

# **CENTRAL MARKETS PROJECT**

  

# **Report on the Status of Central Europe Markets**

**November 2013**

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## ***Introduction***

### **The CENTRAL MARKETS Project**

The CENTRAL MARKETS project is the result of the partners' belief that markets still represent an important economic, social and cultural reality that needs to be protected and promoted.

The oldest form of trade has withstood the transformations that have occurred over the centuries and the even more radical ones, which have reshaped the system of commerce in Europe and beyond in recent decades.

Today, the majority of traditional markets are experiencing a serious decline which is thus threatening a tradition that stretches back in some cases to medieval times. Markets have indeed been the backbone of many towns and city centres and are the oldest form of commercial exchange. It is not only a key part of our heritage that is at risk, but also a system which brings economic benefits to consumers and has a great social value due to the fact that markets are an important factor in the cohesion of local communities, not only in the centres but also in the suburbs, where they are often located. Markets also help in regenerating town centres and suburban districts, promoting healthy eating, supporting "greener" lifestyles and more sustainable patterns of commerce.

One of the reasons for this decline is that traditional markets have to cope with the increasingly competitive large retailers. At the same time, a lack in or insufficient regulation does not encourage the revitalisation of urban markets.

**The CENTRAL MARKETS project thus aims at developing strategies and measures for the re-discovery of markets as "engines" for the development of urban districts. The general aim is indeed to enhance the competitiveness and attractiveness of the target cities/regions by developing new and innovative market revitalization strategies in order to reinforce and balance the relationship between city/regions and markets.**

The specific goals are the valorisation, reinforcement and integration of markets in central and peripheral territories of the project partners, by increasing knowledge, trialling innovative actions and identifying effective strategies resulting from transnational cooperation.

The project focuses on:

- integrating markets in the city's commercial life by facilitating the profitable coexistence of different commercial actors (stallholders, retailers, large retailers) and among local activities (restaurants, bar, etc.);
- enhancing the role of suburban markets by recognising the importance of the services that they offer to citizens and improving market management in the partner cities/regions in order to strengthen their competitiveness;
- fostering the link with local production, by creating synergies between urban and rural areas in order to capitalise on the competitive advantage;
- giving attention to consumers, by developing a system which can guarantee the quality and variety of products;
- reducing the impact of markets in term of waste production and traffic density in order to make urban development more sustainable;
- promoting cultural animation in market areas, by focusing on the rediscovery of traditions linked to market life and using markets to promote a city image that can attract sustainable tourism.

In the long-term, markets will be revived through the innovation of both their management system and related services. Hence, the entire market site, the district and the whole city/region will be reassessed and the attractiveness increased.

## The project partnership

The CENTRAL MARKETS project involves **9 organisations** from **6 countries** (**Italy, Slovenia, Hungary, Czech Republic, Slovak Republic and Poland**) constituting a well-balanced partnership with a strong territorial relevance in relation to the programme area. The partnership is a combination of organisations that vary in size, location and aims. It is based on their common needs and objectives, which regard improving the attractiveness of the cities and regions involved and supporting competitiveness and growth in the whole central Europe region. Multilevel and territorial cooperation ensure that the diversity in traditional markets management, governance approaches, capacity of mobilising economic and cultural resources as well as their location in polycentric and territorial settings are valorised.

The local (**City of Venice, City of Turin, City of Bratislava, City of Krakow**) and regional (**Ústí Region** composed of 58 Municipalities) authorities play a key role in the development of the traditional market sector and ensure that different government levels are involved. They also work closely with their corresponding regional and national authorities responsible for the regulation of markets and for the retail sectors with associations of local producers and consumers, and with networks involving the main economic actors.

The Development Agencies (**Pécs Development Agency** and **Maribor Development Agency**) ensure effective links with the local and regional actors and provide excellent opportunities for dissemination and transferability. Furthermore, public-private companies can make an important contribution to the project due to their specific nature. They are in fact, public bodies called upon to carry out activities of an economic nature and to support small and medium-sized businesses and the local economy.

Due to its experience across the Central Trans-Danubian region, the **Chamber of Commerce and Industry of the Veszprém County** will provide all partners with expertise on cooperating with potential investors in the setting up and implementation of economic development processes and improving the strategic link between SMEs and traditional markets.

Our association, the **Conservatory of Mediterranean Food from Piedmont**, plays a transversal role in the project by contributing our local and transnational expertise in

awareness campaigns and production of technical studies on the revitalisation and development of traditional markets across the EU.

Through the participation of small towns and highly populated urban agglomerations and the involvement of policy makers, producers, consumers and inhabitants, the CENTRAL MARKETS partnership is, therefore, able to optimise territorial cohesion and transnational cooperation and to contribute to a more balanced development in the partners' communities and in the whole central Europe area.

## The project's research activities

Specific research activities were carried out within the project with the aim of increasing knowledge on markets in central Europe in order to provide a response to the need for more efficient market networks, logistics and services and to enable the coexistence of different regulatory frameworks. The revitalisation of traditional and city markets firstly needs for all operators and key actors to coexist and grow through innovative, efficient and sustainable strategies which take into consideration their cross-border dimension. The first step of the research was **the Common Comparative Study on relevant EU and national legislation and policies** (activity WP3.1) which analyses regional and national regulation of markets in the different countries involved in the project and includes a look at the implementation of the Bolkestein Directive in the partner countries and at its impact on the market sector.

The following activities were **the quantitative mapping of partner markets and the analysis of market governance systems** which involved relevant local stakeholders (activity WP3.2).

The mapping was carried out at partner level (local, urban or regional), and provided a picture of the “state of markets” in partner territories with reference to different quantitative categories (the number of stalls, the product categories divided in food and non-food, etc.). The analyses of partner market governance systems were carried out with stakeholders in each market system.

In order to complete the collation and assessment of data, **SWOT analyses** were carried out with the involvement of stakeholders in each market area (activity WP3.3). This allowed partners to identify the potential that can be mobilised to achieve market revitalisation and business model development. The SWOT analyses concerned both the whole market system and a closer look at one or more markets for each partner and helped reveal the strengths, weaknesses, opportunities and threats, in order to bring out those which can help, hinder or delay the pursuit of objectives.

**This Report on the Status of central Europe Markets provides a transnational state of the art picture of city and regional markets in central Europe based on the study of legislation and policies carried out in the first phase of the project as well as the mapping, governance analysis and SWOTs.**

The Report follows an approach built on the awareness of the threats and weaknesses coming from regulation-based and policy-based fragmentation and at the same time takes into account the potential and the opportunities offered by the partner markets in relation to the economic and social revitalisation process in the communities involved.





## *First Part*

# **Common Comparative Study on relevant EU and national legislation and policies**

This common comparative study is an analysis of the existing legal and policy frameworks and a comparative study of the regional and national legislation governing markets in the different countries involved in the project. It also includes a study on the implementation of the “Bolkestein” Directive in the partner countries and its impact on the market sector.

**This study derives from the idea that it is necessary to learn about and to compare the different laws which are applicable in the partner countries in order to better understand market functioning and subsequently to define policies for market support and promotion.**

In our opinion, the contents of these texts allows us to determine whether the regulations and laws of the different countries have similarities or differences, and also to understand how markets are organized, who are the actors that have expertise in the various areas of market operations, how public and private actors coexist, how much space is dedicated to the freedom of entrepreneurial activities, and to what degree the States and the local authorities define rules and restrictions. This comparative study, which is divided into brief chapters dedicated to specific topics, will therefore explain how different countries have dealt with and adjusted to the different aspects that characterize the functioning of markets. The first chapter is dedicated to the various levels of government that are competent in this matter and have the power to legislate or enact regulations and ordinances. In the second chapter we will then present the market managers, or rather, the actors which decide the opening, closing or relocation of a market; the process of issuing permits and licenses; the presence/absence of merchandise tables and how the presence of different products is regulated; the opening and closing hours of markets. The third chapter will be devoted to the increasingly important phenomenon of farmers’ markets.

Finally, a chapter will be devoted to the impact that the transposition of Directive 2006/123/EC, also known as the "Services" Directive or the "Bolkestein" Directive, has had on the regulation of markets in different countries.

This research is an important step in the first phase of this project, a useful tool to define the context for markets in the territories considered and, more generally, in the central Europe area.

Starting from an integrated background in terms of regulations, policies and strategies, this report aims to support partners in conceiving an innovative governance platform and to help them face the challenges at local and European level.

This document is not scientific research on the laws and regulations of the industry explored in the CENTRAL MARKETS project. It has the sole purpose of providing a non-exhaustive summary of the legislative framework. The details on every individual state and local regulation have been gathered from information provided by the project partners with reference to their own country. Given the nature of this document, we assume no responsibility for any inaccuracies.

## Chapter 1

### Central Government and Local Administrations: legislative regulation of covered and outdoor market activities.

*In this first chapter we will analyze the levels of government that have legislative power over the management and organization of covered and outdoor markets in the European countries involved in the project.*

When we set the ground rules for our research on mechanisms regulating covered and outdoor markets in the partner countries, we decided to start by identifying the actors at various institutional levels who have competence in this matter. In doing so, it was necessary to also check national legislation on trade, as in the cases in which the Central Government does not have the power to directly legislate on such a matter, it can affect markets through “framework laws” which are binding for local bodies who control various organizational aspects of commercial activities.

**The picture that appears from the information gathered from the project partners provides us with a fairly homogeneous situation. National level (the Central Government) intervenes through laws and executive acts which delegate all the specific governmental and organizational aspects of markets to local bodies (Local Administrations) such as cities and other local authorities or public bodies (municipalized companies and other companies having total or majority public capital).**

It is possible to see some similarities, especially between countries with lower populations and smaller surface areas. There are in fact, basically, two levels of government: the Central Government and the Municipalities. A more complex situation is, instead, present in Poland and Italy, with specific features that we will examine at the end of this first chapter.

**Hungary** is one of the states with two levels of government: the central and the local one. Regulatory powers are in the hands of the Central Government and in particular in the hands of three Ministries: the Ministry of Economy emanates trade laws and regulations on the tax system, the Ministry of Human Resources<sup>1</sup> is in charge of public health in the broadest

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<sup>1</sup> The Ministry of Human Resources has a wide reach: from the management of the health care system to welfare, from

sense and defines the rules for the opening of markets and the organization of fairs whilst the Ministry of Rural Development defines food security policies and health standards to be followed in markets, and also deals with the issue of waste management. Each Ministry supervises implementation of the regulations under its jurisdiction.

The local level is represented by the Cities, which play a role in market regulation through the Municipalities. Forthcoming chapters will illustrate how they do this and the issues regulated at this level.

According to information given by our partners in Ústí, there are two institutional levels of competence (the central and local one), with some peculiarities in the **Czech Republic**. The Central Government rarely deals with regulation on markets, but it manages the mechanisms for the occupation of public soil and fees. Within the more general trade legislation there are fiscal and taxation policies. At a local level, Cities directly intervene by regulating market operations through Municipal Ordinances. Cities are required to identify public spaces where outdoor markets can be held and also to define which products cannot be sold in these areas.

In **Slovakia**, Parliament has full legislative power, and is the only public body that can approve and/or amend laws, ratify international agreements and transpose Community Directives. At a local level, Municipalities can regulate markets through administrative acts within the limits set by the national laws. Local authorities have legal personality and manage their own properties and their own financial resources, within the limits foreseen by national law.

