Abstract. Scientific concern and interests of the academic staff of Faculty of Economics have formed and developed in relation to crucial political, economic and social changes occurring in Latvia since Latvia regained independence in 1991. The first stage of the Agrarian reform was characterised by the elaboration of the concept (project) for the State strategy in agriculture, draft law "On Agriculture", and the system of economic mechanisms for the implementation of conceptual strategy in Latvia. During the second stage the academic staff of Faculty took a governing part in the elaboration of the programme “Scientific Fundamentals for Agricultural Development in Latvia” that was published as a monograph. Later the leading researchers of Faculty participated in the research programme “Risk Factors, Assessment of Risk Factors and Risk Management in Latvia Agriculture” and consequently also in the second phase of the mentioned programme “Management Systems of Risks and Crises in Latvia Agriculture”. The research results were compiled in two scientific monographs. The broad and multiform themes of postgraduate students also comprehensively characterise the diversity of research activities undertaken in the Faculty. The study of agricultural and rural diversification problems and solutions is an outstanding and long-term research course for Latvia in the structure of the European Union. The scientists and postgraduate students belonging to different departments of the Faculty also deal with other topical aspects in macroeconomics, microeconomics, regional development, finances and crediting, marketing and other spheres.

Key words: science of economics, postgraduate studies, research projects, development.

Introduction
At the last decade of the previous century and the beginning of the first decade of the 21st century the scientific concern and interests of the academic staff of Faculty of Economics formed, changed and developed within the context or in relation to radical political, social and economic changes in the country. Political, economic and technological processes in Latvia after regaining the independence caused the necessity for efficient applicable researches and fast economic use of the research results.

The studies to be undertaken required the competence not only in economics, but also in management, since exactly the management problems were and still are the most outstanding problems in the transition period to the market economy. Besides the research competences are indispensable not only in the sectors of primary production, but also in the secondary sphere, i.e., manufacturing and processing industry of agricultural and forestry output. The analysed period of 20 years in the research activities of economists and management specialists thematically is broken down in several periods.

The first period is related to the land, agrarian and economic reform. After Latvia regained its independence the scientists of economics, especially – those of the agrarian economics, had to address problems related to the formation of the research base for the implementation of the agrarian reform and current land reform. It is generally known that during the first years of the land and agrarian reform the material and technical base of agriculture as well as agricultural production sharply collapsed. The restitution of land properties to a great extent re-established the structure of those small-scale farms existing in Latvia as typically agrarian country in the 1930s. Such fragmentation of economic units met the absolute necessity for the use of modern technologies and practical inability to produce competitive agricultural produce in the amount and quality demanded by the market. This period, the period of the collapse of socialistic agricultural production, continued in correlation with the process of the first stage of land reform.

The second period started when the state administration institutions were able to finance partially the research necessary for the state administration needs. An especial programme of national significance for the elaboration of scientific fundamentals for the development of agriculture in Latvia started operation in 1996-1997.
The national accreditation of the Faculty postgraduate study programme, its widespread development, and diversification of research themes may be relatively considered as the beginning of the third period.

Risk management of agriculture and private forestry as well as the assessment of economic opportunities or threats, and consequences in agricultural and forestry risk management are one of the most outstanding research trends in agrarian economics. As of 2002 the Faculty economists have been engaged in the mentioned research programme.

The following two problem groups to be studied have become extremely topical and moved to the foreground with Latvia’s integration into the European Union and the world economics:

1) Efficient use of resources for generation of higher value added;
2) Diversification of sectors and types of activities for the use of those areas having become useless for the production of food stock and products.

Besides periodically several researchers of the Faculty do research also in various other projects.

In general the research activities of the academic staff of Faculty of Economics relatively may be classified into three macro-directions by departments according to the research content:

1) Business and business management;
2) Finance, credits, book-keeping and accounting;
3) Agrarian and regional economics, marketing.

Specific directions of the research activities are concentrated in every department.

General Reform Period of Economics

The suspension of production extinction and recession to promote the stabilisation processes of the primary production and the secondary – processing production was the main concern of the Faculty scientists at the initial stage of implementation of a general economic reform and the first stage of land reform.

