

Abstract

This article analyses the event of “methanol wine scandal” as a cultural trauma whose consequences on the wine production market were to appear only when a change in the institutional configuration of the market came about. The paper thus illustrates how the institutional change following the cultural trauma fed the shift of the wine production market in Piedmont. The key processes at the root of this change are depicted in terms of quality conventions as coordination mechanisms embedded in the institutional context. The first part of the paper outlines the conceptual coordinates concerning the “social construction” of quality. Afterwards both the general and regional trends toward the quality production in the national and local wine sector are summarized. Then “the methanol wine scandal” and its institutional consequences are illustrated. Finally, to appreciate how quality conventions in the local wine production market currently relate to one another, results from interviews with local entrepreneurs are underlined.

Keywords: Quality, Institutional Change, Market, Conventions

Cultural Trauma and Institutional Change: the Rise of Quality in a Regional Wine Production Market

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1. Introduction

Over the past twenty-five years the wine production market (1) in Piedmont has had considerable reorganisation in terms of *production quality*. This structural change is often associated to the event occurred in 1986, which became known as the “methanol wine scandal”. The scandal had catastrophic consequences: eventually twenty-three dead, tens of people poisoned and suffering from serious injuries. At a national level exports collapsed immediately after the scandal by a third (from nearly 18 to about 11 million hectolitres), and a turnover from 1,668 to 1,260 billion lire (a quarter less). Today the situation is radically different and both Italian and Piedmont wine production have reached the peak of world ranking in terms of export and quality (Odorici and Corrado 2009).

This article analyses the “methanol wine scandal” event as a *cultural trauma* (Alexander *et al.* 2004) of great symbolic implications, whose economic consequences on the wine production market were to appear only when a change in the *institutional* configuration of the market came about. The key claim of this paper is hence that the transforming power of macro-events, to which historical sociology attributes a crucial role in the process of social change (Sewell 1006; Griffin 1992), occurs if these events change pre-existing institutional rules. We will thus illustrate how the institutional change following the cultural trauma fed the shift of the wine market in Piedmont. We will analyse the key processes at the root of this change in terms of quality conventions as coordination mechanisms embedded in the institutional context (Borghi e Vitale 2006; Ponte and Gibbon 2005; Ponte 2009).

The first part of the paper outlines the conceptual coordinates concerning the “social construction of quality”, at the crossroad between judgement and choice (par. 2 e 2.1).

Afterwards both the general and regional trends toward the quality production in the wine sector are summarized (par. 3). The fourth section investigates “the methanol wine scandal” by analysing articles from the daily newspaper “La Stampa” between March-June 1986 (par. 4). The reconstruction of the institutional consequences of the scandal have been based on historical archives, secondary data source as well as from twenty interviews from members of the trade associations and professionals (*sommeliers*, winemakers, trade agents) (par. 5). Finally, to appreciate how quality conventions currently relate to one another we have collected interviews from fifty entrepreneurs of the local wine sector (par. 6).

2. Quality as a Social Construction

Since Berger e Luckmann's work (1966) the theme of “social construction” is customary in social theory. This identifies the idea that no event in itself is either objective or inevitable, but its causes and consequences depend on a vast array of social processes that attribute an identity to the event itself (Lynn, Podolny e Tao 2009, 756). Talking of “the social construction of quality” thus means raising the question of the controversial processes through which qualities are attributed, stabilized, objectified and arranged (Callon *et al.* 2002, 199). Convention economics or convention theory (Boltanski e Thévenot, 2006; Jadg 2007) shows how these processes work through *socially constructed* coordination mechanisms that reduce “radical uncertainty”. This kind of uncertainty cannot be lowered through contractual arrangements, incentives and prices (Milgrom and Roberts 1992) but requires agreements or conventions (often implicit) about *what's worth* and what is *equal to what* (Stark 2009). The understanding of these “agreements” or “quality conventions” is a crucial task for a true sociological analysis of markets (Fligstein e Dauter 2007, 113).

Quality conventions have two main features (Borghi e Vitale 2006): (i) interdependency between the cognitive and the normative dimension; (ii) placement in and dependence on groups, organizations and institutional contexts. Conventions can thus be defined as: “shared templates for interpreting situations and planning courses of action in mutually comprehensive ways that involve *social accountability*, that is, they provide a basis for judging the *appropriateness* of action by self and others” (Biggart and Beamish 2003: 444, emphasis added). Convention theory argues (Eymard-Duvernay 1989) that price is the main management form of a specific market only if there is no radical uncertainty about quality. When price alone cannot evaluate quality, actors set up conventions linked to other “forms of coordination” (Ponte and Gibbon 2009). Boltanski and Thévenot (2006) elaborate six “worlds” of “legitimate common welfare”: inspirational, domestic, opinion/fame, civic, market and industrial worlds. Each order of worth defines the good, the just and the fair and sets the very fabric of calculation: every “economy” is therefore a moral order. In *domestic* coordination, uncertainty about quality is solved through *trust* and long-term relationships. In *industrial* coordination, uncertainty about quality is settled through common *standards* enforced via instrument-based testing, inspection and certification. *Civic* coordination works where there is *collective* commitment to *welfare*, and the identity of a product is related to its impact upon society or the environment. In the world of *fame*, uncertainty about quality is solved through public celebrity. Worth derives from the opinion of experts: it is this kind of opinion that establishes success. Finally, in the *inspired* world all the things such as measures, rules, money, hierarchy, and laws that support and outfit equivalence and worth are missing. What is worthy is what cannot be controlled, what is felt in inner experience, manifested by feelings and passions and what rejects habits, norms and principles.

