

Maestría en Dirección Estratégica

« South Africa and Argentine wine management, exemplified  
by the areas of Stellenbosch and Mendoza : between economic  
and cultural constraints »

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## **Acknowledgments**

*“The only source of knowledge is experience”,*

Albert Einstein

I would like to dedicate this research paper to my family and friends, who supported me throughout the whole process of investigating, reading and writing.

Most of all, I dedicate this work to my manager during my internship in South Africa, at Blaauwklippen; Darren Poole, an amazingly passionate person who transmitted me his knowledge and made this work possible.

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## **Chapter I: Introduction**

Recent debates about management research have focused on how it can meet the world of practice requirements and being relevant to it (Hodgkinson et al., 2001), and how it can overcome theoretical and methodical hurdles. According to Mingers (2000), management education shall foster a critique of tradition, rhetoric, authority and objectivity. Furthermore, management would most likely appear to be a distinctive focus for research as it is a transdisciplinary theme (Easterby-Smith *et al.*, 2002). Thus, this research focuses on several disciplines surrounding management issues such as Human Resources, Economics, Culture and Ethics. In the same fashion, this research project aims to outline management practices taking account of its purpose and context, which has seen many changes over the past twenty years.

To look at South African management in the wine industry is a bit of a paradox. Implemented into a difficult economic environment and subject to a strong Community pressure, South African managers have to deal with the hostile attitude of political authorities, all without any real legal and regulatory protection. Yet, South African managers have shown remarkable resilience, as proved by Small and Medium Enterprises (SMEs) vitality within the informal factor. Besides, it has been seen as evident in emerging debates about the origins and change in institutions (Mahoney and Rueschemeyer, 2003; Greif and Laitin, 2004), about the developmental state (Deyo *et al.*, 2001; Rodrik, 2004), and about social networks (Ansell, 2000; Powell, 2003; Padgett, 2001), that both public and private actors forge new sustainable, value-creating organizations and networks. These issues have become increasingly evident over developing regions like Latin America and South Africa, where the typical institutional and social preconditions for enhancing innovative

capacities are seriously lacking. (Haber 2002; Pack 2000; Levitsky and Murillo forthcoming; Ostrom 1999). Since the work of Simon (1976), it may be argued decision makers obey a different rationality, which is limited and determined in relation to a given context and specific procedures. Moreover, the work of Hofstede (1987) on corporate culture point out that sociocultural variables exercise decisive influence over corporate performance, and that it is vital to adapt managerial practices to the sociocultural context. As there is no “one best way” leading to a unique rational decision, there is no universal corporate management model.

Indeed the issues mentioned above make the analysis of the Argentine wine industry quite instructive. Located in a country known for its wide and deep-seated dysfunctional political and economic institutions, and with a long history without successful development and no prior international presence, the Argentine wine industry lived a turnaround in the 1990s and now accounts for more than 2% of the 12 billion dollars total wine market. Nevertheless, like other Latin American countries (Giuliani *et al.*, 2005), this change is also known for relying on subnational variations, namely comparing the different winemaking provinces (see **Appendice 3**), such as Mendoza and San Juan. In the 1990s, Mendoza took ownership of exports by setting up a broad number of new institutions and networks that drive sustained improvements in product innovation relying on a wide range of firms – which appears to be, according to Giuliani *et al.* (2005), vital for upgrading in wine and other industries. Furthermore, the institutional renovations enhanced by Mendoza have been starting to create a revolution - that might be seen as quiet - within national industrial policies. Indeed, in 2004, the Argentine president agreed on a strategic sectoral policy (PEVI) and on governing institutions (COVIAR) that are a great step forward in a country famous for imposing protectionist

policies that eventually drain the budget and only benefit to a few elites (Schneider, 2004).

Furthermore, South African firms possess a number of features that have been observed in all developing countries: weak size, lack of internal and external growth, chronic skills shortage, failing financing structures and dominance of the informal sector. These specific characteristics can be explained through an analysis of both cultural and economical constraints. On the one hand, observed productive configurations result from an adjustment to particular cost and demand structures and from specific functioning markets conditions. On the other hand, trade and corporate organization, encouraging micro and small companies that are often informal, can be interpreted as a particular structure choice of corporate governance in terms of new-institutional approach.

It may then be wise to analyze cultural and economic constraints through contemporary theories and see whether it applies to both Argentine and South African wineries or not.

Therefore, this investigation first aims to detail the key features of South African structures – especially its wineries - and then to showcase performance and blocking factors, using the firm's contemporary theory. It may then be necessary to analyze the manager's primary identity to determine whether it appears to be a major hurdle or not in South Africa. At the same time, this study review the gains generated by the Argentine wine sector according to the importance of coordinated, decentralized product experiments to upgrading, such as the ones pioneered by Mendoza across a wide variety of institutions, micro-climates, and products. In the same fashion as South

Africa, efforts can also be self-limiting due to cultural and economic constraints and it may be wise to see whether Mendoza's political approach to building new public and private institutions helped and is still helping to overcome these hurdles or not.

By exploiting this focal investigation's findings, some normative recommendations may be made to conclude this study and in some senses, to improve both Argentine and South African wine sector expansion.

## **Chapter II: Literature Review**

Any journal article or textbook about Argentine and South African management would be incomplete without further reflexion on how wine industry has evolved over time. The point is to critically review the management literature and whether it applies to South African managers and Argentine institutions - within the wine industry - or not, while taking previous research and trends into account. This research relies on a deductive approach as theories and ideas are identified through the literature review and subsequently tested using data. According to Strauss and Corbin (1998), an effective analysis will raise new findings and ideas that no one else has thought about. Indeed academic theories have been defined as “a formulation regarding the cause and effect relationships between two or more variables, which may or may not have been tested” (Gill and Johnson, 2002).

### *Management contemporary theory*

Henry Mintzberg (1973) emphasizes the role of managers as essential to an organization and classifies managerial work into three subcategories: interpersonal contact, information processing and decision-making. Furthermore, according to Mintzberg (1973), managers are essential to make sure that the organization achieved its basic objectives, to conduct and design strategic operations, and least but not last, to manage corporate strategies as well as ensuring that firms' functioning adapt to the changing environment.

Wren (1994) stresses out the universality of management as managers are supposed to perform the same tasks in different organizations and different countries. Yet it may be argued there is no "one best way" leading to unique rational decisions and as a consequence, there is no universal model within business management.

