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RESEARCH ARTICLE

Household Coping Strategies Under Persistent Inflation: An Economic-Sociological Analysis of the Turkish Case

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Abstract

Sustained high inflation has reshaped everyday economic life for households across Türkiye over the past several years, yet the sociological mechanisms through which households absorb, redistribute, and endure this pressure remain less thoroughly theorized than the macroeconomic drivers of inflation itself. This article develops an economic-sociological account of household coping strategies under persistent inflation, drawing on an integrative review of scholarship published between 2023 and 2026. Building on the concept of social embeddedness, the article argues that household responses to inflation cannot be adequately explained by rational-choice consumption models alone, since a substantial share of adaptive behavior is channeled through informal kinship, neighborhood, and community networks rather than through formal market or state mechanisms. Three coping domains are examined: adjustments to consumption and expenditure patterns, increased reliance on informal solidarity networks, and the erosion of household savings and asset buffers. The review situates the Turkish experience within a comparative international literature on inflation coping while highlighting features distinctive to the Turkish case, including the scale and duration of the current disinflation process and the structural entrenchment of informality as a household risk-management strategy. The article concludes with implications for social policy design and for future household-level economic research in high-inflation contexts.

Keywords: *economic sociology, household coping strategies, inflation, informal networks, cost-of-living crisis, Türkiye*

1. INTRODUCTION

1.1. Background and Problem Statement

Türkiye has experienced one of the most protracted episodes of high consumer price inflation among G20 economies in the current decade, with annual inflation rates remaining above thirty percent through much of 2025 even as the disinflation process that began in mid-2023 continued (BBVA Research, 2026; OECD, 2026). While the macroeconomic drivers of this inflation, including exchange rate depreciation, monetary policy credibility, and fiscal dynamics, have received extensive attention within economics, considerably less systematic attention has been paid to how ordinary households have absorbed the cumulative erosion of purchasing power that this inflation has produced over a period spanning several years rather than a single price shock.

This gap matters because the household is not merely a passive recipient of macroeconomic conditions but an active site of adaptation, in which income, consumption, saving, and social relationships are continuously renegotiated in response to changing price levels. Comparative sociological research on inflation in other high-inflation economies has shown that households develop distinctive, often improvised, repertoires of coping behavior that extend well beyond the substitution effects captured by standard consumer theory, encompassing shifts in social obligation, reliance on informal credit, and changes in they perceived legitimacy of formal economic institutions (Hernández & Luzzi, 2023). Whether

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comparable dynamics characterize the Turkish case, and how they interact with the specific institutional and cultural features of Turkish household life, has not yet been systematically synthesized.

A further dimension of the problem concerns distributional impact. Recent microsimulation research demonstrates that the cost-of-living crisis has not been experienced uniformly across the Turkish income distribution, with lower-income households bearing a disproportionate share of the real income loss associated with inflation, given that a larger share of their expenditure is concentrated in the food and energy categories that have experienced the steepest price increases (Can et al., 2025). Understanding how such households, in particular, cope with sustained inflation is therefore not only a matter of economic description but a matter directly relevant to social policy and inequality.

The problem is compounded by the sheer duration of the current episode. Where many comparative studies of household inflation coping examine adaptation to a discrete price shock lasting a year or two, the Turkish population has now navigated more than half a decade of elevated inflation, spanning the acute crisis phase of 2021 through 2023 and the subsequent, still incomplete, disinflation process extending into 2026. This extended duration raises distinct theoretical questions that shorter-episode studies cannot address: whether household coping strategies that are adaptive over months remain viable, or instead become themselves sources of vulnerability, when sustained over multiple years, is a question this article treats as central to understanding the Turkish case.

1.2. Purpose of the Study and Research Questions

This article aims to develop an integrated economic-sociological account of how Turkish households have coped with persistent inflation, synthesizing recent empirical and theoretical literature into a coherent analytical framework. Three research questions guide the review. First, what forms of expenditure and consumption adjustment have Turkish households adopted in response to sustained inflation, and how do these adjustments vary by income level? Second, to what extent, and through what mechanisms, do informal social networks, including kinship, neighborhood, and community ties, substitute for or supplement formal market and state mechanisms in helping households manage inflationary pressure? Third, what are the medium-term consequences of these coping strategies for household savings, asset accumulation, and long-term economic security?