Conventions are useful analytical tools to understand the “economies of quality” (see Callon, Méadel e Rabearison 2002), where goods value cannot be acknowledged only by price

and *quality standards* as signals are crucial. This is particularly so in the service economy or in markets such as art and wine, where the attributes of the product are difficult to unpack from the consumer viewpoint (Beckert 2009, 254). In these cases institutional tools that *signal quality* are essential for supply and demand to meet: the *judgment* of agents about the quality of a good or service come *before* the *choice* to buy that good or service (Karpik 2010).

2.1 Quality Conventions between Judgement and Choice

Quality conventions thus affect judgement *before* choice. Often in social theory judgement and choice are radically opposed to one another. This opposition develops along three lines: (i) the logic of action, (ii) the explanation of order and (iii) the concept of social change. With regard to the first dimension, choice relies on analytic rationality: the meaning of an action is defined by the intention of the agent and is reflected in the outcome (Pizzorno 2006). Contrariwise judgement refers to the ways people “evaluate each other” and the meaning of an action is what those to whom the action is directed at understand it to be: “one undertakes *to see the world* as others do – not because the benefit of doing so outweighs the cost, but because that is *the way of being in the world* with these people” (Loury 2002, 44, emphasis added). Choice thus relies on the rational capacity to represent a future state, while judgement depends on the way an action is *received* in a “circle of recognition” who judges it as being socially valid (Pizzorno 2006).

Secondly, in the choice model social order is likened to efficient *sanctioning* mechanisms in a contractual prospective (Coleman 1990), while in the judgement model society is created above all thanks to successful *naming* processes (Oberschall e Kim 1996, 64). For Hobbes and neo-contractual solutions (Taylor 1987) society is generated from a more or less (de)centralised

ability to control each other through formal and informal sanctions (Hechter 1990), while in the judgement model it is when the human being is no longer *solitary* and enters some social relationship that social order begins (White 2008).

Finally, the model of choice looks at social change as the result of human efforts to control their environment (North 2005, chap. 1). The key to understand change is the motivation of agents, their capacity to understand problems and the beliefs which guide their actions. In contrast theories of judgement look at the exogenous contextual changes. When the sources of naming change, semantic and ontological uncertainty occur (Lane e Maxfield 2005) and agents face a sort of “symbolic tsunami” (Pizzorno 2006, 392). Here the threat derives from the lack of meaning and of ontological stability that can be attributed to a course of action and its potential outcomes. For example, the social change created by the French revolution had its founding moment in the “Taking of the Bastille”, 14th July 1789 (Sewell 1996). But what everyone now defines as the “Taking of the Bastille” was actually the result of a complex interaction, which evolved from declarations, debates and symbolic behaviour. The change of the definition is accompanied by changes both in the behaviour of individuals and in the stand of the various groups and parties involved (Pizzorno 2006).

However, just like the opposition of interest and identity (Macy 1997), choice and judgement can find substantial analytical connections. The radical nature of the distinction between choice and judgement relies on two highly debatable points: (i) naming stabilizes the identity of social actors and (ii) the changing of sources for naming is exogenous to on going social action. If these two assumptions are true, the judgement model has no need for the concept of choice. The sources of social recognition, when they are at hand, balance out both individual action and social order. Furthermore, if social change is exogenous to the action course, the

sources of naming cannot be the aim of an intentional choice. However, these conditions are not always met.

First of all, naming is not always stabilizing for social action. Keeping willy-nilly a tie to the sources of naming can be counter-productive, as it becomes a cause of semantic contradiction that does not guarantee stability to one's action. As Harrison White illustrated (2008, chap. 8) the so-called “control strategies” play here an important role. Control is considered the sum of attempts that agents rely on to control “confusion” as well as the contingency of stimuli coming from their social ties (Azarian 2005). A crucial control strategy is decoupling, through which agents *isolate* themselves from undesired ties and dependencies. Actually the very identity of agents is the non-deterministic result of these attempts to control/justify stimuli coming from their social ties. Hence an identity asserts itself when agents establish control strategies that last out the contingencies that affect them.

