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**REGIONAL BUSINESS SYSTEMS IN THE WINE INDUSTRY  
AND THE EXAMPLE OF BURGUNDY**

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**ABSTRACT:**

*This paper aims at analysing the current organisation of the French wine industry at a regional level by drawing from the "business system" concept developed by R. Whitley [1992, 2000]. More precisely, we show that the reference to the terroir concept – that is in particular predominant in a wine region like Burgundy – can be explained by the structure of the industry's organisation at a regional level, which is itself connected both to national and industry-specific institutional contexts.*

*Even though the model is being increasingly questioned as a source of inertia in a fast changing environment, changes in the model take time to implement provided the strength of local institutions. Yet, the recent and enduring success of Chablis wines in the North of Burgundy shows that lessons can be learnt from "Old World" business systems.*

**KEY WORDS:**

*Institutions, business systems, wine industry, Burgundy, Chablis*



## INTRODUCTION

The wine industry plays a significant part in French agriculture as well as in French exports. It is structured around the distinction between two classes of wine, that is basic wine (*vin de table*) on one side and quality wine produced in a specific region (*vin de pays*) on the other side. The latter class is itself divided into a small sub-category called *vins délimités de qualité supérieure* (quality wine with a geographical indication) and the famous *appellations d'origine contrôlée* (registered designation of origin).

The latter model has ensured prosperity of French wine in general and Burgundy's ones in particular for centuries<sup>1</sup>. It is yet currently under pressure from so-called "New World" producers whose model is based upon the production of large quantities of wine from single grape varieties grown almost anywhere, sold under easily identifiable brands and adapted to the evolving needs of export markets<sup>2</sup> [Chambolle and Giraud-Héraud; 2003]. Its sustainability is thus questioned: although limited, the degradation of France's positioning on the international markets has affected most production regions.

Indeed, a certain number of French regions specialised in basic or premium wines, like Languedoc or Beaujolais, have experienced a dramatic decline on export markets at a time of structural contraction of the French domestic market. For others, like Champagne, Bordeaux or Bourgogne, that are still growing, the concern is to be able to take advantage of a steadily bullish market with regards to their quickly developing competitors. Burgundy's resistance has so far been satisfactory compared to other French wine regions. Yet the increasingly competitive environment makes it difficult for regional producers to offset the long term bearish trend of the domestic market, calling for a global analysis of the system's strong and soft points.

The globalisation of wine industry does therefore not only result in an increased competition among wines but among wine production models around the world as well. Yet, drawing lessons from the recent success of New World wine is not that simple. While the issue is often raised in a binary Manichean manner, opposing a "vibrant" New World model on one side to the "obsolete" or "archaic" Old World one on the other side, replacing the latter by the former may prove to be close to impossible, yet very damaging for French producers.

Our purpose will therefore be to appreciate to which extent the organisation of the French wine industry is connected to a specific institutional framework that constrains its market organisation, business structures, management and strategies. We will then be in a situation of understanding the strong and soft points of such an organisation, identifying possible lock-in effects and proposing adaptations.

Considering the diversity and fragmentation of the French wine industry, as well as tight connections existing between the product and its territory of origins, our focus will be regional rather than national. We will in particular examine the case of Burgundy wine region, whose reference to *terroir* is considered as a market organisation benchmark on the French super- and ultra-premium wine market segments. Yet, Burgundy's traditional organisation is being challenged within its own limits, in particular by the recent and continuing success of Chablis wines on global markets. We will therefore consider the differences between both systems and lessons to be drawn from the Chablis experience by Burgundy producers in general.

Our analysis draws from the institutional school of thought and its development, more precisely from R. Whitley's works on business systems [Whitley; 1992, 1999]. It is primarily based upon a review of relevant literature, combined with interviews of wine industry professionals in Burgundy.

