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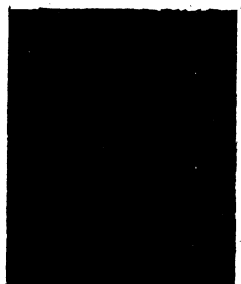
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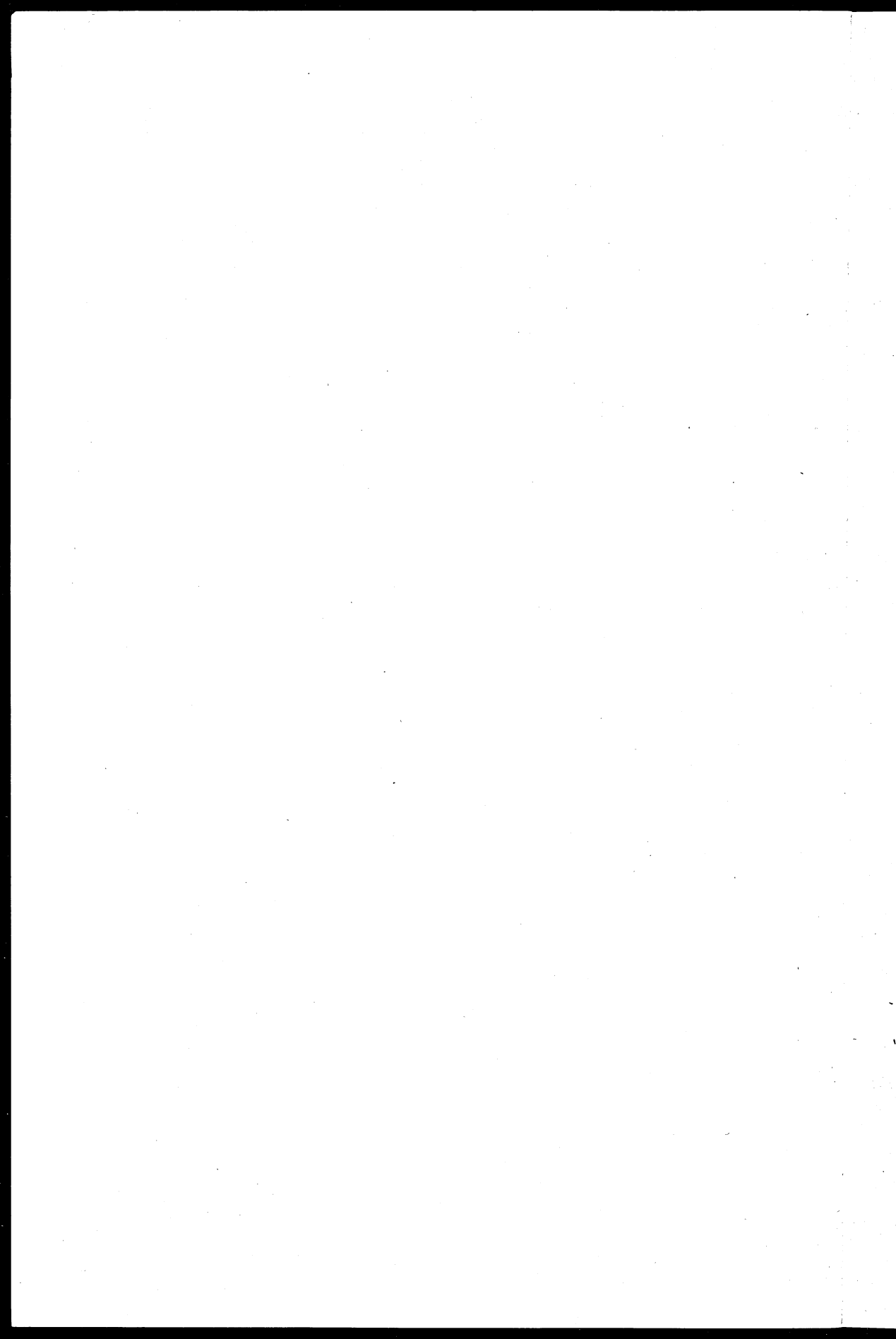
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BUDAPEST



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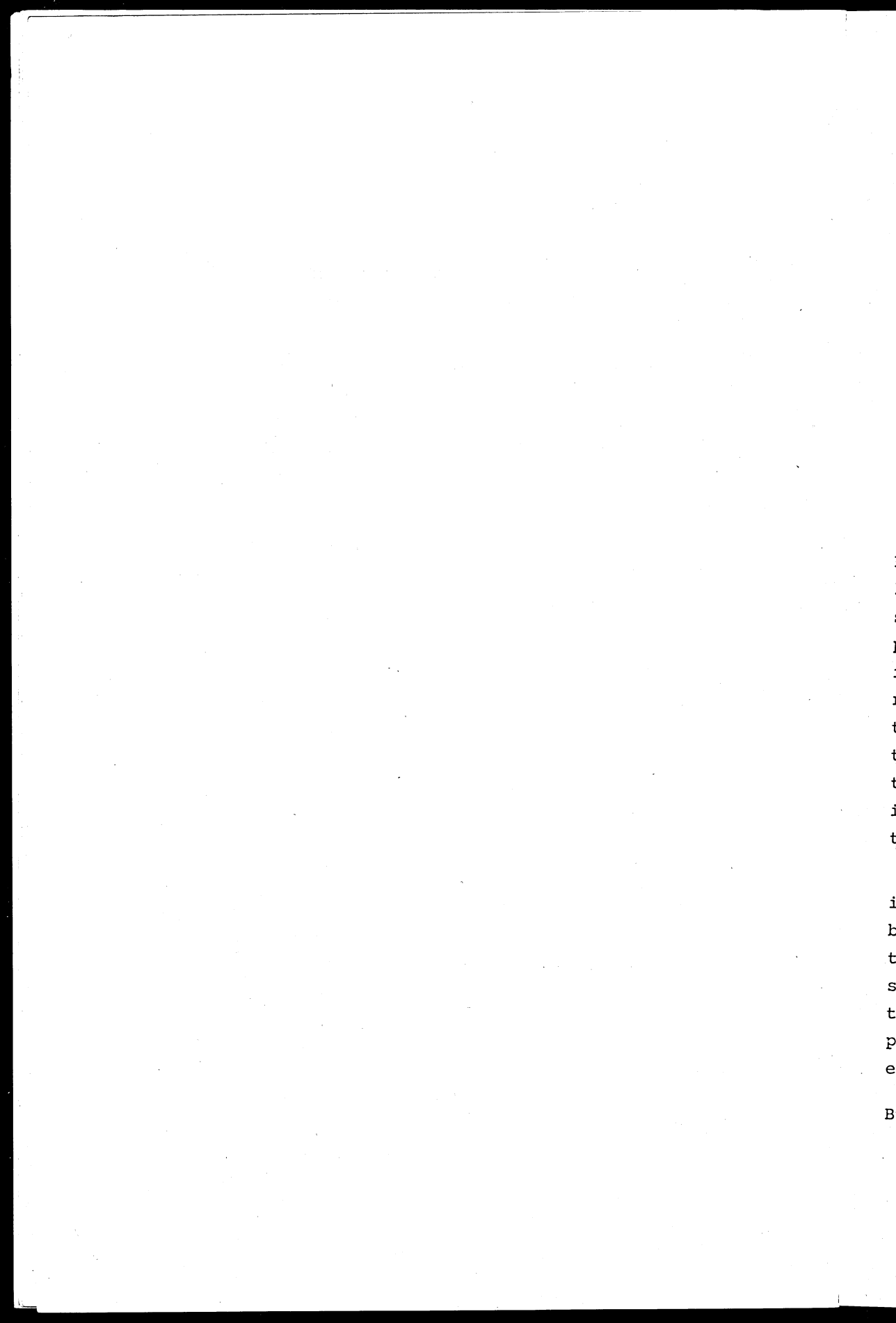
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PREFACE

Since 1973 we are issuing year by year a summarizing collection about the papers of the current Institute members published in the Hungarian specialized press or at diverse publishers. The "Abstract" volumes which are fitting closely into the series of "Bulletins" include authors' summaries or in certain cases also shorter articles. Their fundamental task is to convey information to the international professional circles, institutions abroad and researcher colleagues about the situation of Hungarian food economy and about the research work being in course in the sphere of agricultural economics. Just as in the past also in the present the purpose of the Institute's Bulletins is the cultivation of the professional-scientific relations which affect more than 250 partners abroad within the scope of the international activity of the Institute and the publication exchange of the Library. While the periodicals and institute papers published in foreign languages which arrive in return for our Bulletin represent important source for the cultivation and development of agricultural economics in Hungary then on the other hand our publications in English language intend to release news and informations about the problems arising and results achieved in this country as well as to maintain the professional dialogue.

The present volume - more markedly than the former ones - indicates the effect exerted by the changing political system, by the social and economic changes on Hungarian agriculture, the new and main points of research work. They are at the present - as reflected in the papers - the economic problems of the landed property, the prospects of agricultural small-scale production or a general approach to agricultural marketing and export as well as the same specified according to activities.

Budapest, April, 1991

The Editor

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CSETE, László: Mezőgazdasági beszerző és értékesítő szövetkezetek Magyarországon 1945 előtt. (Agricultural supply and produce disposal co-operatives in Hungary before 1945). Gazdálkodás, No.3 1990, 51-58 pp.

The paper makes contribution to the necessary transformation of the farmers' co-operatives of productive nature in Hungary by presenting a survey about those consumers', supply, produce disposal and credit co-operatives which operated already at the end of the 1800-es in the country and ceased to exist later between 1946 and 1948 because the combination of acquisition - production - realization - services may represent a trend of the transformation.

We classify generally those economic associations working in the form of a co-operative to the category of supply co-operatives whose task is to provide through wholesale purchases the acquisition of business materials and means needed for the performance of agricultural or industrial production of their members at the possible best quality. The supply co-operatives - in a way similar to the consumers' ones - endeavour to organize the purchasing power of their members for the end of more advantageous supply. The substantial difference is that while the consumers' co-operatives satisfy the consumer demands i.e. the household, clothing, furniture etc. needs of their members then the provisioning activity of the supply co-operatives serves always the task of - agricultural or industrial small-scale - production. Therefore the most diverse layers of society are forming groups in the consumers' co-operatives because everybody is a consumer in their life. On the contrary we find almost exclusively people working in agriculture or handicraftsmen among the members of the supply co-operatives.

As far as the agricultural produce disposal co-operatives are concerned the first thing we need to say is that in this country - in a way similar to others - they did not operate mostly as pure exclusively produce disposal co-operatives in

the practice. Accordingly their economic task was not limited to the purchase of the products of the members but

- they dealt also with the acquisition of materials and means needed for agricultural production (farmers e.g.);
- in addition to the realization of the produce they performed also its further processing (the dairy co-operatives e.g.);
- beside the tasks of consumption and credit granting the business activity of realization came forward as a result of further development. (The realization activity of the member co-operatives of the "Hangya" Centre or of the National Central Credit Society e.g.)

The practice of the OMTK (National Hungarian Dairy Co-operative Centre) is instructive also for the present. About 90 per cent of the share capital of the OMTK made property of the Ministry of Agriculture. Consequently it is obvious that the influence of the state determinatively came into full display in the OMTK and also in the dairy co-operatives being within its scope. In respect with the calling into being of the dairy co-operatives (in contrast with the credit co-operatives) there was no obligation to belong to a centre and so dairy co-operatives could be formed freely in the country also outside the scope of the OMTK. According to the statutes of the dairy co-operatives operating within the scope of the OMTK each co-operative member was obliged to deliver the whole quantity of milk produced surpassing the needs of their households to the co-operative in order to be processed and realized there. So obligatory delivery was in force for the members of the dairy co-operatives, this rule being one of the most important pre-conditions of the successful operation of the produce disposal co-operatives in general. A significant number of dairy co-operatives dealt not only with the realization in an unchanged form of the milk quantity delivered by the members but also with its processing to finished dairy products.

Further on the author surveys the produce disposal of the credit and consumers' co-operatives, the cellar and distilling co-operatives.

CSETE, László: Az önálló családi és részfoglalkozású gazdálkodás helyzete és fejlődése Magyarországon.

(The situation and development of the independent family and part-time farming in Hungary.) Gazdálkodás, No.4 1990.

We are fairly modestly informed about the facts concerning the Hungarian private farmers and their opinion formed about their own near future. Therefore reckoning with mutual trustfulness expert interview makers called on their acquaintance in the summer of 1989. Data processing was performed about the independently (in main occupation) farming families which live on their own earnings and about people of part-time or subsidiary occupation. The part of families living fully on their own agricultural incomes represented 42 per cent within this scope while the share of those who covered half or even a smaller part of the family incomes amounted to 25 per cent.

Compared to the growth of production the consumption for own use was of increasing nature in absolute value and of decreasing nature in its proportion. Among those who produced smaller quantities of products the agricultural activity played household cost-saving, pension supplementing or a particular little by little gathering economy rule. The coverage of the expenses, the wage demand and the entrepreneurial profit can be realized in general with an annual production of about 1 million Ft at a modest level. People of part-time occupation based generally on their own fragmentary worktime as well as on that of their family and the participation of seasonal in-helpers increased at the bigger producers while 5 constant workmen were employed moreover in 4 family farms.

The circle of the people of part-time occupation jelled around two poles: around those on the one hand who completed their pension or family income at a smaller extent only and around those on the other who are working as supplementary occupation in the large-scale enterprises and making use of the

large-scale background earn significant incomes. A twofold classification can be well delimited in the independent family farming: those people who if even under more modest financial conditions adhere nevertheless to the traditional peasant style of living and those undertakers who produce over the value of 1.5 - 2 million Ft. Equippedness left much to be desired even among the independent farmers. Only 7 of the 52 producers possessed own tractors. The independent family farmers dealt without exception with animal husbandry. This is an explanation also of the fact that they possessed 1.2 ha own and 3.1 ha acreage taken on lease. Their pig stock amounted almost to 90 pieces and their cattle stock to 20 cattle each.

People performing private production converted their incomes to capital not at all or at a very necessary extent only and almost all the money passed to young people living in the cities or into the building of a house, etc.

By surveying the attitudes, ambitions and adjusting capabilities of the private producers we could draw the conclusion that advisory services as well as the support and backing granted for the already operating producers play a particularly important role because these may serve as examples for their environment and may exert there an attractive power. It is fully conform with the international experience that the farmers intend only their each second descendant to follow in the steps of their parents and perform private farming. The interviewed people formed different judgements about their actual situation and were uncertain in respect with their future. They were at the opinion that the increase of their chances for income earning (price, tax and interest allowances, etc.) were most important for the furthering of their development which was followed by the liquidation of the anomalies of the sellers' market as well as by the establishing of safety and then lagging far behind these former the demand for landed property presented itself as the condition of progress. All the ideas published in the paper well demonstrate at the same time the set of things to do for the end of imparting a new impulse to private farming.

CSETE, László - Mrs. BARCZA, Gabriella: A mezőgazdaság vállalati struktúrájának változási irányai.

(The trends of changes in the enterprise structure of agriculture.) Gazdálkodás, No.7 1990.

Based on their diverse analyses and surveys the authors made approaches of several aspects to the desirable future trends of the enterprise and undertaker structure and of the possession relations in Hungary. They studied the former history of the development of Hungarian agricultural relations, the supply, produce disposal and other agricultural co-operatives which existed before 1945 in Hungary. They paid attention to the international experience concerning the co-operatives and dealt intensively with the resourcefulness of the Hungarian so called specialized type of co-operatives. They outlined the necessary transformation of our present farmers' co-operatives and revealed the situation of Hungarian private farming as well as the major conditions and things to do for its progress.

The history of Hungarian agricultural relations which was studied on the basis of works of reference differed - as it is well known - from that of Western Europe or of overseas and under the pressure of the surplus agricultural population and the unhealthy property structure and bearing the marks of backwardness it advanced but slowly.

Publications were made by the authors already in the 1960-es about the resourcefulness of the specialized type of co-operatives. This formation proved to be humanitarian and efficient in course of the past decades and it combined in fact the European supply and produce disposal co-operatives with the Hungarian co-operatives of production type as well as with family farming, with that of the co-operative members and with the collective activities.

After this all they arrived to the formulation of certain conclusions based on international and domestic experience. On the one hand the present farmers' co-operatives should be transformed to such co-operatives of the owners i.e. of the private

farmers which comply much better than so far with the conditions of agriculture, with the evolving of the proprietary interests, with the economical and assets augmenting farming, with the clear separation of the proprietary nature and that of employment - which would not impede the combination of these two - as well as with the joining of farmers and tenants not being co-operative members and with the spreading of undertakings within the co-operative.