Evaluating political and economic processes, the leading economists have formulated their own opinion (Špoģis, 1996) that two primary conditions are necessary for targeting Latvian agriculture into natural and upgrowth course of development:

1) The law “On Agriculture” determining the national strategy of Latvia in agriculture;
2) The body of economic mechanisms and instruments, and the system for implementation of the national strategy defined by the law “On Agriculture”.

Ā. Ūdris, the Minister for Agriculture of that time, recognised and started to develop the first condition in the second half of 1994 by asking the scientists and experts to elaborate the Concept for the National Strategy in Agriculture and the draft law “On Agriculture”. This concept was developed by a group of economists (K. Špoģis, A. Boruks, J. Lapše, A. Miglavs, R. Zīle) (Koncepcija ..., 1994).

At the beginning of 1995 the draft law “On Agriculture” was finalised in compliance with the basic principles of the national strategy included into the Concept. The draft law was followed by the order of the Ministry of Agriculture (MoA) for the elaboration of development programmes for agriculture and related sectors, as there was a need for economic mechanisms and instruments to implement the law “On Agriculture” and the strategy incorporated into the law. Section 5 of the Concept is still topical and worth of citing even after 15 years:

5.1. The process of farm competitiveness shall be promoted... Strong farms working with sufficiently large capital may purchase and apply efficient machinery and contemporary technologies, use loans efficiently, create new jobs in processing–sales cycles and ways...

5.2. Also very many micro- and small farms will operate along with the strong farms. Thus it is necessary to promote the principle stating that each rural and provincial town family has land to be used according to the family interests and capabilities” (Koncepcija ..., 1994).

Determining single requirements for the elaboration of the Common Agricultural Development Programme, the experts wrote: “The national programme for agricultural development shall be the body of managerial, technical, technological, biological, agronomic, zooveterinarian, intellectual, economic, and other measures and provisions that are logically arranged for the achievement of definite goals” (Špoģis, 1996).
E. Grinovskis (1996) has published his version of the concept for the agrarian policy.

Elaboration of Scientific Fundamentals for Market Oriented Agriculture in Latvia

During the second stage due to implementation of the research programme of national significance “Scientific Fundamentals for Agricultural Development in Latvia” the elaboration of the first sub-programme “Agricultural and Rural Development of Latvia Integrating into the European Union” was committed to the economists of Faculty under the guidance of K. Špoģis. The other five sub-programmes and research leaders were as follows:

1) production of unpolluted and high-quality food (A. Jemeļjanovs);
2) development of new and improved technologies for the production of food products (D. Kārkliņa);
3) development of new varieties of field crops (M. Belickis);
4) breeding of productive animals and poultry (J. Nudiens);
5) development of a competitive horticulture system (M. Skrīvele).

The research results were comprised in a scientific monograph “Scientific Fundamentals of Latvia Agriculture” (1999). Scientific fundamentals of agriculture may be classified into 5 thematic or problem groups:

1) assessment of producing capacities of Latvian agriculture on the conditions of market economy, and measures and tendencies for launching, implementation and development of potential opportunities;
2) directions for the structural development of sectors displaying the priority sectors;
3) terms for development of agricultural priority sectors and establishment of infrastructure, technical and technological reconstruction of the terms;
4) problems related to minimising production costs, maximising income and quality management as the basic conditions of sectoral competitiveness;
5) possible economic mechanisms and instruments for the state impact and aid.

The other four sections contain the research results provided by the specialists of other research sectors for the scientific provision of higher-value food production, problem solutions related to pre-processing, processing and storage of agricultural produce, and scientific aspects related to the perfection of productive animal and poultry.

Economics of Risk Management

It is well known that under the conditions of market economy sectors of primary production as well as manufacturing sectors are subjected to various risks and factors affecting risks. This problem is also very topical on the conditions of Latvia; therefore since 2002 riskology has its own research programme “Risk Factors, Assessment of Risk Factors and Risk Management in Agriculture of Latvia” the leader of which is Professor P. Rivža. Scientists of several fields of Latvia University of Agriculture and other institutions participate in the programme implementation.

Later this programme was transformed into the programme “Management Systems of Risks and Crises in Agriculture of Latvia” with the sub-projects “Economic Opportunities and Threats of Risks and Assessment of their Consequences” (leader – K. Špoģis) and “Risks and Economic Threats of Crises Related to Primary and Secondary Spheres and Assessment of their Consequences”. The research results are published in two scientific monographs – ”Risks in Agriculture and Private Forestry” (2005) and ”Management of Agricultural and Food Risks” (2007) – and several other publications. The research results are grouped by several directions.