## **THE BUSINESS SYSTEM ANALYSIS: A STATE OF THE ART**

The theoretical background to the business system approach is laid by the institutional school of thought and its developments, New Institutional Economics in particular. It is based on the works of Coase [1937] and later Williamson [1985] pointing out the role of institutions in reducing transaction costs and therefore securing exchange among economic players. Institutions themselves are defined by North [1986] as "humanly devised constraints that structure human interaction. They are made up of formal constraints (rules, laws, constitutions), informal constraints (norms of behaviour, conventions, and self imposed codes of conduct), and their enforcement characteristics". Institutions contribute to reduce the inherent uncertainty of economic transactions and thus simplify decision making.

In a broader way, institutional economics focus on the specific nature of national, historically grown institutional frameworks. By studying interactions between national institutional

frameworks and business structures, management and strategies, Whitley [1992] develops an analysis of what he calls "national business systems", also called "social systems of production" [Hollingsworth & Boyer, 1997]. They are described as "particular forms of economic organisation that have become established and reproduced in certain institutional contexts".

The description of a specific business system usually includes three characteristics [Whitley, 1992]:

- The nature of the firm, including the importance of managerial hierarchy, the degree of power delegation to managers and specialisation of managerial capabilities, the growth pattern (favouring incremental vs radical change), the nature of risk management through mutual dependence with business partners and employees
- The organisation of the market: existence of short- or long-term cooperative relations between firms and between various sectors, significance of intermediaries – trading companies, banks – in the coordination of market transactions, stability, integration and scope of business groups (alliances), dependence of cooperative relations on personal ties and trust (interpersonal, family ties vs. anonymity)
- The nature of authoritative coordination and control systems: integration and interdependence of economic activities, impersonality of authority and subordination relations, tasks, skills and role specialisation and individualisation, distance and superiority of managers, extent of employer-employee commitment and organisation based employment system

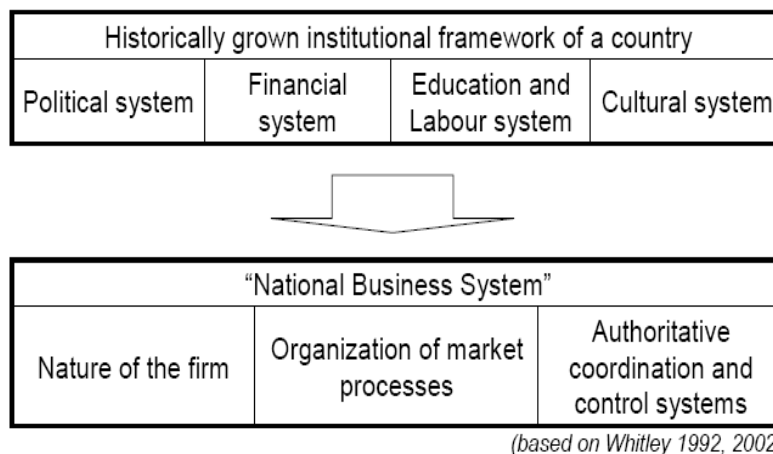
Business systems themselves develop within specific historically designed institutional contexts, made of "background" and "proximate" social institutions. Background social institutions reflect general principles of cooperation, identity and subordination derived from pre-industrial political systems, the attitude of elite towards concentration of wealth, the organisation and control of agriculture. They include trust and nature of trust enforcement between non-kin (bureaucracy vs. formal procedures vs. personal contacts); commitment and loyalty to collectivities beyond the family; the importance of individual identity, rights and commitments; the formalisation, reciprocity, differentiation and scope of authority relations.

Proximate social institutions determine the organisation of markets and therefore the availability and allocation of production factors (capital and labour), as well as the way conflicts are managed. They include the business dependence on the State and the latter's

commitment to industrial development and risk sharing; the nature of the financial system (market- vs. credit-based), the nature of the education system (unitary vs. dual); or the role and power of labour unions.

Differences in national institutional frameworks lead to the development and consolidation of diversified national systems that tend to reinforce over time through the further development of complementary institutions. Such process is expected to improve the overall system's performance, but may as well generate "lock-in" effects, impeding adaptation to a changing business environment.