On the other hand it would be reasonable to transform the farms co-operating at present in the production to supply, producer, processing, servicing and produce disposal co-operatives! We stress here only two from the expectable advantages. The one is that the collective farms of the present would transform to real rural or agricultural co-operatives, the other is that the co-operatives like this could play the role of a hotbed of family farms, farmers' estates and other diverse undertakings which are so much failing from the domestic enterprise and undertaking structure.

Finally the major trends of the desirable and expectable changes of the undertaking and enterprise structure can be summarized as follows:

- some of the large-scale farms will be radically transformed in respect with property, activity, role, management and system of interestedness;
- the other farmers' co-operatives, state farms and forestries cease to exist, loose in importance or become transformed;
- the absolute and relative weight of the independent family (main occupation) and part-time farms increases;
- the property structure shifts in favour of the small- and middle-scale undertakings;
- new, failing organizations, co-operatives, undertakings, associations etc. come into being.

CSETE, László - Mrs. BARCZA, Gabriella: Kién lesz a föld? (Who will own the land?) Agricola Publishing Company, Budapest, 1990.

The authors describe the process of the regulation of landed property and land use, its diverse steps, contribute to the elucidation of the diverse debated problems and make us acquainted with certain useful fundamentals and ideas which should be known. This is particularly important for the younger age groups because in consequence of their different occupation and of the parents' farm which ceased to exist they have but very little knowledge at the present about the tillable land, the land register, the credits, etc. It is observed at the same time, however, that the interest toward the independent family farming increases also among them.

This way the book binds up in a bunch those topical things to be known which may facilitate the orientation and spare thereby time, bother and money for the readers in this intricate set of problems.

The authors stress that - in a way similar to other countries - one of the substantial tasks of the Hungarian agricultural policy is to smooth the way of the development of the desired landed property relations. This means that the agricultural policy creates the conditions needed for pursuing the traditional family farming with interestedness in the incomes and undertakings oriented by the profit and gains as well as for the coming into being of new property types or for the transformation of the existing types of property. The ways leading to the accomplishment of this task are the reprivatization of the lands of the bygone owners and of their successors, land purchases of the new farmers as well as the initiating of the turnover of land in order to allot land for the farming of landless people, of the tenants and employees.

After giving general informations the authors are dealing in details with the sophisticated cases of the restitution of private landed property, with tenancy, taxation, with succes-

sion duties, with the social problems and in addition to many other issues also with the cadastral registration.

CSETE, László - Mrs. VARGA KOVÁCS, Ilona: A fő- és mellékfoglalkozású magángazdálkodók földtulajdona és gazdálkodási körülményei Magyarországon. (The landed property and farming conditions of the private farmers in main or part-time occupation in Hungary.) Ipargazdasági Szemle, No.3-4 1990, 179-187 pp.

Because we dispose only of little knowledge about the situation of private farming in Hungary, about the future of the farmers and about their opinion on themselves therefore we performed surveys with different methods in order to become able to draw conclusions from the knowledge of the facts.

About our major conclusions

Compared to the present landed property relations and enterprise-undertaker structure of Hungary our survey indicates the increased share in property of the natural persons, the spreading of family farming, the occurrence of new types of property, in sum the evolving of more multifarious, more European landed property structure of increased entrepreneurial character by making reference at the same time to its conditions, to the steps of gradual transformation to its tendencies and possible versions.

The populous camp of family farms in both main and part-time occupation is - in compliance with the particularities of agriculture - everywhere in the world determinative for the protection of cropland and for efficient farming.

From our surveys it has been found that generally the Hungarian family farms dispose at the present of 1 ha own cultivated land and - depending on the nature of their activities - of smaller or greater (2-20 ha) acreage taken on lease. The obtaining of land by the farmers - through the re-acquisition of

the former landownership or through purchase - creates a new situation among the landless animal breeders. Beside the private animal breeders also horticultural and other activities are performed at a smaller extent which demand little acreage but high skill and intensive labour.

The family farmers clearly see that under the present price, credit, etc. conditions the satisfaction of their land demand cannot be conducive to the purpose. Therefore the establishment of equal chances for the diverse productive sectors could be recommended as the first step which cannot be implemented without the support of the private producers.

Reckoning with the propagation of part-time farming the profit oriented undertakers (farmers) deserve distinguished attention beside the traditional family farmers interested in the incomes within this scope.

Without the liquidation of the anomalies in the supply and realization markets, without the consolidation of contracted production which reflects the market demands and without the creation of the market regulating role of the state and of other conditions the re-starting undertakers may easily become abortive.

The material-technical conditions are simply deplorable and outdated. This situation can be improved first of all through imports. The up-to-date family farms, however, do not require equipment of cottage garden scale but means and machines of greater performance.

The private farmers are well aware also of the fact that without co-operation with the large-scale farms, without their services, credits and advance payments they could - particularly during the years of transition - hardly be successful.

With the gaining ground of family farming one should not lose the advantages deriving from the consolidation of holdings and from cultivation in large blocks.

The role of the advisory services is increasing because also the appearance of such new generations, new undertakers can be expected who had no opportunity in the paternal home to become adapted to the needed tricks of the trade.

CSENDES, Béla: Drága föld - olcsó áruk. (Expensive land - low prices.) Figyelő, No.10 1990.

Many people are afraid from the restitution of the private property of land therefore because land price and farm rent may suddenly increase the production costs and at a final end also the consumers' prices which are anyway fairly high already at the present. The paper tries to prove the contrary.

Under the conditions of a market economy the competition for the resources extends also to the acquisition of the financial and credit sources. If land becomes the coverage source of the credit-then this improves the creditability of agriculture. By the way market economy cannot be conceived without the private property of land. Landed property on the other hand cannot be real property without the sale and purchase or without the lease of land which necessarily postulates the existence of land price and of farm net.

Land and inflation

Land (soil) quality can be expressed in several ways. Since more than 100 years this function is performed in Hungary - well or wrongly - by the net income in gold crown and something better then this hardly can be created within a foreseeable period. As far as, however, the categories of land price and land value are concerned the situation is quite different. If the sale and purchase of land and farm rent exist in a national economy of a country then also the evaluation of the lands is continuous. Where these are failing there land can be evaluated only in an artificial way on the basis of diverse theoretical considerations. Real "Schools" of land evaluation came into being and one or another of them may - though only as a model only - well approximate the value of land but they do not present a reassuring solution for the practice.

The price of land is motivated by several special factors: these may be the monopolistic situation which came into being in the landed property relations, the extent at which legisla-

tion reduces the sphere of those people who can buy land, the price level of the agricultural products, the system of the subsidization of agriculture by the state, etc.

There is close interrelation between land price and inflation. Presuming all other factors to remain unvaried then land price becomes increased by the inflatory expectations and decreased by constant prices and by deflatory conditions. One can neither underestimate the effect exerted on the land price by the employment situation, by the system of credit or of taxation burdening the turnover of land. Without reckoning with the effect of the above mentioned factors the conceptions related with landed property or their effect can hardly be judged realistically.

The most important problem which affects society as a whole is how the public purchase prices of the agricultural products and the consumers' prices of the foodstuffs develop under the affect of land prices, farm rents and land market. Intelligibly the consumers are afraid from the further significant increase of the food prices. This fear is augmented by the declarations according to which an immense price raising could take place suddenly after the settling of landed property.

Baseless fear

In my opinion it is a false conception that the coming into being of land price and farm rent would immediately significantly raise the public purchase and consumers' prices. Such an immediate price raising effect would take place only in the case if the landed property monopoly of the large-scale agricultural enterprises and their present farming system would remain unchanged.

In this case land price and farm rent would become cost factors and would increase the price level within a more or less short period. This presumption, however, is unrealistic. The task of the introduction of land turnover, of land price and farm rent is, namely, just to crush the landed property monopoly of the large-scale enterprises and to enforce such

changes which impede or at least considerably reduce at the same time the price raising effect of the entering new categories of farming.

The farm rent does not mean a general cost increase in family farming. Land tenure does not become, namely, general. In consequence of the competition situation which came into being under the supply and demand relations land is allotted anyway to those people who can cultivate it more efficiently. The farm rent cannot be fully infitted to the price level just for the very reason because the increased profit can cover the farm rent without significant price raising.

In the case of land purchase the land price represents the increase of the assets and does not appear as cost in the continuous farming. The purchase price of the land decreases the capital of the farmer which could be invested in other means. In as much as the purchase price of land is covered by credit the interests as inputs related with the land become real costs at the one who is benefitted with the credit. The purchase of land, however, - as it is proven by examples in Europe - affects only a few percentage of the farms. This is also a reason why one cannot presume that the land price would call forth a radical raising of the agricultural and food consumers' price levels within a short period.

It is to be stressed here also that the costs present themselves in a different manner at the family farms based on own property or on tenure and also the content of one or another cost radically changes. I refer only to one of them: the wage and the net income are not markedly separated from each other and their distribution is not decided by the authorities or by legal rules. The question whether the farmer judges the remuneration of labour acceptable or not depends on several special circumstances and on personal considerations.

Arable acreage instead of sepulchral vault

Under farming relations based on personal property (and tenure) the judgement about personal consumption and accumula-

tion changes. While people regard the part of income vested to accumulation in the large-scale farms as some kind of curtailment then accumulation means the increase of the assets in the private farming. This is something to which people based on personal considerations are inclined even at the expense of their personal consumption. To escape from our economic troubles: just the savings and reasonable investments are the motives for this. Without them, more exactly without the establishment of the existence as proprietor the increase of the assets manifests itself not unfrequently in awful iron railings or in the construction of sepulchral vaults.

In order to let the land price and farm rent be asserted within reasonable scopes and to reduce their price level increasing effect the whole economic environment should be changed. It is sufficient to refer here to the liquidation of the monopolistic situation of processing and trade or to the radical changing of the production means supply of agriculture.

Though these are important factors nevertheless I should not speak about them now. I should like to call the attention to a factor which was left out of consideration just until the present: neither farming based on combined property nor family farming or undertakings within the large-scale enterprises can be established or operate without the radical changing of the present system of agricultural taxation. Everywhere in the advanced countries of the world under the conditions of market economy such a taxation system is functioning in the agriculture based on private property which does not endeavour on the one hand to determine the use of gross income for wages and net income from the outside and on the other hand it does not impose such administrative duties on the farmers in the statement making and accounting about the economic results which they cannot effectuate. Generally they apply a normative composition tax which is either adapted to the quantitative and qualitative indexes of the acreage of the farm or are linked with the unambiguously measurable quantity of the produce. Nor we can follow any other way!

The calling into being of landed property and of the proprietary existence brings expectably such energies into motion which counterbalance the cost raising effect of the land price and farm rent alone.

DÉNES, Katalin - KÓBOR, Kálmán: Stratégiai tervezés megalapozása egy húsipari vállalatnál. (The foundation of strategical planning in a meat industrial enterprise.) Research Institute for Agricultural Economics, No.15, 1990, 116 p.

The rapid changing of the external and internal environment and the transformation of the markets of the Hungarian food products confront the food industrial enterprises with increasing challenges. Competition becomes strained in the external markets and important shiftings of the main points take place. The internal food consumers' market is characterized also by particularly new conditions; the solvent demand is decreasing.

The undertakings make unambiguous that the correct forecasting of the future processes and the efficient preparation of the adjustment to the changes form the conditions not only for the success but also for the survival of the food industrial enterprises. This demands planning of new conception and a new way of thinking from the enterprise management: strategical planning and considerations namely.

The adapting of these up-to-date strategical enterprise planning methods, the foundation of strategical planning took place in a meat industrial enterprise. The survey was oriented toward the trans-illumination of the enterprise, the recording of its present situation and the drawing of conclusions originated thereby, the elaboration of diverse suggestions in a way detailed as follows:

- The survey of the selected enterprise and of its economic environment (the activity, produce structure, technical-technological standard, raw material situa-

- tion, organization and management system, financial situation, etc.);
- the analysis of the market and competition position of the enterprise (the geographical situation of the markets, demand, prices, market informations, realization channels, rivals in competition, etc.);
 - structural analysis of the export of the enterprise under non Rouble account (cost structure, production of foreign currency, rentability, etc.);
 - drawing a map of the strong and weak points of the enterprise;
 - strategical suggestions for the enterprise as a whole concerning contracted production and public purchase, domestic and export realization, the system of organization and management, etc.

Some generalizable lessons deriving from the survey can be summarized as follows:

- The strategical way of thinking specifically fails in the majority of food industrial enterprises in Hungary. The role of the basic material situation which is determinative for almost everything, the shortage of raw materials as well as the surplus production are characteristic.
- General adherence to the established system of organization and management. Here first of all the persistence in the traditions, inflexibility and the establishment of a centralized functional organization are playing a role.
- Even at the present the quantitative way of looking is predominant. The fundamental task is the quantitative increase of the production and also the development conceptions are mainly subordinated to this.
- Decisions of the enterprises are hardly based upon the market demands. Market informations are few and defective, the independent market policy and marketing strategy function but occasionally.

- Produce development is mostly of traditional way of looking and not initiated by the market, it is rather originated by the technical-technological conditions.
- In case of the export oriented food processing enterprises domestic markets are relatively confined to the background. The former regulation relations contributed to this just as much as the opinion formed about the general direction did which treated always stressedly those major food industrial enterprises which perform export under non Rouble account.

ÉLIÁS, András: Tárgyszerűen az agrártermékek külpiaci kilátásairól. (Objectively about the outlooks of the agricultural products in markets abroad.) *Gazdálkodás*, No.6 1990.

The unfavourable changes which took place in the food markets of the world, the events which happened in Eastern Europe, the tasks of the transformation of Hungarian economy - including also the necessary shifting of the main points of orientation in foreign trading, the insupportable accumulation of the Rouble assets, etc. rendered acute again the problems related with the future of the agricultura branch of economy.

Starting out of this the paper endeavours by confronting the changes of the agricultural world market which took place in the past year to raise new ideas for the more realistic judgement of the outlooks of Hungarian foodstuffs in the markets abroad through the demonstration of the factors influencing favourably or unfavourably the expectable development of the agricultural market.

At the beginning of the 1980-es the protectionist tendencies became particularly intensive in the agricultural production of the world and in agricultural foreign trading. With the effort made for autarky the measures supporting the

production became more consolidated mainly in the EC countries. Also the economic policy of other advanced countries applied, of course, these methods.

The above mentioned subsidies resulted in the considerable growth of the agricultural production at a world-wide scale and this compared to the solvent demand induced the rapid increase of the supply contributing this way to the oversaturation of the agricultural market and to the disintegration of the equilibrium of the agricultural world market.

The agricultural market "crisis" becoming more serious intensified the realization that the surmounting of the obstacles accumulating before the international agricultural trading would be necessary and also the establishment of a new system of agricultural trading which would serve this end. Within the scope of the GATT negotiations diverse recommendations motivated by interestedness came into being this way for the liquidation of the anomalies of the agricultural world trade and for the elimination of the obstacles piling up before trading.

We cannot expect, of course, from the activity of the agricultural negotiating group of the GATT the very rapid establishment of such a new order of the agricultural world trade which would render possible the predominance of the comparative advantages in the international trade.

Also the changes which took place in course of the past years proved that the agricultural complex is closely linked with the other branches of national economy, it reacts sensibly to the political and world economic changes, its position became more insecure and the economic activity of the food producer branch is accompanied now by greater risks than has been so far.

Therefore those opinions deserve particular attention which may render assistance in sketching the outlines of the future market outlooks. So we should devote our attention to the production development conceptions of the Western European countries, first of all those of the EC and then of the USA.

In relation with the fact that considerations about the former markets of the CMEA and of the Soviet Union within its scope we should not write off these markets even in the case if the transition to \$ accounting would be achieved. We must reckon, however, with competition becoming more intensive and with the appearing of the Western European rivals.

Also the receiving capacity of the solvent countries on the way of as development buyer's market is worthy of attention.

Taking this all into consideration the greatest attention should be concentrated to the Western European buyer's market, first of all to the countries of the EC. We may continue to reckon with these countries as great and demanding markets of cattle for slaughter, beef, sheeps for slaughter, mutton, horses for slaughter and for breeding, meat industrial and poultry products, certain fresh and processed horticultural products, medicinal herbs, volatiles, other and apicultural products, forestry by-products, seeds and of the so called bio-products.

Also our overseas markets became established. We may refer to the USA, to Canada, to the markets of the Far East and mainly of Japan among them.

The conditions of the exploitation of the potential markets will become harder in the future. The introduction of the unified market of the EC planned for the beginning of 1993 represents serious challenge in respect with Hungarian agricultural branch of economy.

The safeguarding of our competitiveness which raises increasing requirements demands this way a significant progress.

The accomplishment of the high requirements is inconceivable without the gradual and significant transformation of the property and interestedness relations. The concerting of interestedness, the increase of responsibility and the best utilization of the human factors in the complex concatenation of the domestic food production, processing and trade can be realized only through the nominalization of property, through the interestedness of the proprietors in capital.