The importance of controlling strategies also weakens the second assumption. Changes in the sources of naming are not always *exogenous* to the action itself but can switch according to specific strategies. We will illustrate this point by comparing briefly Mancur Olson’s collective action theory (1965) with the concepts of “private network goods” and “specialized public goods” (Bellanca 2007). Olson showed that the formation of groups, associations, or movements could not be explained instrumentally on the basis of individual rationality (Olson 1965). This works well in pure economic interdependency (e.g. market situations) where individual interest can be take as given. But in phenomena of social interdependency (Pizzorno 2006) where: “the goal for which people mobilize, is a by-product of the mobilization itself” (Baldassarri 2010, 403), other mechanisms can make collective action. For instance in “private network goods” individual utility depends on the number of individuals who consume or produce that particular good. In standard collective action literature the strategies can thus be contained within the

assurance game, in which cooperation is worthwhile only if it is reciprocal (Cornes e Sandler 1986). However, “private network goods” can create not economic interdependency but rather *social* interdependency. Consider, for example, the creative life-styles in metropolitan areas (Florida 2005), or the political-aesthetic mixes which drive quality enogastronomy (Sassatelli e Davolio 2010). In these cases goods take their value from being produced or consumed *within* a restricted circle that *attributes* value to such choices (Pizzorno 2006). Thanks to this *social interdependency*, agents are inclined to generate a network, which constructs the source of value for their own action, thus avoiding the Olson’s paradox.

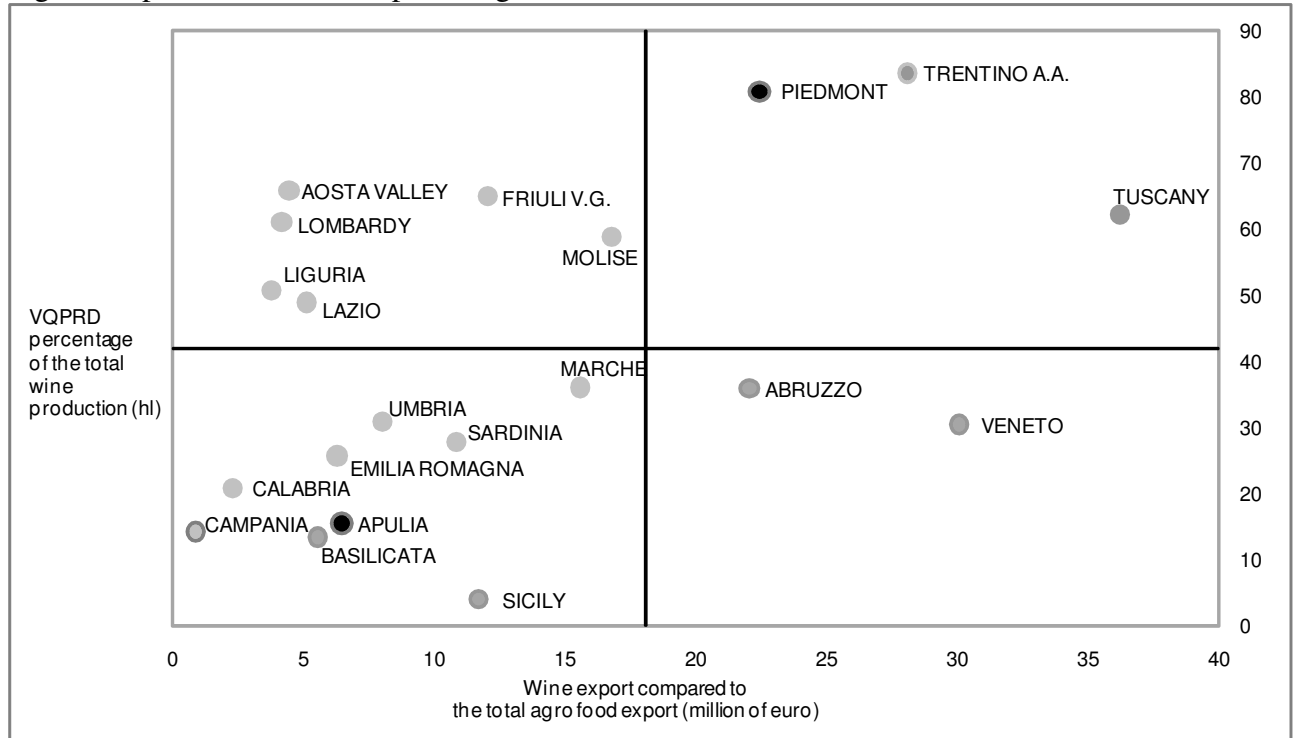
“Specialized public goods” are the second type of goods key to understand the endogenous nature of change (Bellanca, see in particular pp. 42-51). As with pure public goods “specialized public goods” are non-exclusive and non-rival. However, unlike the former, the user can take full advantage only if certain access costs are paid for. For instance, understanding a specific jargon is needed to take part in a political coalition. But this jargon it is not a universal public good as whoever takes advantage of it has a particularly high entrance cost. “Specialized public goods” also avoid the Olson paradox: whoever wants to learn the language for the specific sub-group or coalition automatically feeds into the collective network. Coming away from the collective action in this case would mean substituting a shared language with a private one. Just like in collective action problems “private network goods” and “specialized public goods” also need to deal with *congestion* created by too many participants. The more people who use the specialised language that has been learnt with great efforts makes the language more fuzzy. At this point exit costs are lowered, it is worthwhile for people who first learnt the specialised language with such effort to leave the coalition and try to found another. This can occur either attempting to regain a sort of “purity” of the original message (Bellanca, ibidem, pp. 44-51), or negating the validity of the message and so renouncing the fruits of the common good.

