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THESIS

HEEDING CULTURAL PREROGATIVES: THE EVOLVING POLITICS OF WINE REGULATION IN FRANCE

by

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Heeding Cultural Prerogatives: The Evolving Politics of Wine Regulation in France

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13. ABSTRACT

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I. **LA CRISE** (THE CRISIS)

The current state of the wine industry in France has come to be commonly known as “la crise,”¹ a notion that suggests a sector downtrend without an end in sight.² While more wine is being consumed worldwide than at any other time in human history, wine’s traditional home finds itself in possession of less global market share than ever before.³ From every point on the quality spectrum, embattled French winemakers face broad economic, political and cultural shifts that are altering international and domestic consumption patterns.⁴ These shifts not only undermine the profitability of the French wine industry, but they also compel many vintners to change the very nature of French wines (taste, structure, bouquet, etc.) as they seek to become and remain competitive at home and abroad. Meanwhile, scores of winemakers are going out of business. Lands formerly devoted to growing grapes stand dormant. Bottled wine can now be found cheaper in France than bottled water.⁵ Even high-end wines are sometimes distilled into low grade industrial alcohol, which often ends up being ignominiously blended into automobile gasoline. The situation, as The New York Times puts it, “is a painful thing in a land where winemaking is a labor of love and the fruit of that labor is celebrated as much as any art.”⁶

One would expect la crise to generate solicitations for political intervention, which in turn should lead to protection for the wine industry, as has been the case in years past. But one of the key problems today is that already existing protection ties the hands of French vigneron who might otherwise be able to adapt to the demands of an ever-adjusting international wine market. The French face a political dilemma without an obvious solution, save simply making room for ten of thousands of vigneron on the state

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⁴ Markus, 49.
⁶ Ibid.
unemployment rolls. Given the exalted cultural status of wine and winemaking in France, permitting a disastrous social outcome of this sort is not an option for the government.

What, then, is to be done? Can this cycle be broken? Many economists, policy consultants and journalists have attempted to answer these questions. Remedies are readily available, and all point in the same direction. France must dismantle the already existing burdensome protection system. This implies that the state provide a soft landing to the losers among those affected by such a policy adjustment. The winners, however, would be poised to guarantee the preeminence of French wine in years ahead. But unequivocally, if France’s wine industry is to survive and prosper, the regulation, targeted tariffs, subsidies and price supports need to be overhauled. Yet these protections remain mostly intact, despite the continuing decline of the French wine industry. Why?

A. THE POLITICS OF TERROIR

In seeking to explain the origins and persistence of French wine protection, one can point to several factors. Yet an integral part of the equation has been mostly overlooked in conventional analysis. It is identified here as the “politics of terroir,” a cultural force that is gaining momentum over time. During the Golden Age of French wine (1860-1875) this concept of political terroir lacked political salience. While the government did modestly intervene in the wine trade in these nascent years, culturally based politics did not have a role. Later, in the early twentieth century, the “politics of terroir” were a minor part of the original political climate that brought about a massive regulatory intervention. Today, on the other hand, this cultural phenomenon is a key reason for the maintenance of the vital protection that is provided by the regulatory system. In fact, the unmistakable expansionist trend suggests that the ascendant “politics of terroir” now give primary explanation to the perseverance of modern protections. The trend also lends itself to the conclusion that regulation, the mainstay of French wine industry protection, will remain so long as political terroir remains an important political reality.

For the purposes of this research, the political concept of terroir has three main components. First is the idea that French national identity is associated with French
wines and the Appellation d’Origine Contrôlée (AOC) system that regulates them. In this line of thinking, wine is also regarded as an integral part of a broader national haute culture that is quintessentially French. The second part, which a function of the AOC regulatory system itself, is the perceived French national responsibility to ensure that wine is heterogeneous from year to year, and from place to place. The third key part of this concept is termed here “prerogatives of place.” This is the notion in France of a national duty to protect traditional winemaking methodology in a given collectively cultivated area and to allow wines to speak for their place as naturally as possible. Taken together, these three elements add up to one cultural factor, the “politics of terroir.”

A clear distinction should be drawn between political terroir and viticultural terroir. The “politics of terroir” is hypothesized for the purposes of the ensuing analysis. The French word terroir, on the other hand, signifies all of the unique natural qualities of a specific, fixed vineyard area as expressed through its wine, as well as the natural, traditionally prescribed methods used during the winemaking process. According to the government's official website, Vins de France, Terroir is “a land area possessing distinctive physical, topographical and climatic characteristics that combine to create a unique wine that expresses those characteristics in its organoleptic features and personality.”

In explaining how the proposed political transformation has evolved, this research traces political terroir alongside the various other, more rationalistic, or instrumentalist, causes for French wine regulation. Ultimately, the “politics of terroir” emerges today as more potent relative to other causal factors than ever before. As a result, this cultural factor in large part explains the enduring rigidity of French wine regulation in the face of global market forces that would, in a more rationalistic world, otherwise dictate an altogether different path.

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B. WHY SHOULD WE CARE?

Broadly speaking, the struggling French wine industry is an ideal case study in globalization on many levels. More specifically, *la crise* should matter in U.S. foreign policy circles for three major practical reasons. First, the ensuing analysis sheds light on how the politics of culture can affect the general health of the international marketplace. Not only does French wine figure prominently in global commerce, but its interests also reflect those of many other Western agricultural sectors. Like the French wine industry, these sectors tend to resist trade liberalization. Yet in the view of many observers, the agricultural protections that are consequent to such opposition constitute the greatest current obstacle to lifting millions of global citizens out of poverty. Second, the interests of the French wine industry directly impact bilateral economic relations between the United States and Europe. At the very least, the wine industry should be understood as one of the few sectors that strains an otherwise harmonious US-European Union (EU) trade relationship. Third, *la crise* has foreign policy relevance to the extent that it manifests itself as a security issue for the French. Indeed, many in France see it exactly in these terms. When the French feel less secure because the expression of “Frenchness” through viticulture\(^8\) is somehow undermined, reverberations are likely to be felt internationally.

C. RELEVANCE TO GLOBAL ECONOMICS

In late December 2005, the World Trade Organization (WTO) negotiations in Hong Kong (a part of the Doha Development Agenda) essentially hinged on the thorny issue of agricultural market protection in the developed world. The crisis facing French wine, and the resulting political fallout, perfectly illustrates why such protections remain in place. Heavily affected as their business is by subsidies, price supports and regulation, French winemakers are more politically favored than most Western agricultural sectors.

Furthermore, during the same timeframe, European Union budget deliberations in Brussels aimed to determine EU spending for the years 2007 to 2013. After much posturing and debate, some semblance of compromise was eventually devised in both

\(^8\) Leo A. Loubere provides clarity on terminology: “viticulture is the growing of grape vines, viniculture is the knowledge of making wine, and vinification regards the process by which grape juice is converted into wine.” *The Red and the White* (Albany, NY: State University of New York Press, 1978), xx.
Hong Kong and Brussels. The two parallel meetings concluded on the same day. But afterwards the media promptly learned that the WTO deal (the Hong Kong Declaration) would never have come about had not EU leaders first reached their own compromise.\(^9\) One of the foremost political hurdles during the negotiations in Brussels was reform of the budget-busting (over 40% of the total EU budget\(^10\)) Common Agricultural Policy (CAP), from which French vigneron profit disproportionately to the tune of 1.35 billion dollars per year. In some years, winemakers have even collected as much as nine percent of France’s total CAP subsidy.\(^11\)

Although the December 2005 WTO and EU forums were regarded by some as tenuous steps toward further multilateral unity, upon their completion, the European agricultural lobby surely felt their side had won the day. Final resolution to the agricultural issues being negotiated was ultimately put off for another day, and protection for French farmers remains virtually unchanged today.\(^12\) Moreover, it remains to be seen whether Europe will fully adhere to its Hong Kong pledge to phase out export subsidies by 2013. Even if that were to occur, non-tariff barriers, a common byproduct of regulation, will continue to distort market functionality for the foreseeable future.

The French wine industry is just one example of why and how cultural backlash can take root in today’s global economy. However, it is an especially powerful example because French wines and their specific terroirs are not only about the expression of a product that is culturally transcendent in terms of identity, but also because they concern the value of place and tradition. This idea that identity, place and tradition warrant protection is not unique to France. The American cotton industry, for one, relies heavily on these sentiments when lobbying for government protection. Indeed, the National Cotton Council unabashedly appeals to patriotism and American identity when touting


\(^12\) The Economist, “Hard Truths: The Doha trade round is still alive, but hardly healthy,” The Economist, 20 December 2005.
the cultural value of its product. Politicians in the United States tend to acquiesce in the face of such culturally based political pressure. As a result, the cotton industry continues to enjoy substantial protection today, despite the consequent negative implications for multilateral trade expansion. Such an outcome ultimately, and irrationally, undermines national economic growth across the board. The Japanese rice industry serves as another prominent example of culturally based belligerence in the face of rational market pressures that demand sector adjustment. The following statement by one rice farmer crystallizes the nature of the political capital in play: “Time was when people felt a responsibility to care for the land you received from your parents and they from their parents, and this was central to Japanese culture.” At the same time, the billions of dollars Japan distributes yearly for rice protection do not come without a price. Other industries in Japan have come to resent such agricultural protection measures because they have led to the demise of numerous free-trade agreements with developing nations that export farm products.

D. TRANSATLANTIC TENSIONS OVER WINE

In U.S.-E.U. economic relations, the subject of wine is best characterized as contentious. From the U.S. perspective, the EU seems determined to give unfair advantages to French vignerons. Indeed, warranted or not, European Union wine policy has been, and remains, primarily a product of French viticultural interests. To help France, as well as other European wine producing nations, the EU has erected numerous barriers that aim to stall competition from the United States and elsewhere. One case in point is that tariffs on U.S. wine imported into the European Union are about twice as high as those on European wine coming into America. More significant symbolically, since they exemplify the differing views on the importance of de-regulation, are the non-tariff barriers that make selling American wine in Europe problematic.


Add to this that, for all the standard reasons, the United States is actively searching for ways to reduce its growing trade deficit ($94.3 billion in 2003, $110 billion in 2004) with Europe. Part of this effort is a diligent two-decade fight to dismantle many of the barriers to American wine in Europe. In both 2004\textsuperscript{16} and 2005,\textsuperscript{17} the EU section of the *National Trade Estimate Report on Foreign Trade Barriers*, published by the office of the United States Trade Representative (USTR), highlighted U.S. dismay over impediments to the free trade of wine. The exact language, emphasized for symbolic reasons in the overview section of the 2004 report, went: “EU barriers cited in this report (for example wine restrictions and agricultural biotechnology) are the result of restrictive regulatory approaches that often fail to reflect a sound assessment of actual risks posed by the goods in question...”\textsuperscript{18} This language refers to a particularly controversial non-tariff barrier, the Geographic Indicator (GI). Some background is in order.

The EU has sought universal GI recognition for many years. GIs include world-renowned regional labels such as Champagne, Cognac, and Bordeaux, all of which are treated throughout Europe as if they were intellectual property—much to the chagrin of U.S. trade negotiators.\textsuperscript{19} From the U.S. viewpoint, GIs are a thinly veiled form of protectionism.\textsuperscript{20} Nonetheless, the United States has traditionally been in favor of compromising on this issue so long as Europe was willing to permit imports employing high tech new-world winemaking methods. But this has become a big problem for the Europeans, who generally see such practices as the bastardization of a natural product.

Still, from the mid-1980s forward, U.S. wine producers have been able to export to Europe with the help of successive temporary exemptions from purist EU winemaking.


\textsuperscript{19} Ibid, 137.

\textsuperscript{20} Murphy, “U.S. Hopes for a Deal on Wines – And What to Call Them,”
regulations. But from 2003 to 2005, EU enforcements of labeling regulations became increasingly burdensome for U.S. producers. Bilateral discord over the wine trade swelled as a result. From the European point of view, the U.S. negotiating stance sought to, “enshrine American wine-making practices (which are) banned in Europe,” the effect of which would basically wipe out EU Geographic Indicator laws. The tension eventually came to a head when the United States threatened a wine war with Europe in June of 2005. To flex its muscles, the Bush Administration signaled it would not hesitate to tighten enforcement of the Bioterrorism Act, a law whose passage intended to protect the homeland from potentially hazardous food and drink imports in the aftermath of September 11, 2001. Had the United States chosen to enforce the law, all European agricultural imports might have been obstructed.

In the end, cooler heads prevailed and the two sides signed a wine deal in early 2006. Under the compromise, which has since taken effect, American access to European markets is far less procedurally cumbersome and producers are able to make use of techniques still prohibited in Europe. Some of these include using oak chips for flavoring, adding ion extractors to reduce acidity and supplementing wine with water in order to lower alcohol levels. In return, U.S. producers agreed to discontinue the American use of just seventeen prominent European Geographic Indicator names, including Chianti, Burgundy and Champagne. But U.S. companies currently using a European Geographic Indicator, such as Korbel with its “California Champagne” line, were grandfathered into the deal. On the whole, the agreement was a far cry from what the EU had hoped for. Indeed, many European winegrowers deemed the arrangement entirely unacceptable. France’s biggest confederation of wine unions, the CCVF (Confédération des Caves Viticoles Françaises) called on the European Commission to

22 USTR, 2004, 137.
26 Ibid.
reject the compromise. Member states Germany, Austria and Portugal—numbers four through six in terms of wine industry stature—formally opposed the EU-US wine deal. As well, the **Institut National des Appellations d’Origine** (INAO), charged with approving and administering all French wine regulation, decided in October 2006 to outlaw the use of wood chips in all high-end AOC wines. It is therefore clear that, for the French at least, the battle over the composition and expression of wine sold in Europe still rages.

**E. FRENCH CULTURE AND SECURITY IN THE FACE OF GLOBALIZATION**

Without a doubt, wine’s status in France far outstrips that which its economic output alone would signify. Such is the case because wine is seen by the French to be an iconic pillar of the national culture and lifestyle. In their book, *Wine and War: The French, The Nazis and the Battle for France’s Greatest Treasure*, Don and Petie Kladstrup write that, “Like the flag, the *tricolore*, [wine] goes to the country’s heart and soul.” They also go on to point out that wine injects something spiritual into the national psyche. One vigneron told the authors:

> Our wines evolve slowly and nobly, carrying with them hopes for a prolonged life. We know our land was here before we came and that it will be here long after we are gone. With our wine, we have survived the wars, the Revolution and Phylloxera. Each harvest renews promises made in the spring. We live with the continuing cycle. This gives us a taste of eternity.

And it is no coincidence that this first-hand testament of the winemaking experience in France captures much of the sentiment ingrained in the “politics of *terroir*”.

In addition to the cultural connection with its wine, France is accustomed to defining the essence of what wine is and what wine should be for the rest of the world.

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According to The Wine Bible, “Like French food, French wine has been the benchmark against which greatness elsewhere is judged.”31 The implications of this phenomenon are far-reaching, as indeed one implicit duty for winemakers over the years was the export of French culture through French wine. That the terroir viticultural concept is even considered a valid notion in the non-European, new world of wine is itself a testament to the weight carried by traditional French winemaking culture.32 Also contributing to France’s traditional primacy in the global wine industry has been the spread of French vines. For some unknown reason, almost all of the wine grapes grown outside of Europe originated in France.33 Even within Europe, French noble varieties like Cabernet Sauvignon, Merlot, Syrah, Chardonnay, Pinot Gris and Sauvignon Blanc are featured in high-end Spanish, Portuguese and Italian wines either on their own or as part of a blend. The dynamic almost never works in the reverse direction.34 As a result of this vine propagation, “French winemaking techniques (and) viticultural practices…have been adopted by wine regions around the world.”35 Over the years, this transmission of French wine tradition has reinforced the importance of wine as something that possesses “Frenchness.”