Based on the development of the market relations the adjustment to the demands of markets at home and abroad imposes great tasks on the enterprises operating in the micro-economy. We should not forget, however, the things to do by the government in this sphere.

The liquidation of the present monopolistic positions is inevitable in each sphere of the agricultural branch of economy including also the trade of the foodstuffs and production means. Therefore the gradual enlarging of the sphere for the exercise of commerce upon the basis of personal right is necessary including foreign trade too and increasing private commerce.

The effect of this all will be favourable for the quality of the products, for the development of the input-output relations and through them for the rentability, for the success of economic management. They in their totality may present the promising accomplishment of the conditions of competition which are becoming more serious.

ÉLIÁS, András - KARTALI, János: A földkérdés megoldásával kapcsolatos kereskedelmi összefüggések. (Commercial connections related with the land question. In: Landed property and the transformation of the agricultural structure.) Research Institute for Agricultural Economics, Budapest, 1990.

The settling of the land problem does not change only the agricultural property relations but also exerts a significant effect on the coming into being of the agricultural market, on the property relations of the agricultural trade, on the types of its implementation, on the organization and interestedness relations of food commerce in the spheres of both the domestic and foreign trade. The interestedness relations and the organization of the agricultural production and trade implemented under the conditions of privatization as well as the way and extent of their interaction are also changing.

In the farmers' co-operatives and in the state farms the result of the property reform of agriculture is that considerable quantity of land may become the property of those people who are dealing with agriculture.

And the model of the future co-operative will be the joint undertaking of private proprietors. A consequence of all this will be that in a way building from below the private proprietors may voluntarily call supply and produce disposal co-operatives into being in the future and we must inevitably reckon with the propagation of co-operatives of this type. Nor the state farms can avoid this changing of the property. In the future we are to take into account the creation of enterprises of combined property in both agriculture and food commerce.

It is very difficult to give a forecast about the establishment of the present types of property and about the development of the diverse types. It is, however, quite clear that for the longer term the dominant role of the present large-scale state farms and farmers' co-operatives will cease to exist. This is presumable even in the case if the activity of certain large-scale enterprises capable to exist might be enlarged and the issued quantity of certain products might increase but it can also be forecasted that those ones which were of monocultural nature so far may become more multifarious under the effects of the market. In certain horticultural branches and in some branches of animal breeding the significant increase of the role of family farms based on personal interestedness can be expected.

This all exert considerable effect upon the interestedness relations and organization system - should the point be either domestic or foreign trade - of production, processing and realization.

The role of the state which set the development of the commodity market as a task significantly decreased and is limited practically to the influencing of the environmental factors, to the elimination of the bureaucratic restraints which disturb the competition in the market.

The desirable influencing of the commercial life makes the calling into being of such a competition necessary which promotes the less hampered moving of the actors of economy in the market. This renders inevitable the legal regulation of the acquisition of property not interfering with the market basis, the freedom of market life, the legal settlement of disposition over the assets, the safeguarding of operation in the market and so the right of entering or leaving the market.

These all exert an intensifying effect on economy and it should be increased by the state because particularly in the transition period it cannot dispense with the application of those means which intensify the undertakings.

The role of the Professional Chambers, those of production and commerce as well as of other independent organizations is to be fitted, of course, into the market mechanism. And also an increasing role should be reserved during the transition period mainly to the credit and foreign currency policies in the domestic and foreign trade and in that of the means of production.

The role of the autonomous communities is also changing which affects the problems of the food product commerce too (the tasks of the autonomous communities related with public health, plant protection, veterinarian services, hygiene problems as well as with those of land, traffic and commerce.)

The supervision over the regulation of competition and so the necessity of an anti-cartel office should neither be left out of consideration and such a competition policy should be established in this context which eliminates the economic preponderance of the monopolies through the disintegration of certain enterprises or through the calling into being of competitive enterprises able to function and through import competition compels them to efficient activity.

Not only the safeguarding of neutrality in the competition is absolutely necessary but also the stimulation of the individual initiations by the state and the establishment of an adequate taxation system. The situation which developed

after the nominalization of the property and of the assets radically changes the present incalculableness of the quantity and composition of the products produced by the small-scale producers because participation and interestedness in the market become more direct.

The modernization, the transformation of the domestic and foreign trading organization represents a means for adjustment to the market demands, for a more reasonable utilization of the commercial possibilities. Organization, of course, is not independent from the property and assets relations, from the conditions of internal production, processing and realization. Taking into consideration the opportunities offered by the property reform the adjustment to the market demands calls multifarious commercial solutions forth and those of markets abroad among them. The consolidation of the infrastructural servicing background of realization at home and abroad presents itself as a particularly stressed demand.

The construction of the commercial and information infrastructure can be the task mostly of the local autonomous communities but a considerable participation should be assumed in this by the undertakers operating in any type of property.

The modernization of the organization of realization is needed for the end that the mutual interestedness and dependence of the enterprises taking part in the chain of production, processing and realization should be settled, the mutual responsibility for the commodity should be consolidated and these all together could rationalize the path of the commodity.

Particular attention should be paid to the elimination of the obstacles impeding the extension of mixed societies operating with domestic capital interestedness or abroad with the participation of Hungarian capital because in addition to the construction of markets these above mentioned mixed societies may significantly improve the chances of our competitiveness first of all in the most important capitalist markets.

The simplification of the export and import authorization system and the reduction of the intervention of public autho-

rities is indispensable also in the agricultural and food industrial sectors of economy. Hereto belong, of course, the introduction of intervention and its application for the agricultural products - having accordingly mainly to the experience gained in the advanced countries of market economy determinative importance in the producers' incomes.

As far as the property reform and the development of market economy are concerned the problems related with the creation of the Stock Market and with its development cannot be left out of consideration in the case of mass products.

It becomes more and more unambiguous that the accounting system of the foreign trading turnover between the CMEA countries will significantly be changed.

The conditions of our commerce performed with the former CMEA countries and first of all with the Soviet Union will become harder. Under convertible accounting, namely, one should reckon with the intensification of rivalry, with the serious requirements of quality and competitiveness which came into being in the markets of free foreign currencies. At some extent this increasing handicap in the competition can be reduced by geographical neighbourhood. by the improved knowledge of the partners and of the particularities of the market and at some extent again it can be turned to advantage through cooperation concluded with capitalist partners who wish to make an inroad now to the respective markets and through the founding of mixed societies. Taken this all into consideration the transition to the convertible accounting will have a moderating effect upon our exports - even in the case if our competitiveness would improve - since the partners and first of all the Soviet party being in shortage of convertible foreign currencies will be interested in the most needed and so in the "hardest" commodities and therefore we must reckon with the significant modification of the export structure in course of the forthcoming years.

The change of regime and the social, political and economic changes which accompany the former demand the establish-

ment of a new foreign trade orientation too. In this context the consolidation of our market connections in Western Europe is justified also in respect with agricultural foreign trading and with that of foodstuffs.

The changing of the property types is accompanied by the upgrading of the domestic market too because also the income and property relations are significantly changing this way. Just therefore such organization processes initiated from below will come into being in the commerce of both production means and foodstuffs which would better serve the demands of the domestic market.

In connection with the privatization a decentralization process is inevitable also in the agricultural and food commerce which is in contrast with the commerce centralizing process experienced in Western Europe. We must take cognizance of this, however, and treat it as a natural symptom in course of the transition period. But it can be expected that the concentration process based on real property will start in a spontaneous way at us also for the longer term.

The coming into being of the market, the increase of market competition press the middlemen inserting between the producer and the consumer to self-restraint in pricing and eliminate those ones from the chain who vindicate a profit inadequate with the service accomplished.

After the privatization it will be expectable that the productive capital will penetrate into the commerce because it hopes on the one hand an increase of profit through the direct participation in the market and the coupling of the two activities may result on the other hand new dimensions.

Simultaneously with the transformation of property also the changing of the agricultural enterprise scale and structure can be expected. This will significantly modify the tasks of the commerce too, and not only the commerce of the production means will be reorganized but also the commerce of public purchase and realization i.e. the AFESZ-es (General Consumers' and Produce Disposal Co-operatives). In this

respect the recalling of the favourable experiences of the pre-war "Hangya" Co-operatives would be justifiable. The interaction between commerce and production will expectably manifest itself most rapidly in this sphere, in respect e.g. with the active material content and composition of the chemicals or with the agricultural machines of small performance.

Concerning the enterprise scale and structure also another relationship of the transformation of property is worthy of attention: the coming into being of such commercial and produce disposal co-operatives can be expected where the interestedness of the producers is unambiguously perceivable and thereby the present contractual discipline on the one hand which can be regarded as deficient and the calculableness of the behaviour of the contracting partners on the other hand would improve and this would increase the safety of production and commerce while decrease the risks which were burdened also with subjective elements so far. This would exert a favourable effect in reducing and then eliminating the infantile disorder which came into being in the competition of export realization performed on the basis of personal right.

The present (wholesale, retail and foreign trading) commercial enterprise centres were sitting very frequently but as bureaucratic hydrocephaluses on the neck of the business network. It can be taken for certain that the shops operating partly as privately owned and partly as rented ones will tolerate after the privatization only such enterprise centres to be superposed to them which perform real and necessary functions.

The re-opening of the former groceries which were liquidated in the past and whose importance will be outstanding mainly in the small villages which remained without shops in consequence of the rayonization should be supported. The penetration of private and foreign capital into retail trading will accelerate; the support of a process like this is also reasonable. As far as food trade is concerned capital will expectably appear and take part at a much greater extent than

so far mainly in the catering trade and in the regions frequented by international tourism (Budapest, Balaton, Austrian borders).

The network of the wholesale markets which can be experienced in Western Europe will come into being first of all with the introduction of the capital of producers and traders in the country and abroad and because the elimination of the middlemen's business will be achieved this way therefore the administrative and economic support and acceleration of this process are justified.

Considerable changes can be expected in the system of market informations since thorough information cannot be dispensed with either by people working in any sphere of the re-privatized trade nor by producers dealing also with commerce.

In each sphere of the trade (and first of all, naturally, in the regulation) such solutions are to be applied which possibly provide an opportunity for joining to the Western European countries what stresses on the one hand the reference role of the domestic market but on the other hand - taken into consideration that the Western European trade is human centric in both its regulation and organization as well as in each other respect - the future Hungarian regulation should also be of humanistic character. The training of the experts of domestic and foreign trade should be developed in such an extent and with such an orientation that it could create a basis adequate with the demand for experts increasing in consequence of the processes of privatization and decentralization.

In concert with the requirements of privatization the organization of quality testing and control will expectably be transformed and the institutions of qualification organized by the producers and traders "from below" (those e.g. of Chamber character) will receive a role in the preliminary (and subsequent) quality control of the commodities devoted to realization in the markets both at home and abroad. According to experience gained in the countries of advanced market economy these cannot substitute the quality testing organizations of

the state but are operating beside them with partly different functions.

The introduction of such regulations is reasonable which though maintain the individual foreign trading rights promoting competition in the foreign trade nevertheless they possibly eliminated its infantile disorders. The role of the enterprises of servicing character will expectably increase in each sphere of commerce. The creation e.g. of servicing organizations for the performance of certain part functions in foreign trading; foreign trading advisory services, information about markets abroad, marketing, foreign trading techniques, cases of foreign currencies and customs, haulage, conveyance of goods, assurance, packing, international foreign trade and financial law, the foreign trade (import) regulations of partner countries including the sanitary, legal and institutional conditions or storage, stockage, internegotiation in the home trade and those ones of the above described functions which according to sense can be applied also in the domestic market. Also the radical reduction of the list of foreign trading exceptions is necessary.

Although marketing represents an enterprise target and a category of undertaking nevertheless the marketing approach is indispensable also in the state control and the central subsidization of the marketing programs will as Western examples demonstrate be more justified than has been so far. The support of the training of marketing experts from central sources will also be purposeful. The extensive coming into being of marketing organizations organized beside the chambers of the professional branches will be justified. In addition also the coming into being of undertakings for advisory services in information, organization and management, for the supply of marketing expertise and market research services organized on a business basis and operating side by side in competition with them is, of course, important.

ÉLIAS, András - KARTALI, János: Az Európai Közösség egységes piacának megvalósulásától várható kihívások. (Challenges which can be expected from the implementing of the unified market of the European Community.) Gazdálkodás, No,3 1990.

In the present days the European Community pays great attention to the elimination of those factors which impede the creation of the unified internal market and to the calling into being of this unified market for the end of 1992. The role of the EC in the foreign trade turnover of the Hungarian products is well known. Our exports in non Rouble relation represented about 720 million US \$ in 1987. By pondering the present outlooks the increasing importance of this market can be forecasted with certainty. We shall refer in the forthcoming to some of those factors and problems whose proposition may prompt us to further thinking and may assist in the better preparation for the demands of the post-1992 unified internal EC market as well as in the acceleration of the implementing of adjustment.

The agricultural and food markets of the world are characterized at the present by restrains of the entrance to the markets, by the programs of extensive state subsidization granted for prices and incomes, by great overproduction and by demands stagnating in certain regions of the world while unsatisfied in other regions. Together with the restricted presence of solvent demand these all largely contribute to the significant fluctuation and frequently unfavourable development of the world market prices.

The competition of export subsidization represented an important factor of the development of the world market prices in the food markets. In course of the past years the EC vested annually about 60 thousand million \$ to the subsidization of production and exports in the agricultural sphere and also the USA did it with almost 30 thousand million \$. The annual

level of the agricultural imports did not amount at the same time to 300 thousand million \$ throughout the world.

The increasing obstacles thrown in the way of import and the internal production subsidies hinder the development of commerce, overstimulate production which is anyway expensive, lead to overproduction and a part of the surplus production floods the world market through the subventions granted for the export.

The countries of smaller and medium scale which dispose, however, of favourable natural and commercial conditions - like also Hungary - cannot assert under circumstances like this their comparative advantages in the international markets and may book serious price and market losses.

Hungary carries on resultful negotiations with the EC about the reduction of the sphere of contingents, about the abatement or abolishment of custom duties and about the attainment of allowances of curtailment in respect with concrete commodities. Based on the mutual advantages we assume the obligation to grant reduction of or exemption from the duties in the case of the importation of certain products. At the same time our government carries on diverse negotiations for the sake of our approach to the EFTA. Also the effort led to success that the USA should grant the greatest preferential treatment which makes possible the entrance of the Hungarian export products to this important market without discrimination.

The expectable results of these agreements and of the easier terms of admission to the market should not be underestimated but in several cases they give rise to illusions about the opportunities of increasing the agricultural exports.

As far as the future is concerned we may basically reckon with the fact that the EC will even more increase its share within the international agricultural commerce with respect to production and environment protection reasons but also to the effects of the European political and economic changes which are in formation. This way the agricultural exporters will be pressed and will endeavour to adapt them-

selves to the prescriptions of the unified internal market under implementing much more than they did so far.

According to the Unified European Chart which came into force at the 1st July, 1987, a unified market will operate without internal frontiers after the 31st December, 1992 where the commodities, services and capital goods may stream without restrictions. Though certain delays can be observed in the EC as far as the measures needed for the accomplishment of these tasks are concerned (public orders, approximation of the standards, liberalization of the circulation of capital, insurance, the mutual recognition of certificates, the order of granting insurance rights etc.) nevertheless we should not doubt that all these will gradually implemented by taking the interestedness of the diverse countries into consideration.

It is the elementary interest of our producer enterprises and of those dealing with foreign trade to become acquainted with and to follow with attention the decisions of the Community about standardization and to become able to adapt themselves gradually to these measures also in the practice.

In the case of our foodstuffs the detailed knowledge of the standards and the creation of the conditions needed for the observance of the prescriptions are particularly important. It is sufficient to refer here only to the additives, to labelling, to the requirements in packing, to the composition and description of the foodstuffs, to reliable information. Without the knowledge and the application of all these the products of our food industrial sectors cannot meet the requirements.

Also in the case of our exported commodities the mechanism of frontier and customs control caused frequently complications. This means, namely, the application of compensating financial means several times at the exportation or importation of certain products. The elimination of the customs frontiers, the abolishment of the contingents of haulage authorization within the Common Market represent liberaliza-

tion of high grade. They continue at the same time the maintaining of the system of the international contingent of the public road authorizations with the non EC countries which sets but stints upon them and stresses the importance of co-operation between the EC and Hungarian organizations, enterprises operating in this sphere.

The enlarging of the sphere of agricultural basic research becomes necessary. Within this scope attention should be paid to the so called natural food industrial technologies which satisfy particular alimentary demands and to their standardized attributes.

The achievement of competitive quality shifts serious tasks to the production of agricultural basic materials, to the processing and then to the pack material manufacturing industries, to the transporting companies, to the wholesale and retail trade of foodstuffs and to the foreign trading enterprises equally.