Peter Drucker (2007) adds to the previous definitions that: *"While management is a discipline – that is, an organized body of knowledge and as such applicable everywhere – it is also culture. It is not value-free science. Management is a social function and embedded in a culture – a society – a tradition of values, customs and beliefs, and in governmental and political systems. Management is – and should be – culture conditioned: but in turn, managers and management shape culture and society."*

Besides, Hofstede (1987) points out that sociocultural variables decisively influence managerial performance and it is essential to adapt managerial practices to the socio-cultural context. Indeed South Africa management shall be tailored by economic and cultural constraints such as particular costs and

market conditions, unstable political situation, intercultural issues, and high legality and transaction costs. Furthermore, both Argentine and South Africa and wineries have a particular structure (small firms) and operating mode (high interpersonal relationships and informal structures). Moreover, Argentine wine industry also takes into account several variables (economic, cultural and politic), which actually limit its innovative capacities in exporting fine wines.

### *South African wine industry*

South Africa is the only country in the world to have a specific date of the wine industry's beginnings. The first South African wine has been produced in Cape Town, on a Sunday, the 2<sup>nd</sup> of February 1659. With the disappearance of the Apartheid in 1991, South Africa started to export its wine out of the country, which was prohibited before. The country is therefore not used to compete on international markets but it is also a big wine producer (ranked ninth in 2013)<sup>1</sup>. There are 3700 wine producers and 600 wine yards producing its own wines in South Africa, which leads to an annual production of 900 million liters. The country is currently exporting over 400 million liters of wine, mainly to United Kingdom, Netherlands, Germany, USA, Sweden and Canada (see table below).

COUNTRY	2007	2008	2009	2010	2011
UK	54 528 892	69 089 591	80 884 402	54 777 503	32 373 602
Netherlands	17 776 082	20 272 445	19 871 966	19 321 508	17 384 674
Germany	14 558 783	14 724 137	14 720 225	16 453 936	16 021 595
USA	9 456 968	8 291 052	8 156 255	9 457 337	8 587 587
Sweden	5 916 882	5 623 835	7 012 778	7 169 460	6 678 635
Canada	6 354 960	6 644 119	7 427 859	7 652 401	6 457 664
Belgium	4 357 382	4 322 354	4 061 223	4 680 083	4 550 919
China	601 625	842 857	1 329 678	2 288 455	4 283 431
Denmark	6 535 060	7 767 675	7 295 639	7 826 915	4 238 735
Nigeria	1 206 782	2 094 300	2 224 778	3 040 016	3 436 637
Republic of Ireland	4 354 727	4 015 652	2 902 750	3 177 900	2 151 172
Finland	1 967 144	2 087 033	1 984 014	2 271 960	1 953 090
Japan	1 216 202	1 466 992	2 336 948	2 519 189	1 560 825
Australia	648 716	2 337 345	1 470 816	1 562 106	1 322 463
Russia	1 434 503	1 118 907	1 010 813	1 245 384	1 292 626
United Arab Emirates	523 445	794 119	669 686	1 126 910	1 192 820
New Zealand	604 467	2 399 801	1 581 548	1 752 890	1 166 022
Tanzania	673 751	701 267	659 704	877 241	1 087 146
Kenya	611 330	502 610	449 733	863 777	996 795
Poland	816 570	822 921	680 323	828 386	850 172

<sup>1</sup> <http://www.oiv.int/oiv/info/enpublicationsstatistiques?lang=en>

### *Economic and cultural constraints*

The limited size of the capital market does not allow wineries to mobilize the necessary funds for its growth, while the shortage of skilled labour prevent these small firms from developing into business lines with a high added value. Likewise, the volatile nature of the environment and the presence of a considerable uncertainty also contribute to the production development within small units: it does discourage the use of mass production techniques and result in resorting to flexible techniques with massive use of unskilled workers.

It may be wise to consider South African corporate structures as a unique governance structure (Coase, 1937; Williamson, 1975). This approach has been adapted to a large number of situations, especially to developing countries (Hong, 1996). In South Africa, it results in encouraging informal small structures. Tybout (2000) attempts to explain the small size of South African firms as the result of narrow markets, high transaction and transport costs. As a result, small firms such as wineries cannot use economies of scale available to bigger organizations. However Tybout (2000) noticed these institutions are efficient on a basis. In other words, choosing to have a smaller size complies with its aim of minimizing costs. Indeed transaction costs are considerable: cognizance of pricing system is difficult to obtain because of fragmented and imperfect markets. Integration costs are just as high as transaction costs, which translates into the impossibility to exceed a critical size and into market fragmentation.

Moreover, contractual insecurity is big due to the absence of a legal framework that encourages free riders (Chandra and Nganou, 2001; Devey et al., 2005). Flexible contracts, based on high interpersonal relationships that only benefit to locals, can explain the lower ranks occupied by South African organizations in international markets (Fafchamps, 2004). However, the South African wine industry seems to waive the rule as exportations rose by 26% between 2012 and 2013 implementing in important markets such as the United-Kingdom, Germany and the United States (WoSA: Wines of South Africa, 2014). Besides, the compliance of legal rules and regulations lead to two different costs types: on the one hand, the weight of taxes, and on the other hand, the time required to comply with formalities (Ferchiou, 1990; Attin, 1990; De Soto, 1994; Hernandez, 1997). Furthermore, two other constraints – often exposed within South Africa – such as the malfunctioning of local administrations and the necessity (sometimes impossible to avoid) of paying bribes, also make legality costly.

According to Hugon (1995) the informal sector does not follow accumulation but rather diversification, which also explains the small and limited size of wineries, as seen before. Contamin (1990) and Faure (1990) suggest that the surplus generated by informality is not affected to production structures enhancement and may sometimes be accumulated within a family business (Mead, 1994; Marniesse, 2000). Most micro-enterprises do not grow in terms of jobs; new organizations contribute to employment instead. According to a research of Mead (1994), only a quarter of companies with less than five employees hired someone since its creation, and about 80% of employment result from new firms. This phenomenon can be explained: legality cost is higher than informality cost so the surplus goes to new activities creation instead of production units' enhancement. However, the informal sector is

comparatively recession-proof, and especially within the wine industry, which may be considered as a main asset.