As with the broader research program of which this article forms a part, the approach adopted here is conceptual and integrative rather than based on new primary data collection. The article treats the accumulating body of empirical work on Turkish household economic behavior, together with the comparative international literature on inflation coping, as the evidentiary basis for a synthesized theoretical account.

1.3. Significance of the Study

The significance of this article lies first in its attempt to bridge economic and sociological perspectives on a phenomenon, household inflation coping, that has typically been analyzed either through the lens of formal consumer expenditure statistics or through the lens of qualitative accounts of hardship, without much sustained effort to integrate the two. By drawing on both household consumption survey research (Yüksel & Başar, 2025) and sociological accounts of informal coping (Hernández & Luzzi, 2023), the article offers a more complete picture of the mechanisms through which Turkish households have absorbed several consecutive years of double-digit, and at times near-triple-digit, inflation.

Second, the article is significant for its explicit attention to the informal economy as a coping mechanism, a dimension that is frequently acknowledged in passing within Turkish economic policy discussions but rarely theorized in a systematic way. Given that rising inflation and declining real wages have made families increasingly reliant on informal networks for survival, further entrenching long-term inequalities (Bertelsmann Stiftung, 2026), a sociologically grounded account of how these networks actually function at the household level is of direct relevance to policy-makers concerned with social protection design in high-inflation environments.

2. THEORETICAL FRAMEWORK AND METHODOLOGICAL APPROACH

2.1. Theoretical Framework

This article draws primarily on the concept of social embeddedness in economic sociology, which holds that economic action, including household consumption and saving decisions, is not reducible to atomized individual optimization but is embedded within, and shaped by, ongoing social relationships, obligations, and networks. Applied to the study of inflation coping, this framework predicts that household responses to price increases will be channeled not only through market substitution, buying cheaper goods, reducing quantities purchased, but also through the activation or intensification of social ties that provide access to resources outside formal market transactions, such as shared meals, informal borrowing, or reciprocal exchange of goods and services.

This embeddedness framework is complemented by recent sociological work on the everyday social perception of inflation, which emphasizes that households do not experience price increases as a single undifferentiated phenomenon but interpret and respond to inflation through culturally specific frameworks of fairness, blame, and moral evaluation. Coping with inflation involves not only material adjustment but also social perceptions and ordinary measures through which households and communities collectively make sense of, and normalize, an otherwise disorienting economic experience (Hernández & Luzzi, 2023). This suggests that any adequate account of Turkish household coping must attend not only to what households do in response to inflation but to how they interpret and narrate their own adaptive behavior.

Finally, the article draws on distributional and microsimulation approaches to model how coping capacity varies systematically across the income distribution, recognizing that households with greater asset buffers, more diversified income sources, and stronger informal network resources are likely to experience meaningfully different coping trajectories than lower-income households with thinner buffers and more limited network resources (Can et al., 2025).

2.2. Review Methodology

This article follows an integrative review design, combining sources from economic sociology, household consumption economics, and comparative distributional analysis. Searches were conducted for peer-reviewed and institutional literature addressing household coping strategies, consumption expenditure patterns, informal economic networks, and the cost-of-living crisis, with particular attention to sources directly addressing the Turkish case and to comparative sources addressing analogous high-inflation contexts elsewhere. Consistent with the broader methodological approach adopted across this research program, only sources published from 2023 onward were retained for substantive citation, so as to ensure that the analysis reflects the most current phase of the Turkish inflation episode, spanning the peak inflation period of 2022–2023 through the subsequent, still incomplete, disinflation process extending into 2026.

Sources were organized thematically around three coping domains identified as central in the preliminary literature scan: consumption and expenditure adjustment, informal network reliance, and savings and asset erosion. Macroeconomic and institutional sources, including central bank, OECD, and country-risk assessment publications, were used to establish the aggregate inflationary context within which household-level coping behavior has unfolded, while household- and community-level sources provided the primary evidentiary basis for the thematic review presented in Section 3.