The opening toward world economy means significant challenge also from the aspect of foreign trade. The tasks related with the preparatory demand that the government should:

- actively initiate or continue in both the near and farer future the negotiations and conversations with the respective international organizations and with those of the EC among them and then with the governments too about the abolishment of customs and extra-customs discriminating treatments impeding the introduction of our agricultural and food products to the international markets including also the efforts for the obtaining of the associated or full membership status and

- create in terms of preparation for the post-1992 situation improved conditions for the study of the EC among a broader circle of the agricultural experts and then to mobilize increasingly the agricultural diplomacy for the elaboration of recommendations concerning the tasks to be accomplished

- pay within the scope of measures related with the establishment of market economy particular attention in the set

of plans concerning the branch of economy to the liberalization of the imports and to customs protection, to the elimination of the monopolistic situations, to export structure and technical development, to the creation of productive and servicing infrastructure, to the internationally usual subsidization of the agricultural exports, to a system of credits and interests adjusted to the particularities of the economic branch.

As it can be seen from the aforesaid the European market did not represent an easy terrain even so far. Foodstuffs are on the one hand confidential commodities and on the other hand Western Europe is characterized by oversupply in respect with most commodities. The character of confidential commodity is in relation with the fact that the quality of the foodstuffs may influence the life and health of the human beings and may exert an effect on the health of whole nations. Therefore it cannot be considered as accidental that the conditions of realization (import) are made more severe in Europe just in this respect and this is why the prescriptions about food hygiene, public health, plant and veterinary sanitation are becoming increasingly "harder". Under the aggravated conditions new agricultural and food strategies are to be elaborated in the intensified competition. We must understand, namely, that in this double (in both its institutions and market) exacting region we cannot remain competitive for a longer term with our present produce structure and with our practically unsystematic marketing activity which serves the placing of these products in the market.

More purposefully organizations standing nearer to consumption (chains of departmental stores, hotels, the networks of catering trade or retail shops, air lines, etc.) should be taken at aim as buyers of foodstuffs highly processed of good quality. This, however, does not postulate only the change of the produce structure and the construction of the production and commercial infrastructure needed for that but also the much more competitive presentation of our goods than so far and renewed marketing activity related with it.

The particular tasks of all the three (macro, mezo and micro) spheres of marketing activity come into being. The task in the macro sphere is first of all the construction of the system of market conditions as we outlined it already above. Translated into concrete marketing targets this means that also a specifically Hungarian image is to be created which - as far as foodstuffs are concerned - is incorporated not only in the introduction of Hungarica (Hungarian specialities) to the market.

In the mezo sphere this image should be further developed by one or another branch of activity so that the above pleasant feelings of the consumers should be embodied by the Hungarian cheese, wine or paprika. In the micro sphere i.e. in the sphere of the enterprises already the commodity (of regional character) hall-marked with the name of the firm should appear.

The five "freedoms" which unify 320 million consumers, the freedom of commodity turnover, capital circulation, services, personal traffic and selection of the business domicile create such fundamentally new economic and economic political skeleton conditions which are determinative in the long term for the situation of those who wish to undertake commercial activities in the region. So in concert with this also the marketing strategy should be a long term one; such a strategy which takes into account at any time the market movements but adapts itself always most correctly to the above formulated skeleton conditions and leaves never out of consideration those basic requirements without the satisfaction of which even the most ingenuous marketing conception becomes at once miscarried.

As a consequence of the present domestic political changes we may hope that the discriminative measures taken against our country will continue to be moderated. On the other hand, however, the integrations showing an increasingly uniform picture are of the nature that they apply always stronger and stronger protectionist measures against those

being outside the respective region. Just therefore we cannot rely upon the hope that - in spite of any opposite declaration - we could obtain a more favourable position than the internal and associated countries or their companies possess of. And this is the reason why the up-to-date marketing should stress mainly that field of activity which can be characterized by the headline "recognize your rivals".

Marketing as a system based on adequate information systems and on the equal interestedness of the producers and traders seems to be applied at an increasing extent.

ÉLIÁS, András - KARTALI, János: A mezőgazdasági tulajdonreform és a kereskedelem. (The agricultural property reform and the commerce.) *Gazdálkodás*, No.9 1990.

The settling of the land problem does not change only the agricultural property relations but also exerts considerable influence on the property relations and solutions of the agricultural trade.

The role of the state which sets the development of the commodity market as a task becomes significantly reduced and limited practically to the elimination of the obstacles impeding the competition in the market and to the influencing of the environmental factors.

The private proprietors may create supply and produce disposal co-operatives organized "from below" and based upon their voluntary decisions.

In the forthcoming we may reckon with the coming into being of commercial undertakings belonging to the most various types of property or representing mixed property in the spheres of wholesale, retail and foreign trade of the agricultural products. Some of the foreign trading companies will expectably transform to firms providing foreign trade services which will be needed mainly therefore because the number of participants in foreign trading will continue to in-

crease. The authorization system of the exports and imports will need to be simplified. The competence for import should gradually be extended on the basis of individual right. The prevalence of the role of stock exchange should be promoted. We should prepare for the construction of new economic relations with the countries of the CMEA under disintegration in the sphere of agricultural foreign trade and also for the satisfaction of the increasing demands of the Western European market which will become uniform after 1992.

As a result of privatization the penetration of productive capital can be expected into the commerce as well as the propagation of the realization of private artisans (bakers, butchers) in retail trading at a greater extent, the intensification of interactions between commerce and production, the consolidation of the contractual discipline, the decomposition of the enterprise centres, the improvement of the regional supply, the coming into being of the network of wholesale markets and the elimination of the middlemen.

The simultaneous operation in competition of those undertakings can be expected which perform agricultural marketing activities, advisory services about information, organization and management. But neither the supporting and furthering role of the self-co-ordinating organizations can be dispensed with in this respect.

After this the following problems are treated in the paper: the interaction between the landed property reform and the agricultural trade; the changes of the organization and property types of the commerce in concert with the construction of market; the conditions for the regularization and control of this all based upon the examples observed in the countries of advanced market economy, moreover the effects exerted by the changes of property types on the internal markets and to finish with also the particular marketing and information questions related with this sphere of problems.

ÉLIÁS, András - KARTALI, János: Közelebb a külpiac-hoz. (Let us approach to the market abroad.) Kereskedelmi Szemle, No.7 1990.

Several branches of Hungarian agriculture and food industry are foreign trade oriented. Production at the same time is still basically far from the market abroad. In spite of the changes which took place during the two recent decades production and realization in the markets abroad were directly not interlinked organizationally which fact weakens the rapid adjustment to the demands of foreign markets.

The changed internal and external conditions make increasingly necessary that we should find the adequate organizational framework for the end that the producers could more directly be related with the markets abroad.

In consequence of several internal and external reasons the demand of more flexible adjustment to the foreign market and through this of the changing of the foreign trading organization were acutely raised in course of the two past decades not unfriendly. For a period when the realization of the agricultural products did not cause greater troubles i.e. until 1982 the necessity of direct presence in the market, the acquiring of foreign trading rights mainly in the grain and meat branches several times occurred from the side of production because the producers hoped the realization of higher incomes through the favourable world market prices. Under the effect of the unfavourable world market prices first of all the attention of the public administration turned toward the further modernization of the foreign trading organization in order to let the world market effects more directly be felt.

The construction of market is important in each branch of economy but in the agricultural sector it is quite indispensable. The survey of the exercise of the foreign trading right and of the advantages and disadvantages of the diverse types of organization and interestedness and it may provide several aspects of the case for both the decision makers and

the producer enterprises of the foodtrade and eventually may also prompt debates.

After this the paper provides information about the present Hungarian organization of foreign trading, about its changes which took place in the recent period, about the advantages and disadvantages of the present system and then presents suggestions about the further development of the organizational system as follows:

In respect with the further development of the foreign trading organization the reasonable starting point is that production oriented by the foreign market as well as rapid and flexible adjustment to the requirements cannot be conceived without the implementing of mutual interestedness in production, processing, domestic and foreign trade i.e. in the verticum at an increasing extent. In the well functioning market economy the concerting of the diverse interests makes a target of the state and it comes more or less automatically into being. In the market economy it is, namely, unambiguous that starting from the research and development through the whole chain of produce disposal the "harmonization" of the interestedness of the participants is necessary. And this is basically ensured by the enterprises in the form of agreements and contracts concluded between the individuals.

In the system of foreign trading organization one can reckon still for a longer period with the fact that economic policy endeavours to maintain the system of monopolies in respect with grains, vegetable oils and oleaginous plants. Simultaneously broad sphere should be consented to the organization of more direct relationships between the diverse agricultural enterprises, production systems, public purchasing, processing and produce disposal companies for the end first of all of the better utilization of export opportunities of triticum durum wheat, vegetable oils, oleaginous plants. Also the legal and economic support of those undertakings is justified which express better the mutual interestedness and improve the system of contracts.

Several times aversion can be experienced to the broad export rights because of the harmful rivalry which takes place time by time in the markets abroad. In consequence of the specialities of the international markets the joint intervention or stricter co-ordination are inevitable. The concerting of any market intervention should be implemented in the organizations which are for the safeguarding of the interests and the violation of the interests should be sanctioned by the courts.

The continuous maintaining of the interestedness in the export can be conceived only so that the economic policy should ensure in the prices of the agricultural products the coverage of the production inputs and such an income content which makes possible for the producers disposing of average conditions the establishment of fundamentals for independent enterprise management. Besides it is necessary moreover that the fixed price types should loosen also in the agricultural and food industrial branches because they meant serious restrictions particularly in the development of food industry.

It is needed to this all that crediting and financing forms complying with the particularities of the branch should operate in the agricultural sector.

The commercial policy should make further efforts in the broad spheres of diplomacy for the end that the commercial political obstacles should be eliminated from the way of our agricultural foreign trade and the conditions of our penetration to the markets should correspond at least to the conditions granted for third countries in the markets of any grouping. The activation of foreign and agricultural diplomacy is needed in this respect not only in the European Communities and in other international organizations but also in the bilateral relations.

Such an economic sphere of movement is required as a result of which the producer enterprises could decide really on the basis of market i.e. business considerations even about the type how they perform or let perform the realization of their products in markets abroad or about the acquisition of imported products needed for production. Beside the organized condition

of the possible selection of realization in markets abroad i.e. the engagement (or disregard) of several foreign trading companies or of those entitled with foreign trading rights it is also essential that the firms which transact foreign trading should dispose of adequate financial means, i.e. of commercial capital or available credits and of the necessary personal conditions (skilled experts who know the commodities, the market, the problems of transport and haulage and are well versed in commercial law, etc.) for the end that real selection could be made among the companies performing foreign trading functions, or disposing of the suitable informations and decision could be made about the problem whether is it worthier to appear in markets abroad on the basis of personal rights or not.

It is a requirement raised in respect with the system of commercial organizations disposing of the above described conditions and established this way as ones of more striking power that specialized servicing enterprises should be available also for the diverse foreign trading part functions (advisory services, market informations, marketing, foreign trading techniques, foreign currency cases, transports and haulage, package, packing techniques, international commercial law, the institutional system of exporters and importers etc.) for the end that the services of the above types could be ordered. Several undertakers could perform each of these part functions serving as realistic opportunities for the selection in this respect too.

The mentioned organizational development and changes should have the result that the conflicts between the diverse spheres of interest could be moderated and easened. It is neither reasonable to urge the coming into being of (producer - trading) enterprises which integrate the diverse part activities; it is also conceivable that the specialized firms which perform each one or another of the diverse functions (producer; processing; foreign trader; wholesale or retail traders; etc.) may operate in separate organization units and find the way and field for the assertion of their own interests as well as their profiles and the most efficient methods of their co-operation through the well functioning market relationships.

GUBA, Mária - RÁKI, Zoltán: Az energiafelhasználás, a szabályozás hazai és külföldi tapasztalatai, különös tekintettel a mezőgazdaságra. (Experience gained at home and abroad about energy consumption and its regulation with particular regard to agriculture.) Research Institute for Agricultural Economics, Budapest, 1990. 94 pp + 40 annexes.

Under the effect of the first energy price explosion the energy saving efforts evolved already at the beginning of the 1970-es in the countries of advanced market economy. The pressing effects presented themselves but later in this country and their assertion was rather contradictory. The first period was characterized by the illusion that a particular socialist energy policy independent from the world market effects can be formulated and also a Hungarian energy policy within the scope of the former. After that the regulating system of energy consumption works in a way subordinated to the everyday improvement of the equilibrium of the budget.

It is a warning for the importance of the improvement of efficiency that based on the energy consumption per one inhabitant our position is ranked in the lowest third of the graduation of the European countries. The quantity of consumed energy and the consumption structure of the primary energy materials do not differ significantly from that of the countries of advanced market economy. Our shortfall is considerable at the same time in respect with the gross domestic produce per unit energy consumption. In the second half of the 1980-es no definite improvement of the efficiency took place. In the case of the given production structure, technological standard, property and interestedness system and financial situation the opportunities for energy saving became practically exhausted in the productive sector. In the present economic environment most of the energy consumers may undertake from their own power energy rationalization tasks only of minimum quantity and effi-

ciency. The increment of the price raisings not surpassing the extent of applied and general inflation could be shifted to others at a national level in the prices of the products on the one hand while on the other neither the prices of the energy saving investments and techniques are incentive.

Comparing the branches of national economy one can draw the conclusion that the energy consumption per gross production value represents in agriculture only half of the same of the industry in average. In relation with the net production value the position of agriculture seems to be still more advantageous. The direct energy consumption of agricultural production based on the transformation of solar energy amounted to the peak in 1978. (The indirect energy consumption realized through the products of chemical industry or used for the production of machines, equipment, building materials makes also a very significant quantity but the comparison is based on the direct consumption.) With the present production structure changes of penetrating force might be expected from the modification of the state of repair of the machines, of the composition of the machine park and from the reduction of the per unit fuel consumption related with the performances while not only their modernization but also their replacement is unsettled.

International experience proves that the market mechanism cannot independently operate in the energy management. Energy production and consumption are implemented in all countries through commodity turnover regulated by the measures of the state mostly at fixed or at least considerably influenced prices. The quantity and structure of the domestic consumption can be influenced in the countries of advanced economy first of all through the prices. The most important means of the development of the domestic energy market are the taxes which have an impact on the prices. Most characteristic is here that generally the final consumption is burdened with the highest taxes. The productive consumption is benefitted by diverse preferences. In most markets the final consumers' prices follow

- moderated at some smaller or greater extent - the price tendencies which prevail in the world market.

In this country the regulation does not grant sufficient preferences to the equipment serviceable for energy saving and their prices are frequently not proportionate with the realizable savings. The energy prices of the productive consumption are burdened at the same time with import taxes and consumption taxes while the consumption of the population was benefitted - though at a decreasing extent - with price supplementing. Taxes on the energy materials belong to the category of the not refundable consumer taxes in contrast with most of the Western European countries where - at least for certain products - it is not built into their prices. The raising of the prices and taxes increases the costs of production. The effort of the producers is natural that this should be shifted in the prices to the producers. As far as the price relations are concerned significantly more agricultural products are needed in the Hungarian economy for the purchase of unit quantity of gas-oil which is used at a determinative extent in agriculture than e.g. in the FRG, in France or in the Netherlands and also the purchasing power of the average earnings is increasingly lagging behind the above mentioned countries.

The privatization of agricultural production will exert expectably an effect also on the energy consumption. Following the increase of cost saving also certain production technologies will expectably be changed. There are, however, certain fields - the modernization of the machine pool e.g. - where we may reckon at least with a slow improvement but also the distance and quantity of transports as well as the utilization of the capacities will change.

HALÁSZ, Péter - KOVÁCS, Margit Mrs. - SEBESTYÉN,
Katalin Mrs. - SZIJJARTÓ, András - VÁCI, Nóra:
A kistermelés helyzetéről és jövőjéről. (About
the situation and future of small-scale produc-
tion.) (Based on experience gained through an in-
quiry performed in the county Hajdú-Bihar.)
Research Institute for Agricultural Economics,
Budapest, Nor.10 1990.

The survey performed by means of list of queries in the county Hajdú-Bihar consists of six chapters. The first chapter gives a forestate of the manifold conceptions of the small-scale producers about their future by quoting some characteristic details from the interviews made with them. The second chapter informs about the methods of the survey. The third chapter describes the personal characteristics, activities and resources of those producers who were introduced to the survey. The fourth chapter outlines the co-operation relations of the small-scale producers and their demands in this respect. The fifth chapter surveys the producers' conceptions regarding the future of the family undertakings and their conditions. It indicates the differences between the small-scale producers who want to continue or stop their activities, the characteristics of these and analyses the factors which influence the inclination for undertaking. The sixth chapter summarizes the opinions of co-operative managers about private farming.

The research was made with the intention to explore the problems because as a consequence of the novelty of the subject neither adequate theoretical starting points nor sufficient methodological experience were available. Our data collecting was based upon a list of queries consisting of three parts which tried to reveal the personal and family characteristics, activities, co-operation relations of the small-scale producers as well as their future intentions in the form of closed and open questions.