Since the work of Iribarne (1990) about the cultural roots of business management and those of Hofstede and Bollinger (1987) about the cultural relativity of organizations, it may be argued firms do not set out themselves in a single framework that will reproduce all the linear development steps. Rather, the set of rules governing companies is not universal and has to be adapted to the local context, including in industrial countries. If every country develops the right management tools, its export to other countries can fail. Corporate cultural roots must then be taken into consideration before making normative decisions. One of the limitations to the growth of entrepreneurship in South Africa is linked to the fact that it is embedded in a subsistence economy, dominated by expenditure. Thus, much of the surplus would be spent for subsistence purposes or redistributed to the entrepreneurship's entourage. However, as Traoré (1990) outlines, if the individual's key driver is to allocate expenditure in order to meet typical requirements, building savings to be prepared against unforeseen problems is also a main issue for the individual. From this perspective, Community solidarity has an ambivalent role: it limits the opportunity for the entrepreneur to roll over his or her surplus and it can compel him/her to make decisions deemed to not meet the expectations of the traditional corporate functioning. Yet, Community solidarity also provides an assurance role by protecting him or her against unexpected events and by limiting opportunist behaviors resulting from information asymmetries, as Fafchamps (2004) pointed out. South African firms become prisoners of pyramidal decision-making when it exceeds a certain size. This leads to the lack of a precise definition of responsibilities, to the undesirability of control, and to the criticism of sanctions (Iribarne, 1990).

Convergence in all decisions at the top of the company makes the venture look like an extended family, managed by a leader playing a father role getting his or her subordinates off the hook.

Other cultural factors relevant to the South African culture are often discussed. Time management, which is fundamental in Western culture (Newman, 1986), is still an issue within South African firms. Leaders and workers constantly have to show a high degree of availability to the Community members and to private life's unexpected events such as funerals, which can interfere with corporate decisions. In South Africa time is not perceived as a constraint, scheduled events just need to occur, the precise moment these projects occur is only secondary, which does not mix well with the accuracy and the punctuality of modern corporate governance. South African wineries struggle in applying programming and planning procedures and would rather improvise.

Public authorities are caught in a contradiction between interventionism and liberalism. As Arellano, Gasse et al. (1993) point out public authorities are seeking to codify, to normalize, to control activities which are exempt from taxation, to disrespect the labour code or hygiene conditions, not to meet security or sanitary requirements, etc. Yet, as seen earlier in this report, an overly strict and fussy legislation encourages informality. Softening legislation and encouraging regulatory procedures can then have beneficial effects as suggests De Soto (2000). According to Charponnier (1994), the absence of a clear institutional framework does not allow South African managers to develop their entrepreneurial spirit within a legal framework.

Many studies have highlighted the relationship between education and labour market opportunities in South Africa (Schultz and Mwabu, 1998; Borat and

Leibbrandt, 2001; Hosking, 2001; Cichello et al., 2003; Van der Berg and Burger, 2003). Some recent studies chose to focus on the link between education and the probability to find a job (Bhorat, 2004; Kingdon and Knight, 2005; Moleke, 2006). These studies are relevant to South Africa as the country has a high and rising unemployment rate, especially since the end of the Apartheid. It has been assumed there is a “mismatch” in terms of skills between the demand and supply of labour (Bhorat and Hodge, 1999; Poswell, 2002; Cassim, 2006; Naidoo, 2006). National policies have then decided to launch the Joint Initiative on Priority Skills Acquisition. Others argue that policies mainly serve business interests and do not succeed in addressing economical issues and inequalities of the country (Hayter et al., 1999; Habib and Padayachee, 2000). Indeed South Africa has been confronted to a chronic skills shortage and education has become a predicting tool of employment in the country. Moleke (2006) identifies racial differences in terms of gradual unemployment. In his study, the author found that White people were more likely to find a job after graduating than Coloured, which does not contribute to the easing of intercultural tensions.

### *The Argentine wine sector and its transformation*

« Can Argentina fulfill its potential and produce world-class wines? The answer is an emphatic yes » (Wine Spectator, March 24, 2003).

The recent and steady ascendancy of Argentina within the global wine market might be seen as the result of an overall decline in terms of wine consumption per capita, which has actually increased consumption in higher quality fine wines (especially the four varietals of cabernet sauvignon, merlot, chardonnay, and sauvignon blanc) and intensified competition from « New World » wine producers such as the USA, Chile and Australia, hence threatening traditional wine producing countries of Europe (see **Appendice 4**).

Although Argentina was historically one of the largest volume producers and consumers of wine per capita, the wine sector, such as a major part of other Argentine industries, was never renowned for quality or exports. During the 1980s, the wine sector was evolving in a highly regulated market, dominated by a few high volume producers, and poor quality table wines for domestic consumers. During Carlos Menem presidency (1989-1999), Argentina implemented market reforms, including a general liberalization (particularly in the wine industry), privatization, and stabilization of the country overvalued money. Later on, the country has experienced a low level of inflation, a significant and surprising increase of FDI as well as an erratic growth.

However, in the late 1990s, Argentine underwent a low level of exportations - accounting for only 10% of the GDP - and a uniform change in terms of added-value production, in areas such as leather products and services in which the country already had competitive advantages and a well enhanced

processing segment (Lugones, 2000; CEPAL, 2002). On the flip side, the Argentine wine industry, although still very reliant on domestic sales in terms of incomes, suffered from a deep-seated strategic change toward exportations. Indeed, on the one hand, at the beginning of the 1990s, wine exportations only accounted for a few million dollars and one could not really talk about international presence, and on the other hand, in the late 1990s, wine exports end up accounting for 1.5% of the global market. These gains have not only been based on comparative costs but also on an essential improvement in terms of consistent quality and product innovation. First, in the middle of the 1990s, most of export revenues result from fine wines and not from cheap wine, which could be seen as easier to sell. Then, most of Argentine wines - over 70% - are actually sold to very sophisticated and competitive markets such as Europe, the United States and Japan (see **Appendice 5**). According to Guillen (2001), a key factor that could explain the lack of enhancing and competitiveness of Argentine ventures in other industries was to mainly focus - in the 1990s - on less sophisticated markets such as the Mercosur and their national market. Moreover, the wine quality improvement is now manifested by the ratings of famous wine trade magazines (*Wine Spectator* and *Wine Enthusiast*), whose scores equal those of great and famous Chilean wines. Furthermore, Argentina benefited from its product innovation that was no more only relying on the consistent quality of the varietals indicated above. Indeed, according to Walters (1999) and the *Wine Spectator* (1995) Argentina became well known for its ability to offer high quality wines of various varietals and original blends.

As it has been previously argued, changes in quality and product innovation is remarkable as Argentine is, from a historical point of view, a backward country that has been experimenting various products and processes across a

range of organizations and micro-climates (Cetrangolo *et al.*, 2002; Blazquez, 2001). It has been repeated by some wine experts that the same technology can surely make a \$5 as well as a \$50 bottle of wine. While marketing and distribution are known for making the difference in terms of product, some components are actually being transformed within the value chain, such as state-of-the-art quality control and product development from the moment vines are planted to the vinification and blending. These non-negligible components - from the value chain - are actually continuous processes that depend upon time and interaction ; any new vine that is planted requires at least three to four years to show its initial results and any quality and taste modification during grape growing needs between 18 to 24 months.