All in all, two key working hypotheses can be derived from the arguments so far outlined. First and foremost, quality *conventions* are coherent with the *institutional* context in which the market is embedded. As we said in the introduction macro events, such as the methanol wine scandal, generated social change if they change pre-existing institutional context. The change happens not so much and not only when new “ideas” evolve, but rather when these ideas become specific *institutional rules*. Secondly, we can think of the quality economy created by these institutional rules as being characterised by a “quality cycle”. In the first phase, quality is assumed as a shared and general judgement criteria; then a semantic inflation occurs and there is a second phase which witnesses the specification of more articulated quality conventions.

3. Wine Production in Italy: General Trends and Regional Models

Italy is the first producers of wine in quantity and the second in value, after France. Wine firms are 700,000 for a revenue of 8,3 billions of euro (25% of worldwide value). The production of wine in Italy has changed dramatically since the end of the eighties: growing area and wine production have reduced, the VQPRD “certified origin” wine (DOC/DOCG) has grown while table wine has weakened, and a decrease in the number of firms occurred by about 60% in the last twenty years (Odorici and Corrado 2004; Mediobanca 2011). The absolute number of certified origin wines is prevalent in Northern Italy (153), followed by central Italy (100), then the South (69) and finally the Islands (43). The same trend towards quality has occurred with the economic structure, where wine production has significantly changed. Within this general picture, two indicators can sum up the wine production in Piedmont: (i) the relationship between export value on the total of agrofood exportation and (ii) the relation between VQPRD wine production and overall wine production.

Fig. 1. Exportation rate. Compared regional models



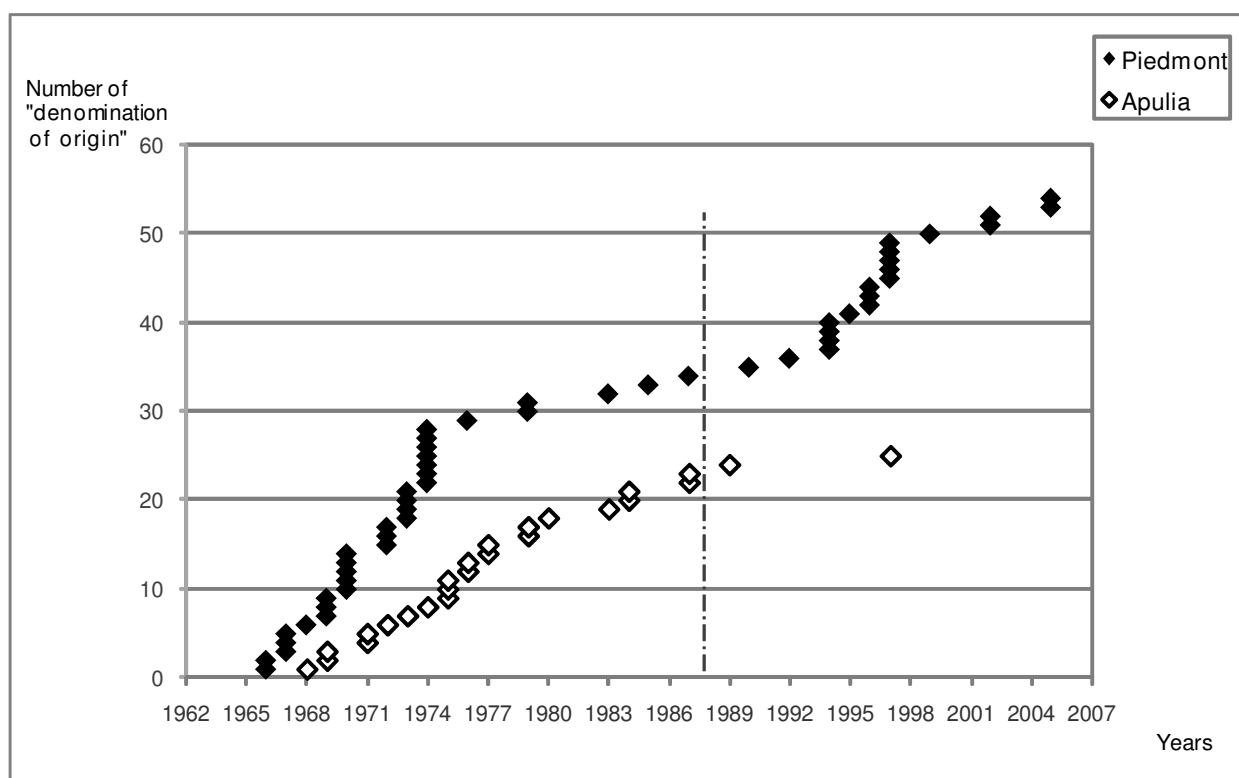
Source: our elaboration of ISTAT and Piedmont regional data, 2007

These two indicators classify Italian regions both according to VQPRD wine production and in terms of the importance of export. We can appreciate a reasonable correlation between VQPRD wine production and exportation, which confirms the general tendency towards the “economy of quality” in the wine sector (Corr. = 0,42; Sig. 0,1). However, the correlation is far from perfect and it shows how quality production is not always associated with a high degree of competitiveness in the international market. In the same way, the amount of wine exports can be high even with small amounts of VQPRD wine (lower right quadrant).

