

Bachelor Thesis:

Incentives and Consequences of EU grubbing-up schemes for vines

Background & Objective:

Considerable overproduction of wine (*wine lakes*) was one outcome of EU policy for the wine market. With the 2008 reform of the common market organization, the EU tried to tackle this problem and introduced considerable financial aids for vinegrowers willing to grub up their vines (i.e., destroying the plants). While this may indeed reduce overall vineyard area in the EU, this reform may induce incentives that may not support overall sectoral efficiency, such as the grubbing-up of the most productive vineyards with high quality.

The objective of this bachelor thesis is to identify the economic effects of the EU grubbing up schemes and discussing potential results. Thereby, descriptive empirical analysis can be used to illustrate the effects of such schemes on different wine-producing countries in Europe.

Technical Approach:

Literature review on economic effects of grubbing-up schemes and descriptive empirical analysis of European wine sectors.

Contact and supervision:

Dr. Stefan Seifert (s.seifert@ilr.uni-bonn.de)

Background Literature:

EU (2012). Report on the experience gained with the implementation of the wine reform in 2008. Report from the Commission to the European Parliament, COM(2012) 737.

EU (2012). The reform of the common organisation of the market in wine: progress to date. European court of auditors, Special report No 7.

Lieskovský, J, Kanka, R., Bezák, P., Stefunková, D., Petrovic, F., and Dobrovodska, M. (2013). Driving forces behind vineyard abandonment in Slovakia following the move to a market-oriented economy. *Land Use Policy*, 32, 356-365.

Meloni, G. and Swinnen, J. (2016). The political Economy of European Wine Regulations. *Journal of Wine Economics*, 8, 244-284.