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Wine Merchants' role in the Wine Sector : A Theoretical Approach Proposal

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The perspectives of the French wine industry in the present crisis context have been a subject for multiple professional, political and media discussions during the last ten years or so. In this respect, the ability of the French wine production system, initially conceived and built up to regulate the tensions and the conflicts between wine merchants and producers, to meet the international competition on the wine market is seriously questioned. In this context, a number of reforms of the wine sector in France and Europe have been initiated recently. These reforms question the role of wine merchants in the process of restructuring of the industry and of redefining the rules of its functioning. Though wine merchants are meant to be the first-key actors of the industry's transformations they still remain insufficiently explored by economists unlike wine producers. The present communication aims to fill in this gap.

We will, firstly, make a review of theoretical and empirical economic literature studying wine merchants' activity. Given the limitations of the existing research in this field, we consider that another approach is needed, in order to understand how the actors of the wine industry, merchants in particular, manage the major uncertainties of the wine production system and to analyze their strategies as well as the logics of the wine industry evolution as a whole.

Secondly, we would like also to draw attention to one of the important characteristics of the wine industry – the strong implication of its actors in the political process of designing the rules of the industry's life. Therefore the way that the agents act in order to fix up these rules and to represent their interests must be endogeneized by such an approach. Thus, we will present the theoretical framework to which we adhere – Politics of Industry approach, originally proposed by B. Jullien and A. Smith. This framework treats the industry on the mesoeconomic level and consolidates the economics of conventions, regulation school and political character of interactions between agents.

Thirdly, we will adapt this framework to our specific subject – wine merchants and pre-validate it, on the basis of stylized facts from the Bordeaux case study. Often considered as a specific model of wine industry organization and as a reference in the wine world, Bordeaux offers a rich panel of examples illustrating the current dynamics in the sector and provides a consistent basis to our research.