



Bachelor's Thesis

Diverse Open-air Markets within Transformation Processes

- the case of post-Soviet Tallinn

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Front page:
Scene at Nõmme turg

Own Sketch

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Bachelor's Thesis

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Abstract

Tallinn was undergoing an immersive change since the end of the Soviet Union in 1991, but due to the velocity many alterations have not been documented and comprehended – including the expansion of numbers and types of open-air markets.

The following work represents one of the first studies of open-air markets in Tallinn. Based on literature research, interviews, archive work and ethnographic fieldwork, the study of open-air markets provides the reader with an important insight in the mechanism of cities in transformation processes. Open-air markets in post-Soviet cities give evidence of the institutional, social and urban transformation at a micro-level. The research is dealing with: Which new problems arose in the transformation process, how people coped with the new arising system, how new consumer patterns were adopted and how far these markets form a survival strategy for people on the margins of society (low skilled, poor education), both by providing them with cheap goods and as a source of income? Key factors of the economic and social development are integrated in the research in order to understand why open-air markets became so essential in the transformation period. Furthermore, special characteristics of open-air markets in Tallinn, regarding embeddedness, formalisation, institutionalisation and ethnicity, are examined.

In addition, the work also illustrates the evolution of open-air markets in Tallinn, addressing following questions: how the planned economy and ideology were shaping commerce and consumer habits in the period of Soviet occupation and how the open-air market, yet despised, featured a peculiarity in the Soviet economy? Finally, the conceptual part depicts, how the organisation and structure of the open-air markets in Tallinn can be improved. Albeit, the open-air markets functions the best in its rough, unplanned character, it has to make some adjustments in order to stay resilient.



Scene at
Rotermanni turg

Own Sketch

Introduction

I. Purpose of the thesis	1
II. Structure	2
III. Methodology	3
IV. Literature Review	4
V. Definitions	5

The Evolution of Open-air Markets

V. The importance of trade and markets for the city's development in medieval times	7
a. Jane Jacobs' The Economy of the City	7
b. Prosperity through trade illustrated on the example of Tallinn	8
VI. Leaving the medieval boundaries: New markets	9
a. New challenges through urbanisation and industrialisation	9
b. New Market: Uusturg	9

Despised yet tolerated - Markets in Soviet times

VII. The meaning of informal markets during Soviet times	10
a. Economy and ideology in Soviet era	10
b. Shopping and consumption	11
c. The meaning of informal economy	12
d. Why markets remained important	12

Diverse Market Concepts in Transformation processes

VIII. Transformation process	14
a. The rise and fall of Estonia	14
b. Towards a new consumption culture	18
d. The variety of open-air markets	20

Characteristics of Open-air Markets

IX. How the open-air market works	22
a. Embeddedness	23
b. Ethnicity	23
c. Formalisation and Institutionalisation	25

Reality-Check

X. Typomorphology of Open-air Markets in Tallinn – informal openness	28
a. Keskturg	29
b. Jaama turg	31
c. Kadaka turg	31
d. Nõmme turg	32
e. Rotermanni turg	32
f. Telliskivi Flea Market	33

Concept and Conclusion

XI. How can open-air markets in Tallinn stay resilient?	34
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Introduction

I. Purpose of the Thesis

This Bachelor's thesis is one of the first studies of open-air markets in Tallinn and should provide the reader with an overview of the variety of open-air markets in contemporary Tallinn. The task includes a concise, qualitative documentation about the current situation - as some of the authentic markets on attractive sites will probably disappear in a couple of years owing to new urban development trends which have already been completed in Western Europe. The urban development has been progressing in Tallinn with a fast pace - now a little bit decreased due to the financial crisis in 2008. In the last 20 years Tallinn was undergoing an immersive change, but due to the velocity many alterations have not been documented and comprehended – including the expansion of numbers and types of open-air markets.

In addition, the work also illustrates the evolution of open-air markets in Tallinn. In the following chapters it features, especially, the meaning of consumption and informal economy in the period of Soviet occupation and the following transformation process where the society had adopted to new consumption patterns. To study the background of the open-air markets in Tallinn conduce to a better understanding of the contemporary economic, spatial and social dimensions of these markets.

As it is one of the first studies focusing on open-air markets in Tallinn, it is mainly targeting on raising awareness of Estonian academic researchers and decision-makers regarding the topic of open-air markets. It seems that markets are widely ignored and even despised by authorities and politicians in Estonia – albeit (which is investigated in the thesis) they contribute to the economic, social and urban reality of the local population.

Regarding urban planning, the study of open-air markets provides an important insight in the mechanism of transformation cities. It is crucial to study the raw, unplanned power relations of the open-air markets of the transformation process in order to understand how the city can function as well. Open-air markets in post-Soviet cities give evidence of the institutional, social and urban transformation at a micro-level. To study open-air markets means to understand the events of transition beyond abstract concepts such as liberal market economy and globalization. It implies to get insight into the world of the people and to feel the problems of transformation: the inequalities, the contrast, the struggling of the people who have not been on the side of the winners of the transformation. This can be especially observed in Tallinn where the transformation process is still ongoing.

Open-air markets of the transformation period came into existence when the planned, state-regulated, political order failed and thus depict a form of 'mediators of economic dislocations'¹. Those open-air markets outline new forms of city forces and another aspect of urbanism. Low-cost urbanism and self-regulation tend to develop a key-role in today's city space. This is especially the case in post-Soviet Tallinn where practice is set by the market, not the planner. The city's development is undergoing an immersive change and the planning department is unable to react in an appropriate way and pace. People are coping with their problems themselves and beyond they are shaping their environment according to their needs. Contemporary urban planning has to deal with complex problems and is increasingly involved in economic, social and ecological contexts. For an urban planner it is therefore essential to study how a city works in its basic form in order to develop a better understanding of the urban mechanism which concurrently means to develop better concepts.

When I arrived to Tallinn I was astonished how fast the city was developing since the end of Soviet occupation. To study the structure and organisation of open-air markets brought me not only closer

¹Pottie-Sherman, Y. (2011) Markets and Diversity: An Overview. Working paper. Max Planck Institute for the Study of Religious and Ethnic Diversity. Göttingen. p. 19.

to market relations and theories, but coincidentally I got familiar with the social, economic and urban realities of Tallinn. This represent an essential point of my work - to have a close encounter with Tallinn. Hence, my thesis is a more theoretical approach as I would like to observe the forces which are shaping the open-air markets in Tallinn beyond the surface. To be an outsider it is difficult to understand how the various open-air markets function. Yet, it has also the advantage to see the market activities from a slight distance and do not take it as something 'given'. However, the task of the planner goes beyond the analysis of the city, thus the thesis introduce a concept how open-air markets are able to stay resilient.

II. Structure

The main interest of the thesis is how open-air markets in Tallinn have changed both in spatiality as in structure and functionality - especially regarding the years of Soviet occupation and the recent transformation process. How do open-air markets function in economic and social context and furthermore, how anachronistic markets stay subsistent and develop further selling strategies? Further evolving questions deal with the organisation, formalisation and institutionalisation, as well as, with ethnicity. And finally, how open-air markets can obtain a wider acceptance with respect to decision-makers and authorities?

The first chapters of the thesis are dedicated to 'the evolution of the different forms of market organization'² from medieval times to the Soviet era until contemporary markets. It starts with the medieval city development - when Tallinn became a prosperous Hanseatic city through trade and commerce. After it focuses on the spatial discontinuity of open-air markets in the 19th century when the city began to grow over its medieval boundaries through industrialisation processes. In addition, the thesis is targeting on spatiality of open-air markets, why the locations of markets form a discontinuity and were relocated on different sites during time.

A main issue of the thesis is concerned with the role of informal open-air markets during the years of Soviet occupation (1944-1991) and how economy and ideology were shaping commerce and consumer habits. The meaning of the informal economy is examined and why open-air markets remained an important feature of the daily life during Soviet times, even though open-air markets which supplied the local population with basic goods were officially despised. Consumerism and consequential cultural expression of desires and variety were in general pursued by the Soviet system.

Furthermore, the transformation process is observed - Which new problems arose, how people coped with the new arising system, how new consumer patterns were adopted and how far these markets form a survival strategy for people on the margins of society (low skilled, poor education) both by providing them with cheap goods and as a source of income. Key factors of the economic and social development are integrated in the research in order to understand why open-air markets became so important in the transformation process.

Additionally, in the following chapter, it is considered what are the peculiarities of the open-air markets in Tallinn and what are their characteristics regarding embeddedness and the grade of formalisation and institutionalisation. Furthermore, the question of ethnicity is evaluated and why marketplaces are regarded as something specific Russian. The diversity of open-air markets in recent years is examined on behalf of six examples of different market types and should provide the reader with an overview and insight in order to understand how the open-air markets of Tallinn function in reality.

Finally, in the conceptual part, it is enacted, what is vital for the open-air markets' resistance and how the appreciation of authorities and decision-makers can be increased. Albeit, the open-air markets functions the best in its raw character, it has to make some adjustments in order to stay resilient.

²Callon, M. (1998) *The Laws of the Market. The embeddedness of economic markets in economy.* Blackwell Publishers. p. 2.

III. Methodology

Until now there is only little research available about the marketplace itself. According to Callon in the 'Laws of the Market' 'economics has failed by neglecting to develop a theory of real markets and their multiple modes of functioning'. This can be explained as there is a lack of interest in the marketplace and economic theory became to abstract and general that it is 'becoming detached from its object'. However, there are some studies about open-air markets in former communistic countries such as Czakó and Sik's extensive study about four open-air markets in Hungary³, apparel bazaars in Poland's Łódź region⁴, Schlögel's book Marjampole⁵ which is dedicated to a giant second-hand car market in Lithuania and small-scale and anthropological studies about gipsy trading in Bulgaria's market Bitak in Sofia⁶, the informal sector trade in Uzbekistan⁷, entrepreneurship at Gariunai Open-air Market⁸ and the informal milk market⁹, both located in Lithuania. Nevertheless, there is fairly existent literature about open-air markets in Tallinn.

While comparing these various studies I was trying to find similarities and differences in terms of open-air markets in Tallinn and other post-communistic countries. I started to trace back Estonia's history and economy. However, the aim of this paper is not to compare different countries and how open-air markets are functioning in various circumstances. The reason why it is not necessarily focusing on a comparison of the post-communistic open-air markets in different national contexts is that the realities of these countries are rather disparate. Estonia was annexed by the Soviet Union in 1944, whereas many other post-communistic countries such as Hungary or Romania remained independent states and therefore had greater autonomy regarding decision-making. Also contemporary Estonia is politically more orientated towards a very liberal capitalistic direction and was undergoing a turbo-capitalism in recent years whereas many south-eastern post-communistic countries are still facing struggles in the transition process.^{10 11 12} The literature selection helped to develop the structure of the thesis and brought new views to the research, albeit it cannot literally tribute to the topic of open-air markets in Estonia. Still, it is essential in order to understand the structural (economic, cultural) context, and in addition, to propose more precise questions for future research.

In general, the thesis is rather grounded within qualitative methods, as literature and experts interviews and a minor part is attributable to ethnological studies which is caused due to lack of native language - but is aiming to encourage a wider academic research based on sellers and customers interviews. Most of the interview partners were scientists and researchers from various institutions such as the Estonian Academy of Arts, Tallinn University and the Tallinn City Museum and belonged to different fields from sociology to economy. At first it was very difficult in order to locate interviewees owing to the lack of local knowledge. To solve this problem the snowball technique was used which means that each new interview partner could propose another informant which they happened to know.

The opportunity to interview market managers would have liked to be achieved, albeit it was far more difficult. The open-air markets in Tallinn – especially Jaama turg and Keskturg – tend to have an intransparent structure and property situation and therefore it is challenging to get reliable information and interview partners. The open-air markets contain close networks and carrying out investigations is especially complex as it tend to 'underreport the informal economy as respondents may be unwilling to admit to what they do'¹³. Recent evolving open-air markets with a clear structure and a higher degree of institutionalisation and formalisation tend to be more willing to share information and were more interested in cooperation. It was also easier to find the responsible or market manager, whereas the open-air markets of the transformational period tend to not have information about the market accessible for the public (e.g. through a web site). Universally, qualitative interviewing produces more reliable information¹⁴ – but these data cannot be generalized and does only mediate an overview but no specific information. Nevertheless, at the end the market managers told me at short notice that interviews would not be possible on behalf of spurious argumentations.

³Czakó, Á.; Sik, E. (1999) Characteristics and Origins of the Comecon Open-air Market in Hungary. *International Journal of Urban and Regional Research*. 2. pp. 697–714.

⁴Marciničzak, S.; Velde, Van Der, M. (2008): Drifting in a Global Space of Textile Flows: Bazaars in Poland's Łódź Region. *European Planning Studies*. Vol. 16. No. 7. pp. 911-923.

⁵Schlögel, K. (2005) *Marjampole: oder Europas Wiederkehr aus dem Geist der Städt*. Carl Hanser Verlag GmbH & Co. KG.

⁶Konstantinov, Y. (1994) Hunting for gaps through boundaries: Gypsy tactics for economic survival in the context of the second phase of post-totalitarian changes in Bulgaria (1994–). *Innovation* 7. 3. pp. 237–48.

⁷Kaiser, M. (1997) *Informal sector trade in Uzbekistan*. University of Bielefeld, Papers in Development Sociology.

⁸Aidis, R. (2003) *Officially Despised Yet Tolerated: Open-air Markets and Entrepreneurship in Post-socialist Countries*. *Post-Communist Economies*, Vol. 15. No. 3. pp. 461-473.

⁹Mincyte, D. (2009) *Self-Made Women. Informal diary markets in Europeanizing Lithuania*. In: *Food and everyday Life in the Post-Socialist World*. Edited by Caldwell, M. Indiana University Press. pp. 78-100.

¹⁰Czakó, Á.; Sik, E. (1999)

¹¹Sik, E.; Wallace, C. (1999) *The Development of Open-air Markets in East-Central Europe*. Joint Editors and Blackwell Publishers Ltd.

¹²Neff, R. (2002) *Aspects of the informal economy in a transforming country: the case of Romania*. *International Journal of Urban and Regional Research*. Vol. 26. No. 2. pp. 299-322.

¹³Wallace, C.; Haerpfer, C. (1999) *The informal economy in East-Central Europe 1991-1998*. Institute of Advanced Studies. Vienna In: Neff, R. (2002) *Aspects of the informal economy in a transforming country: the case of Romania*. p. 301.

¹⁴Neff, R. (2002) p. 301

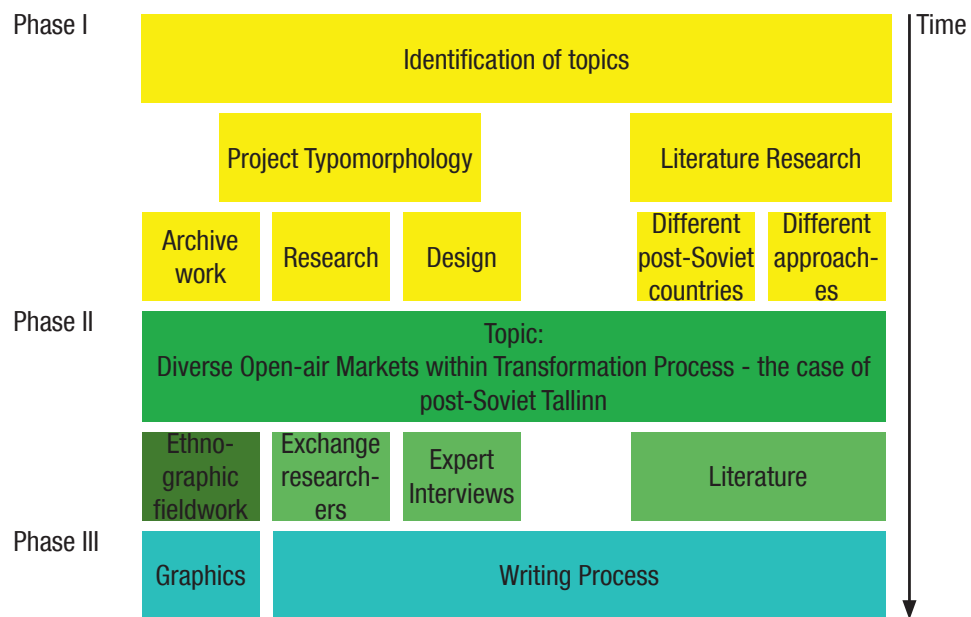
The idea of the thesis was mainly developed through a study project at the Estonian Academy of Arts. Within a typomorphological approach the historically locations of markets were traced back and their current spatial organization and built environment typology was studied. The research work included the sorting of historic maps - dating back until the 12th century – in the city’s archives in order to trace back the various locations of open-air markets. Furthermore, it was necessary to visit different museums, as e.g. the Tallinn City Museum for the purpose of getting access to information and to find experts to interview. Additionally, I had a fruitful interchange of ideas with other academic researchers from Tallinn University focusing as well on the topic of open-air markets and we sometimes met to discuss and exchange knowledge.

