

The international conference

**Innovation and competitiveness of the EU agrarian sector**

**Organised to celebrate the 100<sup>th</sup> anniversary of the  
establishment of agricultural economic research in the  
Czech Republic**

**(pre seminar to the joint 131<sup>st</sup> EAAE Seminar  
and  
Agrarian Perspectives XXI)**

Prague, September 17, 2012



## 1. Background of the conference

Hundred years ago, the first institution aimed at monitoring and analysing farm businesses emerged in the Czech regions (Bohemia and Moravia) under the Austrian-Hungarian Empire. Agriculture and its importance in the national economy has significantly changed since 1912. Human labour was gradually replaced by mechanisation: in 1929, 35% of the labour force engaged in agriculture, while in 2011, it was only less than 3%; the average yield of wheat was around 1.5 t per hectare at the time of the foundation of the “agricultural accounting office” in 1912, it more than tripled to about 5 t/ha over time. These dramatic changes resulted from a number of institutional reforms and mainly from remarkable research and technological progress.

The social concern of food security translated in protecting agriculture and promoting agricultural research, however, high yields and “more” output was achieved at the expense of degradation of natural resources as soil, water, air and bio-diversity. In the 1990s, the unsustainable devastation of environment by agriculture was finally recognised by politicians and productivity was replaced by sustainability in the political discourse. Environmental protection was incorporated in the agricultural policy, however, often mainly to justify farm income support. The change of discourse was reflected in publicly funded agricultural research programmes as well. Enhancing sustainability was spelled frequently in the objectives of the programmes and projects, while research departed from practice, as an effect of reforms paying more attention to the assessment of the scientific merit by counting scientific journal publications than to the process of transfer of findings and knowledge to real farm practices. At the eve of the new programming period, however, there is large disappointment with the actual effects of the recent policy reforms like further concentration and industrialisation of agriculture, while small farms are forced out of the business, and a relative marginal reduction of environmental problems.

While the sustainability objectives have not been satisfactorily reached so far, “productivity paradigm” has been enjoying comeback in the association with growing food prices and with national commitments in the field of renewable energy. The bio-economy concept refers to “all those sectors which derive their products from biomass”. However, the originally broader term “biomass” (including the total organic mass) has been narrowed down by the industry to the amount of organic material which can be used as fuel or as raw material for industrial processes. These differences are at the core of today's conflict regarding the future priorities of the EU's research policy for agriculture. The current technology development opens a large spectrum of industrial use of biomass, but given the fact that the pressure put on nature by the industrial agriculture system already goes beyond nature's capacity to replenish itself, the question arises which part of all biomass produced is needed for the new fields of its utilisation.

Over the last hundred years food consumption globalised, up-and down-stream industries concentrated and globalised. Technological progress is driven by global firms, investing heavily in research. However, addressing environmental protection requires taking into account specific local conditions, local knowledge. It is a farmer him/herself who has to innovate practices in technological or organisational terms to assure that the conservation goals are achieved. Farming practices cannot be longer based on intuition and experience. Staying in the business, generating profit and in the same time respecting environmental needs require deep technical and natural science knowledge. More recent studies show that the farmer is rarely supported by the Agricultural Knowledge and Innovation System (AKIS) at the early stage of developing an innovation. Rather he/she has to rely on

his/her own informal networks in the choice of technologies and approaches while some ideas may come from somewhere in the internet. This malfunctioning of knowledge transfer is largely recognised in the recent proposal for the Rural Development Programme for 2014-2020, where strengthening AKIS and the implementation of the European Innovation Partnership is suggested.

During the last decade or two, more and more consumers, or a larger proportion of food consumption, respectively, have been enthusiastic about locally produced food. Emerging niche markets have gradually expanded. Paradoxically, consumers are willing to pay more for locally produced food than for global food. It seems that it is the notion of authenticity which drives consumer to buy “local” products. Can this authenticity be delivered only by small producers, as it is now, or will it be taken over also by larger players as a part of their marketing strategy?

## 2. Objectives of the conference

**The objective of the conference** is to discuss the role of research institutions in the innovation process, both in their research and development functions, as well as the transfer of innovation into practice. In the panel discussion, the role of economic research will be addressed in terms of its need to integrate with technological research. At the same time, discussion will aim to project this integration into research programmes at the national and European levels.