But today, rather than reinforcing the “Frenchness” of this iconic beverage, globalization is undermining France’s position in the world of wine. By extension, French notions of cultural security are being threatened at the same time. In their book, The French Challenge: Adapting to Globalization, authors Sophie Meunier and Phillip H. Gordon tell us that, “If the impact of globalization on France were merely economic, the French would probably not find it so problematic.”36 This speaks to the widely held view

31 MacNeil, p. 112.
32 MacNeil, p. 112.
33 One exception is Riesling, although it is associated almost as much with Alsace in France as it is with Germany or Austria in connoisseur circles. A second is Zinfandel, whose original home was Croatia before it migrated to Italy, and later to California.
34 Although the Mourvedre and Grenache grapes originated in Spain, both became world-famous due to the wines they produced on French soil. Mourvedre came to France in the late middle ages from Valencia. Grenache migrated from Aragon to Southern France in the early 1700s, http://www.tablascreek.com/grenache.html, accessed 10 January 2006.
35 MacNeil,112.
in France that a harmful convergence is taking place due to the expanding global marketplace. Specifically, the French fear that globalization renders cultural undertakings more homogenous every day. Under this logic, food is ever more like McDonalds every day; French entertainment is increasingly influenced by Hollywood and American culture; and the language of international life, even in France, is increasingly English. Because endeavors like food, entertainment and language all contribute to what it means to be French, globalization is seen by some 56 percent of the citizenry as a threat to national identity. As well, some 74 percent of young people (ages 15-24) in France believe the United States, seen as the ultimate pusher of globalization, exerts too much influence in French society. These statistics explain why “almost all French politicians support efforts to limit globalization when it comes to culture and identity.”

Like food, entertainment and language, wine is similarly colored by notions of culture and “Frenchness.” The corollary here is that the French wine crisis therefore also sheds light on the broader culturally based national resistance to globalization. This is important because as globalization undercuts French wine and thus French cultural identity, French feelings of security are affected as well. Insecurity of this sort gives some explanation to the recent revival of economic nationalism in France. Culturally based uncertainty can also make anti-American and anti-global measures more popular politically. To be sure, less secure translates easily into less stable, which tends to impact multilateral priorities. At the very least, cultural insecurity helped fuel the French rejection of the EU constitution in 2005.

F. ALTERNATE HYPOTHESIS

Most fundamentally, this thesis asks what accounts for French wine protection, and why it persists today. With respect the first part of this question, the answer given here is that instrumentalist factors largely account for the original government efforts to protect French winemakers. As well, it posits that the “politics of terroir” is integral to the doggedness of the modern regulatory system. Those who have broadly chronicled the

37 Sophie Meunier and Phillip H. Gordon, 41-61.
38 Ibid, 42.
evolution of the French wine industry tend to rely on the instrumentalist side of the story, whether motivated by economic or political considerations, or a combination of the two. Authors who have focused on the early foundations of French wine protection similarly rely on rationalistic factors. The same is true for those who principally analyze the nature of the modern crisis. Given this common theme, instrumentalism as the motivation for intervention into French wine markets is the proposed alternate hypothesis.

It should be noted that three considerations make it difficult to present the competing hypothesis in a way that would most effectively refute the central argument here. First, there is no singular point of reference on the interface between wine and French politics generally.39 Second, this thesis evaluates the evolution of factors contributing to French wine regulation, something no other study has attempted. (That one of these factors, the “politics of terroir” is essentially novel here is a further complication.) Second, no known author has hypothesized on the various factors contributing to French wine regulation during the timeframe inclusive to this thesis. This lack of available material explains why the proposed alternate hypothesis is somewhat conceptual in nature.

Many modern commentators on the French wine crisis openly dismiss the idea that cultural factors help preserve regulatory legislation. Hence, they tend to misdiagnose the crisis in the French wine industry. Even so, examples of their analysis, imbued as it is with instrumentalist economic pragmatism, elucidate the alternative hypothesis.

The first example, standing in direct contrast with an assertion of political terroir’s substantial role in the modern regulatory scheme, interprets existing government interventions to be merely a product of attempts to insulate vignerons from potentially harsh economic realities. The perspective of noted agricultural economist Kym Anderson,40 advanced in a May 2003 Foreign Policy article, epitomizes this viewpoint. In his estimation, the protection sought by winemakers is, “ostensibly” about cultural preservation, which implies that considerations such as natural winemaking methods and

40 Professor of Economics and Executive Director, Centre for International Economic Studies, University of Adelaide, Australia; and currently on leave as Lead Economist, Development Research Group, World Bank.
prerogatives of style, which he terms, “so-called traditional expressions,” do not really factor into the ongoing struggle to preserve French wine regulation.\textsuperscript{41} In a similar vein, Roger Voss of \textit{The Wine Enthusiast}, in a piece entitled, “The Crisis Facing French Wine” disregards the value of the cultural factors pertinent to wine regulation. Focusing instead on the economic side of the story, he implores his readers to, “forget the image (French) wine has of a lovely lifestyle; it’s a business.”\textsuperscript{42}

Mr. Voss also observes that given the market-driven realities of the situation, it should come as no surprise that, “consolidation is rampant.” He implies that such a course is inevitable today, and that given the nature and power of the market forces, regulatory forces cannot continue to protect the minor growers. They are expected to be weeded out.\textsuperscript{43} Yet today, France remains the most fractured and diverse of all the major wine producing nations. Small growers continue to dominate the politicization of the nation’s viticulture and large companies are rare. The number of proprietors who grow their own grapes, and make and sell their own wine is actually growing.\textsuperscript{44} A striking statistic: compared to Australia’s 1,800 commercial wine producers, in June of 2005 France still had 112,500 firms to mix with its 300,000 wine growers.\textsuperscript{45} Admittedly, some consolidation is indeed taking place. But more remarkable is that French wine production remains so fragmented in the globalized marketplace. While Mr. Voss pays no heed to it, the present analysis suggests that the “politics of terroir,” and its role in maintaining regulation, largely accounts for this state of affairs. Actually, a relevant study prompted by Mr. Voss’ assertion might seek to determine how much the French wine industry can consolidate in spite of the constraints. However, one of the implications of the argument made here is that this would be a very difficult calculation to make due to the political weight of culture, an intangible concept that is not easily quantified.

\textsuperscript{42} Voss, 95.
\textsuperscript{43} Voss, 95.
G. METHODOLOGY, ORGANIZATION AND SETTING

As it is heavily infused with ideas of a collective French identity, duty and responsibility, the “politics of terroir” identified in this paper is by definition a national phenomenon. The evidence will therefore be evaluated according to how it may or may not pertain to national politics. This is not to say, for example, that efforts to protect natural or traditional winemaking in France are not sometimes driven by local identity, duty or responsibilities. Indeed, such local concerns often reinforce national wine politics. But under French wine law, locally derived ideas that seek protection in the form of regulation must also be endorsed and administered by the INAO, which operates under the auspices of the Ministry of Agriculture. It follows logically that any local push for regulation must also have national political appeal.

Under ideal conditions, this paper would lean only on evidence pointing directly to the status of national political terroir. However, much of the available evidence is more regionally based, coming out of three major French vineyard areas, Bordeaux, the Languedoc-Roussillon and Champagne. As a consequence, these regions will be leaned on heavily in the ensuing analysis. Still, given that the “politics of terroir” is a national phenomenon, the analysis focuses on the nature, and effects, of the appeals for national intervention, even when drawing on events and pleas emanating from Bordeaux, Champagne or the Midi—the key historic area in today’s Languedoc-Roussillon. Only where there is an absence of protection and political interaction at the national level will the analysis move to the regional level.

In addition to the availability of material on these three French wine regions, Bordeaux and Champagne are especially appropriate because their distinctions allow for a discriminating look the “politics of terroir.” This is the case largely because the circumstances of Champagne production are quite unique when compared to the rest of France. Further, the opposite is true in Bordeaux, where production circumstances are for the most part similar to those seen throughout the country. For the purposes of this paper then, Bordeaux will serve to reflect the situation for the rest of France. The realities of Champagne act as a contrast because they more closely resemble the wine production in the rest of the world. While the wines from Champagne and Bordeaux are both powerfully linked to national identity, and the AOC system is seen as something that
possesses “Frenchness” in both regions, the regions are very different in their reflection of the final two parts of the cultural equation identified here as political terroir.

Many factors account for Champagne’s atypical place in the French wine industry, but three are most essential. First, numerous sub-regions, or smaller appellations (AOCs), exist in other French wine regions, but there is only one regulatory geographic designation for Champagne. As for Bordeaux, it has fifty-seven total AOC districts grouped into six families in accordance with style and geography. To use a practical example for clarification, some (often exclusive) bottles of Bordeaux carry the label Pauillac, a smaller village in the Haut-Medoc, while others carry the broader Haut-Medoc appellation on the label. Even broader is the appellation Bordeaux Supérieur, which is followed by the general Bordeaux, each with progressively lax production standards as the appellation broadens geographically. In Champagne, however, all bottles carry the designation of appellation Champagne. The second key distinction in Champagne is that large firms, with an interest in maintaining brand-like standards of consistency, dominate the wine trade far more than in any other French wine region. To be more precise, around 15,000 growers provide the grapes for one hundred and ten large firms. The third reason is that the best selling Champagnes today are blends, in which the grapes contributing to each bottle are likely to come from multiple vintages and multiple vineyard locations.

In this analysis, regulatory law is the key to tracing the nature of the political foundations for intervention for three main reasons. First, French winemakers see it as more beneficial than any other available form of protection. Second, given its potency and ubiquity in French wine markets, regulation and its political foundations are the easiest to track. Third, regulation is the form of government intervention most powerfully linked to the concepts central to the “politics of terroir” as proposed in this paper. Other protections (such as tax structure, price supports, subsidies and tariffs) also lean on some of the ideas embedded in the “politics of terroir,” but to a lesser degree. The second aspect of the political terroir posited here, the responsibility to produce end product variety, is purely a function of regulatory protection. As well, the AOC

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46 MacNeil, 125.
regulatory system itself is now a part of French identity. Unfortunately though, in the early years (Chapter II) of the French wine industry, regulation was lacking altogether. So, to make the central thesis argument, that the “politics of terroir” is on the ascent, the foundations of other forms of protection must be analyzed during these years.

To review then, political terroir involves the idea that wine needs to be protected for cultural reasons. The rationale invokes feelings of wine’s connection to French identity, a national duty to protect wine variety and a responsibility to preserve traditional and natural methods. If these factors are part of an appeal for national level protection in the historical sequence of events, and intervention results, it will be taken as an indication of terroir’s political salience during a particular period. But if a terroir based argument yields limited government intervention, the political weight of the appeal must be put in doubt. So both the nature of the argument, as well as its result, warrants evaluation. Weighing these two pieces together will tell us about the salience the “politics of terroir,” as well as the nature of its causality, as it has progressed over the years.

In each of the ensuing chapters, the “politics of terroir” is weighed against economic and politically derived instrumentalist forces as potential causal factors for the existence of protection. Yet in order to make the argument central to this paper, that the “politics of terroir” is an overlooked concept that merits ever more consideration, the approach tends to be on viewing events through a cultural lens.

Chapter II sets the stage for the evolution of French wine culture by looking at the period before national regulation, 1800 to 1900. During this timeframe, wine production in France expanded, paralleling the rise of the industrial era and a first major phase of economic globalization, during which international “integration and progress went hand in hand.”

Chapter II also lays the groundwork for two of the geographic areas relevant to this analysis, Champagne and Bordeaux. Chapter III concentrates on the years 1901 to 1935, with priority placed on the run-up to, and the implementation of, the 1935 AOC regulatory system. In this period, as was the case with most globally traded products, the wine trade peaked, and then plummeted in concert with the onset of the Great Depression. As chapter III closes just prior to World War Two, global protectionism and

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extreme zero sum economic nationalism dominated the international trade landscape. This political environment influenced the seminal event of this paper, which is the birth of the AOC system. Yet in practice the wine regulatory system of 1935 had a lot more in common with *dirigisme*, the free-market statism that characterized much of the French economy in the postwar years. Chapter IV, which encompasses the contemporary phase of French wine history, from 1936 to 2007, shows why this is the case. The French wine industry, much like the rest of France, grew steadily in the middle of the twentieth century under the direction of a capable bureaucracy in Paris. Eventually, however, contemporary globalization took hold. Mirroring the situation with other important French products, ever changing market conditions made continued state guidance of the wine industry untenable. That is where things stand today.

Since the “politics of terroir” is a powerful cultural dynamic, the French will in all likelihood continue to be forced to adapt to *la crise* within the constraints of the current regulatory system. This is the case because the basic cultural pretext for regulation remains non-negotiable, even while France’s position in global wine markets is ever weakened as a result. Simply put, cultural politics have trumped purely rational economics. As such, the culturally based “politics of terroir” fit neatly into Max Weber’s theoretical distinction between instrumental rationality and substantive rationality. Even though broader national economic interests might dictate instrumentalist means-ends matching, the French body politic instead chooses a different course of action, which is the maintenance of its wine regulatory system. This is very much a value-oriented rationalism, in which the substantive values are French identity and the communication of terroir through wine. Indeed, the French continue to make a choice for a wine regulation, an “irrational” choice, because in France the totality of wine’s value far surpasses its effect on the bottom line.
II. THE ROOTS OF REGULATION: 1800-1900

A. INTRODUCTION

The phylloxera vine disease devastated the vineyards of France in the late nineteenth century. Yet its origins were not French. Phylloxera crossed the Atlantic implanted in North American vines, during a period of viticulture experimentations in France. In terms of historical memory, phylloxera became the original external force to seriously damage France’s vignerons. In due time, the vignerons of France would be harmed by other crises emanating from abroad, to include World War One, The Great Depression, World War Two, an invasion of cheap Algerian wine, and of course the crisis of Globalization they face today. But to many, phylloxera was the French wine industry’s foundational encounter with globalization.

To fully appreciate the impact of this seminal event, as well as the foundations for the regulation that it would eventually help to induce, it is first necessary to understand the cultural and economic context in which French wine was produced before phylloxera. This chapter provides that context. More relevant to the central thesis argument, the chapter also evaluates the cultural salience of French wine vis-à-vis the instrumentalist factors working to persuade government intervention into wine markets during this timeframe. This foundation will serve as a starting point for the chronological trend analysis that aims to verify the developing strength of terroir as a political factor in France.