**Figure 1: Business systems and their institutional context**



*Source: Matten, D., Moon, J. (2004), "Implicit' and 'Explicit' CSR: A conceptual framework for understanding CSR in Europe", Paper presented at the 20th EGOS Colloquium, 1-3 July, Ljubljana.*

Several limitations of the business system analytical framework were pointed out by scholars:

- The relevance of the national level for the identification of business systems: various regional or sector-based business systems can be identified in a given country that do not fit to a countrywide model.
- The nature of causality links driving the evolution of business systems and their institutional environment: although the business system framework identifies "mutual reinforcement" mechanisms, it does not clearly state to which extent institutions will influence the business system or vice-versa.

- In relation to the previous point, the evolution paths of business systems in reaction to their changing environment are not explicitly analysed, apart from the mention of possible "lock-in" effects.

These issues are in particular addressed by Räsänen and Whipp [1992], who develop a meso-level and dynamic analysis of sector-based business systems – like the Finnish forest sector – also named "business recipes". These scholars show that the existence of various regional or sector-based business systems, understood as the provisional convergence of actors' conflicting rationalities. Sector-based business systems/recipes build on existing national institutions as well industry-specific ones. This approach suggests that business systems are contested and therefore temporary and evolving ones. Local communities moreover generally play a significant role in providing social basis for the development of sector-based business systems.

Our work also draws from the French "Regulation School" that developed in the 1970s under the impulse Michel Aglietta or Michel Boyer with the objective of explaining the dynamics of capitalism in a long-term perspective. The Regulation approach is more specifically focused on the patterns of post-war economic growth until the mid 1970s – the "Fordist" production regime – and its later crisis and evolution (Post-Fordism). It develops the concepts of the "Regime of Accumulation", i.e. social norms, relations and forms of exchange regulating a particular economy, and of "Mode of Regulation", i.e. institutions and cultural habits in the society that shape and control the Regime of Accumulation.

Although the Regulation approach initially developed from a macroeconomic standpoint, its recent evolution trends have increasingly favoured the analysis of economic and social systems according to various components of their institutional environment. The latter include product and labour market organisation, the nature and structure of financial and education systems and of the Welfare State. Amable [2005] develops an understanding of change in economic and social systems, whose balance will depend on the bargaining power of various players, leading to compromise or confrontation. The regulation School framework was also applied at a mesoeconomic level to examine various sectors, including wine industry ([Bartoli and Boulet, 1990], [Boyer, 2006], [Simões, 2001]). Yet, we will not use their works in this particular paper.

## THE BUSINESS SYSTEM ANALYSIS APPLIED TO THE FRENCH WINE INDUSTRY: THE CASE OF BURGUNDY

Our purpose in this section is to exploit the analytical framework provided by the Business System analysis to study the French wine industry. More precisely, considering the existence of close links of wine as a product with its original territory, we will consider the specific case of Burgundy's wine industry.

**Figure 2 : "Greater Burgundy" Wine Region**



Source: [http://www.louislatour.com/pages/index.php?id\\_page=29](http://www.louislatour.com/pages/index.php?id_page=29)

Burgundy wine region runs from Auxerre down to Mâcon or Lyon, as the Beaujolais area is often considered to be part of Burgundy. Vineyards are clustered into five big to six "production districts" (Chablis/Auxerrois, Côtes de Nuits, Côtes de Beaune, Côte chalonnaise, Mâconnais, Beaujolais) that make up homogeneous areas in terms of both product and production organisation (see figure 2 above). The region as a whole is known for its long-standing winemaking tradition<sup>3</sup>, with wine being a key industry at regional level. However