To a smaller context I did some ethnographic fieldwork in the classical sense of Robert E. Park from Chicago School and was ‘nosing around’¹⁵ which means that I wandered through the open-air markets and took some notes or was drawing some sketches from typical market situations in order to understand the actual use of space, the distribution of functions, the roles of actors, as well as, customers. Through participant observation one can also experience the atmosphere of the market, the busy hours, the smell, the colours and the interactions between the market attendees which is not possible through the use of literature only. In addition, I also used classical urban methods as mapping and the production of site plans in order to examine the morphology – the spatial and built structure of the market space.

Methodology - different phases within the work process

- Quantitative
- Qualitative

Own Graphic



IV. Literature Review

The main literature sources descend from Czakó and Sik’s¹⁶ work from 1999 ‘Characteristics and Origins of the Comecon Open-air Market in Hungary’ which observes the path dependency from open-air markets, resulting from pre-Soviet times and Soviet times to contemporary markets. Their conclusion is that these open-air markets have survived and include certain transformation-specific characteristics. The research is mainly based on ethnographic fieldwork and is one of the first and most intensive studies about open-air markets within post-Soviet countries. A lot of the general ideas of this thesis are grounded within Czakó and Sik’s work, reflected and developed further, as well, on behalf of the specific case of open-air markets in Tallinn.

¹⁵Lindner, R. (1990) Die Entdeckung der Stadtkultur. Soziologie aus der Erfahrung der Reportage. Campus Verlag.

¹⁶Czakó, Á.; Sik, E. (1999)

Other vital influence for this thesis has been Sik and Wallace's paper which was also written in 1999 and gives a more general insight in 'The Development of Open-air Markets in East-Central Europe' in order to understand the processes of transformation in Eastern and Central Europe. The paper is divided into sub-chapters and elucidate open-air markets through factors such as morality, informalization, ethnicity, social capital and structure. The main conclusion of the authors is that capitalism did not suddenly enter Eastern Europe after the fall of Soviet Union which was observed on behalf of open-air markets and that open-air markets form a 'bridge between the capitalism of the past, the second economy of the communist period and the capitalism of the present'.¹⁷

Another author is Nagy who wrote a work about 'Winners and Losers in the Transformation of City Centre retailing in East Central Europe' (2001) and is in general dealing with the changes in shopping facilities on behalf of Czech and Hungarian cities. The synthesis of the work is that new forces such as large-scale retail investments are shaping the post-Soviet city and 'new dimensions of social inequality'¹⁸ are emerging, as social groups do not equally adapt to recent consumption changes. Social groups which are not able to cope with the changes in the retail sector due to psychological or physical reasons are described as 'urban losers'.¹⁹

Furthermore Aidis' work 'Officially Despised Yet Tolerated: Open-air Markets and Entrepreneurship in Post-socialist Countries' (2010) gives evidence of the 'important social, political and economic roles'²⁰ that traders fulfil at the largest open-air market in the Baltics and that they can be considered as entrepreneurs representing various criteria for the latter group. The study is based on 65 qualitative interviews with traders at Gariunai market in Lithuania.

The research by Egbert 'The Culture of a Market: A Case Study of Open-Air Horse Markets' has at the first glance, except the words 'Culture of a Market', not so much in common with the thesis theme. On behalf of the example open-air horse markets he explains why anachronistic open-air markets still exist in a modern society. Egbert demonstrates that besides tentative answers - as being an attraction for locals and tourists without any economic importance - the competitiveness of open-air markets counts and that they do constitute a niche for particular traders and their customers.²¹

The paper by Sýkora and Bouzarovski 'Multiple Transformations: Conceptualizing the Post-communist Urban Transition' (2011) offers a summary of the main transformation steps in post-communistic cities in general. They criticise that a lot of former works see the transition process as already finalised and observe post-communistic cities 'from perspectives that dominate Western debates set within the relatively stable environment of a globalizing capitalist society'²². They argue that the term 'cities after transition'²³ is too narrow. Although, cities are now in a time-period that can be called 'after-institutional-transition'²⁴ and the remodelling of the institutional landscape is largely completed, they are also engulfed by a series of socioeconomic transformations which are still taking place. Therefore, post-communistic cities remain still cities of transition. The core argument is that transition involves a much wider set of social and urban processes, which can be split in institutional, social and urban change transformations as well as in short, medium and long-term periods.

V. Definition

In the thesis it will be often spoken about the terms open-air markets and post-Soviet - to distinguish these expressions I would like to give a definition.

The term market is used in various expressions: stock market, virtual market, gold market, etc. and does in general describe 'the place in which exchange occurs'.²⁵ Thus, I am going to use the more exact term open-air market or the abbreviation (OAM) to avoid misunderstandings. In academic literature the expression 'informal market' is often used as a synonym for open-air market, but I like to avoid the term of informality as I argue that the OAMs are a symbiosis out of formal and informal

¹⁷Sik, E.; Wallace, C. (1999), p. 712

¹⁸Nagy, E. (2001) *Winners and Losers in the Transformation of City Centre Retailing in East Central Europe*. European Urban and Regional Studies. Hungary. Sage Publications. pp. 340-348.

¹⁹ibid, p. 340.

²⁰Aidis, R. (2003), p. 461

²¹Egbert, H. (2007) *The Culture of a Market: A Case Study of Open-Air Horse Markets*. Journal of Institutional and Theoretical Economics. pp. 493-502.

²²Tasan-Kok, T. (2004) *Budapest, Istanbul, and Warsaw: Institutional and Spatial Change*. Delft: Eburon Academic Publishers. In: Sýkora, L.; Bouzarovski, S. (2011)

²³Sýkora, L.; Bouzarovski, S. (2011) *Multiple Transformations: Conceptualising the Post-communist Urban Transition*. Urban Studies Journal Limited. Sage Publications.

²⁴ibid

²⁵Callon, M. (1998) *The Laws of the Market*. Blackwell Publishers. p. 1.

elements (see chapter IXc.). Sometimes, especially for the notation of particular markets in Tallinn, the Estonian word 'turg' (plural from: turu) which means market, is used.

The first one who studied market relations through OAMs was Polyáni.²⁶ According to the definition by Polyáni, 'the OAM is a particular organisational form of trading activity, a place for the exchange of simple goods'. Albeit, it is not sufficient to describe an OAM as a simple spatial manifestation of the raw market principle (supply, demand and price) and restrict the range of products to the sale of foodstuff and crafts only. The range of products can vary from specialised markets to markets which deal with all sort of different goods. Especially East-European markets differ from Western farmer markets, as one can find a great variety of goods - from electronic spare parts to cosmetic articles. The main distinction between an East-European and West-European open-air market is manifested in the permanent character of Eastern market types, whereas most Western markets occur temporarily, e.g. weekly markets. Another difference next to the range of products and the permanency is shaped by openness. Structures at Western markets tend to be more transparent, whereas many East-European markets struggle with semi-professional connections. Moreover, it represents an institution which is shaped by 'cultural (...) habits, by the formal rules of local and central authorities, and by the internal processes and organization of a given OAM.'²⁷ OAMs also constitute noneconomic functions based upon the fact that they are meeting points and places for social interaction. The appearance of an open-air market is mostly connected with an outside trading place but can be substituted by a market hall or a similar building which includes various stalls.

Second, I prefer using the term post-Soviet rather than post-communistic or post-socialistic. That the society was socialist under the totalitarian rule of Soviet Union was rather a forced precondition than an attitude and the real situation has differed significantly. Post-Soviet refers in this case especially to Estonia as it was annexed by Soviet Union in 1944 and became an independent state in 1991 (see chapter VII and VIII) which meant that communism was abolished and during the society adjusted to new conditions.²⁸

Entrance situation of Jaama turg/ Station Market

Own Sketch



²⁶Polyáni, K. (1957) [1976 edn.] Az archaikus társadalom és a gazdasági szemlélet. Gondolat. Budapest. In: Sik, E.; Wallace, C. (1999) The Development of Open-air Markets in East-Central Europe.

²⁷Sik, E.; Wallace, C. (1999)

²⁸Sykora, L.; Bouzarovski, S. (2011)

The Evolution of Open-air Markets

V. The importance of trade and markets for the city's development in medieval times

The importance and number of daily and weekly local markets which were taking place in the medieval cities were growing since the 11th century due to progressing in division of labour and the spatial separation of agriculture and craft shops.²⁹ The growing number of markets is a significant sign for the qualitative changes in the early feudal economic system and influenced the vital development of the medieval town strikingly. The second chapter gives a short introduction of the evolving of open-air markets in order to show that markets have always been an important factor in the development of Tallinn and should therefore be more appreciated.

a. Jane Jacobs' The Economy of the City

In Tallinn's development one can see exemplarily the importance and effects markets and trade cause for the city's growth. The first paragraph should illustrate the significance of open-air markets in medieval times on the example of Tallinn. It is important to understand how the first markets evolved and how far these influenced the contemporary open-air markets, both in spatiality as in social and economic meaning. Now open-air markets seem to be despised by local authorities, but in fact, they played an important role for the development of the city.

Furthermore, it undermines Jane Jacobs conclusion in the 'The Economy of the City' that cities do not establish because of geographic or climatic conditions but because of the citizens' ability to add new labour to the old and create therefore export which leads to wealth and growth.³⁰ If a town is able to provide a wider distribution area than only the immediate rural surrounding and extend their trading to larger territories – the city is growing. On the contrary other local markets suffer a loss of significance if rival marketplaces were too close or the ability of the city's population to add new work to the old was insignificant. The theory of Jacobs expresses the interaction and relevance how trading and people's ability to create new exports influence the increasing or decreasing of cities.³¹

In medieval towns the rights of a town to achieve the establishment of a marketplace were largely dependent from the patronage of the king or ruler³². In the case of Tallinn – the city was growing rapidly through the achieved rights of being a member of the Hansa and the right to store goods.³³ It became the most important harbour between the East and the West. However, the resulting reasons for that success are not only based on royal orders, but further on economic power in international commerce and people's ability to trade.³⁴

The first trading place in Tallinn dates back to 11th – 12th century.³⁵ It was located between Toompea, where the castle Lyananise was probably situated, and the shallow, sheltered beach west from the city where it was easy for the Viking crew to pull them onto the sandy ground.³⁶ The earlier settlements probably used the market only during navigation season as the inhabitants lived permanently in more protected villages far from the sea.³⁷

The local markets prospered especially in densely populated settlement areas, but as well on locations where a long-distance trade was already established. Other favourable aspects were locations adjacent to important traffic routes or in the ruling area of an powerful seignior who was able to protect the market trade or on strategic favoured landmarks, such as a border checkpoint on the riverside.³⁸ The most dynamic early city development happened to be in those towns where beneficial conditions overlaid. This is also the case for the city of Tallinn as it was situated in the densely populated Revala country³⁹ and was established on a central and economically reasonable

²⁹Klaus, A. (1990) Einführung in die Geschichte der Marktplätze, Marktplätze – Betrachtung zu Geschichte und Kultur, Bauakademie der DDR, Institut für Städtebau und Architektur, Henschelverlag Kunst und Gesellschaft, Berlin, p. 9-49.

³⁰Jacobs, J. (1969) The Economy of the Cities, Jonathan Cape, London.

³¹Ibid

³²Klaus, A. (1990)

³³Zobel, R. (2008) Tallinn (Reval) in the Middle Ages – Town Building in the 13th–14th centuries, Estonian Academy of Arts

³⁴Jacobs, J. (1969)

³⁵Zobel, R. (2008)

³⁶Ibid

³⁷Ibid

³⁸Klaus, A. (1990)

³⁹Zobel, R. (2008)

location in the North Estonian network of roads⁴⁰. This is evident because the streets of old town converge on the spot of the beach and the streets are not planned after the classical (Roman) principle but follow the patterns of trade routes.⁴¹

In Tallinn, as in most medieval cities, the city development was growing around the marketplace. The first, the old market (Alter Markt, Vana turg) was just located tentatively on a junction of four different roads. The feudal territory masters placed the market under their conservatorship and encouraged the settlement of merchants, craftsmen and other rural inhabitants through distribution of parcels, the permit to cut wood for construction work and further rights.⁴² German, Danish, Swedish and Estonian craftsmen, merchants and common people had the right to live in Tallinn according to their customs.⁴³ There lived as well several foreign tradesmen from Gotland and Russia.⁴⁴ People were needed for the development of Tallinn and the only prerequisite was to acknowledge to Christian religion. In return seigniors raised fees for the usage of market stalls and duties for each change or disposal.⁴⁵ A particular feature was that all visitors of the market had equal access and feudal farmers, craftsmen, servants, uncommitted merchants and tradesmen were given the same rights.⁴⁶

These different benefits led to a dynamic development of the marketplace and soon the origin market became too small and insufficient and was extended by a new market which was located at the Town Hall Square (Raekoja Plats)⁴⁷. The oldest name for it was Market or Marketplace (Turg, Turuplats).⁴⁸ In 1313 and later it was called Forum⁴⁹. The Marketplace was naturally owned by the local inhabitants of Revala and surrounded by a chapel and other basic buildings⁵⁰. Besides, ethnic groups were founding their own communities in the city (e.g. German settlers) and were erecting their own churches and trade yards⁵¹. Designation of the open-air markets in Tallinn, distinguished between different time areas, can be found on the map at page eleven.

Under the Order of the Brotherhood of the Sword from 1227 to 1238 the buildings of the lower town largely extended. Streets were growing around the marketplace of the lower town (Alter Markt/ Vana turg) and the new market.⁵² While the marketplace represented the secular economic and social centre of medieval Tallinn, there were concurrently the most important functions established, e.g. the town hall, the pharmacy and the wealthiest and most representative merchant houses out of stone.

b. Prosperity through trade illustrated on the example of Tallinn

In the second Danish Era (1238 – 1310) the 'Lübeck city rights codex' was given to the town of Tallinn in 1248.⁵³ This was important due to the fact that many German merchants who were called to Tallinn - fondly hoped to get advantages while enacting the Lübeck city rights codex.⁵⁴ Because of Tallinn's good relations with Lübeck and Visby, Tallinn joined the commercial league of German towns of the Baltic Sea around 1250 - a precondition for joining the Hanseatic League.⁵⁵

The joining of the League of German Mercantile Towns and - around 1280 - the Hanseatic League had large impact on Tallinn concerning the economic and cultural relations which were influenced by then by Northern and Western Europe.⁵⁶ New trading routes and the progressively specialization of craftwork promoted the significance of commerce and the raise of the Hansa, the new trading monopole in the Baltic Sea.⁵⁷

While the port was modernized and Tallinn was very successful as a partner of the Hanseatic League a significant commercial-political act followed: in 1346 the Hanseatic Seaport Reval got the right to store goods.⁵⁸ This privilege was of great importance, since the town and its merchants had by then the opportunity to regulate the traffic of goods between East and West. This positive development led to the massive building of the typical citizens' house of Tallinn with its storage adjacent to the street.⁵⁹

⁴⁰Johansen (1933), Tikik (1959).
In: Zobel, R. 2008

⁴¹Zobel, R. (2008)

⁴²Klaus, A. (1990)

⁴³Zobel, R. (2008)

⁴⁴ibid

⁴⁵Klaus, A. (1990)

⁴⁶Zobel, R. (2008)

⁴⁷Kalm, M. (2012) Personal Interview with Mart Kalm, Professor at History of Arts, Estonian Academy of Arts.

⁴⁸ibid

⁴⁹Zobel, R. (2008)

⁵⁰ibid

⁵¹ibid

⁵²ibid

⁵³ibid

⁵⁴ibid

⁵⁵ibid

⁵⁶ibid

⁵⁷Klaus, A. (1990)

⁵⁸Zobel, R. (2008)

⁵⁹ibid

In the period of the Livonian Order Tallinn became one of the leading centres of the Hanseatic trade.⁶⁰ The wealth accumulated in the politically and economically stable situation and Tallinn transformed from a modest provincial town with wooden houses to a beautiful, flourishing city. The council of magistrates who was elected by the citizens represented the interests of merchants and craftsmen⁶¹. The national structure of Tallinn changed mostly to German and the power did not belong anymore to the Danes. Because Low German was used all over the Hanseatic League it became also in Tallinn the official language and replaced Latin.⁶² Seamen and merchants could now freely communicate with their partners in Visby, Rügen, Lübeck, Riga, London and Bergen. The merchants of Tallinn travelled long distances on their commercial trips in order to trade with other towns of the Baltic Sea and brought back new knowledge. This is evident in architecture with the evolving of the characteristic medieval dwelling with a gable facing the street. These houses belonged to merchants and artisans and also contained storage space.⁶³

The increase of trading required also that special markets, such as wood, ceramics, horse, swine, fish, butter and crop markets were established.⁶⁴ An example in Tallinn gives the Haymarket (Heinaturg) and the Green Market. The former existed at the Freedom Square (Vabaduse Väljak) until the 1930s. The history of Haymarket dates back to medieval times, when it served as a hay and wood market.⁶⁵

VI. Leaving the medieval boundaries: New markets

a. New challenges through urbanisation and industrialisation

The next chapter is focusing on the spatial discontinuity of open-air markets in the younger history of Tallinn and how the city kept and amplified its social and economic functions despite new challenges and developments. The open-air market became the heart of the city from where all new political, cultural and economical incentives originated.

