

FROM THE SPHERE OF SCIENCE

Brief history of the VÚZE (Research Institute of Agricultural Economics)

The institute the 90th anniversary of which is celebrated has changed significantly, as well as the structure of Czech agriculture, including external conditions influencing it, during the periods we are going to discuss.

Period I: At the time when the institute was founded, the Kingdom of Bohemia was a part of the Austrian-Hungarian monarchy and it was a decision of the administration offices in Vienna and their legislature to establish the institute.

Period II: After the founding of Czechoslovakia in the year 1918, as a result of the government decision No. 400 of July 15, 1919, the Administration-Accounting Agricultural Institute (Czech abbreviation ZÚÚS) and its several branches were founded together with six other state-owned agricultural institutes, which means, among other things, that it was founded as a result of a government decision. Its title was a reflection of the fact that the focus of the original accounting institutes was enlarged by the area of agricultural economics which was called administration at that time. Then, there prevailed small-scale production agriculture in the country and it operated in the environment of market economy and plural democracy. In order to maintain the same field in Slovakia, the institute's branches were established in Bratislava and Užhorod.

Period III: During the years of German occupation from 1939 to 1945, Bohemia and Moravia comprised the Protectorate Böhmen und Mähren. The Administration-Accounting Agricultural Institute remained functional, but in a limited form, and its activities were limited mainly to bookkeeping for agricultural businesses. Agriculture was a part of the war-controlled economy. At that time, a further institute branch was established in Brno.

Period IV: The period from 1945 to 1950 continued with regard to the results of the pre-war period. The institute was using basically the same methodical procedures but during that transitional period, it had to deal with a lot of new institutional problems issuing from both structural changes of agriculture and external conditions which reflected a gradual transition to the system of centralised national economy with a limited area of free market.

Period V: In terms of this period, we focus mainly on the institute's activities in the years 1951–1989. The socialist system of Stalinist type was growing stronger and

a radical change of agricultural business structure resulted in the replacement of the generally used type of farming businesses by new business forms (United Agricultural Co-operatives – UACs, state farms and machine and tractor stations). Changed conditions also brought closing of the Administration-Accounting Agricultural Institute and its transformation into the institutionally structured Research Institute of Agricultural Economics. Its title was changed several times. The above mentioned period was the longest one, lasting almost 40 years.

Period VI: During the last phase, the institute operates again under changed external conditions. After the year 1990, the communist regime in the CR died away and the Republic became a plural democracy transforming into market economy. The agricultural business structure has changed significantly. The federative system arrangement of the Czechoslovak Federative Republic fell apart on December 31, 1992, and it was necessary to make the agricultural-economic research less extensive. Therefore, on January 1, 1993, the Research Institute of Agricultural Economics (Czech abbreviation VÚZE) with a limited number of experts (108) was founded. The VÚZE was established as a successor of the Czech Institute of Agrarian Economics¹ and the Research Institute of the Economics of Agriculture and Nutrition and it functions in an unchanged form since.

Brief characteristics of the individual evolutionary periods of the institute provide conditions for a deeper description of its functions and results.

Period from 1912 to 1918

Between the end of the 19th century and the beginning of the 20th century, agricultural accounting significantly intensified. A double-entry bookkeeping system was developed (for the selected large farms), special accounting offices were established at selected businesses and qualified farmers were taught to run their own bookkeeping under the supervision of agricultural accounting institutions. In the Austrian-Hungarian Monarchy, as a result of the decree of the Vienna Ministry of Tillage No. 15 190 of April 13, 1912, a legal framework institutionalised

¹ Due to the federative arrangement of the former Czechoslovak Socialist Federative Republic in the year 1989, the Research Institute of Economics of the Agri-Food Complex (ZPoK) was founded and on January 1, 1991, it was transformed into a form of state business called the Czech Institute of Agrarian Economics. It was focused on issues of agrarian politics of the Czech Republic and the needs of evolution of the research field of "economics of agriculture".

ing the mentioned activities was created. Following the mentioned decree, on December 1, 1912, an accounting office called the “**Institute for Agricultural Accounting of the Czech Branch of the Agricultural Board for the Kingdom of Bohemia**” began to work. Although the institute was originally focused mainly on accounting and gathering and processing primary data from farmers, its roles gradually expanded, constituting a basis for recognition of founding of that office as a first step on the way towards the foundation of the current institute.