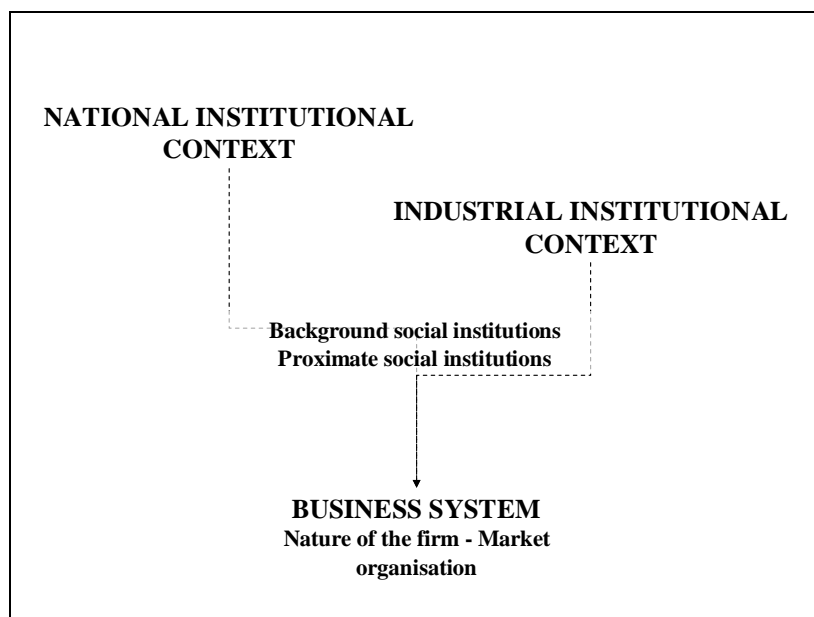


reduced the dimension of vineyards may be<sup>4</sup>, they play a very important cultural, economic and social role regionally, nationally and internationally.

The wine industry's contribution to the regional GDP is estimated at 3% and that of the region's exports at 10%. It also employs between 3% and 15% of the regional workforce, according to whether the numbers are limited to direct employment or if connected activities are taken into consideration. At an international level, although Burgundy wines represent only 0.6% of the world's production, they account for 5% of the world's export in value, with 50% of Burgundy wine being exported<sup>5</sup>. Burgundy is home to some of the most expensive wines in the world.

We will consider two levels of institutions – national and industrial – with the aim of identifying the resulting nature of Burgundy wine business recipe.

**Figure 3: Burgundy's wine industry in a Business System perspective [1]**



In the first place, Burgundy wine business recipe cannot be isolated from the broader French institutional context and national business system, whose distinctive features were frequently analysed and presented [Amable, 2003; d'Iribarne, 1996]. Authors<sup>6</sup> often stressed the low level of trust between non-kin as a noteworthy social background institution that manifests itself at most levels of economic and social life [Cahuc & Alban, 2007], leading simultaneously to individualism, corporatism and State interventionism. Distrust may for

instance explain a broadly felt rejection of competition as a principle of market organisation and a strong demand for protection, generating the development of a bureaucratic and corporatist Welfare State as well as a tight and often restrictive legislative framework, for instance in the field of business law. Regulation is commonly seen as a compensation for a lack of trust in all kinds of relationships

Consequently, the State tends to play a key part in most aspects of economic and social life, answering these French needs for protection and equal treatment, while markets will generally be highly regulated. This does not prevent the French from distrusting official institutions, such as courts or unions.

A second salient background social institution – that can in fact be connected to the first one – is a high sense of each individual's status/hierarchic situation [d'Iribarne, 1989], which in turn tends to favour stability and rent-seeking behaviours at the expense of competition, change and innovation. This translates into various proximate social institutions such as the educational system – that tends to be highly selective and focus on theoretical teaching – and of course in firms' organisation, characterised by segmentation and hierarchic management.

These features are especially present in a wine industry that is closely connected to agriculture and therefore includes many features of the pre-industrial economic organisation. It was more specifically analysed by Marchesnay [2002] and Torrès [2004] in his works on entrepreneurship applied to the French wine industry. The latter points out the specific nature of the traditional French entrepreneur, also defined as a *corporatiste* entrepreneur, manager of a small rural company limited to traditional activities, cultivating his love of his profession, and highly tradition-oriented.

The *corporatiste* entrepreneur combines individualism with the sense of belonging to a community (also called *corporation*), whose interests have to be preserved. For Torrès, the entrepreneurial purpose is in this case not about risk-taking, innovation or change, but about defending interests and avoiding threats, seeking the recognition from peers. The fear of failure, that could mean a loss of status, is in particular very present and determines the behaviour of the whole corporation.

