



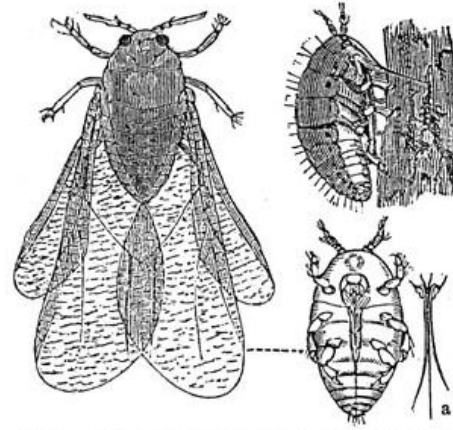
Bugs, Tariffs and Colonies

The Political economy of Wine Trade 1860-1970

Giulia Meloni and Johan Swinnen

Commentator : Ugo Gragnolati

How to drive a country thirsty



Other than by attempting the debellation of *Phylloxera*, France coped with wine shortage through **trade policies**. The combination of these policies explains much of the wine trade in 1860–1970.

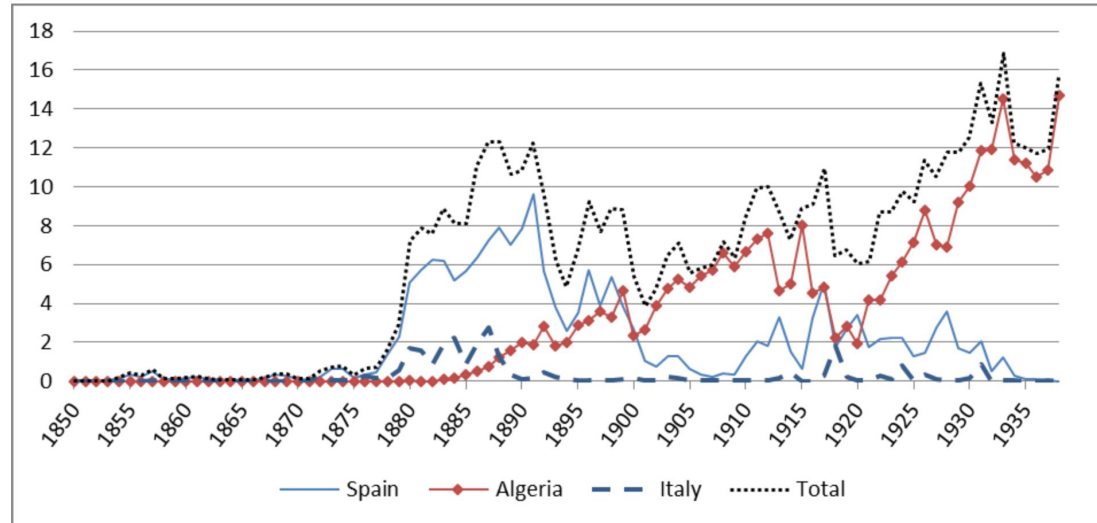


Trade policies

- **1870-1900:** Import wine from Spain and Italy, but with growing tariffs from 1890.
- **1875-1900:** Import raisins from Greece, but with growing tariffs from 1890.
- **1880-1930:** Stimulate wine production in North Africa, but with growing tariffs on Tunisia and Morocco from 1880 and non-tariff measures also on Algeria from 1930.

Change of trade partners

Figure 10
French imports of bulk wines by major exporting countries (in million hectoliters)



Sources: Pinilla and Ayuda (2002); Pinilla (2014).



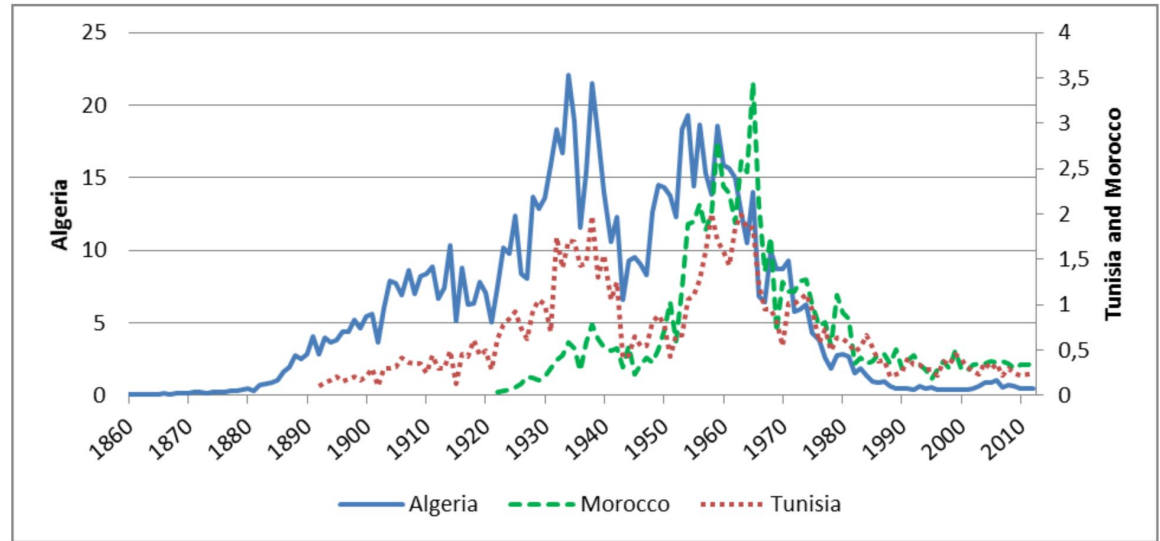
Turning point

By 1880 grafting and hybridization produced solid outcomes. By 1900, French domestic production had recovered, with two consequences:

- Increasing supply led wine **prices to fall** between 1880–1905.
- French domestic producers lobbied for **protectionism**.

World wars and aftermath

Figure 5
Wine production in North Africa, 1860–2010 (in million hectoliters)



Sources: *Statistique Générale de la France* (1878/1901); FAO (2016).

Note: The first y-axis (on the left) refers to Algeria while the second y-axis (on the right) refers to Tunisia and Morocco.



Question 1: **Effect of wine export on locals**

Did the expansion of vine plantations in North Africa occur on new plots of land or did it substitute other cultivations?



Question 2: Battling *Phylloxera*

Apparently, the spread of *Phylloxera* in North Africa was less dramatic than it was in France. Is this an example of laggard's advantage?



Question 3: Knowledge transfer

Did winemakers in North Africa employ and train the local labor force, or did they import most of it from France? What accounts do we possibly have of knowledge transfer?



Question 4: Quality and Tunisian export

According to the 1890 trade agreement, Tunisian wine exported to France had to be kept below 11°. Did this constraint affect the possibility of export reorientation after France started to impose barriers to trade?



Question 5: Picking new clients

The USSR may not have been an especially smart choice for reorienting Algerian wine exports in the 1970s. What prevented it from targeting other markets and how?



Question 6: Domestic vs. Overseas

The imposition of trade barriers on Algeria formalized a political favor for French domestic producers as opposed to French overseas producers. How was this type of choice perceived by the public opinion? And what (possibly political) consequences did it have?