

## National Identity Changing in France: A case study of the CAP wine reform

**Ayelet Haran**

City College of New York

"It's time to deal – for a reform that will make a real difference."(Boel, 2007)

"We want to have our traditional methods."(Brand, 2007)

Wine, unlike most commodities, is a symbol of nationality and solidarity among the French, through its production, tradition and strict regulation. In today's French society, small farming, tradition, and nationhood are taking on new meaning. Global markets, growing at a rapid rate, are slowly excluding different business sectors and reshaping the look of nationalism in France. As a result of a controversial reform instigated by the Common Agriculture Policy (CAP), the agriculture administrator of the European Commission, French wine will undergo a series of changes intended to increase competitiveness in the world market. These changes will reshape "old world" wine from France, Spain and Italy in accordance with the practices of "new world" wines coming from Australia, the United States and South America, and affect both the production and the appearance of the wine. The process of globalization, including the CAP wine reform, infringe on past practices and run the risk of altering national identity in France.

Symbolism plays a crucial part in creating and reinforcing national identity. In France, wine has surpassed its role as a commodity and is now an agent for nationalism. During the eighteenth and nineteenth centuries wine labels were used in France to promote national sentiment. More recent regulation defines the design of wine labels which limits certain information from being printed. The locality of the wine's production, which guarantees its quality, is noted on the wine label, creating a unique look for French wines. A change in the design of wine labels could potentially have an effect on the perception of nationality in France.<sup>1</sup>

The CAP reform is part of the process of globalization. Globalization's competing definitions raise controversy among nations, politicians and experts. (Bartelson, 1999. See also Ferguson, 1999, Bourdieu and Wachwuant, 1999) A myriad of topics may be included in the definition: cultural experiences, economic and market changes or the crossing of national borders. Many agree that free market doctrines play a large part in defining and identifying globalization - "increased economic interdependence and worldwide corporate enterprise."(Ferguson, 1992) In France, globalization is negatively perceived. It is associated with the loss of government protection and liability towards its citizens. In addition, it is observed as strengthening American supremacy over cultural and international affairs. (Ancelovici, 2002) In the eyes of the French, free markets are not necessary for maintaining democracy. Rather, democracy is defined as "the citizen's ability to influence the definition of these standards [of democracy]," proclaiming that democracy

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<sup>1</sup> The grubbing-up scheme detailed in the reform also has potential effects on national identity in France. However, a strong reaction to the scheme could be the result of several conflicting motives, such as the loss of jobs. Therefore, the repercussions of the grubbing-up scheme will not be discussed in this paper.

grants citizens the power to decide how their government is run. The French partaking in the establishment of the European Union (EU) created ambivalence in their attitude towards globalization. Global capitalists' concerns predominated, thus extending free market principles to all French people. (Brenton; Manchin, 2003) Yet, protection of traditional practices, as laid out in the EU mission statement (EUROPA, "Why"), upholds the French people's demands of their government.

The theory that guided the development of the EU focuses on common interests and cooperation. (McCormick, 2005) According to the theory, as France integrates with other EU member-states, it will often forgo national agendas for further cooperation, which will decrease the chances of secession from the organization. The objective of the CAP, and with it the EU, is economic prosperity that will ultimately benefit all member-states. When controversy arises, such as in the case of the wine reform, national interests are exposed, discussed, and eventually molded to promote the general mission of the EU as a whole.

The CAP reform triggered controversy that threatened the general mode of cooperation within the EU. Its organizers hoped the reform would strengthen a weakening industry that has strong cultural roots in many European nations—primarily France, Italy and Spain. The reform's two stages address the main problems in the wine industry, namely overproduction and a lack of competitiveness, in part due to the design of the final product. The first step entailed grubbing-up of unproductive vine land in exchange for monetary compensation, after which subsidies to these lands would cease. For the second step, all wine would be rated according to regional "affiliation", or importance, and the wine deemed to be without regional affiliation would undergo label redesign, losing its unique characteristics and made to appear similar to wines of its American and Australian competitors. Following months of outcry across the EU, the first step of the reform was reduced in severity, and on July 4, 2007 was accepted by the European Council. However, the second stage of the reform, in which certain wine labels would be allowed to change their appearance, was not seriously addressed by the protestors. As mentioned before, design of labels has been linked directly to national sentiment in France through the use of symbolism and messaging. Therefore the diminished public outcry is surprising. (Guy, 2003)

