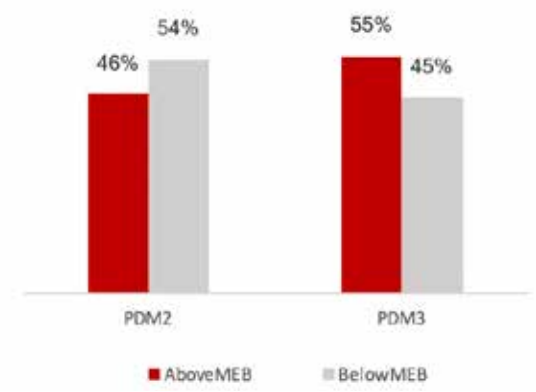
The median household expenditure within the C-ESSN beneficiary households exhibited a notable ascent, progressing from 6.214 TRY to 7.314 TRY. Among the distinct regions, Istanbul had the highest median household expenditure for the C-ESSN beneficiaries, followed by Anatolia. The primary constituents of household expenditure encompass five pivotal categories: food, rent, education, utilities, and clothing. An examination of these categories reveals that the median food expenditure moved from 2.143 TRY to 2.571 TRY over the observed period. The increase in household expenditure items is due to a combination of complex influences. These include inflation, which increases the overall cost of living, and changes in lifestyles, which cause spending patterns to shift. Basic needs such as food, housing and utilities can be subject to price hikes, forcing households to allocate more resources to these essential expenses. Changing housing dynamics contribute to higher costs of education and rent. Over 97 percent of C-ESSN respondent households live in rental housing, and pay monthly rent as median 1.000 TRY. Moreover, changing consumption trends, health expenditures, economic dynamics and unexpected events, all play a role in growing household expenditures. This multifaceted interaction highlights the various drivers behind the observed increase in expenditure categories.



Graph 2: ***Expenditure Items***

2 Mood's Median test were used to measure whether there is any relationship between the variables of labor income and region. According to test results the null hypothesis is rejected due to the fact that the probability value is less than 0.05 significance level. It was concluded that the income amounts differ in terms of region.

One of the main reasons for the increase in each of the expenditure items of the household is the change in the inflation rate and the foreign trade balances, resulting in a soar in almost every expenditure item. Moreover, the majority of the C-ESSN beneficiaries (55 per cent) had per capita expenditure levels above MEB.



Graph 3: ***MEB Levels compared to PDMs***

DEBT

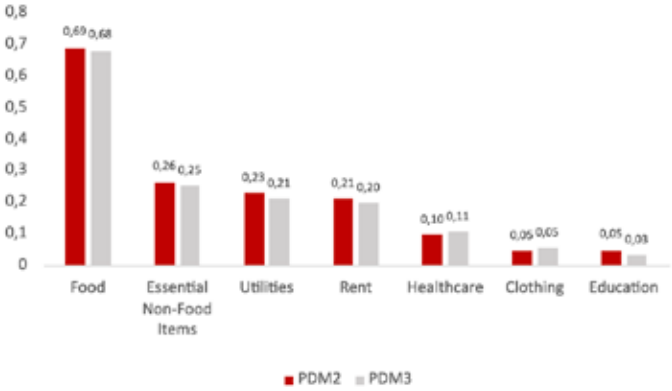
Seventy-eight per cent of the C-ESSN beneficiary housheolds have debt according to PDM 3 analysis results. The median debt amount hiked from 2.500 TRY to 2.700 TRY for the C-ESSN beneficiary household. Regarding the regional basis of household debt, it is remarkable that household incurred debt decreased in the Istanbul region (14 per cent), whilst it increased in the East Marmara-Anatolia-Black Sea region (20 per cent)

The regional disparity in job availability can be attributed to the comparatively lower level of difficulty in securing employment in Istanbul, where individuals find job opportunities more readily than in other regions. This observation underscores the notion that the challenge of irregular working has emerged as a pivotal determinant of the income-expenditure equilibrium, particularly as regional price levels converge with the rising inflationary environment.

Graph 4: ***Debt to Whom Comparison with PDMs***

Local shops were the main source of debt for the C-ESSN households (63 per cent). Borrowing from individuals (family, neighbours, etc.) within the social network is the common method among these alternatives.

As well as, the C-ESSN households borrowed to cover their most basic needs, namely food, rent, utilities, non-food items and healthcare.