3. THEMATIC REVIEW

3.1. Consumption and Expenditure Adjustment

The most immediately visible household response to sustained inflation is adjustment of consumption and expenditure patterns. Analysis of Turkish household consumption expenditures shows that socio-economic determinants, including household income, education level, and household composition, strongly shape both the level and the structure of spending adjustment, with lower-income households concentrating adjustment disproportionately in food and non-durable goods categories that leave little room for further substitution once initial adjustments have been exhausted (Yüksel & Başar, 2025). This finding is consistent with the broader economic principle that expenditure elasticity declines as the share of income devoted to subsistence goods rises, meaning that lower-income Turkish households face a narrower range of viable consumption adjustments than higher-income households with more discretionary expenditure to reduce.

Official inflation data corroborate the particular severity of food and housing cost pressure that has structured these adjustment patterns. Category-level inflation figures through 2025 and into 2026 show food and non-alcoholic beverages and housing consistently among the fastest-rising expenditure categories, even as headline inflation gradually eased from earlier peaks, meaning that the categories least amenable to substitution have remained under the greatest sustained price pressure throughout the disinflation period (OECD, 2026). This pattern helps explain why qualitative and survey-based accounts of Turkish household coping consistently emphasize food security concerns as a central, rather than peripheral, dimension of the inflationary experience.

Distributional modeling further indicates that behavioral consumption responses to inflation are relatively constrained for lower-income households, since the largest price increases have concentrated in categories, particularly food and housing, that offer limited scope for demand reduction without directly compromising basic welfare, a pattern that mirrors comparable findings from cost-of-living microsimulation research across Turkey and the South Caucasus more broadly (Can et al., 2025). Higher-income households, by contrast, retain meaningfully greater flexibility to reduce discretionary expenditure, delay large purchases, or substitute toward lower-cost alternatives without comparable welfare cost, reinforcing the distributionally regressive character of inflation as experienced at the household level.

Household composition further mediates the severity and form of consumption adjustment. Households with a larger number of dependents, whether children or elderly family members, face structurally higher shares of inelastic expenditure, on food, healthcare, and education, and correspondingly narrower room for discretionary adjustment than smaller or single-person households with comparable income (Yüksel & Başar, 2025). Households headed by underutilized working-age individuals, defined as those outside the labor force who are not students, retirees, or engaged in full-time domestic care, appear especially exposed, since they combine constrained income growth with the same inelastic expenditure pressures facing the wider population, a combination that recent Turkish household survey analysis identifies as a distinct and understudied vulnerability category within the broader population of inflation-affected households.

3.1.1. Substitution Toward Lower-Cost Goods and Informal Retail Channels

A related but analytically distinct adjustment strategy involves substitution not merely toward cheaper branded alternatives within formal retail, but toward informal and semi-formal retail channels, including neighborhood markets, direct producer purchasing arrangements, and community bulk-buying schemes, that offer lower prices than established supermarket chains at the cost of reduced convenience and product variety. While systematic Turkish data quantifying the scale of this shift remains limited, its presence is consistent with the broader embeddedness framework adopted in this article, since informal retail channels typically operate through denser, more socially mediated transaction relationships than formal retail, blurring the boundary between the consumption-adjustment and informal-network-reliance coping domains examined separately in Sections 3.1 and 3.2.

3.2. Reliance on Informal Solidarity Networks

Beyond formal consumption adjustment, a recurring theme across the literature is the intensified reliance of households on informal solidarity networks, including extended family, neighbors, and community associations, as a buffer against inflationary pressure. Country-level risk assessments note explicitly that rising inflation and declining real wages have made families increasingly reliant on informal networks for survival, further entrenching long-term inequalities across the Turkish population, and that this reliance has become a structural rather than a temporary feature of household risk management in the current economic environment (Bertelsmann Stiftung, 2026).

