

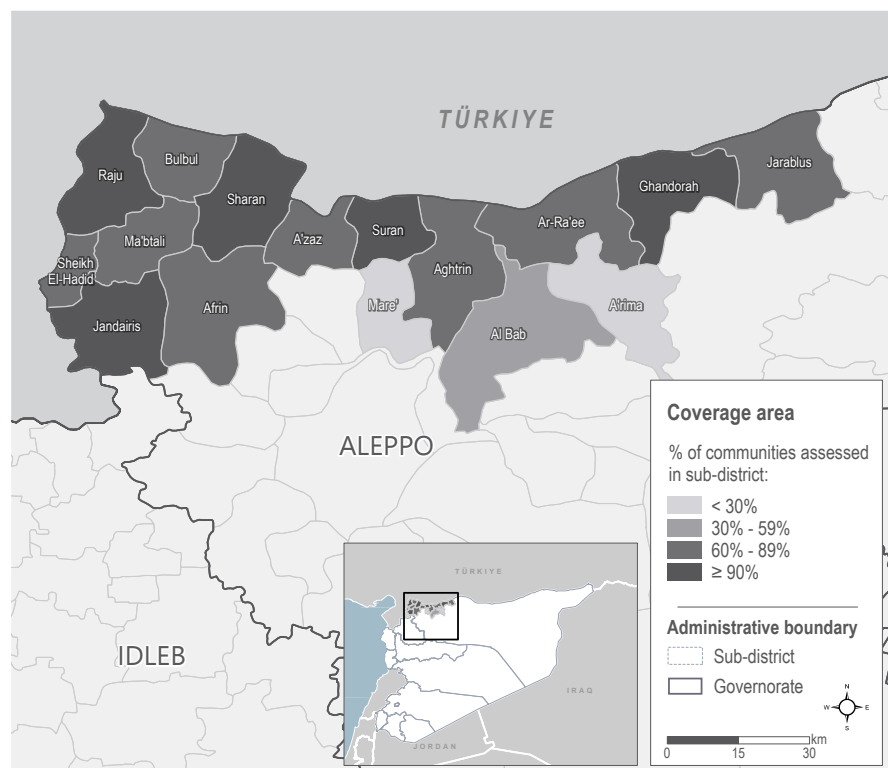
Market Network Analysis

July 2023: Northwest Syria, Northern Aleppo

INTRODUCTION

This Market Network Analysis (MNA) was conducted in order to gain an understanding of the functionality of markets and the interdependencies between markets and communities in covered locations. The analysis illustrates the market locations that communities rely on. The purpose of this analysis is to help inform humanitarian actors to identify which communities would likely be affected should a market fall out of service, and in the implementation of market-based interventions in this region.

COVERAGE MAP



KEY MESSAGES

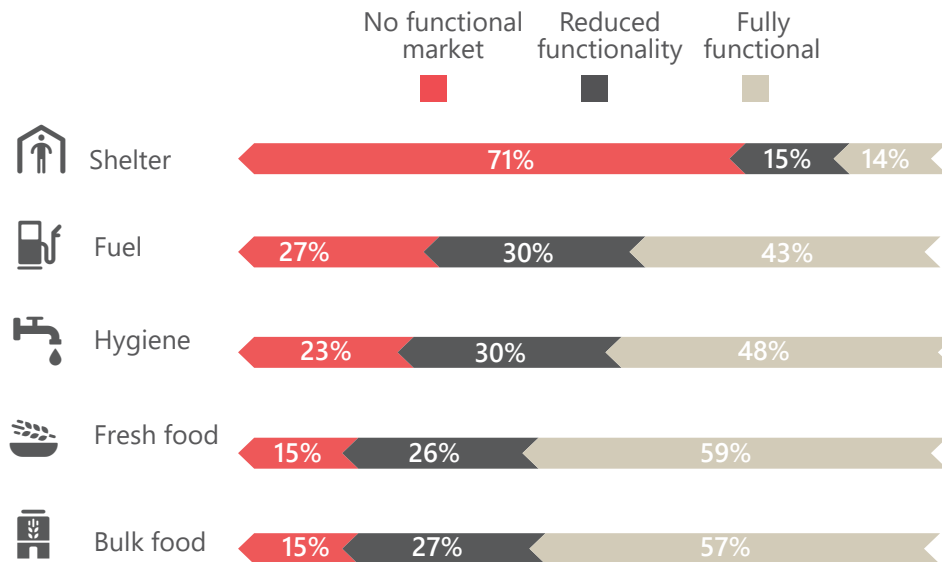
- Financial constraints, in particular **low access to cash and capital**, as well as currency depreciation, are adversely impacting the functioning of markets in Northern Aleppo.
- Across communities, KIs report that people in their communities **have to travel outside of the community to access markets**. However, **travel itself is also a challenge**, with the most commonly reported issues for people trying to access markets outside their community being a lack of available transportation (66%) and high costs (65%)
- Only 34% of community KIs reported that they had fully functioning markets for bulk food, fresh food, fuel, and hygiene. When including shelter, the percentage drops to 13%.
- Shelter markets are notably **less functional** across all communities compared to other market categories, with **71% of community KIs reporting no functional shelter market in their community**. This is in line with trends observed in [REACH's Joint Rapid Assessment of Markets in February and April 2023](#).

