

ADAPTATION OF SOUTH AFRICAN WINE COOPERATIVES TO CHALLENGING BUSINESS ENVIRONMENTS

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Abstract

After more than seven decades of regulation and protection, South African wine cooperatives were brutally exposed to the market and international competition in the early 1990s. How did they respond to these new challenging environments? In a number of case studies we show that although the wine cooperatives share a general thrust of technical modernisation and upgrading, they also diverge considerably in their organizational innovation, strategy and business models. In their adaptation, the wine cooperatives were aided by the fact that they possessed features of “new generation cooperatives” and the space granted by legislation, putting them in a position to go beyond the latter. It remains to be seen whether these organizational innovations are sufficient to meet the next big challenge, namely to get off the bulk wine trajectory and “move up the value chain”.