The study of management quality risk of agricultural enterprises and farms has become a notably topical direction in riskology, since the consequences of inefficient, unprofessional, incompetent, careless or incorrect management are increasingly threatening expressed in the results of economic operation. Intellectual, social, economic and disposition risks are studied especially by their classification and assessment of opportunity and threat indicators.

The second direction – economic assessment of natural risks in the regions of Latvia, notably identifying the possibilities for the decrease of negative consequences related to uncontrollable risks and increase of potential benefits in the regions of Kurzeme and Zemgale.
A wide-scale research direction is started and continued in risk management in private forestry. The studies on the use of finances and credits as well as insurance aspects are also important courses of the research. 

Researches are started on risk in the industry of rural tourism. Nowadays the main consideration is paid to the management risk of agricultural enterprises, particularly to the strategy of an owner and manager of an agricultural enterprise as well as to the problems of specialisation and concentration. The research showed an essential and consistent impact of production concentration on the quality of management, and its expression in higher yield and productivity. However the strategy of rural farm managers (owners) in the management of long-term investment to a great extent forms the efficiency of an enterprise structure. The research started on risk management opportunities in senior management was expanded.

The study of risk management in agricultural enterprises and companies turned to be a significant research object. A new research direction – systems of logistics as a risk management method and instrument in agricultural enterprises appeared in this stage.

Other areas of risk management studies are private forestry. Economists have an efficient cooperation with specialists of crop farming, plant protection, and food safety.

**Thematic Interests and Research Tendencies of Postgraduate Students in Economics**

Wide postgraduate studies of the Faculty reveal multiform research interests of PhD students. Themes of the PhD papers fall under several sub-branches of the science of economics, while several themes are intersectoral, and related to the sub-branches of management and social sciences.

The most extensive group of PhD research is related to regional economics. At the same time several themes indirectly fall under the sub-branch of the science of regional economics.

The second largest thematic group is related to marketing. Several studies of postgraduate students are devoted to the problems of business financing and crediting.

Research related to the science of management comprise two directions: macroeconomics, microeconomics and business management including economic efficiency of the resources use and factors, while the other direction is the management of education and regional development, thus showing the recent actual and business topicality related to the formation of knowledge society. Several PhD students have chosen themes, where regional development is connected with social economics. The least interest of postgraduate students is paid to the issues of agrarian economics.

At present, around 70-80 PhD students are active and each of them is working with economically or socially significant thematic that contains some novelty.

Grouping of PhD themes in compliance with the economic sectors shows that quite few of them are related to agriculture, forestry, fishery and hunting, some are related to mining and manufacturing industries, while the wide range of service sectors govern, as it is also in the structure of GDP.

**Problems of Agricultural and Rural Diversification**

Diversification of agricultural sectors, sub-sectors, auxiliary sectors and types of activities has become outstanding already with the integration process into the European Union (EU) marking the production volumes allowed for Latvia under the framework of the European common market. It became evident that land and other resources stay unutilised for agricultural production.

Problems of diversification intensified after joining the EU, when resources of the Structural Funds envisaged for financial support of the countryside were disbursed: inadequately small amount of resources of the Structural Funds was allocated for Latvian agriculture and rural areas – only 17% of the total amount, thus radically decreasing the competitiveness of agricultural produce on the European common market. Rural farms discontinue commercial production of agricultural produce and agricultural raw materials; land is rented or sold; concentration of land resources and industrialisation of production occurs. Land is used more extensively for other non-agricultural purposes – accumulation of the solar energy into the biomass of plants, and the use of biomass for energy resources.
Problems of diversification require adequate and new solutions based on the fundamentals of economics and management. Therefore since 2001 researchers of the Faculty have participated in project “Diversification of Latvian Agriculture Integrating into the European Union”. Economic problems of Latvian agriculture resulting from the processes of land reform and forecasted already before integrating into the system of the European Union common market were being solved under the scope of this project.