METHODOLOGY OVERVIEW

This Market Network Analysis used a Key Informant (KI) methodology, where KIs were selected based on their community-level and sector specific knowledge. KIs were asked questions relating to the functionality of different categories of market: fresh food, bulk food, fuel, hygiene, and shelter. In addition to this, KIs were also asked about the extent to which members of their community travel to access different types of markets and the areas to which they travel in order to access them. Market network "connections" between respective communities were identified based on KI reports of people from one community travelling to another community to access markets; these connections are shown in the market network maps (p.6-10). The importance of a market hub was assessed by looking at the number of surrounding communities served by the market hub, as well as the geographical reach of the market hub. The geographical reach was defined by calculating area of a convex hull containing the market hub and the surrounding communities. Data collection took place between 6th-14th July 2023. REACH interviewed 304 community KIs reporting for 304 unique communities across Northern Aleppo. The analysis is not representative of all market communities or networks, but is rather indicative of the market networks in the assessed area.

MARKET FUNCTIONALITY

Market functionality by category (% of assessed community KIs)



GENERAL BARRIERS TO MARKETS

Most commonly reported issues in accessing markets (% of assessed community KIs)*

- 1 No cash/low purchasing power 66%
- 2 Lack required currencies 34%
- 3 Avoiding markets due to unpaid debts 27%
- 4 Lack of access for persons with restricted mobility 17%
- 5 Women and girls feel unsafe travelling to or when at markets 11%

Most commonly reported issues in travelling to markets (% of assessed community KIs)*

- 1 Lack of transportation 66%
- 2 Transportation costs 65%
- 3 Distance to markets is too far 28%
- 4 Roads damaged 9%
- 5 Roads insecure 9%



Financial constraints, in particular low access to cash and capital, are an issue which affect **both the supply and demand** of markets in Northern Aleppo. **A lack of cash and/or purchasing power** is the most frequently cited barrier for consumers accessing markets, whilst the most common reason for each market category not functioning is a **shortage of people with the required capital to operate a proper market**. In addition to this, a high percentage of KIs report the **inability to make a profit** and **currency depreciation** as barriers to market functionality.



Shelter is the market category with the **lowest functionality** and the highest percentage of KIs reporting that people travel outside of their community to access them.

These findings are in line with those from [REACH's Northwest Syria Joint Rapid Assessment of Markets in February and April 2023](#), which noted the increasing demand and limited availability of shelter items in the aftermath of February 2023 earthquake.



59% of community KIs reported a fully functioning fresh food market, representing a **16 percentage point decrease** from the September 2021 Market Analysis in Northern Aleppo.

In addition to this, there is also a **slight decrease of 6 percentage points** in fully functioning bulk food markets in the latest data.

However, in comparison to other market categories, fresh and bulk food markets have the highest percentage of fully functioning markets and the lowest percentage of non functioning

34%

Of community KIs reported that **all of the markets of fresh food, bulk food, hygiene, and fuel were fully functioning in their community**, whilst **8% reported no functional market in any of these categories** in their community.

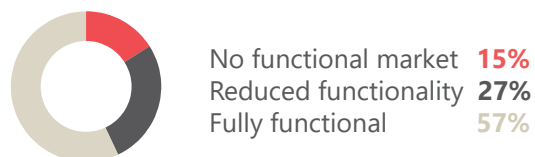
When including shelter, the percentage of KIs reporting fully functional markets in all categories **drops to 13%**.