The positioning of Italian regions in the different clusters is the outcome of different institutional choices. This is exemplified by the two regions portrayed in black (Fig. 1), which

were deeply implicated in the “methanol wine scandal”, Piedmont (upper right quadrant) and Apulia (lower left quadrant). Fig. 2 shows the different paths taken from the year in which the scandal occurred: in 1986, Apulia already had 90% of the VQPRD denomination of origin it currently has, against the 60% for Piedmont. In the subsequent period, the situation in Apulia stabilised while Piedmont continued its growth with particular intensity after mid 90’s.

Fig. 2. Adoption of DOC/DOCG over time: Piedmont and Apulia



Source: elaboration on regional data (2007)

A closer look at the institutional change that took place in mid ‘90s it is thus key to understand the “social construction” of wine production in Piedmont. First, however, we need to figure out the “methanol wine scandal” as a cultural trauma and how it changed the conceptions of quality in the wine sector.

4. Quality as Salvation: the “Methanol Wine Scandal”.

In March 1986 the methanol wine scandal broke in Italy. This happened following some deaths from intoxication from methanol alcohol: the investigations that took place showed that a network of unscrupulous *traders* was using this substance to change the alcoholic proof of wine. Italy had an over-production problem so before the scandal merchants, not estate wineries, made money. It was only about 15–20 years ago that wineries started being successful (Negro *et al.* 2007). It was clear from the beginning that there was a concentration of frauds in Northern Italy and in particular in the Piedmont provinces of Asti, Alessandria and Cuneo, although the first investigations found a link with Puglia and Emilia-Romagna.

We have reconstructed the scandal by analysing 165 articles from the daily newspaper, “La Stampa”, in the period between March and May 1986. There were clutches of different interpretations of the event to define “what had really happened”, as it occurs with transforming events that generate social change (Sewell 1996). A quote taken from a local producer (Negro *et al.* 2007, 9) gives the taste of what happened: “In 1986 the methanol scandal broke. In my opinion that destroyed completely all the links that existed... I can ensure you that those 6 months were months of *confusion* and rage... a generation that didn’t have experiences was very open to receive new ideas” (emphasis added). Four different narratives structured the collective effort to establish the meaning of the event. In the very beginning was the rhetoric of the “rotten apple”: corrupt traders were only deviant acts which did not affect the system as a whole and dead people were just “heavy drinkers” who methanol kills only for they drunk large quantities of wine. Subsequently, the attention shifted to whole group of controlling bodies for the control of food safety and fraud (the “rhetoric of control”). The various actors involved at different levels of the crisis called for new laws against contamination and fraud, greater availability of

officials and means for stricter control of traders and producers. In both these rhetorical devices the productive system remained intact and fault was laid on a small number of delinquents, or on the scarce efficiency of the controlling bodies. In a third phase the problem became the “race to the bottom”: this problem did not so much as focus on the producers but on the organisation of the value-chain. The culprits were above all the large supermarkets, which required very low quality products from the producers to meet the demands of the lower ranges of the market. To face this problem, the association of producers in Piedmont proposed publishing a minimum price under which it would no longer be able to guarantee the origin of the wine. The fourth and final phase (the “rhetoric of quality”) started when the outlines of the affair became clearer and the penalty of the seven accused passed from manslaughter to murder. In Piedmont, the mayors of various municipalities organised petitions to send to the relevant ministries to lobby for new laws to defend the regional wine. This rhetoric became consolidated also thanks to an important “ritual” phase (Collins 2004) (2) that took place in Verona during the international trade show known as “Vinitaly”. The central theme debated at the show was obviously the scandal that had hit the Italian wine industry and the resulting exportation crisis. During the trade show the need to shift “from quantity to quality” was underlined, to try to slow down production (conceived at being excessive for the sector) and instigating a wine production catalogue bringing the VQPRD classification laws up to date and turning the promotional campaign towards the development of wine closely linked to food consumption education.