National Parliament and the relevant Ministries are the main actors in **Slovenia** to intervene with laws and other executive acts on markets and trade affairs. Through the Directorate for Internal Trade and the Division of Supplies, Price control and Commerce, the Ministry of Economic Development and Technology, is responsible for laying down trade regulations through administrative acts and operates to ensure that there are the conditions necessary to evaluating trade and economic development.

Laws and general regulations issued at national level are then implemented through administrative acts and specific regulations issued at local level, in most cases by the

Municipalities, but other public institutions and bodies can also intervene. Public companies, incorporated and controlled by the City, are responsible for directly managing certain services such as public transport, waste and water supply, city cleaning services and, of course, markets. Unlike other actors, who manage markets through their Municipalities, it is interesting to note that the same public companies have the power to intervene through administrative acts and regulation.

The institutional organization model in **Poland** is significantly different to the previous cases. Although there are two levels of government (central and local), local bodies are organized in a manner which is different to the other countries.

Central Government intervenes through laws on the general regulation and definition of the legal basis for markets while the local bodies emanate specific administrative regulations. In Poland there are three different levels of local administration: Wojewodztwo, Powiat and Gmina, which correspond to Regions, Provinces and Cities (if you choose to compare them to the Italian case. The Powiat are much more numerous and, with some exceptions, have a surface area and population which is smaller than the Italian Provinces). In the case of large cities (over 100,000 inhabitants) Powiat and Gmina are in a single institutional body, combining their skills. This is the case in the city of Krakow, one of the project partners. In Krakow the city enacts specific regulations on the existing individual markets and, in some cases, with framework regulations valid for the entire network of markets.

In **Italy** there are three relevant actors in the field of trade and market operations: the national level, the regional level and the individual cities. It is useful to remember that the Italian Constitution, after the reform of Part II Title V, defines clearly what are the exclusive and/or shared competences of the Central Government and the Regions (Article 117). In our area of interest, the protection of free competition is under the exclusive responsibility of the State, while territorial governance is a matter for State and Regions. Therefore trade, which is not listed either among the items of exclusive competence of the State, or the State – region shared competences, has to be considered a regional responsibility. It should be noted that this division of responsibilities between State and Regions has sometimes caused controversy because the protection of free competition and trade legislation can sometimes conflict.

Lastly, Cities (art. 118) and Provinces have administrative functions but only Cities can regulate markets.

Finally it should be remembered that, in dealing with the harmonization of the different situations in Member Countries, the European institutions have a significant impact through Regulations and above all through Directives (competence of the Parliament and of the Council). Directive 2006/123/EC, known as the "Services" Directive or the "Bolkestein" Directive, named after Frederik Bolkestein, European Commissioner for the Internal Market, Taxation and the Customs Union, during Romano Prodi's 1999 to 2004 term of office as President of the Commission, is of particular significance to our project. This Directive, which has generated significant debate and has a long history of changes and additions from discussion in Parliament before reaching its final approval, is focused on the regulation of the internal market, competition and, therefore, also trade.

## Chapter 2

### How markets function in the project areas

*In this second chapter we will examine which actors are responsible for managing markets, how the decision-making process for the opening or closing of a market takes place, which body issues licenses, what the product categories are and which bodies define the opening and closing times of markets.*

Markets are complex systems. There are a high number of actors interacting every day and there are different interests and needs in the field. In fact, economic, social and cultural factors are interlaced, making the market not only a place of trade, but also a network of relationships, like few others in the city nowadays. This complexity is also due to the high number of variables that need to be taken into account in order to understand how a market functions and how it can be governed and organized.

In this chapter we will try to understand what are the main similarities and differences in the functioning of markets between the partner cities of the CENTRAL MARKETS project.

#### The market managing bodies

After examining the institutional bodies responsible for the management of markets in the previous chapter, the next logical step in furthering knowledge on local dynamics is the identification of the market managing bodies.

**The picture given by our partner cities shows different levels of participation of the public and private sector in market management.**

In Italy (in particular, we rely on the Venice and Turin Municipal Regulations) the managing body is the City, which has extensive expertise and identifies through Councils, Committees and other ad hoc stakeholders (market commissions, for example) the bodies that act through different means in defining the market operations.

The legislation currently in force in **Turin** deserves further analysis. First of all, we should consider Regulation no. 334 for the provisions of the retail trade in covered markets. In Article 2 this specifies that "any covered market should be managed jointly by a body of

market operators through leasehold or concession". In fact, today, 4 out of the 6 covered markets of the city are managed by trader cooperatives under concession or lease.

Moreover, Article 9 of the "Regulation for trade on public areas" foresees the possibility of entrusting the management of the market areas to third parties. As a matter of fact, this article has not yet been implemented, but it provides an interesting possibility to directly involve private bodies in market management. Through a public procedure, an individual, perhaps even a traders cooperative in the case of the covered markets, or an institution of another nature, can be chosen and could take over the management of a market (according to some City regulations, such as the allocation mechanisms for market licensees). In the cities where this possibility exists it is clear that this implies the careful definition of the boundaries of responsibilities between the public and private sector, but it seems a good start that could lead to developing important management models.

In **Venice**, Veneto Regional Law no. 10/2001 does not allow the management of markets by external bodies. This is only possible for antiques and collectables, flea markets and farmers' markets, though the City reserves the right to release licenses and to control of the regular course of business. Right now, the only market established by the City Council, which is managed by an external body is the Antique Market of San Maurizio that is managed by the Association with the same name.

In **Slovakia**, the ownership and management of markets are reserved to Municipalities. This does not exclude the possibility that the city could entrust the management of markets to third parties. This party, however, must have a "trade authorization" and can be a registered company, a person with legal personality or even an individual, adult and resident in one of the States of the European Union or the OECD which meets the requirements foreseen by Article 145/1991 (age, legal capacity, integrity, etc.). The peculiarity of this situation lies in the large number of people who may apply to manage a market.

In the **Czech Republic** the traditional markets are also managed by the Municipalities, while the farmers' markets are under the responsibility of the Chambers of Agriculture, which is also a public body. It should be noted that, in the case of farmers' markets, there are a number of authorities that have powers of control: the State Veterinary Administration, the Czech Trade Inspection Authority, the Regional Health Authorities and the Czech Agriculture and Food Inspection Authority.



The City and the public companies (owned by the Municipalities) are the bodies which, in most cases, manage markets in **Slovenia**. Even though management is entrusted to the Municipal companies, there is nevertheless a close relationship between the latter and the associated city, not only as a result of the public nature of the two bodies and to the obvious link due to ownership, but also due to the “Market Order”. This is a document approved by the Municipality, which defines the framework of market management, the sale conditions, the rights and duties of the market manager and of the sellers, the merchandise tables, the maintenance, the cleaning process, the storage of goods and the control mechanisms. It is possible to entrust the market management to other parties, beyond the ones mentioned above, but it seems to be a marginal solution and rarely applied.

The situation is different in Hungary, where, as stated by both partner cities, **Pécs** and **Veszprém**, market management is entrusted to public companies which are multi-utilities and the operational companies for of the city. It is important to note that these bodies are not limited expressly to the management of markets, but they deal with a large number of important services for the functioning of the city. Veszprém public Utility Services Plc deals with the management of real estate, the heating systems, car parks, public gardens and waste management, while Pécs Holding Plc manages the real estate and some industrial areas in the city. The Municipal Council appoints a board of municipalities which is responsible for the strategic decisions and the administration of the services under its management.

Poland seems to be the country that reserves more space for private actors. As indicated by the partner from **Krakow**, in fact, the City owns the land on which the market functions, but it is rented to the body which manages the market. The actors which can apply to take on the management of the market could be companies or private individuals as long as they are owners of a registered and recognized business. The most frequent case is that of commercial companies, sometimes created directly by the sellers which are active in the market. Each market is entrusted to a different body, which is responsible for its maintenance and is required to comply with the regulations approved and issued by the Municipality. These regulations are specific for each market. They can be very similar to one another or may present differences related to the location and/or specificity of the market. It is important to note that the sellers do not have any relations with the Municipality, but deal directly with the market managing body.

## Opening, closing and relocation of markets

We have seen that in the various countries **market management solutions are different, but when it comes to deciding on whether to open or close a market, or to identify a new location for it, the situation is always the same.** In fact, the City plays a central role and only in some cases authority on this is delegated to a public company. This is the case in **Pécs**, for example, where the public company decides on the number of stands in the markets.

City Councils in Italy, the Czech Republic, Slovakia, Poland and Slovenia authorize the opening of new markets through acts, in accordance with national and regional laws.

In the case of **Poland**, after the City Council approves the opening of a new market, it then proceeds to issue rules for that marketplace, indicating the types of products that can be sold, the cost of occupying public soil and/or of the stall, the space to be allocated to commercial activities, etc. Then through an open call, a private body can take on the management of the market, complying with the decisions taken by the Municipality. The market manager decides the number and size of the stalls, but they have to respect the limits set by the Council regarding that specific commercial area.

As for Italy, in the case of **Venice**, the City Council establishes new markets and also approves a chart with the opening and closing hours of the market, the number of stalls and the commodities to be sold. It is also possible for the City to establish a product specialization for every single stall, bearing in mind the product sector it belongs to.

In **Turin**, according to Law 114/98 on the criteria on and/or limitations to the opening and closing of markets and the number of stalls based on the population size - the opening, relocation, extension, changes in product areas, and closing of a market are determined by the City Council through a resolution following consultation with the competent Municipal Committees, Technical Advisory Committee, Boards of the Market and always taking into account the Market Plan.

Lastly, in the case of **Maribor** in Slovenia, as mentioned above the City Council adopts an act through which a new market can be set up and decides if it will be managed directly by the Municipality or will be entrusted to another manager. In the latter case, the manager is responsible for defining the main rules of market operation, in agreement with the

Municipality's ruling. It should be noticed that only the type of stalls (kiosks, stalls, catering establishment, refrigerated showcase, etc) are established at first but not the number of stalls.

## Licenses and authorizations

After looking at the market as a whole we will now concentrate on the sellers, focusing on the **assignment of authorizations and/or licenses**.

In **Slovenia** the process of issuing a license is in the hands of the Municipalities, while a series of required permits (the building permit, the occupation of space and the permit to carry out a specific business) are issued by administrative units and offices at local level.<sup>2</sup>

In **Slovakia**, the Municipality issues the permits necessary for the opening of a market and the sales license, which is released for an indefinite period of time, while the permit for the opening of a stall (in this case it is a non-fixed structure that is installed and removed daily) is issued by the body that manages the market.

In the **Czech Republic** the Municipalities authorize the opening of a business activity and the occupation of public space designed for markets. City Council Acts also define a number of elements for market functioning, such as the opening hours, the types of products that can be sold, and so on. The individual business licenses are issued by the Trade Licensing Offices: the request consists in filling in a form, accompanied by the required documentation and the payment of the fees. Once this procedure has been carried out, if there are no impediments the applicant may start his business.