This paper will focus on the lack of reaction towards the reform's second step. Small farmers and wine producers in France, protecting centuries of tradition, are seemingly willing to accept global changes without protest. As the discussion of globalization suggests, a reaction to the reform was to be expected. There were several occasions within the last few years where the French took to the streets in response to globalization. In 2006 students protested a law that would allow globalize the economy and ease job security regulation, and in 2001 the anti-globalization attacked a McDonald's restaurant in Millau, France. Despite the importance of wine as a symbol of national identity, a similar response did not appear. Perhaps this supports the notion that a change in French national identity has already occurred. This paper will assess the power of economic benefit against that of national sentiment. It will look at national identity and traditional practices that are put to the test against the labeling and conformity to the "new world." I begin by analyzing the connection between wine and French national identity through regional affiliation and *terroir*. I continue by discussing the definition of globalization and its contentions in France. I introduce the workings of the CAP and detail

the proposed wine reform. I conclude with the reactions to the proposal in the media and raise questions regarding a possible change in French national identity.<sup>2</sup>

#### *Wine and Nationalism*

Wine and nationalism in France have long been paired. Although few have heard of Chapoutier and Château Margaux, most wine consumers recognize names like Champagne, Bordeaux and Burgundy. National identity has long been reinforced by symbolism. The flag, national anthem, language, and other cultural items serve as state-led symbols. Consumed products, particularly food and drink that originate from certain countries and regions, become associated with their local site, which ultimately guarantees the quality of the finished product.

"Within France, champagne has been seen as an embodiment of the national spirit" says Kolleen Guy in her book *When Champagne Became French*. (2003, 1) French wine is married to the term "*terroir*" which has no equivalent in the English language, but roughly refers to all aspects that make the wine authentic, such as the soil, the climate and the production process. *Terroir* is what defines the connection between French wine and the earth, the locality. Kolleen Guy analyzes the importance of champagne in French life, stating that French wine has not only been a product representing national identity, it has been used by different actors within France to promote and shape national sentiment. Through the use of wine labels, French winemakers expressed their views of what it meant to be French. However, it was the creation of the Appellation d'Origine Contrôlée (AOC), a mechanism which protects the trademarks of French wine, that solidified the connection between wine and national identity. The creation of a federal institution to protect trademarks, as well as to define strict regulation regarding the production process, enabled wine to transition from a simple commodity to a recognized national symbol. Therefore, the importance of wine in the eyes of the French exceeds that of other consumable goods.

French wine makers and growers have made several attempts to unite under an institution that would protect their product while regulating their practices. Small success stories prior to the creation of the *Institut National des Appellations d'Origine* (INAO), such as that of the *Syndicat du commerce des vins de Champagne*, organized the local producers to work together to protect trademarks and influence political activity. (Guy 2003, 77) It was not until the outbreak of the *phylloxera* plague in the 1800s that wine producers became aware of the dire need to organize and protect their wine history, in order to guarantee their future. The plague forced wine makers to face the questions of how to collectively protect their vines, and how to define French wine when one of the techniques to eliminate *phylloxera* was planting American vines along with the French vines to create resistance to the pest. After a long struggle in the region, Champagne became the first legally recognized region to be protected as a trademark in 1908. (Guy 2003, 150) In 1935, the French Ministry of Agriculture created the INAO, the institute managing the AOC regulation. Guy correlates the creation of INAO with willingness to accept

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<sup>2</sup> The details of this paper are current only until March 2008. Since then, the proposal underwent further negotiations and its details changed for its approval by the Council of Ministers in late April 2008.

wine regionalism as worthy of state protection, at a time when France was reconstructing as a modern state. (Guy 2003, 189) It was this official recognition from the French government that formalized the relationship between wine and French national identity. AOC laws serve as the guidelines for similar EU regulation, which honors the progress made by INAO, and continues to protect French regional wine today.