This is proven also by the fact that after the foundation of Czechoslovakia, the accounting office continually transformed itself through its activities into the **Administration-Accounting Agricultural Institute** at which administrative issues gradually began to play a key role (administration = an expression for the present research field of “agricultural economics”) and the institute, thanks to its focus, got very close to the following research institutes which concentrated on the field of agricultural economics. Prof. Dr. Ing. Vladislav Brdlík² played an important role in the establishment of the institute. The newly founded institute was controlled, as the other six most important agricultural institutes, by the Ministry of Agriculture, and its scope was nation-wide.

The institute was entrusted four main tasks as follows:

- To explain agricultural production and profit relations in numerical terms as an empirical basis for creating agricultural administration and taxation;
- To prepare information necessary for economic and political measures of the government, especially of the Ministry of Agriculture and the main agricultural organisations, especially in the area of trade and customs policy. It would also comment on to-be-passed agricultural laws;
- To help satisfying the needs of agricultural production;
- To develop educational activities among agricultural entrepreneurs, especially in terms of their orientation towards the economic-business aspect of agricultural production, and reaching general progress in agriculture.

Individual branches of the institute collected numerical data which were processed and used by the central office, which comprised specialised branches as follows:

accounting, statistical, for study of the agricultural development and publication.

Note:

It is remarkable that even after a few dozen years, the main areas of activities of the original ZÚÚS and the

current Research Institute of Agricultural Economics are almost identical and that even the organisational structures of both institutes get closer and they are better suited to the contents of individual subject areas. Today, the VÚZE comprises the specialised branches as follows:

- a) *The Branch of Informatics and Statistics in co-operation with the European FADN system collects and sorts numerical data, which forms the empirical basis for evaluation of economic results of agricultural enterprises.*
- b) *The Department of Agrarian Market analyses conditions of the internal and foreign market of agricultural and food products and provides information and a factual basis of the commodity character. It also monitors the current situation of the common agrarian market in the framework of the Common Agricultural Policy (CAP).*
- c) *The Department of Structural and Economic Development of Agriculture provides, among other things, generalised data necessary for forming various agrarian-political tools in relation to structural policy, agri-environmental policy with regard to social and regional development, including monitoring of the policy of rural development.*
- d) *The Department of Specialised Research Services is in charge of the institute's complex publication activities in terms of both its own production and translations of top quality materials from abroad.*

There is almost no difference between final positions of the institutes, in terms of the general structures of professional activities and related organisational structures, due to the fact that both types of institutes operated and operate in similar general conditions (market economy, plural democracy) and the current forms of businesses gradually return into their original structures. Nevertheless, there is one basic difference. The prevailing form of enterprises in Czech agriculture are the enterprises of legal entities which currently cover roughly three quarters of agricultural land while the enterprises owned by individuals, for the time being, cover only one quarter of the total available agricultural land.

Obviously, it is clear that the current institute's specific research topics differ from those of the inter-war years. They mostly concern the process of the CR accession into the EU, the conditions of agriculture regarding the CAP and structural changes of agriculture and rural areas after the admission into the EU, etc.

²Despite the fact that this very brief overview does not focus specifically on leading scientists who significantly contributed to the foundation and evolution of the institute or who averted sometimes the impending liquidation of the institute during the last 90 years, we have to make one exception. The exception is Prof. Dr. Ing. Vladislav Brdlík (born on July 26, 1879 in Žirovnice), a founder of the “Institute for Agricultural Accounting” (in December 1912) and the first director of the “Administration-Accounting Agricultural Institute” (from the year 1919). He was a politically very active person who even during the starting phase of the institute significantly contributed to its high professional prestige. We can also mention that Professor Brdlík was a very important representative of the Republican Party and in the years 1920–1921 worked as a Minister of Agriculture of the ČSR. In the years of 1923–1924, he was the rector of the Czech Technical University and in the year 1926, he became a member of the Bank board and a Vice-governor of the Czechoslovak National Bank. He led the institute till his resignation, i.e. till October 1945.