Such an analytical framework can easily be applied to the current organisation of Burgundy's wine industry. A key institution of Burgundy's wine business recipe is in fact the *terroir*, cornerstone of the market organisation. Since the Middle Ages, local wine producers have been taking advantage of favourable soil and climatic conditions – the *terroir* – to gradually

develop a whole set of specific local competence, as well as a local "culture of wine", shared by all players in the industry and a large part of the population, adding to its worldwide reputation. The *terroir* concept has later been used to define specific rent-seeking strategies taking advantage of registered designations of origin in order to reach highly profitable positions.

The *terroir* can first of all be defined as "a clearly identified and homogeneous territory endowed with a strong identity which is characterised by the whole of natural (soil, climate) and cultural (historical and social) resources" [Rastoin & Vissac-Charles; 1999]. Local producers (insiders) will draw various benefits from belonging to a *terroir* [Marchesnay, 2002]:

- Unique natural resources that therefore cannot be duplicated, in particular by non-local producers.
- Specific competencies/skills, resulting from the transmission over generations of tacit knowledge and craft skills, called *tour de main*.
- Distinctive competitive positioning deriving from the correspondence between the *terroir*, acting as a label, and *terroir* products, preventing competition from producers located outside the *terroir* boundaries.

In fact, the *terroir* raises various types of barriers to entry for non local producers (outsiders) and thus allows insiders to take advantage from Ricardian rents, by selling at prices well above competitive ones. *Terroir* producers are therefore rent-seeking ones, whose interest does not lie in innovation in order to stand for competition but on the preservation of a privileged and beneficial position.

From this standpoint, maintaining the barriers to entry raised by the *terroir*, is imperative for local producers with regards to outsiders. This is generally ensured by backing the *terroir* with a registered designation of origin (AOC). The latter is a label that protects insiders from competition [Torre, 2002] by specifying the nature of the related *terroir* both as a territory of origin and a set of constraints imposed on producers<sup>7</sup>. Such constraints guarantee the consumer is buying a "typical" and locally produced product, generally associated with a high quality level.

Registered designations of origin also tend to limit productivity and therefore quantities produced. The guarantee that is offered allows, in turn, high sales prices. This is possible

thanks to the strategy of limiting quantities and differentiating the product in specific market niches.

Burgundy is undeniably the most *terroir*-oriented region in France and the attention paid to the area of origin is guiding the organisation of the whole regional industry. There are more than 100 registered designations of origin in the wine region<sup>8</sup> – i.e. roughly one fourth of the 400 French AOC registrations –that cover 99% of regional wine production. Since the 1930's, Burgundy's wine producers/traders have been able to play on the scarcity of a high value added product, positioned on a high scale wine niche (premium and super premium) maintained by strict regulations.

The industry is quite fragmented and structured around two main types of players, ie grape-growers on one side and wine producers and traders (*négociants-éleveurs*) on the other side<sup>9</sup>, who are often put into contact through brokers (*courtiers*)<sup>10</sup>. There are some 5,200 vineyards, for the largest part of small size<sup>11</sup> and 115 "active" wine producers and traders, the largest being Maison Louis Latour in Beaune, that produces 350,000 cases per year. Burgundy wine producers are known to be tradition-oriented<sup>12</sup> and risk-adverse.

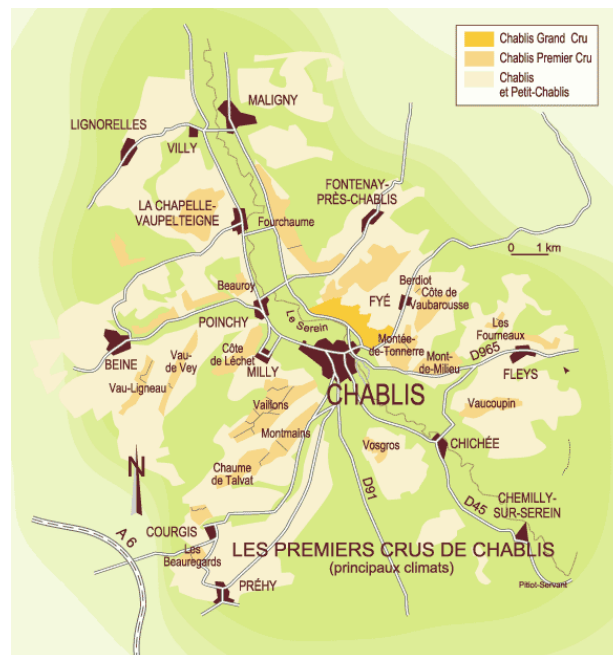
Local players although known to be highly individualistic, developed a strong the sense of community's interest [Laferté, 2006]. Each individual has a strong sense of its status and place within the local hierarchy, and embeddedness in a network of dense social relationships of all nature also allows for local circulation of knowledge and know-how. Burgundy producers are in that sense typical of the French *corporatiste* approach to entrepreneurship.