According to recent research, knowledge creation and dissemination is necessarily social, interactive and is often relying on a complex network of both vertical and horizontal ties among firms. (Giuliani and Bell, 2005; Henderson et al., 2004; Roberts and Ingram 2002; Walters 1999). Oenologists, producers and agronomists as well as designers and bench markers must continually share information, develop common criteria and reporting procedures, in order to then test and jointly audit the results.

This continuous, collective process of upgrading has been negatively affected by a stock of poor quality vines and a relatively considerable diversity growing conditions for high quality grapes. First, in the late 1980s, the large majority of vines was producing grapes of low oenological quality, and the fluctuations occurring in the 1980s, according to Walters (1999), led to the eradication of even potentially high quality grapes, like 30% of the stock of Malbec. Second, while the majority of Chilean grapes were only four different types of varieties, Mendoza had about 100 micro-climates that had the

potential to abide at least twelve red and white varieties of medium and high value (Walters, 1999; Cetrangolo *et al.*, 2002). Nevertheless, according to Cetrangolo *et al.* (2002), the surface area of Argentine vineyards that is dedicated to varieties of high enological value has soared from about 20% in 1990 to about 43% in 2001 and appears to be the main result of a combination of “modernizing” old vines, eliminating obsolete ones, and planting new ones.

The varied and decentralized nature of fine wines upgrading is also reflected in the low level of concentration and variety of firm strategies. Over the 1990s, the number of registered wineries in Mendoza, the main winemaking and grape growing province (with San Juan), collapsed by about 35%. Yet, since 2000 this number has been gradually rising. Nowadays, there are about 700 active wineries in Mendoza. While 80% of global sales is controlled by six big firms, fine wine production is much more balanced. For instance, these last years, there were about 200 firms exporting wines, with the top five companies accounting for about 40% of total sales, the top 10 accounting for only about 60%, and the top 20 for about 70%. In comparison with Chile and Australia, a small quantity of large and vertically integrated ventures quickly controlled both exports and grape supplies. While in the 1980s and 1990s Mendoza experienced a significant decline in the number of exploitable wine areas and a bit of consolidation by 2001, lands remained considerably small with about 16000 vineyards of about 140.000 hectares.

Ownership concentration also appears to be relatively low. According to an agricultural survey of Mendoza of 2008, the 18 biggest vineyard owners only manage 5% of the surface area dedicated to grape growing for wine producing and about 1100 owners dominate about 50% of it. Indeed, in spite of the specific nature of grape development, subcontracting has actually rose from

about 50% of a winery's grape necessity to almost 70%. (Cetrangolo *et al.*, 2002). Nonetheless, it may be argued that Argentine, and especially Mendoza, has a significant diversity in terms of size, strategy and ownership. There is no wine companies that are public listed while about 50 of them are wholly or partially owned by foreign Multinationals (MNCs) or Argentine large business groups. It may be wise to point out that foreigners have most ownership in half of the top 30 exporting organizations in Argentine.

The previous data may be justified by the fact that Foreign Direct Investments (FDI) account for about half of the 1.5 billion dollars injected in the wine industry in Argentina between 1991 and 2003, and most of these investments have been realized after 1996. Moreover, there are about 50 premium wineries that account for about 45% of volume and 70% of exports of Mendoza fine wines. Most of these firms are domestically and family owned businesses that have transformed their products and processes from mainly basic table wines to fine wines with a US retail price per bottle going from \$5 to \$40. These firms have their own vineyards but they also rely on about 3000 grape suppliers. The biggest ones have about 200 to 300 non-exclusive suppliers. There is an additional number of 30 small, new wineries and about five small cooperatives, both of which focus more on low volume and high quality wines. They mostly depend on the grapes from their own vineyards and from a very limited number of small and exclusive suppliers. The premium and ultra premium wineries are also seen for their high rates of export revenue growth, which represent an annual 50%.

To sum up, the Argentine wine industry has reached a relative success in producing fine wines through meticulous, coordinated processes and product

experiments allocated across a relatively large variety of micro-climates and organizations.

### *Economic, legal and political constraints*

At the beginning of 1990, the wine industry accounted for a larger share of business output in San Juan than in Mendoza. In addition, San Juan was one of the four provinces that benefited from a specific industrial promotion program (such as great tax breaks to investors) promoted by the federal government between 1980 and 1990. Thanks to these programs, San Juan collected in the 1990s around 1 billion dollars in direct investment that were allocated to over 400 projects, about half of it were fully or partially assigned to wine production. Because of this program, Mendoza estimates its lost as much as 200 million dollars per year in terms of wine production (CEM, 1999).

Argentine political and legal corporate incentives alone do not seem to have solid explanatory power either. First, Mendoza is subject to a national regime of economic law and property rights, and the country has steadily been ranked relatively low on all international indicators of private property rights preservation, transparency, and business environment. Second, recent researches underlined that Mendoza has also been experiencing difficulties in terms of legal efficiency and respect of private property rights. Third, the wine industry has been controlled by the same national and regional regulations. Indeed, in 1993, Mendoza signed an agreement with San Juan to share all public policies toward the wine industry. Fourth, political system does not offer clear explanations about it. On the one hand, it has been argued in some findings that a manager with bigger expectations of political security would be more likely to invest in the establishment of new organizations, as it happened in Mendoza. On the other hand, it has been argued that political competition might enhance policy making (Remmer and Wibbels, 2000). Besides, between the late 1980s and the early 1990s, Mendoza's executive and legislative

departments were both managed by Peronists such as Oscar Bidegain, governor of the province, who created the PPA (Partido Peronista Auténtico) in March 1975.

### *Knowledge and Human Resources limits*

On the one hand, it could be argued that Mendoza already had in the 1990s a great stock of knowledge and human resources, or “absorptive capacity.” This argument is based in the form of a large quantity of licensed oenologists. However, at the beginning of the 1990s, there was only one program in Mendoza (el Colegio Don Bosco) that only graduated five oenologists per year who were then employed within the province, or in San Juan. (Walters, 1999). Yet, Ziegler (1995) advanced a stronger argument, highlighting that Mendoza had a large amount of elites to upgrade its wine institutions. Indeed, at the beginning of the 1990, Mendoza upgrading processes were pioneered by a few elite organizations, as a major consequence of the liberalization of European equipments and chemical providers. Indeed, these firms were led by Argentinian with an overseas education and a large amount of contacts with well known foreign consultants.