The first section of the chapter examines the cultural and economic standing of viticulture in France prior to the onset of phylloxera. The second section addresses the national strength of the “politics of terroir” and the general nature of political intervention during this timeframe. In section three, the situation in Champagne sheds light on the circumstances surrounding wine’s original connection to French culture. Section four regards the politics of the Bordeaux wine region in the nineteenth century. Within, initial government courting of vignerons is highlighted, as is the advent of the renowned Medoc classification of 1855. The fifth section addresses findings relevant to the broader questions posed by this thesis.
B. WINE, CULTURE AND POLITICS ON THE NATIONAL SCENE

In a purely economic sense, phylloxera did not lay waste to an insignificant niche industry in France. Wine in fact held a vital position in the national economy prior to the onset of the vine disease in 1875. One way or another, the wine trade employed one sixth of the French population in 1870. By that time, the wine industry had become a major export sector, and was turning out the nation’s leading cash crop. Wine was increasingly mass-produced throughout most of the eighteenth and nineteenth centuries, although such was the case in some areas more than others. The Languedoc in the south of France was the region most uniformly dedicated to viticulture. Farms in other regions were more diversified, thereby mitigating dependence on wine markets. But the broader story is one of rising urban and foreign demand creating much incentive for farmers across France to specialize in wine. They did so in droves. To those who survived the traumas that came at the very end of the century, the culminating years of 1850 to 1880 would come to be regarded as the “Golden Age” of wine in France.

But in terms of culture, what was the standing of wine and viticulture in this period? To be sure, even well before French wine’s golden age, the cultural link to wine was present. As far back as the early modern period, wine already held cultural capital in France to go along with its economic value. Historian Thomas Brennan writes that:

In sacraments, ceremonies, contracts, and reconciliations, wine stood for unity and trust. In pictures, poetry, drinking songs, and police ordinances, wine was glorified or vilified and given iconic status. But the significance of wine consumption, its cultural complexity, and even its romance should not be allowed to obscure the fact that wine was also an important commodity, and, as such, it played a crucial role in the early modern economy.

This, it should be noted, refers to a time period that ended about a century prior to the outbreak of phylloxera. The indication from Mr. Brennan’s account is that the French cultural link to wine was indeed present at time, but also that it may have taken a

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backseat to wine’s instrumentalist value. At any rate, it is clear that some of wine’s value as a commodity was already being drawn from its symbolic significance to social and cultural happenings.

Incremental expansions eventually led to an 1875 output peak for French wine.\textsuperscript{52} Statistics show that domestic consumption also followed this path.\textsuperscript{53} On the cultural side, the importance of French wine advanced in concert with the consumption and production booms, according to most observers. Early trailblazers of gastronomy in France, men like Anthelme Brillat-Savarin and Alexandre Grimod de La Reyniere, openly declared that wine (and food) achievements were directly linked to the fate of the nation during the first half of the nineteenth century.\textsuperscript{54} Further, the national academy of science at the time asserted that French wine and its unique terroir were the starting place for the nation’s regeneration after losses in warfare to the Prussians.\textsuperscript{55}

When it came to politics however, wine’s cultural value won French winemakers relatively few favors in the nineteenth century. To be sure, government intervention into wine markets and other agrarian matters was relatively infrequent during this timeframe. Multiple historical factors help explain why this was the case. First, during most of the century, before new roads and railways linked them more closely to Paris, circumstances forced vigneron, like other peasants, to look for local solutions to subsistence problems. Their economic and political existence was largely isolated and closed off from France as a whole. According to historian Eugen Weber, the transformation of the peasantry into citizens with a stake in nationhood did not begin until 1870.\textsuperscript{56} Second, nationalism, at least in terms of its role as a response to the problems of a newly internationalized economy, had not really gained momentum until the late nineteenth century.\textsuperscript{57}

\textsuperscript{52} Warner, 1.
\textsuperscript{55} Guy, 43.
\textsuperscript{57} Harold James, \textit{The End of Globalization} (Cambridge, MA: Harvard University Press, 2001), 13.
time, less was expected of the state when it came to the protection of national goods. Third, the liberal ideology and consequent globalization that characterized the times was widely regarded as progressive throughout most of the century. Indeed, it was not until after the 1870s, largely as a response to declining grain prices and reduced freight duties, that anti-liberal protective tariffs were introduced in Europe.\textsuperscript{58}

Compounding the pervasive sentiment that liberalism, both political and economic, was mostly beneficial, French winemakers were generally prosperous as markets grew in conjunction with the rising industrialization of the nineteenth century. It should therefore come as no surprise that, according to noted wine historian Leo Loubere, French vigneron politics above all consisted of, “seeking to safeguard the beverage from undue taxes that eager ministers and politicians sought to impose on what they perceived as a bottomless well of wealth.”\textsuperscript{59} Only after phylloxera hit at the very end of the nineteenth century could the case be made that vigneron benefited from the French fiscal system. Even then, this was only the case in the southern Languedoc-Roussillon region.\textsuperscript{60} But where interactions with the central government did take place, there is relative lack of evidence to indicate that winemakers leaned on notions of the link between wine and cultural identity in efforts to attain political advantage in Paris. The same is true regarding the idea that diverse traditions of place and natural winemaking methodology necessitated relief.

C. THE POLITICS OF CHAMPAGNE AND FRENCH CULTURE: 1800-1900

To some, Champagne is associated with the idea of “Frenchness” more than any other wine or wine region in France. Kolleen Guy informs us that, “Within France, Champagne has been seen as an embodiment of the national spirit.”\textsuperscript{61} Hence, any examination of how ideas of patrimony and culture impact political outcomes must include Champagne. Apart from its contemporary connection to identity, “more than any

\textsuperscript{58} James, 14, and Eric Hobsbawm and Terrence Ranger eds., \textit{The Invention of Tradition} (Cambridge: Cambridge University Press, 1983), 268-9.


\textsuperscript{60} Ibid., 327-32.

\textsuperscript{61} Guy, 1.
other wine, Champagne unlocks wine’s archetypal promise: joy.” Many French see this emotive quality as being a defining national characteristic as well; a reality that today produces an even more fortified union of Champagne and French identity.

The very early history, according to one observer, is uncomplicated: “the wine trade in Champagne (in the late eighteenth century) was an example of the triumph of market forces over the limits of climate,” suggesting demand was mainly a consequence of quality, and that rational economic dynamics were the lynchpin of success. But by the middle of the nineteenth century, as nationalism and national identity were gaining ground in Europe, there were hints of Champagne, and not just wine in general, being associated with French identity.

Because Champagne was so dependent on exports, polyglots, usually of German origin, were brought to Reims and Epernay (the capitals of the Champagne business) to assist with sales and bookkeeping in the mid nineteenth century. Many of these transplants, after years learning the trade, branched out and started their own firms. Prominent examples are the Mumm, Krug and Deutz firms. The French felt threatened by the influx of foreigners, and their sentiment was expressed in a way that linked the wines of Champagne to a broader conception of national interest and geographic expression. For example, one French merchant stated, “we cannot avoid expressing one regret: that of seeing an industry based on French soil, an industry which is so clearly of national interest, slip almost entirely from our hands.” The quoted merchant exaggerates the extent of the changes then taking place in Champagne, but the language he used is telling. It reflects the early development of a broader national connection to Champagne.

The Champagne region encountered many challenges in the nineteenth century, but the biggest of these was fraud. Winemakers from the Loire, Burgundy and beyond assumed any sparkling wine could be labeled Champagne and intentionally misled consumers into believing they were buying a product from the region. In the 1860s around 110 million bottles were being sold worldwide under the auspices of Champagne,

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63 Brennan, 44.
even though official regional calculations revealed a capacity to produce only 24 million bottles. The effect was a depression of the price of real Champagne. Quite naturally, the Champenois wanted to fight back. Yet they were almost powerless to do so, owing to their largely unproductive avenues for legal recourse.

To satisfy some of the outstanding demand, several firms in Reims and Epernay began infusing low-priced grapes (the traditional grapes were Pinot Noir, Chardonnay and Pinot Meunier) into their blends. Supply shortages also prompted merchants in the 1870s to source grapes some 70 miles south of Epernay, in the Aube region north of Troyes. The seemingly out of control situation finally compelled the major Champagne houses to decisively organize to protect themselves in the early 1880s. By this time, the Champenois had become “increasingly aware that they could command a premium price for their products only if they protected the good name of Champagne, as well as their particular brand name.” Such reasoning is an indication that economic rationalism motivated the first moves to organize as one political voice.

In the courts, the larger Champagne firms began to take collective action as early as 1844, but were rewarded very little for such efforts, both at home and abroad. 1882 occasioned a report indicating that sales of legitimate Champagne in the US were falling due to perceptions of poor quality, which highlighted the need for more forceful means of protection. Consequently, that same year they established the Syndicat du Commerce des Vins de Champagne. But once again, not much would come of such efforts to protect the authenticity of the wines from the Champagne region, at least in the short term. (The formation of the Syndicat would, however, produce beneficial results over the long term. It was not until 1905, however, that the French government laid the legal foundation for wine protection based on place of origin.)

What else could the Champenios do to defend themselves? One answer, it seems, was to reinforce the idea that their products carried with them a sense of “Frenchness.”

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65 Faith, 76-78.
66 Faith, 82.
68 Ibid, 82.
69 Ibid, 77-81.
In 1889, many Champagne bottles were being decorated with patrimonial symbols such as flags, soldiers and battles, thereby linking the product to the French national spirit. Ultimately, the marketing ploy worked, and domestic sales skyrocketed, leading to the conclusion that Champagne already held some form of cultural capital, at least in France’s major urban markets. The cultural demand for such a connection translated easily into economic benefits for the vigneron of Champagne. It was not until many years later, however, that this idea would also become a huge part of political arguments for protection.

In her book *When Champagne Became French: Wine and the Making of a National Identity*, Kolleen Guy tells us that late nineteenth century Champagne firms consciously contributed to the establishment of an “imagined community” mainly to benefit from its financial implications. Her argument downplays the idea of a more natural initial link from Champagne to French identity. From this perspective, what would become the inexorable union between the French and Champagne is best described as invented. (Parallel dynamics were also in play in Bordeaux. In the words of Rod Phillips, “Prime among the inventors of tradition were the Bordeaux winemakers.”) Nonetheless, the long-term implications of such “inventions” would be politically consequential.

In this matter on the origins of the link to culture, the robust consumption of Champagne throughout France, as well as other aforementioned signs, indeed suggests some requisite cultural sentiment was present in the nineteenth century. Yet a second crucial factor was that “private companies and local peasant organizations…were uniting their regional commodity to a common imagined past of France.”

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74 Guy, 191.
conjured—or perhaps slightly more natural—notions about Champagne and its connection to identity did not significantly spillover into national politics, at least not in the nineteenth century.

D. THE POLITICS OF BORDEAUX AND FRENCH CULTURE: 1800-1900

For many oenophiles, “Bordeaux is the unofficial wine capital of the world.”\textsuperscript{75} To wine writer Michel Dovaz, Bordeaux “has become the archetype of red wine.”\textsuperscript{76} Andrew Jefford declares that Bordeaux “is to French wine what Shakespeare is to English drama, what Verdi is to Italian opera, or what Tolstoy is the Russian novel…defining not merely itself but the whole culture in which it exists.”\textsuperscript{77} Given these commentaries, the link from Bordeaux to broader notions of French (identity) culture is easy to grasp. The connection has existed for many years, dating back to the seventeenth century when Bordeaux wines were first sold abroad as the “new French claret.”\textsuperscript{78}

In the nineteenth century, France witnessed three Republics (1792-1804, 1848-1852 and 1870-1940); two Empires (1804-1814 and 1852-1870); one Restoration (1814-1830); and a July Monarchy (1830-1848). To put it mildly, this was a politically tumultuous century. During the opening years of the century immediately following the French Revolution, “the newcomers (to the Bordeaux wine business) were there not to get involved in politics or moral issues but to make money—a great deal of money.”\textsuperscript{79} Even though national level protection was unavailable, considering its massive size in terms of people, the wine sector did factor into electoral politics. As well, the support of French winemakers and other farmers was vital during the undemocratic periods.\textsuperscript{80} Accordingly, the political choice at the national level to cater to an important wine region like Bordeaux had implications for overall national stability.

\textsuperscript{78} Dovaz, 14.
\textsuperscript{79} Ibid., 19.
\textsuperscript{80} Loubere, 325.
In the run-up to the May 1849 national elections, Second Republic (1848-1852) leadership promised to remove all drink taxes in an effort to gain favor with vigneronns. Candidates seeking the approval of winemakers in southwestern France avowed that, “once taxes were removed from wine it would...become truly a drink of the masses; under their leadership, they proclaimed, both politics and wine consumption would become democratic.”81 The instrumentalist political motivation here is clear. For one, the aim was to win over the masses with the promise of widespread “democratic” consumption. Further, if this candidate were to win, winemakers would not only profit from tax reform, but also from greater demand for their product throughout the country. Essentially, this was a simple trade-off in which votes were exchanged for the promise of future profits.

The Bordelais faced a changed political environment a few years later under Emperor Napoleon III. The nature of political interaction during this timeframe had a familiar theme though. When faced with the possibility of increased tariffs and taxes, winemakers leaned on rationale rooted in political and economic pragmatism. It was of course appropriately adjusted for the intended audience. In seeking special favors, the wine industry reasoned:

Wine was a ‘tonic’ that workers required to bear up under the hardships of labor in factories where life was harsh, exhausting, destructive of a whole generation of France’s youth. Viticulture, on the other hand, was healthful...when in prosperity growers could pay adequate wages, provide decent housing, and encourage high moral standards fostered by the old rural traditions preserved among landowners. Agriculture of all kinds also made for a stable, obedient population. It was certainly not vigneronns who built barricades and overturned rulers.82

It seems the Emperor was amenable to such reasoning. To shore up the support of the Bordelais, he negotiated a treaty with the British that lightened the existing wine export burdens. In addition, the retail sales tax on wine was reduced by fifteen percent and vineyard estate taxes were halved.83 This instrumentalist *quid pro quo* brought some stability and, in effect, loyalty to the regime was exchanged for some financial relief.

81 Loubere, 325.
82 George Chaffal, *Les Crises viticoles modernes* (Lyon, 1908), 74-84, quoted in Loubere, 327.
83 Loubere, 327.
In year three of the Second Empire, Napoleon III asked the Bordeaux Chamber of Commerce to construct a classification system that would promote French wines in the 1855 Exposition Universelle de Paris. The task was then delegated to the brokers, whose product ranked the top sixty red wines based on selling price in just one of Bordeaux’s sub-regions, the Haut-Medoc. (A sixty-first wine from the Graves region, Chateau Haut-Brion, was included as well; there was also a concurrent but less renowned classification of twenty-six dessert white wines from Sauternes-Barsac, which lies just to the south of Bordeaux). As for the rest of Bordeaux, its wines were not included because, sold generally within Europe, they fetched lower prices than those of the Haut-Medoc, which were by and large destined for the British market. These circumstances suggest that a simple rationalist desire to profit through exports explains the advent of the ranking system. At the same time, the state of the market, in which Britons were willing to pay premiums for what they regarded as the best wines, suggests French wine was already regarded as a pinnacle of haute culture in key foreign markets. It seems France understood this well at the time and, very rationally, seized on the idea as an opportunity for greater profits. This externally derived conception of French culture had implications for the future as well. Given a persistent demand for French goods like wine from Bordeaux, France would eventually come to understand part of its national identity, and thus part of its place in the world, in terms of its role as producer of culturally superior products.

In terms of nineteenth century state involvement though, the endeavor was a fleeting one. Two decades later, in the 1870s, the financial benefits of being ranked in the 1855 classification were nil. Classified growth estates, the purported beneficiaries of the ranking, did not even band together to protect the system until after the turn of the century. This indicates that, in the nineteenth century, the classification was an extremely impotent form of state intervention. In due course however, the classification would come to produce haute culture value in line with more powerful forms of protection.

