

**Advanced Market Systems,
2123, Spring 05**

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***A Market Analysis of the
Fruit, Vegetable and Flower
market in Hötorget based on
the Institutional Analyses
Perspective***



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ABSTRACT

The follow market analysis is a research based on the fruit,vegetable and flower(organic produce) division of the Hötorget market. The institutional analysis perspective has been employed based on which the relation of Hötorget market to Saluhallsförvaltningen, Migrationsverket and Partihallarna have been researched in detail.

Major conclusion observed as a result of this analysis include:

- Hötorget market primarily solves the problem of meeting the basic organic product necessities of people in an around Stockholm and abides by the laws and property rights as stated by Saluhallsförvaltningen.
- Flower, fruits and vegetable markets as in this case have played an important role as conditioning institutions in moulding human action as far as market purchases are concerned. The buyer aspect of the market analysis plays an integral role in understanding the kinship and cultural institutions aspect

behind the market analysis as per the institutional perspective.

- Sellers are meant to confirm to norms slated by saluhallsförvaltningen pertaining to price, quality, technology maintenance, procurement policy and infrastructure as well as Riksbank (issuer of medium of exchange),Migrationsverket(Immigration Rules),Partihallarna(wholesaler) and Krav(Quality Standards).
- The evolutionary psychology that one would associate with the Hötorget market includes possible forthcoming changes in the mindset and attitudes of traders which encompasses the range, quality and quantity of products sold. Possibly catering to a larger section of the customer base in Stockholm, innovation in products sold and method of selling to name a few.

ACKNOWLEDGEMENTS

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1 Introduction

The fruit and vegetable market along with the flower market located adjacently in Hotörget close to Concert Huset play an important role in satisfying a significant proportion of consumer needs in Sweden. The institutional analysis perspective has been employed that is analysing markets in terms of:

- ...ⁱsocial practices that are regularly and continuously repeated...sanctioned and maintained by social norms, [having] a major significance in the social structure...established patterns of behaviour [a dictionary of sociology; Abercrombie et al 1994]...
- a way of thought or action of some prevalence and permanence, which is embedded in the habits of a group of the customs of a people...[thus]fix[in] the confines of and impose[in]form upon...[human] activities...[Hamilton, an economist, in 1932]
- Collective [unorganized and organized] action in control [Commons1931]...
- interpersonal tables of orientation...[Lachmann1977]

Data Sources:

- Interviews with traders at Hötorget market and Partihallarna. Questions were asked pertaining to:
- Mode and Nature of Operation
- Products sold, Customer, Wholesalers, Prices
- Governing Bodies such saluhallsförvaltningen and their role in regulating and inspecting Hötorget market.

ⁱ Lecture Notes of Professor Anders Liljenberg on the Institutional Analyses Perspective

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2. A Survey of the Hötorget Market

It is important to understand what a market is before proceeding with our analysis on Hötorget market,ⁱⁱ Markets have been variously defined as aggregations of customers, customers-and-suppliers, and exchange-relationships among supplier. This definition forms the skeletal framework of our analysis based on which we proceed further with important individual components of the market study (ⁱⁱⁱBuyers, Seller, Exchanges and important authorities such as The Stockholm Market Halls Administration or saluhallsförvaltningen, Migration Board of Sweden, Migrationsverket as well as Sveriges Riksbank, Partihallarna and KRAV. The Hötorget Market Hall has been studied in terms of relevant institutional characteristics and prevalent social norms as well as social practices.

2.1

❖ Buyers/Actants

The buyers at this market include a large number of people who live in an around the Hötorget area, as well as people from surrounding areas of Stockholm who are interested in purchasing fresh fruit and vegetable. Buyers broadly include:

- Individual Households
- Cafés and
- Restaurants
- Corporates (Businesses and Companies)

People are essentially fond of interacting and venturing out for opportunities to satisfy their basic needs, in this case food. This gives people a unique prospect to meet new people, socially interact and still be able to purchase essential commodities for their households. This can be described as a prevalent social practice for housewives especially, who are responsible for the shopping needs of the family.