In the case of **Hungary** both the Municipalities and the public companies are involved in the authorization process and release of permits. The former authorize new markets or fairs that take place on public land, while the public companies approve individual stalls within the markets under their management. If we analyze the specific cases of the two partner cities, we can see how the public company in Veszprém opens a call for the rent of market stalls and spaces within markets, and determines the successful candidates. They set up rental contracts for an indefinite period, but with an initial right of withdrawal after 30 or 60 days. The person who obtains the right to a specific stall in the market is expected to pay a

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<sup>2</sup> It is useful to remember that Regions in Slovenia do not have an administrative nature, but instead have a more statistical one. The Regions are made up of 212 Municipalities, of which only 11 have the status of a city.

fee for the occupation of this space. This is because the spaces are owned by the Municipality which makes them available through a public call. As for the farmers, they must have a special license (farmer's license) and have to request authorization to sell their products in the markets. The permit issued by the Municipality can be daily, weekly or monthly and farmers must also pay a daily or seasonal fee for the occupation of the space.

In Pécs the mechanism is similar. In the case of fairs or markets on public spaces not managed by the Municipality, the sellers must also obtain a permit from Biokom Ltd, a public company in charge of waste management, street cleaning and much more. There are three types of licenses which differ according to their duration: occasional, monthly or yearly. The latter are awarded through a public call, while the others are issued on request.

As we have mentioned before, in **Poland** a significant space in the management of markets is reserved to private actors, and in fact the company that takes on market management is responsible for any aspect related to it, including granting permission for the opening of kiosks and the renting out of stalls. This is bound by the rules established by the City Council and the license fee that must be paid by the individual seller for the occupation of public land or for the structure he uses to sell his products is also determined by a City Council resolution. The rate depends on the size of the space occupied.

Within a market we can find two groups of sellers, divided according to whether or not they occupy a fixed stall and, at least in theory, also according to the type of product they sell. These two groups are called "circular trade" and "stationary trade". The former do not permanently occupy the stalls assigned and must change their position in the market, even though this does not happen very often. The main difference is that "circular trade" uses stalls, while "stationary trade" uses kiosks.

In the case of circular trade, sellers are charged according to the space they occupy and have the right to reserve stalls for a period of one to three months, for specific days of the week or for the whole week - according to this agreement they have occupying priority for that stall. Empty stalls can be given to another seller for the day, but the reservation will still hold for the next day. In practice, the stalls are usually occupied by the same sellers for many years. The goods sold in circular trade stalls are usually fruit and vegetables, mushrooms and honey.

In the case of stationary trade, however, the company that manages the market sub-lets part of the space to the seller who can build a kiosk which is a fixed structure occupied by

the same person every day. Butchers, delicatessens, flowers shops and bread are the types of trades that are usually associated with stationary sellers.

In **Italy** the process of license and permit assignment is strictly confined to the public sector. The Municipalities set up the process for issuing sellers permits, in accordance with the provisions given in regional legislation. In the case of the project partners, Turin and Venice, there are many similarities and for further information please refer directly to the texts of the laws and regulations in force.

In Turin, stall space is granted together with the associated commercial authorization through specific calls (see Article 10 of the Municipal Rules). As stated by the law, after the concession period terminates the same stall will be granted to the same person/company provided that there are no debts owed to the Municipal administration on the part of the grantee. It should be noticed that, in the event of sale of the company the new owner replaces the previous one in the concession. Major changes have recently been introduced regarding the duration of the concession and the mechanisms for its renewal. These changes will be discussed later in the chapter devoted to the impact that the transposition of the "Bolkestein" Directive is having on markets. In fact, the concession period was previously for ten years and renewal was automatic. This procedure will now be modified as required by the State-Regions Agreement and the precise details of the modification will also depend on how the content of this Agreement will be adopted by regional legislation. What is certain is that concessions will no longer be for 10 years and will no longer be automatically renewed, but at the end of their period of validity (which may be no less than nine and no more than twelve years), there will be a new call for their assignment. However, the State-Regions Agreement provides facilitations for the sellers that are already present in the market.

In Venice also, trade activities in public area require a permit. Under normal conditions, this permit is released only when there are available stalls. It should be noted that in the period between 2005 and 2007 the City Council carried out a survey on all markets areas that defined the number of stalls, their size and product categories. In the case of unassigned stalls, on the basis of the data sent by the Municipalities, the Veneto Region publishes a notice and then a list of applications is drawn up, based on the length of time a seller has been in the market.

In Italy the stallholder is expected to pay a fee for the occupation of public soil.

## Product categories and types of goods sold in markets

Proceeding in our in-depth study of the various management methods and organization of markets, we can see that **there is a certain homogeneity in the various countries with regard to the product categories and a list of the types of products that can be sold in markets.**

Slovenia, Italy and Hungary explicitly provide a division between the food and non-food products, while in Poland the reference categories are food, non food (manufactured goods) and flowers.

In **Slovenia** within the food category we can find meat, dairy products, fruits and vegetables, grains, honey, beverages, herbs, etc, while among the non-food products we find flowers, seeds and nursery plants, cottage industry products, haberdashery, clothes, shoes, etc. The products of the two categories have to be sold separately, in different stalls and different areas of the market. The physical layout of the stalls divided by the product categories is defined by the body that manages the market. In addition, it is always necessary to meet a number of hygiene requirements, especially when it comes to food products such as meat and dairy.

In Italy, the main reference is Article 5 of legislative Decree 114/98 which indicates that “commercial activities can be carried out with reference to the following sectors: food and non-food”. Municipalities are then given the opportunity to reserve specific spaces within the market to more specialized and restrictive categories than the two major ones, food and non food. In fact Article 7 of the Decree cited above indicates for **Turin** that the market spaces are structured according to the following areas: food, non-food, fish, flowers, used items and farmers.

Instead, in **Venice**, the product categories provided for in the non-food sector are: shoes, flowers, plants and various non-food items, while for the food sector: fruit and vegetables, fish, gastronomy (including meats and cheeses) and meat.

Still with the division between food and non-food in mind, in **Hungary** a number of requirements related to the equipment needed in the various stalls must be met, in addition to the rules reserved specifically for every type of product. The licenses that are assigned oblige the seller to trade only certain products.

In Pécs the arrangement of stalls inside a market follows an old tradition that states that fruits and vegetables stalls are normally found in the central area of the market, while the meat is on the left side and so on.

In **Slovakia**, there are two types of regulations, a more general one at the national level (Law 178/1998) which clearly indicates what cannot be sold in markets, and the second one given by the municipal provisions that specify which products can be sold, as well as giving other indications, from the opening days and times, to the technical, operational and aesthetic conditions of the stalls, etc. The list of what cannot be sold in markets in Slovakia includes: weapons and ammunition, explosives and fireworks, printing and other things that threaten morality, tobacco and tobacco products, alcohol, spirits and pre-packaged alcoholic drinks, poisons, psychotropic substances, medication, cars, motorcycles, their components and accessories, protected animal species and dangerous animal species, live animals except fish (this prohibition does not apply to promotional sales and events organized by unions of animal breeders).

To close this section, we take a look at the situation in **Poland**, where the law differs from that of the countries mentioned above. In this country specific licenses for types of product are not required and, in principle, there are not many regulations in this field. Nevertheless, the laws related to the production and supply of foods must be followed, and they are also applied in other areas of trade. Furthermore, meat and dairy products must to be sold in covered stalls. In practice, almost all the stalls are covered, but normally all of these types of foods are not sold in stalls but in kiosks, which have specific equipment, such as iceboxes. Meats, cheeses and eggs sold in stalls usually come from farmers that offer products from their own farms. There are also specific rules in the case of the sale of livestock, which, however, does not really happen very often, with the sole exception of some types of fish in the Christmas period. In practice, the organization of the interior spaces of markets is made taking into account homogeneous categories: fruits and vegetables occupy a given area, the flowers another area, the non-food products have their spaces, and so on. The stalls of fruit, vegetables, and flowers are positioned near running water, for hygiene reasons and for the specific needs that these products have.

## Market opening and closing hours

We now focus on the actors, which define the opening and closing hours of markets in the different countries. **What emerges is a picture that reflects the similarities and differences already noted in the previous pages, when we listed those actors that are entrusted with the management of markets and that are the competent administrative levels.**

In **Hungary**, for example, within the framework provided by the Law on Trade CLXIV/2005, the Municipalities, together with their service providers, decide at what time a market should open and close.

In **Slovenia, Slovakia** and the **Czech Republic** this task falls to the body which manages the market. In Slovenia, as well as in the Czech Republic, the time slot is part of the Market Order. In Slovakia on the other hand, the manager is required to submit rules of operation (and thus also the opening times) for the market to the City, which then approves special regulations through its City Council. The national reference legislation is Law 198/1998.

In **Poland**, it is up to the City Councils to set up the limits before which you cannot open and beyond which you can no longer stay open. That said, it is up to the company to decide the opening hours for the market under its jurisdiction.

In **Italy**, the Municipalities have the decision-making powers regarding opening hours. In the City of Venice, everything is specified in the market chart or through an order of the Mayor.

In Turin, the opening and closing hours of markets are governed by Article 32 of the Municipal Ordinance which identifies through a Union Decree the obligations and limits concerning opening hours and the opening and closing days. Before issuing the Decree, the Mayor must consult the Technical Advisory Committee, the category associations, the trade associations and the Market Commissions.

Then there is the specific case of the covered markets: Article 9 of Municipal Regulation 334 states that "the opening time of all sales activities in the market is determined by the management of the sellers within the time slot 6 AM - 10 PM without exceeding the limit of 13 hours per day. Exceptions could be made for events, trade shows, or for catering business and/or internal entertainment". In addition, "the openings in derogation on public holidays



and on Sundays are subject to the conditions regarding fixed trade". The sellers that trade food shall annually report by June 1st the list of stalls that guarantee mandatory opening in August in order to ensure service to consumers to an extent of no less than 30% of the stalls present in the market.



## Chapter 3

### Farmers' markets: their presence and legislation in the partner countries

Farmers' markets are an interesting novelty, even though they are, in fact, a return to the primitive forms of commercial distribution and to the more remote nature of markets, before all the changes that have made them what they are today.

Farmers' markets were firstly reborn (one can hardly speak of an *ex novo* birth), especially in the large urban areas in the United States and other Western countries, where the distance between the place of production and that of consumption is most greatly felt and have spread very quickly in most European countries, and beyond. They represent a sort of return to the beginning, to direct sale of their own products by farmers in the place where demand meets supply. However, the phenomenon cannot be dismissed merely as a case of rediscovery of ancient traditions.

The construction of a complex supply chain, the logistics and technological transformation of the modern trade and the coexistence of different modes of consumer goods supply, create a complex scenario and an ease of access to food and other products, in ways and places, that has nothing to do with what was present only a few decades ago.

In this very complex context, **farmers' markets are therefore a new actor that need to be carefully observed, also because there is a flourishing of regulations, laws, and initiatives to support or simply regulate these new markets.**

**The scenario in the countries considered is not uniform, at least from the point of view of legislation, but the presence of farmers' markets within traditional markets is a feature that occurs regularly.**

From our findings, in **Hungary** and in **Slovakia** the regulatory framework is that of general trade, i.e., there are no laws or regulations that specifically regulate farmers' markets, although they are present in various cities of the two countries. In Slovakia, the Ministry of Agriculture and Rural Development has declared its intention to support these new markets, to develop this model of commercial distribution and to support agricultural production: to do this, one of the first steps would be the establishment of a farmers' markets "code".