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85 Echikson, 72.
86 Markham, 177.
E. FINDINGS

Wine has always been an important part of French culture, and this examination of its nineteenth century history has affirmed that. However, much of wine’s original association with identity was manipulated with purely economic purposes in mind. Indeed, evidence suggests that wine marketers, especially in Champagne, leveraged patrimonial sentiments precisely because they realized the conjured union, if actualized, was sure to increase sales outside the home region. It was thus the marketing campaigns that, by evoking the tradition, history and natural character of the wine, gave wine much of its “Frenchness.”\footnote{Phillips, 244.}

The overall demand that was bolstered by such manipulations fueled the internationally based image of France as principal producer of luxury goods. That this process was taking place during the age of nationalism and the development of national identities in Europe surely furthered the cultural ramifications on the domestic front. Since the global market for luxury goods was expanding during this era, it was the perfect time for these self-fulfilling instrumentalist mechanisms to take root. As they did, more and more, France came to see itself with reference to its status as the home nation of \textit{haute culture}.

Therefore, it was via these two crucial ways that the broader link from French wine to national identity emerged. That it emerged with such vigor supports the idea that even invented traditions can become very real. Indeed the long-term implications would be many, as we will see.

F. SUMMARY

In Champagne, Bordeaux and nationally, the findings are similar. Ties linking wine to broad notions of national culture were just beginning in the nineteenth century. Apart from that, even in the French wine regions most associated with national identity, manipulation was the primary foundation for wine having “Frenchness,” and it came in the form of invented pasts and imagined traditions. As for the other aspects of political \textit{terroir}, a culturally rooted desire to protect that which is traditional and natural was not present in the nineteenth century. Nor was there a compelling desire to fight for variety
in wine, as derived from such “prerogatives of place.” By and large, today’s “politics of terroir” simply did not factor into the wine industry’s strategy to advance its position and protect its interests.

The timeframe covered in this chapter witnessed mostly wine industry expansion and viticultural progress nationally—as well as in both Champagne and Bordeaux. But fortunes took a severe turn for the worse with the breakout of phylloxera at the end of the nineteenth century. According to Charles K. Warner, “It destroyed virtually the entire French vineyard.”\textsuperscript{88} Given wine’s political, cultural and economic value in France, the government in Paris would have no choice but to intervene.

\textsuperscript{88} Warner, vii.
III. THE ADVENT OF REGULATION: 1901 TO 1935

A. INTRODUCTION

The French wine industry did not fully recover from the upheaval caused by the phylloxera crises until after 1935, the year the national government passed a famously comprehensive regulatory reform package. The law, which established the AOC administrative system, in time provided a level of protection sufficient enough to bring the wine sector some stability. It did not come about easily. Indeed, the years preceding 1935 were turbulent ones for the French wine industry. Generally speaking, disaffection among vigneronns was widespread and, as a result, the French government was continually pressed to intervene.\(^{89}\) Two preliminary national level pieces of legislation were attempted, one in 1905 and one in 1919. Neither was very successful and both were short-lived. The 1935 law, on the other hand, was successful and enduring.

The chapter that follows examines the political climate that prompted these three laws. Throughout the chapter, the causal factors that encouraged initial regulatory steps are evaluated. Instrumentalism, rooted in economic pragmatism and political expediency, is weighed alongside a culturally based explanation for the political will that fashioned French wine regulation in the early part of the twentieth century.

The years covered in this section were, of course, not just tumultuous for the wine industry in Europe. Section one, as it regards the motivations for the legislative protection of 1905, parallels the broader global shift away from liberalism taking place at the turn of the century. Section two, addressing the political environment that provoked the law of 1919, takes place during an menacing backdrop in which European nationalism gained steam and national armies first mobilized, then slaughtered each other en masse. The following section, the third, while focused on the rationale underpinning the seminal 1935 law, unfolds during a timeframe that saw the onset of Great Depression, the total breakdown of the liberal world order and the rise of Fascism in Europe.

Before moving forward with the historical analysis, a qualifying point is necessary. During the timeframe covered in this chapter, anti-fraud considerations

played an integral role in forming the wine laws passed by the national government. Unfortunately however, evaluating the motives driving the government to combat fraud can sometimes produce a degree of ambiguity. This is so because pleas to counter fraudulent winemaking can in part be motivated by cultural factors, even when instrumentalist factors dominate the politicization of the issue. In the case of the French wine industry, the rise in fraud in the early twentieth century significantly contributed to a flooded market that induced declining prices. Because this situation left many wine farmers unable to earn a living, there was a powerful instrumentalist motivation to seek intervention. Additionally, the existence of fraudulent wines on the market hurt the reputation of authentic, unadulterated wines, thereby furthering economic hardship.90 On the other hand, eschewing fraud in effect entails embracing a natural and often traditional expression of the product. In this sense, it can be said that concepts akin to those of the hypothesized political terroir may have had a subtle hand in forming anti-fraud based legislation, even where the evidence might not overtly support such a claim.

B. THE LAW OF 1905: COUNTERING FRAUD

Although phylloxera was being held mostly in check in the opening years of the twentieth century, its repercussions were still palpable. In an effort to swiftly reap the benefits of renewed plantings, vignerons tended to prefer quantity over quality and traditional winemaking methods.91 Together, the overproduction and resultant falling prices provoked seven years of crisis (1900-07) immediately after the turn of the century. A second key contributor to the troubles was widespread inauthentic winemaking and false labeling, which exacerbated the overproduction problem and thus the general economic downturn that plagued French vignerons.92 Scores of Frenchmen, almost the whole of the wine industry, felt the wrath of these deceptions—collectively known as la fraude. In early twentieth century France, la fraude was understood as some kind of new phylloxera.

92 Ibid, viii.
The problem of fraud was carried over from the previous century. Due to their venerable and growing reputations, in the early twentieth century French wines were increasingly imitated in both domestic and foreign markets. For example, the makers of sparkling wine from the Loire region became notorious for bottling their product under the label “Champagne” at the turn of the century. Cheap, fruity wines from Algeria and France’s warmer southern regions were ever more frequently blended into Bordeaux and Burgundy wines to add structure in thin years. Additionally, wines were often heavily supplemented with beet alcohol, water or sugar.

So as to correct the economic problems associated with market instability and fraudulent practices, and appease those affected, the national government set out to establish some form of protection for the whole of the French wine industry. The decree of 1905 endeavored to guarantee the authenticity of a purchased wine under French law. That meant that a wine with the appellation “Champagne,” or “Bordeaux” or even “Midi” on the label was legally bound to the grapes planted in that respective region. The historical record tells us that the law of 1905, like the more robust wine protection laws that would follow, was intended to protect both the producer and the consumer from fraudulent activities. In practice, the law would help the vigneron help themselves, which, in turn, would bring confidence to the consumer.

With the authenticity of wine guaranteed, the legislators in Paris believed markets would recover and stabilize. As for official accounts, the INAO asserts that in 1905 “the political powers in France, faced with increasingly intense growth of domestic and foreign trade and above all the almost total destruction of the country’s vines by phylloxera in 1870, decided to intervene.” This is in fact a very incomplete accounting of the causal factors in play. For one, the wine industry had mostly recovered (by grafting French vines to North American rootstock) from phylloxera by 1905. Secondly,
the expansion of trade bolstered demand for French wines—normally beneficial to the industry. The real problem was that increased trade rendered fraud much more difficult to monitor and counteract. Nonetheless, the INAO’s version sheds some light on two important prerequisites to the fraud and falling prices that devastated French winemakers in the early twentieth century.

But even according to the official line, it seems that early twentieth century French government forays into the wine market represent simple and practical interventions for rationalistic purposes. From the perspective of the legislature in Paris, this was essentially an anti-fraud law whose purpose was to improve the plight of the troubled wine industry—a significant part of the overall French economy. Thusly satisfied, this important sector would be unlikely to demand further political relief. Overall then, the assessment must me that political and economic considerations largely account for the law of 1905.

In the evidence seen thus far then, indications of culturally motivated pressure for the law of 1905 are not appreciably present. Yet because the law of 1905 was molded in part by the anti-fraud political movement, the presence of some culturally based inspiration cannot be ruled out. In terms of effects, by creating what was merely a foundational link to the land, the measure did reinforce wine’s association with “Frenchness.” More immediately however, this seminal intervention in the century’s first decade would prove too weak to be effective. French winemakers were soon subjected to another hard turn for the worse. Consequently, further protection was sought and, in turn, the national legislature repeatedly passed additional legal measures. These efforts culminated with a watershed decree regarding Appellation d’Origine.

C. THE LAW OF 1919: DEFINING THE AO

The 1919 law provided the first legal definition of an Appellation d’Origine (AO). It declared that “An Appellation d’Origine includes the name of a country, a region or an area serving to designate a product from that country, region or area, and with qualities and characters that exist due to the geographical environment, comprised of natural

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factors and human factors.” 99 Another critical aspect of the legislation is that it first allowed a collection of producers to own a place name. Vignerons, instead of national administrators, were given the opportunity to define the appellation production zone, but only if their decisions could withstand judicial scrutiny. 100 At the same time, the 1919 legislation gave wine producers new legal venues through which to protest fraudulent winemaking practices. 101 The ensuing paragraphs ask why this expansion was necessary and evaluate the political factors contributing to the passage of the law of 1919.

1. Midi (Languedoc-Roussillon)

One reason the law of 1905 failed was that it not go far enough to specify where and how boundaries were to be drawn. 102 Corruption was present as well. In the words of former INAO President Rene Renou, “…there were major conflicts of interest. Some private individuals who had connections in Paris were able to secure the creation of appellations which were completely unjustified.” 103 With enforcement proving difficult, 

la fraude  continued almost unabated, compounding the enduring overproduction problem. More accurately, it was the corollary of overproduction, retreating prices, which plagued vignerons throughout France. The downward price trend was especially acute in the Midi, the region most exclusively devoted to the wine grape. While price levels dropped lowest in the Midi, proportionate slumps were occurring throughout France. 104 But it was the Midi that accounted for forty-two percent of all French wine at that time. As well, the political circumstances of the Midi shed light on the early twentieth century interplay between cultural and more rationalistic appeals for protection against fraud.

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100 Jefford, 10.
102 Jefford, 10.
104 Warner, 18-19.
That most winemakers committed fraudulent acts in the cellar, even as they
decried the practice in public, lends credence to the idea that economic realities largely
explain the actions of Midi vigneron after the turn of the century. Charles Warner
explains some of the rationale underpinning their duplicity: “It may have been a question
of morality; but if one’s neighbor was making more money by dumping sugar in his
wine, who wanted to be taken for a fool?”\textsuperscript{105} In the legitimate realm as well, the
winemaking methods in the Midi expose the instrumentalist foundations of the
overproduction problem. In 1903 the total land under vine finally matched that seen
before phylloxera, yet production had already surpassed pre-phylloxera output levels in
1894. Furthermore, during these years many Midi winemakers abandoned traditional
grape varieties and started to irrigate and fertilize their vineyards, practices uniquely
gear to increasing yields. According to Historian Charles Warner, this “reflected a
change in the winegrower’s attitude toward his product.”\textsuperscript{106} The inference is that the
French vigneron did not take much pride in quality or the purity of the product during this
timeframe. This approach can also be seen, in part, as rational effort to make up for the
losses of the phylloxera year.

On the other hand, just a few years after 1905, ideas similar to contemporary
political terroir started to surface in the Midi. As the economic standing of Midi
vignerons was still imperiled in the aftermath of the 1905 legislation, the Journal
d’agriculture pratique implored: “If no one will promote the winegrowers’ interests—
then let them defend themselves.”\textsuperscript{107} They answered in 1907 by forming the C.G.V.
(Confédération Générale des Vignerons du Midi), whose aims were exclusively focused
on combating fraud. In the organization’s founding statute, the objective was to pursue
“Everything connected with the repression of fraud in winemaking in France, Algeria and
the colonies, and with the study and defense of the viticultural, agricultural, economic,
and social interests of its members.”\textsuperscript{108} While the language specifies the defense of
economic interests, by mentioning viticultural and social matters, this passage signifies

\textsuperscript{105} Warner, 44.
\textsuperscript{106} Warner, 9-10.
\textsuperscript{107} Warner, 45.
\textsuperscript{108} Warner, 42.
that cultural factors were beginning to interact with the more instrumentalist factors. In following up on the cultural rhetoric of its by-laws, the C.V.G. forced new members to promise to sell only natural wine.\textsuperscript{109}

Then again, it is revealing that overproduction went unmentioned in these founding statutes. The omission indicates that vignerons were not interested in combating the flooding of markets as long as prices remained high. With the upshot of high yields being thin, watery wines generally lower in quality, the case for a cultural influence is placed in doubt. Moreover, the second main point of their organizational edict lends credence to the idea that the C.V.G. was primarily motivated by economic concerns. It cites a key aspiration to “examine and propose all legislative or other reforms and all economic measures relative thereto, to support them before the public authorities, and to follow up their application.”\textsuperscript{110}

1907 also saw the wines of the Midi hit a price point that was equivalent to half the total cost of production. \textit{La fraude} was of course to blame. Protesters took to the streets, with the crowds shouting “\textit{vive le vin naturel}” and “down with the poisoners.” Yet, at the same time, many of these protesters were importing wine from Algeria to increase alcohol and body.\textsuperscript{111} In the summer, 300,000 marched in Nimes; some 600,000 did the same in Montpellier.\textsuperscript{112} Such was the perceived urgency of their grievances that the street riot became the preferred means of political expression.

In an attempt to quell the uprisings, Prime Minister Georges Clemenceau deployed forces to the Midi and declared a national emergency. To the apparent surprise of the military, the vignerons violently resisted their attempts to put down the demonstrations. Five protestors were shot and killed, but the national forces ultimately lost the battle. Since many were reservists originating from the Midi, the bloody encounter was too awful to swallow. Whole platoons, and even one division, laid down

\textsuperscript{109} Warner, 47.
\textsuperscript{110} Warner, 45.
\textsuperscript{111} Hugh Johnson, \textit{The Story of Wine} (London: Octopus Publishing Group, 2004), 230.
their arms. The impasse forced the hand of the Prime Minister, who in turn acquiesced. Troops were ordered to pull out of the Midi, and the government declared it would devise a suitable resolution to the crisis.\textsuperscript{113}

Shortly thereafter, in September of 1907, the government promised the vignerons of the Midi fair prices for their grapes, and passed a law that defined wine exclusively as “the alcoholic fermentation of fresh grapes or of the juice of fresh grapes.”\textsuperscript{114} This move by the government placated the concerns over some forms of fraud, namely the use of beet juice, but failed to confront the continuing problem of overproduction. Following that, and also in response to the riots, in August of 1908 the government “decreed that only wines originating in (the delimited) areas and made according to “local usage” and custom would henceforth be entitled to bear the area’s name on their labels.”\textsuperscript{115} The reference to local usage and custom seems to reflect a growing interest, by the government, in protecting prerogatives of place. Even so, the historical justification provided by wine scholar Leo Loubere is that this law was above all “hoping to avoid the spread of violence to other areas.”\textsuperscript{116} That the government sought only to combat fraud, a popular stance, and not the other roots of overproduction, supports this allegation.