Our survey embraced almost 700 small-scale producer families in 19 habitations of the county Hajdú-Bihar. It does not represent the whole sphere of the domestic small-scale producers, not even those in the respective counties though the distribution of the sample shows much similarity with the county's or with the national average. Because we wished to gather informations about the future image and expectable entrepreneurial behaviour of the small-scale producers therefore there are more people belonging to the younger age groups than the average and in this context also those of somewhat higher qualification than the average represented in the sample.

The present small-scale producers see generally correctly the future of the family undertakings and the conditions which are needed for it. Most of the interviewed people are at the opinion that if the necessary credits are available under suitable conditions and if there is a hope to earn incomes proportionate with the inputs and entrepreneurial risks then there will be an interestedness in independent farming and mainly on behalf of the younger age groups under 50 years of age and among those who are descended from families which performed considerable private farming in the past. Distinguished importance is attributed to the joining of forces within the families in course of the transition to private farming.

Considerable number of the small-scale producers who were participants of the survey concern themselves with the idea to become independent but the majority clearly perceives the lack of the necessary conditions. Most of them indicate the safety of produce disposal and the credits advantageous if compared with the rentability of agricultural production as such conditions and secondly also the opportunity to acquire land. Producers belonging to the younger generations attribute distinguished importance to the more favourable financial regulators, to the satisfactory machine supply and to business federations organized by themselves. It became also clear from the answers that one single factor is insufficient for the evolving of the independent agricultural undertakings but the adequate system of interrelated conditions will be necessary.

As far as the perspectives of private farming are concerned the managers in higher posts are more pessimistic than the HQ experts and production managers. About half of those who belong to this latter group are at the opinion that the entrepreneurial inclination may intensify and if the producers will be able to earn incomes proportionate with the entrepreneurial risks then in those regions and activities where considerable small-scale production was in course even so far there peasant farms may come into being by means of joining the forces within the families.

This way the desire for the style of living of the independent undertakers seems to be strong enough for expectable implementation in the near future only in a well determined circle of the small-scale producers. In the majority of the cases this goes to the extent that the small-scale producers by maintaining their employment would increase their producer activities in a smaller or greater measure if an opportunity would be offered for this either through the re-privatization of their landed properties or otherwise. This all demonstrates the realistic way of thinking and sober mistrust of the Hungarian peasantry and may present a guarantee for the country in the respect that the reform of landed property and the entrepreneurial agriculture based on private property will be implemented possibly successfully so that our food production - both the domestic supply and the export - will not become endangered.

KARTALI, János: Piac, kereskedelem és marketing az agrárszférában. (Market, commerce and marketing in the agricultural sphere.) Research Institute for Agricultural Economics, No.9 1990.

There are many misunderstandings and delusion as well as small theoretical grounding and practical experience in the interpretation of the notion of the market, in the degree of

market freedom and in the duplicity of control (or in the establishment of the possible unity). The theoretical economists of the advanced market economies are dealing but little with the conceptual problem of the market because it represents an evident sphere of motion or medium for them which needs no definition and it is difficult to explain to a fish what water is. The market impeding effect of the monopolistic positions and the overcentralized economic control - and particularly the "manual" control of evil memory therein - will only slowly loosen or become moderated and neither those interests cease yet to operate which are tending to preserve them or save in a camouflaged or renamed form. On the other hand also the danger of extremism exists: if the liquidation of the correctly - wrongly (undoubtedly: rather wrongly) functioning control system then this may lead to anarchy. In addition one cannot leave out of consideration that although state control is sufficiently intensive in the market processes - or in the creation of their rules of game - in the advanced Western market economies nevertheless the intervention is not of ad-hoc "manual" nature but can be well known in advance and calculable in farming and in the business process. Thirdly at the present also the danger exists in Hungary that there are people who just referring to the Western examples of hard intervention endeavour to maintain the present system which represses the evolving of the market processes.

Commerce represents the field where as a result of the nature of things market character should mostly be predominant but this is at the same time the sphere where the evolving of the market process even slowed down in course of the past 1-2 years. Nevertheless in course of the previous years there were also experiments in the commerce to develop competition. Example for this were the diverse "new types of operation and interestedness" (private, contracted production, tenders, etc.) in the domestic trade as well as parallel foreign trading activities, and then individual foreign trading rights in the foreign trade. In a particular manner, however, the organiza-

tion, operation and interestedness systems tending to stimulate competition could not settle the fundamental troubles but in several cases rather their negative effects became more manifest than the advantageous ones. At the same time the privatization process did not advance in the domestic trade (or there where it did it rightfully obtained the serious critic of the public opinion). And in the foreign trading various deficiencies (of the exportable commodity funds, of infrastructure, experts, etc.) impeded the assertion of the advantageous effects of competition.

Marketing is needed first of all under real market conditions. This way one could question why should marketing be dealt with at the level of research before market relations come really into being. (And the justification of marketing in this country is - still - debated by some people.) On the contrary the formulation of a disagreement is relatively easy: on the one hand without adequate marketing activity we shall be decreasingly competitive abroad to where unvariedly a significant part of our commodity funds should be delivered and on the other hand also the coming into being and consolidation of the domestic market postulates the application of marketing activities.

It is the agricultural sector where the producers feel themselves to be most distant from the market and most defenceless against commerce (including the public purchasers, wholesale and retail as well as foreign trading). Though several subjective elements can be found in this opinion which can be heard frequently from the workers (and also from the managers) of the farmers' co-operatives nevertheless it is still characteristic that no established and efficient agricultural trade exists in Hungary. And to build a market in the agricultural sector without a well established agricultural trade is impossible.

It is also undoubted that the agricultural producer finds himself very frequently confronted with monopolistic organizations as the public purchasers of his products but he is con-

fronted not only with the particular interests of the monopolistic organization when realizing the commodities but also with the system of regulation which exerts a coercitive power also on the monopolistic organization. In several cases also the feeling of defencelessness has realistic bases but there are not respected what can be deduced to the general wrong situation of the contractual discipline.

No solution would be brought by an integration forced from above (which was frequently tried but did not work) serving for some merging of the interests or for the easing of their conflict but an automatism, the prevalence of the rules of supply and demand namely, should act as a principal motive force also in the agricultural market, i.e. the market should perform integration.

For several decades the commerce was not considered to be a real value creating function but treated only as a distribution of the commodities produced by the "real value creating" production. This conception is similar to that mediaeval economic morality - which was based on the opinion of the Church - where the profit of the trader was judged by the same standard as illegitimate usury. This conception brought the commerce to an almost impossible situation because it asserted itself in the form where the trading capital was practically entirely withdrawn from the commercial undertaking and this way deprived it of the possibility to accumulate the trading capital needed for the assuming of the risks (both in domestic and foreign trade) and not even the cash amount necessary for the reproduction at a larger scale of the natural infrastructure and techniques of the commerce and of the business equipments was left behind at the traders.

In course of the recent years the domestic market of food-stuffs became upgraded in several respects. The process of upgrading continues. The reason for this is first of all that the uninterrupted supply at an adequate standard represents one of the fundamental pillars of domestic policy. At the present age rich in economic and political crises the maintaining of the results achieved in the field of food supply (or at least the

impeding of serious recession) makes the important task of all governments of any composition or political colour because it forms a particularly significant element of the public opinion.

The upgrading of the domestic market can be perceived not only in this respect but also in connection with a particular paradox. In consequence, namely, of the increasing inflation and of the very significant raising of the food prices therein (of the excessively high price raising of commodities representing a higher standard within the commodity group of foodstuffs) the marks of transition from the buyers' market to the sellers' market can be experienced in certain specialized branches of food industry, in certain groups of products and some products or in their elements of higher price level. The fluctuations of the business cycle in the exports as well as developments in certain branches which could be evaluated as excessive ones contributed to this also.

The above mentioned upgrading did not affect each participant of the economic processes but in relation only with politics and the government on the one hand and the producer companies on the other. The development of the sellers' market (or the transition to a sellers' market) did not take place in a way characteristic for the advanced market economies but rather as a result of pressures - earlier and present - deficiencies of the planning and regulation just as economy itself represents a transition from the direct control to the self regulating market. This way the consumers endured the upgrading process of the market as a negative symptom: in the form of inflation, price raisings and increasing defencelessness.

Taken this all into consideration and also the fact that the share greater than two thirds of the domestic market in the full realization of foodstuffs will continue to take place (or even increase) also for a longer term those troubles are to be settled which impede the uninterrupted evolving of the domestic food market. These are mainly the following:

- regional shortages of supply or the lack of certain types of shops in some regions of the country;

- the gaps which came into being in consequence of the liquidation of the former "groceries" were not filled just until the present in certain small settlements (and in certain localities this tension was still increased by the establishment of villages of joint Councils, regionalization, certain arbitrary territorial and administrative - organizational changes);
- in consequence of the extraordinarily small profit rate of food trade
 - . the interestedness of people employed in food commerce is of a low standard,
 - . the shortage of personnel is constant,
 - . money is not available for the substitution of the commerce-technological and infrastructural shortages i.e. the profit of food trade is insufficient even for the maintenance of the present level and therefore the development is very slow while our lagging behind the international standard increases,
 - . the evolving of the new types of operation, contractual agreements, the initiating inclination of the private sector which came into being in other specialized sectors of commerce progresses but exceptionally weakly,
- neither the standard of the catering industry improved at the desirable pace (with the exception of catering connected with the hotel industry which is, however, regionally concentrated to certain regions, first of all to Budapest, to the Lake Balaton, to the Danube-bend and partly to some big cities on the one hand and is limited on the other to a relatively smaller layer - to those earning high incomes - of the tourists coming from abroad which means that it does not affect the general standard of catering industry):

- in consequence of the small markups the participation of the agricultural producers in the direct realization is less prevalent and several times limited to cases of prestige character or motivated by personal ambitions;
- as a result also of the small interestedness the participation of food industry in the wholesale and retail trading activities is restrained to a narrow field and its profile is also limited;
- the markets of the cities and large villages were liquidated or shifted to the periphery through integration or city-development;
- the system of wholesale markets experienced in Western Europe was not established in this country (and what came into being in this respect can be made perceptible most correctly with the frequently mentioned expression "mafia of Bosnyák square"), and this situation is equally harmful for the producers and consumers.

The specialized foreign trading companies represent the oldest type of the post-war foreign trading organization. Their particular position was determined by the purposes formulated at the time of their founding. In course of the four decades which passed since their establishment some of these purposes went on the wane, certain functions ceased to exist but the interest of the controlling authorities remained unvariedly the survival of the once created structures. Many signs indicate that intensive interests operate even at the present to maintain them or to transplant them into new formations.

When establishing the specialized foreign trading companies the purposes and the major aspects were the following:

- the monopoly of the state in foreign trading (as it was conceived in the Soviet Union);

- the full elimination of the private foreign trading;
- the creation of only a small number of specialized companies;
- a commodity should be handled only by one company or on the reverse side: one company should be the master of a well defined commodity profile;
- no rivalry should take place between Hungarian companies;
- through its monopolized situation the state should remain able to directly survey, control and supervise the management of the respective products.

Later on the "allocation possibility" of the CMEA contingents as an obligatory task and the control of the satisfaction of these contingents were co-ordinated to the above purposes.

The major characteristics of the particular situation derive partly from the monopolistic position and partly from the intervention of the state.

Foreign trading is the monopoly of the state and originally in a double sense, the monopoly of control and the monopoly of the active namely. The monopoly of the activity was largely abolished by the introduction of the individual foreign trading rights at the 1st January of 1988 (this monopoly was eased already by certain earlier measures) and only the monopoly of the control continued to exist. The foreign trading monopoly of the state was fixed in the Constitution and confirmed by the Bill III of 1974 about foreign trading. (As it is well known the elaboration of a new Constitution is in course and legislative work was started to prepare the enactment of a unified Bill of Trade instead of the separate bills on domestic and foreign trading which are in force at the present.)

The inflexibility, inertness and competition impeding effect of the system are consequences of the monopolization. Also the overconcentrated state of the organization derives from that: equally in respect with the number of the companies, proportions of the turnover sharing of the companies, their geog-

raphical situation (HQ-s in Budapest). Also the interest separating character of the organization is partly interdependent with monopolization (partly, however, with the way of economic regulation).

The organization of the agricultural foreign trade was established upon the basis of principles similar to those of the general organization of foreign trading, without taking the particularities of agriculture into consideration. The state owned agricultural foreign trading companies which came into being between 1949 and 1952 were established in a determinative part with the capital of the state and operated as organizations separated from the production. They were specialized for a well defined group of products which meant that they disposed of a profile monopoly. These companies satisfied the organizational requirements of a planned economy with directives and therefore already at the reform of economic control in 1968 they suffered certain changes: the obligatory delivery contracts were replaced through the free selection of the type of contractual relationships. No significant changes took place at the same time in the organization but only the one that two agricultural producer and processing companies (Bábolna and the Refrigerating Industry) obtained at that time independent foreign trading rights. Only small steps were made in course of the 1970-es decade (some other independent or occasional foreign trading rights were assigned). This way in 1978 still 96 per cent of the agricultural foreign trading turnover was performed by the specialized foreign trading companies. The transformation somewhat accelerated in the forthcoming years and the above mentioned share reduced to 88 per cent for 1984.

The extension of the parallel foreign trading activities, however, did not solve the problems deriving from the profile monopoly but it raised new ones: it did not create a competitive situation but only some new regional monopolistic centres or those for diverse branches or products.

The individual foreign trading authorizations introduced at the 1st January, 1988 led to the partial elimination of the profile monopoly.

The interest conflicts between production and commerce and the troubles with the streaming of the informations in this context are almost proverbial. Frequent is the experience that the foreign trader does not supply sufficient information to the producer but the reverse streaming of the informations is neither better. The fact that information means power and the one who disposes of more, more exact and more fresh information will be in a more advantageous position is but rarely put in the service of the common interest but is applied more frequently as a means of mutual outwitting. This has several reasons the most important of them being the following:

- the absence of common interestedness,
- the low standard of the information infrastructure,
- the low standard of information culture (the collecting, processing, storage and use of informations),
- the sophisticated context (in certain cases the contradictions or deficiencies) of the legal scope,
- the mutual non-observance of the rules of the game, the low standard of morality in the partner relationships.

In course of the few past years organizations of a new type started to operate in Hungarian foreign trade. These organizations, however, were new only in the Hungarian economy because they were established upon the basis of experience gained in the advanced Western European countries.

The business houses which were called into being with the assistance of the state following partly Japanese examples (but taking also experiences of the USA and of Western Europe into consideration) were benefitted since the date of their founding by certain preferences in management and operation which are the following:

- freedom in respect with their profile (independence in the selection of products),
- opportunity for the extension of their sphere of activities,

- financing of the starting capital (by means of credits, allocation of funds, tax allowances),
- profit and property tax allowances.

The business houses established within the agricultural sphere and those of combined profile but realizing also agricultural products over and above the aforesaid advantages availed themselves of the opportunity to enlarge these types of association what aimed, however, first of all only at the introduction of external sources.

The assuming of foreign trading activities - on their proper rights - by the producer companies of food economy started in 1968 with the State Farm of Bábolna, continued with the Hütöipar (Refrigerating industry), the Nádex (reed export company), Hungaroflor and then the assignment of some other independent or occasional rights followed. Neither the occurrence of the parallel foreign trading rights at the beginning of the 80-es decade brought a breakthrough in respect with the organization but resulted only the appearing of certain elements of the competitive situation (more than once of its negative ones). The obligatory conciliation of conditions (mainly the concerting of prices) prescribed by the state moderated the evolving of competition and moreover since the original profile masters were assigned as basis companies therefore their positions became consolidated with the assistance of the public authorities while the non observance of the obligation to concert the conditions led to troubles in the markets, to losses in positions and in the prices.

In course of the recent years the transformations which took place in the agricultural foreign trading were of contradictory nature: conflicts of interests between the producer, processing, public purchaser and trading companies and the other specialized branches can be observed in the sphere of activity of each (former or present) specialized foreign trading company. The form in which the contradictions and conflicts of interest appear as well as their intensity are not uniform but depends on the situation of the production background of

the respective branch of food economy, on the development of its (legal and economic) regulation, on the market situation, on the number, scale, other interestedness relations of the companies engaged in the activity - as to mention only the major motivating factors.

Besides the occurrence also of new contradictions could be observed which are based on the one hand on conflicts of interest deriving from the individual foreign trading rights and on the other hand upon the fact that the new organizations which came into being with the purpose to weaken the monopolies became confronted with the contradiction between co-ordination and competition and with the contrast between integration and independence.

After this the paper evaluates the organizational changes which took place in the domestic and foreign trade of food economy and recommends modifications of organization and control in concert with the establishment of market economy. To finish with it treats the particular marketing problems of the agricultural products and among them the desirable trade mark policy of Hungarian food economy, the present situation of the new and traditional international marketing methods and the opportunities for their application in this country as well as the possible modernization of the organization of agricultural marketing.

