

Abstract

Regulations are often an object of interest of the economists. Some of them criticize regulations because they deform the market. The others appreciate their ability to redistribute the wealth in the society. The purpose of my thesis is to analyze the regulations in a specific agriculture market – production of milk. I supposed this part of agriculture market to be very interesting. There are some reasons: milk is a product of daily requirement, it is hardly to substitute, but still there are two levels of regulation – the European and the Czech one.

The thesis is composed of six chapters. They are ordered from the general to particular facts. The used methods are mainly description and historical method. Interdisciplinary approach is also used. The first chapter focuses on the economic theory of regulation. The chapter is subdivided into parts that are dealing with market failures, capture theory, public interest, competition and monopoly. The conclusion of this chapter is as follows: the regulation in our economies exists because of the capture theory.

Chapter Two explains the regulations on the European level. The conclusions of the previous chapter are proved and the reasons for regulation creating as well as its main problems are described. It also explains the reform of common agriculture policy solving these problems. There are some predictions of the future development.

Chapter Three discusses particularly the measures of the milk market and the legislation related. It is followed by the Chapter Four describing new reform on the milk market – so called milk package.

While the aim of the Chapter Five is to evaluate some of the previous information, the last chapter brings recommendations. Surprisingly I do not think that the quick liberalization is the solution. The most important is to make the agriculture policies more transparent and targeted. Otherwise they are just waste of money.