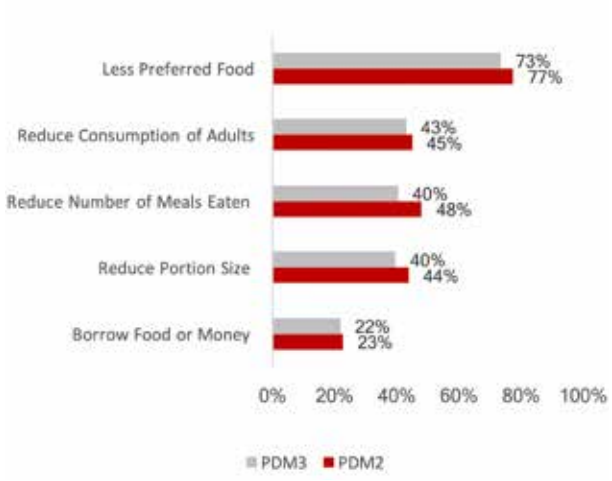
Graph 5: ***Debt Reason compared to PDMs***

COPING STRATEGIES

Reduced Coping Strategy Index (RCSI)

Reduced Coping Strategy Index (RCSI) is often used as a proxy indicator of household food insecurity . The strategies include relying on less preferred or cheaper 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 and reducing the quantities consumed by adults so children can eat. A higher score of rCSI is an indication of the worsening of food security standards for the households and vice versa[3].

Based on PDM 3 results, the rCSI score has decreased from 13,37 to 13,09 for the C-ESSN households compared with PDM 2. Primarily adopted coping strategies are still relying on less preferred/less expensive food (73 per cent) for the C-ESSN beneficiaries.



Graph 6: ***Components of rCSI***

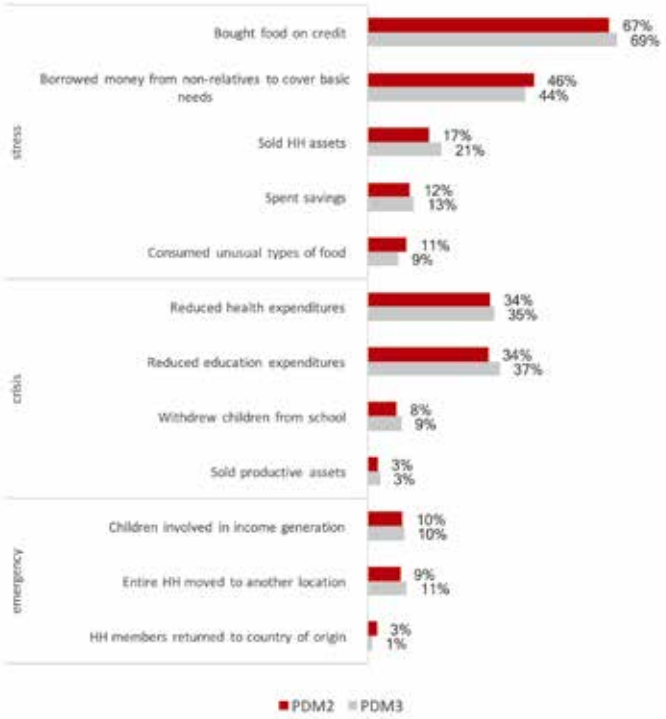
Livelihood Coping Strategy Index (LCSI)

The livelihood coping strategies[4] are categorized into three sections including stress, crisis and emergency coping strategies. Each component represents sets of behavior with different degrees of severity[5]. Overall LCSI score has increased from 3,74 to 3,91 for the C-ESSN beneficiary t households.

Stress coping strategies: According to PDM 3, buying food on credit (69 per cent) and borrowing money (44 per cent) was the most adopted livelihood coping strategy followed by selling household assets (21 per cent).

Crisis coping strategies: The C-ESSN beneficiaries applied reduced both health (35 per cent) and education expenditures (37 per cent).

Emergency coping strategies: Another most frequently adopted livelihood coping strategy according to PDM 3 is the entire household moved to another location (11 per cent).