## **LIMITATIONS AND DEVELOPMENT OF THE ANALYTICAL FRAMEWORK: THE EXAMPLE CHABLIS DISTRICT<sup>13</sup>**

The previous section seems interesting to us insofar as it helps identifying the consistency a given business system, i.e. the relationship between institutional context and industrial organisation. Still, at this stage, our analysis only permits general and unsophisticated conclusions: Burgundy does not differentiate from other French wine industries whose business recipe is also based on the *terroir*/AOC registration combination. Moreover, as the Chablis case below will show, it does not yet provide the necessary tools to identify local business recipes within a given wine region.

In order to test our first findings we in fact centred our attention on Chablis' vineyards. The latter stretch out on about 6,500 ha (16,000 acres), of which about 4,500 ha are in production (see Figure 4 below). An interesting feature of Chablis is that it lies in the North of Burgundy near Auxerre in the department of Yonne. It is actually located about 200 kilometres north-west (125 miles) from Côte d'Orand therefore closer to Champagne than to the main area of burgundy. Although it does belong to the administrative region of Burgundy (*Région Bourgogne*), the actual inclusion of Chablis vineyard into Burgundy wine region and appellation may in fact be subject to debate. Indeed, we realised that, although the broader characteristics of Chablis wine business recipe are similar to those detailed above, they significantly differ when key issues are concerned.

**Figure 4: Chablis' vineyards and appellations**



Source: [http://www.burgundy-wines.fr/index.php?p=225&art\\_id=](http://www.burgundy-wines.fr/index.php?p=225&art_id=)

The first noticeable difference between Chablis and the rest of Burgundy comes from history: although the first records mentioning Chablis wines go back to the year 867, they became famous only recently. Indeed, the history of the vineyard is a long succession of hardships: vines suffered from French religious conflicts in the late XVI<sup>th</sup> century, before being destroyed by phylloxera in the XIX<sup>th</sup> Century. The region recovered in the 1930s, but suffered

again during the 2<sup>nd</sup> World War, as the city was bombed. They started recovering again in 1949, before late frosts in 1957 and 1961 ruined them again for a large part.

The 1960s eventually saw the rapid expansion of Chablis wine appellations, that became famous worldwide<sup>14</sup>. Therefore, while wine producers in the rest of Burgundy could take advantage of a long lasting tradition and reputation transmitted from a generation to another to develop an insider and rent-seeker strategy, Chablis winemakers saw themselves as pioneers and entrepreneurs, with a strong desire to show the world their abilities. Indeed, most of them only came into the wine business in the 1960-70s, originating from agriculture or service industries and wishing to develop a second professional life<sup>15</sup>.

Consequently, Chablis wine producers and traders in search of markets have been export-oriented since the very beginning and developed efficient export strategies<sup>16</sup>. Since they were too small individually, they associated in order to penetrate foreign markets and implemented common actions, aimed at marketing and promoting Chablis wine in general rather than specific producers in particular. Although individualism remains an important value in the industry, cooperation was considered as a necessity for survival and development. Such actions quickly met the public, leading a rapid increase in Chablis wine demand.