As we will show, the cultural trauma generated by the “methanol wine scandal” and the idea of “certified quality” contributed to transform the wine market only when it was translated into new institutional rules. Nearly ten years passed between the scandal and the adoption of these new rules. In this regard, the changes in the denomination of origin were one of the most important consequences of the measures. In Italy, the first organic law concerning the setting up

of denomination of origin was in 1963 (DPR n. 930), which intended to safeguard and regulate quality wine production from well-defined geographical areas. So, the wine categories, *Denominazione di origine semplice* DOS (table wine) and *Denominazioni di origine controllata* DOC and *garantita* DOCG (VQPRD wine) were established. The effectiveness of these laws was put in doubt by the methanol wine scandal of 1986. In 1992 the law 164 (put into force in 1994) interdicted the attribution of geographical indication (*denominazione*) to table wine and so forced producers to adhere to either DOC or DOCG to conserve their belonging to a *terroir*. Furthermore, the new IGT (indicazione geografica tipica) category was introduced between vino da tavola and DOC/DOCG (Odorici and Corrado 2004, 179). Law 164/1992 that became effective in 1994 thus upheld the principles of the “certified quality” rhetoric, which had emerged with the scandal. The law intended to establish a closer link between the *terroir* and the certified quality, favouring the adhesion of small and medium size local producers to the denomination of origin.

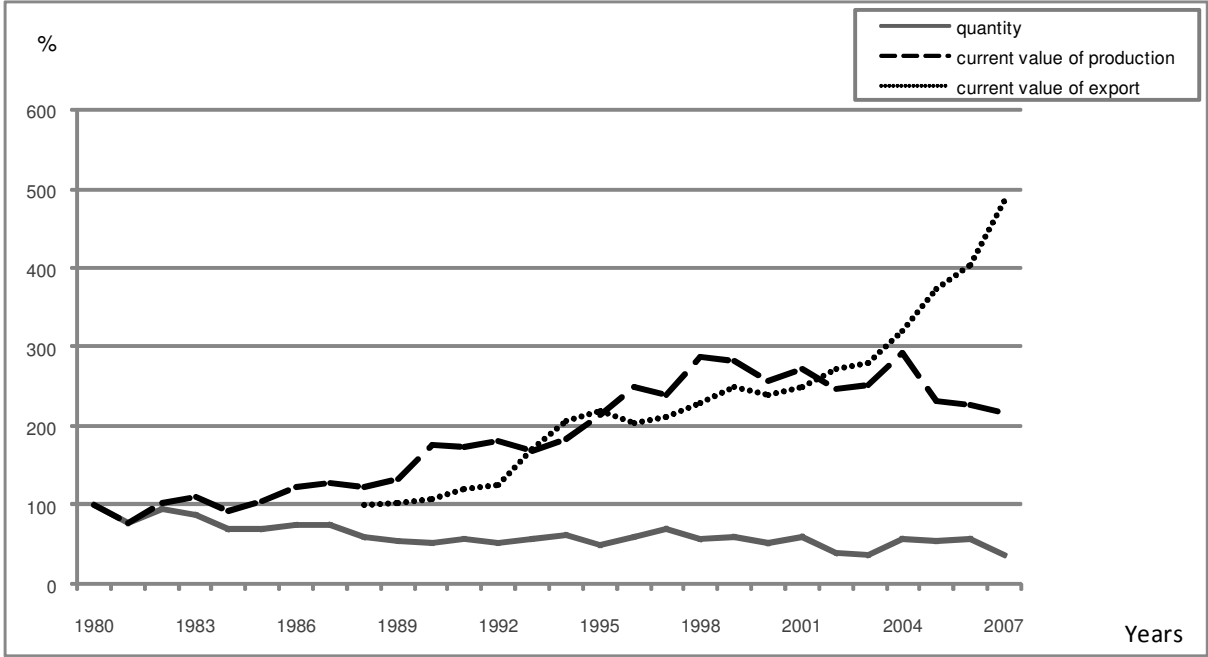
5. From the Cultural Trauma to Institutional Change

Twenty years after the methanol wine scandal, Italian wine production has radically changed towards quality production. Less is produced, more is exported in terms of value and “certified quality” wines have grown dramatically (Odorici and Corrado 2009). Piedmont was one of the key regions involved in terms of the number of firms involved in the scandal. It’s customary to explain the growth of quality production as the *consequence* of the scandal. But, as showed in Fig. 3, the current value of production increased before 1986, as had the decrease in quantity and the growth of exports. The trend widen considerably after the mid 90’s onward following the legislative changes we have described. However, the tendency had already begun at the

beginning of the 80's before the scandal. The change in the wine market therefore had an endogenous spark, which was then accelerated not by the scandal of 1986 but by the subsequent institutional changes of 1994. This is confirmed by one of our interviews:

The change towards quality had begun before the methanol scandal. In Piedmont it had already began at the mid of the 70's and consolidated in 80's when a series of young producers introduced important changes. These young producers had travel the world trying to find why, Italy, which was in theory a wine country and made the same quantity as France, was passed over for French wines which had spread throughout the world whereas Italian ones had not (Interview of the President of the Italian Association of Sommelier, Piedmont).