Like in most European cities, Tallinn was undergoing an industrialisation process in the 19th century. The changes from feudalism to the early capitalistic developments of the productive forces and new economic and social establishments were reshaping the existing city. Tallinn was expanding and suburbanisation was taking place, the life of urban dwellers was dramatically changed, new factories, inventions and machines were arriving in the city with fast pace. Between 1871 and 1915 the population of Tallinn increased from 29.162 to 133.000 inhabitants.⁶⁶ Thus, Tallinn broke out of its medieval boundaries.⁶⁷

b. New Market: Uusturg

The population was increasingly moving out of the historical centre and despite the fact that the social and economic life of urban dwellers was completely reshaped - the form of trading at the open-air market has remained. Albeit, the market moved out from the Town Hall Square in 1896 and was re-established on a vacant, paved square adjacent to the Old Town.⁶⁸ This change laid the foundation for a new city centre development.⁶⁹ From 1896 to 1948 the New Market (Uusturg) was situated in the nowadays green area behind the Estonian Theatre and adjacent to the German Theatre (now the Drama Theatre).⁷⁰ The site of the market on a very prominent location next to the main theatres proves that the market was an important establishment. The market hall was built by the Baltic-German Architect Wilhelm von Streck in 1900.⁷¹ Despite the fact that it did not represent an outstanding piece of architecture, as Tallinn was not a very wealthy city at this time, it was nevertheless remarkable.

At these times the site where the new market was located represented the lively social and economic

⁶⁰Zobel, R. (2008)

⁶¹Ibid

⁶²Ibid

⁶³Ibid

⁶⁴Klaus, A. (1990)

⁶⁵Mart, K. (2012)

⁶⁶Hallas-Murdula, K. (2005)
Eliel Saarinen. Greater
Tallinn. Museum of Estonian
Architecture. Tallinn.

⁶⁷Ibid

⁶⁸Mart, K. (2012)

⁶⁹Hallas-Murdula, K. (2005)

⁷⁰Mart, K. (2012)

⁷¹Ibid

centre of Tallinn. The marketplace was surrounded by casinos, theatres, market stalls, shops, etc. There were also exhibitions taking place at the market square. Additionally, a wooden theatre (Interim theatre 1903), as well as, the first stationary cinema in Tallinn (Metropol 1908) which was used for cinema screenings, were founded.⁷² It served as the vital social and political hub of Tallinn - the workers manifestation in 1905 was held at Uusturg and later a Stalinist monument was erected in order to remember this date.⁷³ Adjacent to Uusturg there was also the Russian market (Vene turg) located⁷⁴ where in recent years the biggest inner city shopping centre of Tallinn was erected. The reason why the market was labelled as Russian is not evident.

Estonia became an independent state in 1918 where the national and cultural development was flourishing. In the Second World War it lost its sovereignty again under Soviet and, later, during Nazi occupation in 1940. It was ultimately annexed to the Soviet Union in 1944, and therefore it represented an era where people were very afraid of losing their national identity and suffered from the economic, political, societal and cultural repression, especially as Estonia was always more orientated towards Scandinavia and Central European countries.

Despised yet tolerated - Markets in Soviet times

VII. The meaning of open-air markets during Soviet times

Today nothing gives evidence about the vital history of the market square as it outlines an abandoned, poorly used, green area adjacent to a big parking lot. Only the heighten platform shows the verification of the former market hall. The reason why Uusturg is not in existence anymore is illustrated in the following chapter. Furthermore, the economic situation in Soviet times will be observed and how the life of the population was influenced by shortage and improvisation. Additionally, the chapter is concerned with the ideology of the Soviet regime towards consumption and shopping. Finally, the role of informal economy during Soviet times and how open-air markets compensated the dysfunctions in the general distribution of goods is examined.

a. Economy and ideology in the Soviet era

The characteristics of a planned economy were shortage, fixed prices of goods, along with their usually poor quality and extremely limited range - where goods were not produced according to the consumer needs but according to central plans with low priority given to private consumption.⁷⁵ During the Soviet Union the level of incomes was uniformly low and the basic features of prices and incomes were state-regulated (low prices, no income tax, strict wage regulation etc.). Thus, the typical individual had a small but steady income based upon a safe but limited standard of living with very few opportunities for conspicuous consumption.⁷⁶ Market relations were not allowed during Soviet ideology as they reflect a system of competitiveness where at least three participants have to attend in order to create choice and variety.⁷⁷ The value of a good at the market is set by the price.⁷⁸ Both traders and customers act in order to achieve an advantage to obtain a win situation for themselves and hence, transactions are rational and integrated in the economic system.⁷⁹ The *homo economicus* contradicts the paradigm of the *homo Sovieticus* and thus, markets symbolized a threat for the Soviet ideology. That is the case, in general, for market economy as Soviet ideology did not allow any dynamic of private agency or property, as well as, any form of small-scale trade, e.g. at open-air markets as they represent consumerism and cultural expression of desires and variety in particular.

⁷²Hallas-Murdula, K. (2005)

⁷³Mart, K. (2012)

⁷⁴Tallinn City Archive

⁷⁵Czakó, Á.; Sik, E. (1999)

⁷⁶Ibid. p. 720.

⁷⁷Aspers, P.; Beckert, J. (2008) Märkte. pp. 225 - 246.

⁷⁸Ibid

⁷⁹Ibid

b. Shopping and consumption

Shopping in Soviet times was highly centralized in terms of administration, as well as, in terms of the location of stores which could be only found in the city centre, the central market and company stores.⁸⁰ Usually elderly, retired women were responsible for the shopping during Soviet time as younger people had to work.⁸¹ Family bonds were probably closer than nowadays. Almost everybody in Estonia had a connection to the countryside in order to get supplied with basic edible goods such as potatoes which could be stored in the basement during wintertime.⁸²

⁸⁰Gartska, G. J. (2008) Social Pluralism in the postsocialist City: Diverging Consumer Groups in the Consumption Landscape of Stara Zagora, Bulgaria In: Anthropology of East Europe Review, Volume 27, No. 1. Indiana University, p. 41.

⁸¹Pajus, A. (2012) Personal Interview with Ando Pajus. Researcher at Tallinn City Museum.

⁸²Kalm, M. (2012)

Designation of Open-air Markets in Tallinn distinguished between time areas

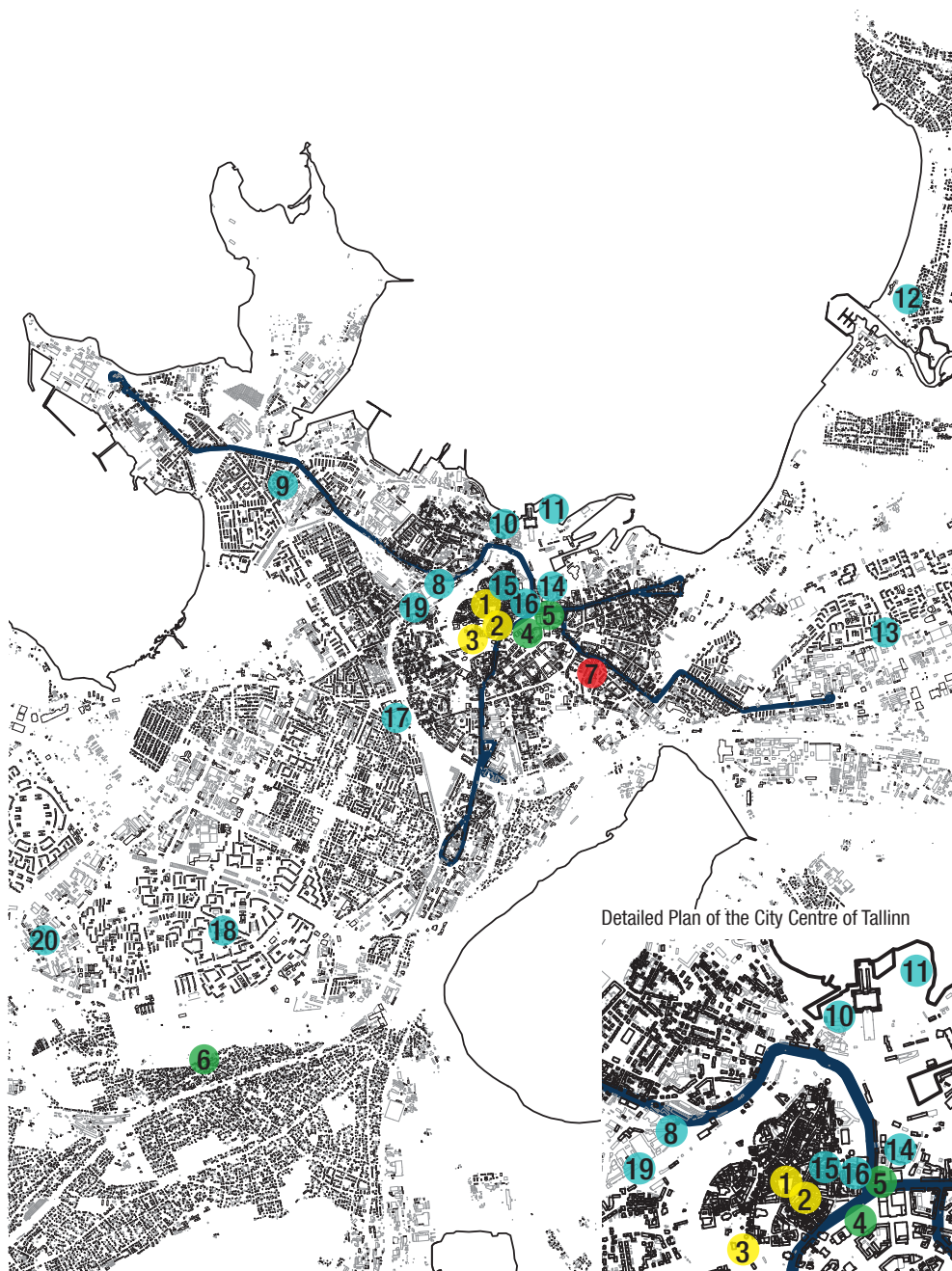
- Tram line
- still existing markets
- inexistent markets

- Medieval markets (1200 - 1850)**
- 1 Vana turg / Old Market
- 2 Turg, Turuplats / Forum
- 3 Heinaturg / Haymarket

- Markets during Industrialisation Process (1850 -1944)**
- 4 Uusturg / New Market
- 5 Vene turg / Russian Market
- 6 Nõmme turg

- Markets in Soviet era (1944-1991)**
- 7 Keskturg / Central Market

- Contemporary Open-air Markets**
- 8 Jaama turg / Station Market
- 9 Sitsi turg
- 10 Kala turg / Fishmarket
- 11 Sadama turg / Harbour Market
- 12 Pirita turg
- 13 Lasnamäe turg
- 14 Rotermanni turg
- 15 Knit Market
- 16 Viru turg
- 17 Kristiine turg
- 18 Mustamäe turg
- 19 Telliskivi Flea Market
- 20 Kadaka turg



The distribution of mass produced basic consumer goods was sufficient in the planned economy. However, on account of the closely related inefficiencies of the production and distribution system, there was often a temporary abundance or a shortage of particular qualitative goods⁸³ (e.g. baby bottle warmers). Qualitative and structural rather than quantitative aspects of shortage characterised the planned economies, and thus reduced social differentiation.⁸⁴

In order to avoid qualitative deficiency it was very common to trade in close networks; even pupils started to trade Finnish chewing gums against other Western items.⁸⁵ Those who traded were those who had entrance to Western highly appreciated goods - which meant to have family members or friends in Finland or other western countries.⁸⁶ People who haven not had admittance to relatives or emigrants abroad were to a certain extend excluded from the informal economy, and hence they had fewer opportunities in order to trade goods. One of the most popular trading spaces was the area around Viru hotel.⁸⁷ Many Finns travelled to Estonia in order to trade western goods as it was a very lucrative business. For grown-ups trading was risky and dangerous as selling goods was considered as speculation in Soviet ideology, e.g. for the offence of holding foreign currency one could be sent to prison for five years.⁸⁸

From personal talks I come to the knowledge that people under Soviet occupation were willing to stand in long queues in order to receive particular qualitative goods, such as baby bottle warmers - whether it was needed or not needed - to redistribute and exchange it against other goods in personal networks. To minimise risk, business relations existed predominantly with acquaintances, friends, friends of friends and relatives.⁸⁹ The trading was established in 'relative closed networks, where information on trustworthiness and reliability is readily shared'⁹⁰. But on the other hand it also increased barriers to potential customers.

c. The meaning of informal economy

Almost the whole society was involved in various kinds of informal work - but not all of these activities were equally acceptable. Speculation was illegal in the communist system, but the enforcement of rules against was usually only executed against large-scale commercial activity.⁹¹ The most tolerated forms of informal income were small-scale production (in agriculture, construction and services). Evidence for that is also given in Klesment's work that despite 'private enterprise was discouraged, the Soviet regime tolerated and even approved of private production in agriculture'⁹². This is due to the reason that the private sector in Estonia produced owing to higher efficiency and profit rates a not inconsiderable stake of agricultural goods and hence, contributed to the overall production (e.g. 28 percent of overall agricultural production in 1960).⁹³ Thus, although the Soviet system was not in favour of private entrepreneurship, the contribution of private farmers to gross production justified its persistence. If there had been a big percentage of agricultural goods privately produced, they also would have had to be distributed somewhere. I argue that the open-air market would have been the perfect location for small-scale, informal trade.

d. Why open-air markets remained important

The OAMs which existed under the former Soviet regime had a distinctive character because they were produced precisely by the absence of liberal, traditional open marketplaces.⁹⁴ They represented an informal institution where market principles of supply and demand, price, efficiency and competition could be adopted in order to trade in a 'second economy'.⁹⁵ Hence, they represented a compensation for the production and delivery of goods.^{96 97} The emergence of marketplace institutions in the Soviet era can be explained as a response in order to make an additional profit to the low and regulated income and due to the increasing problems of receiving particular goods. The existence of OAMs was simultaneously tolerated as well as constrained by the state.⁹⁸

⁸³Czakó, Á.; Sik, E. (1999) p. 720.

⁸⁴Nagy, E. (2001) p. 340.

⁸⁵Pajus, A. (2012)

⁸⁶Ibid

⁸⁷Ibid

⁸⁸Ibid

⁸⁹Velde, Van Der, M. (2010) *The Importance of Trust in 'Transitional' Europe. The Case of the Textile Bazaars in Łódź (Poland)*. Radboud University Nijmegen, The Netherlands. Blackwell Publishing Ltd. p. 600.

⁹⁰Ibid

⁹¹Czakó, Á.; Sik, E. (1999) p. 721.

⁹²Klesment, M. (2009) *The Estonian Economy under Soviet Rule: A Historiographic Overview*. *Journal of Baltic Studies*. Vol. 40. No. 2. pp. 245-264.

⁹³Ibid

⁹⁴Czakó, Á.; Sik, E. (1999)

⁹⁵Sik, E.; Wallace, C. (1999)

⁹⁶Czakó, Á.; Sik, E. (1999)

⁹⁷Sik, E.; Wallace, C. (1999)

⁹⁸Czakó, Á.; Sik, E. (1999)

While the open-air markets continued to exist they were regarded as 'remnants of an outdated and unnecessary form of commerce' or even 'as a dangerous challenge to the socialized retail sector, as places where profit-making was combined with criminal activity such as speculation, pick pocketing, or the reselling of smuggled and stolen property'⁹⁹. Nevertheless, marketplace institutions - which could be more flexible - were able to respond to shortages and customers' priorities, in contrary, to the planned economy. As a consequence, OAMs were tolerated due to fact that they reduced the shortage but remained formally as 'suspicious but irrelevant distortions of the production and distribution system'¹⁰⁰.

After the market hall of Uusturg was bombed in 1944 during the Second World War, it has not been erected again.¹⁰¹ The reasons for that was that in Soviet ideology markets were regarded as dirty and capitalistic.¹⁰² Thus, the marketplace should be removed to a less prominent site and the focus should be on the Estonian Society House which was restored after the Second World War.¹⁰³ In the interest of Soviet ideology the Estonian Society House should become a temple of art for the Estonian population.¹⁰⁴ The Soviet regime thought that the institution 'open-air market' would disappear in the course of 'urbanization, modernization and etatization'¹⁰⁵ (a thrift from democratic towards authoritarian state politics) - but in fact it never did.