*Terroir* is the defining feature of French wine. According to the *Epicurious Dictionary*, *terroir* is French for soil, though when used by wine producers also includes "other geographical factors that might influence the quality of the finished wine like altitude, position relative to the sun, angle of incline, and water drainage." (Epicurious) Change in the external factors will result in change of the wine's characteristics. "Each plot of vines and, ultimately, each region has a unique *terroir* that creates distinct wine characteristics" says Guy. (2003, 41) In France, wine became associated in the nineteenth century with greater mental and physical health. (Guy 2003, 43) The French consumed wine and absorbed the essence derived in the soil and the *terroir*. The nation's fate in the late nineteenth century, says Guy, was seen to depend on wine and the characteristics of *terroir*. As the wine industry in the countryside was developing and expanding, as well as making extensive contributions to the French economy, regionalism became a crucial aspect of wine in France. Although high-quality wine was traditionally only affordable to the bourgeoisie, changes in marketing tactics from the late nineteenth to early twentieth centuries made wine a "subject of mass culture." (Guy 1999) As negociants (wine merchant manufacturers) modified their marketing practices from direct marketing (developing personal relationships with wealthy consumers) to indirect mass marketing, the use of labels and *terroir* increased in importance. The negociants had to rely on the reputation of their name and their region in order to successfully sell their wines.

Wine makers used the wine bottle to promote marketing messages, which, in many cases, strengthened national identity. Several examples offered by Guy portray the sentiment that negociants tried to convey in relation to their product, such as champagne for weddings, births, etc. Most notable is the label portraying Joan of Arc in front of the French flag, with a title stating "Champagne De La Republique Francaise." (Guy 2003, 34) The ideology of the nation became the leading marketing tool used by the negociants, through flags, battles and soldiers in uniform promoting their products. Wine labels were catered for certain populations, such as "Champagne d'Orient" for soldiers stationed in the colonies. The Dreyfus Affair, where a Jewish officer in the French army was falsely accused of treason in 1894, brought about a period of creation of anti-Jewish labels. The creation of strict regulation put a stop to such practices, and instated a new system of visual symbols on wine labels. The INAO, in effect, created a French trademark which makes French wine labels recognizable and distinct from wines of different countries, in particular "new world" wines. In addition to the historical practice of using labels to promote national sentiment and convey nationalistic messages, today many French wine labels portray visuals of chateaux and the countryside, continuing to support the connection between French wine and French identity

The building of national identity can come about from a "local process of adopting and appropriating the nation without abandoning local interests, a sense of place or a local identity." (Guy 2003, 190) Therefore, in France, regionalism and nationalism were paired under the umbrella of wine.

From flags on labels, to strict production and protection regulation, French wine continues to play a role in building national identity. *Terroir* symbolizes all that is French in the wine: the soil, exposure to the sun and the artistic creation. "Elite wine and French culture are so intertwined that it is today almost impossible to discuss one without the other" says Guy. (2003, 188) The perception of nationality, however, is changing in response to globalization.

### *Globalization*

Globalization is an all-encompassing term. It refers to the crossing-over and integration of international issues. It stretches from cultural experiences, languages, and international knowledge, to economic exchange and more. In recent years, the use of the terminology has exploded in its capacity and popularity. Globalization appears in everyday media clips and conversations. It has taken on definitions far exceeding its original intent, which was to increase integration with neighboring countries for trade purposes, raising confusion and disorder in understanding its limits.

For the purposes of this paper, globalization will be analyzed on the basis of its economic implications. In the economic sphere, globalization entails "closer economic integration of the countries of the world through the increased flow of goods and services, capital, and even labor." (Stiglitz 2007, 4) In this sense, globalization may come about in all economic exchanges: foreign investment, capital exchange, import-export, etc. The activities associated with globalization all follow the principles of capitalism – the opening of markets and lowering of tariffs.