A significantly different factual arena of both institutes is the fact that during the inter-war period, but especially during the second half of the last century, a detailed system of regionalization of agricultural production and its specialisation in terms of a maximal use of local natural and economic conditions was developed. Czechoslovakia was one of the first countries not only in Europe but in the whole world which managed to describe and process current natural conditions on a scientific basis at all the localities in the country. That process resulted in detailed descriptions of individual soil types available in the CSR, locations suitable for individual kinds of crop and high quality map sets.

The most noticeable difference between the current institute and the original one rests in their technical equipment. The present institute is equipped with a personal computer network enabling performing of computer analyses using mathematical-statistical procedures, running economic and mathematical models and using specialised software systems. Thanks to all that, it is possible to better evaluate results provided by various monitoring systems, to check them and to improve and transform them for the needs of models and other procedures.

Since its founding in 1919, the institutionalised agricultural-economic research in the form of ZÚÚS circumscribed a continuous arc till now. Nevertheless, before it happened, there were a few dozen years during which both specific organisational structures and factual content of research were changing.

Period from 1919 to 1938

During the first phase – in the years 1919–1938 – the institute was basically dealing with two kinds of tasks: the first one was regular collection and processing of accounting data of agricultural businesses and the second one was realisation of extensive questionnaire surveys. In general terms, those questionnaire surveys were focused on organisational issues, production and profit situations at agricultural companies, on indebtedness of agricultural companies and also on taxation burden and indebtedness of farmers. Till the year 1938, the institute realised two big surveys the purpose of which was to authentically describe the structure of agriculture in the CSR. The first of those surveys described pre-war conditions in the years from 1909 till 1913. It was divided on the basis of production areas (sugar beet growing, grain growing, grain-potato growing and grazing) and existing size groups with an exception of the smallest farms (size of less than 2 ha) which were not found to be independent agricultural companies.

Final survey results were published gradually – part I in the year 1926, and part II **“Overview of the results of agricultural companies survey”** was published in the year 1930. Significant economic, price and social changes brought a need to run another questionnaire survey in the year 1931. The task was to describe the conditions

in the years 1926 - 1930. That second survey was impacted by an economic crisis, especially in terms of publication of its results. Only one volume with the same title **“Overview of the results of agricultural businesses survey”** was published.

The survey of impacts of the land reform on agricultural production was one of the most important surveys among special questionnaire surveys. In the years 1924–1925, the research focused on rationing and its impact on production organisation and results. It monitored mostly economic conditions, structures of cultures, structure of crops, conditions of farm animals, number and age of family members, their employment in the company, wage conditions, level of education of an agricultural company owner, or his specialised activity.

Results of that activity were published in 1938 under the title **“Results of survey of the impact of land reform on the agricultural production in Bohemia and Moravia.”** Besides an evaluation introduction, the publication contains especially synoptic numerical data.

Besides the aforementioned activities, the institute dealt also with price reporting, including analyses of price fluctuations and monitoring of agricultural costs. It also regularly surveyed consumer conditions of agrarian families as an analogy to a survey of the State Statistical Office, which used a division into labourer families, public worker families and clerk families. The institute organised also various edifying and educational courses for owners of peasant farms, renters of agricultural companies and for estate operators.

Besides its stabilised research program, the institute closely co-operated with the Ministry of Agriculture of the CSR in preparation of various economic background information and studies, in production of analytical works and processing background information which were a foundation for various laws and government regulations. The institute also closely co-operated with the State Statistical Office in a special survey concerning the issue of development of countryside in relation to agriculture.

During the inter war years the ZÚÚS got involved also in international co-operation and it became one of the founders of the **“International Institute of Agricultural Accounting”** which was located in Rome and was supposed to provide production-economic information on the Czechoslovak agriculture. It promoted itself also through its specialised activities in 18 European countries and participated in international comparative research.

During its biggest boom, at the end of the 1930s, the ZÚÚS had 60 employees, out of whom 15 were college graduates (agricultural engineers), 22 employees were high school graduates and the remaining 23 had a lower level specialised education.

Period from 1939 to 1945

During the following period of the occupation of the CSR (1939–1945), a lot of radical changes of the insti-

tute's organisational structure took place. Due to the foundation of the Slovak state, the Slovak and Ukrainian branches got separated. On the other hand, in the year 1941 a branch in Brno was established for German farmers in the territory of the protectorate. It was methodically controlled from Germany. After the end of WWII, that branch remains a permanent part of the Prague institute and it is focused on the area of agricultural labour.