To substitute the loss of the old market hall a new market was established by the Soviet regime in the late 1940s.¹⁰⁶ Even though the commercial function of an open-air market was despised by the political regime, the people were reliant on this institution in order to provide themselves with food and goods. Farmers who wanted to sell small amounts of agricultural products at the open-air market were obligated to have a special license. They had to be members of the Estonian Consumer Union.¹⁰⁷ Most people were working at collective farms, but it was possible to have one or two cows or some pigs and a small plot of land which could be cultivated for the personal use or in order to sell or exchange the low overproduction at the marketplace.¹⁰⁸

The marketplace which was planned under Soviet regime still exists today and is called Keskturg (Central Market) (see chapter Xa.). The location of the erected market hall was illogical and rather dull as it was located in a fairly fluctuant area, adjacent to a plain working class suburb. This is rather untypical for the location of a market, but reflects the esteem towards open-air markets from the view of Soviet ideology.¹⁰⁹ Usually the location of markets is linked with public hubs, traffic and crossing-roads where many people convene and is well-connected since a market evolves during history (see chapter V.). None of these factors are distinctive for Keskturg. This gives further evidence about the low significance and low appreciation of commercial trade in Soviet times. Keskturg did not evolve through history on the most suitable place - but was planned by authorities. In the past it has been shown that markets which are lacking overlaying beneficial factors will become insignificant during time (see Chapter V.).

Keskturg was popular during Soviet times but mostly among Russians as the majority of Estonians had relatives in the countryside where they were supplied directly with farm food. Many Estonians had as well Summerhouses (Suvilas; Schrebergärten) which differ from the Russian 'datchas' as they fulfilled next to growing food also the purpose of relaxation and pleasure.¹¹⁰

⁹⁹Sik, E.; Wallace, C. (1999) p. 1

¹⁰⁰Ibid

¹⁰¹Kalm, M. (2012)

¹⁰²Ibid

¹⁰³Ibid

¹⁰⁴Ibid

¹⁰⁵Czakó, Á.; Sik, E. (1999)

¹⁰⁶Kalm, M. (2012)

¹⁰⁷Pajus, A. (2012)

¹⁰⁸Ibid

¹⁰⁹Kalm, M. (2012)

¹¹⁰Ibid

Diverse Market Concepts in Transformation Processes

VIII. Transformation process in Tallinn

Finally, the Soviet Union collapsed and Estonia became a free country in 1991. At the beginning of this chapter the terms 'transition' and 'transformation' are distinguished in order to explain why the term 'transformation' rather than 'transition' is used to observe the continuing city development in Tallinn. Then, the years of transformation will be discussed and why open-air markets stayed in existence, although the city was shaped by new consumption patterns.

In the Soviet area a high level of distrust existed within population, partly because of the strong polarity between public and private spheres. When the system collapsed, trust had to be built up again as it depicts the social capital of a society, and is hence essential to build up an functioning system.¹¹¹ At the same time, transformation processes are always characterised by high levels of uncertainty, but trustworthiness and reliability embodies a value to overcome transformation difficulties.¹¹²

Transition is regarded as the radical replacement of the basic political and economic institutions of socialism with democratic and market arrangements. Urban transition in institutions is already completed but in urban and social life still in progress.¹¹³ The term 'transformation' is based on the continuity and path-dependence of post-communist developments which is a recombination of socialist and capitalist elements as constituents of the new post-communist society.¹¹⁴

The urban landscapes formed under socialism were reshaped by new conditions concerning the political, economic and cultural transition towards capitalism.¹¹⁵ Tallinn can no longer be seen as a socialist city as its development is now governed by market forces and a democratic political system. But it does also not yet constitute a fully developed capitalist city either while looking at patterns of morphology, land use and social segregation.¹¹⁶

Sýkora and Bouzarovski explain the urban change in post-Soviet cities within three temporal stages: the short-term period, when the basic principles of political and economic organisation are changed, 'the medium-term period, when peoples' behaviours, habits and cultural norms are adapted to a new environment and transformations in a number of spheres and begin to effect broader societal change; and the long-term period, in which more stable patterns of urban morphology, land use and residential segregation are reshaped.¹¹⁷

a. The rise and fall of Estonia

The second paragraph is dedicated to the overall key factors of Estonia. When I started to research on open-air markets, I discovered that studying the economic, political and social structure is important in order to observe the micro level of consumer behaviour of the local population. East-European Cities struggle with difficulties caused by the transformation process which do not exist in Western cities. Additionally, besides the complex problems of transformation, there are concurrently problems evolving which do exist in capitalistic cities such as segregation, social inequalities, traffic congestions and not least, the financial crisis which shakes a lot of national economies and governments recently. In this constellation the open-air market states a complex institution which is dependent from various factors. This chapter should give evidence that there is a dependency between the survival of anachronistic open-air markets and the social and economic situation of Tallinn and Estonia in general.

¹¹¹Putnam, R. (1995), Tuning In, Tuning Out: The Strange Disappearance of Social Capital in America. *Political Science and Politics* Vol. 28, pp. 664–683. In: Velde, van der, M. (2010) *The Importance of Trust in 'transitional' Europe. The Case of the Textile Bazaars in Łódź* (Poland).

¹¹²Velde, Van Der, M. (2010)

¹¹³Sýkora, L.; Bouzarovski, S. (2011)

¹¹⁴Ibid

¹¹⁵Sýkora, L. (2009) Post-socialist cities. In: R. Kitchin and N. Thrift (Eds) *International Encyclopedia of Human Geography*. Vol. 8. Oxford. pp. 387–395.

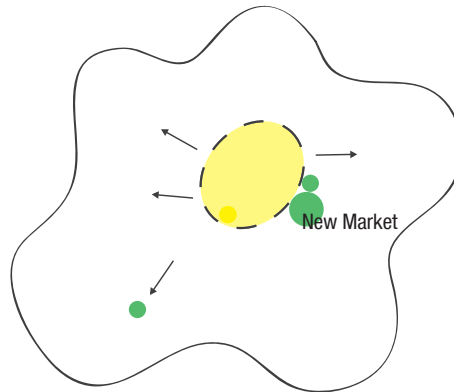
¹¹⁶comp. Sýkora, L.; Bouzarovski, S. (2011)

¹¹⁷Ibid. p. 45.

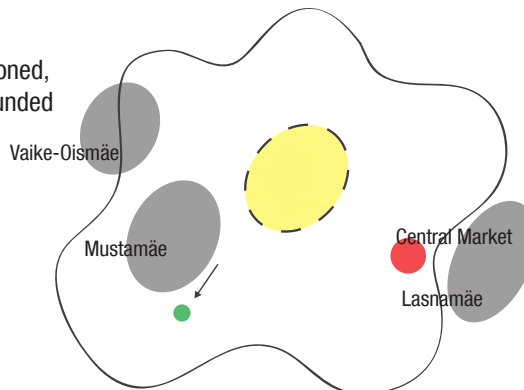
11th century: Medieval closed city
First open-air markets evolve within the protected city core



19th century: Suburbanisation and Industrialisation
OAMs move out of city centres, a market hall is established



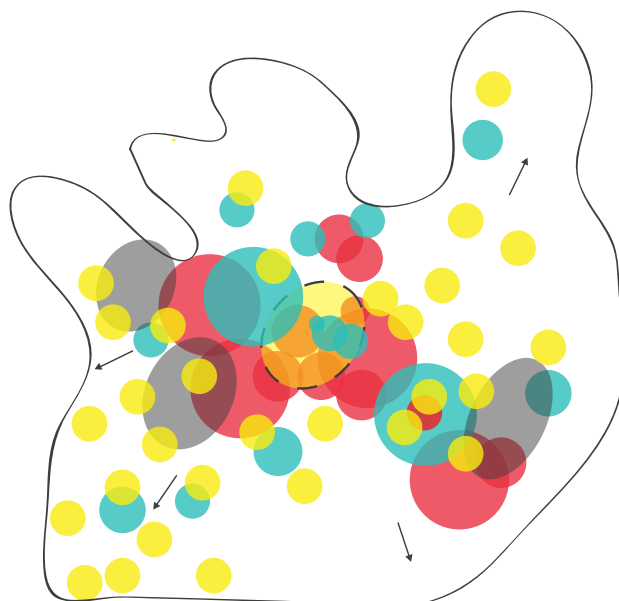
1944 - 1991: Soviet occupation
Satellite cities are erected
Market places in the city are abandoned, Central Market as a substitute is founded



'The City as an Egg'
(Cedric Price):
Schematic draft of the city development and establishment of open-air markets in Tallinn

Contemporary city:
On-going suburbanisation and diversification of shopping facilities:
Variety of supermarkets, shopping centres and OAMs

- City Centre
- City Walls
- Boundaries
- Suburbanisation
- Satellite Cities
- Medieval markets
- Markets in 19th century
- Market in Soviet times
- Contemporary Markets
- Shopping Centres
- Supermarkets



In the 1980s, when there was already slight evidence that the Soviet Union will sooner or later break apart until the first years of Independence, the economic situation in Estonia was very difficult.¹¹⁸ The Soviet era was in its last breaths, but there were no new solutions yet. Therefore, in the struggle of change, some goods completely disappeared and exotic goods as pineapples were non-existing. 'Marketplaces and shops were quite empty'.¹¹⁹ When Estonia restored its independence in 1991 the system crashed completely and there was no currency existing. People had coupons in order to get 250 grams of bread.¹²⁰ Even basic goods as sugar or cigarettes were not available. The shops were full with Western products but nobody could afford them as they had to be paid with Western currency which almost nobody have had.¹²¹ People were dependent from their relatives at the countryside which supplied them with basic goods such as potatoes (see chapter VIII.).¹²²

At the beginning of economic reforms in Estonia, real wages fell steadily. From 1989 to 1991, in the years of transition, real wages dropped by more than half.¹²³ On the other extreme food prices rose an estimated sevenfold while state subsidies were abolished and local population received only little government compensation for the higher prices.¹²⁴ The inflation increased even more when Estonia's most important trade partner, Russia, broke down. In the meantime, wage differentials between the highest- and lowest-paying jobs grew significantly: in 1993 the top 10 percent of wage earners received 32.9 percent of all income, while the bottom 10 percent received only 2.1 percent.¹²⁵

In 1993 Estonia's official unemployment rate was with 1.7 percent very low.¹²⁶ However, this did not match the reality. In general, due to the low level of unemployment benefits many people did not even register as unemployed. The Economist Intelligence Unit estimated that the real level of unemployment was far higher than the official figures situated between 10 to 12 percent.¹²⁷ The unemployment increased heavily between 1992 and 1993 as a result of staff cuts in many state-owned industrial enterprises that were unable to continue production on a former scale due to problems with deliveries of raw materials and fuel and the lack of hard currency in order to pay the imports.¹²⁸ At first, workers were put on unpaid vacation or were provided with part-time jobs in the hope of better times, but gradually the companies had to abandon such a policy.¹²⁹

¹¹⁸Pajus, A. (2012)

¹¹⁹Ibid

¹²⁰Ibid

¹²¹Ibid

¹²²Kalm, M. (2012)

¹²³Iwaskiw, W. R. (1995) ed. Estonia: A Country Study. Washington: GPO for the Library of Congress.

¹²⁴Ibid

¹²⁵Ibid

¹²⁶Luks, T. (1995) The Estonian Labour Market in the Period of Transition. Eesti Pank Bulletin No. 4.

¹²⁷Ibid

¹²⁸Ibid

¹²⁹Ibid

¹³⁰Kalm, M. (2012)

¹³¹Jauhiainen, J.S.; Kährrik, A. (2005) Estonia. In: Urban Issues and Urban Policies in the new EU Countries. Edited by Kempen, v.R.; Vermeulen, M.; Baan, A., European Institute for Comparative Urban Research. Erasmus University Rotterdam. Ashgate. pp. 131–154.

¹³²Nagy, E. (2001)

But even though the first years of Independence in Estonia were marked by transition problems the transformation from a closed command economy to an astonishingly open market economy happened very quickly. Despite the difficulties the population had to face, the majority of Estonians were happy and optimistic. The attitude was 'Let us survive - nothing can be worse than Soviet occupation'¹³⁰ and people wanted to take their chance and had trust in the future. In fact, the improvement of the living standard happened very quickly.

The economic transformation of Estonia has been spectacular. Whilst in 1990 the trade was almost completely directed to the territory of the Soviet Union, today over two-thirds are with the European Union (EU).¹³¹ In 2004 Estonia became member of the EU and in 2010 it established the Euro as the national currency in order to strengthen its ties with Europe.

In the mid 1990s the steep decline of the gross-domestic product (GDP) was reversed and has become one of the fastest growing countries in Europe.¹³² It represented a period of economic stabilization and growth. The emerging markets attracted a lot of foreign investment and especially high-tech companies were arising. For example, 'Skype' is a product of Estonian entrepreneurship and inventive spirit. In this economic successfully period Estonia got the nickname of a 'Baltic tiger state', in reference to the 'Asian tiger' or 'Celtic tiger' in order to describe the enormous boom until 2007.

Meanwhile, the emerging markets were hit by the financial crisis in 2008 harder than more established Western economies. The bubble between speculative investment and the economic reality were strikingly divergent. The outcome are increasing unemployment rates and the declining performances of the national economy.¹³³ Furthermore, the salaries and conditions of working within

sectors are responsible that there is a growing polarisation taking place. Comparing official statistics of Estonia it indicates that information, communication, as well as, financial and insurance activities are doubled as well paid as activities in the accommodation, food service or even in the education sector.¹³⁴ All these listed activities from well-paid to low-paid sectors are mainly concentrated in urban areas which is leading to an increasingly segmentation within cities.¹³⁵

The risk of poverty is higher than the EU average rate and income disparities are significantly higher compared to other European countries. Since the fall of Soviet Union the living standard in Estonia rose dramatically. However, statistics do not depict the growing gap between different groups of people. Young and educated people could take advantage of the new economic freedom while other groups as the unemployed, the elderly, those depending from state incomes and pensions, as well as large or single-parent families live in high poverty risk.¹³⁶ In Soviet years there existed as well some inequality, but since the transfer to the market economy the socio-economic differences have increased substantially.

The term the 'working poor'¹³⁷ shaped by Smith et al is describing a relatively new phenomenon in the post-socialist world, and mainly applied to urban areas, reflecting a growing segmentation of the urban labour market. Also in Tallinn this theory is applicable, as many people have two or more jobs in order to make a living. And this is not just the case for low-skilled workers, but as well for graduates of higher academic education e.g. teachers in public schools. Even for those in work, there is often no stability in payment and work conditions. Despite living costs have almost reached Western standards - the wages are still very low.¹³⁸ For example, do teachers get a minimum wage between 600 and 800 Euro gross per month.¹³⁹ Even though, salaries are increasing, prices are, however, a lot time faster than the wage adjustments. The poverty among the elderly is a common risk until pensions are very low.

The second main problem are high unemployment rates which are especially caused by the increasing decline of jobs provided in the agriculture and industry sector. In 2010 the unemployment rate was with 16.9 percent the highest since Estonia restored its independence.¹⁴⁰ Persons with lower education had remarkably more problems with finding a job. In 2010 30.9 percent of the labour force with low education was unemployed.¹⁴¹ Since the economic crisis has lasted more than two years, long-time unemployment and the disappearance of jobs were increasing. Therefore, difficulties in economic coping of unemployed people and their household members deepened. More than half of the population between 15 and 74 years estimated their economic coping unsatisfying.¹⁴³ Arbeit, recent years have shown that the state is stepping even more back by withdrawing social securities since Estonia suffered a lot during the financial crisis and the economy is now only slowly recovering.¹⁴³

Regarding the city's development in Tallinn, there have been tremendous changes since the fall of the Soviet Union. Tallinn has been affected most strongly by the liberal economic policy which caused extensive speculation on land-use. Construction still takes place and practice is set by the market, not the planner.¹⁴⁴ The private developer shapes the city development. The country and the city life of Tallinn are full of juxtaposed extremes. The capital of Estonia has the largest disparities in the social sphere which can be easily observed in the everyday life of the city: shiny new buildings next to rotten old wooden houses, prosperous businessman in big cars next to unemployed, drinking men. Losing a job and a regular income, particularly in the cities, means a rapid downgrading of everyday activities and with that social exclusion.

Consequently, the majority of households suffered declining incomes that accelerated social differentiation, growing urban disparities and the formation of new classes and social groups. However, the national urban policies are economically neoliberal orientated, with little attention being paid to social development. On the other hand, one can argue that without the economically friendly politics and the liberal regulations the development and improvement of life quality for many Estonians would not have happened so fast.