In the 1990s, both developed and developing nations perceived globalization as a positive process with benefits to all participants. (Stiglitz 2007, 7) Developing countries benefit by selling their goods to the developed world at competitive prices. Developed countries benefit by providing low-cost goods for their citizens. In light of positive opinions towards globalization, the global community encouraged the establishment of the World Trade Organization (WTO) in 1995, the successor of the General Agreement of Tariffs and Trade (GATT), to set up official guidelines for international trade. (WTO 2007) The WTO provides a platform for increased integration between nations and works to liberalize trade, ultimately resulting in the lowering of protection measures. The EU, in effect, symbolizes the tremendous benefits of economic cooperation, exemplifying the prospects offered when states eliminate protective measures and lower tariffs and trade barriers. Optimism and good faith framed the economic social order of this era.

It was not long before fault lines began to appear. Globalization was no longer the preferred method for the development of third-world countries. In several years, globalization turned from the sign of a positive future to one of global threat. Although efforts to deepen integration and cooperation continued to take place, voices around the world began to oppose globalization and many of its implications. Protectionism became a necessary measure many cases. Developed countries stalled in the elimination of trade barriers, especially in several key industries, with agriculture being the decisive one. Western European countries faced pressures to maintain order and control over their domestic economic activity. Resistance to globalization stirred, therefore, in countries all over the world, developed and underdeveloped.

When speaking about the activities of the EU and its actions to increase economic prosperity, globalization serves an important purpose. Globalization works on behalf of developed countries by providing the consumers with cheap goods. However, this consequence of globalization may result in increased competition for local producers. Their attitudes towards globalization may not be excluded from the argument. They help to explain the reactions to different economic activities. In order to create a complete picture of how EU activities are affecting specific member-states, particularly France, one must assess the level of globalization that the country has adopted, and the willingness of the national government to integrate into the global market.

#### *Globalization in France*

As previously mentioned, globalization is a term with many definitions, which evolved over the past several decades. Although it was widely accepted in the 1990s, today globalization is associated with negative connotations. Similarly in France, globalization is not viewed positively. French society, which looks to its government for protection, fears the dissolution of French power in the process of globalization. (Ancelovici 2002) They do not view globalization as the end-all solution to global or especially domestic problems. The evolution of the EU into a powerful entity comes in opposition to French opinions of globalization. Seemingly, in the name of protectionism, the French are unwilling to accept progress.

The opposition to globalization in France is "the result of a political and cultural process conditioned by previous contentious episodes and struggles." (Ancelovici 2002) The French value their democratic right to voice opinions, and oppose the possibility of losing that right, through the process of globalization. The cultural aspect of globalization is related to French views that hold governments as trustworthy versus markets that are suspect. In France, the government represents the voice of the people, which is subject to scrutiny by the voting citizens. The market, however, is self-ruling and its executives privately selected. Markets that are no longer national are harder to control by the nation-state. The value of electing officials becomes moot if the market is allowed to run free, without guaranteeing the French citizens that their interests will be protected. Therefore, it is the distrust of markets that feeds the French discontent with globalization. (Ancelovici 2002)

"Let's admit it: globalization does not automatically benefit France" argues Hubert Vedrine (2001), former French foreign minister. Vedrine states that globalization fundamentally means moving away from French culture and tradition, and reinforcing U.S. supremacy over global conduct. French resistance to globalization escalated in the late 1990s and grew substantially as world protest broke out against the Seattle round of the WTO in 1999. Concepts of free markets are equated in France with the loss of individuality and personal aspirations. Vedrine believes that the French need to protect their own interests, even at the price of opposing global change. Ultimately, globalization means to the French the loss of identity.