During the German occupation, the activities of the curtailed ZÚÚS were limited to mainly a single entry accounting for agricultural businesses of various size groups. Unlike the pre-war activities, financial statements were not further economically processed. On the other hand, the institute began to financially monitor school farms and other farms which, during the occupation, were directly controlled by the Ministry of Agriculture, and their economic results were evaluated in detail from an economic point of view and provided to the ministry. Nevertheless, it is possible to say that during the occupation, the institute's activities were getting more and more limited. A piece of evidence proving this is also the fact that the number of monitored companies in the last year of WWII was only one fifth of the number of companies monitored in the year 1939.

Period from 1945 to 1950

During the period after the end of WWII, the Czechoslovak agriculture was going through big social-economic changes: the colonisation of borderland after the removal of German speaking inhabitants, the revision of the land reform, the development of mountain pasture co-operatives, the creation of state farms and since the year 1949, the start of collectivisation following a Soviet pattern and the creation of the **"United Agricultural Co-operatives"** (Czech abbreviation JZD).

In the year 1949, a questionnaire survey was prepared and in the year 1950 it was realised. It concerned 2 685 agricultural companies and it was structurally comparable with the pre-war surveys. Despite that fact that the survey results did create a unique package of information on the condition of agriculture at the beginning of the collectivisation, they were never published.

During the first post-war years, the institute continued in its profile research activities, especially in those concerning single-entry and double-entry accounting provided to agricultural businesses, including various analyses. As a new item, the institute started to monitor the development of prices of agricultural producers and production means supplied to the agriculture. Besides a continuous presentation of price indexes, the costs themselves were calculated as well. The institute continued in its surveys aimed at analyses of personal consumption of the agricultural population enlarged by a social layer of agricultural workers.

The survey research was further enlarged by the area of the economics of agricultural mechanisation, specifically by monitoring of costs of tractor works and a re-

search of newly established machine and power co-operatives. The institute began to monitor economic results of state farms, agricultural production co-operatives (since 1949 JZD – United Agricultural Co-operatives) and mountain pasture co-operatives.

Despite ideological depreciation (geonomy was called a bourgeois non-science) the institute participated in the geonomic work which was renewed after the year 1945. The first large map of agricultural geonomy was a subject of extraordinary attention at the All-Slavic Agricultural Exhibition in the year 1948. In the year 1950, the area of geonomy became a vital part of the institute's research activities. In co-operation with the Ministry of Agriculture and other central agencies of the country, the institute was fully involved in the preparation of a two-year plan (1946–1947) and the immediately following five-year (1948–1952) plan of the development of the national economy. As a result of that, the institute was fully integrated into the new social-economic system, the Soviet-type socialism, which brought external conditions especially like a centralised and planned way of controlling the national economy and individual companies, the leading role of the Communist Party. That situation, besides partial rigidity fluctuations, lasted till the end of the 80s, in fact for 40 years. In terms of research, the institute and its results were very much subordinated to strict political specifications and some of its results were even pre-determined during the worst periods of post-war social development.

Period from 1951 to 1989

The institute is entering one of the most difficult phases of its development, i.e. a period of forced collectivisation of the Czech country and application of the Soviet-type socialistic agriculture concept. The scientific-research activity strongly follows the socialist system of direct control with all of its negative implications influencing the development of the Czech agriculture.

Especially during the 50s, a majority of agricultural economists willingly accepted theoretical conclusions concerning basic economic categories from Soviet resources without subjecting them to their own creative evaluation. Nevertheless, even in those years the continuity of the previous research activities was not lost and the institute was continuously focused on typical analyses of farming, specifically on economic results of JZDs, state farms and accounting results of the private sector (roughly till the mid 50s).

Around the end of the 50s and the middle of the 60s, significant attention was drawn to works relating to the regionalization of agricultural production and creation of focused productions in individual parts of our country.

The land resources and numbers of farm animals were relatively largely concentrated; therefore, a realisation of specialisation and concentration in conditions of the so called "socialist agricultural mass production" becomes a current research direction. The research concentrates

specifically on the issue of effective size of individual production branches and the whole “socialist agricultural companies”.