¹³⁴Kusma, M.; Mere, V. (2011) Wages and Salaries. Economic and Social Overview. Statistical Yearbook of Estonia. Tallinn. pp. 181-191.

¹³⁵Smith, A. et al (2008) The Emergence of a Working Poor: Labour Markets, Neoliberalisation and Diverse Economies in Post-Socialist Cities.

¹³⁶Ferge, Z., Sik, E., & Vecernik, J. (1996) Social Costs of Transition. Vienna. Institute of Human Sciences.

¹³⁷Smith, A. et al (2008)

¹³⁸Jauhiainen, J.S.; Kährk, A. (2005)

¹³⁹Kyiv Post (2012)

¹⁴⁰Pettai, Ü. (2011) Labour Market. Statistical Yearbook of Estonia. Tallinn. pp. 164-180.

¹⁴¹Ibid

¹⁴²Ibid

¹⁴³Mürsepp, R.; Krusell, S. (2011) Economic and Social Overview. Statistical Yearbook of Estonia. Tallinn. pp. 29-34.

¹⁴⁴Jauhiainen, J.S.; Kährk, A. (2005)

After the collapse of the Soviet Union Estonia was orientated towards the role-model United States and followed the American way of life. It was common praxis to pretend that poverty did simply not exist and ideas which were regarded as social were promptly accused as being communistic. Today the situation is changing as young people who have never experienced the Soviet regime are more open towards new approaches besides the recent orientation.

b. Towards a new consumption culture

How Nagy describes the situation in 'Winners and Losers in the Transformation of City Centre - Retailing in East Central Europe'¹⁴⁵ can be easily applied on the city differentiation in Tallinn. Tallinn is still undergoing a late capitalistic process and the cultural shift in values is associated with consumer culture and a desire for status defining products.¹⁴⁶ One of the first changes introduced after the Soviet collapse was the liberalisation of the retail trade and new international stores and supermarkets were able to open up while department stores and shop chains were privatized.¹⁴⁷ Their entry and expansion stimulated new trends in the national market 'such as a decline in small businesses, capital concentration and spatial centralisation'.¹⁴⁸ Globalization has brought a homogenization of consumer products which are offered by international brands.¹⁴⁹ In Tallinn the post-Soviet years have been marked by an enormous development of new bars, restaurants, cafes, shopping centres and other commercial activities, reflecting the alignment towards a market-orientated economy.¹⁵⁰

The 'modern' retail sector with hypermarkets, supermarkets and shopping centres increasingly dominates the local supply in Tallinn and shoppers shift to the new shopping facilities.¹⁵¹ The locations of the new established shopping possibilities focus on various sites from city centre, to transition zones and suburban areas (see map p.19) with large traffic hubs and the necessity to have the possibility for individual mobility. New urban retail networks are characterised by increasing investment and the addition of new, extensive and homogenous shopping centres around the historical town. This belt of new shopping facilities shapes the city nowadays and changes its function, consumer behaviour, as well as, passengers and traffic streams. In the city centre specialist shops run by international chains and upscale domestic stores are located, whereas supermarkets have been shifted towards outer districts and suburbs.¹⁵²

Since the recent developments in the retail sector, an adaption of new consumption behaviour is taking place in Tallinn. Shopping has become a 'source of pleasure and a form of social differentiation'.¹⁵³ The accelerated large-scale retail investments in shopping centre facilities brings new form of retailing into existence and changes the frequency, direction and length of shopping trips.¹⁵⁴ Nagy argues that the post-Soviet city is undergoing a process of differentiation, and thus new dimensions of social inequality evolve within the cities.¹⁵⁵ The next passage is from Nagy's research 'Winners and Losers in the Transformation of City Centre - Retailing in East Central Europe', but is describing the differentiation in consumer behaviour most strikingly:

'Local society has become strongly differentiated in terms of access to shopping facilities and consumer habits. As this is related to mobility, and thus to socio-economic status, the location of shopping becomes a marker of social status even in the case of daily consumption goods, which are hardly considered to be a status symbol in Western Europe. It can be argued that 'consumerism' emerged in a 'rough' form in East Central Europe: it is not the refinement of shopping behaviour and individuation that differentiates urban society, but purely the ability to take (or not) advantage of new facilities. Changes in the use of urban space are driven mainly by international and domestic retailers and the increasing spatial differences are not eased either by local authority planning or by central governments, given their liberal economic policies and low priorities for social policy.'¹⁵⁶

Not surprisingly social relations, taste and entertainment are shaped by generation, and thus while most of the urban population have adopted consumer habits very rapidly to the new retail structure,

¹⁴⁵Nagy, E. (2001)

¹⁴⁶Featherstone, M. (1991) Consumer Culture and Postmodernism. In: Sik, E.; Wallace, C. (1999) The Development of Open-air Markets in East-Central Europe, Joint Editors and Blackwell Publishers Ltd.

¹⁴⁷Sik, E.; Wallace, C. (1999)

¹⁴⁸Nagy, E. (2001) p. 341.

¹⁴⁹Sýkora, L.; Bouzarovski, S. (2011)

¹⁵⁰comp. Stenning, A. (2005) Post-socialism and the changing geographies of the everyday in Poland. Centre for Urban and Regional Development Studies, School of Geography, Sociology and Politics. University of Newcastle.

¹⁵¹comp. Nagy, E. (2001)

¹⁵²ibid

¹⁵³Bourdieu, P. (1984) Distinction. Routledge & Kegan Paul. London. In: Sik, E.; Wallace, C. (1999) The Development of Open-air Markets in East-Central Europe, Joint Editors and Blackwell Publishers Ltd.

¹⁵⁴Nagy, E. (2001)

¹⁵⁵ibid

¹⁵⁶ibid

for the residents of the ageing and less valued residential districts, the retail units of the traditional commercial network remain important. The capability whether to adopt and simultaneously being able to afford new consumption patterns or stay reluctant on old forms of consumption differentiates the society. Furthermore, the adaption of new shopping behaviour and the integration in new spatial realities depends strongly upon the social status of shoppers.¹⁵⁷ Elderly and people with lower income tend to be rather 'conservative'¹⁵⁸ in their consumer behaviour. I argue that relatively few of the latter make use of the new shopping facilities due to the lack of money, but also owing to the fear of not belonging to this new established society. Another reason for not visiting the suburban facilities can be also grounded in the lack of mobility. The new shopping facilities are 'distant in physical and psychological terms' for them.¹⁵⁹

¹⁵⁷Nagy, E. (2001)

¹⁵⁸ibid

¹⁵⁹ibid

Concentration of Shopping Centres, Supermarkets and Open-air Markets in Tallinn in 2012

- Shopping Centres
- Supermarkets
- Open-air markets
- Local shopping facility or specialisation towards a special consumer group
- Wider commuter belt, variety of products

Information is based on field studies, own graphic



For 'urban losers' even the bars and restaurants which they had enjoyed previously are slipping away for reasons as cost, time and psychological terms.¹⁶⁰ The term 'urban loser' is shaped by Nagy's work 'Winners and Losers in the Transformation of City Centre Retailing in East Central Europe' and is used for the 'urban poor and elderly, and other social groups unable to adapt to new forms and techniques of shopping'.¹⁶¹

Besides differentiation, globalisation and internationalisation are playing an increasing role in the retail sector. In Estonia, the grocery sector is in the hands of big Finnish and Swedish companies (such as Prisma and Stockmann) which distribute mostly international products. Local products, besides dairy products and chocolate, are rather rare, and thus it is not surprisingly that the prices are very high and do not match with the average wage. Despite the shops are always full, this may depend also on the fact that people buy small amounts of food which fits in a hand-carry basket and go shopping more frequently. The international distribution of food products is nevertheless surprisingly since Estonians have a heightened need for Estonian products – they are regarded to be of better quality and are trust-based. However, people are not necessarily willing to pay more for local products. Prices for daily products such as sugar are amazingly high. Recently there was an offer from a local supermarket for sugar on sale and it was a headline in the national media that the police had to organize the shop until everything went out of control since buyers were rushing inside. This example may proof the heightened price sensitivity of Estonians towards consumption.

Finally, media and the newest technological developments and the aestheticisation of conspicuous consumption play an increasing role in contemporary Estonia. Consumption depicts an integral part of individual fulfilment in the capitalistic lifestyle.¹⁶² It is not surprisingly that the former post-Soviet societies like to catch up with Western consumer tradition – also from an outside view it is interesting to observe as in Western countries we are phasing an area of postmodern consumerism where critical reflection and the way how and where goods are produced, plays an increasing role and also 'provide a base for self and group identification'¹⁶³. This development is also comprehensible in younger Estonian generations. Therefore, it can be assumed that the phase of late capitalism is going to overcome in recent years.

d. The variety of open-air markets

After the collapse of the Soviet Union in 1991, new open-air market arose in all kind of shapes and sizes, formal and informal, publicly run or private. They can be seen as the 'children of the transformation period'.¹⁶⁴ The following part will be concerned why open-air markets are staying resistant, despite the new retail sector is dominating the consumer behaviour.

Czakó and Sik argue that the structural characteristics that created a high demand for OAMs in Soviet times and absorbed the shortage of the formal planned economy (see chapter VIII.) still remain in post-Soviet cities.¹⁶⁵ After the Soviet collapse in 1991, it was highly believed that the second economy which was tolerated under central planning would disappear while the capitalist market economy would absorb their functions.¹⁶⁶ Furthermore, 'competitive forces and price liberalisation were expected to ensure the dominance of the new capitalist market system'.¹⁶⁷ Concerning OAMs this did not happen and more than 20 years later we experience that another reality has emerged – the OAMs have even spread in numbers and specialisations. The activity of trading or buying at OAMs became more open and more noticeable nowadays. They still form an integral part of the post-Soviet economies of Tallinn, just as they were part of the communist economy.¹⁶⁸

While foreign capital often prefers investment in form of large shopping centres where there is more time, money and political collateral involved, open-air markets require very low investment and tend to be favoured by local capital.¹⁶⁹ Hence, in the years of transformation far more effort was put into trade and services and not so much in large scale construction and production while it requires lower

¹⁶⁰Ashwin, S. (1999) Russian workers. Manchester University Press. Manchester. In: Stenning, A. (2005) Post-socialism and the changing geographies of the everyday in Poland.

¹⁶¹Nagy, E. (2001)

¹⁶²comp. Glennie, P.; Thrift, N. (1992) Modernity, Urbanism and Modern Consumption, Environment and Planning. Vol. 10, pp. 423–44.

¹⁶³Knox, P. (1991) The Restless Urban Landscape: Economic and Sociocultural Change and the Transformation of Metropolitan Washington, D.C. Annals of the Association of American Geographers. Vol. 81 No. 2, pp. 181–209. In: Nagy, E. (2001) Winners and Losers in the Transformation of City Centre Retailing in East Central Europe.

¹⁶⁴Marcińczak, S.; Velde, Van Der, M. (2008) Drifting in a Global Space of Textile Flows: Apparel Bazaars in Poland's Łódź Region. European Planning Studies. Vol. 16, No. 7, pp. 914.

¹⁶⁵Czakó, Á.; Sik, E. (1999)

¹⁶⁶Gábor, I.R. (1994) Modernity or a new kind of duality? Second thoughts on the 'second economy'. In: J.M. Kovács (ed.) Transition to capitalism? The communist legacy in eastern Europe. Transaction Publishers. London and New Brunswick.

¹⁶⁷Aidis, R. (2003)

¹⁶⁸comp. Sik, E.; Wallace, C. (1999)

¹⁶⁹Nagy, E. (2001)

capital and less support from governmental institutions - but already established social networks.¹⁷⁰ The reason for that is while the market and prices were liberalised after the collapse of the Soviet Union in the early 1990s, there appeared an 'institutional void' which means that there was a gap between the old redistributive planned economy system which withdrew very quickly and the new capitalistic economy which became fertile ground for OAMs in order to expand.¹⁷¹ Most of the regulations and institutions of the former system were discarded and the public sector was quickly transformed and privatised, domestic prices and foreign trade were liberalized, and many new enterprises were established.¹⁷² However, it took some while until these new established institutions and companies have gained foothold in the new market system.

Other factors which contribute to the survival of OAMs are that the human and social capital which is necessary in order to run informal trading efficiently, is still widespread and the infrastructure of the marketplaces is also still in existence and represents therefore, an important alternative to the capitalistic orientated retail trade.¹⁷³ Albeit, the OAMs have changed in their function¹⁷⁴ and are not so characteristic anymore than at the early transformation period where there have not been done so many regulations yet.

Finally, why open-air markets stay relevant is that there is a heighten need for fashionable consumption - equally if the salary is high or low. The higher and middle-class satisfy their consumption needs in shopping centres and define their new status with sophisticated goods and fashion. Other groups who cannot afford the status symbols of the new consumption orientated society can buy cheaper copies of them (e.g. fur coats, sun glasses and handbags) at the OAMs. In a society where consumer differentiation was formerly highly restricted and regarded as immoral or dangerous and 'cultural activities such as listening to popular music or wearing fashionable clothes, were treated with suspicion and even seen as potential subversion' and where everyone was supposed to have low and nearly equal incomes - it becomes more important and valuable to represent the new reached status: 'This ability to realize fashionable consumption is one of the more conspicuous changes which have taken place in post communist societies (...)'.¹⁷⁵ The new hero of the post-Soviet area is the 'self-made men'¹⁷⁶, the entrepreneur who made a fortune in the early days of transformation and therefore one has to present the new reached wealth in order to show what somebody has achieved.

Nevertheless, through the successful privatization and development of the retail sector in Tallinn, open-air markets are becoming a peripheral matter — 'supplying needs not met by the normal retail sector or at a cheaper price'.¹⁷⁷ Nagy follows this theory: 'For the less well-off, the open-air market near the city centre remains a prime target for securing lower prices.'¹⁷⁸ Gartska argues that the numbers of open-air markets will decline if the hypermarkets are able to provide comparable prices and quality.¹⁷⁹ But in Tallinn this only half applicable since some of the new established open-air markets appear in contrary similar to Western markets or outline upscale farmer markets for the wealthy, ecological conscious consumers and tourists and attract a greater variety of consumption groups. As well, it can be observed that younger people are increasingly becoming attracted to the very first markets of the transformation period and the image is slowly changing.

¹⁷⁰Velde, Van Der, M. (2010)

¹⁷¹Elster, J., C. Offe and U.K. Preuss (1998) *Institutional design in post-communist societies*. Cambridge University Press. Cambridge.