It is surprising that the country which initiated the formation of the organization that ultimately became the EU is so extremely opposed to globalization. Despite France's economic prosperity, it insists on maintaining protective measures that decrease international trade. It is interesting to observe French reaction to new reforms that are occurring in the EU, particularly reforms occurring in the CAP, that work to open up markets and

comply with the demands of the WTO. It is expected that France would continue to block economic openness, in accordance with previous literature. At the same time, France operates within the framework of the EU, and therefore complies with its collective measures, all in the sake of economic prosperity. The CAP especially challenges France's conflict between its national interests and its role in the EU.

### *The CAP<sup>3</sup>*

In 1949, the French government, led by its planning commissioner Jean Monnet, and its foreign minister Robert Schuman, revealed a plan to create a joint French-German economic community for the steel and coal industries. Later known as the Schuman plan, the proposal signaled the creation of the European Coal and Steel Commission (ECSC) of 1952. Soon, the two nations realized the potential of deepening economic ties and creating a system that would eliminate competition within Europe. At the same time, the new organization would strengthen its participants in the global economic system. In 1957, six European nations signed the Treaty of Rome (Germany, France, Belgium, Italy, Luxemburg, and the Netherlands), sealing the plan to form the European Economic Community (EEC). The EEC eventually evolved into a grand venture known as the European Union (EU), holding a seat in the WTO, operating under a joint monetary system, and becoming the largest economic power in the world today.

Agricultural policy came to play a leading role in the European Community from its early days. France raised the issue of protection for the agricultural industries prior to 1957, and received support from both Dutch and Italian representatives. (Laurent 1972, 210) In the early 1950s, agriculture in Europe was heavily subsidized and prices were tightly controlled. France, holding 50% of the arable land in the Community, demanded provisions that would regulate tariffs in the agriculture sector, especially cereals, beef, dairy products and wine. (Willis 1978, 6) The Treaty of Rome ultimately included the CAP, which served as overarching umbrella for agricultural matters without specified duties or controls. According to the treaty, the CAP would "ensure a fair standard of living for the agricultural community," "stabilize markets" and "ensure that supplies reach consumers at reasonable prices." (European Public Health Alliance)

As the European Community grew in power, size (number of member states) and jurisdiction, the CAP expanded and organized in order to assist the farming community in its sustainability. Implementation of technological advances, production in the age of agro-business, best practices to compete with cheap products from the developing world, and disposing of surpluses were all solutions offered by the CAP in order to cater to the development of the agriculture sector. Over the years, the CAP shifted its policy to minimize subsidies and create sustainable agriculture practices across the European continent. In the 'Agenda 2000' reforms, the CAP entered a new phase, in which farmers would receive less support in subsidies in order to allow for global prices to determine trade through the market, therefore increasing competitiveness across the continent. (Directorate-General for Agriculture and Rural Development December 19, 2007) The CAP is still committed to its mission "to promote the sustainable development of

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<sup>3</sup> All references to the CAP as an institution pertain also to the Agriculture and Rural Development sector of the European Commission

Europe's agriculture and rural areas," but is decreasing the use of traditional protectionism in order to remain competitive in the global market.

The CAP, through its protective measures, is one of the most contended initiatives of the EU in the global economy. The GATT and its successor the WTO, have criticized the behavior of the CAP, which continues to operate against policies of open and free markets. Recent reforms, especially the wine reform, have shown that the CAP is complying with WTO requests, and is applying free-market doctrines to more of its agriculture industries.

#### *The wine reform*

On July 4, 2007, the European Commission approved proposals for a reform in the European wine sector. The proposals were introduced in 2006 by Mariann Fischer Boel, Commissioner for Agriculture and Rural Development. (EUROPA, "Mariann Fisher Boel") The final version of the reform included several steps meant to increase efficiency in the EU wine industry, increasing its competitiveness in the global economy. The reform focused on eliminating emergency practices that discard excess wine; decreasing vine land by encouraging unproductive farmers to leave the industry; ending planting restrictions and several subsidies by 2014; promoting environmental protection; and improving labeling regulation. During the interim year, member states, as well as prominent members from the wine industry and the media, conducted discussions regarding the details of the reform. The public demands, which centered around specific details, were later included in the final version of the reform. (EC, 372 Final)