Fig. 3. Quantity and value of wine production over time ¹. Piedmont



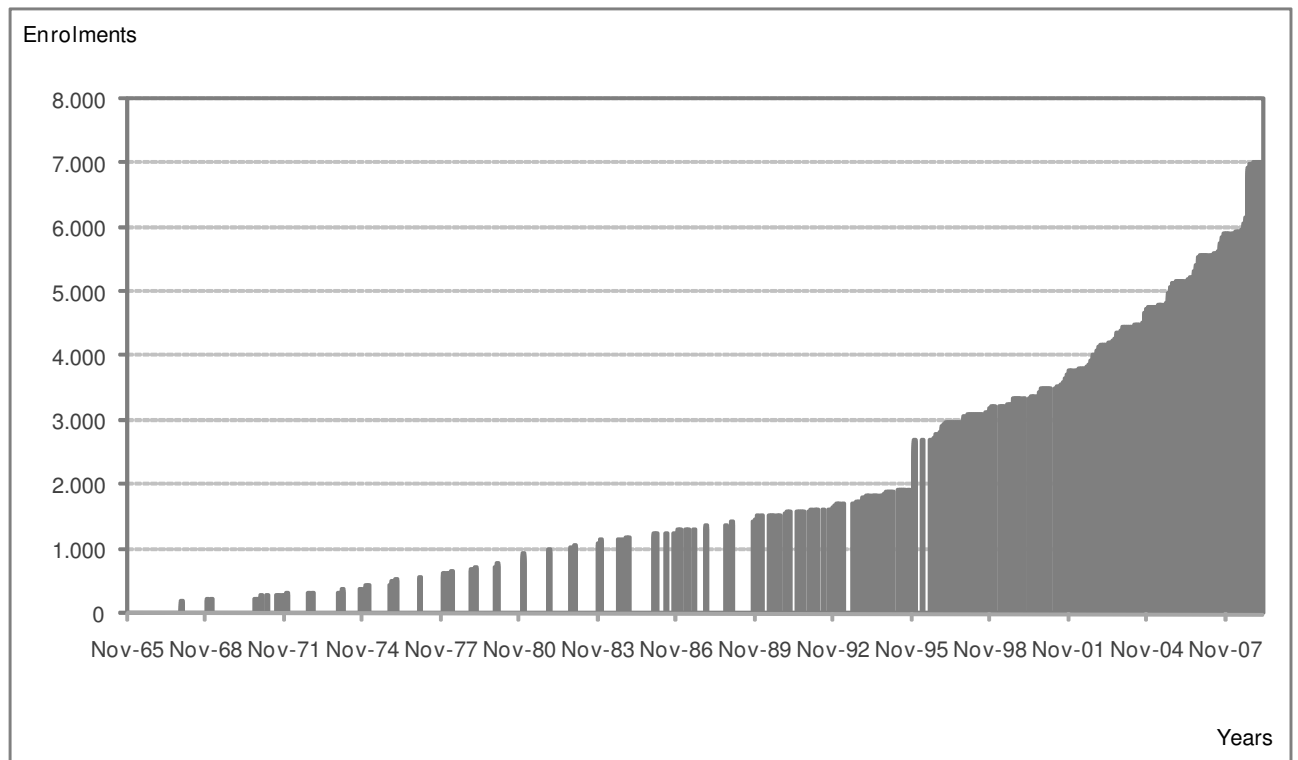
Source: ISTAT and INEA data

All in all, it can be argued that it was not the methanol wine scandal that *generated* change towards quality production. Rather new schumpeterian and innovative *producers* had imported

¹ Data for exports are available from 1988.

cultivation and wine growing techniques from France which were linked to the idea of *terroir*, but the over-production problem as well as the weak link between wine and quality favoured merchants over estate wineries. This generates opportunities of exploitation by *traders* who were the protagonists of the 1986 scandal. The methanol scandal created then the “certified quality rhetoric” which consolidated into new institutional rules that changed the social organization of wine production market. One of the most important institutional consequences, which promoted the spread of certified quality, was, as we have pointed out, the involvement of the small and medium sized producers in the *disciplinare di produzione* (denomination of origin). There are nearly 60 *disciplinari* in Piedmont, from the pioneers of quality in the mid sixties (Barolo and Barbaresco) to the most recent. Piedmont is the Italian region with the largest number of *disciplinari* (before Tuscany) and the second for the number of VQPRD wines in proportion to the total production of wine (after Trentino Alto Adige). The following data illustrate the enrolments of producers in the VQPRD register in the two provinces of Asti and Alessandria, which together make up 60% of the Piedmont wine growing area (3). With enrolment we mean the timing in which a producer first became a member of any Cadastral register of Wine growers for VQPRD wine. Figure 4 shows a turning point after 1994, the year in which the new regional laws came into force. In 1994 there was a sharp rise in the process: from 1995 there was a greater concentration of enrolments and a significant absolute increase as well.