Graph 7: ***Components of LCSI***

3 Maxwell et al. (2003). "The Coping Strategies Index: A Tool for Rapid Measurement of Household Food Security and the Impact of Food Aid Programs in Humanitarian Emergencies". Field Methods Manual. Developed for CARE Eastern and Central Africa Regional Management Unit (CARE-EARMU) and World Food Programme Vulnerability Assessment and Mapping (VAM) Unit. For more detail information; http://www.fao.org/3/ae513e/ae513e.pdf

4 Livelihood-based coping strategy index aims to assess household level of livelihood and economic security based on income, expenditure and assets to have a better understanding of households' longer-term coping capacities in response to economic shocks. The livelihood coping strategies are categorized into three including stress, crisis and emergency coping strategies. Each component represents sets of behavior with higher degree of severity, respectively

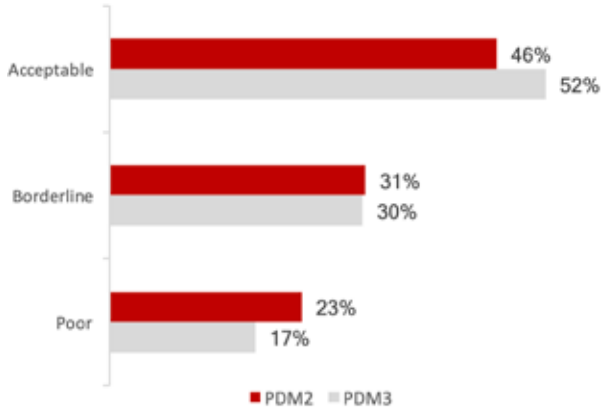
5 The severity weights are: (1) for stress coping strategies, (2) for crisis coping strategies, (3) for emergency coping strategies. The weighted sum of this variable is then calculated to obtain the LCSI score. A higher value of LCSI is an indication that the household is experiencing food and economic insecurity.

FOOD SECURITY

Food Consumption Score (FCS)

Food security can be defined as the state wherein every individual, consistently and without exception, possesses the means, both in terms of physical availability and economic access, to obtain an ample supply of food that fulfils their nutritional requirements, ensuring a life of productivity and sound well-being.

Fifty-two percent of the C-ESSN beneficiary households have acceptable food consumption scores reflecting an improvement compared to the PDM 2. This positive change can be attributed to a significant rise in food expenditures among households benefiting from the C-ESSN.



Graph 8: ***FCG levels by PDM's***

Furthermore, the analysis illuminated that the Istanbul region had the highest score for acceptable food consumption (from 51 per cent to 61 per cent) and mean FCS (from 46 to 49) compared to PDM 2 and PDM 3 for C-ESSN households. In line with the results, there is also evidence that food security has improved for C-ESSN households. This implies that programmatic interventions and KIZILAYKART had a visible positive impact on the region in terms of food security.

CONCLUSION

Türkiye has grappled with persistent inflationary pressures since 2021, largely attributable to the repercussions of the COVID-19 pandemic crisis and the ongoing conflict in Ukraine. In response to this high inflation, the Turkish Government has implemented a range of policies, including elevating the minimum wage, with the aim of stabilizing the purchasing power of its citizens. Additionally, as the inflation rate remains elevated, regional disparities in price levels have started to converge, which accounts for the decline in the median total debt in Istanbul while observing an increase in other regions.

- Comparing PDM 2, median expenditure increased about 18 per cent, along with an 8 per cent increase in debt. Even though household income for paid labour increased by one-fourth, expenditure and debt of the households also increased with it. That is why expenditure and income level increase does not reflect improved well-being for the C-ESSN beneficiary households. These increases are directly related to the inflation in Türkiye.
- The rCSI score is slightly lower, LCSI score is slightly altered compared to PDM 2 results. This slight change in the coping strategy indexes shows that the C-ESSN households applied almost the same strategies in their lives even when their income and expenditure levels increased.
- Food insecurity is improved slightly compared to PDM 2 results. About 52 per cent of the C-ESSN recipient households have acceptable FCS. Meaning of that, the C-ESSN households are better off in food consumption compared with PDM 2.

In conclusion, according to the results obtained from the PDM 3 report and the economic situation in Türkiye, it seems that the current cash assistance has positively affected the socio-economic status of the households. However, there was no significant improvement according to the coping mechanisms indices. The general reason for these results is that the prices of goods and services are on an increasing trend. The effect of the cash assistance provided loses its effect due to the inflationary situation because the prices of goods and services increase regularly. To maintain the effect of the cash assistance, the transfer amount needs to be increased.

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