In the early 60s, besides a few exceptions, the Czech agrarian research does not use more exact research methods, especially procedures quantifying individual economic phenomena in the framework of mathematical programming, mathematical statistics, etc. The use of modern computation equipment began towards the end of the year 1965 when the institute was equipped with a hall computer Minsk 22, later Minsk 32, and in the year 1979, it received an EC 1040 computer followed in the year 1990 by an EC 1057 computer. After the year 1993, its computer centre was closed and the whole institute started to use a powerful PC network.

During the second half of the 60s, together with a loosening of the regime of the centralised control on the national economy in the framework of the “Prague Spring,” research projects focused more on seeking possible ways of improving the so called system of “planned control of agriculture” and preparation of background information for a **new system of planned control of agriculture**. Relatively successful works on the “economic evaluation of natural habitats” continued. The evaluation was background information for differentiation of economic tools in agriculture based on the regional principle. The use of findings of foreign developed agricultures contributed to the development of research of the production functions in the agricultural production as a whole. The issue of prices of agricultural products became more important due to the distribution of national income and the following solution of the problem of income disparity.

The institute gradually started large research studies analysing the agricultural-food complex and later on also the agricultural-industrial complex in the CSSR and its position in the national economy. Together with those activities, a prognostic research developed as well and various programs of food policy and proper population nutrition were prepared.

In the same period, the “**Institute of Rural Sociology and History of Agriculture**”, which was a part of the VÚEZVŽ, was founded. It organised a permanent research of farmers’ attitudes and views on various state measures realised in the framework of its economic policy.

In the year 1969, a group dealing with food production economy and population nutrition was incorporated into the institute. It dealt with nutritional and economic evaluation of nutrition and creation of so called “recommended food rations” based on nutritional rations recommended by physicians.

In the framework of international co-operation in the area of the research of agricultural economics of socialist countries (COMECON countries), the institute became a main co-ordinator of the topic “**Use of mathematical methods and modern computation equipment in agriculture**” in the framework of the COMECON co-ordination centre for application of economic-mathematical methods in agriculture. Those activities started to intensively develop as a result of a normalisation effort after a violent

termination of the regenerating process, i.e. non-violent transition from a centralised model of economy control towards a somewhat looser and at least seemingly more democratic process of national economy control.

In the year 1975, the VÚEZVŽ became a departmental leading workplace of the Computerised Control and Information System and since the year 1978, it was a leading workplace producing a standard base (both produce and value standards) in agriculture. It also began its co-operation with the International Institute for Applied System Analysis in Laxenburg by Vienna.

In the 70s and 80s, due to the existing political conditions, the principle of centralised control of the national economy, including the agriculture, became strong again, but nevertheless not in the already experienced strength. In parallel with that, symptoms of a particular lagging of economic development and untenability of the principle of autarkic development became more apparent. It was also clear that the model of the full self-sufficiency of the Czech agriculture was not realistic. The objective rules of social development of the end of the 20th century became effective, and eventually they had to be exerted also in the area of agrarian research which, in principle, is based on an objective basis and is focused on practical use.

The main research activities in the framework of the “State Plan of Economic Research” were the following topics:

- Analysis of the development and structural changes in Agro-Food Complex, including evaluating of economic results, characteristics of regional specifications, preparation of methodical background information on the basis of jointly processed data of accounting and statistical statements from all the agricultural businesses in the CR and SR for agricultural companies.
- Methodology of processing and analysing costs of agricultural companies located in different soil and climatic conditions (selective group of JZDs, state farms, joint agricultural companies), survey of required costs, prices, subsidies, tax and loan system, and level of risk in agriculture, and others.
- Classification and utilisation of the Czechoslovak land resources (characteristics of natural areas, production areas, evaluation of the agricultural land resources by means of the land-ecological valuation unit system – Czech abbreviation BPEJ – creation of a data bank).
- Evaluation of the influence of economic and other tools of the state agricultural policy (the so called system of planned control) on the structure and deployment of production, company income rate, regional differentiation of economic results, etc.
- Application of methods of econometric modelling in price generation.
- Evaluation of economic efficiency of selected production branches.
- Preparation of parameters for application of optimisation methods in branch planning.
- Analysis of selected economic problems of the food industry.