## Programme schedule

- 12:00-13:00**      **Registration for both events: i.e. The 100<sup>th</sup> anniversary of Czech economic research and the Joint 131 EAAE seminar and Agrarian Perspectives XXI**
- 13:00-13:30**      **Opening session**  
Tomáš Doucha (Deputy Director for Research of IAEI/ÚZEI, Prague)  
Jan Šlajs (Director of IAEI/ÚZEI, Prague)  
Jan Hron (Dean of the Faculty of Economics and Management, CULS)
- 13:30-14:30**      **Invited speakers session I (Chairman: Tomáš Doucha, IAEI/ÚZEI, Prague)**  
Alfons Balmann (Director of IAMO, Halle)  
*Structural Challenges for the Farm Sector in Central and Eastern Europe*  
Alan Matthews (president EAAE)  
*Global Food Security and the Challenge for Agricultural Research*
- 14:30-15:00**      Coffee break
- 15:00-16:00**      **Invited speakers session II (Chairman: Štefan Budaj, director of VÚEPP, Bratislava)**  
Petr Zahradník (NERV - The National Economic Council of the Czech Government)  
*The role of agriculture in the modern EU economy: macroeconomic, structural and regional aspects.*  
Emil Erjavec (University of Ljubljana)  
*Research and Technological Transfer: Unused Potential for Development and Growth of Agro-food Sector in EU New Member States*
- 16.00-16:30**      Coffee Break
- 16:30-18:00**      **Panel Discussion (moderated by Tomas Ratinger, IAEI/ÚZEI Prague)**  
Věra Bečvářová (Mendel University, Brno)  
Hans-Joerg Lutzeyer (European Commission, DG Research, Brussels)  
Rob Fraser (University of Kent, Canterbury)  
Jan Lipavský (President of the Czech Academy of Agricultural Sciences, Prague)  
Dušan Vaněk, (Ministry of Finance, Prague)
- 19:00**              **Dinner (organised by IAEI/ÚZEI)\***



## Invited Speakers



**Alfons Balmann** is Director of IAMO and Head of the Department Structural Change, is member of the Scientific Advisory Board at the Federal Ministry of Food, Agriculture and Consumer Protection (BMELV). Alfons Balmann studied from 1983 and 1989 agricultural economics at the Georg August University Göttingen. There he worked from 1990 to 1994 on his dissertation on path dependence of structural change in agriculture for which he got his doctoral degree and the prize of the German association of agricultural economists (GEWISOLA). In 1994 he moved to Humboldt University Berlin where he got in 2000 his habilitation in agricultural economics. He took over the position as head of the department "Structural Change of Farms and Rural Areas" at the Leibniz Institute of Agricultural Economics in Central and Eastern Europe (IAMO) in October 2002. Since then he has been also one of the Directors at IAMO and since 2003 Professor at the Martin Luther University in Halle-Wittenberg.



**Alan Matthews** is Professor Emeritus of European Agricultural Policy at Trinity College, Dublin, Ireland. He is currently President of the European Association of Agricultural Economists. His major research interests are agricultural policy analysis, the impact of EU policies on developing countries, and the design of WTO trade rules for agriculture. He has previously worked as a consultant to the OECD, the Food and Agricultural Organisation of the United Nations, the World Bank and the European Commission, and has been a panel member in a number of WTO dispute settlement cases.



**Petr Zahradník** is professor in Transition Economics at the New York University Center in Prague. He is also a member of the Economic Council of the Czech Government. Petr Zahradník graduated from the Prague School of Economics (Finance) 1987, Columbia University in the City of New York, USA (Economic policy management) 1993, and the Catholic University of Leuven, Belgium 1993 (European studies). In his career, he conducted economic research for the World Bank, Institute for European and International Studies (Luxembourg), and the Institute for Applied Systems Analysis (Austria) in 1993–1995. In the Czech Republic, he worked as macroeconomic analyst and Chief Economist and Head of Research for brokerage companies Patria Finance and Conseq Finance. Between 1995 to 1998, he was an external advisor to the President of the Czech Republic for Economic Affairs. Since 2003, he has been head of the EU Office in Česká spořitelna/Erste Bank.