Comparative sociological research on inflation coping in other economies undergoing sustained high inflation similarly finds that everyday inflation coping is substantially mediated by social perception and community-level ordinary measures, such as shared bulk purchasing, informal credit arrangements between neighbors, and reciprocal exchange of goods and childcare labor, rather than by individual household action alone (Hernández & Luzzi, 2023). While this research was conducted in a different national context, the underlying sociological mechanism, namely that informal networks substitute for weakened formal-sector purchasing power precisely because they operate outside the price mechanism that is generating the household's economic distress in the first place, is directly applicable to understanding the Turkish case.

This reliance on informal networks carries an important, if underexplored, distributional implication. Households with denser, more resource-rich informal networks, typically those embedded in stable, long-settled communities or extended family structures, are better positioned to draw on this buffer than more socially isolated households, including many recent internal migrants and newly formed nuclear households in large urban centers. This suggests that the capacity to cope with inflation through informal solidarity is itself unevenly distributed across the Turkish population in ways that compound, rather than offset, the income-based distributional patterns discussed in Section 3.1.

Intergenerational co-residence represents a particularly important, if often overlooked, form of informal network coping in the Turkish context. Extended family households in which adult children remain in, or return to, the parental home, or in which grandparents relocate to assist with childcare and shared household expenses, function as an implicit pooling mechanism that spreads inflationary risk across a wider income base than any single nuclear household could draw upon independently. This pooling function is consistent with the broader comparative literature on inflation coping, which identifies household formation and co-residence decisions themselves as an underappreciated margin of adjustment, distinct from, but interacting with, the consumption and expenditure adjustments discussed in Section 3.1 (Hernández & Luzzi, 2023).

3.3. Savings Erosion and the Weakening of Long-Term Asset Buffers

A third coping domain concerns the erosion of household savings and asset buffers under conditions of sustained inflation. Structural economic analysis of Türkiye documents that private sector indebtedness has remained persistently elevated across the recent inflationary period, a pattern that reflects, among other factors, households and firms drawing on credit to sustain consumption levels that current income alone could not support (Mahmood, 2023). This dynamic represents a form of intertemporal coping, in which households effectively borrow against future income to maintain present consumption, but one that carries clear long-term risk, particularly where real interest rates remain high relative to household income growth.

Complementing this credit-based coping mechanism, household savings themselves have come under sustained pressure as inflation has outpaced the nominal returns available on many conventional Turkish lira-denominated savings instruments for extended periods, prompting a documented household shift toward foreign currency holdings, gold, and other inflation-hedging assets as an alternative store of value (Dolanay, 2024). This shift, while rational from an individual household perspective, has broader macroeconomic implications, including complicating monetary policy transmission and reinforcing currency substitution dynamics that themselves have historically been associated with further inflationary pressure in the Turkish economy.

The cumulative effect of credit reliance and savings erosion is a gradual thinning of the financial buffers that would, under more stable price conditions, allow households to absorb unexpected income shocks, such as illness, job loss, or family emergencies, without resorting to further borrowing or asset liquidation. This thinning of buffers means that the coping strategies adopted during the acute phase of the inflationary episode may leave Turkish households structurally more vulnerable to subsequent shocks even after headline inflation eventually returns to more moderate levels, a medium-term consequence that receives comparatively little attention in policy discussions focused primarily on the trajectory of the headline inflation rate itself.

Private debt-to-GDP figures over the recent period illustrate the scale of this dynamic at the aggregate level, with Turkish private sector indebtedness peaking above one hundred and sixty percent of GDP before beginning a gradual decline as tighter monetary conditions took hold, a decline that reflects, at least in part, reduced household and firm capacity to sustain previous levels of credit-financed consumption rather than a straightforward improvement in underlying household financial resilience. Interpreting this decline as an unambiguous sign of improving household balance sheets would therefore be premature without complementary evidence on household income growth and consumption welfare over the same period.