Another important social norm concerning the purchase of fruit, vegetable and flowers (organic products) is that they be fresh and economical. While there are certain people who would prefer purchasing fruits, vegetables at a supermarket or grocery store, there are also a significant number of people who would go to a market like the one in Hötorget to purchase the same commodities. This market analysis is about such a category of customers. It is only predominantly vegetables, fruits most often used in Swedish cuisine and in the diet of a Swede as well as flowers most commonly associated with Swedish Culture that are sold here. (Habits of buyers who fix the confines of imposing form on human activities on part of vendors). In the case of flowers, people do have an aesthetic sense and are fond of giving gifts to their friends and relatives which

ⁱⁱ G Easton 1988

ⁱⁱⁱ Lecture Notes by Professor Claes-Fredrik Hegelsson on Outline and Purpose of course

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explains the Flower, fruits and vegetable markets as in this case playing an important role as conditioning institutions in moulding human action as far as market purchases are concerned. The buyer aspect of the market analysis plays an integral role in understanding the kinship and cultural institutions aspect behind the market analysis as per the institutional perspective as explained above.^{iv} During the process of consolidation of knowledge as described by classical economist it is believed that **a natural law** is said to exhibit its influence or surveillance over the mechanism of events and render a certain degree of spiritual stability which is a prominent feature in terms of a calm and well-organised market structure as is well observed in the Hotörget market.

2.2

❖ Sellers/Entrepreneurs/^vRelations/Actants

Sellers of fruits, vegetables and flowers in the Hotörget market are a group of individuals who are licensed or rather authorized by the ^{vi}**The Stockholm Market Halls Administration or saluhallsförvaltningen.**

Sellers who abide by the rules of The Stockholm Market Halls Administration or saluhallsförvaltningen include:

- Two wholesale markets; **Slakthusområdet** and **Årsta Partihallar**
- Three market halls; **Hötorghallen**, **Södermalms saluhall** and **Östermalms saluhall**
- Two square markets; **Hötorget** and **Östermalms torg**

The enterprises at Hötorget are one of the 300 such market enterprises for which the saluhallsförvaltningen is responsible and which cater to the needs of a percentage of 1.8 million customers.

Sellers are meant to conform to norms slated by saluhallsförvaltningen pertaining to:

- Price of fruits, vegetables and flowers- ^{vii}There exists a standardization of products and stabilization of prices, two important things that producers want in order to be able to be able to shift prices to consumers which include the general public and other institutions. There also exists a uniformity in prices which is an important indicator to competitors and consumers or rather an important source of information based on which important decisions regarding manufacturing and purchase can be made.

^{iv}Veblen, Thorstein. 1898

^v Lecture Notes by Professor Claes-Fredrik Hegelsson on Outline and Purpose of course

^{vi} The Stockholm Market Halls Administration or saluhallsförvaltningen

^{vii} Commons, John R. 1924

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- Quality of fruits, vegetables and flowers
- Procurement Policy-relationship between markets and wholesalers
- Wholesalers-who to buy from and at what acceptable price
- Size of Stall-dimensions, hygiene, location
- Technology maintenance (weighing scales) which are sent to saluhallsförvaltningen for inspection every three months to ensure that they are in good condition offering accurate readings.

The sellers as in the case of the Hötorget fruit and vegetable market were of Turkish origin and operated their stalls from 10:00 a.m. to 7:00 p.m. from Monday to Saturday. The prices quoted by buyers at this stall are actually higher than those offered at supermarkets and grocery stores, yet they still have a target market. The sellers are able to procure fruits and vegetables from wholesalers located in Spain, Italy, Morocco, Turkey, Netherland, Sweden and other parts of the Nordic region.

