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Luzhniki Closure Dismays Traders

By Alexander Bratersky

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A man browsing at the sprawling Luzhniki market. Traders at the outdoor market have until July to relocate. **Vladimir Filonov**

Moscow's army of the unemployed may grow by 10,000 this summer, when the vast outdoor market at the Luzhniki sports complex is closed by City Hall, the new owner of the premises.

The city government set the deadline for shutting down the market as June 30, though traders will be given some time afterward to relocate, said Alexander Sergeyev, head of the market's managing company Orgmarket, Interfax reported.

Officials said they intend to restore the complex, a potential venue for the 2018 Football World Cup, to its original purpose, making it a place for sports and recreation. But local traders said they did not deserve to be kicked out over it.

"It was Moscow's only civilized market. Where will people shop now?" Galina, an energetic woman in her 40s who is running a small but thriving clothes shop in Luzhniki, said Thursday.

The market catered largely to wholesale traders from the regions, many of whom also expressed dismay at the move. "I don't know anymore where I will buy my goods," said Irina, a St. Petersburg-based businesswoman. "Here, you can buy Polish and Turkish items, but other markets just sell Chinese stuff."

"I've been around the world, and nowhere do they treat people the way they do here," Galina said bitterly to nods of approval from other traders.

Galina has built a vast network of suppliers from Poland to Italy and provided employment to six people. But she said her business is coming to an end.

The market, located a few minutes' walk from the Sportivnaya metro station in the downtown part of the city, has operated since the early 1990s on the premises of the sports complex built for the 1980 Moscow Olympics. The market's annual turnover is estimated at 10 billion rubles ($350 million).

City Hall, which has owned a 24.9 percent stake in Luzhniki for years, announced this month plans to obtain a controlling stake in the complex by purchasing the share of businessman Vladimir Alyoshin.

Alyoshin, a close ally of ex-Mayor Yury Luzhkov, will sell his stake for 10 million euros ($14 million), which business news web site BFM.ru called a symbolic payment for a stake in real estate valued at $500 million to $1 billion.

The deal was preceded by a crackdown, as the Prosecutor General's Office conducted a probe into the market and reported in April that it is chock full of "bogus companies" and operates with numerous violations of sanitary, migrant and labor legislation.

Galina and fellow traders — most of them also middle-aged ladies who have been in business for years — denounced the prosecutors' report as a pretext to throw them out. "I have all the required permits, but no one even bothered to check them," Galina said.

"We don't kill, we don't steal, we maintain order here," said another trader, Valentina, a 30-something Ukrainian native running a jeans booth near the entrance to Luzhniki.

Traders also pointed out that the market is closed on days when sports events or concerts take place in Luzhniki, so as not to disturb sports fans or concertgoers.

Mayor Sergei Sobyanin said earlier that city markets such as Luzhniki will be turned into civilized shopping malls rather than closed. But traders at Luzhniki, who pay about 10,000 rubles ($350) per stall, said they would not be able to afford a lease in brushed-up complexes and would have to go out of business anyway, to the detriment of the city.

Sobyanin "needs to come over and listen to us, not to the people who tell him what to do. This market is profitable for the city," Galina said.

"We're not here for fun. But we would like to stay," said Tatyana, a 45-year-old mother of three who runs a clothes stand at Luzhniki.

Some traders said they hoped to relocated to the Sadovod market near the Moscow Ring Road.

But the market's director Yury Kovyakin told Interfax on Wednesday that they are not welcome because there is simply no place for newcomers.

Sergeyev of the Luzhniki management said local traders will be offered places "elsewhere," but did not elaborate. Those who do not take the offers would be able to relocate to a market that will be build in an unspecified location in the city by 2013, he said, Interfax reported.

But Luzhniki trader Dmitry Khromov said the management demanded 3 million rubles ($100,000) to provide him with a stand at some other city market, a sum he cannot afford, Interfax reported Thursday. Luzhniki management did not comment on the report.

The crackdown on Luzhniki is reminiscent of the story of "Cherkizon," the larger-than-life Cherkizovsky market in eastern Moscow, shut down under Sobyanin's predecessor Luzhkov in 2009.

The closure was also based on a inquiry by prosecutors who said Cherkizon carried smuggled or counterfeit goods. But analysts said the move actually had political reasons, being an attack by federal authorities on the market's owner Telman Izmailov, a member of Luzhkov's inner circle.

Izmailov fled abroad at the time and did not return to Russia until he had negotiated a deal to invest in construction for the Sochi Olympics, apparently as amends to the Kremlin, media said at the time.

The Luzhniki story shows the government's real, disdainful attitude toward independent entrepreneurs, said Yana Yakovleva, head of Business Solidarity, a lobby group for small business.

"Of course, a sports stadium is not a good place for a market, but if a market operated there, it means there was demand for it," she said by telephone Thursday.

"It is not just about people selling stuff. It is a link in an economic chain of traders, buyers and producers, which is destroyed by the decision" to close Luzhniki, Yakovleva said.

But she admitted that the traders are unlikely to stand their ground and protest the closure. "People don't know how to fight for their rights," Yakovleva said.

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