Additional information which provides a better understanding of the interactions between farmers and traditional markets come from Veszprém. Within the city's markets, farmers are allowed to sell goods produced directly by them, of course according to the

general taxation rules, in compliance with the health and hygiene standards and with authorization to sell issued by the Municipality. The farmers sell fruit, vegetables, dairy products, processed meats, eggs, herbs and spices, honey, flowers, mushrooms, etc. The farmers' location within the market depends mainly on their ability to rent an area of the market rather than another: They usually sell their products directly on their stalls which consist of a simple shelf, while the larger halls are occupied by the regular sellers. In Poland as well, the presence of farmers in markets is regulated by the same laws and regulations that affect the other sellers. In the case of **Krakow**, farmers are present in all the markets. Their presence is bound by the payment of a daily fee. They sell their own products from their stalls, like milk, cheese, eggs, żur (traditional soup), honey and meat (chicken - mostly, also duck and turkey and often sausages and other ready-to-eat products and homemade pork meat). These are small producers, with reduced sales capacities and therefore the level of control for them is not the same as that reserved to large producers and food processors. This creates mixed reactions: on the one hand, there are the concerns of some consumers who do not approve of the absence of HACCP<sup>3</sup> certification while on the other hand, there is the support and enthusiasm of those who prefer the consumption of local products.

In **Slovenia** there is a division of the products that can be sold by farmers in markets into crops, meaning fruit, vegetables and fresh products, and into processed products (dry fruits, fruit juices, bread, and cheese). Farmers can sell crops without any special restrictions or limitations, while for the latter they need a sales permit due to the nature of the products.

More generally, the rules are that products can be sold directly by the producer or by a family member, provided that he is more than 15 years old, that farmers need a permit issued by the sales manager of the market and they must sign a declaration that guarantees the product quality. Other stricter regulations are applicable in the case of selling organic or integrated products. In order to sell products, farmers also need to register with the Republic of Slovenia Health Inspectorate of the Republic of Slovenia Veterinary Administration and the Ministry of Agriculture, Forestry and Food. This is because normally a farmer is registered primarily only as a producer. To be able to go to a market and sell his products, he must register this new activity as a supplementary one, thus formally becoming a seller.

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<sup>3</sup> HACCP (Hazard analysis and critical control points) is a systematic preventive approach to food safety and allergenic, chemical, and biological hazards in production processes that can cause the finished product to be unsafe, and designs measurements to reduce these risks to a safe level.

In the **Czech Republic**, the most important legislative reference is October 22<sup>nd</sup>, 2007 Council Regulation no. 1234/2001 of, which regulates the organization of markets of agricultural producers, and it is up to the City to emanate specific ordinances for the definition of the spaces where these markets can be carried out, indicating the types of regional products that can be sold, in addition to other technical provisions necessary for their organization. Of course there is also a wide range of standards ranging from product quality, agriculture, and landscape protection. These texts have a wide field of application and their application to the farmers present in markets depends on the type of products they sell, the nature of the farm, etc.

**Italy** is among the European countries that show a greater interest in farmers' markets, where in recent years many farmers' markets have been developed, and where the presence of farmers in traditional markets has grown. This has happened as a result of various forces coming together. Cultural associations have worked towards the promotion of a new and more sustainable approach to food consumption, associations of producers have promoted farmers' markets and legislation, both at national and regional level, have identified ways of supporting this phenomenon.

At national level, the first measure that regulates and supports the farmers' markets is Article 1, paragraph 1065, of Law no. 296, of December 27<sup>th</sup>, 2006, which is the law on financial stability for 2007. This law foresees the establishment of an *ad hoc* decree by the Ministry of Agriculture and Forestry, which was issued on November 20<sup>th</sup>, 2007. This non-regulatory decree establishes the "minimum uniform standards for the creation of these markets (farmers' markets), with reference to the participation of farmers, the terms of sale and price transparency, and the conditions that need to be met in order to qualify for the measures provided by law". The decree thus introduces the guidelines for the creation of new markets reserved to farmers. This possibility was already included in Article 4 of Legislative Decree no. 228 of May 18<sup>th</sup>, 2001, which is still in force and concerns "Guidance and modernization of the agricultural sector, in accordance with Article 7 of Law no. 57 of March 5<sup>th</sup>, 2001". The article that regulates sales activities shows what farmers need to do in order to start the direct sale of their products. Farmers, individually or jointly, registered in the Commercial Register (as stated by Article 8 of Law no. 580 of December 29<sup>th</sup>, 1993), can sell their products directly to retail in the whole territory of the Republic, as long as they come, in

a predominant part, from their respective farms, in compliance with the provisions in force concerning hygiene and health”.

Based on these rules at a national level, the Regions have then specified the details. The reference text for **Piedmont** is Regional Law 12/2008. Article 11 provides incentives for the strengthening of the short chain supply and establishes funds “for the development of markets or direct retail space in public or private areas, to which the farmers who are operating in the territory where the markets are located, have access to”.

Then, Municipalities and Mountain Communities identify those funds through specific acts and new farmers’ markets are funded.

The City of Turin then proceeded to issue a regulation, approved on March 21<sup>st</sup>, 2011 by the City Council, which indicates the types of products that farmers can sell, specifies the requirements that need to be met by the equipment used and states that the stall must have clear reference to the farm, in order to make the supply chain transparent and traceable. In the case in which goods not produced in the farm are offered for sale, these must be clearly recognizable according to the law.

**The Veneto Region** has regulated in this area through Regional Law no. 7 of July 25<sup>th</sup>, 2008, (BUR no. 62/2008), which contains the “rules to guide and support the consumption of “Km0” agricultural products”. This is not an *ad hoc* law for farmers’ market (neither was the one in Piedmont), but it is a text that promotes quality agricultural production of “kilometer zero” or rather, local produce, encouraging its consumption and sale and ensuring consumers greater price transparency and appropriate information about the origin and specificity of these products.

This law also states that each Municipality, notwithstanding the provisions of the trade laws, can set up markets reserved for farmers, or “farmers’ markets” and foresees that in all markets at least 15% of the food stalls should be reserved for agricultural producers. This second element is of particular interest because, alongside the establishment of new specific markets for farmers, it is a tool that encourages the coexistence between sellers and farmers, through the sharing of the same place of distribution, in the hope that this can be beneficial to all parties and could increase the competitiveness of markets.

## Chapter 4

### Transposition of the Directive 2006/123/EC in the CENTRAL MARKETS project partner countries and its impact on markets.

Directive 2006/123/EC, also known as the “Services” Directive or the “Bolkestein” Directive (named after Frederik “Frits” Bolkestein, Commissioner for the Internal Market, Taxation and Customs Union during the Presidency of Romano Prodi between 1999 and 2004) regulates services in the Internal Market. Its approval was laborious, due to the strong opposition that the original text met both from some important political groups within the European Parliament, and from some countries, worried that the excessive liberalization of certain services, the elimination of certain barriers for the movement of services and the deregulation of the labor market would damage their domestic economy, producing an increase in job insecurity and a reduction in the rights acquired by workers.

These objections led to substantial changes of the original text, including more protective actions, and led to its approval by a large majority in the Parliament on February 16<sup>th</sup>, 2006, after having also received substantial support from the European Confederation of Trade Unions.

The Directive’s reach is wide, given that within the broad definition of “services” we can find various economic activities, but what matters for **the purpose of this research is to explore whether and how the transposition of this Directive into the legislation of the individual CENTRAL MARKETS project partner countries has produced changes in the regulation of markets.**

Between 2011 and early 2012 many Italian cities have been home to protests led by groups of market traders organized to different degrees denouncing the negative impact on their working conditions and on their prospects of work stability caused by the implementation of the Directive in Italy, due to the elimination of the automatic renewal of their selling licenses.

Squares that normally hosted markets - now completely empty, and roadblocks put up by the sellers - are images that have deeply impressed those who are frequent customers of markets.

**The Italian case** seems particularly interesting in understanding how the world of markets has been affected by the application of the Directive and how the process of defining the different ways of inserting its contents in Italian legislation has been difficult and not always linear.

Italy incorporated the contents of the Directive 2006/123/EC into its laws through Legislative Decree 59 of March 26th, 2010 published in the Official Gazette on April 23rd, 2010.

Regarding the topics of interest to us, is it useful to note that Article 8, paragraph 1a) gives a definition of economic service as “a service, even an intellectual one, carried out in an entrepreneurial or professional way, provided without a relationship of subordination and normally followed by remuneration”, while paragraph 1f) defines the authorization scheme, thus introducing the first element directly linked with markets. Title II (Articles 10-19) is devoted to the “Provisions on the access to and exercise of service activities”, including the discipline of selection from among several candidates, as per Article 16, and the granting of permits, disciplined by the Article 17.

But what characterizes Italian legislation is Article 70 dedicated to “retail in public areas”, which changes various points of Article 28 of the Legislative Decree no. 114 of March 31<sup>st</sup>, 1998 (“Reform of the trade law”, also known as the “Commerce Decree”). The first paragraph of this Article extends the range of bodies that can obtain an authorization, beyond individuals and legal partnerships, to corporations and cooperatives.

Lastly, paragraph 5 entrusts the Joint State-Regions Conference Agreement to identify “without discrimination as to legal form, the criteria for the issuing and renewal of the concession stalls for trade in public areas and the transitional arrangements, with planned starting dates, including the concessions in force at the date of entry of this decree and to those extended during the period until the application of these transitional provisions”.

The next step is the approval of the Joint State-Regions Conference Agreement “on the criteria for issuing stall spaces for trade in public areas no. 83 of July 5<sup>th</sup>, 2012”. Starting from the provisions of Article 70 of Law 59/2010, the Agreement regulates the procedures for granting authorizations for the allocation of stalls in public areas. The responsible body is the Joint Conference, on the basis of the provisions of Article 120 of the Constitution which states that “the Government can act for bodies of the regions [...] in the event of failure to comply with international treaties and EU legislation, or when necessary to preserve legal or

economic unity and in particular the protection of the essential levels of services concerning civil and social rights, regardless of the territorial boundaries of the local governments”.

Specifically, paragraph 1 of the Agreement states that: “the granting of stall spaces [...] has a period of validation that does not limit free competition beyond the required time needed to recoup the cost of investment [...]. In any case, the duration shall not be less than nine years or [...] more than twelve years”.

Paragraph 2 outlines the rules for the selection procedures for the allocation of stalls and identifies the priorities as being: greater professionalism (relative to length of service) evaluated as up to 40% of the total score and the commitment made by the candidate to make his commercial service compatible with its purpose and with territorial protection, thus including the type of products offered for sale. Another priority is regular social security and tax contributions by the candidate’s company.

**To sum up, the new elements introduced by the transposition of the Directive that have effects on the Italian markets are: the introduction of other business bodies (corporations and cooperatives) and the limit on the duration of licenses by removing the mechanism of automatic renewal.**

The Agreement mentioned above is, however, a formula that safeguards professionalism and recognizes the dual need to grant access to new entrepreneurs into the world of markets and at the same time to make sure that whoever is carrying out this activity has enough time for the amortization of their investments.

It is now up to individual Italian Regions to include, in their regional legislation, the decisions taken in this Agreement.

The transposition of the “Bolkestein” Directive has made some **important changes to Hungarian law too**. First of all, it is useful to remember that, according to the Hungarian regulation for the harmonization of EU laws, directives automatically become part of Hungarian law without any changes, if possible. The Hungarian regulation on markets, fairs and shopping centers (Regulation no. 55/2009) has been modified by Regulation 212/2009 in order to apply Directive 2006/123/EC.<sup>4</sup>

Among the changes, it is worth mentioning that the framework law, the above mentioned Regulation no. 55/2009, regulates not only “markets and fairs”, but “markets, fairs

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<sup>4</sup> By the Ministry of Administration law harmonization database.



and shopping centers”, thus extending its range and gathering three different types of commercial distribution under one umbrella law.