Fruits and vegetables sold include:

- Pears
- Oranges
- Grapes
- Strawberries
- Bananas
- Avacados
- Lettuce
- Onion
- Potatoes
- Tomatoes
- Aubergines

The flower stall was headed by a Bangladeshi who sold varieties such as Roses, Tulips and Begonias procured from countries such as Sweden and Holland. His target audience included:

- Individuals
- Corporates (Businesses and Companies)
- Cafés and
- Restaurants

Saluhallsförvaltning plays an important role in a person's understanding of an organization as an economic institution enabling production and distribution, a market

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institution prescribing legislation and business recipes/climates, political institution proscribing the use of and access to, power as well as stratification institutions helping in the determination of resource and position location. ^{viii}The Stockholm Market Halls Administration or saluhallsförvaltningen is a government affiliated organization which in a particular sense has shaped the organization of the economy through property rights action(through market set-up) incorporating economic efficiency in terms of organization and distribution and profit cycles for vendors and other wholesalers involved in the business process.

When asked for the official licensing authorities that he had to report to he mentioned ofcourse saluhallsförvaltningen and then ^{ix}**Migrationsverket**. The Migrationsverket is otherwise called the migration board and has issued this gentleman a resident work permit for him to carry out his trade i.e. selling flowers which is subject to an annual renewal.

2.3

❖ Exchanges/Institutions/^xMetrological Institutions

Commodities inclusive of fruits, vegetables and flowers at the Hötorget market are exchanged for Sweden's monetary currency, the kronor and its various denominations. The kronor is issued and it's circulated maintained and supervised by the **Sveriges Riksbank, Sweden's Central Bank**.

It is the duty of the Sveriges Riksbank with reference to its currency, to ensure :

- A safe and efficient payment system.
- Supplying banknotes and coins in Swedish Kronor.

Another accepted form of exchange constituting the payment mechanism is the credit card which is issued by a number of providers, inclusive of Visa,Mastercard, Eurocard and American Express.

All commodities sold at Hötorget are denominated in terms of Swedish Kronor.

^{viii} Campbell, John L., and Leon N. Lindberg. 1990

^{ix} Migration Board of Sweden, Migrationsverket

^x Lecture Notes by Professor Claes-Fredrik Hegelsson on Outline and Purpose of course

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2.4

❖ **Authorities/Institutions/^{xi}Relations**

The authorities that concern us right now at this point of time in our analysis include:

- **The Stockholm Market Halls Administration or saluhallsförvaltningen**

As discussed before sellers of fruits, vegetables and flowers in the Hotörget market are a group of individuals who are licensed or rather authorized by the The Stockholm Market Halls Administration or saluhallsförvaltningen which was founded in 1907. Saluhallsförvaltningen plays an important role as an institution enabling collective action in control, liberation and expansion of individual action.^{xii} The vendors in specific market areas constitute bargaining, managing and rationing transactions which are the ultimate units of economic activity.

Sellers who abide by the rules of The Stockholm Market Halls Administration or saluhallsförvaltningen include:

- Two wholesale markets; Slakthusområdet and Årsta Partihallar
- Three market halls; Hötorghallen, Södermalms saluhall and Östermalms saluhall
- Two square markets; Hötorget and Östermalms torg

The enterprises at Hötorget are one of the 300 such market enterprises for which the saluhallsförvaltningen is responsible and which cater to the needs of a percentage of 1.8 million customers.

Sellers are meant to conform to norms slated by saluhallsförvaltningen pertaining to:

- Price of fruits, vegetables and flowers
- Quality of fruits, vegetables and flowers
- Procurement Policy-relationship between markets and wholesalers
- Wholesalers-who to buy from and at what acceptable price
- Size of Stall-dimensions, hygiene, location
- Technology maintenance (weighing scales) which are sent to saluhallsförvaltningen for inspection every three months to ensure that they are in good condition offering accurate readings.

The chairman and important governing board members of **saluhallsförvaltningen** include:

- Wanngård Karin (s) Chairman
- Lagerqvist Britt-Marie (m) Vice Chairman

^{xi} Lecture Notes by Professor Claes-Fredrik Hegelsson on Outline and Purpose of course

^{xii} Commons, John R. 1931

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- Hansson Raymond (s) Board member
- Hansson Stefan (s) Board member
- Thorin Margot (fp) Board member

The responsibility of the board of directors of the Stockholm Markets extends to ensuring that an extremely vital activity concerning the sale of fresh and hygienic flowers, fruits, and vegetables setting up of new enterprises, issuing customs and regulations and is well regulated and functioning.