*KIs could select multiple options

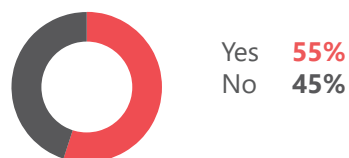


BULK FOOD

Functionality of bulk food markets (by % of assessed communities)



% of KIs reporting that people in their community travel for bulk food markets



Reason bulk food market is not fully functioning (by % of assessed communities)*

- 1 Lacking people with capital to operate a proper market **83%**
- 2 Unable to make a profit/losing money due to currency depreciation **33%**
- 3 Supply challenges **29%**
- 4 Lack of electricity **10%**
- 5 Conflict or security-related issues **1%**

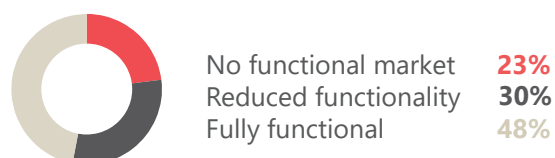
Reason for travelling outside of the community for bulk food market (by % of assessed communities)*

- 1 Can purchase more cheaply **49%**
- 2 Able to get more types of daily necessities **47%**
- 3 Markets in community not sufficient **43%**
- 4 Better quality of goods **32%**
- 5 There are no markets **26%**



HYGIENE

Functionality of hygiene markets (by % of assessed communities)



% of KIs reporting that people in their community travel for hygiene markets



Reason hygiene market is not fully functioning (by % of assessed communities)*

- 1 Lacking people with capital to operate a proper market **79%**
- 2 Unable to make a profit/losing money due to currency depreciation **36%**
- 3 Supply challenges **25%**
- 4 Lack of electricity **1%**
- 5 Conflict or security-related issues **1%**

Reason for travelling outside of the community for hygiene market (by % of assessed communities)*

- 1 Can purchase more cheaply **48%**
- 2 Able to get more types of daily necessities **44%**
- 3 Markets in community not sufficient **41%**
- 4 There are no markets **35%**
- 5 Better quality of goods **28%**

*KIs could select multiple options



FUEL

Functionality of fuel markets (by % of assessed communities)


No functional market **27%**
 Reduced functionality **30%**
 Fully functional **43%**

% of KIs reporting that people in their community travel for fuel markets


Yes **58%**
 No **42%**

Reason fuel market is not fully functioning (by % of assessed communities)*

- 1** Lacking people with capital to operate a proper market **82%**
- 2** Unable to make a profit/losing money due to currency depreciation **34%**
- 3** Supply challenges **28%**
- 4** Lack of electricity **4%**
- 5** Conflict or security-related issues **1%**

Reason for travelling outside of the community for fuel market (by % of assessed communities)*

- 1** There are no markets **46%**
- 2** Can purchase more cheaply **37%**
- 3** Markets in community not sufficient **35%**
- 4** Able to get more types of daily necessities **29%**
- 5** Better quality of goods **23%**



FRESH FOOD

Functionality of fresh food markets (by % of assessed communities)


No functional market **15%**
 Reduced functionality **26%**
 Fully functional **59%**

% of KIs reporting that people in their community travel for fresh food markets


Yes **43%**
 No **57%**

Reason fresh food market is not fully functioning (by % of assessed communities)*

- 1** Lacking people with capital to operate a proper market **76%**
- 2** Unable to make a profit/losing money due to currency depreciation **35%**
- 3** Supply challenges **32%**
- 4** Lack of electricity **18%**

Reason for travelling outside of the community for fresh food market (by % of assessed communities)*

- 1** Able to get more types of daily necessities **44%**
- 2** Can purchase more cheaply **43%**
- 3** Markets in community not sufficient **37%**
- 4** There are no markets **35%**
- 5** Better quality of goods **29%**

*KIs could select multiple options



Functionality of shelter markets (by % of assessed communities)



No functional market **71%**
Reduced functionality **15%**
Fully functional **14%**

% of KIs reporting that people in their community travel for shelter markets



Yes **87%**
No **13%**

Reason shelter market is not fully functioning (by % of assessed communities)*

- 1** Lacking people with capital to operate a proper market **77%**
- 2** Unable to make a profit/losing money due to currency depreciation **36%**
- 3** Supply challenges **26%**
- 4** Lack of electricity **2%**