The law, as amended, defines how markets can be held exclusively in the places indicated by the territorial (or local) development plan. These places “depending on the characteristic of the market, the goods and the activities, need to comply with regards to the legal building, public health, food-chain secure, food hygiene, animal hygiene, plant hygiene, environmental, cultural heritage protection, labor and fire safety regulations, waste disposal and storage equipment for the waste generated during the activity” (Article 2 ).

The law also precisely regulates the content and procedures for the granting of permits and authorizations, identifying the local government, namely the Municipality, as the body which is competent to grant permits and supervise the activities necessary for the proper functioning of markets. Article 4 rigidly defines the content of the individual permit, which must contain, in addition to the holder’s personal details, the indication of the market/the fair, the stall inside the market place under its jurisdiction, the opening days and hours of the market and/or the fair, the width of the stall and the legal document confirming the right to utilize public soil, amongst other information. The procedure for issuing the permit cannot take longer than 10 days, thus giving the Municipality a tight deadline to comply with. The limitation imposed by Article 5 is also interesting. Those who are not recognized as farmers or entrepreneurs, thus private citizens who wish to sell goods, may only be present in flea markets or second-hand markets. Cosmetic goods, food, forage and luxury goods cannot be sold by private citizens because they cannot be considered second-hand products.

Moreover, the current regulation requires the market/fair managers to promptly inform the traders/sellers on the mechanism of stall allocation.

One last observation: mushrooms can only be sold in markets; in the case of fairs it is necessary to have specialized staff that can recognize and identify the different types of mushrooms offered for sale.

The “Bolkestein” Directive has been transposed into the legal order of the **Slovak Republic** through Act 136/2010 on “Services in the internal market”, by amending certain laws. At the same time about 36 other acts were adjusted.

In Slovakia, the reference text for the functioning of markets is Statute Act 178/1998. Transposition of the “Bolkestein” Directive has only had indirect effects on this act: in substance the new features include the recognition of rights that a person, authorized to sell

products in another EU member state, has to carry out the same activity in Slovakia, without asking the competent Slovakian authority for a business license. However, he must ask the Municipality permission to sell or to provide services in specific locations within the municipality, thus in market places, as a Slovak entrepreneur.

The bodies entitled to grant authorizations are the Municipalities that manage markets, as pointed out in chapter 2. It is useful to remember, however, that Statute Act 178/1998 regulates the conditions for the sale of goods and provision of services in a given space, the market area, while the Municipalities define the exact rules of operation through their specific acts.

In **Poland** a large part of the powers and responsibility for the regulation related to the establishment and operation of markets is transferred to Municipalities. In accordance with the provisions of the Act of March 8<sup>th</sup>, 1990 on local self-government (consolidated text of 2001, Journal of Laws No. 142, item 1591, as amended), meeting the collective needs of the community is a duty of the Municipality. “The matters of market places and market halls” are among the tasks mentioned *expressis verbis* in the said Act. This provides the basis for municipal self-governments to enact local laws governing the organization of market places and the trade that takes place in them. Local laws are most often adopted by resolutions of the City Council (in the case of urban municipalities) or by the Municipal Council (in the case of rural municipalities).

Following the entry of the “Bolkestein” Directive into force, the Polish Parliament issued a relevant act which collectively adapts Polish law to the changes in the European law. The Act of March 4<sup>th</sup>, 2010 on the “Provision of services” in the Republic of Poland transposes the dispositions of the Directive into 27 Polish legal acts. There are no regulations directly related to markets resulting from the transposal of the Directive into the Polish law. There are laws regarding some aspects that can affect the functioning of markets, but in a total indirect manner.

To be thorough, we mention:

- the Act of September 13<sup>th</sup>, 1996 on the maintenance of cleanliness and order in municipalities (Journal of Laws of 2005, No. 236, item 2008, as amended);
- the Act of August 21<sup>st</sup>, 1997 on real estate management (Journal of Laws of 2004, No. 261, item 2603, as amended);
- the Act of March 11<sup>th</sup>, 2004 on the protection of animal health and eradication of

infectious animal diseases (Journal of Laws of 2008, No. 213, item 1342);

- the Act of December 16<sup>th</sup>, 2005 on products of animal origin (Journal of Laws of 2006, No. 17, item 127, as amended).

As said before, the substance of the legislation and regulations governing markets has not been modified by the transposition of the “Services” Directive in Poland.

A similar situation is to be seen in **Slovenia**: there were no changes due to the implementation of the Directive into the national law. Directive 2006/123/EC on “Services in the internal market” was transposed into the Slovenian legal system by the following legislation:

- Act on services in the internal market (Official Gazette of the Republic of Slovenia, No. 21/2010)
- Rules on the provision of information for service recipients (Official Gazette of the Republic of Slovenia, No. 10/2011)
- Decree on the notification for service requirements (Official Gazette of the Republic of Slovenia, No. 80/2010)

The Act on “Services in the internal market” sets up general rules for the implementation of the right of establishment of service providers and free cross-border provision of services, while ensuring a high level of service quality.

The “Services” Act is a general act, which contains information regarding the service providers and directs them to the sector specific acts that govern and regulate the performance of individual services (tourist guides, tour operators and travel agencies, real estate agents, detectives, collection of waste, postal services, etc).

The Act does not regulate commercial public services and therefore does not directly regulate the issues related to the functioning of markets.

***The situation in the various countries is therefore very different. It goes from cases such as the Italian or, to a lesser extent, the Hungarian one, where the transposition of the Directive has had direct effects on markets, to other situations in which there are no significant impacts or where there are none at all.***

## ***Second part***

# **Report on market mapping activity, the analysis of urban market governance systems and SWOT analysis main findings**

The results presented in this second part refer to the second and third step of the CENTRAL MARKETS WP3 activities (activities 3.2 and 3.3), which include the activities carried out at local level by every project partner following a methodological framework drawn up by the Conservatory of Mediterranean Food from Piedmont.

Three tools were created to analyse the situation regarding partner city markets: a questionnaire useful to map the markets according to different categories (the number of stalls, the product categories divided in food and non-food, etc.); a questionnaire to analyse the partner governance systems, an additional analysis introduced in order to identify the market-system stakeholders which presents a “map” of all the relevant actors involved in the urban market policy system in each area; a template for the SWOT analysis, which was used by partners to develop the analysis with their identified stakeholders.

The Conservatory’s task was also to collect the data given by the partners, to analyse it and to present the results in this report in order to give an overview of the state of central Europe markets.

## Chapter 5

### The market mapping activity

*The aim of this activity was to develop a map showing the CENTRAL MARKET partners' market network. A total of **86 markets have been mapped**: 39 markets in Turin, 19 in Venice, 7 in Maribor, 6 in Krakow, 5 in Bratislava, 4 in Pécs, 4 in the Ústí Region and 2 in Veszprém.*

*Markets have been analysed according to different categories among which: the number of stalls, the product categories divided into food and non-food, the location of markets (city centre or periphery) and the average prices in comparison with large retailers, etc.*

In describing the results which emerged from the mapping, we started by taking into consideration **the number of markets** that were analysed. The size of the market networks differs in each of the project cities/regions. The difference between the extensive market network of the two Italian cities and those of other cities/regions<sup>5</sup> stands out clearly. Another notable characteristic of the Italian cities is the predominance of markets that are held outdoors: 33 outdoor markets in Turin, compared to 6 indoor; 16 outdoor markets in Venice, compared to 3 indoor. In other cities the markets are mostly held outdoors, except for the cases of Pécs and Krakow that have a prevalence of covered markets or partially covered markets (in the case of Krakow).

As for the product categories sold on market stalls, partners were asked to indicate **the number of food and non-food stalls**. Within the Italian city markets analyzed there is a prevalence of stalls that deal with non-food products: clothing, footwear, jewellery, etc., although the difference between the number of these and the number of food stalls is not so great. There are 100 stalls more in Turin, and 200 in Venice. The same applies to Krakow which has 100 stalls more in the non-food sector. In the city of Pécs, this prevalence becomes even more pronounced; there are 482 food stalls and 1132 non-food. A certain balance in the two categories is found in the markets of Bratislava, while in Veszprém and in Maribor we find a greater prevalence of food stalls. For example, in the case of Maribor, there are 240 food stalls and only 27 non-food stalls.

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<sup>5</sup> Please note that some partners have not mapped all markets in their territory.

**Markets are mostly located in the city centres.** Turin and Venice are exceptional as they have market networks which are well spread across the urban area, with 50% of the markets in the centre and the remaining 50% in the suburbs. A similar situation can be found in Pécs where 2 markets are located in the city centre and another 2 in the suburbs. Markets are exclusively in the city centre in the case of Maribor and Veszprém, while Bratislava has only one market in the suburbs. Krakow has mapped only 6 markets located in the city centre which are those involved in the CENTRAL MARKETS project.

**Market timetables show significant differences** both between the different cities analyzed and within the individual cities where many markets have different opening times. In the case of Turin, however, there is a prevalence of markets that only open in the morning, closing in the early afternoon at 2 o'clock. It is only on Saturdays that markets are also open in the afternoon. Markets are held daily in Turin, except for Sundays. However, the situation is more variable in Venice. Here some markets are open daily, some follow the same opening hours as Turin (7:00 to 14:00), others follow shop opening hours (thus they also cover the whole afternoon). Timetables vary a lot in the region of Ústí, while in Krakow most markets cover a very broad timespan that goes from 6:00 to 22:00. The same applies to the other partner cities, where markets provide a complete service, from early morning until late afternoon, with some variation depending on the season.

From the information provided by the project partners it emerges that in the Italian context **markets play their most important role in controlling prices.** In the cities analyzed, Turin and Venice market prices are on average lower than those of large retailers and shops in general. The situation is more variable in the rest of central Europe, where the comparison between the prices in the markets and those in large retailers does not show significant differences. More specifically, a certain balance in prices between the two forms of commerce exists in Krakow and Veszprém, while in Bratislava there are internal differences between different markets: prices of several items in markets are more competitive compared to the large retailers while for other items prices are higher. The comparison between the two forms of trade regarding price does not show significant differences in Pécs, although in a few markets prices tend to be higher. In general, prices are higher in the Ústí Region and city of Maribor markets.

Two additional aspects are useful in providing a complete picture of the markets covered in the analysis. The first one concerns **the types of sellers in the markets**, which

help us understand how the market industry can provide attractive job opportunities to the younger generation, and to new citizens coming from immigrant communities. The second aspect concerns **the type of customers that the market is able to attract**. Knowing the type of customers is crucial to understanding the market's ability to meet the needs of its clientele and thus be more attractive and competitive with the more modern forms of commerce.

In Turin, the clientele is mainly composed of elderly people and residents of the different neighbourhoods where the markets are situated. This situation stems from the structure of the city population which is progressively aging, but also depends on the market opening times: simply being open until early afternoon permits only mainly residents and elderly (retired) people to go to the market. The situation in Venice is more varied, which is also due to the very large number of tourists and the long opening hours. In fact, markets reach a diverse clientele, ranging from the youngest to the oldest, from local residents to customers from other cities. The cities of Krakow, Bratislava and Maribor and the Region of Ústí also demonstrate that markets attract a very diverse clientele, even though Maribor states that, given the location of its markets in residential areas of the city, they are mostly frequented by the inhabitants of those neighbourhoods. As in the case of Turin, Pécs has a clientele mainly made up of elderly people and residents living in the neighbourhoods near the market. Because some of the markets in Pécs are located near bus stops, its customers are also people who come to the city for work and travel using public transport.