¹⁷²Nagy, E. (2001)

¹⁷³Czakó, Á.; Sik, E. (1999)

¹⁷⁴comp. Sik, E.; Wallace, C. (1999)

¹⁷⁵Ibid

¹⁷⁶Mincyte, D. (2009)

¹⁷⁷comp. Sik, E.; Wallace, C. (1999)

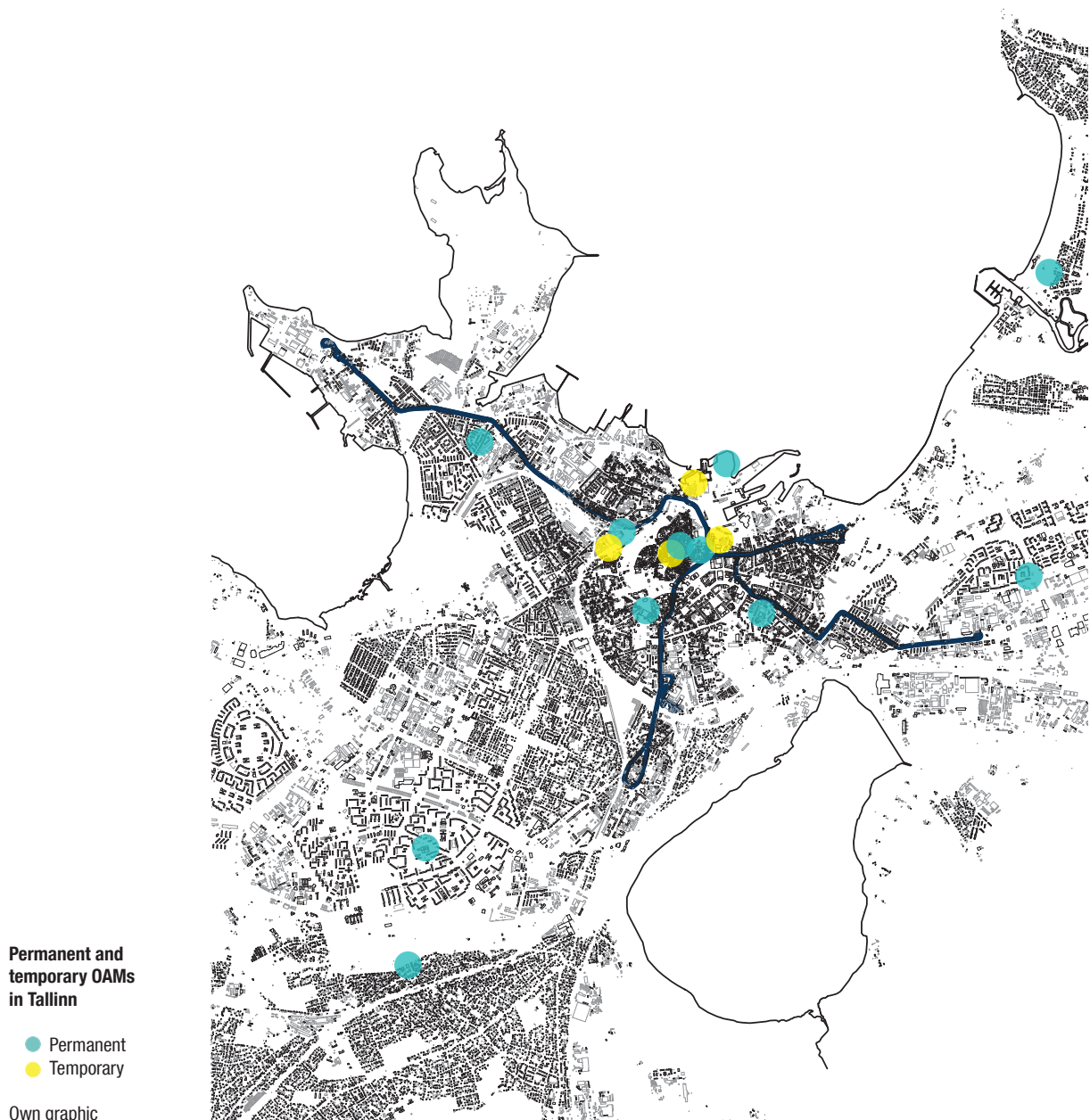
¹⁷⁸Nagy, E. (2001)

¹⁷⁹Gartska, G. J. (2008)

Characteristics of Open-air Markets

IX. How the open-air market works

The following chapter will evaluate some of the most important characteristics of open-air markets in Tallinn regarding embeddedness, ethnicity, as well as, the grade of formalisation and institutionalisation. This part is essential in order to understand why open-air markets in Tallinn are distinct from other market types and gives insight information of the peculiarities.



a. Embeddedness

These OAMS which are an outcome of the Soviet and post-Soviet legacy feature structural similarities and are embedded in a certain path dependence.¹⁸⁰ Path dependence means that open-air markets in Tallinn are with regard to their heritage still influenced by the Soviet past and follow a specific pattern. But as well, they are embedded in the pre-communist past of trading and marketplaces. For example, at Raekoja plats (Town Hall Square) there takes frequently an open-air market place, trading local crafts. Furthermore, the appearance of markets does not differ so much from the ancient market institutions. These open-air markets which are embedded within the progress of transformation are all concerned with providing cheap and low quality goods, sold by vendors with little capital or by local or foreign amateur traders. The marketplaces contain only the absolute minimal necessary infrastructure and are characteristically held in the open air.¹⁸¹ They provide an alternative for poor consumers which could otherwise not take part in consumer culture.¹⁸² While comparing the unstable, low wages and pensions 'low price rather than high quality is often the determining factor for making a purchase'.¹⁸³

b. Ethnicity

The reason why ethnicity is important for the research on open-air markets in Tallinn is that many markets are informally called 'Russian markets' and that they are regarded as something specific Russian. During an interview with Ando Pajus, researcher at Tallinn City Museum, when it was asked why many markets have this 'Russian-touch', he mentioned, that Russians have always been part of the geographic area of Estonia and that Russian culture and markets are closely connected and depict a tradition.¹⁸⁴

Historically, urbanism is a relatively new phenomenon in Estonia and the industrialisation happened very late (see chapter VIa.). It is only the second generation of urban Estonians and most people still have family members, especially grandparents, at the countryside. Even Tallinn, with its 400,000 inhabitants, is described as a village by many Estonians as the networks are very tight. From ethnic reasons more Estonians are rural citizens while most of Russians live in bigger city agglomerations.¹⁸⁵ This can be explained because most Russians settled in Estonia during Soviet times which was highly favoured by the Soviet regime and new jobs in factories and in other industrial companies were created.¹⁸⁶ Moving to cities of Soviet-Estonia was highly desirable amongst many Russians as life quality and living standards were regarded as one of the best in whole Soviet Union, and therefore many people took the chance and later worked in one of the many factories.

Today most Russians live in Tallinn and the major northeastern cities of Narva, Kohtla-Järve, Jõhvi, and Sillamäe. The percentage of people with Russian origin in Estonia lies within 25 percent.¹⁸⁷ In Tallinn almost 40 percent of inhabitants are from Russian origin.¹⁸⁸ As a consequence, the question of ethnicity leads to polarisation and tensions inside society. Larger towns provide almost unlimited opportunities for well-qualified people, but few for those without professional or linguistic skills. Ethnicity is still a sensitive issue which was ignored until the late 1990s.¹⁸⁹ The rural areas are populated almost entirely by ethnic Estonians. Estonians living in cities are provided with food from the countryside as the urban population has a big continuing of connections to rural areas.¹⁹⁰ Most Estonians have family members at the countryside whereas Russians have always been attracted to live in bigger cities in order to find work. Therefore, open-air markets and the possibility to be supplied with fresh, cheap and local food have been always more important for ethnic Russians as they do not have the possibility to receive food from rural family members.¹⁹¹

A second reason why mainly ethnic Russians attend the open-air market is that urban problems in Estonia are complex. One of the major problems is that there are many Russian-speaking people who do not have a good command of Estonian and many of them used to work in heavy industries

¹⁸⁰Czakó, Á.; Sik, E. (1999)

¹⁸¹comp. Ibid

¹⁸²Sik, E.; Wallace, C. (1999)

¹⁸³Aidis, R. (2003)

¹⁸⁴Pajus, A. (2012)

¹⁸⁵Jauhiainen, J.S.; Kährrik, A. (2005)

¹⁸⁶Kalm, M. (2012)

¹⁸⁷Jauhiainen, J.S.; Kährrik, A. (2005)

¹⁸⁸Ibid

¹⁸⁹Ibid

¹⁹⁰Smith, A. et al (2008)

¹⁹¹Kalm, M. (2012)

during Soviet Union which was restructured and disappeared almost.¹⁹² The ex-employees and their children find themselves now in a difficult situation and low-skilled jobs are limited.

Regarding the facts, trading at the open-air markets do constitute many advantages for Russian speaking and low-skilled, but as well for higher educated people who are not able to find a job elsewhere. The costs of having a stall at the open-air market are predictable. Trading at the open-air market does not presume large capital. Usually opening one's own business is connected with a lot of regularities, start capital and knowledge of finances and accounting. Open-air markets are, in contrary, more flexible, traders can decide themselves how much time and capital should be involved. There are amateur, semi-professional and permanent, professional established traders having a own shop or stall. This makes selling at OAMs so attractive for traders as it can be combined with a formal part-time job or family, as well as, with different domestic budgets. The open-air market is attractive for traders who do not offer the highest quality as the price counts more for the customer than the quality.¹⁹³

Furthermore, most customers are also from Russian origin, thus a common language creates trust. Sellers and traders belong to the same culture. The role of cultures plays an important factor in the constitution of market societies.¹⁹⁴ Markets form an organisation which contains the market as the institution and additionally the people using it.¹⁹⁵ A marketplace outlines an organization with a set of endogenous institutions (bargaining, the language) and exogenous institutions (rules set by local authorities, the law).¹⁹⁶ The term 'culture' is used for a set of specific institutions based on customs, traditions, laws, beliefs, etc. that are shared by a group of people.¹⁹⁷ Culture determines individual behaviour while individual behaviour permanently reshapes and changes culture.¹⁹⁸ At the open-air market people are in touch with each other - they are socially embedded in a network which contains relations, norms and rules.¹⁹⁹ While describing 'markets as cultures' one will observe that market actors which are frequently trading at markets 'are guided by numerous informal and formal rules'.²⁰⁰

Open-air markets, especially the transformation market are dominated by Russian culture and hence behaviour and language is playing an essential role. A guarantee for safe transactions can only be warranted if a common knowledge is shared which may include a 'shared culture, rules, procedures, routines or conventions'.²⁰¹ In this case the determining factor is language. Some persons are 'better equipped to operate in market contexts than others' - here it depicts the ability whether having the ability of speaking the language of the market and being involved in the culture of the OAM - or not. If both traders and customers at the market do not calculate rational, 'it is because they are 'embedded' in the social or cultural frames which turn them away from it'.²⁰² People who are not included in the daily transaction of the market 'enter and leave the exchange like strangers' but 'are in touch with each other during the transaction'.²⁰³

Egbert examines the meaning of language for trading, e.g. using a specific dialect allows a general identification of insiders and outsiders.²⁰⁴ A shared language signals the same regional origin, thus creating a sense of belonging to the same community.²⁰⁵ Mastering the right language is essential for engaging successfully in the bargaining process. Speaking the insiders' language limits the probability of opportunistic behaviour.²⁰⁶ As a result, the language contributes to the development of a group ethos including sellers, customers, and also representatives of local authorities, as well as, other market visitors.²⁰⁷ Culture and trust are relevant for the size of individual payoffs and markets offer a solution to problems of insecurity and high transaction costs.²⁰⁸ If market participants are able to calculate their decisions although a degree of uncertainty in the future exists, 'it is because they are entangled in a web of relations and connections'.²⁰⁹

Hence, that open-air markets in Tallinn tend to be more Russian can be explained, through the historic background and the necessity of urban Russians to be supplied with food, but includes also factors as culture, embeddedness and language.

¹⁹²Jauhainen, J.S.; Kährik, A. (2005)

¹⁹³Fershtman, C.; Gneezy, U. (2001) Discrimination in a Segmented Society: An Experimental Approach. Quarterly Journal of Economics, 116, 351–377. In: Egbert, H. (2007) The Culture of a Market: A Case Study of Open-Air Horse Markets. Journal of Institutional and Theoretical Economics. pp. 493–502.

¹⁹⁴DiMaggio, P. (1994) Culture and Economy. In: Callon, M. (1998) The Laws of the Market. The embeddedness of economic markets in economy. Blackwell Publishers. p. 5.

¹⁹⁵Egbert, H. (2007) The Culture of a Market: A Case Study of Open-Air Horse Markets. Journal of Institutional and Theoretical Economics. pp. 493–502.

¹⁹⁶Ibid

¹⁹⁷Ibid

¹⁹⁸Ibid

¹⁹⁹Abolafia, M. Y. (1998) Market as Cultures: An Ethnographic Approach. In: Callon, M. (1998) The Laws of the Market. The embeddedness of economic markets in economy. Blackwell Publishers. p. 69.

²⁰⁰Ibid. p. 70.

²⁰¹Callon, M. (1998) p. 7.

²⁰²DiMaggio, P. (1994) Culture and Economy. In: Callon, M. (1998) The Laws of the Market. The embeddedness of economic markets in economy. Blackwell Publishers. p. 5.

²⁰³Callon, M. (1998) p. 3.

²⁰⁴Egbert, H. (2007) The Culture of a Market: A Case Study of Open-Air Horse Markets. Journal of Institutional and Theoretical Economics. pp. 493–502.

²⁰⁵Ibid

²⁰⁶Ibid

²⁰⁷Ibid

²⁰⁸Ibid

²⁰⁹Callon, M. (1998) p. 8.

c. Formalisation and Institutionalisation

In literature the growth of the informal economy is seen as a sign of revolution within modern capitalism which is reordering the society.²¹⁰ Informal economy represents the part of the economy which is not taxed or regulated by the state.²¹¹ In a new 'self-service economy' people are increasingly turning to a 'household capitalism'²¹² and the black market for goods and services as they could no longer afford from formal economy. Many countries in transformation process are still dependent on the hidden economy, and former is in some cases even responsible for the country's survival which can be examined in the various studies about informal markets in Hungary, Latvia, etc. This dates back to a strong tradition of second economy in former Soviet Union. Professor Lipson who was quoted in Pahl argues 'I believe the second economy (in the Soviet Union) is an indispensable auxiliary to the first... and not only planned for by the regime but planned by the regime'.²¹³

Ray Pahl's work 'Division of Labour' argues that the basis of new divisions and inequalities in our society is particularly the growing gap of employed and unemployed:

'A process of polarization is developing with households busily engaged in all forms of work at one pole and households unable to do a wide range of work at the other. There is developing a new cleavage between the self-providing working middle class and the congealed, unable to react, underclass. In contrary to popular opinion it is the employed, not the unemployed, who are most active in the informal economy.'²¹⁴

The informal sector tends to be more flexible and innovative than formal business.²¹⁵ The traders who sell at the OAMs can be described as self-employed, part time, and auxiliary income-oriented.²¹⁶ This can be explained through the fact that they have more capital at disposal to invest in their own small business (equipment and employees) than unemployed.²¹⁷ In contrary, actors lack capital and endure a high workload and considerable stress in order to sell at open-air markets.²¹⁸ Informal activities are mostly driven by escaping poverty and consumption logic: households invest energy, capital and time to improve their socio economic situation in order to achieve their primary goals: better standard of living, conspicuous consumption, improving the prospects of their children and greater sociability.²¹⁹ Household situations and network embeddedness are important economic factors of the informal economy.²²⁰ They can be described as social factors such as good networks, household resources, personal dynamism and inventiveness.

The social transformation in Estonia in the last 20 years produced new dynamics for small private businesses. The increasing of informal economy can be explained since the former big factories had closed and they have not been absorbed yet by new production companies - logically a shortage in consumer goods, service, trade and jobs evolved. Goods were imported in order to substitute shortage, but only for those with high income since foreign goods are generally too expensive.²²¹ The complexion of the Estonian labour market changed rapidly in the early years of transformation. While in 1990, 95 percent of the labour force was employed in state-owned enterprises or on collective farms and only 4.3 percent were involved in private cooperatives or on private farms, already in 1993 less than half of the respondents received their main income from state enterprises.²²²

However, I argue that OAMs in Tallinn contain a complex assemblage of formal and informal elements and do not simply constitute a second economy. Market vendors pay fees for their stalls, the market itself represents an established institutions with an obligatory infrastructure such as parking lots, build shops, market halls, etc. The official tourism website of Tallinn promotes the visit of open-air markets which assumes that the markets are widely accepted by public institutions. The OAM as an institution is not only spatially manifested, but as well dependent from organisation of the market such as information of the opening days and hours, the composition of goods, the level of prices and the number of costumers and traders in order that market participants know what to expect and incorporate these information in their own economic strategies.²²³ Callon concludes it like that: 'The

²¹⁰Slattery, M. (1985): *Urban Sociology. Themes and perspectives in Sociology*. Causeway Press Ltd. Lancashire.

²¹¹Sik, E. (1994) From multicoloured to black and white economy: the Hungarian second economy and the transformation. *International Journal of Urban and Regional Research* 18.1, 46-70.

²¹²Burns, S. (1977) *The Household Economy*. Beacon Hill Press. New York.

²¹³Pahl, R.E. (1984) *Division of Labour*. Blackwell. Oxford.

²¹⁴Ibid

²¹⁵Neff, R. (2002)

²¹⁶Czakó, Á.; Sik, E. (1999)

²¹⁷Slattery, M. (1985)

²¹⁸Neff, R. (2002)

²¹⁹Ibid

²²⁰Ibid

²²¹Ibid

²²²Maskiw, W. R. (1995) ed. *Estonia: A Country Study*. Washington: GPO for the Library of Congress.

²²³Sik, E.; Wallace, C. (1999)

market implies an organization, so that one has to talk of an organized market'.²²⁴

In Tallinn the institutionalisation can be experienced on the behaviour of consumers which tend to whether invest a lot of time in walking around at the OAM gathering market information or they have their own special traders where they know what to expect or even get a small discount. If the marketplace would change rapidly, the customer and trader would lose the security and efficiency of buying/selling at the OAM as it would become vast and incalculable concerning the transactions. The institutionalisation offers thus a stable framework in order to guarantee safety and predictability.

Nevertheless, the level of informality differs within the OAM itself²²⁵ – central spaces tend to be more formal while at the outskirts of the marketplaces there is small-scale, informal trade taking place: Temporarily saleswomen and men which do not participate permanently at the market activity are trying to sell 'whatever goods they could sell, wherever they could sell them'.²²⁶

None of the OAMs in Tallinn is marked by a complete informality which would mean that unlicensed traders sell goods of obscure origin secretly. In contrast, OAMs in Tallinn even tend to formalise increasingly as they are controlled by state regulations and commerce requires rules and stability. This was not always the case – rumour has it that in the turmoil of the first transformation years different ethnic and social groups were fighting against each other in order to achieve the domination of the market.²²⁷ The crime rate was very high and open-air markets became dangerous, obscure places.²²⁸ This may be a reason why markets are not appreciated in contemporary Tallinn. The owner relations and structure of the OAMs which arise in the early transformation period are still intransparent.