The second project “New Opportunities of Rural Diversification of Latvia and Problem Solutions on the Conditions of the European Union” (leader – K. Špoģis) already concentrated on the new problems caused by the provisions of the European common market and the EU financial support (Structural Funds), as they enhanced the exclusion of Latvian land areas from the production of food products and raw materials.

Since 2009 the third research project or the third research stage on diversification “Structural Fluctuation of Agriculture, Processes, Factors, Consequences and Visions of Agricultural Transformations” (leader – professor K. Špoģis) has been started, and postgraduate and graduate students are involved in the implementation of the mentioned project.

Other Research Projects and Directions for the Efficient Use of Primary Production Factors and Resources

The book “Countryside – the Heart of Latvia” (Strīķis, Rivža, Špoģis et al., 2002) summarises the research findings of these projects as well as it is devoted to the evaluation of results of the first decade following the agrarian reform including emotional, social and economic assessment of consequences of the mentioned reform.

Some scientific publications are related to the education in economics and the main of them are comprised in two editions: “Higher Education in Economics for the Countryside” (2003), and “Faculty of Economics, Latvia University of Agriculture” (2008).

Recently the academic staff of the Faculty has actively participated in national and international projects both as leaders and executors, thus gaining valuable experience for further research and educational activities. The main projects (and its leaders) are as follows.

“Use of Micro Credits for Social and Economic Development of Rural Areas”, “Use of Mentoring Principles and Methods for the Establishment of the Knowledge Society”, and “Application of the Network of Foresight Specialists Supporting Rural Development Policy, Improvement of Database of Agricultural Scientific Research and Equipment, and Provision of Presidency of the Association of European Academies of Agriculture, Food and Natural Sciences” – these projects were led by Prof. B. Rivža.

Professor V. Strīķis leads several projects related to the studies of social capital. Professor V. Kozlinskis – EEA/Norwegian Project “Developing and Delivering Innovative Training Modules for Baltic Executives Using an Interdisciplinary Approach to Entrepreneurship and Advanced Technologies” as well as a national project “Impact of Differentiated Rates of Value Added Tax for Individual Food Groups on the Consumption of these Products and Competitiveness of Producers of the Mentioned Products”.


Professor V. Buģina – “Development of Cooperation in Latvian Agriculture on the EU Conditions” and “Methodology for Assessment of Natural Resources within the Context of Environmental Sustainability in Vidzeme Region”. Professor A. Vilciņa – “Resources of Bread Production Companies and Impact of Resources on the Development of the Sector”. Professor I. Jakušonoka – “Possibilities for Financing and Development of Small Enterprises in Rural Areas of Latvia”. Professor Ī. Vītola – “Improvement of Latvian Tax System for Provision of Economic Development and Social Equity”.

Associate professor A. Eglīte is a leader from Latvian part in an international project of 6 countries “CHANCE – Community Health Management to Enhance Behaviour”. Associate professor I. Jurgena – “Assessment of Forms of Commercial Activities within the Contexts of Multilateral Interests and Synergism”. Associate professor A. Zvirbule-Bērziņa – “Development and Improvement of Professional Master Study Programmes in Cooperation with Employers, Companies and Municipalities”.

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Future Visions

Our future researches are focussed on several economic problems important for country and requiring high level scientific solutions:
- diversification of sectors and types of activities for efficient use of land and other agricultural resources operating on the conditions of the European common market;
- generation of higher value added in primary and secondary production;
- essential increase of labour productivity in agriculture;
- establishment of the policy of protectionism for agricultural and rural development;
- models of partnership for the promotion of rural women entrepreneurship;
- economic terms for the production and use of energy resources of agricultural origin;
- problems and improvement of tax system for economic development;
- possibilities to decrease administrative burden in entrepreneurship etc.

Conclusions

Scientific concern of the Faculty research may be classified into several periods and research directions.
1. The initial period of the Agrarian reform – the scientists of the Faculty were the leading participants in development of the concept for the State Strategy in Agriculture, draft law "On Agriculture", and the system of economic mechanisms for the implementation of the law and targeting for the achievement of strategic goals.
2. Participation in the elaboration of scientific fundamentals of Latvia agriculture.
3. Establishment of postgraduate studies in the Faculty followed by the extensive student research activities.
4. Research programme in riskology.
5. Agricultural and rural diversification on the conditions of the EU Common Agricultural Policy and impact of globalisation processes for Latvia.

References