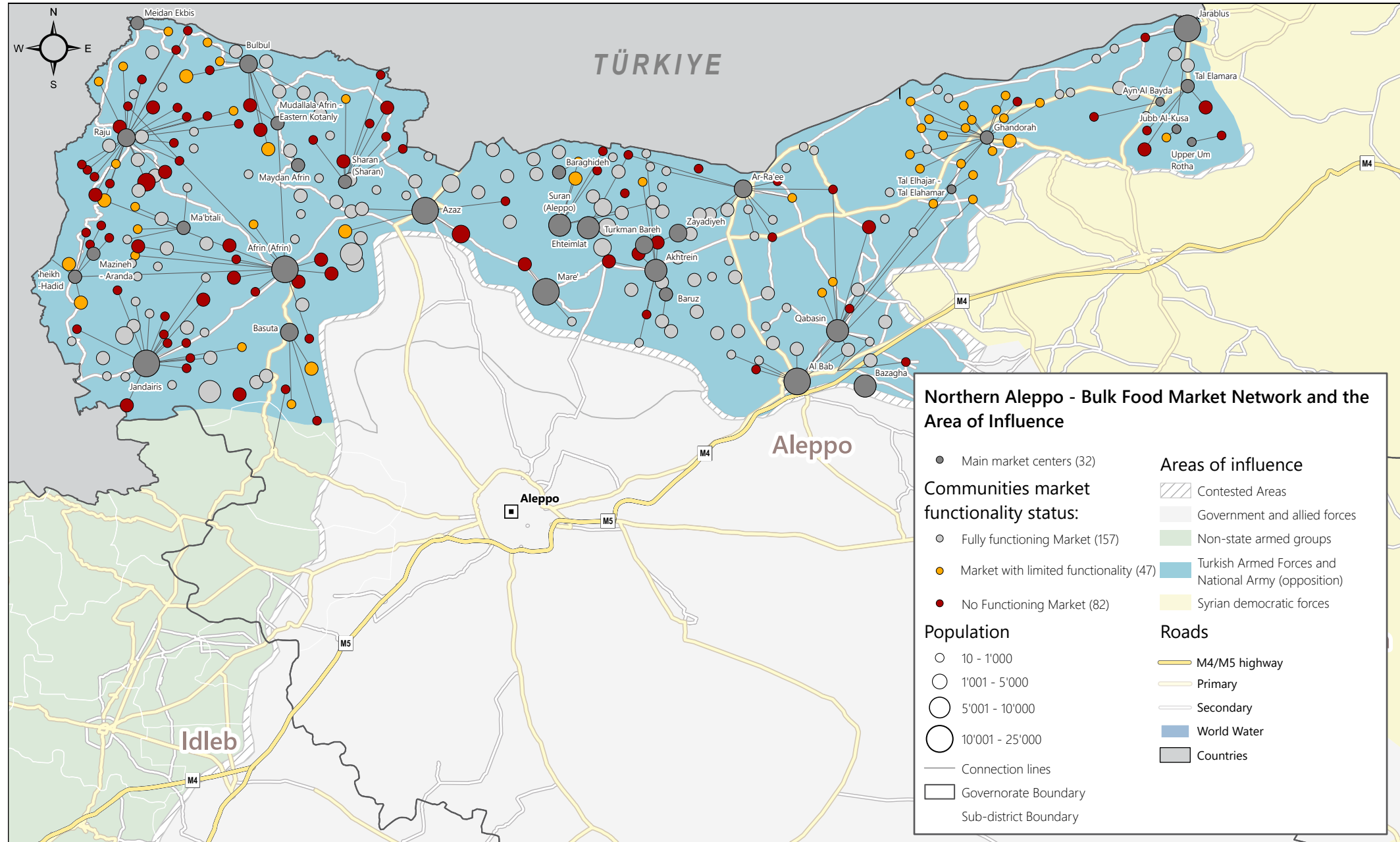
Reason for travelling outside of the community for shelter markets (by % of assessed communities)*

- 1** There are no markets **67%**
- 2** Able to get more types of daily necessities **30%**
- 3** Can purchase more cheaply **28%**
- 4** Better quality of goods **19%**
- 5** Markets in community not sufficient **19%**