3.4. The Disinflation Process and Its Uneven Household Effects

The gradual disinflation process that Türkiye has experienced since mid-2023, with headline inflation declining from peaks above sixty percent to figures in the low thirties by 2025 and 2026, might be expected to ease the coping pressures documented above, yet the available evidence suggests that this easing has been slower to reach household welfare than the headline inflation figures alone would imply (BBVA Research, 2026). Disinflation describes a slowing rate of price increase rather than a reversal of the price level itself, meaning that the cumulative purchasing power losses accumulated during the peak inflationary period are not restored simply because the pace of further increase has moderated.

Macroeconomic assessments further note that disinflation has proceeded unevenly across expenditure categories, with continued elevated price pressure in categories such as housing, education, and certain food subcategories even as other categories moderate more rapidly, meaning that the composition, and not only the aggregate pace, of ongoing inflation continues to shape which households experience meaningful welfare relief from disinflation and which do not (OECD, 2026). Households whose consumption baskets are weighted toward the categories where price pressure has remained most persistent, again disproportionately lower-income households, are therefore likely to experience the benefits of disinflation considerably later, and to a lesser degree, than aggregate statistics suggest.

3.5. Comparative International Perspectives on Inflation Coping

Situating the Turkish case within the wider comparative literature on household inflation coping clarifies both what is generalizable and what is distinctive about the Turkish experience. Research on Argentina's protracted inflationary history, a case with important structural similarities to Türkiye in terms of duration and the entrenchment of currency substitution, finds that households develop durable, culturally embedded repertoires for interpreting and managing chronic inflation, including informal indexation practices, reliance on foreign currency as a parallel unit of account, and socially shared narratives that assign moral responsibility for price increases to specific economic and political actors (Hernández & Luzzi, 2023). These parallels suggest that some of the coping behaviors documented in the Turkish case, particularly currency substitution and informal network reliance, reflect a more general household adaptation to chronic, rather than transitory, inflation that is likely to recur wherever price instability persists over multiple years rather than resolving within a single business cycle.

At the same time, comparative research on other economies experiencing acute cost-of-living pressure, including South Asian contexts where households have been shown to combine budgeting discipline, informal risk-sharing, and reduced discretionary consumption in broadly similar proportions to those documented for Türkiye, suggests that certain elements of the coping repertoire identified in this review are not uniquely Turkish but represent a more general household response to sustained inflationary pressure across diverse developing and emerging-market contexts. What differentiates the Turkish case is less the qualitative nature of the coping strategies employed than their duration and the depth of currency substitution and informal-network entrenchment that a now multi-year inflationary episode has produced.

This comparative perspective carries an important methodological implication for future Turkish research: rather than treating Turkish household coping as sui generis, researchers would benefit from explicitly testing whether the coping models developed in other chronic-inflation contexts, such as Argentina, transfer to the Turkish setting with only modest adaptation, or whether specific features of Turkish household structure, extended family co-residence patterns, urban-rural migration dynamics, and the particular configuration of Turkish informal credit markets, require a more substantially adapted theoretical model.

3.6. Policy Responses and Their Household-Level Reception

Government and central bank policy responses to the inflationary episode form an important backdrop against which household coping strategies have evolved, since household expectations about the likely future trajectory of inflation shape present coping behavior at least as much as current price levels themselves. The tightening of monetary policy that began in mid-2023, involving a substantial and sustained increase in policy interest rates coordinated with the Ministry of Treasury and Finance, marked a deliberate shift toward an orthodox disinflation strategy after a period in which unconventional low-interest-rate policy had been associated with accelerating rather than moderating inflation (Dolanay, 2024).

The household-level reception of this policy shift has been shaped significantly by the gap between the pace of formal disinflation and the pace at which households perceive genuine relief in their own cost of living, a gap that is reinforced by the uneven, category-specific pattern of price moderation discussed in Section 3.4. Where households experience persistent price pressure in categories central to daily subsistence even as headline inflation statistics improve, confidence in the credibility and household relevance of official disinflation policy is likely to lag behind the improvement in aggregate statistics, a dynamic that has direct implications for the durability of household coping behaviors such as currency substitution and informal saving, which are likely to persist as precautionary strategies even after formal price stability has been substantially restored.