- **Sweden's Migration Board or Migrationsverket**

The persons in charge of the stall include individuals who are not of Swedish origin i.e people from Turkey and Bangladesh.

They are possessors of a valid resident permit from the Migration Board of Sweden or **Migrationsverket**.

2.5

❖ ^{xiii} Networks

- **Partihallarna (Wholesalers)**

- Partihallarna-wholesale supplier of fruit and vegetables functions from 04.00 till 12 .00 midnight with approximately 50 small size fruit wholesalers offering a turnover of approximately 15 million SEK.
- Suppliers or importers include either small import-firm located in the Partihallar area or big wholesalers located at SABA having their own procurement policies who engage in selling to a number of smaller wholesalers who in turn act as vendors to the smaller customers of the partihallarna, (like restaurants etc.).
- Prices offered to the customers depend on the volumes bought by customers and their buying habits.
- While no private customers are entertained, 50% of the customers include markets and the rest include restaurants.
- As far as Hötorget, he says that the quality is declining and that sales practices followed are deceptive and this is because fruit vendors are forced to buy inferior quality products to be able to afford operating their business.
- Larger retailers such as ICA have their own wholesalers. With retail market being now closed for the small wholesalers, only the big ones like SABA caters to them.
- Stocks of flowers are renewed twice a week

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- Price Dumping takes place as a result of rivalry between vendors with them having to pay SEK35-40,000 as rent for their vendor spots.
- With fruits and vegetables imported from 70 different countries, they are distributed to 7 different locations including-Luleå, Umeå, Borlänge, Stockholm, Västerås, Stockholm, Helsingborg and Malmö.
- The largest customers are Coop and Axfood (hemköp) who also used to own SABA.
- About 60% of SABA was bought by Dole 12 years ago which is an American corporation having 450 of its 3600 employees in Sweden.
- Helsingborg constitutes the central hub, where trucks are loaded for distribution. The trucks have maximum 3 spots for loading and de-loading.
- The turnover of SABA is approximately 600/ 700 Million a year (in Stockholm)
- Different quality standards are used for the fruit inclusive of the ip (integrated production)qualification.
- Partihallarna has been created as a result of a political decision which has led to some difficulties in the owner structure of the area. The ownership of ground and buildings at Partihallarna is divided among the municipality, saluhallsförvaltningen and wholesalers.

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3 KRAV/Metrological Institutions

- The KRAV mark, a quality standard, stands for a ^{xiv}good environment, good animal husbandry, good health and social responsibility which are widely observed in Sweden as a means of maintaining quality standards pertaining to the quality of organic produce.

The KRAV label stands for a good environment

- KRAV certified production ensures freedom from pesticides and herbicides contributing to reduce leaching of foreign substances to surface and ground water.
- KRAV certified production is a contributing factor to an increased biodiversity and reduced danger of nutrient leaching that can result in over-fertilization of waterways, seas, and lakes.

The KRAV label stands for a good animal husbandry

- KRAV certified products come from animals that have lived under healthy conditions being well fed and reared.

The KRAV label stands for good health

Handling of chemicals and exposure to poisons is minimized in KRAV certified production and products with a good working environment.

The KRAV label stands for social responsibility

KRAV bears a social responsibility of ensuring that certified products must be produced under acceptable social and working conditions as stated according to KRAV standards.

^{xiv} KRAV, <http://www.krav.se/>

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4 Hötortget Market Hall: A Historical Perspective

^{xv}The market hall at Hötorget otherwise called Hötorgshallen is where all culinary kitchens of the word come under one roof. Keeping in pace with increased internationalization and immigration, the market has grown in area. The site at Hötorget was opened for trade in 1640 where the northern part of the trade hall was reserved for farmers while the southern part reserved for traders. The first hall in the Hötorget market side was built in 1882 and the new market hall was opened in 1958, though officially inaugurated by King Gustav VI Adolf the following year. The market at Hötorget is the largest of its kind in Scandinavia, with 50 permanent spaces for vendors that are available for rent. The market is renowned for its fresh and distinct variety of fruits, flowers and vegetables. The stalls or stands in the market area are rented out to vendors on a yearly basis and are surrounded by open air cafés and restaurants.