*KIs could select multiple options

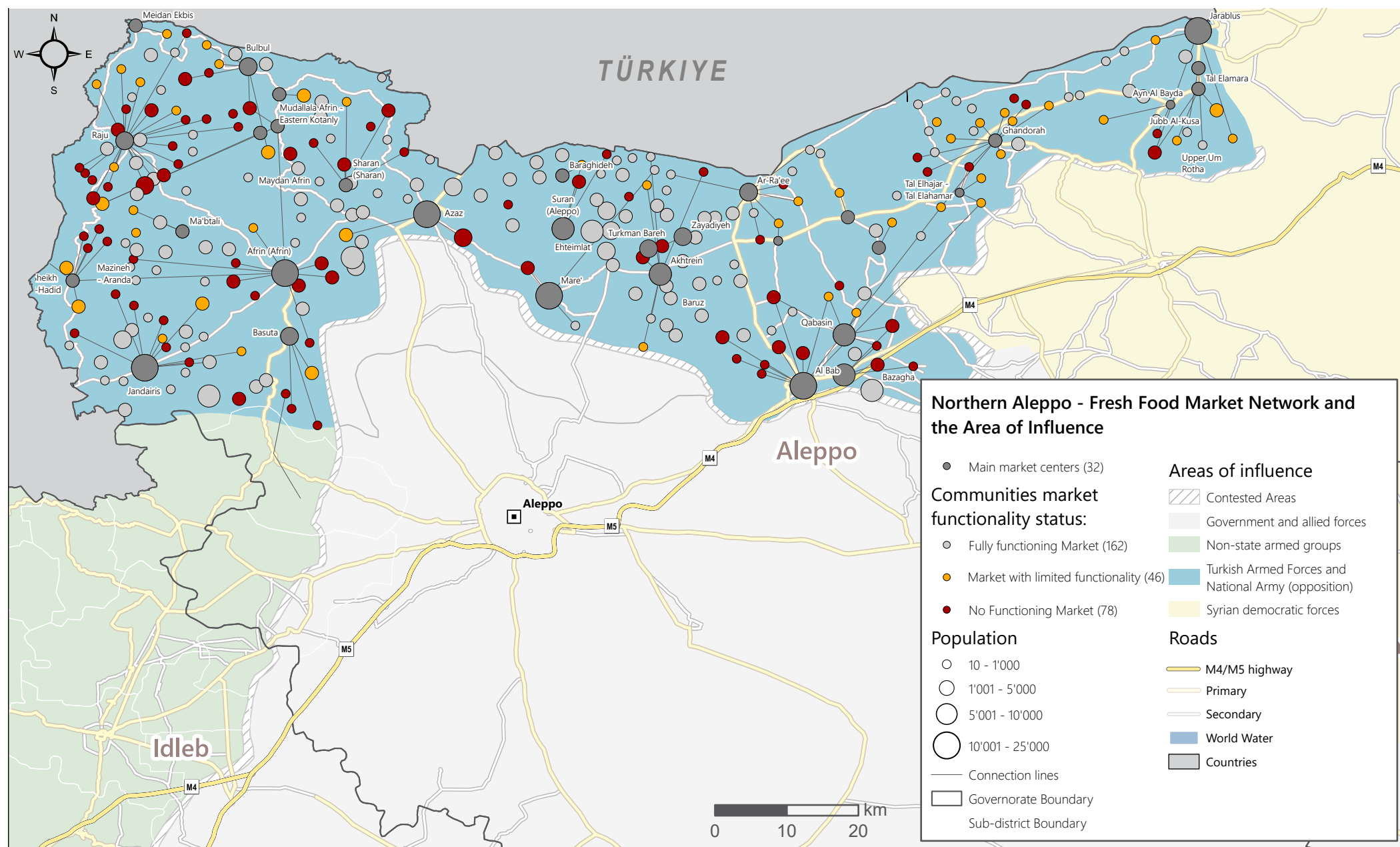
MAP 1: BULK FOOD MARKET NETWORK

As reported by KIs in assessed communities



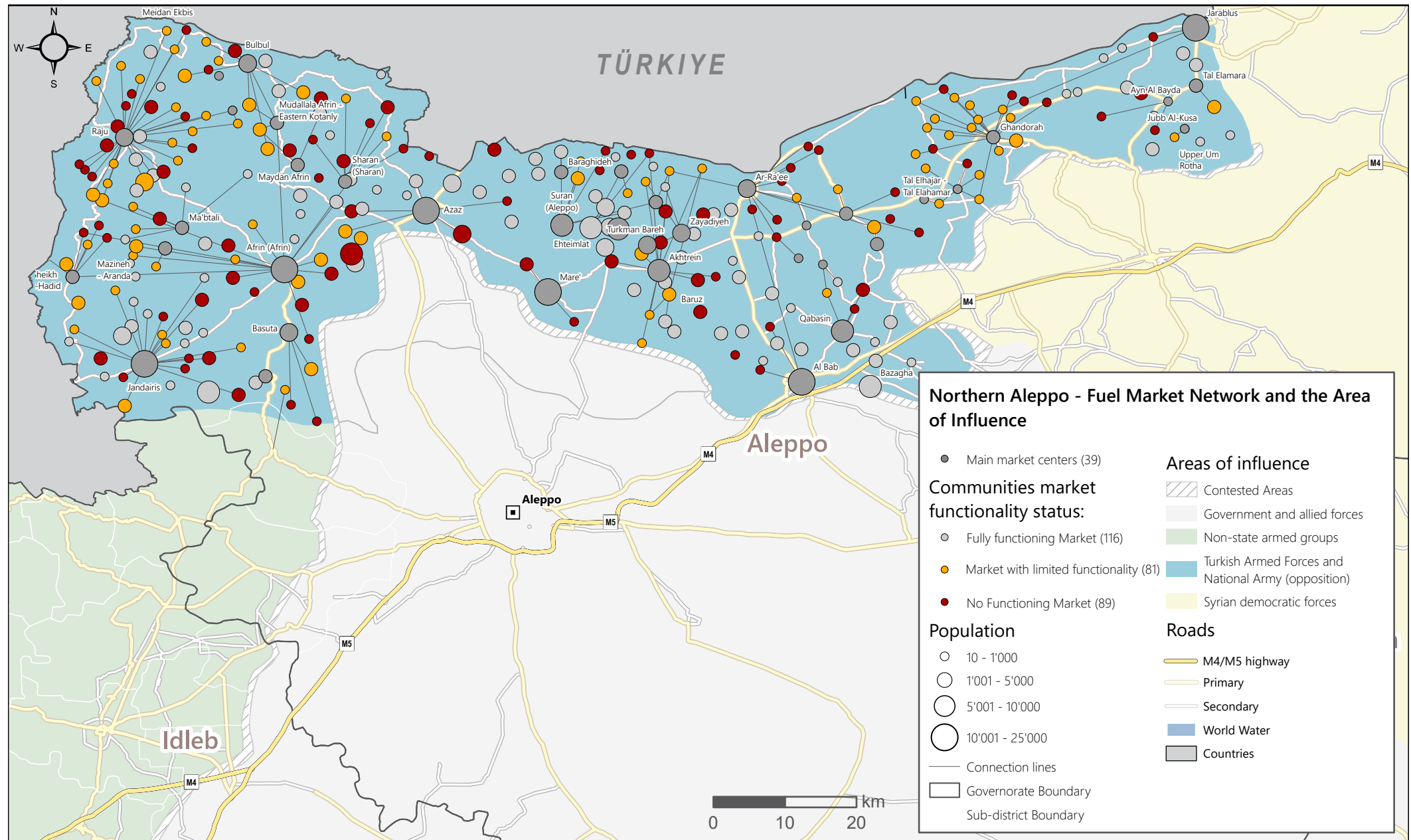
MAP 2: FRESH FOOD MARKET NETWORK

As reported by KIs in assessed communities



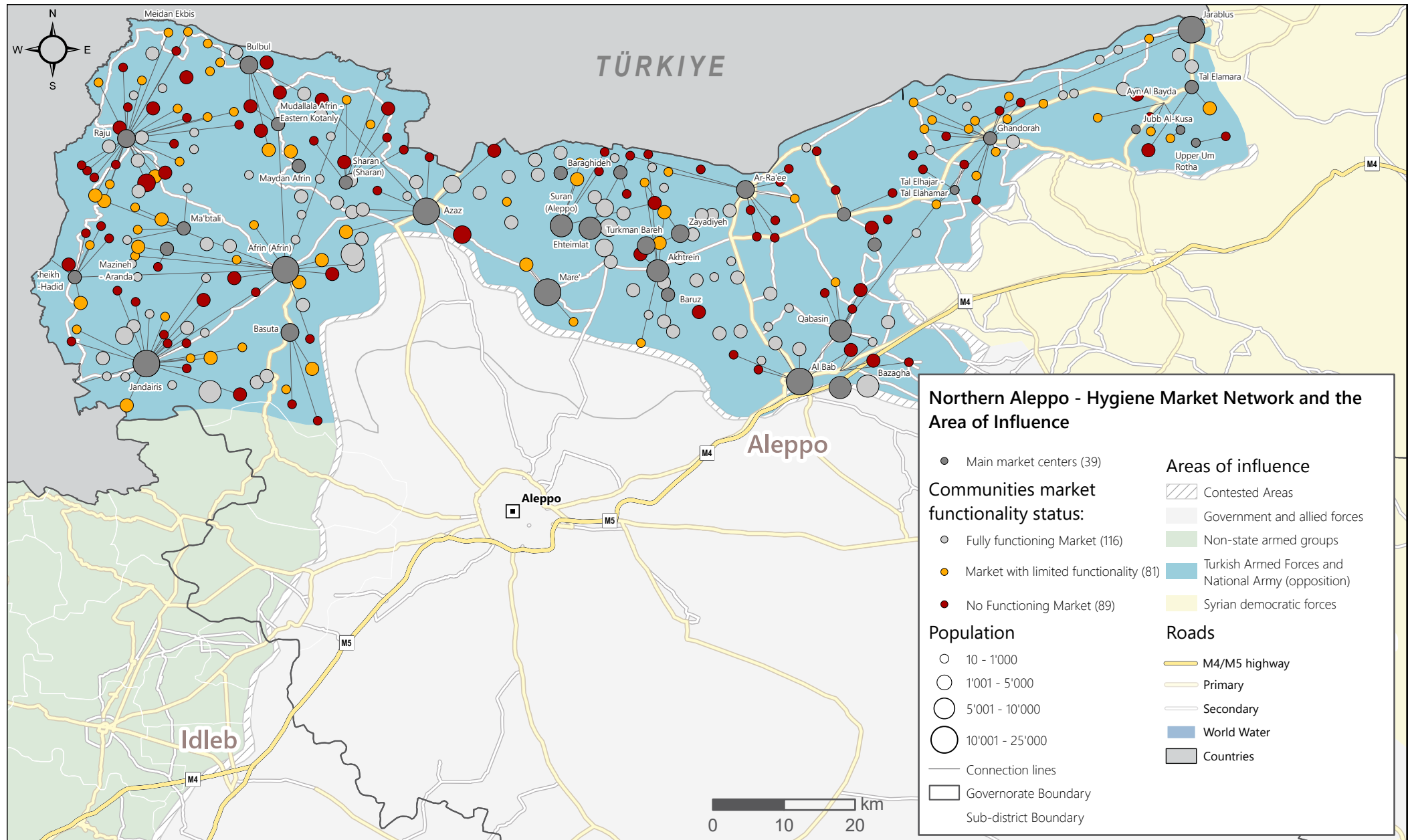
MAP 3: FUEL MARKET NETWORK

As reported by KIs in assessed communities



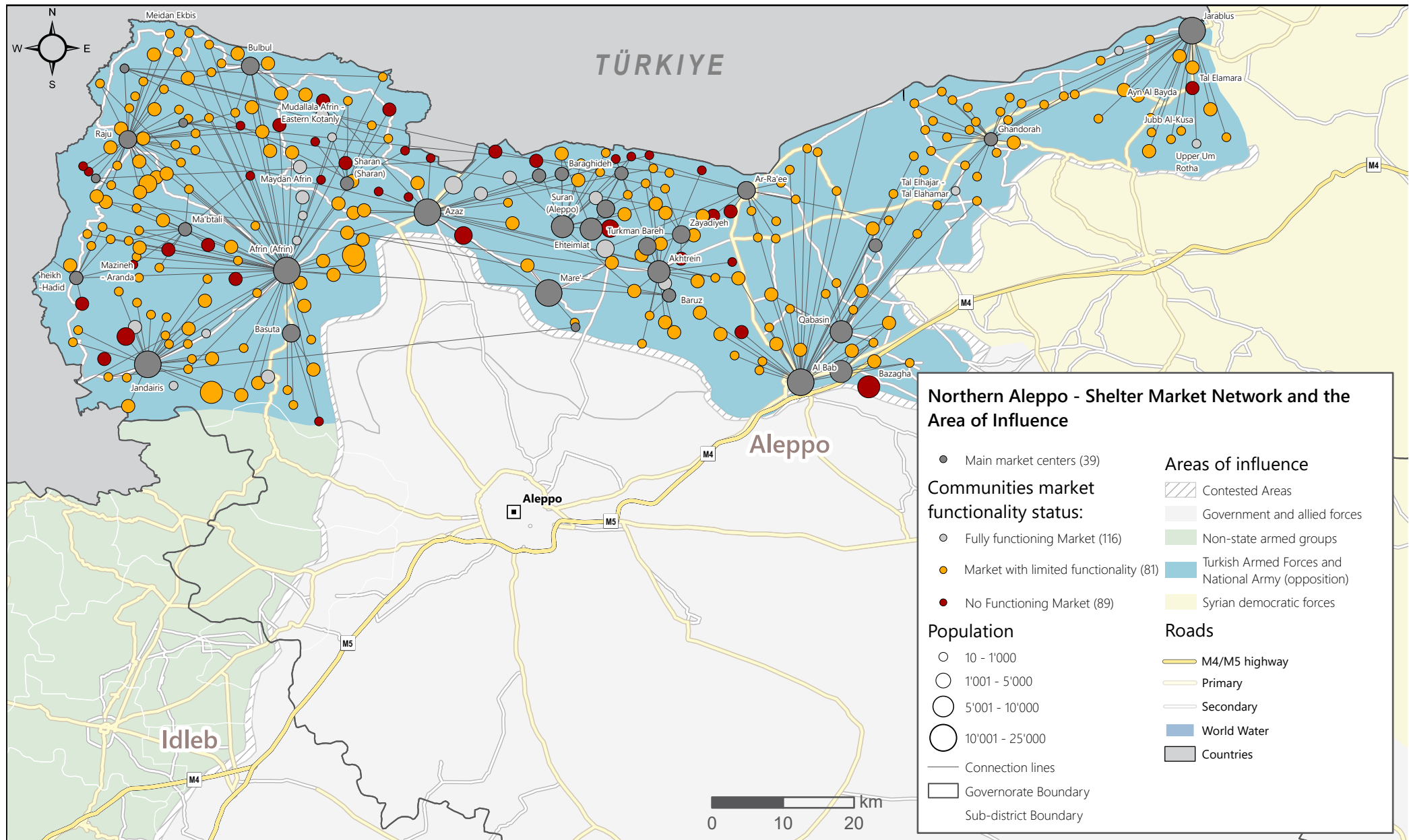
MAP 4: HYGIENE MARKET NETWORK

As reported by KIs in assessed communities



MAP 5: SHELTER ITEMS MARKET NETWORK

As reported by KIs in assessed communities



Methodology

Since 2017, the Cash-Based Response-Technical Working Group and REACH have produced monthly situation overviews on the price and availability of essential commodities (food, hygiene/nfi, fuel, water, communications), and have used this data to calculate the Survival Minimum Expenditure Basket (SMEB). This information is used by partner organizations to determine transfer values for voucher and cash assistance to households living in northeast and northwest Syria.

While the assessed communities are selected based on their importance as a market “hub” to surrounding communities, as of yet, the surrounding communities which rely on these assessed markets have not been identified. Hence, for example, market prices for one community may in reality be prices for multiple surrounding communities which rely on such a “hub” for goods.

The Market Network Analysis (MNA) is an addition to REACH’s existing Market Monitoring. The MNA maps the relationship between major markets and the surrounding communities which visit them.

This information aims to provide partners with a broader understanding of the relationships between surrounding communities to assessed markets, including how many communities depend on such

markets for goods. Furthermore, an understanding of such dependencies will be particularly useful in the event of an escalation in conflict, since closed or limited access to a market (due to a change of control lines or fall out of a market) could impact commodity prices or cause shortages. This information also supports an indication of the likely minimum prices faced by the communities that rely on assessed market communities.

Data collection is conducted using a quantitative survey deployed through Kobo. Enumerators interview community Key Informants (KI) on different aspects relating to the functionality of markets in their community, as well as if members of their community travel to markets, and if so, where they go to and why.

About REACH

REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT).

About the NorthWest Syria CWG

The NorthWest Syria Cash Working Group (CWG) is a forum of technical professionals dedicated to enhancing the quality of cash and voucher assistance (CVA) in northwest Syria (NWS). Established in March 2014 as the “Cash-based Response Technical Working Group (CBR-TWG)”, it has evolved from a small group of international practitioners to a Syrian-led community of practice over the years.