These first successes generated significant profits that were for a large part re-invested in modern innovative equipments (i.e. thermo-regulated steel tanks, heaters, sprinklers), whereas traditional Burgundy producers would rather invest in "stone and land". These heavy productive investments ensured an increased the quality of the wine that allowed in turn further investment. It must be noted that Chablis producers are much more innovation- and customer-oriented than traditional Burgundy ones, whose predominant reference to tradition tends to impede changes in product and production processes.

As mentioned above, the development of pro-active cooperation relationship among producers is another key driver of Chablis wines success. Such relationships are in particular visible in the specific nature of the registered designation of origin: while the rest of Burgundy developed a complex system made of about 100 different designations, Chablis wines only developed four of them. The whole system is much more comprehensible to outsiders as Chablis wines are classified, from the lowest to the highest quality level, as: Petit Chablis, Chablis, Chablis Premier Cru and Chablis Grand Cru (see Table 1 below)<sup>17</sup>.

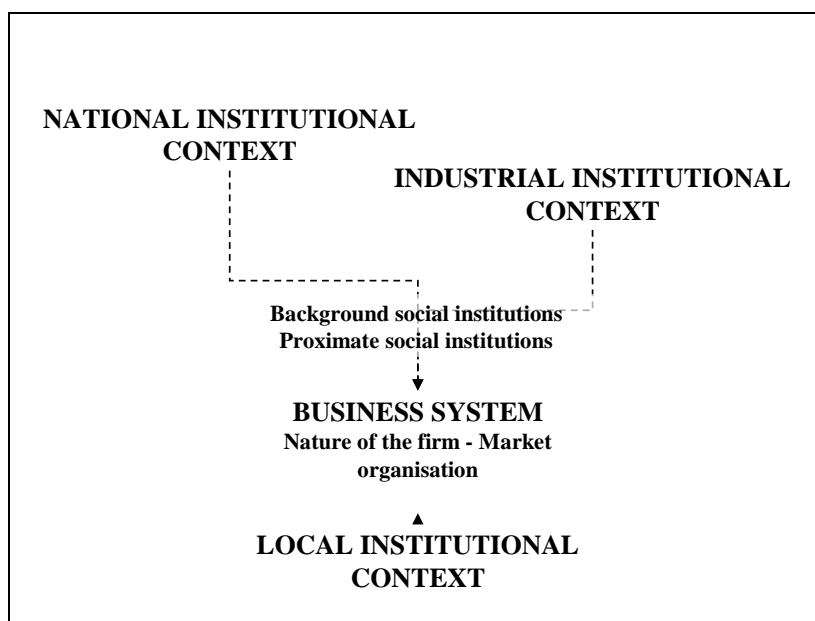
**Table 1: Chablis' appellations production areas**

Production areas (hectares), 2005	
Petit Chablis	714
Chablis	3,107
Chablis 1 <sup>er</sup> Cru	762
Chablis Grand Cru	101
<b>TOTAL</b>	<b>4,684</b>

Source: French customs

Rather than to *terroir*, producers in fact refer to a territory of origin, an anchor to all producers bearing a clear identity. Whereas the burgeoning number of designations in Burgundy can be considered as a symptom of local individualism – each small district seeing itself as unique – at the expense of the general interest, Chablis producers consider the name of Chablis as their best marketing asset, as a collective brand that should be preserved and valued, as shown from their long lasting fight against the use of Chablis as a generic term, a synonym for "white wine", in California or South Africa. Consequently, "free rider" behaviours – for instance by sharply increasing production volumes at the expense of quality – are almost inexistent among local producers<sup>18</sup>.

**Figure 5: Burgundy's wine industry in a business system perspective [2]**



This comparison we made between Burgundy in general and the Chablis district seems quite promising to us, our purpose in subsequent works will be to fine-tune the analysis and develop appropriate tools aiming at identifying distinct business systems in originally clearly identified regional entities (see Figure 5 above).

## CONCLUSIONS

To quote D. McCormick<sup>19</sup>, our analysis of business systems in the wine industry illustrates the fact that "business activity does not happen in a vacuum. Rather businesses are formed and operate in a specific environment peopled by a wide variety of institutions". These institutions and the business system organisation tend to mutually reinforce, impeding radical change. Promoting the idea that the French wine industries' performance, for instance in Burgundy, would improve with the adoption of New World wine producers' organisation and strategies is in this respect illogical, unless the related social institutions develop as well. Such a process would take decades, if achievable at all.