The first step of the reform addresses the abolition of practices that discard of excess wine. One of the main problems facing the CAP was that more wine was produced than consumed. Therefore, the EU was forced to take actions to convert the excess wine into industrial alcohol. These "market management measures" appear in several forms. The most notable of them is crisis distillation, the process by which wine is distilled and used as either potable alcohol or fuel. The CAP uses crisis distillation as an intervention measure to maintain market prices. Other measures taken by the CAP to manage the wine market are private storage aid, export refunds, and aid for must-enrichment. All these methods will be abolished as well.

The use of sugar for enrichment of wine was banned immediately. All producers are required to comply with the standards of the International Organization of Vine and Wine (OIV) and the EU, and only make wine from grapes and unsubsidized must.

The next section of the reform, and one of its most controversial initiatives, is the grubbing-up scheme. In order to increase competitiveness, the CAP concluded that European nations must produce less wine. The CAP engineered a scheme which offers unproductive wine makers the option to leave the sector "with dignity, based on their free choice." (EC, "Fact Sheet") In other words, the farmers who deem themselves unproductive will agree to forgo their vine farming in exchange for a buy-out package, that will continually decrease over a five-year period. The CAP is expecting 200,000 hectares of vine land to be grubbed-up. The budget for grubbing-up will begin at €430 million in the first year, which is €7,174 per hectare. The budget will slowly decrease and reach €59 million by the fifth year, at €2,938 per hectare. The farmers who choose to be grubbed-up will still receive Single Farm Payments, a practice that guarantees more stability in farmers' incomes and

allows them the freedom to choose how to use their land. (EC, "Direct Payments")

Planting restrictions, which define which products may grow in certain regions, will remain in place until 2013. The end of these restrictions in 2014 will go hand-in-hand with the end of the grubbing-up scheme, which will allow competitive farmers to expand their operations. The European Commission will be responsible for updating oenological practices according to OIV standards, and will authorize certain practices for wines intended only for export. Current bans on specific uses of musts in the vinification process and on blending EU wines with export wines prior to bottling will stay in place.

The CAP also plans to implement changes in the labeling practices of EU wine. European Commission (EC) regulation 1493/99, which was created on May, 19, 1999, details the wine regulation in place before the reform. Predominantly, the EC regulation follows the model of the INAO, where wine is categorized according to its quality. Each grade of wine follows a different set of rules. The commonalities appearing on all wine labels are: the name of the geographical unit, the indication of the grade of the wine, the name of the bottler, and in most cases the vintage year. The grape varieties and the country of origin are not stated (with minor provisions for wine intended for export).

CAP changes were intended to make regulation more flexible and market-oriented. The first step is determining which wines will be known as having geographical indication (GI). These wines are acknowledged as having specific characteristics that are derived from the region from which they originated, to be of exquisite *terroir*. GI wines are considered to be of higher quality than wines without geographical indication. Wines without geographical indication will be permitted to state the wine varietal, the sugar content and the country of origin on the label. Their labeling will be made simpler (EC, "Simplifying the Common Agricultural Policy"), to "respond to consumers' needs." (EC, "Reform of the wine sector")

Other steps were set in place to assist member states in applying the principles of the reform. Member states receive financial packages to use at their discretion, according to their specific wine agendas. Additional funding will be allocated to rural development. The commission made promises to work for EU wine promotion outside of the union. Finally, all farmers receiving Single Farmer Payments will be obligated to comply with the environmental protection standards of the EU (also known as the Cross Compliance), including the grubbed-up farmers.

The creation of the reform was a collaboration between CAP officials and the wine industry. France, Italy and Spain, the countries most affected by the reform, received a voice in drafting final details. This paper is most concerned with the changes directly affecting traditional wine practices, especially the changes made in labeling regulation, specifically in France. Restyling the wine labels will be observed by a fairly large population (in comparison with changes of oenological practices, for example), and therefore reaction to it will be easier to analyze. In addition, wine labels have been used in the past as markers of national identity with the use of symbols and texts, presenting their power as tools for nationality. (Guy 2003, 49-50) The reaction to the reform and the planned changes will provide a sense of how the original intent of the CAP, to improve competitiveness, stands in line with French views regarding the wine industry and its future.