**Emil Erjavec** is Professor of Agricultural Policy and Economics and Vice Dean at the Biotechnical Faculty, University of Ljubljana, Slovenia. He graduated in Agricultural Sciences at the same university in 1988. He obtained the doctorate at the University of Natural Resources and Applied Life Sciences Vienna, Austria in 1993. His professional expertise includes various aspects of agricultural and rural development policy, especially CAP, EU integration, sector modelling, development economics and policy impact assessments. He has been national coordinator of various EU FP projects and invited speaker to the conferences on EU integration and agricultural policy issues. In the years 1998-2004, he was the member of negotiation team for EU-accession of Slovenia responsible for agriculture. Since 2008, he is a member of the EAAE Board.



## Panelists



**Věra Bečvářová** is Professor of Agricultural Economics at the Faculty of Regional Development and International Studies, Mendel University, Brno. She graduated at the Czech Agricultural University, Prague in 1971. She worked in the Research Institute for Agricultural Economics (federal) for 21 years. She was its director in the period 1989-1992. Věra Bečvářová is a member of the ministerial team for strategic issues of the agricultural development after 2014.



**Rob Fraser** is Professor of Agricultural Economics. He completed a first degree in Economics at Adelaide University before gaining a Rhodes Scholarship to study for MPhil and DPhil qualifications in Economics at Oxford University from 1978. His first appointment was as an Assistant Professor of Economics for the University of Virginia, USA in 1981. A year later, he joined the University of Western Australia initially as a Lecturer in Economics, becoming Professor of Agricultural and Resource Economics early in 1999. In 2000 he was appointed Professor of Agricultural Economics at Imperial College, and in 2006 he joined the University of Kent in the same capacity. He has an international research reputation as a policy economist, specialising in both agri-environmental and invasive species policy design and evaluation.



**Hans-Joerg Lutzeyer** is scientific officer at the European Commission, DG Research, Directorate E (Biotechnologies, Agriculture, Food), responsible for research linked to agricultural policy, the European Innovation Partnership and European research co-ordination in the context of the Standing Committee on Agricultural Research. He studied agricultural sciences at the University of Hohenheim, Germany, where he obtained his Ph.D. in 1991. From 1993 to 1997 he worked at the Council of Tropical and Sub-tropical agricultural research in Bonn, Germany. From 1997 to 1998 he was at the EU-office of the German Science Ministry (BMBF). From 1999 to 2001 he was seconded to the European Commission as Executive Secretary of the European Initiative of Agricultural Research for Development.



**Jan Lipavský** is President of the Czech Academy of Agricultural Sciences. He graduated at the Faculty of Natural Sciences, Charles University, Prague. Since 1979, he has linked his professional career with the Research Institute for Crop Production (VURV) in Prague. In the course of time he took position of Head of the department, Deputy Director for Research and Director of VURV. He has led about 30 research projects on plant physiology, biometric, modeling of yields, etc.



**Dušan Vaněk** is an external expert of the Ministry of Finance of the Czech Republic. He graduated in animal sciences at the Mendel University, Brno in 1980. He obtained his PhD in animal sciences at the Czech University of Life Sciences in Prague in 2004. He was twice Deputy Minister for Agriculture in 1998 and 2002-2004. After that period, Dušan Vaněk was the Director of the Research Institute for Agricultural Economics for four years.



## Session Chairmen



**Tomáš Doucha** is Deputy Director for Research at the Institute for Agricultural Economics and Information (IAEI/ÚZEI) in Prague. He graduated at the Czech Agricultural University The Faculty of Economics and Management in 1965. After this, he gradually gained at the same university the degree candidate of science (PhD) and associated professor.



**Štefan Buday** is Director of the Research Institute of Agricultural And Food Economics (VÚEPP/RIAFE) in Bratislava, Slovakia. He graduated at the Slovak Agricultural University in Nitra in 1979. He worked in various agricultural and food institutions: The Research Institute for Irrigation, the Central Control and Testing Institute for Agriculture and the Research Institute for Sugar production. In 1989 he moved to his current institute. He has specialized in land economics.



**Tomáš Rätinger** is senior agricultural economist at the Institute for Agricultural Economics and Information (IAEI/ÚZEI) in Prague. He graduated in mathematics at the Charles university Prague in 1981. He completed Master of Sciences in Agricultural Economics at Wye College, University of London in 1992. Tomas Rätinger received his PhD in Econometrics at the Charles University four years later. Since 1985, his research concerned agricultural economics. In the period 2005 and 2009 he was first the visiting scientist and later the leader of “Agricultural and Rural Development” research group the JRC/IPTS (European Commission) in Seville (Spain).