For instance, Chandon from France, as well as Catena, Arizu and Trapiche from Argentina all exploited these education and human resources to rearrange their wine production, vineyards maintenance, and storing according to international standards. Furthermore these wine institutions, through the development of incentive systems and personalized technical support to diffuse upgrading processes through their grape suppliers, became sources of vertical knowledge diffusion (Foster, 1995; Walters, 1999).

Yet, even if this initial inheritance of knowledgeable elites and pioneering organizations was essential, it cannot alone justify the broad upgrading that has taken place in Mendoza. First, high levels of concentration and vertical integration are likely to be seen within wine institutions and appear as the

main result of a poverty of contractual enforcement and the inherent risk of resources specificity. However, as it has been previously highlighted in the section above, it clearly has not been the case. Second, and knowing that only a few organizations in Mendoza had the required resources to engage foreign consultants, both highly contextualized growth and product experimentations impide the easy use of overseas methods and economic incentives.

Because of the constant changes in terms of microclimates, soils or irrigation and its impact on the grape, what is likely to work in one part of the province, may not be suitable in another place, even if it is the same varietal. This problem was all the more relevant and challenging in Mendoza because of the great diversity of micro-climates previously mentioned above. For instance, between the middle and the end of the 1990s, various well-know oenologists advised many of their suppliers to include new water reduction grape growing methods from overseas. This recommendation had disastrous consequences, since the method used under the local climate conditions of Mendoza actually “cooked” the grapes. On top of that, because of the relative absence of contracts in the province, the producers had to financially afford almost all of the losses themselves. Besides, according to Walters (1999), in the 1990s, a considerable number of firms amassed large amounts of debilitating debt (see **Appendice 6**) because of the acquisition of ambitious technologies, which was based on advice and low-cost financing of the foreign equipment suppliers.

To sum up, the potential asset and strength of Mendoza was also a drawback to the simple importation of foreign knowledge and human resources. It has been argued by Stark (2001) and Evans (2004) that in an environment of trivial knowledge, financial and human resources, short term benefits - as an imitation - can mainly limit diversity and lead to dead-ends.

These are issues that scholars like Schmitz and Nadvi (1999), Gereffi (1999) and Humphrey and Schmitz (2004) have been dealing with when there are a very narrow number of market and knowledge keepers.

### **Chapter III: Research Methodology and Objectives**

Objectives may lead to greater specificity of the topic than investigation questions - for instance (Saunders and Thornhill, 2007). Personal and research objectives appear to be similar within this report and passed the SMART test (Maylor and Blackmon, 2005) to be valid. Thus, this research project has specific, measurable, achievable, realistic and timely objectives. From undertaking this research, a clear understanding of both South African and Argentine management practices according to cultural and economic constraints is likely to be achieved. By confronting contemporary theories with South African wineries management, as well as Mendoza improvements, new findings may arise from it. It is also a way to measure whether objectives have been achieved or not. Furthermore, given collection data limitations and geographical constraints, objectives are achievable, as a precise procedure has been used throughout this research. Despite some setbacks, this project has been due on time, which makes its objectives realistic (Saunders and Thornhill, 2007). Finally, objectives have been accomplished according to the time schedule that had been set within the interim report.

Research methodology aims to explain the methodology adopted for the course of investigation and the sampling requirements used. The overall process of data collection was conducted through face-to-face interviews as it provides a better alignment with this report investigation's objectives. Confidentiality has been respected in order to cope with strategic information relevance and as a consequence, only one interview out of twelve has been reported in this research.

The nature of this research implied cultural and economical issues regarding the patterns that influence management practices within South African wineries, which can be more accurate and relevant by using qualitative methods of investigation (Eisenhardt, 1989; Yin, 1989; Crouch and McKenzie, 2006). As a consequence this study is based on interviews to complete collection data and is assumed – according to Silverman (1993) - to provide more “authentic insights into people’s experiences”. Furthermore, previous qualitative case studies (Burgelman, 1983; Sutton and Callahan, 1987; Thomas, 2003) have highlighted the validity and reliability of qualitative data collection. Besides, Marshall and Rossman (1995) regard face-to-face interviews as the most efficient way to obtain quality data.

In order to maximize the validity and authenticity of the research, triangulation has been used to test information and involved data testing through written documents and additional websites. Denscombe (2007) defines the research validity as “the extend to which qualitative research data [...] are accurate and precise”. Besides, Shah and Corley (2006) provide advice about sampling strategy and reliable research methods. As a consequence, accuracy and reliability – defined as repeatability by Carter and Little (2007) – have been ensured by this triangulation strategy “since there can be no validity without reliability” (Lincoln and Guba, 1985).

### *Stellenbosch investigation process*

Relating to South Africa wines, primary research has been conducted through twelve interviews within wineries operating in Stellenbosch, which is commonly referred as the South African wine area. The purpose of this study is to outline South African management practices and link this research's findings with economical and cultural constraints. Therefore, this investigation focuses on a comparative analysis of business practices that aim to increase the winery growth. It should also be noted that other information sources – than those listed above - have been used to conduct the research. Indeed, the process of selecting twelve wineries has been carried out using the respective wineries websites and the Wines Of South Africa (WOSA) data<sup>2</sup>. The questionnaire was a set of simple questions about the surveyed managers' profile, their behavior and the significant elements for corporate growth (according to them). In order to conduct the primary research, emails have been sent to the different wineries in order to arrange a meeting (when possible) for a face-to-face interview. However, only five out of twelve interviews were carried out in face-to-face and the others via Skype or email. This focal investigation only deal with twelve wineries as most of the other contacted firms did not answer or were not willing to answer, due to a lack of interest. Besides, time and money constraints also contributed to the limited number of wineries.

This part of the study reveals the methodology used to conduct this paper's focal investigation. As a matter of fact, information about data collection (in relation to the process and sample used) has been provided as well as possible

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<sup>2</sup> <http://www.wosa.co.za/index.php>

in order to justify the selection of a particular methodology. Thus, the next chapter provides the findings obtained after conducting one-to-one interviews in twelve South African wineries.

### *Mendoza investigation process*

For Argentine, primary research has been conducted through one interview within a bodega operating in the region of Mendoza, which is commonly referred as the Argentinian wine area by excellence (with San Juan). The aim of this study is to outline Argentine upgrading process relating to its wines overcoming economical and political hurdles. Therefore, this investigation focuses on a comparative analysis of processes that aim to increase the winery growth. It should also be noted that other information sources – than those listed above - have been used to conduct the research. The questionnaire was a set of simple questions about the surveyed managers' profile, their opinion and the significant elements for corporate growth (according to them). In order to conduct the primary research, emails have been sent to the different bodegas in order to obtain more information as only one face-to-face interview has been made. However, only a few bodegas have been answering to it, with more or less accuracy. Besides, time and money constraints also contributed to explain the limited number of bodegas investigated, as I have only been able to stay a few days in the region of Mendoza to conduct this research.