Today OAMs in Tallinn are even established the other way around which means that they are founded by authorities which originate due to political reasons in order to win the local population (e.g. Lasnamäe turg, Mustamäe turg). However, these OAMs are not popular neither with traders nor customers. It can be argued that this is owing to the lack of self-regulation and path dependence (see chapter IXa.) – a market has to evolve due to different beneficial advantages, it can not just 'be established'. This ideal, completely formal OAM, initialised by public authorities would be marked by an authorisation of all traders, the payment of fees and taxes of all sellers and the non-existence of unregistered workers. The ideal marketplace would have a significant disadvantage: The price would be higher, and therefore in competition with the established retail sector. An increase in price can be only warranted by special products, e.g. ecological local products, but which will attract another, much smaller customer group (see chapter Xe. and f.).

At the same time, OAMs are also informal due to self-organisation²²⁹ and that marketplaces are 'highly unstable and variable in their nature as they always remain incomplete and changing. This variability makes them seem alive and unpredictable'.¹²³⁰ Informality also appears in the sense that transactions which happen at the market are not intelligible as the trading remains unframed: many different people are trading various goods and are involved in transactions which are neither planned nor intended.²³¹ One of the most important characteristics of informality are that OAMs consist of low entrance barriers and the flexible participation of vendors.²³² At the OAMs the trading is not as regulated as in the formal highly institutionalised shopping facilities of the post-Soviet area: There is a lack of price tags, some market stalls are just improvised, some vendors just appear temporarily, the products are not fully described, obscure goods with an unknown origin emerge etc. For example, a housewife who cooked too many jars is selling the overproduction temporarily at an OAM. This is an informal, black market since this woman will not pay a market stall fee and is located at the margin of the market. But this form of trading is widely ignored as the profit margin has an uninteresting range for the authorities.

Also the design of an open-air market with its improvised stalls, trailers, trucks and tent cities differs with exemptions (see Chapter Xe. and f.) from a formal character and is not shaped by architects,

²²⁴Callon, M. (1998) p. 3.

²²⁵Czakó, Á.; Sik, E. (1999)

²²⁶Gartska, G. J. (2008)

²²⁷Pajus, A. (2012)

²²⁸Kalm, M. (2012)

²²⁹Polyáni, K. (1947) *Our Obsolete Market Mentality: Civilization must find a New Thought Pattern*. In: Mörtenböck, P.; Mooshammer, H. (2007) *Trading Indeterminacy – Informal Markets in Europe*.

²³⁰Holmes, B. (2006) *The Artistic Device. Or, the articulation of collective speech*. Université Tangente. In: Mörtenböck, P.; Mooshammer, H. (2007) *Trading Indeterminacy – Informal Markets in Europe*. p. 86

²³¹Mörtenböck, P.; Mooshammer, H. (2007) *Trading Indeterminacy – Informal Markets in Europe*. *Field Journal. Architecture and Indeterminacy* Vol. 1. pp. 73-87.

²³²Sik, E.; Wallace, C. (1999)

politicians and planners. Open-air markets, especially the ones which evolved in the transformation process, are often regarded as aesthetically not beautiful and dirty, unhygienic and insecure places. In contrast, the formal market is described with transparency, clear calculation and regulation.²³³

But compared with the OAMs in South-eastern Europe the trading places seem more organised and formalised. This can be explained because the transition process in Tallinn happened very fast and the new founded state power executed and enforced economically friendly regulations. Through liberal politics, foreign and local capital was attracted faster and economy tend to formalise more rapidly.²³⁴

**Indoor space at
Telliskivi Flea Market
in winter-time**

Own Sketch



²³³Mörtenböck, P.;
Mooshammer, H. (2007)

²³⁴Sik, E.; Wallace, C. (1999)

Reality-Check

X. Typomorphology of Open-air Markets in Tallinn – informal openness

To give an overview of the spectrum of open-air markets the most prominent ones are presented. Of course, there are far smaller neighbourhood markets as well as touristic markets, but the intention is to distinguish between the varieties of markets. This chapter is based on own empirical studies, including conversations with locals. The historical background is achieved through expert interviews. According to the typology of open-air markets, they can be divided into small-scale city district markets serving local Estonian (mostly food) products which can be found in every suburb, specialised markets, as well as, flea and event markets which are usually emphasising a certain product scale (e.g. fish market), tourist markets offering souvenirs, local food and handicrafts and the OAMs of the transformation process on which the following chapter will concentrate the most.

Types of OAMs in Tallinn, 2012

- **Main / Transformation Markets**
 Clothes and Shoes
 Toiletries
 Food
 Homewares
 Spares
 Antiquities
 Electric goods
- **City District Markets**
 Regional, often self-produced food and products
- **Tourist Markets**
 Souvenirs
 Local crafts
 Regional food
- **Flea Markets / Special Markets / Event Markets**
 Second-hand clothes and goods
 Specialisation in one product scale e.g. fish
 Medieval Event markets etc.

Information is based on field studies, own graphic



a. Keskurg

The history of Keskurg (Central Market) was already elucidated in chapter VI. Due to the planned and despised character of food markets in Soviet times (see chapter VII) the market is still very hidden, being located inside a bigger courtyard and surrounded by Soviet style block dwellings. It is difficult to access as entrance situations are rare and the outside situation is not giving any evidence in form of signs or advertisement that the market exists (see site plan p.30). Only the tram and bus stop named 'Keskurg' gives a hint and indicates the importance of Central Market on that spot of the road. There are good connections to other parts of Tallinn as public transportation stops very close to the entrances of the OAM. The central bus station (Bussijaam) is located close to Keskurg which is nowadays one of the most used and popular ways to travel inside Estonia and to neighbour countries. This demonstrates as well the symbiosis between central hubs and OAMs.

Although, it represents still the biggest OAM in Tallinn, it is undergoing a process where it is losing its function due to the raise of latest shopping facilities, new consumption behaviours (see chapter VIIIb.) and the emergence and reorientation of other open-air markets.

Especially because of the cold winters in Estonia the quantity of market stalls differ seasonally very strongly.²³⁵ In summer the market stalls at Keskurg reach until the outskirts of the market ground and local produced food is offered while in winter most outside stalls are abandoned. There is also a big market hall which mostly contains food which has to be cooled such as dairy, meat and fish products in order that the products can be sold the whole year. The very functionalistic market hall without any decoration was built in the 1950s by a female architect.²³⁶ It is surrounded by so many kiosks, open-air booths and garages that the hall is almost disappearing in the turmoil. There are as well some big open-air space which are provisionally roofed in order to protect the small wooden selling tables from wind and weather. Despite, most of them are abandoned in winter-time as it is too cold, there is not enough supply with fresh vegetables and fruit or they are too expensive and the stalls lack the possibility to protect the food against frostbite. Nevertheless, the market is open 365 days a year without any holidays. It has specified opening times and most people visit Keskurg during midday as stalls close in the afternoon. In the night-time hours the market is protected through a big metal fence. During daytime one can only enter the market area through specific gates.

Furthermore, the infrastructure of the market differs a lot. While there are some well established traders with their own booths or small shops which represent covered, permanent constructions - there are also some traders which sell directly from their car or display their goods on tables and who tend to be occasional traders. How formalised a business is can be reflected in the way how their business is promoted, e.g. are there any advertisement or signs, are prices declared and how does the packaging look like?²³⁷ Additionally, are goods packed separately, packed in big boxes or improvisational wrapped or stored?

At Keskurg one can find everything for the daily need. The product variety ranges from food, clothes, shoes, books, ceramics, music, antiques, mobile phones, cafes, electrical supplies, keys to pet equipment. It often occurs, as well, that elderly women are trying to sell a small selection of private goods as hand-made socks, pullovers or self-produced jars between the market and the tram station. The location of different products is random and chaotic and there is no clearance in the structure of the open-air market (see site plan p.30). It is a self-regulatory system - if the trader pays the stall fee, a free place at the OAM will be obtained, indifferent which kind of products one is selling.²³⁸

The market has a very bad reputation as locals claim that the quality of food and the hygienic situation are very poor. The market is mostly attended by Russians (see chapter IXb.). Estonian natives are hindered to go to Keskurg as a language barrier occurs and are afraid to get defrauded through the lack of community feeling. Estonian people with whom I have spoken argue that they will have to pay more for the same products and are afraid that the products are not deriving from Estonia since

²³⁵comp. Czakó, Á.; Sik, E. (1999)

²³⁶Kalm, M. (2012)

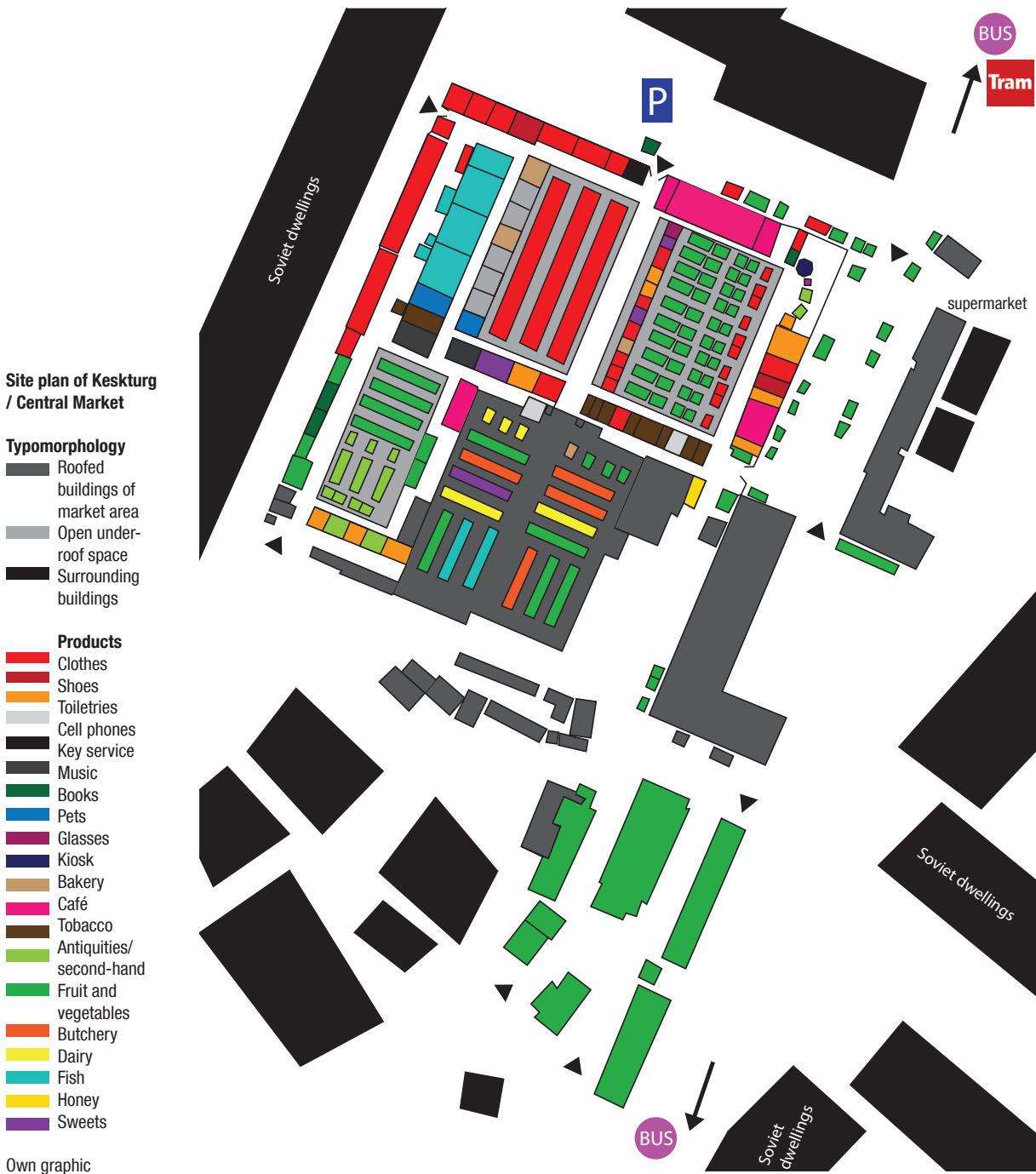
²³⁷comp. Czakó, Á.; Sik, E. (1999)

²³⁸Kuldkepp, K. (2010) Typomorphology Project: Heating up the Central Market. Urban Studies. Estonian Academy of Arts.

many traders come nowadays from neighbour countries such as Poland, Lithuania etc. and do not sell local produced food, albeit they are sometimes pretending to do so. In the opinion of many Estonians OAMs should supply the customers with local products but today – they claim – ‘somebody can buy the same ordinary shop stuff at the market as in supermarkets. And even exotic fruits like bananas which are not an agricultural product of Estonia’.²³⁹

Visiting Keskturg gives you the feeling that you are an alien person who does not belong to this own world. There are also huge language barriers. I personally tend to speak in Estonian while the vendors answer me in Russian. This leads to misunderstandings and often I receive the wrong product or an incorrect quantity.

²³⁹Kalm, M. (2012)



b. Jaama turg

In the first years of Independence a new open-air market evolved behind the central train station of Tallinn.²⁴⁰ Everybody who had something to sell could rent a stall there. It was considered as a very hazardous place where dangerous goods as firearms were distributed.²⁴¹ But there were not so many other options in the first years of Independence to get supplied with cheap food and consumption products. Jaama turg (Station Market) is open every day from 9 till 18 o'clock and on weekends until 17 o'clock. The OAM is as well protected during the night through a high fence. The area of the Station Market is very big and located between the Old Town and former industrial quarters. The infrastructure contains a provisional market hall in an old functional brick building and is surrounded by kiosks and open-air booths. The rush hours are in the morning until midday. The market is one of the biggest in Tallinn and considered informally as well as Russian Market. The area is –typically for a central station – a busy and vibrant public transport hub surrounded by many fast food restaurants, cafés, kiosks and shops. Nevertheless, it is defined as a rather dangerous and immoral area where many people are drinking alcohol in public or linger around. Historically, the Central Station of Tallinn was of greater importance and was offering connections to all bigger cities in Western Europe and Russia, whereas nowadays the train station appeals provincial with only a few mostly inner-national lines.

The market is very heterogeneous and you can find everything from antiques, second-hand cloth, new garments, spare parts, home-made jams, fruits and vegetables to durable goods for the everyday use. The variety of products may be divided into five main groups: food, clothes, household articles, appliances and cosmetics, and the fifth group includes traders' products related to culture or hobbies.²⁴²

Also the user groups vary - there are Estonians as well as ethnic Russians buying at Jaama turg, elderly, as well as, students as the surrounding area is becoming one of the bohemian city quarters with its old wooden houses, the proximity to the seaside and its recently established fancy cafés and restaurants. But tourists come here, too, in order to experience a little bit of Soviet nostalgic and the authenticity of a 'real' market. Within locals the Station Market has a bad image as there are rumours that it is connected to obscure structures.

The reasons why this market is often considered as typical Russian is historically based. Working class Russians settled already in the Northern industrial part of Tallinn (Kopli) in the 19th century and became the first Russian minority in Estonia.²⁴³ This can be explained as a growing industrialization occurred in Tallinn (see chapter VI) and the supply of Estonian workers was insufficient due to the small population numbers and the low level of urbanisation. At this time, most Estonians lived in rural areas. Due to the demand for workers an active emigration of Russian workers was taking place. Many of them were Russian ex-patriots (Pro-Tsar) which were demoralised after Estonia became independent in the first Republic of Estonia and felt the decreasing significance of the Russian culture.²⁴⁴ In Soviet times new submarine and shipyards were built in the Northern part of Tallinn in order to create jobs for the increasing abundance of Russian workers immigrating to Estonia which was highly encouraged by the Soviet regime.²⁴⁵

c. Kadaka turg

In addition, Kadaka turg was also established in the first years of Estonian Independence, but is not in existence anymore and presents an example how fast OAMs appear and disappear without a big notice in the ongoing years of transformation. The market was located in an Estonian suburb within a one hour distance by public transport of Old Town. Kadaka turg was established in the 1990s in former green houses which were no longer used as oil became very expensive and the costs were too high to grow oranges and cucumbers in Estonia.²⁴⁶ The OAM was highly popular by Finnish

²⁴⁰Kalm, M. (2012)

²⁴¹Pajus, A. (2012)

²⁴²comp. Czákó, Á.; Sik, E. (1999)

²⁴³Kalm, M. (2012)

²⁴⁴ibid

²⁴⁵ibid

²⁴⁶ibid

tourists as it was extremely cheap and something very exotic which you could not find in Finland.²⁴⁷ In the high times of the OAM there was even a direct bus service which brought Finnish tourists from the ferry harbour to Kadaka turg. There is no direct evidence why the market is not in existence anymore but it can be assumed that it is because of competitive, more central located markets and due to increasing price levels, Estonia is also less attractive for Finnish tourists.

d. Nõmme turg

Nõmme is a suburban area of Tallinn which almost gives the impression of a village. Nõmme turg differs highly from the other presented markets as it reflects a recent development trend where food has to be produced locally, ecologically and should be bought in a nice atmosphere. People claim that Nõmme turg is more expensive than other market types, but most market stall owners are locals and Estonian high quality products are sold. It is a market how we expect an open-air market to be - it contains a more rural atmosphere, colourful, wooden and friendly stalls and small shops. The stress is on local produced food and a more personal contact towards customers. Traders are welcoming and try to involve customer in conversations (What do you do in Estonia? Do you like it here? My daughter also studies at Estonian Academy of Arts. etc.). The open-air market is open the entire week and contains a permanent construction in the form of small, wooden shops which can be entered by customers. In the middle of the market there is a little square with a water fountain which serves as a meeting point. Besides the established shops which are mostly owned by locals, promoting their self-produced food or handicrafts, there is also the possibility to rent a metre of a selling table for approximately four Euros (for pensioners only 90 cents) a day.

