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Introduction: Regulations in the Wine Sector

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The European Union is the first wine-producing area with around 65% of world production; however, over the years the Europe's share of the world's vineyards has declined from 63% in 2000 to 54% in 2014 as the effect of EU policy as the permanent abandonment premiums ended in 2011 (OIV 2015). In the meantime, the share of all other world wine regions is increasing, in particular in Asia, which now accounts for 25% of the world's vineyards, and the international trade had a growth: which reached 20 million hl in volume in 2015; only 20 years before, in 1995, the export was about 11 million hl. Nowadays, wine has become one of the most globalized products in the world. A variety of factors have contributed to the process of globalization. Nevertheless, on the demand and consumers' side, social and religious culture, diet issues and alcohol policies have contributed to major changes in the geography of consumption with a reduction in the traditional EU wine countries versus outside the EU.

The EU domestic context and international scenes have (probably) played an important role in the design of wine strategies and interventions, since their inception in 1962. Wine policy is one of the most articulate laws of the Common Agricultural Policy (CAP) and the single Common Market Organization (CMO), and this is due to the complexity and heterogeneity of

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the decision-making system, policy-makers, institutions and organizations involved in the process. The wine policy has gradually been established under the CAP; however, agricultural policy and both the EU domestic context and the international scenario have played an important role in designing the strategies of wine interventions. The new CAP and CMO's agreements 2014–2020 reached in 2013 are the results of three years of bargaining and intensive negotiation by the European member states that have different interests and level of economic support to reach.

The CAP is still the most integrated of all EU policies and accounts for the largest share of the EU budget and recognizes that its share of the budget has steadily decreased from about 75% of the total EU budget in 1985 to 38% by 2013. Recently, debates on CAP and the CMO have seen new decision-makers involved. The EU Parliament was involved under the co-decision procedure to the last CAP and CMO (including the wine sector) reforms for the period 2014–2020. After 46 years of implementation, the CAP and its CMOs are one of the most integrated EU policies and account for the largest share of the EU budget (38% by 2013).

The objective of this part is to investigate the multiple aspects of wine regulation and the actors (organizations) involved.

In details, this second part of the book is structured into three chapters (Chaps. 12, 13 and 14): Chap. 12 entitled “International Wine Organizations and Plurilateral Agreements: Harmonization versus Mutual Recognition of Standards” by Compés; Chap. 13, by Corsinovi and Gaeta, focuses on “The European Wine Policies: Regulations and Strategies”; and Chap. 14 by Mariani and Pomarici on “Barriers to Wine Trade”.

Chapter 12 analyzes the international wine organizations and plurilateral agreements and the dialectic between harmonization and mutual recognition of standards. This part focuses on the role of the international organizations such as the International Organisation of Vine and Wine (OIV) and the World Wine Trade Group (WWTG). The first tries to promote harmonization and the second the mutual acceptance and recognition of standards. There are no formal relations between WWTG and OIV, although many WWTG members participate in the OIV. They don't compete, but their philosophies are very different. Through detailed analysis, this section highlights the different philosophies and goals of action. WWTG is smaller and more nimble because of the fewer members. It also has a direct link between industry practitioners and government, which is weaker in the OIV (principally government and researchers). The WWTG exists to facilitate trade and because of the unique

partnership between industry and government can develop international trading agreements to facilitate trade. It also provides a strong link to the Asia-Pacific region due to well-developed relationships, which are lacking in the OIV. This one, despite its international nature, has a European focus, and its main activity is the establishment of standards and the development and approval of new practices. Perhaps a formal relationship with the European Commission could cause tensions with non-EU member states, pushing it toward the “Old World” and letting the WWTG as the “New World” institution (Raul Compés López, Chap. 12).

Chapter 13, on the “European Wine Policies: Regulations and Strategies” by Corsinovi and Gaeta, is organized into three parts. The first one describes the historical evolution of European wine policies and highlights the main drivers and outcome that have dominated the European Commission’s aims since the first CMO in 1962, until the last reform in 2013. This section follows the evolution of the wine policies through three main phases: the first phase (Phase 1), referred to as “price and income support”, has followed the objective of market equilibrium by reducing surplus wine quantities and guaranteeing the income stability of producers (such as distillations or aid for storage or buying alcohol). The second phase (Phase 2) could be identified as the “quality phase”. It saw the introduction of a set of instruments to control production with the aim of adapting supply to market demand, improving production potential and management, and restructuring production potential in terms of quality and quantity (such as the aids for grubbing up and permanent abandonment, restructuring, green harvesting and harvest insurances). The third phase (Phase 3), starting mainly with the 2008 reform, marks officially the new policy orientation focusing on the “competitiveness” of quality wines. The second part of Chap. 13 analyzes the budget expenditure that has characterized the public interventions (and its three phases described) in 45 years (1970–2015). In the third part of the chapter, authors focus their analysis on the protection model for EU quality wines, based on a pyramid-structured project that is becoming more restrictive as they gradually move up the pyramid from the base to the peak, and its recognition at the international level and role of the international organization like World Trade Organization (WTO). The second section highlights the controversial aspects of the EU wine policy from financial expenditures to the requests of recognition and protection of quality wines in the international scenarios.

The dynamic growth of the wine traded and the increase of international trade have been driven by a number of external and internal factors including trade barriers. The understanding of which and how trade barriers operate in the wine markets is explained by the contribution of Chap. 14 on “Barriers to

Wine Trade” by Mariani and Pomarici that helps to interpret how the wine market evolved over time and to foresee how could it evolve in the future. Chapter 14 offers an updated analysis of tariff barriers and non-tariff measures and the free trade agreement relevant to wine trade. This chapter is organized as follows: in paragraph 2 the tariff barriers operating in the wine market are discussed, and an assessment of the impact of such barriers on the wine export flows is introduced; in paragraph 3 a general overview of non-tariff measures is offered, showing how these operate as barriers in the wine sector; in paragraph 4 an analysis is done of technical measures, which are the non-tariff measures more frequently resulting in trade barriers; in paragraph 5 it is shown how exporting and importing countries reduce the wine trade’s barriers; and in paragraph 6, the events and processes which could modify trade barrier status in the wine market over the near future are presented. Some final remarks, in paragraph 7, conclude the chapter.

Reference

OIV. 2015. *World vitiviniculture situation*. Available at <http://www.oiv.int/public/medias/2777/report-mainzcongress-2015-oiv-en-7.pdf>