In the end, it seems these lawmaking ventures were enacted mainly out of political necessity. Had the vignerons of the Midi not taken to the streets and displayed such steadfast political resolve, the French government would, in all likelihood, not have ratified any protective measures at all. Furthermore, without the demonstrated political will of the vignerons, in which \textit{la fraude} was demonized, the government would not have stridently endorsed anti-fraud enforcement, which did eventually lead to some semblance of a recovery.\textsuperscript{117} The evidence in the Midi also suggests that early anti-fraud legislation only came about as a result of a price depression and the riots that followed. Without

\textsuperscript{113} Kladstrup, 135.
\textsuperscript{114} Phillips, 292.
\textsuperscript{115} Loubere, 114.
\textsuperscript{116} Ibid.
\textsuperscript{117} Warner, 48-9.
falling prices, anti-fraud riots would not have occurred. In that event, the overproduction of adulterated and mass-produced wine devoid of “local usage and custom” would have continued.

2. Champagne

There is only one ethical Champagne, and that is produced in the appellation of Champagne under the very specific regulations of the méthode champenoise. Somehow, the chalk of the Champagne soils imparts an élan to “true” Champagne that is not duplicated elsewhere in the world.\(^{118}\)

These are the words of geologist James E. Wilson in his book entitled *Terroir*. By way of the statement, a reader gets the impression that the hailed “ethical champagne” is easily defined by nature. However, the history of delimitation was something altogether different. Determining “ethical Champagne” was a difficult and controversial enterprise. It became an onerous political problem, and even brought down two national governments.\(^{119}\) As was the case in the Midi, riots were the political tool of choice. But what motivated the riots this time around? And what was the rationale for the resultant political interventions?

Imitating the trend in the Midi, grape prices in Champagne were in freefall during the first decade of the twentieth century. Fraud, again like in the Midi, was a huge producer of surplus wine. But unlike in the Midi, la fraude in Champagne was more singularly at the heart of the overproduction problem. The use of new techniques to bolster output was not paralleled in Champagne. As for the political favors won by the Midi vigneron, these, unfortunately for the Champenois, did not apply across the board. They did, however, take one particularly valuable political lesson from the Midi vigneron. The lesson: “To change the law, they were going to have to break it.”\(^{120}\)

It should be noted before moving forward that, very much unlike the rest of France, the Champagne business was, and for the most part still is, dominated by large firms whose role in production was (and still is) to blend grapes from all over the region.

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119 Kladstrup, 131.
120 Kladstrup, 135.
Given this role, it was historically easy for producers to infuse inauthentic grapes into the mix. Vignerons (growers) were well aware of the practice. Even during the height of phylloxera derived hardship in Champagne, the newspaper best representing the interests of the wine growers, *La Révolution Champenois*, reminded them that “phylloxera isn’t the only parasite in our vineyards,” alluding to the producers that corrupted their blends with grapes sourced elsewhere.¹²¹ The second critical divide in the region pitted the growers from the Department of the Marne and its surrounding regions, against the growers from the Aube region to the south. The Marne growers, with the best soil and the key trade towns of Reims, Epernay and Ay, sought the exclusion of the “inferior” Aube grapes from the Champagne blends.¹²² The Aube growers, for their part, desperately clung to Champagne as if their lives depended on access to the designation.¹²³ Because the city of Troyes, just to the south of the Aube vineyards, was the ancient capital of Champagne, the Aubois saw their inclusion into the appellation as a birthright.

Given the developing seriousness of these fissures at the tail end of the decade, the regional political battle over the right to use the name Champagne could only be determined in Paris. Even though the national government would have preferred to sidestep the controversy, the recent intervention in the Midi had set a precedent. At any rate, the government’s initial attempt in 1908 to bring calm to Champagne proved to be a disaster. With a few exceptions in the Aisne department to the immediate east, only the vineyards in the Department of the Marne were permitted to use the region’s name on a bottle of wine. Predictably, the vigneron of the Aube were stunned, and even those in the Marne were displeased that Aisne vineyards were included. On top of this, the harvest of 1909 was especially poor. Then, 1910 turned out to be ninety six percent worse than that low point. Consequently, the entire region found itself in an economic freefall. Many in the government felt the region was on the brink of revolution.¹²⁴

¹²¹ Kladstrup, 136.
¹²² Johnson, 231.
¹²³ Kladstrup, 138.
In January of 1911, the first stage of violence erupted in the village of Damery, just outside of Epernay. Marching to the cry of “A bas les fraudeurs,” vignerons came across a cargo truck carrying wine from the Loire, its contents destined to be sold as Champagne by firms in Epernay. The truck was destroyed and the wine was unceremoniously dumped into the Marne River. In the fleeting violence that followed, the merchant houses were the key target. Still, the government did very little. When a national law was passed to strengthen the previous lawful exclusion of the Aube, the unrest reached new heights.125

Thousands of Aubois vignerons soon took to the streets of Troyes. The Aube was in a virtual state of insurrection, as “tax papers were burned, and government officials were hung in effigy.” In Paris, the representatives from the Aube successfully blocked national governance by boycotting the annual budget. As a result, the national government collapsed. In April, a new government invalidated the 1908 law barring the vignerons of the Aube from making Champagne. The Marne vignerons reacted by offering up their own state of insurrection, but this version was much worse than anything seen in Champagne to that point. It was more like a civil war pitting vignerons against all comers, to include the government, the Aubois, the merchants and the producers. Specific targets were wine and wine-related property. The violence far surpassed that which had taken place in the Midi.126 With the situation deteriorating, the government decided to deploy thirty-five thousand troops in an effort to rein in the riots.127 But once again, the national soldiers would not aggressively take action against their fellow Frenchmen. A second national cabinet fell immediately thereafter, and France searched for answers to the predicament in Champagne. In the end, the riots were dramatic but short-lived, terminating in less than forty-eight hours. Yet afterwards, the core issues dividing the region remained unsettled.128

Much to the relief of the new government, the 1911 crop was a generous one. This served as a reprieve for the legislators in Paris, who took advantage by passing a

125 Kladstrup, 129-130.
126 Johnson, 231.
127 Kladstrup, 142-4.
128 Kladstrup, 146.
controversial law that split Champagne into two production zones. Thenceforth, the Aube would use the label of Champagne-Deuxième Zone, or second zone. To be certain, neither side was pleased with this compromise. Nevertheless, some the underlying tension was mitigated and most overt demonstrations were called off. In the years that followed, unrest simmered below the surface, never quite reverting back into violence. Hoping to avoid additional riots, some production firms began cooperating with the growers. In doing so, they guaranteed a minimum price for grapes and instituted expanded anti-fraud measures. Protests, if not full scale riots, continued throughout the Aube though. Shockingly, some the Aubois went as far as to carry signs declaring their loyalty to Germany, much to the dismay of legislators in Paris.129 In view of the tension still present over the Champagne delineation, the government was, in a way, bailed out by onset of World War One. In 1914, the ultimate determination on Champagne was tabled for another day.

As was the case in the Midi, the political impetus for the intervention in Champagne was essentially rooted in political and economic realities. Without fraud, prices would not have plummeted. Without falling prices, the vignerons would not have rioted in the streets throughout the Champagne region. Therefore, it was out of simple political necessity that the government reacted to this demonstration of the vignerons’ will.130 But again, the anti-fraud movement was in some measure formed by cultural factors like the oft stated intent to produce authentic, “true” Champagne. Thus, it cannot be said that these government interventions were entirely driven by instrumentalist considerations, just mostly so.

The economic turbulence that accompanied World War One severely impaired the business of wine. The same was true of the French vineyard lands, many of which were literally trampled by soldiers and equipment.131 When the war ended in 1918, forty percent of the 1914 output had been lost.132 After the war, a very familiar tale of

129 Kladstup, 149-51.
130 Phillips, 293.
131 Pellechia, 166-7.
production woes emerged. In an effort to make up for lost time, vignerons replanted to a point that was incompatible with market capacity. Fraud was not as much of a factor this time around; however, the overproduction problem reappeared just the same. Given the obvious parallels, World War One can be regarded as the even newer phylloxera. Amid this third massive wine market slump, and needing to address the traumas leftover from the pre-war riots, the French government was thrust into even more intense interaction with the wine industry.\textsuperscript{133} Central to this was the wine law of 1919, which amounted to another key step toward national regulation.

Ultimately, the justice meted out under the law of 1919 was largely inconsistent, and verdicts regarding appellation were frequently tainted by corruption.\textsuperscript{134} This served to compound the postwar overproduction issue. Additionally, in the aftermath of World War One, a general economic malaise hung over Europe, again undermining the stability of French wine markets. One of Champagne’s chief markets, Russia, completely disappeared after its 1917 revolution. Former economic powers Germany and Austria could no longer afford the luxury of French wine. And soon enough, prohibition in the U.S. would take its toll on French wine sales. This was all to be topped off by the Great Depression, perhaps the biggest phylloxera of them all.\textsuperscript{135}

As a consequence, French vignerons were ever more disgruntled in the face of volatile markets and the government’s apparent inability to effectively protect their basic needs. Once again, the answer was expanded political protection. To this end, an important law was passed in 1927, which first permitted production standards within each appellation. It turned out to be one of the key foundations of the 1935 law. The methods proposed by the appellations were still subject to judicial review, however. Even with winemaking methodology now under a national regulatory umbrella, the judicial phase was doomed. Ultimately, the countless claims, both for and against specific appellations, produced a general market confusion that made selling wines a difficult proposition.\textsuperscript{136}

\textsuperscript{133} Warner, viii.
\textsuperscript{134} Renou Interview, INAO: 138 Champs-Elysées, Paris, 5.
\textsuperscript{135} Charters, 40.
\textsuperscript{136} Jefford, 11.
D. THE AOC REGULATORY SYSTEM OF 1935

In 1935 the French government renamed AO as AOC (*Appellation d’Origine Contrôlée*). More significantly, after so many years of industry turmoil, it founded the CNAO (*Comité National des Appellations d’Origine*) which would become the INAO (*Institut National des Appellations d’Origine*) in 1947.\(^{137}\) This independent body under the Ministry of Agriculture was charged with the administration of the nation’s AOC system. While it is the producers unions who propose new appellations and modifications to them, the INAO ultimately stood in judgment, as it does today.\(^{138}\) The founding decree effectively professionalized regulation of the French wine industry, bringing previously seen features—both legislative and legal—under one bureaucratic institution in Paris.\(^{139}\) After 1935, “no wine would qualify for AOC status unless it was made from specified grapes from a delimited area, and unless it conformed to the requirements considered appropriate to that wine type.”\(^{140}\)

In explaining the reasons for the AOC system, the INAO first mentions that it emerged “in the context of the deepest winegrowing crisis.” While this is a dubious assertion considering the severity of the phylloxera crisis in the nineteenth century, it also suggests that the primary motivation for the intervention was of a practical nature. But there is a second component to the official explanation. Unlike the previous wine laws, under the 1935 system, “AOC products had to present particular characteristics due to natural and human factors.”\(^{141}\) This seems to indicate that “prerogatives of place” were alive and well in 1935. But how well does the official explanation account for the entirety of the political logic underpinning the system?

Leo Loubere tells us that the legislation leaned on the twin mechanisms of yield reduction and the distillation of surplus wine because winemakers wanted the government to strategically time the release of wine in sync with market demand. He

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\(^{140}\) Phillips, 300.

proclaims that “From the most individualist to the most corporatist, such was the road along which necessity to survive was leading the vigneron's and their political spokesmen.” Warren Moran, who postulates that the main purpose of the appellation was to garner higher rents, provides similar pragmatic rationale for the 1935 intervention. The explanatory logic is that regulation simply served as a control on supply. Mr. Moran points to the example of Chateauneuf-du-Pape, the region which in 1923 showed the rest of France that limiting yields and concentrating on quality would bring top prices—even though growing conditions in that area were comparable to less prosperous neighboring Rhone Valley vineyard land. In garnering high prices through supply controls, producers were tapping into the previously “invented” idea that French wines and their inherent “Frenchness” carried exclusivity. The practice, in all likelihood, naturally reinforced France’s own cultural identity as the ultimate source of haute culture via exclusive luxury goods. The economic benefits of supply reduction, which catered to a market for products reflecting social status, were surely not lost on the producers in Chateauneuf-du-Pape. In 1935, their model was for all intents and purposes borrowed by the national government, whose goal was to improve the economic plight of vigneron's throughout the country. So, generally speaking, with these points in mind, the advent of the 1935 regulatory system is attributed to instrumentalist motives.

An appeal from the Champenois to Prime Minister Briand in December 1921 appears to lend credence to a mostly economically driven rationalization of regulatory inception. In an eleven page document, wine industry leaders, to include vigneron's, producers and merchants, outline the dire economic circumstances then faced by the whole region. What they sought was government backing for a stronger appellation, one that was empowered to enforce anti-fraud measures. The document is identified as “an import and export product, providing a certain amount of taxes which could be of interest to the Secretary of Finance.” In other words, if the government could help bail out the

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Champenois, the national coffers stood to reap some of the rewards.\textsuperscript{144} Additional support for an economically based interpretation of events comes in the form an editorial appearing three weeks after the passage of the 30 July 1935 law. In the trade journal \textit{Le Vigneron Champenois}, Mr. George Chappaz, the publication’s Director, asserts that the law is “a great work which should treat all the big problems of the crisis hurting the French wine industry.” Continuing on, he identifies the law as:

\begin{quote}
a perfect example of managed economy, and we could almost write ‘commanded economy’ because it (the decree) gives order to the wine producer, to save them instead of merely encouraging them to follow certain indications to stabilize the market.\textsuperscript{145}
\end{quote}

Yet even in the midst of these instrumentalist interpretations of the 1935 regulation, the cultural impetus for intervention manages to make its presence felt. As was noted previously, Warren Moran’s explanation of the 1935 law points to the precedent set by Chateauneuf-du-Pape’s 1923 appellation laws. But at the same time, it was that same region that linking ideal grape varieties to specific terroirs first appeared in appellation laws. In reference to the same law, Hugh Johnson reports that “just as important as the terroir were the cultural practices, the pruning, the maximum crop that would make good wine, the ripeness of the grapes, and the way they were handled in the cellar.”\textsuperscript{146} Also, in the aforementioned letter to the Prime Minister, the Champenios begin their petition for assistance by saying that they “fear the disappearance of a wine, which has exported the reputation of the French wine culture to the whole world.”\textsuperscript{147} Lastly, in his editorial, Mr. Chappaz emphasizes that the 1935 law would succeed in part because it intended to control culturally motivated winemaking practices. In none of these three examples did political terroir act as a primary rationale for intervention. Nevertheless, such nods to cultural factors were more noticeable than had been the case in the past.

\textsuperscript{144} \textit{La Crise Economique en Champagne Viticole}, Lettre adressée a M. Le Président du Conseil, Décembre 1921, 1.


\textsuperscript{146} Johnson, 232.