Dimensions

Market hall, total area: 3, 600m²

Area available to rent/lease: 1, 904m²

No. of shops: 33

Other facilities

Is there district heating? Yes

Is there district refrigeration? Yes

Are there waste management facilities? Yes, recycling facility with pneumatic waste disposal

^{xv} The Stockholm Market Halls Administration or saluhallsförvaltningen

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I now proceed with my analysis on Hötorget Market, from a more theoretical perspective, based on the lecture notes by Professor Anders Liljenberg on the institutional analyses approach inclusive of relevant institutional perspectives, Classical Institutional Economics (CIE) and New Institutional Economics(NIE).

5 Communities engaged in such type of trade practice

Communities who are engaged in such a type of trade practice include of course Swedish Citizens and immigrants from Turkey and Bangladesh, among a host of other countries.

6 ^{xvi}Habits and routine involved in selling and inspection which are more important than rational calculation

The sales culture is such that fruits, vegetables and flowers are sold in open stalls such that their quality can be easily inspected and that they are viewable by customers.

The stalls are of course inspected by saluhallsförvaltningen every month to ensure that the fruits, vegetables and flowers sold are of excellent quality and that the premises are maintained in good condition. Moreover the sales culture is open and friendly with the vendors informally greeting and welcoming all customers. The vendors also keep the customers well informed about the product quality and prices through displays and informal conversations.

7 ^{xvii}Purpose of scientific understanding of vendors as in case of grade, quality, weight and so on

The vendors seemed well versed with the grade, quality and weights of the fruits, vegetables and flowers that enables them to sell their produce with confidence. They are also well aware:

- Quality standards to be maintained
- Measures of Quantity according to which sales are made and
- Grades of produce and quality standards, especially if they meet quality standards.

^{xvi} Lecture Notes of Professor Anders Liljenberg on the Institutional Analyses Perspective

^{xvii} Lecture Notes of Professor Anders Liljenberg on the Institutional Analyses Perspective

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8 Law, property rights, legal-economic power, economic transactions, institutions as outcome of formal/informal processes of conflict resolution

Hötorget market primarily solves the problem of meeting the basic organic product necessities of people in an around Stockholm and abides by the laws and property rights as stated by Saluhallsförvaltningen. In fact the laws and regulations as stated by Saluhallsförvaltningen are a means of ensuring that the Hötorget market is able to meet with high standards in terms of product quality and quantity as required by the people of Stockholm.

9 ^{xviii}Hötorget Market from a New Institutional Economics (NIE) point of view *Four levels of institutional perspective in understanding Hötorget market (New Institutional Economics perspective) i.e. embedness, environment, governance, resource allocation and evolutionary psychology –*

9.1

- Embeddness-Social Theory with evolutionary origins-informal institutions,customs and norms-Level I

Considering the embeddness factor in analyzing Hötorget market one can conclude that the informal institutions that one could best identify with the market are the stalls and open display of fruits, vegetables and flowers with price tags and a transparent system of engaging in sales. The customs that are created and practiced year after year by the traders when they relate to prospective customers, inform them of product quality, source and price. It is also essential that the traders abide by certain norms of honesty, quality and trustworthiness when dealing with their customers.

9.2

- Environment-property rights and economics/formal or legal political rules of the game-Level II

When considers the environment which encompasses property rights and economics/formal or legal political rules of the game one must bear in mind
The Stockholm Market Halls Administration or saluhallsförvaltningen

^{xviii} Lecture Notes of Professor Anders Liljenberg on the Institutional Analyses Perspective

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As discussed before sellers of fruits, vegetables and flowers in the Hötorget market are a group of individuals who are licensed or rather authorized by the The Stockholm Market Halls Administration or saluhallsförvaltningen which was founded in 1907.