KARTALI, János - SERES, Tibor: A többcsatornás tartósítóiipari termékexport gyermekbetegségei.

(Troubles of the multichannel export of the canning industrial products.) Kereskedelmi Szemle, No.6 1990.

Simultaneously already with the decision making about the transition to market economy certain measures were taken with the tendency to eliminate factors impeding the construction of the market. Most characteristic of the obstacles were monopoly which impeded the evolving of competition and cen-

tralization which was one of the most important conditions of the "manually" directed and planned economic control system. The parallel foreign trading authorization as well as later the assignment of individual foreign trading rights aimed at the abolishment of the above factors.

Those effects are surveyed in the paper which developed after the transformation of the foreign trading organization and relationship system of a group of products from the aspect how much the establishment of the new sphere of movement of foreign trade was conform with the economic environment and system of institutions and what kind of contradictions manifest themselves behind the newly occurring tensions. The conclusion can be drawn that these contradictions are characteristic not only for the surveyed group of products but most of the impacts were streaming in from outside. Moreover many of them do not represent the speciality of the products of food economy.

The situation which came into being in the export of the canning industrial products was characterized also by the fact that parallel with the changing of the conditions of realization - which could be considered as a step conform with the market - no such a series of measures was implemented which could prevent the participants of the economic process against the occurrence of the troubles of competition and decentralization.

The liquidation of the trust organizations and the elimination of the company centres in the canning industry took place during the 1980-es. At the 31st December, 1981, the Canning Industrial Trust and at the 31st December, 1987 the Hungarian Refrigerating Industrial Company ceased to exist.

Accompanying the establishment and consolidation of market competition also certain negative tendencies, "teething troubles" became manifested.

In course of the past years it was a problem coming several times occurring that companies interested in the acquisition of convertible foreign currencies but not belonging to

the group of products highly overquoted those prices which could be still economically offered by canning industry and obtained this way the commodity funds of the latter one. A price competition like this could develop mainly in the case of berry fruits.

Several harmful effects of the so called "raw material battle" can be observed:

a/ The commodity fund which is put up by the producer through several channels for sale appears at the market abroad as the multiple of the original quantity creating this way seemingly an oversupply. This reduces the prices what later on will have a repercussion also on the producer. (This impact might as well be called the "self-goaleffect".)

b/ It may happen that the importer lets compete the offers which arrived through several channels about the respective products without the knowledge of the foreign traders and the producers and can acquire this way the product at the cheapest price.

Those companies which - of certain reasons - are interested merely in the acquisition of foreign currencies - should be the case even of greater \$-output (when they dispose e.g. of authorization for barter) - after the assignment of the export right largely overquote those public purchase prices which are still acceptable by the canning industry.

The task of the Hungarian Refrigerating Industry is to deliver to consumers' firms and to realize higher prices thereby. Here troubles are caused by the fact that Hungarian products may be placed at the market also through Dutch, Swiss or Austrian re-exporters. This troubles the price policy of Mirelite.

c/ In order to be able to fulfil their already concluded contracts the companies of refrigerating industry are compelled to implement coverage purchases i.e. they are buying basic materials for convertible foreign currencies from abroad to replace the lost commodity funds. In such cases, however, it

is impossible at the present to obtain certificates about the deficit of production from the Ministry of Agriculture and Food.

d/ In the lack of commodity funds the companies are to leave their traditional markets opening a way to their rivals thereby and it needs not to be mentioned that to regain a new inroad to a market is much more difficult in the case if one was ousted from there in consequence of own fault than has been at the first time.

e/ In the case of certain products the increasing raw export fills the gaps of the market and worsens the chances of the canned products which does not stimulate the processing of the products at a higher grade.

It may also come to pass e.g. that the exported fresh product is processed by the Dutch refrigerating industry and it as a quick frozen produce entered into competition with the Hungarian product in the FRG market.

This symptom has a destructive impact on the contractual discipline which is anyway weak in Hungary. It raises illusions in the producer which will have later on a disadvantageous effect on the producer inclination. (The producers always expect the prices which they achieved once already.)

Markets appreciate neither at home nor abroad the unrealistic prices. Artificial compensating market bridge is to be constructed which leads in the economic sense already too far, contributes e.g. to the inflation.

After this the paper presents recommendations about the possible elimination of the harmful effects as follows:

- regulation neutral in the competition;
- the voluntarily organized calling into being of an interest concerting activity in markets abroad;
- significant improvement of the contractual discipline;
- the establishment of a vertical system based upon mutual interestedness in the export;
- significant improvement of the information network and of the marketing activities.

KÓBOR, Kálmán: A termékszerkezet átalakításának lehetőségei a húsiparban I-II. (Possibilities for the transformation of the produce structure in meat industry, I-II.) Húsipar, Nos. 2-3, 1990

Under the effect of diverse inner and external factors Hungarian meat industry arrived to a serious situation for the second half of the 1980-es decade. The most important ones of them are: the reduction of prices achieved in the world market; the more impulsive increase of the prices of livestock for slaughter, of their acquisition value than that of the meat industrial output prices; the very rapid raising of the prices of materials of industrial origin, means and machines; the changes in the systems of prices and subsidization; efficiency problems of the use of the production factors in meat industry; deficiencies of the financial and cost management; the relative inflexibility of the meat industrial produce structure.

The former directives and expectances concerning the structure development remained only requirements, the produce structure hardly changed equally at home and abroad. These factors were accompanied by the following outgrowth:

- No unambiguous interrelation existed between the cost inputs and rentability of the meat industrial products and this conclusion is equally true for the domestic and export groups of products.
- The gross foreign currency output of the meat industrial products worsened in the decade of the 1980-es. The fundamental source of the profit was represented by the export subsidies. The net foreign currency inputs are decreasingly refunded in the achievable export prices.
- The profit realized on the products hardly shows any dependence with the grade at which they are

processed though it is significant that the price fluctuation of the more processed products is smaller in the market and also their acceptance by the market is generally more favourable.

- The development, substitution and diversification of the meat industrial products bear particular marks. The ratio of the so called standard assortment is fairly high and consequently the issue of new products is slower and implemented through more transmissions. The majority of the new products is different only in flavour, seasoning or package and so they are not originally new products.

Neither the expectable changes of market demand and of the opportunities of produce disposal make possible the greater transformation of the meat industrial produce structure even at a longer term though the most probable sphere of changes in the produce structure is represented by the produce ratio devoted for export.

When outlining the possibly strategy of the branch the starting point should be that beside the production for domestic consumption the meat industrial export will loose of its importance. The restraint of the non economical export would be reasonable at some extent. The strategy of export reduction can be conceived in two versions:

- through reduction of the exports to the Soviet Union,
- to the parallel reduction of exports under Rouble and \$-accounting.

An argument for the first version is that surveyed purely in itself without considering the compensations the export of our meat and meat products to the Sovien Union is unambiguously uneconomical. The decision is the function of those opportunities which offer themselves for the safeguarding of alternative acquisition sources of energy materials and of certain industrial raw materials.

In the case of the second version Hungary could make use of the business cycle symptoms which occur in the Western European meat markets. Through the transformation of the produce structure or through the restraining of the uneconomical products one should look for those smaller or not significant market segments where latent or unsatisfied demand manifests itself for certain meat products. Our marketing activity should break away from pressing the quantitative increase of realization: not more but other products are to be sold.

In the elaboration of the food industrial strategy a particularly important role could be played by the market of domestic consumers. The consumption is decreasing and the structure of consumption is shifting. The transformation of the former model develops so that in consequence of the more excessive differentiation of the incomes the demand is increasing on the one hand for the cheaper meat products reflecting a lower price level and on the other for those belonging to the highest price category.

NAGY, Kálmán: A távközlés fejlesztése a falvakban.
(The development of telecommunication in the villages.) Magyar Mezőgazdaság, No.23 1990, 9-10 p.

The situation of the phone network in Hungary impedes the functioning of economy and the upturn of the market life. In respect with phone supply Hungary is ranked among the European countries to the last ones. The supply of the rural regions lags far behind the national average. In the villages where 41 per cent of the population is living only 37 telephone sets are available for each thousand inhabitants and not more than 9 of them are in the dwellings. In most places the low density of the network is accompanied by out-of-date services. In the villages the number of people waiting for a phone amounts to 15 of thousand inhabitants which is fairly little and this indicates that not even the demand

manifested itself. People having nobody to "call up" because in consequence of the low standard of the service they do not perceive the importance of this type of communication. At the present only hand-operated centres of small capacity are functioning in more than 60 per cent of our villages and they provide opportunity to use the phone only in daytime during the hours when the post office is open. Only 36 per cent of those full sets which are connected with the network are participants of the trunk service. Data collected at the end of 1988 demonstrate that sets even for alert in the case of emergency are not available in 15 settlements of 5 counties.

The consequence of the former development practice of telecommunication is that while the capital and the big cities occupied distinguished position in the development of the phone network then the villages were ranked always farther in the background. Only the eventual resort nature of the settlements could change their position in the importance hierarchy of the development of telecommunication.

The present financing practice of the development of telecommunication in the villages is intolerable since it does not provide the equality of the chances for the reason that in the satisfaction of demands for phone preference is given for the public institutions against the population and at the same time only the pretender public institutions are able to pay the surplus costs of the automated sets because the subscriber can be connected perhaps only with the centre of a more distant settlement (of a city e.g.).

In order to complete the traditional development sources the Hungarian Post organized the issue of telephone bonds and phone development associations. The telephone bond was oriented mainly to the cities. In the case of rural issues of the bonds the share of the villages was small. The telephone development associations concluded contracts with the voluntary participation of the members practically about the development of telecommunication in a determined region. They contributed

with significant amounts to the construction of the network. After the completion of the development the constructed means became property of the Hungarian Post.

Taking the present traffic into consideration many centres of the nowadays used so called analogue system are overcharged from the technical aspect. Therefore the fundamental technical precondition for the development of the rural telephone network is the construction of new centres of digital system.

According to the new development conception the development of the telecommunication of the focal districts will be implemented subsequently in an order of ranking based on economic and technical aspects or the main route of high capacity will be constructed at first and parallel with this or at a slower rate the development of the focal districts will be performed. In this latter case opportunity is offered - though only as a provisorical technical solution - to become connected with the digital network. Although the specific costs of the construction are higher here nevertheless the satisfaction of the requirements of the great traffic can take place more rapidly, be better financed and is more advantageous also from the business aspect. For this end, however, also the introduction of external sources (foreign capital, credit allocations etc.) as well as the investment of the state are needed in the form e.g. of a joint stock company. We think to be an important aspect that the participation of the state should reduce the differences existing between the diverse regions and treat the development of telecommunication in the small settlements in a distinguished manner.

In respect with telecommunication the situation of the rural districts and the world of the detached farmsteads which are supplied not at all or but poor with phones could be improved through the country-wide construction of a radio-telephone system. We think that the task of the company established for the construction of the radio-telephone system is to penetrate also to such rural regions where the Hungarian Post or with the new name of the organization, the Hungarian Telecommunication Company could build a network only many years later.

From the aspect of implementation and economy it is important that the demands in respect with telecommunication, the so called non oral telecommunication services (e.g. telex, telephax, etc.) should be satisfied on the basis of the telephone network. Only the ISDN (integrated service of digital network) may fully satisfy the double demand for the oral and not oral transformation of informations. The introduction of the ISDN can start in Hungary only at the middle of the 1990-es. Until that time the demand can be satisfied only through emergency measures.

ORBÁN NAGY, Mária Mrs.: Piaci és versenyviszonyok a baromfiiparban. (Market and competition relations in poultry industry.) Research Institute for Agricultural Economics, No. 4, 1990.

The Hungarian poultry market is one of those few part markets where the marks of a sellers' market are dominating. The structural balance of supply and demand, however, is unstable because it is based largely on the mutually complementary nature of the domestic demand and capitalist exports on the one hand. On the other hand the enterprise result depends determinatively on the export subventions; the changes of the subventions in a given year may upgrade or devalue the inner market in the function of the fact which relation becomes profitable.

17 larger and 8 smaller (with a performance less than 2000 pcs per hour) manufacturers operate in the poultry processing branch. The domestic market share even of the biggest of them does not surpass 20 per cent. In 1988 the four greatest producer companies shared by 41 per cent in the domestic realization though this ratio has been but 51 per cent in 1982. Taken the number of the producers, the scale of concentration and the moving of the companies in the market also into consideration the conclusion can be drawn that the domes-

tic poultry market is not concentrated and thereby favourable conditions are created for the competition.

The preponderance of the market relations is largely impeded by the commerce which is unable to accept the competition. It checks by turn the steps initiated by industry in favour of competition. Regularly the chief of the shop or the centres of the trading companies and not the consumers are sharing in the profit of competition. The lack of fairness of competition in the commerce derives at a final end from the absence of long-term proprietary interestedness. In the domestic market the competition is weakened also by the present system of export subsidization which instead of the transmission of the market effects reflects rather the situation of the budget at the respective moment and the bargaining position of the diverse branches.

Our surveys demonstrate that compared to several other food industrial branches the poultry processing companies made greater advance in the construction of market. In what does this manifest itself? They apply a fairly large arsenal of methods (e.g. price and margin competition, transport discipline, increase of the assortment, quality) for the preserving and enlarging of the market; they invest capital in the commerce; they are seeking closer co-operation with the large-scale consumers by means of associations; the majority of the companies and not only those being well supplied with capital resultfully increase their sphere of activity; standing this way on "several feet" they ride out easier the unfavourable changes manifesting themselves in one or another segment of the market; distinguished mention should be made about the introduction of a large assortment of further processed products in the market, the successful exploitation of the advantages - e.g. lower price, novelty, remedy of shortages - in the competition against subsidiary commodities.

Joint companies established in the poultry verticum or those founded with participation from abroad in course of the recent past may play a competition and efficiency increasing

role. The pressure to augment the capital proceeds may be rendered more efficient also by means of furthering the vertical integration between the diverse phases of the path of the products through the creation of a closer production chain.

There are several obstacles which check the efficient operation of vertical integration in the broiler business. The worsening of those rentability relations which affect all the phases, the absence of re-distributable export profits force open the scope of interestedness between the partners. In addition the monopolistic position of certain phases - the breeding of great parent couples, the production of combined feeds, processing - as well as the unsettled financing of the current assets, the uncertainty around the transformation of the property structure and the lacking system of normative export subsidization greatly weaken the vertical relationships.

ORBÁN, NAGY Mária Mrs.: A vertikális integráció a baromfiiparban. (The vertical integration in poultry breeding.) Gazdasági Fórum, No.3 1990.

The products of poultry industry play a significant role in Hungarian agricultural production and export. In the world market we belong to among the 5th or 6th greatest suppliers and this is important also from the aspect that an efficient system of interrelations should operate between the diverse phases of the verticum.

The comparison between the domestic practice of the poultry (broiler) business and the same abroad elucidates a number of differences. One of the significant characteristics of the vertical integration operating in the broiler business of the advanced market economies adapted to the modern requirements of the market is that the integrator organizations are taking measures for the calling into being of mutual interestedness between the diverse phases (production, processing realization) and of adjustment to the market demands. In most cases

the processing companies are the integrators. The integrators eliminate the competition between the diverse phases of production while the integrators themselves are in rivalry with each other. In the majority of the cases the integrator is not only the controller but also the proprietor including the production and supply of combined feeds too. They operate under well arranged property and interestedness relations which do not tolerate decisions made on the basis of momentaneous particular interests and power positions. This way the economic environment enforces the efficient production in the result of which also the consumer is sharing.

The interrelations of the diverse participants of the Hungarian poultry verticum are on the contrary problematical what can be traced back fundamentally rentability and organizational reasons. One of the major sources of tensions is the monopolistic situation which exists in the breeding of grandparent couples.

Another problem is that the production and commercialization of mixed feeds which mainly influences the economicalness and quality of broiler production operates in a way separated from the verticum like an alien body. Several comparative surveys prove that the indexes of efficiency are low in the broiler verticum and just those related with feed consumption are the worst ones among them. (While the average quantity of feeds consumed for the production of 1 kg weight-increase amounts to 2.5 kg then in the USA e.g. the same ratio is 1.9 kg.)

Capital relationships between the diverse phases can hardly be observed on the path of broiler products in Hungary. There is in addition the problem that the overwhelming majority of the small-scale producers dealing with broiler fattening are not integrated directly by the processing companies but by the large-scale agricultural enterprises and less frequently by the AFESZ-es (general consumers' and produce disposal co-operatives) which means that in most cases an unnecessary chain link is inserted in the path of the product.

Alongside with the transformation of property relations this is the sphere where a most rapid break-through can be expected but also a basically new system of the financing of current assets should join to this.