As can be seen from the data above, ***the attractiveness of a market depends not only on products offered for sale, but also on a series of logistical elements and its organizational nature***. For example, in a few cities, such as Turin, market opening times are a constraint for the working population who find markets closed in the afternoon, which is the only time when they could purchase goods from the market. Conversely, the presence of bus stops makes markets more accessible to non-residents in the neighbourhood where the market is held.

Major differences emerge in the profile of the vendors in the two Italian cities (where the foreign population is growing) and the rest of the partner cities analyzed. In Turin, as in Venice, merchants are both Italian and foreign, with a significant growth in the latter. This commercial sector in Italy is, in fact, one of those where there is a growing presence of immigrant workers.

In the other partner cities the sellers are almost all local and data from many partners evidences the seniority of the traders. Most of the traders belong to the older generation, although Bratislava highlights a significant number of young people who pursue this profession. The Ústí Region and the city of Maribor have both local merchants and some from other regions of the same State.

The situation varies considerably between cities and among the different markets in the same city with regards to **communication activities**. In cities where markets are managed by public bodies, the managing authority advertises markets on their own websites, but there are no specific promotion activities. In these cases, where there are sellers associations operating in a given market, they are in charge of the promotion activities (this happens in some markets in Turin). In Maribor, Veszprèm and the Ústí Region, the manager or managers of markets deal with the promotion activities through specific marketing and communication strategies. These activities range from the organization of festivals to *ad hoc* events, the creation of brochures dedicated to the markets to the integration of markets in materials promoting tourism in the city.

*Although the mapping of CENTRAL MARKETS partner markets presents very different pictures at the individual partner level, central Europe Markets in general seem to face common challenges and have definitely identified common aims to be reached, as will be seen in the forthcoming chapters.*



## Chapter 6

### The analysis of urban market governance systems

*The aim of this chapter is to illustrate market governance systems, to identify all of the relevant actors involved and the interactions among them in each partner city/region. All of the information has been gathered directly from the local project partners through surveys submitted and collected by e-mail.*

The partners were firstly asked to identify **the most significant turning-points in market policy** in each national/local context and the changes which have triggered each one of them. By doing this, the partners provide a picture of the consequences of the significant EU and national/local policies described in the “comparative study” or other policies. This is the first step in defining the framework of the market governance systems.

**The Polish partner** identifies the implementation of the March 8th 1990 Act on local self-government as the turning-point. Based on this Act, Krakow City Council implemented local regulations aimed at organizing and running market places that enabled leasing space owned by the City of Krakow. This law gave the Polish city councils a strong and comprehensive tool to implement a long-term policy on markets, including a wide range of activities (local taxes and other payments, economic promotion, sewage management<sup>6</sup>, local traditions, food market, etc.) undertaken at a city level to provide solutions that are homogeneous for all market places.

In the case of **Pécs**, one of its stakeholders, the municipal company Biokom Ltd., states that one of the main turning points was the closure of Buza square market which caused a negative reaction and made the local population feel the lack of it.

In **Ústí Region**, the turning-point was when the national government decided on the form of subsidies to support farmers' markets and local or regional product sales in 2011. Subsidies (public funding) were provided by the Czech Republic Ministry of Environment revolving fund in order to support the development and organization of farmers' markets. Another stakeholder in Pécs also identifies the organization of farmers' markets in the city as

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<sup>6</sup> Sewage treatment is the process of removing contaminants from wastewater and household sewage, both run off from domestic, commercial and institutional places.

a turning-point.

The City of **Bratislava** affirms that market policy has not changed significantly for years. A crucial issue has been the growing power of supermarkets and the consequent loss in the attractiveness of markets. The once strong tradition of markets now has to survive in the “era” of supermarkets. Another factor in the decrease of markets was the implementation of Statute Act no. 178/1998 issued by the Slovak Republic National Council which prohibited the sale of some products in marketplaces.

The most important turning-point in **Veszprém** is currently underway: the whole city centre is under construction. In the framework of an EU project the traffic system and the pedestrian area will be improved (with coffee terraces, playgrounds, underpasses, new surfaces, street furniture, plants etc.) and car parks and roundabouts will be built. This process will strongly influence the life of the town centre, especially that of events, such as the fair that the project partner is going to organize.

The partner from **Maribor** indicates that the invitation for tender issued by the Municipality in 2010 to rent markets and parking spaces, whilst still participating in the main decision making processes, has been its turning-point. Other turning-points in market policy have also been the opening of markets with organic and integrated crops which have both revitalised the historic centre of Maribor and also added to what is offered by markets.

The City of **Venice** affirms that in the last decade, the progressive lack of local shops in neighbourhoods has represented the turning-point for market development. Markets have inexorably become a place where residents can find competitively priced goods, groceries and fresh produce. The action of the Venetian City Administration has recently supported, where possible, the opening of markets in areas lacking in similar services through assistance and systematic promotion. At the moment, a revision of the City trade regulation for public areas is underway as a result of liberalization issues prescribed by European legislation.

**Turin** also indicates the liberalization issues prescribed by European legislation with the Implementation of the Bolkestein Directive (Directive no. 59/2010) as a turning point. This particularly regards the ban on “automatic renewal” mechanism licenses or of advantages for outgoing providers within the selection procedures for the release of the licenses. The Directive, which is still not completely enforced at a regional level, will soon involve a public procurement procedure open to companies which currently do not have licenses for a set place in a given market. The Directive in Italy is particularly innovative

because, up to the present moment, licenses have been automatically renewed.

The liberalization policies recently approved by the national Parliament on the Government's initiative are easily enforceable for shops (especially for medium and large scale retailers) but are difficult to enforce for stallholders who are subject to various restrictions (viability, urban hygiene, city liveability, etc.). Therefore a disparity in the conditions between the two macro-categories of retail sellers emerges (for example, a market needs to obtain special authorization from the Municipality in order to take place on Sundays. The Municipality will have to consider the feasibility of the extraordinary opening by balancing all of the interests involved and not by only making a decision from a commercial point of view).

*As can be seen from the information received from the partners and from what emerged earlier in the first part, it is only for the Italian cities of Turin and Venice that Directive 2006/123/EC is considered as a fundamental turning point in urban market management, as it will create a very different scenario for the markets once the law has been implemented at the regional level.*

*For the other partners the turning-points have been national or local laws which have given more power to the municipality regarding markets, often allowing it to delegate part of direct management to another body (as in the case of Krakow and Maribor). The presence of local producers in markets or in ad hoc markets, plays an important role, as does competition with the large retailers, which is often facilitated by the introduction of policies at the local level that favour this form of trade. The data collected also shows the importance of the markets role as animators of urban development that complements, together with other activities, broader policy on the renewal of urban centres.*

By focusing on the role which the public administration plays in the governance system of markets, the study illustrates **the presence of different degrees of public intervention**. In particular, the role of public administration seems to be strong and almost exclusive, especially from the regulatory point of view, in the Italian cities of Turin and Venice, in the Hungarian ones of Veszprém and Pécs and in the Czech Ústí Region. Reduced public intervention can be seen in the Slovak capital city of Bratislava and the Slovenian one of

Maribor, where private companies with public capital play management roles. Finally, public intervention seems to be limited in the Polish City of Krakow, where the management in its entirety is delegated to the private sector.

The most important result of the analysis of urban market governance systems is the **classification of the CENTRAL MARKETS project local partners according to the presence or the absence of intermediate bodies between public administrations at all levels, and the individual sellers and customers.**

The Italian cities of **Turin** and **Venice** which are both characterized by the systematic presence of sellers organizations (Confcommercio-FIVA, Confesercenti-ANVA, etc.), farmers' organizations (Coldiretti, Confagricultura, Copagri, etc.) and customers organizations (Adiconsum, Federconsumatori, Adoc, Codacons, Lega Consumatori Acli, Unione Nazionale dei Consumatori, etc.) can be grouped together on one side. According to the information collected, these intermediate bodies have political and economic resources and know-how and are useful for lobbying public administration in a regular and cooperative relationship.

The Slovenian City of **Maribor** declares the existence of organizations for sellers, farmers and customers which have, however, a less developed network than in Italy. The Chamber of Agriculture and Forestry of Slovenia (and its units in Maribor) protects and represents the interests of the farmers; while the Union of Slovenian Organic Farmers Association promotes organic agriculture. The Slovenian Customers Association, an NGO, has the aim of providing safe and healthy markets for buyers and of protecting consumers rights. These bodies are endowed with knowledge-based resources useful to conducting their activities.

The information gathered from the Hungarian cities of **Pécs** and **Veszprém** highlight the presence of organizations for local producers, while organizations looking after customers' rights seem to be absent. The Chamber of Commerce represents the local producers and negotiates with the public administration using its legal resources and know-how in the City of Pécs. The Ltd. company Pécs Patronus, owned by the Municipality of Pécs, coordinates traditional small scale producers.

The Slovak City of **Bratislava** presents a picture which is quite contrary to the Hungarian one: sellers and farmers associations appear absent, while the local partner lists

customer associations such as Old Market Alliance, Slow Food and PUNKT as all involved in the revitalization of old markets and in the promotion of traditional culinary heritage.

As in the Hungarian case, the Czech **Ústí Region** indicates the presence of private bodies and not-for-profit organizations which deal with the supply category.

The Polish City of **Krakow** has not declared the presence of any intermediate body between individual sellers, farmers, customers and the public administration. However, as the management of urban markets is delegated by the public administration to six private bodies, they can be considered the intermediate bodies between individual sellers and the City.

*The presence of intermediate bodies between individual sellers, farmers, customers and the public administrations seems to be relevant with a view to carrying out a variety of functions during the whole “life-cycle” of a public policy (formulation, adoption, implementation, evaluation).*

Firstly, in the formulation phase, intermediate bodies are important because they can collect information concerning the strengths and weakness of the urban market management systems which are then useful to the public administration in designing a well performing urban market policy.

Secondly, in the adoption phase, the representative bodies are useful in increasing the knowledge of their members concerning the new contents of the public policy just adopted.

Thirdly, by involving the actors charged with the execution of the policy in the previous policy formulation phase, more cooperation is developed which thus facilitates the achievement of the policy goals and reduces potential conflicts in the implementation phase.

Finally, third parties (our intermediate bodies) are relevant in evaluating the impact of the policy implemented, thus allowing the public administration to modify and to re-calibrate the policy, if necessary.

