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Power Asymmetries in the Wine Chain
Implications for the Management of the Chain

Jon HANF*, Erik SCHWEICKERT**, Vera BELAYA*
* Leibniz Institute of Agricultural Development in Central and East Europe Halle, Germany
** Fachhochschule Wiesbaden, Campus Geisenheim, Germany
hanf@iamo.de, E.Schweickert@fbg.fh-wiesbaden.de, belaya@iamo.de

Because wine growing and production require special knowledge, wine is usually not produced and marketed in vertically integrated food chains but rather in vertical collaborations also called “supply chain networks”. Due to the characteristics of wine, the networks in this sector are generally strategic networks. Such networks can be characterized as pyramidal-hierarchic collaborations which possess a focal firm (chain captain) coordinating the network in a hierarchical style. This means in the wine sector that the focal company faces the challenge to manage and integrate many (small) wine growers. Being the traditional form of horizontal cooperation, cooperatives play a key role hereby. However, due to their status coops are member orientated which might result in integration problems in such customer-oriented supply systems. Furthermore, due to the pyramidal-hierarchical structure of SCN power is an essential part of them and the fact that it is very often unequally distributed among the participating parties is quite obvious, which might represent great difficulties for member-owned enterprise coops.

The aim of our article can be delineated from the problem setting. It is obvious that speaking about power in supply chain networks we do not refer to market power. But, what is really power? Studying the literature shows that there is no easy answer to this question. Thus, the first aim of our research is to elaborate on that question and to provide an answer. Knowing about what we talk we want to continue by analysing the power distribution between co-ops and retailers, and between coops and their members.

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