Finally, it is worthy of mention that a normative export subsidization system could contribute to the establishment of a more uniform interestedness of the diverse phases also in the broiler business because the present form is unsuitable for the efficient transmission of the market effects.

OSZOLI, Ágnes: Korkép és kórkép a baromfifeldolgozásban. (Problems about poultry processing.) Research Institute for Agricultural Economics, No. 12 1990.

The paper outlines the operation of a concrete poultry processing company during the period which passed since the obtaining of independence, since the liquidation of the trust system. After surveying the realization markets of poultry processing and the horizontal and vertical relationships of the industrial branch the economic as well as market background and environment are described where the surveyed company lost its relatively favourable position in course of a few years and went to a permanent crisis.

In course of the 1980-es the development conceptions of the specialized poultry processing branch were motivated almost exclusively by the efforts for growth. These efforts were not influenced by rational and efficiency limitations because everything could be sold in the export markets, mainly in the CMEA countries. The central subsidies created a growing interestedness in the increase of the socialist exports and the surveyed company accepted this market orientation. The basis of their strategy was the augmenting of the quantity of production which was justified on the one hand by the high constant costs among the costs of current production and on the other hand by the exploitation of the capacities which increased in consequence of the diverse investments.

In course of the surveyed period the company implemented developments of significant scale but these were adjusted neither to the expectable market situation of the raw materials and finished products nor to the inner and external environment of the company. A considerable amount of debts accumulated for the end of the decade and its increasing interests and amortization obligations checked the company.

As a response to the pressure of structure changing the produce structure was somewhat transformed and this, however, not in the function of the market realization opportunities but rather following a fashion of the industrial branch. Even the propaganda and marketing activities which were just started served first of all the tasks of quantitative growth at a rather rudimentary standard. The company continued to produce mass products and public consumers were addressed in the case of processed commodities and did not assess how certain products oust the other traditional products from the market.

No adequate attention was paid to the safeguarding of an agricultural background, of the basic material and in a similar manner neither the realization was assumed. The company disposed of independent foreign trading right for some of its products but it made use of this only through the specialized foreign trading company.

The permanent transformation of the organization system did not bring about quantitative changes in the inner organization structure which was of an outdated centralized hierarchical construction restraining significantly the independence of the diverse departments. The opportunity to employ unskilled labour underrated the role of the human factor. Under the effect of the introduction of the PIT in 1988 the fluctuation extraordinarily augmented and in course of the recent years the company fought already against an effective shortage of labour.

In the period of becoming independent the company did not pay sufficient attention to the supply with funds of circulation and so it obtained its independence with an amount suffi-

cient only for 18-19 days. The gap could be filled at the start with bank credits but the credit restrictions which were introduced after 1987 and the unrealistic interest rates of the surcharged money market created already a catastrophic situation in the company.

The worsening economic conditions and results intensified the personal conflicts manifested in the management and this management could not offer a program suitable for overcoming the crisis since several years already.

OSZOLI, Ágnes: Illúziók nélkül az élelmiszergyártó vállalatok piaci alkalmazkodásáról. (Without illusions about the adjustment of the food producing companies to the market.) Ipargazdasági Szemle, No.3-4, 1990, 129-143 pp.

Based on case studies performed in the enterprises the paper surveys the problems of market orientation and of adjustment to the market.

In the past centralized organizations operated in most specialized branches of the state owned food industry and they organized centrally the market connections of the enterprises. In the moment when they became independent the enterprises did not dispose of living market connections. After having obtained their independence first of all those units were organized which implemented the export realization though their activity was considerably restricted by measures taken by the state in foreign trade. Only some big companies could try to perform independent foreign trading activities while the smaller ones were strictly let "accustomed to order" by the foreign trading companies disposing of monopolistic position.

Under conditions like this we may speak only about a passive adjustment to the market. In consequence of the underdeveloped state of the background industry this took the shape of "co-operations" which represented a proper type of wage

labour. This way the dependence of the producer enterprises in comparison with their Western partners increased.

Those enterprises which obtained independent foreign trading rights tried to organize the domestic production in a manner they learned from their partners in the market economies by calling into being the system of their own satellite enterprises. Other enterprises fitted themselves into the Western European market systems and created joint undertakings with their partners.

Rival companies operating in the advanced market economies dislike the attempts of the Hungarian firms at the market and seriously intervene in the defence of their proper markets. But should the producer face any problem the way of further advance could be only the practicing of independent foreign trading rights which would press the enterprises to adjust themselves to the market.

PALOVICS, Irén Mrs.: A piac sajátosságai a mezőgazdaságban. (The particularities of the market in agriculture.) Research Institute for Agricultural Economics, No. 6 1990.

In our economic system which is in transformation agriculture is surrounded from several sides by the evolving market relations: it should be fitted into the markets of capital, of land, of labour, of the production means and of the agricultural products. In each sphere gradual transition is needed which requires longer period.

For the establishment of a market capable to operate the elimination of the past restrictions is not sufficient. To call into being the conditions for the operation of the market mechanism makes not only the task of the state but also the active participation of the agricultural producers, of their professional and business federation bodies is necessary for this end.

We should indispensably dispose of a national economic strategy concerning the major development tendencies of agriculture and food industry. One of the leading principles should be in this respect our closing up to Western Europe by taking, of course, our natural endowments and potentialities into consideration. In concert with this strategy the central influencing of the agricultural prices is necessary which should be implemented not by circumventing the market but by making use of its means: through the regulation of the competition, stockpiling by means of intervention, the regulation of exports and imports, etc. The price level is not at all indifferent at which the equilibrium of supply and demand is established in agriculture. The level of the agricultural prices influences, namely the production, the consumption, the income distribution and the economic growth at a determinative manner. The prices guaranteed by the state and the protective prices should be assessed through the concerting of the interests and with the participation of the organizations of the producers.

Between 1978 and 1987 the prices of the agricultural products deflated by the consumers' price index decreased in Hungary annually by 4.5 per cent. Agriculture responded to this price reduction with the stagnation of the production standard. In the years from 1986 to 1990 the production standard of the agricultural products was not higher than it has been during the preceding 5 years.

In the market economy based upon private property variegated effects can be expected. The producers endeavour to counterbalance the decrease of the incomes with the reduction of the specific inputs, with the changing of the production structure but foreseeable also with the quantitative increase of production in certain fields.

The interestedness in the incomes and that in property for a longer term are increasing and becoming more direct. Interestedness in the safeguarding and augmenting of property may counterbalance at some extent the market fluctuations of the business cycle and increases the ability of the agricultural producers to tolerate the crisis.

It is to hope that the position of agriculture will become consolidated in the market of the production means. It would not be correct, however, to put the technical development of agriculture exclusively upon a market basis. In the diverse public services needed for the development of agriculture (scientific research, training, propagation of general knowledge, veterinarian and plant sanitation services, quality control, etc.) the responsibilities could be re-distributed between the state apparatus and the market or social-economic organizations but progress can be only gradual in this sphere.

One of the most important elements of the evolving of market economy is the liberalization of the sale and purchase and the lease of agricultural land as well as the calling into being of the market of landed property and land tenure. Political scirmishings protract the settling of the problem.

Care should be taken to the requirement that only those people should obtain landed property who assume agricultural production as their mission in life and as their main job. On the other hand, however, not only the legal scope but also the financial opportunities should be provided for this end.

The agricultural producers do not start with equal chances at the capital market. The refunding of the investments is slow. The credits granted to agriculture are at the same time fairly safe ones, mainly in the case if their coverage is mortgaged real estate. This institution is still failing in this country and it should be established as soon as possible.

Agriculture exerts an effect on the labour market rather by its supply than by its demand. Since 1980 about 25 per cent of the earners performing agricultural activities corresponding to 190 thousand heads ceased to work in agriculture in Hungary. The average earnings of workers employed in agricultural large-scale enterprises is increasingly lagging behind the industrial earnings. The extension of private farming may render this job more attractive but certainly it will exert a labour disengaging effect. The economic political task to prevent that this should not be accompanied with the migration of the rural

population and with the increase of unemployment becoming more and more serious does not promise to be easily accomplished.

STAUDER, Márta - KARTALI, János - ORBÁN NAGY, Mária Mrs.-
GÁBOR, Judit Mrs.: Hasznosítható nemzetközi tapasztalatok az élelmiszerkereskedelem és marketing területéről. (Utilizable international experience concerning the spheres of food trade and marketing.) Research Institute for Agricultural Economics, 1990, 175 p.

This paper is dealing with the food trading problems in the countries of advanced market economy by regarding them as model countries offering example for the possible implementation of the liberalization and transformation of the Hungarian food trade and as potential markets of destination. In this latter approach allusion is made to the possible example of solution and organization from the aspect that tourists arriving here from the West as well as the capital desirable for the development of Hungarian (agricultural) economy should meet a familiar and reassuring environment; on the other hand also the food trade of the above countries is treated in respect with the placing of Hungarian food export.

As a part of the changement of the political, social and economic systems which took place in Hungary the decision became unambiguous that we should set the country on the path of market economy. The privatization of the agricultural sector (particularly that of the landed property), of the domestic trade, of the catering industry, of the services and of certain industrial enterprises already at the beginning of the process represents an element of this.

Simultaneously we are at the start of the reorientation process of the agricultural production and of foreign trade which affects at a considerable way and extent also the inner economic processes. The most important characteristics of this are at the one hand the loosening of the former CMEA connections which were of determinative nature and quantity; and

on the other hand an orientation toward the countries of advanced market economy much more intensive than has been in the past. This latter tendency assesses also those countries which can be taken as a basis for gaining experience in the transformation of the Hungarian privatization process and represents a pressing power in the respect that we can join to this market group more intensively than at the present only if we dispose of adequate knowledge about their methods, organization and regulations and if we can elaborate a (to the present Hungarian conditions, of course, suitably adapted but still compatible) system similar to that. The surveyed countries represent those food markets of Hungary which will become the most important ones after the modification of our orientation in foreign trading. And finally we expect assistance in the (partial) elimination of our capital shortage also from this same direction.

The most general experience is that the most variegated types of organization, methods, business types, interestedness relations side by side with each other exist in the food trade of the advanced market economies. As many enterprise scales, produce structures and production traditions can be observed in agriculture as many types of organization and operation i.e. a multifariousness of the same nature can be experienced also in the food trade. In the coming into being of the multifarious types of organization, management and operation the following factors are the most important ones:

- geographical, meteorological conditions,
- historical traditions,
- economic development and structure,
- the law and order of the country,
- human factors.

The multifariousness can be illustrated with one example: as far as the concentration problem of food trade is concerned it is generally characteristic in the countries of advanced market economy that the concentration process of the network continues. At the same time e.g. in the FRG there is a renaissance of the relatively smaller enterprises satisfying local

demands which are preferred by pensioners of relatively small incomes who do not dispose of a car and represent the traditional demand as well as by people who demand personal services. In the case of certain products the success of the producer's brand can be observed while in the case of others the trader's brands are successful. Also ostensible contradiction can be perceived in the respect that some big international companies achieve roaring success by means of an increasingly enlarging "global Marketing" while in other spheres of the food trade certain firms consider the detailed working on of decreased market segments defined with several parameters (niche-marketing) to be important.

It is also difficult to render unambiguous the tendency which manifests itself in two directions where the reduction of the profile brings success to certain companies (e.g. the Guinness and the Coca Cola are decreasing their assortment) while other companies (e.g. the Meinel) increased their business sphere with types of activities which were unusual at them in the past.

The inner market of the unified Europe represents 340 million consumers in total. The opinion prevails that trade will be the promoter of the "Common Europe" and the political union will take place at a later date. The retail trade of food-stuffs in the EC countries is characterized by the following facts: the potential market includes 12 countries on a territory of 3.6 million sq.km where people speak nine languages. Among these countries the infrastructure of the seven oldest members is approaching to each other while compared with them the rest can be qualified as underdeveloped.

In spite of the union adjustment is always necessary to the current market relations from the actual realization of the diverse businesses and the equipment till propaganda including.

The dimensions of the shops, their geographical situation, the interrelation between transport by automobile and the usage of food purchases, the progressed scale of concentration

and many other factors developed very different pictures in the diverse countries concerning the number of buyers tended on by one shop while diversity is far not so pronounced in respect with the turnover per unit surface of the shops.

In the countries of advanced market economy it is considered to be evident that the traders can seek the sources of their commodity funds anywhere in the country, they can apply any domestic source of acquisition as being of equal rank (which means that they may purchase without restrictions from the producer, processor, importer, wholesale or retail trader, etc.) and they may perform their imports also independently. Similarly it is natural that they may dispose without special request of export rights.

In the food trade of the countries of advanced market economy one of the most obvious features is the increasing concentration which took place in the recent decade. The most important reason of this process is the endeavour to gain the greatest profit through the more concentrated network of the shops. On the one hand the technical conditions which render the concentration possible are: the transport by automobile the refrigerating chain, etc. and also the systems of information and infrastructure belonging to them while on the other hand the increasing cosmopolism of the purchasers and their decreasing affection for the local warehouses and shops (which is, of course, not equally true for each age and employment group). And finally together with the above factors the marketing activity of new type related with the big concentrated shops make this concentration process implementable and necessary. For the longer term the larger concentration of the food trade seems to be a way to follow also in Hungary but for a shorter term also the evolving of opposite tendencies can be reckoned with. As a result of the privatization, namely, it may be presumed that - at least in the initial phase - the number and ratio of shops with few personnel (even of the one person units) will increase which compared to the concentration represents a reverse process. By means of the augmenta-

tion and concentration of private capitals which will take place later and also of the entrance of capital from abroad in the mentioned spheres the concentration process may begin also in this country. The infrastructural and technical conditions for this are, of course, to be established in a way experienced in Western Europe or in the United States.

In course of the past years a number of firms developed in the food retail trade of Western Europe to a scale where they are able to perform themselves the wholesale trading activities needed for their operation. This is accompanied also by cost savings. The companies are at the same time independent and on the other hand - whilst they are able to pay without particular efforts higher prices to the producers - they can sell at lower consumers' prices by deviding the unrealized wholesale margin between the consumers and themselves. This brings about, of course, an opportunity for price raising in respect with the producers and that of price reduction in favour of the consumers only at a small extent since these steps should be made only under the serious conditions of competition. Simultaneously, however, they obtain more favourable positions in the competition this way (price shifting even of a few per cent could be an efficient means just because of the keen competition).

The concentration of food trade achieved in some advanced Western European countries an extent where the producers assume even serious sacrifices for the end that the trading network should include their products in its offer. This indicates certain dominance of the trade (and large-scale concentration is dangerous in this respect) and therefore as privatization progresses we are to be decreasingly afraid from this. On the other hand, however, this situation means to be weighed at the market because the fitting of current products into the assortment of the supply represents also the interest of the trade.

Under the conditions of the economy of shortage in Hungary the principal problem and the activity consuming the greatest energy was and is at some extent still at the present the acquisition of commodities in the operation of the retail food trade.

In the countries of advanced market economy realization dominated since a long period already in the activities of the companies while in consequence of the position of the delivering companies in the competition less energy and care had to be paid for the acquisitions. During the past 1-2 years the role of the acquisition activity increases again particularly in the shops selling commodities of high quality, in the brand shops and in those of delicacies and specialities since the continuous deliverers of finished products of high quality and the companies which produce raw material for the formers are to be more and more appreciated as partners. On the other hand contracted production as a type of co-operation increasingly gains ground in these fields. This has a particular importance also in the realization of the franchising agreements.

While in consequence of the reduction of purchasing power oversupply is implemented in several cases at a lower level in Hungary - which means that we may speak rather about "under-demand" than about oversupply - then the predominance of the supply is great and manifests itself at the same time parallel with an increasing amount of purchasing power in the advanced market economies. In spite of the intensive oversupply the role of the acquisition activity is increasing in the advanced countries which represents only seemingly a paradox situation because this is for the service of the consumer and of the shop network in order to accelerate the commodity turnover.

In Western Europe the acquisition of certain commodities by the retail trade takes place at a determinative measure in the wholesale markets. The most characteristic products at the wholesale markets are fresh vegetables and fruits but also the realization of fresh fishes and some other animal products is performed in this form. Not only realization of wholesale trading character is going on at the same time in the wholesale markets but in certain cases also that of retail trading nature though even this means a service rendered rather directly to the large-scale purchasers or big consumers.

The system of leasing is very wide-spread in the advanced capitalist countries. In the FRG e.g. the majority of the retail shops does not make the property of the traders but they are only taken on lease by them.

The original meaning of "franchise" in the insurance is proper share i.e. the amount to the extent of which the insured person assumes the risk. The sense of franchising is much broader in the trade and covers a model business contract, a marketing solution. The franchising is a realization relationship where one party (the so called franchise bestower) concludes an exclusive contract with an independent trader (with the so called taker of the franchise).

Franchising is considered to be a particularly important and innovative form in the food trade. The new retail traders not well provided with capital but being far-reaching are seeking the benefits of its protective character.