The city puts an enormous effort in order to make the suburban open-air markets more attractive. Nõmme turg was completely renovated, especially the historic wooden market hall, and received a visual identity containing its own logo, an Internet address (<http://www.tallinnaturud.ee/nomme/>) and a facebook page. The public awareness was raised.

Now a similar campaign has started in order to promote other local open-air markets such as the markets in the modernistic functional Satellite cities of Tallinn (Mustamäe and Lasnamäe), as well as, the fish market (Kala turg) adjacent to the seaside (<http://www.tallinnaturud.ee/>). The decision was made by the Tallinn city council in order to establish a local market in every district of Tallinn.²⁴⁸ All these new small-scale local markets have the similar idea as well as typology - to promote local agricultural products. Until now these markets are operating only on a very small basis.

e. Rotermanni turg

New forms of open-air markets are becoming existent such as Rotermanni turg which was used as a tool to vitalise a new established quarter. Rotermann quarter, with its high-portfolio architecture, is located in the heart of the city in the area between Old Town, the port and the active commercial zone. However, the area is poorly used as the structure of the new Rotermanni quarter is turned inside with no connections to its surroundings. The shops and the shopping centre which are located there do not seem to work quite well until there are fairly pedestrians – as a consequence many shops were forced to close. Therefore, the open-air market which is focusing on local food and handicrafts in summer and depicting a Christmas market in winter, was established in order to attract people to the abandoned quarter. This concept is slightly unfolding as the market is simply too expensive and pretending to be an upscale market. Whereas, people who usually buy at open-air markets, go there for the sake of cheap food. Accordingly, these customers cannot satisfy their needs at the new, more expensive market types. Hence, these more expensive markets are not attractive to them. Of course, Rotermanni turg is targeting on another group of customers – but OAMs and cheap goods are two terms which are related in all parts of society.²⁴⁹ In general, it is true that prices at common OAMs

²⁴⁷Kalm, M. (2012)

²⁴⁸Kuldkepp, K. (2010)

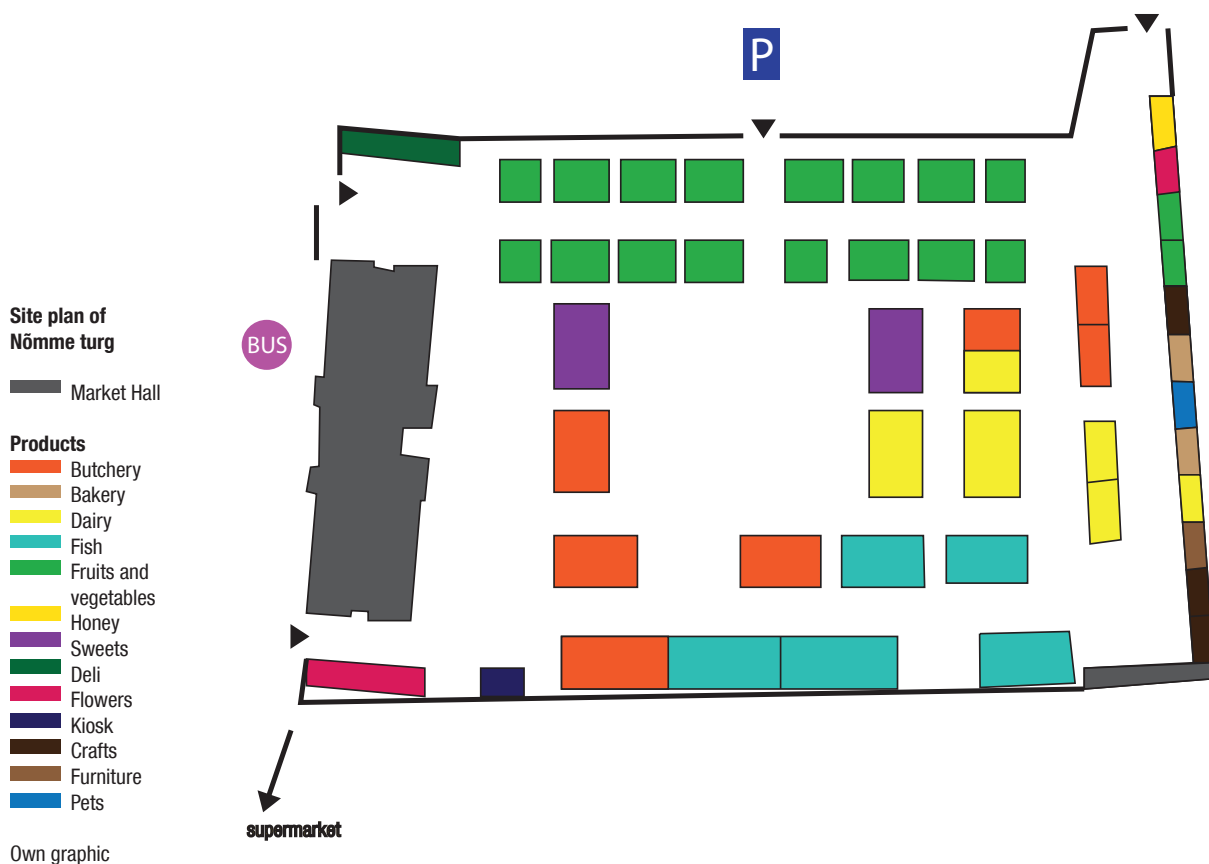
²⁴⁹comp. Czakó, Á.; Sik, E. (1999)

are below those of retail shops. However, at upscale, highly political favoured markets as Rotermanni turg prices tend to be higher - but so is the quality and presentation of goods. Another fact of Estonian market culture is that people are usually not bargaining and vendors expect the price they ask for. It is not certain that Rotermanni turg will take place this year. I was trying to get information from Rotermanni quarter management, but they did not respond to my question, and therefore it can be assumed that it will not take place, as there is no information about the market neither in the newspaper nor in the Internet available.

d. Telliskivi Flea Market

Telliskivi Flea Market which was founded in 2008, is located in a former industrial area with beautiful abandoned brick buildings and high chimneys.²⁵⁰ It is open for public every Saturday since then. In winter time the stalls can be found in a former industrial hall nearby. One can find all kind of second-hand items, but mostly cloth, books and CD's. Sometimes there are special flea markets where the range of goods is stressed on a certain topic as bikes, kitchen equipment or furniture. The former factory area is privately owned, and initially there were new office and retail buildings planned which could not be transformed in reality due to the economic recession. After the organisation of an open call to find ideas, the Telliskivi Creative City district was founded and outlines a combination of cultural events, as well as, space for creative industries. The flea market is very attractive for young people and families. Adjacent to the market there is also a restaurant with an outdoor terrace.

²⁵⁰Pikner, T. (2010) Alternative market places: enacted urban spaces combining civil activism and cultural economy. Conference paper, RGS-IBG Annual International Conference, London.



Conclusion and Concept

XI. How can open-air markets in Tallinn stay resilient?

One of the main questions of the research are, why open-air markets remain an important institution in today's city context and how they were shaped by their past. Although today the transition towards a liberal market orientated, democratic Estonian state is completed, problems of the transformation are still existent, and thus OAMs still form an integral part of the daily life in Estonia. By far not all people have reached Western standard and the standard of living for many – especially low skilled and elderly - remains low or has even fallen. Groups on the margin of society have difficulties to cope with challenges of the new established society – due to the liberal system in Estonia citizens increasingly have to fend for themselves in terms of welfare, employment, housing, health and other social goods and have to pay for these formerly free or subsidized services.²⁵¹

Open-air markets remain important because they are able to fill this 'structural hole'²⁵² in terms of consumption. Traders of the OAMs in Tallinn act as entrepreneurs: 'When you take the opportunity to be the tertius you are an entrepreneur in the literal sense of the word - a person who generates profit from being between others'.²⁵³ This is exactly what open-air markets in Tallinn represent: They act as a mediator between the Soviet past and the recent capitalistic development; between the consumption needs of many people and the psychological and physical distant, shiny world of shopping centres and advertisement. Traders at OAMs supply customers with goods of the daily need which would be otherwise unreachable for them. The OAMs which came into existence in the years of transformation have become a 'substitute' rather than a 'supplement' to the normal retail sector for people on the margin of society (elderly or low-skilled).²⁵⁴ Informal activities help households to make a living and provide some social security.²⁵⁵ They 'make an unknown future manageable' and function even though information is inexistent or contradictory and there are not sufficient institutional guidelines which are stable and legitimate.²⁵⁶

Furthermore, the emergence and continuing existence of OAMs in transformation countries, as examined in Tallinn, have to do with initial pre-transition conditions, as well as, with the current economic recession.²⁵⁷ I argue that the remaining of the anachronistic open-air markets in Tallinn is a counter reaction towards globalisation and the recent financial crisis. Regarding the economic and social key factors, it is obvious that the survival of open-air markets is dependent on the economic development. As long as the society in Tallinn struggles with inequalities, disintegration of minorities and economic recession, the OAMs will have fertile ground. The 'urban loser' is the main consumer at the OAMs of the transformation period, and thus the open-air market will remain an integral part of their survival strategy.²⁵⁸

The open-air markets in Tallinn, mainly Keskurg and Jaama turg, fulfil a number of significant social and economic roles. First, the OAMs provide an opportunity for the unemployed in order to earn an income, and furthermore, they substitute the income of pensioners and people which have due to their lack of Estonian language skills difficulties in order to find an appropriate paid job. Hence, it gives them the possibility to stay independent and reduces the financial burden of the state which has already a minimum budget for social tasks at disposal, especially now, in times of economic recession. Informal economy is 'socially efficient' in order to provide a 'real contribution to reduce poverty'.²⁵⁹ 'Open-air markets did and do play an important role in the 'survival' strategies of people in a period where institutions and societies are in a state of flux'.²⁶⁰ However, informal service seems to have been largely underreported.²⁶¹

Regarding the historical context of open-air markets in Tallinn one can say that 'They offer a form of continuity between capitalism in the past, socialism in the past, as well as, capitalism in the

²⁵¹Sik, E.; Wallace, C. (1999)

²⁵²Burt, R. S. (1993) *The Social Structure of Competition*. In: Callon, M. (1998) *The Laws of the Market. The embeddedness of economic markets in economy*. Blackwell Publishers, p. 9.

²⁵³Ibid

²⁵⁴Sik, E.; Wallace, C. (1999)

²⁵⁵Neff, R. (2002)

²⁵⁶Callon, M. (1998) p. 6.

²⁵⁷Aldis, R. (2003)

²⁵⁸Kalm, M. (2012)

²⁵⁹Neff, R. (2002)

²⁶⁰Velde, Van Der, M. (2010)

²⁶¹Neff, R. (2002)

present'.²⁶² The markets are influenced by their past of the medieval markets, the developments during the Soviet era and the new capitalistic city forces which are shaping the city nowadays. The phenomenon of transformation can be found in post-Soviet Tallinn. It is also reflected by the wide range of open-air markets. Keskurg has survived in the post-Soviet era but new marketplaces were added, as well, and nowadays a huge variation of OAMs can be found in Tallinn. There are typical Western upscale open-air markets where one can find local, organic food in a nice atmosphere and designed market stalls, and in contrast, markets which serve the people on the margin of society to provide these with cheap goods, as well as, an additional source of income. Latter are despised and concentrated at less attractive spots which most Estonians would describe as unhygienic, immoral places. Within the society of Tallinn the image of markets evoke mixed feelings: OAMs tend to be dirty and even dangerous places.²⁶³ But at the same time they are tolerated, restricted and promoted.²⁶⁴ This image does not differ so much from the experience I made in other Eastern countries such as Belgrade, Jerusalem, Haifa, Moscow or Amman.

While it seems that open-air markets are widely ignored and even despised by the political agenda in Tallinn, in fact, they play an important role in terms of employment, supplementing pensions, integration of Russian-speaking Estonian residents and stabilisation. The open-air markets in Tallinn present many advantages which should be highlighted and, additionally, the meaning of open-air markets in the recent city context should be stressed. Due to the large percentage of Russian speaking people, it may reduce ethnic conflicts and can serve as an 'instrumental stabilisation factor' while 'providing an opportunity to earn an income to citizens who do not have an adequate command of Estonian language'.²⁶⁵ Furthermore, the local government profits from the OAMs while receiving taxes. Jaama turg and Keskurg are daily visited by large amounts of people and the turnover should not be underestimated. Even for tourism the authentic open-air markets play a role which is given since the markets are also promoted at the official web site of Tallinn and depict a place where tourists experience another face of Tallinn. But the major reason why the open-air markets are vital is that they provide inexpensive goods to customers who have only little income for disposal and make a contribution to improve the salary of many traders, thus, the OAMs is part of their daily survival strategy.²⁶⁶

All the mentioned reason above support the idea that open-air markets should become an integral part of politics. The awareness of politicians and decision makers has to be raised. But the starting point is already the most difficult part. How should authorities understand the importance of open-air markets, if there is neither an interest nor a responsible or spokes person for open-air markets? And inferior - if organisers do not even wish that transparent and clear structures are existent since rumour has it that some of the markets of the transformation process are involved in obscure structures.

First of all, traders have to unit and form a trade unit and appoint a spokesperson. There could be a juridical support from the side of authorities to encourage traders to establish a trading unit which foster their wishes and future plans. Secondly, since markets are despised by many Estonians, it is very relevant to promote actively a positive image of the open-air markets. This can be achieved through special events or advertisement in local newspapers. More transparency is needed - hence, web sites of the OAMs could facilitate to inform potential sellers and customers about prices to rent a stall, the product range and events. In order to support pensioners one could establish a special pensioners fee for selling tables, how it is already the case at Nõmme turg. Pensioners would only pay a minimal fee to trade on a small-scale basis. The openness, transparency and attractiveness could be raised with these initiatives.

However, most changes concern organisation and structure of the market. This concept is developed while regarding the difficulties of the forced and rapid improvement of the local city districts markets. Mainly, these open-air markets which were completely planned from above by authorities and urban planners are not reasonable from economic perspective, but present a method to promote and sell products 'Made in Estonia' (see chapter Xd. and e.). They are not popular by customers as products

²⁶²Sik, E.; Wallace, C. (1999)

²⁶³Aidis, R. (2003)

²⁶⁴Urban Street Vending: Economic Resistance, Integration or Marginalization? (2009) Centre for metropolitan Studies. Technical University Berlin.

²⁶⁵Aidis, R. (2003)

²⁶⁶Sik, E.; Wallace, C. (1999)

are too expensive and the lively, authentic market atmosphere is missing.

In order to increase the resilience of open-air markets in Tallinn, it is not a question of aesthetic 'makeup' for the appearance of the marketplace through renovation and improvement, but goes far beyond. The open-air markets of the transformation process can only bear gentle and gradual improvements which are adjusted to the city's progression. Though, traders at open-air markets should be supported through improvement of their working environment, new infrastructure e.g. better protected stalls from climate conditions and more adequate storage space in order to keep the unendurable goods fresh and hygienic. Planners might argue that hygienic and security rules are not sufficiently legislated but this can be rudimentary guaranteed.

One of the most essential point is to strengthen the skills of local traders. For example, business courses for the traders to formalise and organise their business better and free Estonian language courses for Russian-speakers which focus on communication skills at OAMs, can be offered.

Finally, it is crucial for both traders and customers that the future of the market is foreseeable. Therefore, the site where the OAM is located should be free from real estate speculation and should be officially announced as a marketplace that it is protected legally by law.

The open-air markets has to make some adjustments in order to stay resilient. However, the open-air markets in Tallinn should stay as unplanned and free as possible, as from the perspective of the users what counts the most is the price of the offered goods. This 'rough' form of a marketplace gives these places also their peculiarity.



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