*It can be seen that the presence of category representative intermediate bodies (sellers, farmers, consumers) and the presence of single urban market intermediate bodies (for example, committees constituted by representatives of the sellers of each single market) can generate and increase group and social identity.*



***It is not only the mere presence of intermediate bodies that makes the difference to the efficiency of a market system, but it is also the way in which these bodies are organized, involved and led by the public administration in order to build a participatory decision making and implementation process that is important.***



## Chapter 7

### The SWOT analysis main findings

*As mentioned in the introduction, the SWOT analyses related to the CENTRAL MARKETS project have been carried out by each partner with the involvement of some stakeholders. The results described in this chapter have been integrated with a large quantity of data collected from the questionnaires completed by the partners and related to the previous study on market governance. Along with the results obtained in the previous chapters, the SWOT analyses results will complete the state of the markets description within the partner cities. The results reported below establish the basis for the definition of guidelines for market system revitalization of each partner city, reorganized into a strategy for central Europe markets.*

#### SWOT analysis methodological note

**SWOT analysis** (Strengths, Weaknesses, Opportunities, and Threats) is an extremely useful tool for understanding and decision-making in all sorts of situations in business and organizations. The SWOT analysis headings provide a good framework for reviewing strategy. It is a procedure that renders the information collected systematic and accessible thus making them a sound basis for the "decision" (definition of policies and guidelines for action). Founded as a support to companies in contexts characterized by uncertainty and strong competition, it has been used since the 1980s as **a support to the public sector for the implementation of policies. Today the use of this technique has been extended to territorial diagnosis and evaluation of plans, programs and projects.**

Through the SWOT analysis we can reveal the strengths and weaknesses of the system, bringing out the elements which can help, hinder or delay the pursuit of objectives. More specifically, in the SWOT analysis we can distinguish **endogenous and exogenous factors.**

The endogenous factors are divided into strengths and weaknesses; exogenous factors into opportunities and risks. Among the strengths and weaknesses we consider all of those variables that are part of the system on which action can be taken to achieve the objectives. Among the latter we include external variables that can condition both positively and negatively.

We can now provide a concise but rigorous definition of a SWOT analysis component:

- **Strengths.** Endogenous components or characteristics of the local system, which constitute the economic base, which offer prospects, (even potential) development, and make up the socio-cultural identity.
- **Weaknesses.** Endogenous components or characteristics of the territorial system representing shortcomings of its economic, social and territorial structure, or obstacles in the process of development.
- **Opportunities.** Endogenous or, more often, exogenous circumstances which can be captured and enhanced by appropriate policies to develop the strengths and reduce the negative effects of weaknesses and enable or enhance the development process.
- **Threats.** Endogenous or, more often, exogenous circumstances, such as trends of the local socio-cultural system, which could weaken the system, aggravate the weaknesses and endanger the development process.

SWOT analysis highlights the main factors internal and external to the context of analysis, which can influence the success of a program and allows for the analysis of alternative scenarios of development and supports the setting of a coherent strategy with respect to its context. SWOT analysis can, therefore, identify the main strategic guidelines in relation to an overall objective of economic development.

The use of SWOT analysis is recommended:

- **Ex-ante** to improve the integration of the program in its context;
- **As an intermediate step** to determine whether, in relation to changes in the environment, the identified lines of action are still relevant and provide a tool to determine changes to the program;
- **Ex-post** to contextualize the final results of plans and programs.

SWOT is collected in a matrix. The information is organized into four sections that collect the characteristics identified as points of strengths, weaknesses, opportunities and threats. This tool is useful to guide subsequent research operations, but is not yet a decision-making tool.



## How SWOT can provide support

- provision of knowledge of the area in which the program is implemented (construction of socio - demographic and economic indicators) and identification of the main trends and issues;
- identification of possible actions in relation to the main issues highlighted;
- analysis of the external environment and the identification of opportunities and threats (O e T);
- analysis of the context of the program and identification of factors, even partially under control;
- provision of support to program management,
- classification/selection of possible actions based on their relevance, namely: identification of those actions (strategic guidelines) that leverage the strengths, try to reduce the weaknesses, maximize the opportunities and minimize threats.

SWOT Analysis	<b>POSITIVE/ HELPFUL to achieving the goal</b>	<b>NEGATIVE/ HARMFUL/ RISKS to achieving the goal</b>
<b>Endogenous</b> facts/ factors of the organization	<b>Strengths</b> Factors that are good now, maintain them, build on them and use as leverage	<b>Weaknesses</b> Factors that are bad now, remedy, change or stop them.
<b>Exogenous</b> factors of the environment in which the organization operates	<b>Opportunities</b> Factors that are good for the future, prioritize them, capture them, build on them and optimize	<b>Threats</b> Factors that are bad for the future, put in plans to manage or counteract them

## Project partners' strengths, weaknesses, opportunities and threats

### Strengths

The main element that almost every partner has mentioned among the markets' strengths is the **diversity** and **variety** of products offered in market places. Pécs, in particular, highlighted as a strong point the mixed profile of its markets, with the contemporary presence of food (producers, distributors, sellers), and non-food (household equipment, car market, ...) stalls. Not only do the markets have a wide-range of products, but the quality of these products is also considered important, particularly that of food, although Turin also stresses the good quality of some textile products in its markets.

Another element selected among market strengths is the **presence of local products**. Their importance is highlighted because they come from neighboring areas and thus support the local economy and because they are the basis of the typical, regional or national cuisine. Krakow, in particular, emphasizes product seasonality and includes within the markets strengths the naturalness and freshness of the products as a result of their being produced in line with nature and tradition (in the case of food products), as well as the availability of specific products solely in season (again, in accordance with the crop calendar), and not for an extended period of time.

The Veszprém Chamber of Commerce, referring to the crafts fair organized by them, highlights how the strengths of the markets concerns **unique products** that are not available in the usual commercial system.

Certain partners, such as Turin and Pécs, show that the competitive **prices** of goods sold at the market are strong points, because often, in the case of Pécs, they do not exceed the goods prices in supermarkets, while in Turin they are on average lower.

Bratislava emphasizes how the market sector is holding up despite the economic crisis, because of the role that the market plays in providing the public with **basic necessities**. The cities where the **market network is distributed all over the city area** (Turin and Venice), emphasize that the market is able in this way to provide a "neighbourhood" service, thereby

permitting residents to find goods, groceries and fresh food at competitive prices.

Bratislava also outlines how markets are a dynamic activity with a **low-risk business**. Market stalls are capable of adapting easily to current market demands, thus allowing them to make the changes necessary on the supply side without having to support large costs in terms of physical structure or additional costs. Markets are also capable, as pointed out by Turin, of providing access to employment and thus employment **integration of foreign communities** in the city.

For some partners, **bureaucratic aspects** are a strong point, either because there is a good level of regulation (Venice), or because it is an activity for which it is not difficult to obtain the necessary permits (Maribor).

Some highlight **market management** as an asset, in particular Pécs, where market management is carried out by the same municipal organisation (Pécs Holding Co.) and, in line with the international standards, one market operator is responsible for all of the markets. The Ústí Region identifies this issue as a priority, noting that markets with good performance are those where management is efficient.

Among the strong points listed by the partners we found other aspects related to market **organization**, such as good supervision over market product quality (Maribor), the high level of services organization such as electricity and water (Venice), well operating garbage-collection system (Pécs and Torino), long opening hours (Pécs), the presence of roofing to protect stalls (Pécs and Maribor), or on the contrary, the preference for outdoor markets (Ústí Region) and accessibility due to the presence of parking areas near the markets (Maribor).

Turin and Ústí Region, underline the importance of **integration with the main adjacent shopping area**, allowing both forms of trade to benefit from the customers influx in the area.

Other strengths highlighted by the majority of the partners concerning the **social aspects** of the market: some partners emphasize that markets are a place where people meet and where there is a genuine relationship between the seller and the buyer. Not a mere

exchange of money, but a human relationship based on trust. According to the partners, this is one of the elements that give an advantage over the large retailers.

Krakow, Bratislava and Pécs, identify the **traditional role** of this ancient form of commerce as one of the main strengths of their markets, Pécs emphasizes that its markets were opened in the fifties and eighties of the last century, so that most of them are well known city-wide, some are known across the region. Krakow, in particular, underlines how the mercantile tradition of Krakow can be the basis for developing an interesting cultural tourism product. Markets can be the destination for tourists interested in learning about the place's traditions because, as stated by Krakow, its markets is an authentic place- an authentic "**slice of life**" of Krakow - and not a ready-made product for tourists.

A final important element of markets strength in Maribor is the presence of **restaurants** in the market: on the one hand they allow consumption of the same products that have just been purchased and on the other, they strengthen the social role of markets, giving consumers the possibility of having a meal after shopping and spending the day at the market.

## Weaknesses

Many of the strengths identified by partners to describe their markets are for other partners listed among the weaknesses. Furthermore, for the same partner, an element can be both a strength and a weakness, as within the same city there are markets which have completely opposite characteristics.

For example, in the case of Turin, the textile excellences, as indicated in strengths, are characteristics of certain markets (e.g. Crocetta and Benefica Markets), while in other markets the **quality** of non-food products is **lower** (e.g. Porta Palazzo Market) and therefore become an element of weakness. The same happens in some markets mentioned by other partners, where the spread of goods from Asian countries is lowering the quality of products sold in the market.

In the case of Turin, which identified the competitive market prices among strengths, an unjustified rise in "km 0" product prices is also highlighted as a weakness. Maribor also identifies as a weakness, the food products **high prices**.

Other partners consider elements inherent to merchandise supply as negative factors. Some of them complain about the lack of organic and ethnic products (Pécs) or for example, Bratislava which highlights a **shortage of local products** sold at the market.

In fact, Bratislava points out that the strong position of the large supermarket chains and their demand for lower-priced supplies has put further pressures on local farmers, growers and vendors: supermarkets chains have sufficient funds to buy the entire harvest from the producers and farmers. In this regard, the Ústí Region emphasizes as a weakness in its markets the scarcity of food products available on the stalls. Fruit and vegetable products are limited and what is available is sold within the early morning. Also in Ústí Region markets, there is no wide range of suitable products, unlike in other partner cities.

If in a few cities the elements related to **logistical and organizational aspects** (cleaning, security, accessibility) were a strong point, in others, such as Krakow, they are negative elements. Venice identifies as negative elements the spaces and space management for boat operators, waste management and the need to perform checks on goods in order to protect consumers. Turin also identifies waste collection as a negative element where there is lack of cooperation from operators in making it more efficient. Turin, Pécs, Bratislava and Maribor highlight an accessibility problem related to some of their markets, referring to the shortage of parking spaces. Maribor, in particular, emphasizes the high prices of parking.

Another important organizational element which, for several cities, is a weak point is the **timetable** of markets that only remain open in the morning, which is the case in Turin, Maribor and Ústí Region.

In the case of Ústí Region and Bratislava, some of the weaknesses referring to market management and **governance**, are confused legislation and bureaucratic processes. Bratislava also notes as a weakness the presence of legislation related to the markets which, as we have seen in the previous chapter, has not undergone the changes needed to revitalize the markets over the years.

It also emphasizes that there are **no relevant official organizations for the vendors** (stallholders), growers and consumers and that the cooperation among stakeholders on both local and national level is poor.

Turin highlights a series of weak elements related to its specific governance and management system where, although there are collaborative relationships with all the associations representing the stallholders, still displays a **lack of cohesion** that makes daily market management difficult. Group strategies are absent and often traders do not have proper professional skills. The organizational system of Turin is still considered weak and lacking in the appropriate technology. The fees that merchants are forced to pay are also too high.

Another partner who identifies a weakness in the sellers is Pécs which emphasize the **sellers aging** and the lack of young people interested in pursuing this profession.

With regards to governance, Ústí Region emphasizes a lack of continuity in cooperation between the Municipality and the markets organizers. The latter are supported in the early stages, but are then later charged with all the expenses. Also some Municipalities in the Region are only slightly interested in farmers' markets.

Although Turin highlighted the large extended markets network as a strength, it also points out the need to reduce markets, stating the will to merge the smallest ones. On the contrary, Bratislava complains about **the inadequate number of markets** compared to the city size.