- Solving the implications of the development of the social division of labour and technical development in the area of production basis organisation, elaboration of models of inter-company co-operation and integration.
- Modelling of decision-making and controlling processes in the framework of internal management and organisational structures of management.
- Type solution of scientific organisation of labour and remuneration in companies.
- Analysis of foreign trade relations of the Czechoslovak agriculture and provisions of trade with the “third countries” with an emphasis on agrarian trade with the former COMECON countries.
- Research of labour in agriculture, calculations of income disparity but also characteristics of social processes and cultural development in agriculture and in the country. The research in the area of rural sociology was repeatedly renewed. Many of those research topics were, unfortunately, very much purpose-oriented.

Note:

During the post-war period, the Czech and Slovak capacities got connected again. In the year 1950, the activities of the “Agricultural Accounting-Administrative Institute” were taken over by the “Institute for Economics in Agriculture and Forestry” and in the year 1952 that institute again became a branch of the VÚEZVŽ Prague. The branch operated in that form till the end of the 60s, but then as a result of legal changes in the year 1969, it became an independent institute called a “Research Institute of the Agricultural and Nutrition economics”.

During the post-war period such a principle was accepted that methodological preparation of research topics was usually realised at the Prague workplace and the realisation of research topics themselves was executed in a parallel way. One of the large joint works lasting till the end of the 60s was the land resources evaluation.

Nevertheless, both workplaces closely co-operated with each other during the following years anyway. During the years of normalisation some kind of division of labour was adopted and, based on it, the VÚEZVŽ dealt with the issue of branch development, while the Bratislava institute focused on the issues of enterprises economics. The principles of the mentioned division of labour were used also in the 80s when the branch economic research was controlled in the framework of the so called “State Plan of Economic Research.” The Bratislava institute became the state co-ordinator of the enterprises issues while the main tasks of branch economics were dealt with in Prague.

Period from 1990, respectively 1993 to the present

After the year 1990, there comes a significant restructuring of the agrarian economic research accompanied by not only a formal change of title since January 1, 1993 but also a different internal structure of the institute and

especially a significant change of research topics despite that fact that a particular cohesion between the new topics and some of the old research tasks was maintained. During the initial phase the institute was seeking an internal structure which would be able quickly to react to all the current needs of the market economy. Eventually, it was possible to incorporate all the necessary research topics and activities into the internal structure of the institute.

The main point of the first phase was the quickest adaptation to research structures commonly available in partner countries with a similar focus. In terms of the very first theoretical orientation, an excellent tool was the translation of the German administrative textbook “Landwirtschaftliche Betriebswirtschaftslehre,” which was published by Prof. F. Leiber (University in Kassel, Germany) and then especially a very close professional contact with a partner institute in Vienna (Institute for Agrarian Economics, then led by Dr. H. Alfons). It also meant that the prevailing majority of institute experts additionally had to make themselves familiar with the knowledge apparatus and market economy principles.

The second phase was focused on adaptation to the growing needs of the market economy which gradually started to form on the background of the “Strategy of a radical economic reform in the agrarian-food processing complex” (April 1990). Luckily, a basic theoretical knowledge was available and there were also good examples in the neighbouring developed countries. The transformation process of the transition from collectivist agriculture towards an individual agriculture itself had to go through unknown territories and therefore very difficult ones; similar problems had to be solved also in the area of the applied agrarian economic research.

The basic starting points were found in the institute’s desire for the quickest adaptation of a basic knowledge apparatus which was common in countries with sophisticated agriculture.

One of the basic and today already the 8th output is the basis for the **“Report on the State of Agriculture in the Czech Republic,”** which the institute produces every year for the Ministry of Agriculture in a common and relatively stabilised structure which is methodically identical to similar documents produced in the EU countries.

A similarly important activity of the VÚZE is the **sample survey of economic results of agricultural subjects in the Farm Accountancy Data Network (FADN CZ).** Today, a regular survey covers already 1200 business subjects of legal entities and individuals and it serves in a way which is similar to the FADN network available in the EU countries. The FADN testing FADN businesses continuously develops and harmonises in accordance with the EU standards.