3.7. Gendered Dimensions of Household Coping

A dimension of household inflation coping that cuts across all three domains examined above, but that is rarely foregrounded as a distinct analytical category in existing Turkish research, concerns the gendered distribution of coping labor within households. Comparative sociological literature on household economic adaptation consistently finds that the unpaid labor of substituting toward cheaper goods, coordinating informal exchange with neighbors and kin, and managing household budgeting under conditions of scarcity falls disproportionately on women, even in households where formal income is shared or where women themselves participate in paid employment (Hernández & Luzzi, 2023). While Turkish-specific quantitative evidence on this distribution remains limited, the broader comparative pattern suggests that the coping strategies documented in this review are unlikely to be gender-neutral in their household implementation, even where their formal economic outcomes, such as reduced expenditure or increased informal borrowing, are measured at the household rather than the individual level.

This gendered coping labor has implications for how the welfare costs of inflation should be assessed. Household-level expenditure and savings statistics, of the kind reviewed in Sections 3.1 and 3.3, capture the material outcomes of coping strategies but not the additional, largely unremunerated time and effort required to achieve those outcomes, effort that survey evidence from comparable contexts suggests is unevenly distributed by gender within the household. Future Turkish research disaggregating coping behavior by gender within, rather than only across, households would meaningfully extend the analysis developed in this review.

4. DISCUSSION

The thematic review presented above supports a central analytical claim of this article: that Turkish household coping with sustained inflation cannot be adequately captured by models that treat the household as an isolated, purely market-embedded economic actor. Across all three coping domains examined, consumption adjustment, informal network reliance, and savings and credit behavior, social relationships and informal institutions play a role that formal economic statistics alone do not capture, reinforcing the relevance of an embeddedness-informed sociological approach alongside conventional household expenditure economics.

A second important implication concerns the distributional regressivity of inflation's welfare impact once coping capacity, rather than income alone, is taken into account. Lower-income households face both a narrower range of viable consumption adjustments, since a larger share of their spending is concentrated in inelastic subsistence categories, and, in many cases, thinner informal network resources than more socially embedded, longer-settled households, compounding rather than offsetting income-based disparities in the ability to weather sustained inflationary pressure (Can et al., 2025; Yüksel & Başar, 2025).

A further point concerns the temporal mismatch between headline macroeconomic indicators and lived household experience. Because disinflation reflects a slowing rate of increase rather than a reversal of accumulated price levels, and because price pressure has remained disproportionately concentrated in categories most relevant to lower-income household budgets, aggregate disinflation statistics are likely to substantially overstate the pace at which ordinary households, and particularly lower-income households, experience genuine relief from the cost-of-living pressures documented throughout this review.

Finally, the informal network reliance documented in Section 3.2 raises a broader question about the long-term social consequences of prolonged inflationary stress. While informal solidarity networks have clearly functioned as an effective, if partial, buffer against inflationary pressure, their intensified and prolonged use also represents a form of informal social insurance substituting for weaker formal social protection mechanisms, a substitution that may have implications for the future development of formal social policy in Türkiye if informal reliance becomes further entrenched as the default household response to macroeconomic volatility.

The comparative evidence discussed in Section 3.5 further suggests that the persistence of coping behaviors such as currency substitution and informal saving is unlikely to unwind quickly even once formal price stability is restored, since these behaviors, once embedded as durable household risk-management routines over a period of several years, tend to acquire an inertia that outlasts the immediate economic conditions that originally produced them. This has an important implication for how policy-makers should interpret household behavior during the later stages of the disinflation process: continued reliance on foreign currency holdings or informal credit should not necessarily be read as evidence that households disbelieve improving official inflation statistics, but rather as a rational precautionary response to the accumulated experience of a multi-year inflationary episode whose full resolution households cannot yet be certain has occurred.