Most of the partners mention among the weaknesses the unavailability of information about markets on the Internet and at tourist information points, lack of promotional materials, and more in general they complain about **inadequate marketing and communication activities**. They also highlighted the lack of “brand” awareness.

Also a few cities find that communicating the origin of products to consumers is inadequate. This is the case of the Ústí Region and Bratislava which identify the lack of food labeling as a weakness.

Bratislava adds that some markets have a **bad media image** due to some newspaper articles in which markets were portrayed in a negative way.

Many partners complain about the **shortage of tourists** in the markets, but Maribor, Pécs and Turin also add the low presence of **young people** among market customers as an issue.

## Opportunities

The main opportunities identified by the partners are related to the use of marketing strategies to improve market performance. The idea is to secure **external sources of opinion** (journalists, tour guides) for common promotion of the market places.

In addition, the opportunities to employ Internet and new social media as a tool to learn about the markets have been brought to light. Even collaboration with **travel agencies** with the aim of integrating markets within city tours is highlighted.

The use of **new technologies** is also underlined as an opportunity to provide new services to customers such as new payment methods: installments or rechargeable card area, on-line shopping, home delivery, etc.

The opportunity of **connecting markets with restaurants** was mentioned by several partners, the intent is to establish cooperation with those that are located in the surrounding areas, so that they can use the market products and be market promoters to their customers. The connection to restaurants can also come about through the direct sale of food at the market, with the opening of on-site restaurants or in the mode of street-food.

The need to find **new financial resources** for carrying out the work that everyone has defined for the revival of their markets come out clearly from the partners. These definitely include European and national funds, but also private sources in order to co-finance market revitalization initiatives.

Both Bratislava and Turin, identify as an opportunity which has not yet been fully exploited, the use of **studies and research** aiming to seeks markets sellers opinions and the customers' needs.

## Threats

According to partners opinion, it is the **deterioration of the economic situation** that has led to the population losing purchasing power which has had a negative impact on markets (and not only). Markets not only have to contend with the loss of purchasing power of their clients, but they also have to face growing competition from the **large retailers**. In fact, the large retailers also have a huge marketing and communication activity budget available which, as observed by Krakow, permits them to make a notable impact on consumers. As we already have already pointed out, contrary to large retailers, markets haven't focused enough on marketing strategies and find it hard to obtain the funding to implement this type of activities. Also because, as again Krakow underlines, the most important criterion adopted in order to sell in the markets is to display prices.

Another threat is represented by **aging populations**; in fact as we have seen in many cities, old people represent a big proportion of the clients. As Pécs observe, this means that market operators focus more on products aimed at this kind of customers, rather than targeting young people who end up frequenting the large retailers.

Many partners are concerned about the consequences that could arise from **legislative changes at the European/national levels or from local policies**, whether these directly or indirectly deal with markets. Some policies which do not even deal with markets, could have negative effects on them: an example is that any changes in the public transport network could make the market less accessible.

This threat is primarily felt at the local level. In fact some partners complain about a lack of cooperation between the municipalities and the market managers, or among city district councils, which can lead to generating incoherent policies and limit the opportunity to organize joint initiatives. In addition, the lack of cooperation between markets and institutions can lead to other problems, such as those related to public order (public security) and illegal trade. Some cities complain about the growth of "wild trading" that is developing around the markets.



Another risk identified by the partners is related to the **unavailability of local agricultural products**, either due to the progressive abandonment of agriculture by the younger generations, or because producers may lose interest in markets, finding, for example, direct farm sales a better solution. In Bratislava the sale of Austrian and Hungarian products is growing and Slovaks stallholders buy them because of their good quality and affordable prices. However, products are not local and related controls are not effective. Other partners also complain about the lack of control and the **dubious origin of certain goods** sold at the market.

Last but not least, the **uncertainty of the weather** is a particular threat identified by the partners. Whether it gets cold, snows, rains or is too hot, open-air markets are constantly exposed to the bad weather.

## Conclusions

The results obtained through the study carried out in WP3 paint a picture of markets in the project partner cities which highlights the differences of each local and national context, yet also shows how the partners, through various instruments of analysis, identify very similar priorities in terms of the objectives to be reached and the actions to adopt in order to animate and revitalise traditional markets in the urban and regional contexts.

In the framework of the CENTRAL MARKETS project the Common Comparative Study on relevant EU and national legislation and policies was the first step in defining a common strategy on market revitalisation to be validated during subsequent activities foreseen by the project. The Study produced interesting results, and made it possible to highlight elements of similarity and difference between the laws regarding markets and the market functioning in the different countries involved. The first step was that of identifying the different levels of government involved, from governments and parliaments, which generate laws and regulations of a more general nature, to the cities that play a key role in defining more precisely the various aspects of the market's life.

Without going into the details of the elements discussed above, **it is evident that issues related to the management of markets and that concern aspects such as the opening hours, the product mix and licenses, are those that have the greatest impact on market functioning.** There are different actors in the various countries who are responsible for the management of the markets: in some contexts the public administration has an almost exclusive role, elsewhere private companies with public capital take on management roles while in the case of Krakow, management is delegated to the private sector which, however, operates within the confines of municipal regulation.

**Cities therefore play a fundamental role in the functioning of a market, becoming one of the main actors for the development of this sector.** However, as we have seen, there are other public bodies which have more or less direct legislative powers in the field of markets.

*The first result of this research is to have highlighted the existence of one or more sovra-local levels specific to the areas analysed but with the same function: that is defining the framework within which the policies enacted by the municipality are*

***confined. This element is fundamental for local bodies who want to take up strategies for the development of markets.***

One of the sovra-local levels analysed is the European one. As we have seen, the transposition of the Services Directive, particularly in Italy, has resulted in a significant change in legislation especially regarding the procedure for issuing licenses. There have been fierce seller protests and it is still a complex process that involves the Regions. In other countries, the impact of the Directive was lower or, in some cases, virtually null. The Common Comparative Study also investigated the reasons why there are still these significant disparities.

With a view to market revitalisation, another important result is that of having demonstrated the risk derived from **overlapping policies** emanated by different administrative levels and able to block or negatively influence reaching the pre-defined objectives.

***It is necessary to identify the other sectors/public bodies, even if they are not directly linked to markets, which can generate policies not coherent with the objectives that the organisation responsible for market revitalisation has set out. These incoherencies can also derive from sectors within the very same body, and it is therefore necessary that there is effective communication aimed at cooperation and aligning intentions.***

Other important elements emerging from the research activities in their entirety can be grouped together according to the general topics that serve as the basis of a common transnational strategy and for the definition of the pilot actions carried out in each partner city.

***Another important result is therefore that of identifying these general topics, or rather, areas of intervention which market development policies should concentrate on. In particular, three general topics have emerged through the analysis: structural and logistical elements, the markets governance system and communication and marketing activities.***

The entire research activity and in particular the SWOT analysis, point to how the strengths, weaknesses, opportunities and threats identified by the partners allows us to group these issues in the 3 themes cited above.

These three issues are also a useful way of defining the main areas in which the pilot activities will be carried out by the partners in their markets: the partners which have foreseen the construction of a new market or the restructure of an existing one, will have to deal with the first issue, that is, with **choices regarding the location of the market, with the aspects relating to logistics and accessibility of the area and they have to decide the type of goods to put on offer in order to meet the clients demand**, a need which is not yet satisfied. Other activities regard the models of governance (the second issue) that the cities want to give to their markets and the market networks. **A model of efficient governance requires, above all, the precise definition of the role which the public administration must have in the decision making process, in mediating between the different interests which come into play and therefore the capacity to involve and have dialogue with the main stakeholders identified. In addition, the model must deal with aspects directly linked to management**, both in the case in which the municipality directly manages markets and in the case that public-private companies are responsible for management.

The last issue regards marketing and communication, which in some cases are the heart of the pilot actions but in general they are activities which all partners have foreseen working on and consider fundamental for the revitalisation of markets.

**Communication is meant to be a tool for the promotion of markets towards the existing customers and the potential ones. To this end it is, therefore, necessary to ask what the message is, what characteristics the brand decided on needs to have ( e.g., reliability, food safety, etc.), who the target audience is and what communication tools and channels will be used.**

These three issues are not separated, but there are connections among them, as creating a new market means including an efficient governance model and communication and marketing activities. Moreover, marketing activities cannot be achieved without an efficient governance system that foresees a broad participation of all the key actors involved.

**The following table shows some of the priorities which have emerged for each area of intervention. It also shows the importance which the cities have attributed to them.**

General topics	Bratislava	Krakow	Maribor	Pécs	Turin	Ústí	Venice	Veszprém
<b>1. Creation of new markets (or renewal of the existing ones)</b>								
<b>Infrastructural and logistic elements</b>								
Widespread network of markets in the city territory	X		X		X		X	
Accessibility (bus stops and car parks)	X	X	X	X	X		X	
Separate collection of waste and urban cleanliness	X				X		X	
Struggle vs. forgery and micro-criminality	X	X					X	
<b>Supply side</b>								
Variety of goods	X		X	X	X	X	X	
Quality of goods	X		X	X	X	X	X	X
Local and ethnic goods	X	X	X	X	X	X	X	X
Flexible opening times	X			X	X	X		
Home delivery services					X			
<b>2. Markets' governance system</b>								
Bottom-up approach to decision making processes		X			X		X	X
Overcome the bureaucratic impediments	X		X	X		X		X
Overcome the conservative attitude of sellers	X	X	X	X	X			
Creation or empowerment of intermediate bodies of sellers, buyers and farmers	X			X	X			
Creation or empowerment of a direction body for each market					X			
<b>3. Communication and marketing strategies</b>								
Markets as interaction places for residents	X	X	X		X	X	X	X
Markets as tourist attractions (slice of traditional life)	X	X	X		X		X	X
Cultural events, entertainments, cooking classes, tastings and educational activities	X		X		X		X	X
Creation of brands promoting markets	X					X		
Traceability	X		X		X		X	

***We will conclude by highlighting a final important result: beyond the minor differences in the priority areas that each partner has identified, the research activities carried out produce an image of the ideal market which has the same characteristics over and above the individual local contexts.***

Whether their projects are about new markets to be constructed or markets to be restored, partners stress that in the first place you have to know how to tackle the loss of a part of the population's buying power resulting from the economic situation. This could be an excellent opportunity for markets to place themselves as strong competitors to large retailers, by aiming to offer products with modest prices without compromising on quality.

Markets need adequate marketing strategies and communication activities, just like the large retailers. These must be aimed at attracting non habitual customers, above all young people and also tourists.

Ideal markets should be safe and clean places, a space for the population to gather. They should be places where tourists can get a feel for life in that city, where local products can be found and information about the origins of and traditions linked to those products given. Markets should provide the possibility to taste and eat typical dishes prepared with these local products.

As our society also includes communities from different countries, with products and culture relating to different food, so-called "ethnic" foods should be targeted.

A market should also be an innovative system, with regards to both services and logistics: markets should maintain the elements which distinguish them as traditional places, but at the same time they need to be capable of adapting to the new demands of customers through innovative services and technologies.

The results uncover a warning in particular to the institutions, above all to the city councils who are those most greatly involved in market regulation. In both the case of public management of markets or that of management by a private company, the city council must be more attentive to the objectives that a market must reach in order to continue to exist and to represent a view of city life. Collaboration between stakeholders at different levels and communication within the different institutional levels which in some way influence or could influence markets is necessary.