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- Price of fruits, vegetables and flowers
- Quality of fruits, vegetables and flowers
- Procurement Policy-relationship between markets and wholesalers
- Wholesalers-who to buy from and at what acceptable price
- Size of Stall-dimensions, hygiene, location
- Technology maintenance (weighing scales) which are sent to saluhallsförvaltningen for inspection every three months to ensure that they are in good condition offering accurate readings.

The responsibility of the board of directors of the Stockholm Markets extends to ensuring that an extremely vital activity concerning the sale of fresh and hygienic flowers, fruits, and vegetables setting up of new enterprises, issuing customs and regulations and is well regulated and functioning. Partihallarna also plays a major role as wholesaler controlling the domain of suppliers, prices, customers, sales practices, quality control and land ownership.

9.3

o Governance-Transaction Cost Analysis/Contractual Relations-Level III

Even if one were to consider the transaction costs/contractual relationships involved in the setting up of market stalls at Hötorget or in the traders maintaining an ongoing relationship with saluhallsförvaltningen with regards to relationships with wholesalers, inspection and maintenance of quality standards or with Migrationsverket with regards to work permit requirements/proper renewal and maintenance or with Partihallarna pertaining to procurement policies maintaining strong relationships with wholesalers that

would all fall under the Governance-Transaction Cost Analysis/Contractual Relations aspect of New Institutional Economics-Level III.’

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9.4

- The Neoclassical Economics-the firm, incentives agency-Level IV

Considering the neoclassical economics /firm, incentives agency perspective-Level IV one would bear in mind the incentives for stalls being set up by seller inclusive of profit and of course job satisfaction.

9.5

- Evolutionary Psychology-Level V

The evolutionary psychology that one would associate with the Hötorget market includes possible forthcoming changes in the mindset and attitudes of traders which encompasses the range, quality and quantity of products sold. Possibly catering to a larger section of the customer base in Stockholm, innovation in products sold and method of selling to name a few.

10 Hötorget Market from a classical institutional economics (CIE) point of view

Building of a system at Hötorget market of ^{xix}interrelated general principles for evolutionary processes;

- ’efficiency’
- ’scarcity’
- ’custom’
- ’futuraity’

One finds at Hötorget market a rare combination of *efficiency* in terms of maintenance of flower, fruit and vegetable stalls and sales practices, *scarcity* of good quality flower, fruit and vegetable being made available at an accessible point in the city of Stockholm, traders living up to inherent *customs* in meeting with organic product needs of people and futurity in terms of the scope for future innovation in Hötorget market concerning range of products, methods of selling and so on.

While Classical Institutional Economics holds that CIE holds markets underperform as regards to

- income/wealth/opportunitydistribution
- the commonprevalenceof monopolies

^{xix} Lecture Notes of Professor Anders Liljenberg on the Institutional Analyses Perspective

financial manipulations
macroeconomic instability and unemployment
the blocking of progressive development

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the creation of waste [Rutherford 1996]

Probably the only factor which applies here with regards to underperformance of Hötorget market is the blocking of progressive development through selling of inferior quality goods as procured from Partihallarna resulting in deceptive trade practices. Another facet of CIE is that it denies the sovereign consumer with given tastes/preferences which is not really applicable here as the traders at Hötorget with the supervision of The Stockholm Market Halls Administration or saluhallsförvaltningen pay special attention to individual consumers (tastes, quality standards, product range) who are as a result not very much subject to treatment as *market commun*.