A related point concerns the interaction between monetary policy credibility and household coping behavior discussed in Section 3.6. Where households have experienced repeated cycles of policy tightening followed by renewed inflationary pressure over the preceding decade, as has been the case in

Türkiye, rational household expectations are likely to remain more cautious than official disinflation trajectories alone would suggest is warranted, reinforcing the persistence of precautionary coping behavior discussed throughout this review even as aggregate conditions continue to improve.

5. CONCLUSION AND RECOMMENDATIONS

5.1. Conclusions

This article has argued that Turkish household coping with sustained inflation operates across three interlinked domains, consumption and expenditure adjustment, reliance on informal solidarity networks, and the erosion of savings and asset buffers, each of which is shaped by an embeddedness of household economic behavior within broader social relationships that conventional consumer expenditure economics does not fully capture. The distributional evidence reviewed indicates that these coping mechanisms are themselves unevenly available across the income distribution, meaning that the welfare cost of sustained inflation has fallen disproportionately on lower-income households even as the ongoing disinflation process gradually reduces the aggregate inflation rate.

The Turkish case, characterized by an unusually protracted period of high inflation followed by a slow and uneven disinflation process, offers a valuable, if still incomplete, natural experiment for understanding how household coping strategies evolve over an extended inflationary cycle rather than in response to a single, transient price shock.

A further conclusion concerns the analytical value of treating coping strategies as interdependent rather than as separate, independently operating responses. The evidence reviewed here indicates that consumption adjustment, informal network reliance, and savings and credit behavior interact with, and often substitute for, one another within individual households over the course of a prolonged inflationary episode, such that a full account of household welfare under inflation requires examining these domains jointly rather than treating any single domain, such as formal consumption expenditure, as sufficient on its own to characterize household adaptation.

5.2. Limitations

As an integrative conceptual review, this article synthesizes existing survey, microsimulation, and comparative sociological research rather than presenting new primary household-level data specific to the Turkish case, and its account of informal network reliance in particular draws partly on comparative international evidence whose direct applicability to Turkish social structures, while theoretically plausible, has not yet been confirmed through dedicated Turkish fieldwork. The rapidly evolving nature of the Turkish disinflation process also means that the household welfare implications discussed here should be understood as reflecting the situation through the period covered by the reviewed sources, and may require revision as the disinflation process continues to unfold.

5.3. Recommendations

For social policy design, the evidence reviewed here suggests that formal social protection mechanisms should be calibrated with explicit attention to the categories, particularly food and housing, where price pressure has remained most persistent throughout the disinflation process, since these are precisely the categories where lower-income households retain the least capacity for further consumption adjustment.

For researchers, this article recommends dedicated Turkish fieldwork examining informal network reliance directly, given that the current evidentiary basis for this coping mechanism in the Turkish case rests substantially on comparative international literature and country-level risk assessments rather than on dedicated household-level Turkish sociological research; such fieldwork would allow the embeddedness framework proposed here to be tested with primary data rather than through extrapolation.

For household-facing financial institutions and policy-makers, the documented shift toward foreign currency and gold holdings as inflation hedges, alongside rising private-sector indebtedness, suggests a need for expanded, accessible financial guidance aimed at helping households manage the medium-term risks associated with these coping strategies, particularly as the eventual full normalization of inflation may leave heavily indebted households exposed to real interest burdens that were less salient during the acute inflationary period.

Given the gendered coping dimension identified in Section 3.7, this article further recommends that social policy and household economic support programs explicitly account for the distribution of unpaid coping labor within households, rather than evaluating policy effectiveness solely against household-level material outcomes such as aggregate expenditure or savings figures, which by construction cannot capture the differential time and effort burdens documented in the comparative literature reviewed here.

Finally, given the extended duration of the current inflationary episode and the evidence that coping behaviors such as currency substitution and informal saving are likely to persist beyond the point of formal price stabilization, this article recommends that monetary and fiscal authorities incorporate explicit household expectation and confidence indicators into their assessment of disinflation progress, rather than relying on headline price statistics alone, since the gap between statistical disinflation and household-perceived economic relief identified throughout this review is likely to shape household behavior, and therefore the broader macroeconomic transmission of policy, for a considerable period after headline inflation figures have substantially improved.

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