Vienna 2019 Abstract Submission

Title
Bringing Back the Hybrids? On the Political Economy of Technology Regulation in Grape and Wine

I want to submit an abstract for:
Conference Presentation

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Keywords
European agriculture, wine history, regulation, technological restrictions

Research Question
What were the causes that lead to the introduction of public regulations on grape varieties (technological restrictions) that can be used to produce (certain) wines?

Methods
Historical political economy approach

Results
It was strong political pressure and lobbying of wine producers that lead to the introduction of public regulations on grape varieties.

Abstract
2017 was potentially a very important year in the history of wine. Unlike some may suspect it has nothing to do with the quality of the wine in 2017. It is because of two publications. The first is an article in Nature Climate Change titled “From Pinot to Xinomavro in the world's future wine-growing regions” in which the authors explain that “Across 1,100 planted varieties, wine grapes possess tremendous diversity in traits that affect responses to climate, such as phenology and drought tolerance. Yet little of this diversity is exploited. Instead many countries plant 70–90% of total hectares with the same 12 varieties—representing 1% of total diversity.” (Wolkovich et al., 2017).

An interesting aspect of these technological restrictions is that they are mostly imposed following the demand of the winegrowers and consumers themselves. In other words, the reason why not more diversity of vines is used is because people don’t want it. These man-made restrictions are imposed in two ways: through the markets and through the governments. Outside the EU, roughly 40% of the world’s wine market, consumers prefer only one of the 12 varieties according to Wolkovich et al. (2017).

Inside the UE, where 60% of the world’s wine is produced, it is government regulations that prohibit the use of
other grapes (OIV, 2016). Public regulations and restrictions on the use of certain grapes go back a long time. As we will document in this paper, some of the early regulations on grape varieties that still affect wine production today are seven centuries old. Some of the most restrictive regulations on grape varieties in the EU have their roots in the early 20th century—also more than a century ago. That is when hybrid vines were prohibited in France, a prohibition which later became EU Law and now extends to 60% of the world’s wine production. Studies such as those of Wolkovich et al. (2017) have pointed at the potential of other types of grapes in terms of productivity and adjusting to other soils and weather. In fact, “hybrids represent hundreds of grape varieties, with more being developed every year. Universities like UC Davis and Cornell have entire departments dedicated to producing new grapes that produce desirable qualities. This isn’t GMO-type science; it’s simple cross-breeding which also happens in nature” (Burgess, 2017). However, while the technology may resemble more traditional breeding techniques than GMOs, opposition to them in the EU has been almost as vehement as against GMOs. As we will document in this paper it was strong political pressure and lobbying of wine producers that lead to the introduction of public regulations on grape varieties that can be used to produce (certain) wines.

We have previously argued and documented that such regulations can persist for a very long time. Dynamic political economy factors create a regulatory equilibrium which is very hard to reform. It may take dramatic external changes (“a French Revolution”) to change the equilibrium (Meloni and Swinnen, 2016; Swinnen, 2017). While European politics are clearly in flux these days, they are not quite of the same order as the French Revolution. However, one major thing is changing: our climate.

Climate change is affecting both the (natural) environment we live and work in, it is also affecting the political debates on a variety of policy issues, including on wine regulations. This is reflected a second important publication in 2017. French wine producers in Bordeaux and in Champagne demand right to use hybrid vines for their wine production.

What is the most intriguing about the new demands is that they are not coming from producers in new wine regions or new entrepreneurs in the wine market, but from the oldest and most traditional wine houses from Bordeaux and Champagne. The wine producers from these regions have for centuries imposed strict restrictions (prohibitions) on the use of hybrid vines. It appears that climate change may do to the EU hybrid regulations what the French Revolution did for the liberalization of vineyard planting rights in the 18th century.

In this paper we first document the historical roots and the political economy behind some of the oldest grape and wine regulations, we explain how they relate to the current restrictions on grape varieties, and then use this historical political economy perspective to interpret the current proposals for reforms in the EU wine regulations. More specifically, our analysis focuses on four important moments in the political economy history of wine technology regulations in Europe. It starts in the 14th century with the introduction of restrictions on grape varieties in northern France. Next we discuss the introduction of regulatory restrictions on hybrids in the 19th and 20th centuries in France. We then explain how these restrictions were extended to the entire EU, and how some regions resisted the ban on hybrids. Finally, we relate all this to the current debate on the reform of the French and EU hybrid regulations.