### *Reaction to the wine reform*

Reaction to the reform was swift. Boel's announcement of the planned reform on June 22, 2006, was quickly rebutted by ministers, farming interest groups, wine industry workers and experts. The discussion addressed basic controversies regarding the impact of the reform, as well as the methodology taken by the CAP to create a sustainable, competitive wine industry in the EU. Although several measures tackled by the opponents were altered in the final version of the reform, controversy continues to plague the proposal.

First to respond to the suggested reform was Dominique Bussereau, the French Agriculture Minister at the time. Claiming that it was "unacceptable" for the CAP to propose destroying 400 thousand hectares of EU vines, Bussereau triggered an extensive debate on the topic. (Mercer June 23, 2006) Other countries joined France in opposition to several of the proposed amendments. In July 2006, agriculture ministers from 25 EU member countries convened in Brussels to discuss different alternatives available for the reform. (Riegen July 19, 2006) France, Italy, and Spain strongly opposed the reform, while the UK and Ireland were in favor of the proposal. The Mediterranean wine regions became a major concern in the debate. These regions are less productive and stand to suffer the most from the reform.

The Committee of Professional Agricultural Organisations in the EU (COPA) and the General Confederation of Agricultural Co-operatives in the EU (COGECA), both interest groups that work in cooperation, formulated an oppositional stance. (July 2007) The European Farmers Coordination (CPE), an interest group representing farmer and rural organizations from 14 European countries, joined COPA and COGECA which continue to voice their position. (CPE July 3, 2007) CPE claims that other than changes made in the grubbing-up scheme, the remainder reform's principles, particularly those pertaining to traditional practices and the loss of jobs, remain in place.

Throughout the year following the announcement made by Commissioner Boel, other interested parties voiced their apprehensions on the reform. Most statements opposed the extent of the grubbing-up scheme. On May 30, 2006, Beverage Daily quoted Jean-Francois Chappelle, a French winemaker representing French farmers in the discussions, saying the EC is placing too much emphasis on the cutting of production. (Mercer May 30, 2006) Very few of the relevant parties actually offered alternatives to the suggested reform. The CPE brought forth a suggestion to implement output ceilings instead of grubbing-up, and to maintain traditional wine-producing methods. (CPE July 2, 2007) By May 2006, the CAP announced that it will reduce the grubbing-up scheme to 200 thousand hectares, half its original size. (Reuters May 3, 2007) Wyn Grant, a professor at the University of Warwick and a respected CAP blogger, states that the commission's retreat from its "radical plans" can be attributed to pressure from member states. (Grant, 2007)

On July 2, 2007, the CPE accused the EC of favoring large industrial wine producers at the expense of small farmers, claiming that the reform would have a negative effect on employment and "run counter to rural development." (CPE July 2, 2007) Several days after the reform's approval by the European Council, Wine Spectator, the leading magazine for wine industry workers and enthusiasts, expressed little hope for the success of the reform. (Macle; Frank 2007) It stated that although large wine merchant groups and

producers support the reform, other wine-industry members and EU officials criticize the EC initiative. In August 2006, the magazine covered the details of the purposed reform in an article titled "European Union Proposes Destroying 1 Million Acres of Vineyards," making clear its negative position on the EC plan. (Frank 2007)

Extreme reactions were few, but nonetheless require mentioning. The Union for Viticultural Action in the Languedoc region (CRAV), a French group of winemakers, resorted to violence on more than one occasion since the announcement of the reform. In efforts to cut wine prices, CRAV planted explosives in several supermarkets in its region in April 2007, and attacked foreign wine transports and government buildings in the last two years. (Mercer September 19, 2006) In May 2007, the group issued an ultimatum to President Sarkozy, stating that if support for the region will not be provided within one month, "the winemakers will emerge from the maquis and act." (Mercer May 21, 2007) As the EU finalizes the proposal for the wine reform, CRAV has threatened to orchestrate additional violent demonstrations in response, which will have an especially large effect on the Languedoc region in France. This southern wine region produces mostly low-grade wine, and will probably suffer mostly from the grubbing-up scheme.