It may be wise to precise that another source of information has been used to elaborate this study. A study made by ACREA (Asociación de Consocios de Experimentación Agropecuaria), an agricultural association that started decades earlier coordinating and promoting collective knowledge and education among farms in the Pampas regions. A group of ACREA, including 10 grape producers, have been paid a certain amount to cover the costs of using outside oenology and agronomy consultants. The aims of the association was to make the participants learn from each other with the help of the consultant and hence forge stronger ties to improve information sharing and

further collaboration. The participants had a mensual meeting to address a common problem or strategic concern via the “live” example at the given vineyard. Thanks to collective problem solving, members would easily share tacit information on production experience, which could hopefully help another participant to « climb » the learning curve faster. There were six groups in Mendoza between 1993 and 1999, then only three.

## **Chapter IV: Research findings and analysis**

### *South Africa managers' profiles*

The first set of questions asked about the manager's attitude towards shared authority, the Community rules and cooperation opportunities with other companies, his/her aversion to risk and innovation incentive. It has been requested – when necessary - to precise if each factor had a positive or negative influence on the manager's conduct of business. In response to this study's questionnaire, results have been collected in the table below in order to highlight the findings.

	<b>Positive Influence</b>	<b>Negative Influence</b>
Be the only owner of the company	10	2
Taking account of the Community rules	7	5
Cooperation	7	5
Risk-taking	7	5
Innovation	8	4

The questionnaire responses show that shared authority appears to be an obstacle to a good conduct of business. Indeed, according to ten out of twelve wineries (i.e. 80%) be the only owner of the company is the guarantee of success. Nevertheless, positions are more divided on the other questions. Regarding the Community rules and cooperation, answers reveal its positive influence on business success, but in both cases this result was achieved with a narrow majority (60% of favourable answers). This result can be explained by

the numerous wineries located in the region of Stellenbosch (see **Appendice 2**) and therefore, the need for cooperation. In the same vain, risk taking and innovation are defined as favourable factors, but only for respectively 60% and 70% of the answers, indicating the ambivalent aspect of those two factors: managers are aware that they can succeed only by taking risks and innovating, but insecurity, and the lack of visibility of policies and regulations significantly prevent them from doing it.

### *South Africa business performance*

In the second part of the questionnaire, respondents were asked about business performance as it is summarized in the table below. Data revealed that companies are fully satisfied with their relationship with their customers. On the one hand, organizations are largely satisfied with their employees' productivity, who seem themselves to be quite content with their lot, but it may be the result of the employment of familial or low qualified workforce that, in both cases, do not have significant power to make demands and negotiations. On the other hand, corporate performance may be limited by the weakness of their trade integration and of their equipment efficiency. On this latter issue, managers jeopardise their equipment's varying availability due to frequent power outages and to the high cost of spare parts. Therefore, only few wineries are fully satisfied with their turnover growth and profit increase. Some of the firms' managers could not be reached for comments, which can explain the small number of companies – in the field provided for that purpose - in the table below. Even if 75% of the respondents are proud of their financial independence, it is actually more the result of the South African weak financial system than a healthy financial position.

	Satisfied	Quite satisfied	Dissatisfied
Trade integration	1	5	6
Equipment efficiency	2	4	6
Employees productivity	2	7	3
Financial independence	6	3	3
Employees satisfaction	3	6	3
Relationships with customers	6	5	1
Turnover growth (7 wineries missing)	1	3	1
Benefit growth (8 wineries missing)	1	2	1

*South Africa economic and cultural constraints*

The last set of questions was about factors impeding corporate growth. Thus, in a consistent manner the results previously achieved, respondents experience first difficulties with access to credit and equity insufficiency (which is a very relevant factor according to 50% and 60% of wineries, or quite influential according to 80% of respondents). Secondly, the cost of regulatory and the manager's profile itself appear to be blocking factors. Yet, factors associated with Community solidarity may appear to be dropping slightly: aids to the Community, to the parents and family duties seem to be a very influential factor only for 10% to 25% of respondents, and quite influential for 25% to 50% of them. Answers have been summarized and grouped, according to the influencing factors' sociocultural and economic nature, in the table below.

	<b>Very influential</b>	<b>Quite influential</b>	<b>Not influential</b>
Difficulties in accessing credits	7	2	2
Equity insufficiency	6	4	2
Family duties	1	2	9
Aid to parents	3	4	5
Aid to the Community	1	1	10
Manager's profile	5	2	5
Regulatory costs	3	5	4
Ethnic preference	1	3	8
Networks influence	3	3	6

Finally, ethnic issues have been furthered discussed in this questionnaire and 70% of the respondents have no preference of ethnicity in terms of supply. When managers are asked about the influence of networks made up by individuals from the same ethnic group, results are mixed: half of the respondents reckon networks can benefit to transactions and the other half do not see any influence on it. However, most of them (60%) consider that such networks could enhance safe trade and interpersonal trust, which is consistent with the results achieved by Fafchamps (2004).

### *Argentine economic and cultural constraints*

First questions were about factors preventing from corporate growth and upgrading. Thus, respondents first experience difficulties in accessing credits and in finding foreign and domestic investors (which is a relatively relevant factor according to 60% and 30% of the wineries, and not influential at all according to 10% of respondents). Secondly, regulatory costs appear to be blocking factors according to most of the participants while the manager's profile does not really seem to be one. Yet, factors associated to employees productivity and employees productivity are mainly seen as hurdles in terms of expansion, according to the total of the participant. Finally, access to education and innovation have more balanced results as it does not appear to be a very influential factor impeding corporate and international growth.

Answers have been summarized and grouped, according to the influencing factors' sociocultural and economic nature, in the table below.

	<b>Very influential</b>	<b>Quite influential</b>	<b>Not influential</b>
Difficulties in accessing credits	4	2	1
Difficulties in finding investors	5	1	1
Manager's profile	3	3	1
Regulatory costs	6	1	0
Equipment efficiency	4	2	1
Employees productivity	6	1	0

	<b>Very influential</b>	<b>Quite influential</b>	<b>Not influential</b>
Access to education	2	3	2
Cooperation	7	0	0
Innovation	4	3	0

### *Argentine political factors*

The second set of questions inquired the bodegas about political factors. It has been requested – in the same fashion as in South Africa - to precise if each factor had a positive or negative influence on the manager’s conduct of business. The Argentine government has a very influential role on Mendoza’s institutions development, according to all the respondents, while public and private actors do not look to be an inconvenient. Yet, public policies, as well as trade integration and institutional resources appear to be a certain influence on Mendoza international integration (according to 70% of the participants, both trade integration and institutional capital are very influential factors, and for 85% of them, public policies also have a key role). In response to this study’s questionnaire, results have been collected in the table below in order to highlight the findings.