Yet, we could also see from Chablis' case, that (1) a clearly identified wine region may lodge more than one single business recipe and that (2) Old World business systems may deliver as well as new World ones. The lesson we will draw from our first finding is that in-depth



analyses of local institutional contexts are necessary to precisely identify a local business recipe. Moreover, we should also consider the consistency between each local business recipe and its regional institutional context. Then again, such a success may also help those wine producers in Burgundy's that are experiencing economic difficulties to better identify and make use of their assets, for instance by developing strategies based upon pro-active cooperation rather than sheer individualism and a broader, yet meaningful, reference to the origin of wine than the very restrictive concept of *terroir*.

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## END NOTES

<sup>1</sup> The terroir/AOC model has long been a reference for worldwide wine production and was in particular taken up in the framework of European legislation as regards the notion of "quality wine produced in a specific region" (VQPRD) [Giraud-Héraud, Soler, Tanguy; 2002].

<sup>2</sup> See the Economist's 1999 Wine Survey.

<sup>3</sup> The oldest reference to wine making in Burgundy is said to date back to the year 312. Moreover, Burgundy wine has had a world level reputation since the XI<sup>th</sup> century.

<sup>4</sup> Burgundy vineyards make up some 24,000 hectares (60,000 acres) of production. They only represent 1.5% of the regional usable land and 3% of French vineyards. Source: *Bureau interprofessionnel des Vins de Bourgogne (BIVB)*, [www.bivb.com](http://www.bivb.com).

<sup>5</sup> Source BIVB

<sup>6</sup> See for instance Fukuyama (1995), *Trust: The Social Virtues and the Creation of Prosperity*, Free Press paperbacks, new York

<sup>7</sup> In the case of wine-making, AOC labels may impose the choice of vines, the maximum plantation density, and specific means of working. It can go so far as to ban irrigation and grape harvest machines or even to impose the minimal level of alcohol metrical titles at harvesting.

<sup>8</sup> In addition, the region is divided into 562 *climats* (cadastral localities) ranked as *premiers crus*, not counting thousands of non-ranked climates.

<sup>9</sup> Both types of players' activities nonetheless tend to converge today, as grape growers increasingly get involved in trading and traders develop vertical integration by investing in grape growing.

<sup>10</sup> The industry also includes wine cooperative associations, with a limited role outside the "Côte Chalonnaise".

<sup>11</sup> 80% of them are smaller than 10 hectares (source: BIVB).

<sup>12</sup> Readers may in particular refer to the stimulating works of Laferté [2006] for more information as regards the construction of Burgundy's wine folklore in the 1930's.

<sup>13</sup> The word "district" is used in this paper as synonym to "locality" or "area".

<sup>14</sup> Production today amounts to 25 million litres, i.e. 30 million bottles, among which 72% of volumes are exported in more than 20 countries (see "Chablis the French Chic", [www.chablis-the-french-chic.com](http://www.chablis-the-french-chic.com))

<sup>15</sup> The production area today gathers 320 producers including a cooperative cellar "La Chablisienne" and 60 main traders, most of them originating other places in Burgundy.

<sup>16</sup> The first market for Chablis wine today is Britain (34% of global sales), before France (30%).

<sup>17</sup> More than 80% of the production is destined to wines belonging to the categories Petit Chablis and Chablis. 40 vineyards belong to the Chablis Premier Cru appellation, but only 12 of them are considered of major prestige

<sup>18</sup> Traders originating from Beaune and other parts of Burgundy also respect the rule. The local cooperative cellar "La Chablisienne", that represents 30% of the appellation, also plays a part in the market regulation by setting a quality benchmark.

<sup>19</sup> McCormick, D., Pedersen P.O. (1999), "African Business Systems in a Globalising World", in The Journal of Modern African Studies, Vol. 37, N° 1, March; pp. 109-135.

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