The labeling sections of the reform received little notice, both prior to the European Council's approval on July 4, 2004 and following it. COPA-COGECA disagreed with the idea of creating separate categories for wine labeling (with or without GI). They felt that there was a need for "preservation of the link between descriptions which add value such as the type of vine and year and geographical indication," advocating for consistency in the regulation of labeling for wines of all grades. (COGECA January 26, 2006) On July 2, 2007, Reuters published an article claiming that the EU's quality-wine producers find the changes in labeling regulation, which is meant to protect their name, unacceptable. (Smith July 4, 2007) They claim that the reform challenges tradition and old order, which will hurt sales and threaten their future. The article also takes notice of the changes in the definition of GI wine, where by creating two categories of geographic origin, wine that is made of 85-100% grapes from a certain region will be eligible for a protected name. Under current regulation, wine will receive origin name only if it is produced and processed solely in that specific region. Several of the objectors claim that the reform will endanger the sales of GI wines because they will now face marketing hardships due to their unique look. The new labels will make certain wines more attractive to the consumer, and will reduce the value of the (usually) more expensive, GI wine. The claim, though plausible, currently, lacks in evidence. On July 17, 2007, Horst Seehofer, German agriculture minister, rejected the proposals to simplify labeling regulation, stating that the wine label "has nothing to do with overproduction." (Brand 2007)

The reform, scheduled to commence in 2008, is still suffering strong opposition. Without consensus on the reform's measures, it is unclear what the future holds for the wine industry in the EU, particularly in France, Spain and Italy. Although the European Council approved the commission's proposal, several months separate the reform from turning into action. In the meantime, farmers in rural areas are beginning to consider their options under the new regulation that will most like take place within the next several months. They will not, however, go without a fight. As evident from the extreme CRAV reaction, the farming population looks to preserve their traditional practices, and demand that the governments protect their profession.

### Conclusion

The CAP wine reform is the most comprehensive overhaul of the industry in recent decades. Through measures of grubbing-up and changes in production techniques, the wine industry in Europe is adopting modern methods and providing solutions to wine producers who want to compete in the global market. As a result, the French fear that their government will lose the power to protect them in face of uncontrollable market shifts, and reject the term globalization.

Wine's historical bond with national identity has transformed the commodity into a national symbol. Protected by EU measures, the wine industry is maintaining traditional methods that represent France's history and pride. Labeling practices, in particular, visually express French nationality. The wine reform destroys, in a sense, old-time practices and creates a product that is visually similar to that of the "new world." Voices of protest were therefore expected. The analysis of the responses did not show the expected result. The wine reform was contested on several measures, particularly regarding the grubbing-up scheme. Such a reaction coincides with the produced data, for grubbing-up threatens not only national identity but also employment and subsidies. On the other hand, the planned changes in labeling regulation, the lesser of the evils in the reform, hardly received any response. Such a reaction suggests that wine's place in national identity in France is changing. Had national identity remained strongly linked to wine, the French would not have been so indifferent to measures that alter wine traditions in such a way. Only comprehensive research, including interviews with wine farmers and producers, will confirm this hypothesis.

Future questions rising from a change in national identity should explore the adjustments made by the wine industry. It is possible that wine producers will try to produce their wine in line with GI regulation. The industry might attempt to hold on to its regionality, or it might enjoy the benefits of simpler labels at the expense of old-time practices.

The result of the wine reform is yet to be seen. However, current data shows that the wine industry is working to resolve the conflicting interests of tradition versus profit, and is willing to comply with measures that will ultimately benefit financially its participants.

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