\textsuperscript{147} \textit{La Crise Economique en Champagne Viticole}, Lettre adressée a M. Le Président du Conseil, Décembre 1921, 1.
Moving on, the final rationalization for the 1935 regulatory regime is centered on political instrumentalism in something of a top-down mold. In a 2004 interview of recently deceased INAO President Rene Renou, Mr. Thierry Paul Leroux, a renowned wine writer and critic, offered this additional explanation. Leading his interviewee towards the political realities of the time, he asked Mr. Renou if “the originality—one might say the trickery—of the 1935 law was therefore to create the INAO, an entity, which, theoretically, represented both the interests of the vintners and the interests of the government?,” to which the INAO President replied: “Exactly. (That) was the innovative aspect of it and it is not theoretical.” Mr. Renou then goes on to cite *la fraude* as the key reason consumers and producers needed protection.\(^{148}\) As the interview progresses, the discourse sheds more light on the political situation in the early twentieth century. Having established that some twenty-five percent of voters were farmers in 1935 (as were forty to fifty percent in 1905), Mr. Leroux puts forth his own explanation of events:

> Considering that the appellation system was (set in motion) in 1905 when a lot of people, if not the majority, were farmers and considering that the INAO was established in 1935 by a former Agricultural Minister after 30 years of the most violent farmer protests that the country had ever known, I have an idea. What if the appellation system was established to get the farmers’ vote and what if the INAO was only created to end the civil unrest?\(^{149}\)

In response, Mr. Renou unequivocally rejects this theory. However, the discussion that immediately follows Mr. Leroux’s proposed account validates the idea that the advent of the system was significantly shaped by practical political considerations:

> TPL: …couldn’t we say the system served an electoral purpose?

> RR: The government at the time probably cared about the welfare of what was an important segment of the population, both in terms of economic and voting power. It is the same with every government. More importantly, I think that the government wanted to control the vintners at a time when they were virtually out of control.

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TPL: Aren’t we far from the idea that the appellation system was created to protect consumers?

RR: The two ideas are not mutually exclusive.\textsuperscript{150}

Ultimately then, the conclusion is that a combination of economic and political motives forced the establishment of the regulatory system of 1935. Worth noting as well is that cultural motivations were not mentioned when this interview touched on the major foundations for this decisive intervention.

E. FINDINGS

Karen MacNeil writes: “France’s near obsession with geography (plus numerous episodes with fraud) resulted, in the 1930s, in the development of a detailed system of regulations known as the AOC.”\textsuperscript{151} The statement seems to emphasize the importance of terroir in establishing the regulatory regime, even at its outset. But the evidence here indicates that such a description of the system’s birth is deficient. Rather, it was fraudulent production and labeling that was far more critical to the founding of the AOC system. La fraude, along with overproduction and externally induced market fluctuations, created the environment that brought forth an economic rationality for political intervention. Just as importantly, if not more so, practical considerations by the politicians in Paris conditioned the initial inception of regulation.

In the first section of this chapter, there was very little evidence indicating that cultural considerations were involved in the formation of the 1905 wine law. When vigneron rioted in the Midi just a few years later, they protested the growing problem of fraud, possibly indicating a concern for the authenticity and natural aspects of their product. It should also be inferred that the early existence of a market for non-fraudulent wines, on which producers were constantly tempted to capitalize, reveals that wine’s cultural value was already widely known. At the same time, both the vigneron and the government consistently failed to address the concomitant overproduction problem. While it may be that the producers and their representatives simply failed to grasp the

\textsuperscript{150} Renou Interview, \textit{INAO: 138 Champs-Elysées, Paris}, 12.

\textsuperscript{151} MacNeil, 112.
realities of supply and demand, the government’s neglect on this front suggests the culturally based part of the anti-fraud formulations was somewhat disingenuous.

In Champagne, on the heels of the protection granted to the vignerons of the Midi, vignerons looked to the national government to improve their own plight. It was here, before World War One, that more valid cultural motivations for intervention started to round into form. Cultural factors played an even larger role in the establishment of the watershed national legislation of 1935. This was, however, still a small role relative to factors rooted in instrumentalism. In any event, the conclusion is that political terroir was already ascending, albeit at a relatively slow pace, in the early twentieth century.

F. SUMMARY

From one instrumentalist angle, the regulatory system was created with political outcomes in mind, namely to get rioting wine farmers off the streets as the harsh effects of the Great Depression were hitting France in earnest. A second instrumentalist account would attribute the advent of regulation to simple economic necessity. This chapter has shown that both of these instrumentalist explanations are valid. Indeed, economic and political expediency are the key factors in the establishment of the regulation system. But a third aspect, which may have been initially rooted in nineteenth century instrumentalism, also gradually emerged as a part of the political rationale for regulation in the early twentieth century. This was a culturally based rationale for government intervention, the “politics of terroir.” Ties linking wine to broad notions of national identity were really just beginning to be politicized. The second aspect of political terroir was less politically significant however, as the desire to guarantee wine diversity is not evidenced. But there is cultural salience to be found with regard to notions of time-honored methodology and the natural places for French wine production. Still, during the timeframe covered in this chapter, the evidence has shown that political appeals rooted in political and economic pragmatism were understood to carry more political weight than culturally motivated arguments. As a result, these instrumentalist reasons are the primary causal factors for the regulatory system.
IV. ENDURING REGULATION: 1936-2007

A. INTRODUCTION

To mark the recent turn into the twenty-first century, the national government in Paris commissioned a vast poll asking the citizenry what most contributed to them being French. As it turned out, the appreciation and understanding of “good” wine finished as the fourth most important aspect of “Frenchness.” The only entries to surpass wine in impact on French identity were having been born there, upholding liberty as a civic responsibility and speaking the mother tongue.\(^{152}\) What explains this lofty cultural identity status? As has been noted throughout this research, the link between wine and French identity has always existed. But this, it would seem, is a level of cultural prominence not previously achieved. The claim here is that the emergence of wine as an instrumental political and economic factor in the early twentieth century set in motion the forces that are responsible for this heightened cultural salience. Accordingly, the chapter that follows explains how contemporary political terroir was brought into the cultural equation.

The first section of this chapter shows how the effects of the 1935 law in particular, once set in motion, came to form the modern “politics of terroir.” With this in mind, the second section of the chapter chronicles the rise of political terroir in the decades that followed, culminating at the end of the 1970s. The third section introduces and defines the globalization that characterizes international wine markets today. A fourth section then addresses the domestic issues that undermine the French wine industry and the politics that result from such challenges. The fifth and final section analyzes the nature of France’s political reactions to the damaging effects of wine industry globalization. Both of these final two sections illustrate how the connection between wine and French culture shapes a distinctive political environment that fiercely opposes rational market forces.

B. THE 1935 FALLOUT

The AOC system that was established in 1935 has hardly changed since its inception. Consequently, its influence has been both long-lived and profound. The most important lasting consequence is that the legislation triggered a type of communal ownership of vineyard territory in France. While pointing out the utilitarian motivations for the appellation system, then INAO President Rene Renou in 2005 explained the introduction of this innovative type of communalism:

Since an appellation is a collective property, the dilemma was to find a way, through public law, to protect a district or a renowned wine region but without giving the authority (to) the parliament or to the courts…it was therefore decided to leave the creation and the management of appellations to those who knew it best, the vintners.153

When subsequently asked if he thought the term “collective property” that he had used seemed at all frightening, Mr. Renou linked the idea to French identity. His exact words were: “Since you are obviously uncomfortable with the wording, consider the appellation as part of the national heritage, much like historical monuments.” This comment was made in recent years, after time had passed and the system had become embedded into the common cultural consciousness, so it cannot be regarded as indicative of cultural ideas in the 1930s and 40s. It does, however, foreshadow the current connection between the AOC system and notions of French identity, a connection that developed in the years since 1935.

But how exactly, then, did the AOC system produce the forces inherent to political terroir? According to wine writer Andrew Jefford, an AOC belonged “in some cases to tens of thousands of individual wine growers. It is a single name, often one that enjoys worldwide celebrity, which small scale, economically vulnerable individuals jointly own.”154 In the global wine trade, this place name soon became more recognizable and marketable than the name of the producer—except in the case of the most famous vineyards.155 As wine growers grew accustomed to selling their wine

155 Jefford, 11.
according to place, over time they learned that their livelihoods depended on the collective reputation of that place. To a great degree, the producers of wine were all in it together. By founding the AOC system, the government institutionalized the social and cultural concept that a place could be something collectively held by those who worked the land.

This form of communalism, under which the small grower had at least some control over production, halted the tide of what was becoming, prior to the advent of appellations, an ever more centralized, specialized and purely capitalist industry. In one sense, the move to jointly own appellations was a compromise between the traditional individualism of the French farmer and the practical need to manage volatile markets through supply controls, which funneled benefits to a wider group.\textsuperscript{156} Sometimes the AOC derived collectivism would lead to the practice of unionism or syndicalism, but such was not always the case. Even where unions were not present, a sense of shared ownership of the land and environment was pervasive.\textsuperscript{157}

In continuing his explanation of the communalism inherent to an AOC, Mr. Jefford reveals another notable offshoot of the system. As a vigneron in a French appellation, you “struggle as far as possible to absent yourself from your wine. Instead, you will try to express, above all, the characteristics of the land you tend for a short while but will leave to others after you.”\textsuperscript{158} To the degree that this statement accurately reflects winemaking principles in France, the inception of the AOC system gives explanation to the contemporary duty to express terroirs through time-honored local techniques, and in the most natural light possible. In such a mindset, yielding to the intrinsic characteristics of the terroir becomes a prerogative of the community, its collective past and the established relationship with the natural environment. Leaning on these ideas, prominent wine author and importer Kermit Lynch asserts that, “the system of AOC is not a rating, not a judgment of the wine in bottle, but a definition of the terrain, the soil, the grape

\textsuperscript{158} Jefford, 12.
varieties…the raw materials.” 159 This passage only speaks to AOC as it does or does not relate to neighboring terrain. But if he were to endeavor a more complete explanation of an AOC, it seems Mr. Lynch would only have to add that an AOC is also an expression of the traditions a given winemaking community brings to the land.

In contrast to the communalism and public ownership enshrined in the AOC system, outside of France private interests and brands would soon come to dominate wine markets. Because the establishment of the AOC system precluded domination of wine production by private interests, France steered away from the sameness and dependability of a brand, which, as it happens, is a common aim of larger private corporations. Owing mostly to its semi-public nature, the wine system in France instead produced just the opposite. Once again, Mr. Jefford best describes what would come to be enduring contrasts between France and those who instead chose the brand model of production: “The flavour of a brand is engineered for maximum consumer appeal; the flavour of appellation wines is derived, as limpidly as possible, from the realities of site and season.” 160 These realities of site and season are the variations which give rise to individuality and diversity. It is in exactly this way that another important legacy of the AOC system materializes. This is the political terroir sense in France that preserving end product variety has become a national responsibility.

So, in summary, the partial communalism of the system produced wine diversity, a concept that over time came to hold identity and cultural connotations. Therefore, part two of the “politics of terroir,” variety, is essentially a by-product of the 1935 AOC system. The public nature of the AOC also permanently fixed traditional and natural winemaking as social practice with concomitant cultural clout. But it cannot be said that part three of political terroir, which involves ideas advocating natural and traditional methods, is singularly tied to the AOC system. These aspects were to some extent present previously, as we have seen; still, the law of 1935 permanently entrenched such ideas in French culture.

160 Jefford, 12.
C. WINE ON THE NATIONAL SCENE: AS TIME WENT BY

Referencing the status of wine and wheat in the 1930s, Historian Robert O. Paxton states that “the production of these two crops affected so many French families that many… called them “electoral crops”: their fate got politicians elected and governments overthrown, and they could not be ignored.” 161 In 1935, there were approximately 41.5 million people in France, and around 10 million voters were farmers. One in six families was economically dependent on the wine industry. 162 These demographic realities, coupled with empirical evidence, significantly influenced an electoral-political justification for the beginnings of regulation in the previous chapter. But as time passed, the demographics changed, as did the political motivation for sustained protection.

Today, the French wine industry employs some three hundred thousand men and women in a nation of just over 60 million. Only about 3 to 4 percent of the population works in any type of agricultural endeavor. As such, electoral strength alone cannot drive the politics of AOC protection. The idea that regulation persists because the government is specifically targeting the votes of vignerons is absurd. As compared to the 1930s, the wine sector and other farming interests now constitute a very small portion of national economic output. And in fact, many observers claim that the continued protection of wine comes at the expense of more productive industries. This, in turn, negatively impacts overall economic output. Given these economic and electoral realities, policies that promote the continued protection of wine could even be said to be detrimental to political survival. That is, such would be the reality if it were not for the political weight of wine as a cultural concept.

In the decades of recovery immediately following World War Two, France was becoming an increasingly urban and industrialized nation. Yet in 1957, some 1.5 million Frenchmen were somehow still engaged in wine production, about 94 percent of which were small producers (equating to less than 100 hectoliters annual production). For a


nation of about 43 million at that time, this meant the wine producers remained a potent electoral demographic. Accordingly, practical considerations likely remained as the primary rationale for keeping regulation in place in the 1950s.

During the 1940s and 50s, the second order effects of the AOC system, as mentioned in the previous section, were gradually embedding themselves on the French political landscape. By the late 1950s, various attacks on the government’s alleged coddling of the industry were vigorously defended with counter charges labeling such accusations as evidence of a foreign conspiracy. The wine industry rejoinders took aim at transnational companies, whose frequent rejections of wine protection were labeled a debasement of “French mores and customs.”\textsuperscript{163} Furthermore, throughout the 1950s, factional national cabinets were often held together only due to unanimous support for the cultural idea of “traditional France.” This meant the wine industry retained unequivocal political favor, even in the face of arguments pinpointing wine protection as a drain on the national economy.\textsuperscript{164} At the time, wine was widely regarded as the “spoiled child” of an already pampered French agricultural sector.\textsuperscript{165}

The French wine regulatory regime was internationalized in the 1950s. This, too, had, second order effects. Given its success in bringing stability in the face of volatile international markets, the central tenets of the appellation concept were folded into the European Economic Community’s (EEC) governmental framework in 1957. The export of this French-invented system had lasting impact in France. As it was closely aligned with wine, and hence notions of national identity as well, the propagation of the AOC system gives some explanation as to why the AOC system itself came to be linked with broader ideas of “Frenchness.”

For the French wine industry, the key political economy feature of the 1970s was the establishment of numerous AOCs without regard for exacting quality standards.\textsuperscript{166} On the surface, this actuality appears antithetical to the existence of a terroir based


\textsuperscript{164} Ibid, 994.


\textsuperscript{166} Renou Interview, \textit{INAO: 138 Champs-Élysées, Paris}, 16.
cultural politics. But a closer look at the nature of appellations reveals some complexity regarding the relationship between wine quality and political terroir. The interview of former INAO President Rene Renou sheds some light on the issue. After Mr. Renou affirms that an AOC is not a guarantee of quality, the question arises:

TPL: …you are well aware that for some consumers an appellation is also a synonym of quality. Are you saying that we should tell these consumers that they are wrong?