Merchandising derived to the food trade from the trade of industrial goods and therein first of all from the furniture trade. Its main point is that the design of the shop, the outfit of the rooms, the demonstration of the commodities, the decorations, the assortment, the puffery and the incentives for selling should be concerted in a way to most correctly cover the demands of the group of purchasers which was aimed at.

Originally the merchandising served as a means of the producers and deliverers to increase their share in the turnover and to put their products into prominence. In the recent years, however, alongside with the intensification of the competition it became increasingly a trading method.

A good number of the shop networks - particularly those of the catering industry - wish to warrant the quality of their finished products already in the phase of raw material production. They conclude production contracts for this end (like e.g. the Mac Donald's for the production of the potato raw material in this country); within the scope of the production contracts they co-operate with the producer farm in the

acquisition of seeds and propagation material which is though a somewhat more expensive solution but warrants the constantly high quality.

In the food trade of the countries of advanced market economy a fundamental feature is that the human being should be put to the fore in every respect.

The increasing presence of the convenient foods refers also to the putting of men into the centre. Those finished and semi finished meals are considered to be convenient foods which can be stored for a longer period or made ready for consumption in course of some minutes by using the means of the up-to-date kitchen technics e.g. deep frozen ready meals which can be put with their storing pots into the micro-wave oven and can be consumed after a few moments. (And in addition no washing-up is needed after this because the heat resistant pots of synthetic material can simply be thrown out.) A new type of shops, the so called convenient stores are very frequent in North America which are kept open day and night particularly at road crossings and in the neighbourhood of fuelling stations and mainly convenient foods and uncooked meals are included in their offer.

An increasing role is played in the food trade of the market economies by the aspects of environment protection or by the consciousness about the environment. In this spirit not only people living at the present are protected against the unfavourable effects but also the future generations.

For the certification of the quality of foodstuffs the already mentioned system of brands and line code system are not sufficient already but also opportunity should be provided for the measurement of the certified data at a suitable standard. These measurement techniques and also adequate laboratories in the trade are available in the countries of advanced market economy.

Neither the food trade of Finland represents an exception to the concentration and centralization processes characteristic for the advanced countries. 91 per cent of the food

trade is dominated there by four big trading companies which are dealing equally with wholesale and retail trading activities. Each organization disposes of a country wide network of shop chains. After having studied the network of shops in the food trade of Finland the conclusion can be drawn that the operation of networks of quite different organization and business policy may be successful if they make use of the advantages included in their particular feature. The Tradeka being co-operative property is an organization of high centralized management with centralized acquisition and assortment policy and with lower prices as a consequence. The shop network Kesko exploits the efficiency adhering to a family undertaking which is accompanied with a carefully elaborated brand and quality policy.

In the recent years the fundamental task of the marketing activities performed in the advanced market economies significantly increased. While previously the task "learn to know your buyers" was considered as the most important one now in the recent years the task "learn to know your rivals" became at least as important (and not secondary).

Not only knowledge learned about the rivals, however, is regarded as an important part of the renewing marketing activity but we may witness also the gaining ground of a new concept and this is the so called "mega-marketing". The point is here that not only the consumers, the buyers are to be known by one who intends to operate at a certain market but also the social, economic, regulation, legal, cultural etc. conditions dominating in the respective market as well as the behaviour of the governments, trade unions, local municipalities and social groups of interest which may impede or render difficult (but in certain cases even facilitate) the entrance to the market in question or the remaining there. Mega-marketing is dealing this way first of all with the institutional and legal problems of market participation.

The demand that we should close up to Europe is almost a platitude at the present repeated unceasingly by the press. In

our opinion it is not simply the point that our country should become an integrant part of the advanced Western Europe from every aspect but that we should close up to the accelerating European economic progress in every sphere - and so among others also in the sphere of food trade and food marketing.

The Paneuropean marketing strategies differ from the former ones first of all in the respect that mostly 2-3 countries were involved in one or another broader market surveys and applied the same marketing method in course of the surveys and the commercialization of some new products was initiated upon this basis also in 2-3 countries only but now one should reckon with the requirement that the carrying out of a survey embracing the whole Western Europe is justifiable and moreover there are certain opinions according to which even the Pan-european way of thinking is insufficient but considerations at a world wide scale are necessary.

Just in the spirit of this idea the Western special literature frequently treats the problem of "global" marketing. According to the concerting opinion of several authors global marketing is worthy to be implemented in respect with those products which can be produced economically and efficiently, which represent a great quantity and are not linked to concrete tastes, cultures and traditions.

SZABÓ, Mátyás - DORGAI, László: A mezőgazdasági gépesítés-irányítás információs rendszere. (The information system of agricultural mechanization-management.) Closing report of a survey. Research Institute for Agricultural Economics, 1990, 54 pp.

By making use of surveys on computerized programs functioning in the diverse part spheres of machine operation we elaborated a system model for the integrated computerized system of machine operation. Starting out from the real production process and applying also the results of former research-

we assessed the set of informations which are in our opinion necessary for the implementation and undisturbed efficient functioning of machine operation. We assessed also the set of those fundamental informations which are indispensable for the elaboration of the above mentioned informations. We prepared the description of the content and type of the outputs, inputs, trunk and other files, elaborated the system of code numbers used in the system, assessed and drafted in a system process chart the major phases of processing.

We treated in details the solution of those problems in the system to be established which could be observed as deficiencies of the surveyed programs.

We stressedly dealt with the modernization of the demonstration of the informations and drew the conclusion that the quantity of paper issued by the system can be reduced by means of rendering the output surveyable on the monitor.

When assessing the content of the outputs we tried to make a better use of the informations already stored in the computer for an efficient and resultful intervention into the current production processes by means of the possible discretionary selection of the period embraced by the outputs.

We suggest to implement the distribution of the tasks and the concerting of the labour performance by means of the mathematical model system elaborated - by applying special literature sources - by us.

For the solution of this model system we tested the domestic LP/LC and MILP softwares and prepared a program suitable for the production of the MPS input format of the models as required above.

By keeping the informations abreast and by providing an opportunity for the calling down of the optional period we endeavoured to make the diverse levels of management better informed and to render the control of the activities more conscious.

The programs which existed so far cannot be fitted together into a more integrated system also for the reason be-

cause the capacities of the micro machines applied hitherto in the sphere of machine operation did not make it possible. The past progress of the computer technics solved this problem through the appearing and gaining ground of the IBM PC-s (or of their compatible adequates).

For the fixing and processing of the data we recommend one of the data basis processing systems available in the IBM PC-s of which on the basis of our experience gained so far we may suggest the use of the DBASE.

The information system of machine operation provides informations also to other subsystems of the enterprises and we plan to implement their transmission through floppy discs or through a constructed network.

The integrated computerized system of machine operation provides the following services:

- starting out from the annual operative production plan it works out the schedule in space (operations) and in time (decades, days) of assets' use for the diverse campaign periods in details (according to time, means and operation) as demanded;
- it presents a report on the progress of the activities and on the arrears specified according to the bearers of the costs and to the respective operations within this scope and renders thereby also an assistance to the managers in solving the problems raised in course of the accomplishment of the tasks;
- it registers the assets which can be operated and the employees capable to work;
- by means of the continuous registration of the input-performance data of the assets specified individually and per groups of assets it facilitates the fixing of the dates of sorting out and the distribution of the new capacities among the groups of assets;
- by making use of the above described services the fuel consumption of the diverse devices can be followed up (perhaps at an up-to-date scale) and consumption differing from the standard can be revealed which calls the attention to the ir-

regularities and this way also promotes a more economical fuel consumption;

- it registers the inputs to the main activities of the subsidiary plants in a way specified per devices, operations, work sites (plant, plot, etc.) and users;

- renders assistance to the distribution of the costs of machine services between the cost bearers;

- provides fundamental informations for the wage accounting of the workers in the main activity of the subsidiary plant;

- it facilitates the continuous maintenance of the system of wages and norms which serves the more efficient operation and improvement of the pool of assets;

- it registers the due terms of the technical examination of the diverse machines and vehicles and this can always be called down;

- it is suitable for the fulfilment of the official data supplying obligations;

- performs data supply also for other computerized subsystems (book keeping, accounting of materials and wages, subsystem of management, plot register, etc.);

- with several other informations which can be called down without delay it renders assistance to the operation of the main activity in the subsidiary plant and through this also to the activity of the whole farm.

SZABÓ, Márton: Versenyszabályozás és vállalati koncentráció az osztrák söriparban. (The regulation of competition and the concentration of enterprises in the brewing industry of Austria.) Söripar, No.4 1990.

The paper takes stock of the history of Austrian brewing industry from the following aspects: the fields and means of competition between the enterprises, development of the enterprise and market structure; the operation of the competition policy of the state and the property structure.

At the end of the past century the development of the Austrian brewing industry was characterized by keen rivalry and devastating competition. The regulation of the competition was initiated by the participants of the market themselves at first with so called buyer warranting contracts which tied the restaurant keepers to the producers and later with the cartel of the producers by contingenting the production. The first tension among the members of the cartel was caused in course of the 1960-es by the occurrence of the supermarkets because the large-scale buyers were unwilling to subordinate themselves to the dictate of the breweries and endeavoured among others to obtain a share in the market by means of keen competition. In addition to the inner troubles of the brewing industry the Chamber of Workers acting as a representant of the consumers urged the dissolution of the cartel and also an increasing number of producers left the organization. Finally the cartel of the Austrian brewers was dissolved after 73 years of existence by the producers themselves in 1980. After this the competition intensified but to form a judgement about the effect of the changes is rendered difficult in consequence of the fact that in course of the decade of the 80-es the per capita consumption grew exclusively in Austria among the traditional beer drinking countries and so no devastating competition took place.

In course of the recent decades the concentration of the enterprises increased but slightly and the Austrian brewing industry continues to be of medium and small-scale enterprise character. As far as Europe is concerned the share of the small scale enterprises is greater only in the FRG than in Austria.

The concentration of the enterprises is characterized by the fact that the totalled market share of the 4 biggest companies represented 64 per cent already in 1962 and this grew only to 71 per cent for 1984.

SZABÓ, MARTON: Belül tágasabb - Ausztria élelmiszer-gazdasága és az egységes európai piac. (Inside it is broader - the food economy of Austria and the unified European market.) Gazdasági Fórum, No.4 1990.

The joining to the European Community is unambiguously advantageous for Austrian economy as a whole but most of the problems are to be faced just in the agricultural economy.

When surveying the conformity between the food economies of Austria and of the European Community we may draw the conclusion that though their agricultural policies are very similar in the declared purposes nevertheless there are significant differences between them in the practice in as much as in the course of the implementation emphasize is put in Austria rather on the oecological and social tasks while rather efficiency is stressed in the Community.

Except sugarbeet growing the natural endowments of Austria are worse from the agricultural aspect than those of the European producers of the vanguard and even less advantageous than the European average in general. Also the enterprise structure is unfavourable because the enterprise-scales which are smaller than the average of the Community make production more expensive. The enterprise concentration progresses much slower than in the EC and among others also the limitation of the number of livestock to be kept in one enterprise by decree of the government is a reason of this. Not only concentration but also the specialization of the enterprises is greater in the major production zones of the EC. The Austrian prices of the production means are high because of import protection and in the case of protein feeds in consequence of the high transport costs. In respect with the yields the Austrian farmers are lagging behind the producers of the common market farming under the best natural conditions but generally also behind the EC averages. Upon this basis the production costs are higher than the inputs of most rivals in the common market.

Surveying the market situation and prospects of the diverse cultures and product groups the conclusion can be drawn that as a result of prices incentive for the production level of Austrian self sufficiency from grains, beef and veal as well as milk farly surpasses the domestic demand. The surplus in the Community is the greatest just of these commodities and therefore the two production structures rather parallely develop than complete each other.

In course of the 80-es the EC and Austria implemented opposite market and price policies. In order to reduce the surplus and to disburden the common budget the Community followed a restrictive price policy while in spite of the increasing budgetary burdens the task of the Austrian agricultural policy was to maintain the producers' price level. Except the cattle therefore the producers' price level is higher in Austria and particularly in the case of wheat and pork.

Central interventions in the functioning of the market are at a much larger scale and more frequent in Austria than in the Community and besides they embrace also the primary processing and the trade. The fundamental means of the foreign trade regulation are import curtailment and export price supplementing in both market systems with the difference, however, that in the EC these latter are fully covered from the common budget while in Austria the solution is different in the diverse branches but in sum the contribution of the producers to the realization is significant.

The weak points of Austrian food industry and marketing are more serious than the deficiencies observed in the agricultural production and they can be attributed mainly to structural reasons. (Small-scale enterprises, slow structural transformation, embryonic enterprise specialization, the absence of internationally efficient marketing organizations.)

In the case of joining to the Common Market those elements of the market regulation should be abolished which cannot be concerted with the statute of the EC and the quality standards, food law prescriptions, commercial classification system, etc.

of the Community are to be adopted. The adoption of the Common Agricultural Policy would mean the far reaching but in no case complete abandonment of the independent Austrian agricultural policy. Experience gained in course of the past decades demonstrates that those countries which joined to the EC had not to sacrifice their important agricultural activities. From the aspect of the competition position and market chances of the Austrian food economy the joining would mean an increasingly free entrance to the "natural" outlet markets of great purchasing power - to South Germany and North Italy - but in consequence of the unrestricted import also an increasingly keen competition in the domestic market. In the case of certain products (e.g. bread grains, vegetables, cattle for breeding) the level of the producers' prices will drastically decrease. The safety of the producers in the realization and in the prices will continue to exist but the interventive public purchases will guarantee the prices only at a level lower than so far. The rentability of grain and vegetable growing, of the production of cattle for breeding, pigs for slaughter, poultry and eggs will significantly decrease. In total the returns of the Austrian agriculture will reduce expectably by 5.7 thousand million AS and its expenses by 2.1 thousand million AS. The unambiguous winners of the joining will be the consumers because they may acquire cheaper foodstuffs in enlarged assortment. Their expenses will reduce by 10.7 - 19.7 thousand million AS. Also the agricultural expenses of the budget will be significantly reduced by about 7 thousand million AS.

By remaining outside the Community Austria could continue its independent agricultural policy but could not maintain even her present export position in the Common Market and the eventual GATT negotiations could bring about a pressure of adjustment greater than the joining to the EC would mean; and the market regulation system practically could not be financed. The structural adjustment would be necessary also if the joining would not take place but the joining would only facilitate and accelerate it.

For preparation to the joining the most important tasks of Austrian agricultural policy are:

- the increase of the role of market considerations in production, processing and commercialization,
- the realization of a quality strategy, the production of specialities,
- the improvement of efficiency in food processing and marketing,
- the improvement of training, advisory services, applied research and of the statistical information system.

SZIJJARTÓ, András: Termelőszövetkezeti vezetők véleménye a kistermelés jövőjéről. (The opinion of co-operative managers about the future of small-scale production.) Vezetéstudomány, No.8, Vol.XXI, 1990, 30-34 pp.

Beside the labour performed in the large-scale enterprises the overwhelming majority of the co-operative managers are dealing also with agricultural activities, breed livestock, do gardening etc. In smaller part this so-called small-scale producer activity plays a role in subsistence farming but in the greater part it is of commodity producing character. From the returns gained with their activity in the second economy the co-operative managers intend to reduce the worsening of their living standard.

In consequence of the political, economic and social changes which took place in the recent years the transformation of the co-operative system and the reform of the property relations came to a foreseeable proximity. The co-operative managers are confronted with a particular dilemma through the new situation under development; to remain and work in the co-operative hierarchy or to take the path of private farming, undertaking.

The dilemma in which the co-operative managers are involved is realistic and topical also for the reason because most of them are simultaneously managers and small-scale producers or even commodity producers in whose way of thinking and feelings the attitude of a large-scale enterprise manager and that of a farmer mostly based on family traditions are present at the same time.

In the sociological research it became clear that the co-operative managers do not form homogenous groups regarding either their productive activity or their picture about the future.

Characteristical difference manifested itself between the managers of higher post situated at the "top of the pyramid", the experts of the headquarter staff on the one hand and the expert managers working in the sphere of production direction.

The similarity is very significant between the managers in higher posts and the headquarter's experts: they are firmly attached to the large-scale enterprise and though they intend to continue or even develop their small-scale producer activities in the future nevertheless there are only a few of them who consider to change over to independent family undertaking.

Compared to the above group the production managers - whose small-scale farms are decisively of commodity producer character - are planning more intensive development and modernization. Each second-third of them dealt already with the idea that in the case of more favourable economic conditions and of acquiring land they would start greater independent undertakings. An eventual "changing" would hardly result such a great loss of prestige or "break" in the professional career for them as in the case of the two other groups of the managers.

It seems that the idea of undertaking and also some kind of optimism are most firmly built in the mind of the experts "standing nearest" to the sphere of farm management both in the large-scale enterprises and in the small-scale production.

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