	<b>Very influential</b>	<b>Quite influential</b>	<b>Not influential</b>
Trade integration	5	2	0
Financial regulations	3	3	0
Public policies	6	1	0
Government power	7	0	0
Public and private actors	2	3	2
Institutional resources	5	1	1

## **Chapter VI: Conclusions and Recommendations**

In an organization, whether it is an American, European or African company, efficiency and profitability are immutable management principles that culture could not call into question. Besides, entrepreneurial mind-set is not a cultural monopoly: it does exist among South African ethnic groups such as the Afrikaans, the Zulus, the Xhosas, the Ndebele and the Swazis.

Therefore, the South African manager's behavior reveals that the Community obligations are sometimes preferred to the universal corporate management principles, which are mainly used within European and American organizations. The results achieved throughout this focal investigation also indicate this heavy double constraint, especially economic and institutional barriers that are limiting South African wineries' development. This kind of companies is perceived as family units with known and respected values. Instead of implementing a universal management model, these cultural values must be used as the company's management style basis, prioritizing South African cultural patterns such as community and solidarity. In principle, this should unlock corporate forces that may be choked by an imported management style, which is usually unrelated to South African realities. In this regard, South African solidarity must be mobilized as a real strength of labour.

More accurately, based on the results of this focal investigation, it has been possible to set out some lines of sociocultural innovation that may enable companies to take advantage of the South African and the Western culture in terms of scientific corporate management. In order to do so, corporate structures and rules should be defined taking account of local sociocultural values in order to ensure the essential group cohesion. Furthermore, the notion

of hierarchy should be reduced to its most simple expression to personalize relationships between leaders and employees, the dilution of responsibilities should be avoided and an effective behavior monitoring should be achieved. Finally, Community pressure should be used in order to strengthen contractual links and reduce trade costs.

This study has attempted to offer a political, economical and cultural view of the emergence of an organization's innovative capacities to upgrade by using the example of the wine industrie of Mendoza, namely the latter's capacity pioneer upgrading in the elaboration of fine wine exports during the 1990s. The wine region has mainly been able to overcome hurdles such as as natural resources, knowledge diffusion, economic endowments, social capital, and provincial electoral industries. This research then assumed that the relative success of Mendoza results from a political reform based on the development of public-private institutions conducted by the principles of commitment and diffusion.

In the same vein as with many complex organizations, the dual issue of creating innovative abilities for the wine industry can be made by breaking old practices as well as enhancing diversity, often clashing groups within the value chain to collaborate in previously unimagined approaches. Mendoza institutions and its respective business associations did recognize that upgrading overcome firm boundaries, and it has been admitted that efforts were essential to build new networks and forums for social and collective learning. As much as these efforts helped, they also presented some limits. Indeed, on the one hand, skills and experience diversity can accelerate new knowledge creation, and on the other hand, can also become hurdles to collaboration.

Mendoza has mainly appeared able to gradually overcome these barriers from a political approach that improved both incorporating and empowering public and private actors in the implementation of new policies and institutions. Thus, in the context of a huge crisis that suffers the country, Mendoza should ask the government to engage the relevant sectoral groups to collectively solve the problem and to provide new joint institutional resources. Then, as the relevant public and private actors decided to delegate capital and responsibilities to the new institutions, Mendoza should diffuse more information about its changes in terms of quality and product innovation, and use it as a way to be more present on the international scene, by informing both stakeholders and policy-makers.

Adapting institutional arrangements to the local context might support this kind of innovation; as well as reducing the administrative burden that leads many of the managers to the informal sector and a lack of recognition. These recommendations may help to develop both South Africa corporate network and Argentine international presence.

## **Chapter VII : Appendices**

### **1. Interview of Rolf Zeitvogel, Blaauwklippen's leadership**

Alexia Labrousse: - Good afternoon Rolf, I just have a few questions about cultural and economic constraints in South Africa...

Rolf Zeitvogel: - Yes, yes, sure Alexia, go ahead because I don't have a lot of time.

Alexia Labrousse: - As the only owner of Blaauwklippen, do you think it has a positive influence on business and what do you think is necessary to succeed in any business?

Rolf Zeitvogel: - [Hum]... I think you need to be innovative to stay competitive... And you obviously need to be a good leader [Laughs].

Alexia Labrousse: - Then, what are the characteristics that need to showcase a good leader?

Rolf Zeitvogel: - Well a good leader should provide a long-term vision to its employees... Be reactive and adaptable... Especially here [Laughs]!

Alexia Labrousse: - Right. And what other factors are essential to achieve success in any organization?

Rolf Zeitvogel: - [Hum]... It depends on your personality but I reckon being cooperative with other wineries is a key factor for success. Indeed, here in Stellenbosch, all wineries are close to each other... So you better have friends than enemies [Laughs].

Alexia Labrousse: - What do you think about risk-taking and innovation?

Rolf Zeitvogel: - Well, it is mainly vital for success... But here in South Africa, only a few wineries may be able to take risks and regulations prevent us from being innovative...

Alexia Labrousse: - Would you say your winery is productive in terms of equipment and employees?

Rolf Zeitvogel: - Blaauwklippen has a good structure but equipment is very expensive... So you need to adapt your needs to your production size... And power cuts don't help as you saw yesterday... Employees' performance is good but it is different from Europe... But everyone seems to be happy so it's ok for me!

Alexia Labrousse: - Would you say that you have good relationships with your employees and your customers?

Rolf Zeitvogel: - [Hum] As you saw during your internship here, I know everyone and call everyone by its name... And I am happy to do so; it is very common here in South Africa... I am also proud of my relationships with customers, as it is often long-term relationships between us.

Alexia Labrousse: - [Laughs] yes it is like a big family here, everyone knows everyone... How do you see your benefits evolution and your financial independence?

Rolf Zeitvogel: - Blaauwklippen has just enough money to cover the overall costs, so it is actually difficult to be financially independent but it is not too bad... And [hum]... I don't want to talk about our annual benefits as a matter of confidentiality.

Alexia Labrousse: - It's ok, no problem for me. What kind of cultural factors may prevent wineries from increasing?

Rolf Zeitvogel: That's a good question! I would say that South African community can be costly sometimes as it is more difficult to say no to someone you know than an employee you never saw before... Every time someone has a problem here I can't say no!!! [Laughs]

Alexia Labrousse: - That's right... And what about economic constraints?