11 Conclusion

The Hötorget market was well researched employing the institutional analysis perspective and the following was observed:

- **People are essentially fond of interacting and venturing out for opportunities to satisfy their basic needs, in this case food. This gives people a unique prospect to meet new people, socially interact and still be able to purchase essential commodities for their households.**
- **Flower, fruits and vegetable markets as in this case have played an important role as conditioning institutions in moulding human action as far as market purchases are concerned. The buyer aspect of the market analysis plays an integral role in understanding the kinship and cultural institutions aspect behind the market analysis as per the institutional perspective.**
- **Sellers are meant to conform to norms slated by saluhallsförvaltningen pertaining to:**
 - **Price of fruits, vegetables and flowers**
 - **Quality of fruits, vegetables and flowers**
 - **Procurement Policy-relationship between markets and wholesalers**
 - **Wholesalers-who to buy from and at what acceptable price**
 - **Size of Stall-dimensions, hygiene, location**
 - **Technology maintenance (weighing scales) which are sent to saluhallsförvaltningen for inspection every three months to ensure that they are in good condition offering accurate readings.**

- **Commodities inclusive of fruits, vegetables and flowers at the Hötorget market are exchanged for Sweden's monetary currency, the kronor and its various denominations. The kronor is issued and it's circulated maintained and supervised by the Sveriges Riksbank, Sweden's Central Bank.**

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- **The persons incharge of the stall include individuals who are not of Swedish origin i.e people from Turkey and Bangladesh.They are possessors of a valid resident permit from the Migration Board of Sweden or Migrationsverket.**
- **Partihallarna-wholesale supplier of fruit and vegetables functions from 04.00 till 12 .00 midnight with approximately 50 small size fruit wholesalers offering a turnover of 15 million SEK.**

The KRAV mark stands for a good environment, good animal husbandry, good health and social responsibility which is widely observed in Sweden as a means of maintaining quality standards pertaining to the quality of organic produce.

- **Sales are made based on prices stated in kronor and quantities stated in kgs (fruits and vegetables) or sold in fixed quantities as in the case of flowers.**
- **The market is opened six days a week from 9a.m to 6p.m i.e. from Monday to Saturday.**
- **The sales culture is such that fruits, vegetables and flowers are sold in open stalls such that their quality can be easily inspected and that they are viewable by customers.**
- **The vendors seemed well versed with the grade, quality and weights of the fruits, vegetables and flowers that enables them to sell their produce with confidence. They are also well aware of:**
 - **Quality standards to be maintained**
 - **Measures of Quantity according to which sales are made and**
 - **Grades of produce and quality standards, especially if they meet quality standards.**
- **Hötorget market primarily solves the problem of meeting the basic organic product necessities of people in an around Stockholm and abides by the laws and property rights as stated by Saluhallsförvaltningen. In fact the laws and**

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regulations as stated by Saluhallsförvaltningen are a means of ensuring that the Hötorget market is able to meet with high standards in terms of product quality and quantity as required by the people of Stockholm.

- Considering the embeddedness factor in analyzing Hötorget market one can conclude that the informal institutions that one could best identify with the market are the stalls and open display of fruits, vegetables and flowers with price tags and a transparent system of engaging in sales. The customs that are created and practiced year after year by the traders when they relate to prospective customers, inform them of product quality, source and price. It is also essential that the traders abide by certain norms of honesty, quality and trustworthiness when dealing with their customers.
- When one considers the environment which encompasses property rights and economics/formal or legal political rules of the game one must bear in mind The Stockholm Market Halls Administration or saluhallsförvaltningen
- Even if one were to consider the transaction costs/contractual relationships involved in the setting up of market stalls at Hötorget or in the traders maintaining an ongoing relationship with saluhallsförvaltningen with regards to relationships with wholesalers, inspection and maintenance of quality standards or with Migrationsverket with regards to work permit requirements/proper renewal and maintenance or with Partihallarna pertaining to procurement policies maintaining strong relationships with wholesalers that would all fall under the Governance-Transaction Cost Analysis/Contractual Relations aspect of New Institutional Economics-Level III. Considering the Neoclassical Economics-the firm, incentives agency-Level IV one would bear in mind the stalls being set up, the incentives for traders in setting the stalls are inclusive of profit and job satisfaction.
- The evolutionary psychology that one would associate with the Hötorget market includes possible forthcoming changes in the mindset and attitudes of traders which encompasses the range, quality and quantity of products sold. Possibly catering to a larger section of the customer base in Stockholm, innovation in products sold and method of selling to name a few.



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