One of the institute’s long traditions is represented by the **survey of prime costs** of basic crop and animal products. The costs are determined in accordance with a uniform recommended methodology by means of a representative sample of approximately 800 respondents in the FADN network. During the survey, the institute discovers total production costs and they are converted

into a calculation unit representing a selected group of the most important commodities of plant and animal origin. That system also enables the determination of a standard payment contribution. That selective survey is then followed by a detailed analysis examining the impact of the main intensification factors on costs of selected products and on cost differentials in individual production areas. Performance analyses of individual agricultural companies and individual productions represent important outputs of the institute.

The importance of activities associated with the **prepared accession of the CR into the EU** keeps growing. The expected impacts of admission of the CR into the EU on the Czech agriculture are continuously evaluated by means of models. One of the permanent parts of the institute's work is prediction of the development of external conditions, scenarios of economic and structural development of the agrarian sector during the pre-admission and post-admission period, a prediction of impacts of inputs on the agriculture, on consumers and taxpayers in relation always not only towards the current CAP but also with regards to the expected reforms of that CAP. The institute is deeply involved in the preparation of a strategic document for admission negotiations with the EU covering agriculture. It closely co-operates with the Ministry of Agriculture in the preparation of convertibility of national programs into the EU environment, in the preparation of agro environmental programs following the Council Regulation No 1257/1999, in a methodical approach to determination of less favoured areas (LFA) and in plenty of other programs.

Every year the institute participates in processing of the "Monitoring and evaluation of the agrarian sector and agricultural policy of the CR" for OECD in a stabilised structure of evaluations of all the areas of subsidies applied in the framework of agricultural policy tools.

An important part of the research is represented by the **agrarian market in terms of both domestic and foreign relations**. The institute analyses basic market structures and distribution channels of selected commodities of plant and animal origin and consumers' demand for food products (including a prediction of future development). The VÚZE established and operated together with its foreign partners (USA, Germany and others) a system of market information in a form of "Situational and Perspective Reports" covering the most important agrarian commodities and also an "Independent Market Information System" (NTIS^{CR} VÚZE) covering again selected commodities. The institute permanently deals with short-term and medium-term predictions of prices in the agrarian sector. Besides a monthly monitoring of the development of agrarian foreign trade, in terms of its territory and commodities, it annually publishes a "Yearbook of the Agrarian Foreign Trade of the CR". An important permanent activity of the institute is represented by analyses of agrarian foreign trade in the framework of individual customs regimes, a periodic quantification of effects deriving from agreements, an evaluation of long-term tendencies of the development of agrarian trade, includ-

ing proposals on modification of the current foreign trade tools in the area of external economic relations, and an analysis of the territorial commodity structure.

Just for your orientation, the VÚZE deals, on a long-term basis, among other things, with an analysis of efficiency of the system of subsidies to the Czech agriculture. It researches human potential; it deals with evaluations of agricultural land resources, with monitoring of land market price fluctuations and other areas. The institute does not neglect the issue of the position and mission of agriculture in terms of regional development.

The institute also deals with **monitoring of production rate and competitiveness** as the main factors of production and realisation of the concept of development of the food industry in the period before the admission of the CR into the EU.

Last but not least, one of the research topics is the **monitoring of demand for food products and food consumption**, including the basic factors which influence it, the nutritional evaluation of consumption, short-term predictions of both total food products consumption and also consumption based on social and income groups.

In conclusion, it is possible to say that this more than brief description of the history of the VÚZE, in terms of its research activities, does not want to present itself as complete because such a goal was not even mentioned, but it more or less accurately describes the basic research topics during the past 90 years. It was not an easy period of the past century with two world wars, a violent occupation of the country by German troops at the beginning of WWII, and a little favourable situation in Czechoslovakia when the country was liberated. That whole period was marked, with an exception of very few years, by a high level of social unrest which did not contribute to a stable development and did not generate a permanent growth; therefore, the mentioned years could not have contributed to a continuous development of the agrarian research either. Despite all of that, the previous text and especially the long-term existence of the institute prove that the agrarian research was able to maintain its "position under the sun." It contributed sometimes more, sometimes less, to the social progress and it served the Czech agriculture in accordance with its specific abilities.

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