Rene Renou: The foundation of an appellation, its reason for being, is an intimate tie to a place of origin. The result of this relationship is that a wine coming from a particular place cannot be duplicated elsewhere. That’s it; it is not something else. The rules that wine producers must follow, however, and which are spelled out in the appellation decrees, should result in quality…logically.167

As Mr. Renou lays out his expectations for a logically functioning AOC system, the problem of quality presents itself. Most fundamental here is that quality considerations were not a part of the AOC system as it was legislated in 1935. Still, France’s best wines were AOC wines in the 1970s, as they were in 1935 and even today. Most appellations did in fact have the exacting production standards that generally, and logically, resulted in quality. So it was assumed by many consumers that quality was a function of the AOC system. However, since quality was not really a legal prerequisite for an AOC, it was entirely possible for a locality with poor growing conditions and poor production standards to apply for and establish an appellation. Many regions exploited this loophole and were soon successfully selling what was perceived to be quality wine. Of the almost 500 appellations today, many of the poorest in quality were created in the 1970s, and into the early 1980s, when, quite simply, it was economically feasible to do so.168 Even the INAO President, Mr. Renou, admitted as much in 2005.169 That these appellations were established suggests that quality, for its part, was not part of the cultural equation that

169 Renou Interview, INAO: 138 Champs-Elysées, Paris, 16.
sought political protection in the 1970s. The inception of so many substandard appellations during these years would later have profound implications for how the French would look to market wine.

The watershed event of the 1970s for the global wine industry was the Paris tasting of 1976. Although it was not political in nature, it would later have political implications for France. The occasion pitted twelve top caliber Californian wines, six red and six white, against four grand cru reds from Bordeaux and four renowned whites from Burgundy. In what was a surprise to most wine industry observers at the time, the American wines fared very well overall, and even claimed the best wine in each category. The outcome foretold, and may have contributed to, the onset of a very different international market in which wines from outside of Europe could compete with their more prestigious Old World and French counterparts.

Unlike French wines, the new foreign competitors were not irrevocably and legally tied to a specific plot of land. As Elin McCoy puts it, “The Paris Tasting was the first step in unhinging wine from place.” Until this brief moment in 1976, French wine “had never been about just taste, or who won a comparative tasting; it was about history, part of a way of eating and living, part of, well, being French.” Soon enough, the French would have to make some difficult choices. Would they try to maintain control over something regarded as a product of their unique history and culture, or would they allow wine to be simply about taste and market driven demand?

D. CONTEMPORARY GLOBALIZATION AND FRENCH WINE

According to former World Bank Chief Economist Joseph Stiglitz, globalization is “the removal of barriers to free trade and the closer integration of national economies.” In the world of wine, however, this definition conveys only some of the global dimensions in play. Beyond reduced barriers and cross-border economic convergence, the globalization of wine also involves concurrent consumption and production revolutions. Countries like China, Japan, India, and Russia are buying more

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wine than ever before. At the same time, production is increasing at a rapid pace in Argentina, Australia, New Zealand, South Africa and even China. While consumers are increasingly refining and expanding their palates, producers constantly encounter, and often employ, new viticultural technologies and techniques.

Just as is the case with standard versions of globalization, a deep divide exists in the world of wine. Whereas many economic globalization stories observe a divergence between the material haves and the have-nots among nation states, in wine the fault lines are with regard to style and the expression of terroir. Usually hailing from outside Europe, the New World style of wine typically means high alcohol, deep concentration (also termed highly extracted), oaky flavors and fruitiness at the front of the palate. These wines are usually constructed with a big boost from technology and laboratory analysis. On the other side of the coin is the Old World style, which is epitomized by the prerogatives of place inherent to French winemaking. (In terms of style, European winemaking is generally more traditional and natural than the New World, but France is by far the most uncompromising example of the Old World style). Terms normally used to describe Old World wines include subtle, elegant, food-friendly and earthy.172

It was in the 1980s that the wine business began to globalize at an accelerated pace. The exact date is of course murky, but around 1985 the French wine industry started to feel the impact of global competition. Prior to that, for the most part France had dominated global wine markets. But, as was foreshadowed by the Paris Tasting of 1976, global demand began to change gradually in the eighties. By the mid-nineties, the majority of global markets preferred New World (or “internationally”) styled wines. These wines came with new marketing and production models; they were devoid of tradition, mostly ignored any link to specific terroirs, and, in general, shunned the desirability of diversity.

1. Domestic Concerns

Before digging further into the nature of the contemporary French resistance to globalization, a few domestic problems should be addressed. To start, consumption of

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wine in France has decreased by fifty percent over the last twenty years. This trend, for which younger generations are mostly responsible, continues to this day. Imbibers are instead opting for carbonated beverages and beer. Politically, new laws are forcing the police to crack down on driving under the influence, and as a consequence, even the dedicated wine consumer, tending as he does to frequent restaurants, is cutting back. Also impacting French wine is the Evin Law of 1991, which prohibits alcohol advertising on national television in an effort to curb alcoholism.

But how does the French wine industry respond to these domestic challenges? In short, it puts the cultural salience of its product on trial in public forums, thereby guaranteeing some political reaction. Regarding the anti-alcoholism measures, the wine industry recognizes that the social problems associated with alcohol need to be curtailed. At the same time, however, the wine lobby openly taps into political terroir in an effort to minimize the degree to which it is affected by this type of legislation. Responding to Evin’s law and driving under the influence legislation, the wine industry protests the lack of legal distinction between wine and other alcoholic beverages. Jean-Louis Vezien, the Director of the CIVA (Confédération Interprofessionnel du Vin d’Alsace), Alsace’s official trade group, states that “(Wine) has returned to its proper place in the gastronomic world of good taste. Wine causes less road accidents than youngsters who drive after coming out of clubs. There is a cultural issue here…” The point advocates like Mr. Vezien are stressing is that, in accordance with French cultural norms and societal standards, wine tends to be paired with food and consumed in moderation.

In 2004, Minister of Agriculture Herve Gaymard replied to such pleas by promising slight changes “without demonizing a product that forms part of our cultural

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177 Quiot.
In February of 2007, Mr. Nicolas Sarkozy, then the leading candidate for President, promised to relax the advertising restrictions as prescribed by Evin’s law, should he be elected that coming May. The language he used is revealing. He told a group of winemakers “Wine is not just an economic activity, it’s a French tradition, a French identity, a French know-how.”\(^{179}\) It should not be surprising that Mr. Sarkozy clearly understood the cultural salience and political power of French wine, even though he himself is a teetotaler. In France, it is essential that a candidate for national office appreciate the culturally based political power of wine.

2. **Resistance to Globalization**

This section that follows covers some of the externally driven challenges and criticisms confronting French wine today, as well as the nature of the resulting political backlash. A contrast to this state of affairs will then be drawn by way of an examination of contemporary Champagne. As has been touched on previously, Champagne produces wine under a completely different regulatory environment than is the case elsewhere in France. This reality has profound implications for the manner in which the region communicates political *terroir*.

a. **The Problem of Shifting Demand**

Wine industry observers posit that approximately ninety percent of global wine markets now subscribe to an “Anglo-American” perspective, which equates to a preference for the international or New World style of wine. Comments by Rene Renou epitomize how the French view this divergence in perspective. It is very much a defense of the way the French value wine. He states that:

> There is the French…perspective that considers that *terroir*, and the association of a grape variety with a *terroir*, have an influence on the organoleptic qualities of wine. Whether it’s true or not is irrelevant, it is something that we strongly believe…On the other hand for Texas Bill or Australia Jack, wine is a simple pleasure, it’s all about grape varieties and

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\(^{178}\) Styles.

a technology that must be used to highlight the organoleptic qualities of the varietals. To use an example, I would say that some people like classical music, others prefer pop music.”\textsuperscript{180}

The reference to classical music, coupled with the labeling of New World wines as “simple,” is an unmistakable sign that France views its wine as having social pedigree in line with the hypothesized political terroir. Other elements of wine’s cultural salience, such as the link to natural terroir expression, are evidenced here as well.

But how does the “Anglo-American” perspective hold sway over so much global demand today? One reason is based on simple demographics. Consumers outside of Europe are ever more numerous. In traditional wine drinking nations like France, however, fewer and fewer people consume wine every day. In addition to this consumption transformation, powerful critics such as Robert Parker, Jr. of The Wine Advocate and James Suckling of The Wine Spectator have seen their influence grow to the point that they are now compelling producers to make wine in the New World, international flavor profile—even if they do so inadvertently at times. Emerging markets, especially, look to critics to guide their purchases. As wine tends to be seen by the novice as complicated and intimidating, experts often help guide initial purchases. Also, a wine recommended by a noteworthy critic usually holds its value or appreciates as it ages. This variable is known to motivate the purchases of investors in Asia and other newer wine markets. Not surprisingly, the most reliable experts when it comes to investment value are those that have influence over the largest markets, which happen to be America and England. Thus, Anglo-American critics and the Anglo-American perspective gain more influence over global wine demand with the appearance of every emerging market. It was via this dynamic that most consumers came to view wine through an Anglo-American lens.

In today’s global marketplace, producers have a powerful financial incentive to fashion their wines in a style most likely to please these critics.\textsuperscript{181} Indeed, doing so easily translates into massive profit increases, almost without fail. Wine industry analysts, as well as producers, take for granted the fact that the most powerful

\textsuperscript{180} Renou Interview, INAO: 138 Champs-Elysées, Paris, 16. 
\textsuperscript{181} McCoy, 172-3, 188.
“Anglo-American” wine writers favor fruity, concentrated wines over the lithe and elegant ones that typify traditional French winemaking. As a result, some Old World producers comply and make internationally styled wines, even in France. After all, a high rating from a key reviewer can mean survival, or even prosperity, when bankruptcy might have otherwise been a possibility. In her book entitled The Emperor of Wine: The Rise of Robert M. Parker, Jr. and the Reign of American Taste, Elin McCoy identifies Mr. Parker as

the most powerful critic in any field, period. If a New York film critic pans or praises a film he may influence its reception in that city, but his view won’t have the same effect on moviegoers in Paris or Tokyo, nor will film directors around the world create movies to appeal directly to his taste.183

Still, many vignerons refuse to surrender to the tide of these market forces. They do so because, for the French, altering the manner in which wine is made, means altering a degree of “Frenchness.” Indeed, belligerence to the demands of the market is rooted in the cultural factors that comprise the “politics of terroir”. As early as the mid-1990s, one of Mr. Parker’s tasting facilitators in France lamented, “why must I submit everything I do to one person to be judged? Should I show all the wines or just show those I know he would like, even if Burgundy (represents) diversity and individuality?”184 A chateau owner in Bordeaux, faced with the opportunity to participate in a tasting for Mr. Parker, declined, saying “To be part of Parker’s big competition to find the biggest (wine), the most color, the most fat—no, I don’t want to do that.”185

b. The Problem of Rigidity

A common criticism of the AOC system is that its myriad rules prop up average winemaking while stifling the prospects of inspired or innovative vignerons. This charge has validity in the sense that winemakers in a given AOC are generally not

182. McCoy.
183 McCoy, 3.
184 Ibid, 186.
185 Ibid, 255.
allowed to experiment with new grapes or methodologies. Outside of France, wine producers are far more able to experiment with new technologies and techniques, which make them more competitive in markets that demand cutting edge winemaking. The AOC system, on the other hand, preserves the prerogatives of place and diversity at the expense of this flexibility and openness to innovation. As well, AOC-derived communalism props up the small grower, in turn countering the consolidation of wine production by larger firms that might have the capital to infuse new methodologies most efficiently into viticulture.

But how do the French defend the inflexibility of the system? In 2005, Rene Renou began a rejoinder by saying that “you can always find a few people who criticize the appellation system, but vintners do not challenge the concept of appellation itself.”\textsuperscript{186} This is the case not only because the AOC system yields diversity, and guarantees natural and traditional winemaking, but also because France has come to embrace the AOC system itself as a cultural icon. Mr. Renou’s suggested fix for French wine is to create a sort of super AOC, with the designation \textit{Excellence} marking the \textit{terroirs} best suited to produce quality wines. He would prefer to revoke certain AOCs and tighten standards across the board, but under French law, it is impossible to remove an AOC from the system. For those not fit for the proposed AOCE (\textit{Appellation d’Origine Contrôlée d’Excellence}) level, he says, “The part of culture, history, dream and the tie to \textit{terroir} would hence no longer be required.” Mr. Renou’s theoretical system has died on the vine since being proposed, but his description of today’s worthy AOCs elucidates how the French view their wines.\textsuperscript{187}

Related to the inflexibility charge is the assertion that AOCs are determined by the producers’ prerogatives rather than consumer demand. In other words, if the buyers want mostly Cabernet Sauvignon and Chardonnay in a fruit forward style, then France should adapt accordingly much as the rest of the world has done. If France refuses, it is no wonder that large segments of the wine industry struggle to survive. Yet France continues to resist. When asked in an interview what would become of French wine if the AOC system were dismantled, INAO Senior Technical Analyst Francois

\textsuperscript{186} Renou Interview, INAO: 138 Champs-Elysées, Paris, 6.
\textsuperscript{187} Ibid, 20.
Roncin lamented that all wines would end up as either Cabernet Sauvignon or Chardonnay, with labels indicating the varietals, and with big companies growing ever more dominant. In saying this, he gives voice to the culturally based fear that variety and the small grower might be destroyed, lest they live up to their national responsibility and preserve such conditions.

Michel Leguay, Technical Director at Viniflor (Office National Interprofessionnel des Fruits, des Légumes, des Vins et de l’Horticulture), responded to the same question by leaning on another piece of the cultural equation that underpins the system. He asserts that dismantling the AOCs would, in effect, be a denial of the “real connection of a product with its terroir.” Furthermore, he postulates that a departure from the AOC concept would be received with incomprehension among the informed. Those unaware of the system’s output and link to culture would likely remain indifferent, according to M. Leguay. But, in France, where knowing and understanding good wine is the fourth most important aspect of identity, the outrage would no doubt be considerable.

3. Champagne

A competitor in the gourmet coffee market recently compared his brew to an exclusive Champagne or perfume, saying: "We are consistent in taste, like Champagne, whose secret is consistency." It is this consistency that, more than anything else, differentiates Champagne from the rest of French winemaking, which is set up to produce a competing virtue, that of variety as derived from diversity of place. Consistency also makes Champagne the region that produces wine most like that of a brand. This quality goes a long way to explain Champagne’s success in today’s global marketplace, where the brands of Champagne are its large firms, Moet, Veuve Clicquot, Mumm and the like. The marketed variety is not a grape; rather, due to consistency that approximates a variety, it is the Champagne appellation itself. What, then, explains this consistency, and what does it mean for political terroir?

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In 1927, for mainly political reasons, a very broad appellation zone was drawn to include the vignerons in the Aube. This AOC was later validated under the AOC laws of 1935. Unlike in the rest of France, no sub-appellations were delineated. As was pointed out earlier in the chapter, the communalism inherent to an appellation in effect counters privatization, consistency and more streamlined production. Even though every specific plot of land has a specific terroir and therefore can in theory produce a unique wine, an AOC decree engenders a certain degree of sameness throughout each appellation. After all, every wine in a given AOC must adhere to a common local tradition and a relatively common natural environment. So it stands to reason that if Bordeaux has 57 appellation decrees and Champagne has but one, more variety will be produced in Bordeaux than in Champagne.

The Champagne appellation decrees of the early twentieth century also enshrined then traditional “local usage” practices, which meant blending wines from multiple vintages and multiple terroirs. Codifying traditional blending techniques, coupled with the maintenance of a large production zone, also necessitated the continued role of large firms. Only they had the capital and infrastructure to purchase, age and mix wines from multiple vintages. And only they had the established business relationships that could facilitate the sourcing of grapes from across the large appellation zone. Together, these two blending techniques further guaranteed wine uniformity in the bottle. This sameness was clearly in the interest of the large firm, whose customers already sought a brand-like consistency to their Champagne even prior to the onset of national regulation. By contrast, the small grower needed to sell his harvest every year to subsist, and surely lacked the means to store wines from multiple vintages. In this way, the large firms served a very practical purpose from the vantage point of the vigneron. At any rate, as a result of the perseverance of large firms, the practice of blending and the extensive production zone, the second part of the political terroir formula, variety, is limited in Champagne.