Rolf Zeitvogel: [Hum]... It is generally difficult to access credit for most wineries and therefore almost impossible to have enough capital to invest in new equipment for instance... Which could enable wineries to increase its size.

Alexia Labrousse: - Do you reckon Blaauwklippen is going to increase its size in the future?

Rolf Zeitvogel: - Well, it would be very, very costly. Even if it is a long-term investment, it is not a hot topic!

Alexia Labrousse: - In your personal opinion, do you have any ethnic preference in terms of supply?

Rolf Zeitvogel: - Not at all, and you already know that. Especially here, it would be difficult anyway... This is the rainbow nation! [Laughs] So it wouldn't be good for business...

Alexia Labrousse: - Would you say that networks made up of individuals from the same ethnic group would benefit to the company in terms of trade costs?

Rolf Zeitvogel: - [...] Well, on the one hand it can benefit to the company as it could improve commercial transactions, but on the other hand, I don't think it is an influential factor... I mean, it is my personal opinion... This is not how I do my job.

Alexia Labrousse: - I know you're running out of time, so thank you for your time and answers Rolf.

Rolf Zeitvogel: - It was my pleasure! See you tomorrow.

Alexia Labrousse: - Good bye, see you tomorrow

## 2. The Winelands (the wine region of Stellenbosch)



### 3. Argentine main wine regions



#### 4. Main international competitors of Argentina within the wine industry

Country	Consumption		Production	Vine Surface Area	Exports		Imports
	Liters/capita	Total hL (00's)	Total hL (000's)	Hctes (000's)	Total hL 000's	Value (\$FOB millions)	Value \$ (millions)
France	55	33,030	47,353	852	14,962	6,562,663	470.7
Italy	50	28,764	44,086	868	12,802	2,986,474	199.2
Spain	29.4	11,866	46,238	1,166	11,758	1,598,461	82.6
Australia	20.9	4,169	12,550	144	5,365	1,539,094	54.7
Chile	15.2	2,402	5,752*	168	4,029	662,990	n/a
USA	9.2	26,552	23,500	386	3,293	609,957	2,155.20
Germany	24.4	2,012	8,289	98	2,702	539,640	1975.3
South Africa	9	4,188	7,610	107	2,329	413,700*	11*
Argentina	35.3	1,352	11,800	201	1,540	231,481**	13.2
New Zealand	19.2	764	550	15	2,930*	155,000*	87.5*
<b>WORLD</b>	<b>4</b>	<b>248,300</b>	<b>271,261</b>	<b>7,504</b>	<b>6,176</b>	<b>17,318,344</b>	<b>13,875.9*</b>

Sources: IBS (2001); Wittwer and Anderson (2004)

## 5. Argentine wine exportations



FUENTE: Instituto Nacional de Vitivinicultura –SIM (Sistema Informático María).

## 6. Economic and social indicators of Mendoza and San Juan

	<b>Mendoza</b>	<b>San Juan</b>	<b>Argentina</b>
<b>Population( 2000)</b>	1,607,618	578,504	37,074,032
<b>GDP (Millions USD, 1993)</b>	\$6,925	\$2,266	236,505
<b>GDP/Capita (1993)</b>	\$7,878	\$4,571	\$7,254
<b>Growth of GDP (1993-00)</b>	1.17%	1.04%	
<b>Gini Coeff (2000)</b>	0.375	0.378	0.491
<b>Human Development Index (2000)</b>	0.747	0.736	0.854
<b>Impact of Coparticipation (1997)</b>	65.10%	56.50%	
<b>Deficit/GDP (1999)</b>	3.40	2.30	1.89
<b>Current Account Balance* (Ave. 1996-98)</b>	-5%	4%	
<b>Debt Service /Current Revenues (Ave. 1993-99)</b>	14.54	7.27	20.21
<b>Unemployment Rate (Ave. 1993-99)</b>	5.90%	8.50%	13.93%
<b>No. of 4 yr.Terms Governor Can Serve</b>	One	Two	n/a
<b>Electoral Competition Score (1995)</b>	22.54	19.28	n/a
<b>No. of NGOs/1000 Inhabitants**</b>	2.3	2.18	--
<b>Crimes against property per 1000 inhabitants***</b>	42.6	25.8	--

## **7. Interview of Rolando Meninato (Bodega MEVI)**

Alexia Labrousse: - Buen día, disculpa pero tengo una serie de preguntas para una tesis que estoy haciendo ahora sobre Mendoza. Estoy en la Universidad de Belgrano en Buenos Aires en intercambio.

Rolando Meninato: - Hola linda, no tengo mucho tiempo pero por favor dime.

Alexia Labrousse: - Gracias, no tomaré mucho de su tiempo... Entonces, para vos, los vinos Mendoza pueden ser vistos como un éxito hoy?

Rolando Meninato: - [Hum]...Claro que si !!! Mira donde estas... Disfrutando de un buen vino en el sol.. [Laughs] Más seriamente, hemos mejorado la calidad de nuestros vinos de una manera increíble y ahora competimos con algunos de los mejores vinos del mundo... Me entiendes cuando hablo ?

Alexia Labrousse: - [Laughs] Si, Si ! Entonces, tuvo una transformación muy importante en relación con la calidad de los vinos?

Rolando Meninato: - Claro que si ! Aunque siempre hemos tenido vinos ricos para mi, es verdad que tratamos mas con los vinos finos ahora, no son más vinos de mesa. [Laughs]!

Alexia Labrousse: - Dale, y para vos, como Mendoza llegó a este nivel de calidad ?

Rolando Meninato: - Es difícil que decir ... Pero para mi, la cooperación entre los trabajadores es muy importante... Porque tenemos que transmitir nuestro saber y talento creo... De verdad, no hay muchas personas que pueden tener acceso a una buena educación aquí!

Alexia Labrousse: - Usted que piensa del rol del gobierno en todo esto?

Rolando Meninato: - [Laughs] No vamos a hablar de política... Es un día hermoso ! EL gobierno, sabes, ha cambiado muchas veces... Y entonces, cada vez que cambia, cambian las regulaciones y todo... Pero en los 90 tuvieron cambios muy importantes permitiendo a las bodegas mejorarse compartiendo el saber con otras áreas del mundo.

Alexia Labrousse: - Dale... Y... Piensas que la crisis tiene un papel importante en las exportaciones de vino ?

Rolando Meninato: - Si... Disculpa linda pero tengo visitantes que ver... Puedes enviarme las preguntas que quedan... Ciao ! Un placer !

Alexia Labrousse: - Dale, no hay problema... Gracias para su tiempo ! Adios.

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