Regarding the third part of the “politics of terroir”, the desire to protect traditional and natural winemaking, the wine production conditions in Champagne again dictates a divergence from the politicized cultural environment seen elsewhere in France. To begin with, the traditional style of Champagne is not really threatened by consumption patterns,
as is the case with other French wines. Because Champagne already possesses a brand-like reliability, the style induced by its traditional winemaking methodology remains in high demand. Perhaps even more crucial is that the outside world lacks a viable competitor when it comes to the social cachet unique to Champagne. In terms of a cultural motive to allow terroir to be expressed as naturally as possible, this too has very limited salience in Champagne. It is revealing that in its promotional pamphlet, entitled “Welcome to the wines of Champagne,” the Comité Interprofessionnel du Vin de Champagne declares that Champagne wines are born in the cellars…”

Elsewhere in France, and leaning specifically on the natural prerogatives of place, wines are always said to be born in the vineyard. The notion that wine should naturally communicate its terroir is further undermined in Champagne because blending lends itself human intervention, which is less natural in the first place.

The state of production in modern Champagne is therefore a testament to the enduring criticality of the 1935 regulatory legislation. The enshrinement of a large production zone, along with the practice of blending, yielded a different brand of communalism, one that positioned Champagne for success in a globalized market that demanded consistency. At the same time, the distinctive communalism practiced in Champagne effectively blunted significant aspects of the political terroir formula. Then again, some contemporary Champagne producers are now making wines that endeavor to portray place in a more natural, hands-off fashion. The recent appearance of this small scale, cutting edge production hints that, even in Champagne, the cultural terroir factor may be on the rise today. Still, these avant-garde producers remain constrained by the méthode champenois, which by definition involves an interventionist, hands-on approach to wine-making.

In sum, and mirroring the tactic used on the domestic front, the evidence has shown that French wine responds to potentially damaging international forces with a form of political rhetoric that is increasingly colored by cultural factors. The state of affairs in Champagne, on the other hand, proves that political terroir is not consistent across the French wine landscape. Large appellations and the practice of blending by

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large firms in Champagne were, and continue to be, atypical to the French wine industry. The consistency rendered by these conditions in Champagne ultimately results in less variety when compared with the rest of France. Champagne’s unique structures account for its modern success, as well as the absence of certain forms of political terroir. The foundations for Champagne’s success in contemporary global wine markets will help inform the new approach for the French wine industry that is proffered in the concluding chapter.

E. FINDINGS

The step toward communalism inherent to the AOC system may have been partially rooted in already existing culturally based notions. But, in the main, the move was driven by the political and economic pragmatism of the 1930s. Thus the first cultural derivative of communalism, product diversity, was originally based in instrumentalist tendencies. The same is mostly true for the desire to protect natural and traditional winemaking methodology, ideas that were buttressed a great deal by the move to collectively owned vineyards. Later, however, all three of these cultural derivatives of the 1935 AOC system would become politicized. As a result, it can be said that modern political terroir is firmly rooted in the inception of the regulatory regime of 1935.

Rather than submit to market forces that would otherwise have led to production dominated by brand-like wines, the French chose to cling to the idea that traditional, natural and diverse wines were quintessentially French and thus warranted protection. As well, the AOC regulatory system itself would, in time, become embedded into broader perceptions of French identity. With reference to the more generic identity link, its presence was felt even before 1935. Yet it, like the other concepts inclusive to political terroir, reached new heights in the latter half of the twentieth century. In the present era of globalization, these culturally based factors play a substantial role in the political impetus underpinning the enduring French regulatory regime.

F. SUMMARY

Since the inception of the AOC system in 1935, the clout of political terroir has trended significantly upward, even compared to the rise seen in the first decades of the
twentieth century. As the modern thrust of globalization progresses today, the “politics of terroir” keep the French regulatory system afloat, despite rational economic forces that would otherwise lead to its demise. Such is the case in large part because the 1935 wine regulation laws spurred a type of collectivism that produced powerful side-effects, namely diversity of production style and a national insistence on the “prerogatives of place.” Over time, these secondary effects deeply embedded themselves into broader ideas of what it means to be French.
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V. CONCLUSION

Daniel Berger, a wine marketer in Paris, captures much of the French dilemma over wine in saying “We are now at a critical point...We run the risk of seeing our infinite diversity give way to chemical processes.” Following up on that thought, he wonders “Will we see the small producers in [Europe] stand by and watch the “death of real wine” in favor of beverages lacking all humanity?” Indeed, what is at stake for the French is the future of “real” wines, wines driven by tradition and nature, wines that have historically communicated an inestimable diversity of style. These real wines, which have come to bestow an air of status and haute culture on the imbibers, have even more resonance today because they, and the AOC system that brought them, are an increasingly cherished reflection of what it means to be French.

As for the mention of a “chemical process” and competing “beverages lacking all humanity,” such disparagement is a typical way of framing the ills of contemporary globalization, especially in the agricultural sectors of the West. And yet the national political salience of this rhetoric is undeniable. In France, wine’s cultural value, identified here as the “politics of terroir,” produces the protection that is realized mainly via the AOC regulatory system. In other countries, and in other sectors, entirely different modes of protection emerge to thwart liberal markets that are thought to give way to functional but cultureless products, many of which would similarly earn the label as “lacking all humanity.” The rise of political terroir as chronicled in this paper illustrates how and why such seemingly irrational anti-liberal sentiment can come to play an important role in national politics.

Moreover, the national trade policies that derive from this type of cultural politics often impact the global economy and its institutions. As was established in the introduction section, imperiled Western and European agricultural products, one of which is French wine, presently play a key role impeding global free trade. As such, their importance for global economic and political harmony should not be underestimated. Still, the political history of French wine tells us that some products, along with their

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attendant models of organization and production, can become deeply embedded in national identity, thereby making resistance to change especially fierce. Indeed, this account affirms that global policy makers should not soon expect rational adaptation to liberal markets where culturally valuable agricultural goods are threatened.

Even beyond agriculture, it is hoped that readers of this thesis now better understand why a nation like France can be so inflexible when it comes to trade policy in culturally sensitive sectors. The case of French wine suggests that certain pillars of identity are non-negotiable, even though they might find foundation in marketing manipulation, invented traditions and as second order effects of institutions like the AOC system, or some such other form of instrumentalism. So, it stands to reason that unless policies reflecting cultural values are understood as virtually immovable chips on the international negotiating table, world leaders and trade representatives will continue to talk around each other, whether it is at the World Trade Organization, the European Union or in bilateral trade negotiations. After cultural factors are taken into account, a more complete set of assumptions can emerge.

A. FINDINGS

Perhaps present day political forces and policies that are motivated by cultural considerations are not so irrational after all. As exemplified here, that which is today understood as irrational can be rooted in instrumental rationality. Additionally, the “irrational” cultural value can carry its own type of substantive rationality. From the French perspective, it likely seems fairly rational to choose enduring regulation. At its most fundamental level, the choice involves preserving “Frenchness” over acquiescing to the raw power of global markets. Put in these terms, it is not difficult to comprehend the political impetus for the irrational outcome. And while the effects of dismantling the French wine regulatory system can be estimated and is thus quantifiable, in no way is the value of identity quantifiable. This reality too, makes the choice for protections seem, if not totally rational, then substantively rational, as Max Weber would put it.

A review of the historical process that brought this value rationality to political terroir must start by acknowledging that some link from wine to French social culture has always existed, even going back to the early modern period. During the nineteenth
century, wine marketers, especially those in Champagne and Bordeaux, leaned on this social tradition and invented its ties to identity in an effort to maximize profitability, which served to reinforce the salience of wine as a part of broader cultural identity. As well, it seems the French wine industry as a whole sought to capitalize on the international and domestic demand for their product as a conduit of *haute culture*, an unintentional offshoot of which was to shape internal notions of “Frenchness.”

At the turn of the century and in the years leading up to World War Two, the wine sector’s economic and political instability, which was largely provoked by phylloxera and *la fraude*, conditioned the massive government intervention that was the 1935 regulatory system. As it turned out, this was the crucial intervening factor that spawned—as a second order effect—the second part of political *terroir*, wine diversity, which itself would eventually be linked to French identity. In addition, the 1935 law further enshrined the culturally motivated ideas that wine should be styled in a traditional and natural fashion. In the second half of the twentieth century, all of these regulatory effects, over time, would embed themselves into a broader national cultural consciousness that regarded wine as reflecting “Frenchness” and *haute culture*.

Today, the political will to defend the AOC regulatory system of 1935 stems more from a desire to protect French cultural identity than it does from the idea that the policy protects French wine from outside competition. This is not to say that instrumentally rational considerations do not influence the perseverance of regulation or other forms of French wine protection, but rather that such considerations play a much lesser role than was the case in the nineteenth and early twentieth centuries. Ultimately, the ascension of political *terroir* in France shows that instrumentally devised ideas and economic institutions can embed themselves in, and even serve to reinforce, notions of cultural identity. In their present form, such cultural values go a long way to explain contemporary opposition to globalization and economic liberalism.

**B. PRACTICAL IMPLICATIONS**

The French wine industry has long understood the logic behind removing protective mechanisms, yet it remains largely unable to move in that direction. This analysis of the evolution of the underlying causes for the political protection of French
wine offers a fresh rationale for the continued defense of anti-liberal policies like the AOC regulatory system. These ostensibly irrational policies remain in place mainly because, as this paper has shown, the culturally motivated “politics of terroir” is ever more important in France as the years pass. With this in mind, the hope is that any new attempt to prescribe policy solutions will deal with the full situation, addressing both economic and cultural concerns.

While the situation remains dire, la crise as a purely economic problem might not be hopeless. Can the French wine industry work within the cultural constraints of political terroir to find a solution? And is there anything revealed by the preceding analysis that might help meet that end? One option would be to look to the example of Champagne and its current success. Chapter IV showed how Champagne’s present-day prosperity is in many ways tied to the production conditions of the appellation. With this in mind, the INAO might be inclined to try mirroring such conditions elsewhere in France. Yet the ascendance of the second two parts of the “politics of terroir” is not appreciably present in Champagne, mainly due to a larger production zone and interventionist blending practices. Thus, following Champagne’s lead would entail an abandonment of the idea that there is a French duty to protect variety, small-scale communal production, and traditional and natural production methods. It simply would not be feasible under the current political culture.

A second option would be to make minor adjustments without abandoning the regulatory system or completely embracing it. This is actually what is happening right now. Under this strategy, the areas most linked to quality and political terroir are being protected with the status quo, while the lesser regions are mostly left to fend for themselves. The hope is that improved marketing, selectively liberal appellation standards and EU subsidies for the uprooting of vines will cure most of the problems. But, in effect, this has already been the industry strategy for the past half decade, and it has been widely regarded as ineffective. Troubled regions, like the Languedoc-Roussillon and elsewhere in the South, find themselves more imperiled today that ever before.193 Moreover, resistance to any movement in this direction, in other words,

departures from the culturally shaped principles of political terroir, remains fierce, even in the most economically stable regions.\footnote{Joe Czerwinski, “Bargain Burgundies,” \textit{The Wine Enthusiast}, 15 November 2005, 36.} In short, today’s course does not seem sustainable.

A third option, which stands in direct contrast to following the Champagne example, is recommended here. This would be to embrace terroir to the fullest extent possible. In fact, this is likely the path of least resistance considering the current trajectory of wine’s link to French culture. Under this approach, two key actions are proposed. First, the industry should make a concerted effort to sell the merits of terroir as a viticultural concept outside of France. Second, winemaking standards should be improved through the strengthening of appellation decrees.

Regarding a potential shift in marketing, focusing on the diversity of French wine, not just of varietals but also of site and season, would be a good place start. Marketing French wine as being more naturally produced and more directly influenced by the land might help as well. Then there is the question of production style. Even though the social wines of the new world might be more approachable to the novice—which may well bring more wine drinkers into the fold initially—given their tendency toward high alcohol and a fruit forward flavor profile, many of these wine overwhelm food at the dinner table. Perhaps a marketing campaign that proclaims, “France: Wines for Food,” would prove useful.

This course of action relies to a degree on continued global market growth, in that as newer markets emerge in places like China and India, consumer tastes are expected evolve and mature, which should translate into a greater demand for variety. Like no other country, France and its AOC system are poised to provide an almost limitless variety of wines. Perhaps further down the development road, these budding markets will also demand natural and even traditional products. That certainly is already the trend in more developed markets, where every day there is more demand for organic, natural
and small production goods. Similarly, this strategy would aim to take advantage of consumer backlash against the consistency and product sameness that is a byproduct of globalizations big brands.

The second endeavor, a route that should be taken in any event, is to shore up appellation decrees across the board, with a focus on the places where winemaking standards are wanting. In doing so, the French wine industry would make great strides toward realizing consumers’ expectations of AOC wines. As was seen in Chapter IV, many of the decrees, as they stand today, guarantee authenticity but not quality, even though many consumers believe quality to be a derivative of the AOC system. The present situation, in which quality can be quite variable from one appellation to the next, and even within some appellations, is hurting the reputation of French wines in foreign markets. While the permanence of the demand for natural, traditional and diverse wines might be up for debate, there will always be a market for high production standards, even at mid-range price points.

French wine is still indicative of the heights of good taste in many places. As such, France can expect demand for the social cachet it is selling to grow along with increased prosperity in developing markets. Improving quality across the board can only help France capitalize on this demand for *haute culture*. Apart from that, this move, if successful, would tap into some of the existing global demand for quality wines. This, in turn, would fortify the perception of French wine as an indicator of status and good taste. It is a nice feedback loop, but one that will not be fully realized if quality standards remain as is. Still, as this thesis has illustrated, it is a feedback loop the French are historically accustomed to exploiting.

Of course these are, by and large, ill-informed proposals. But it is clear that the AOC system in its current form gives rise to unique qualities that might be leveraged to the advantage of the French wine industry. These are, especially, infinite diversity, a nostalgic link to nature and the past, and wines association with *haute culture*. If these comparative advantages are endorsed, and an across-the-board leap in quality is embraced, the sacrosanct existing regulatory regime can remain intact for the foreseeable
future. Such a policy shift also stands to bolster notions of wines value as a repository of both “Frenchness” and social status, which can only help French vigners succeed in global wine markets.

In final summary then, the “politics of terroir,” a culturally driven force involving the link from French wine to social traditions and national identity, has been postulated in this thesis as an important and ever-expanding reason for the apparently irrational continuation of wine regulation in France. For the most part, its origins are found in nineteenth and early twentieth century instrumentalist motivations which aimed to bring rational economic advantage and political stability to France. Eventually, however, these rational endeavors spawned a culturally embedded system of production whose second order effects continually reinforce the ideas intrinsic to the “politics of terroir.” As a consequence, the enduring wine regulation in France perfectly illustrates how and why a substantively rational value, such as wine having “Frenchness,” can negatively impact ideas of cultural security, and in turn lead to seemingly irrational policy outcomes that undermine competitiveness in international markets.
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