Fig. 4. Enrolment of VQPRD producers. Province of Alessandria



Source: data from the Alessandria Chamber of Commerce, 2008

1994 was an important turning point both for the number of enrolments and the average size of the wine producers. The distribution shows that the process increased after 1994: 27% of enrolments occurred before 1994 and 73% after. Furthermore the correlation coefficient between seniority of enrollment and area enrollment is both positive and statistically significant (Corr. = 0,213; Sig. 0,01), indicating that the enrollment of smaller producers increased after 1994.

If we consider the data for the province of Asti (Fig. 5), a similar trend is outlined. 1994 was also here an important turning point for enrollment and the introduction of the new law was associated with the increase of enrollment of producers.

Fig. 5. Enrolment of VQPRD producers. Province of Asti



Source: data from the Asti Chamber of Commerce, 2008

The distribution of enrolments shows that the process exploded after 1994: 3.6% before 1994 and 96.4% afterwards. As before, the correlation between seniority of enrollment and area enrollment is both positive and statistically significant (Corr. = 0.188; Sig. 01).

5. The Worlds of Quality

From 1986 nearly ten years were to pass until a system of formal rules was created to support quality production. From 1994 onward, the year in which the regulation referring to the new laws on quality production came into force, small wine producers adhered on mass to the new institutional rules. This had key non-intended consequences on the conception of quality: as we emphasized previously, the more agents who use the specialised language makes the

language more fuzzy. In this regard, the following quotes taken from interviews with local wine producers show the multiple meanings of the concept of quality.

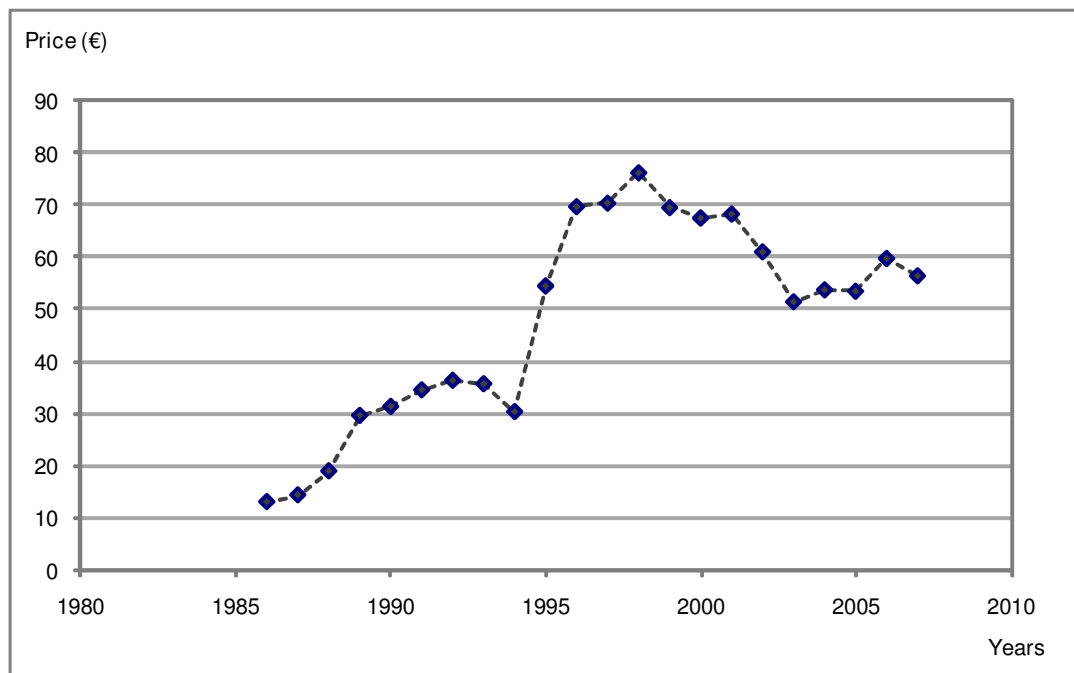
We are men who have different ideas, heaven forbid those who want everyone equal (Interview n. 6, wine producer).

The idea of quality is that of personal quality, so I believe that everyone has her own ideas about quality. Quality is an abstract concept (Interview 7, wine producer).

Obviously, everyone has his or her own vision of quality. For instance between traditionalists and modernists, the idea of quality is different (Interview 2, wine producer).

The reference to “certified quality”, alone, it is not enough to understand the plurality of conventions that actually orientate producers’ actions. As we first put forward, when a language becomes *generalised* loses its ability to discriminate. As noted elsewhere the VQPRD classification system does not prove useful any more to designate different quality levels (Corrado and Odorici 2009, 114). The mechanism explaining the crisis of VQPRD classification is usually interpreted from the demand side, e.g. non-expert consumers typically lack the ability to choose among products at a medium-high quality level. But our data shows also a supply side mechanism: the variability of prices of VQPRD wines has increased considerably after 1994. As the following figure shows, the standard deviation of prices peaks in the mid 90’s together with the entrance of the new law and the adhesion of small producers to a *disciplinare di produzione*. This both confused consumers and watered down the discriminating power of certified quality among producers.

Fig. 6 Standard deviation of VQPRD prices*



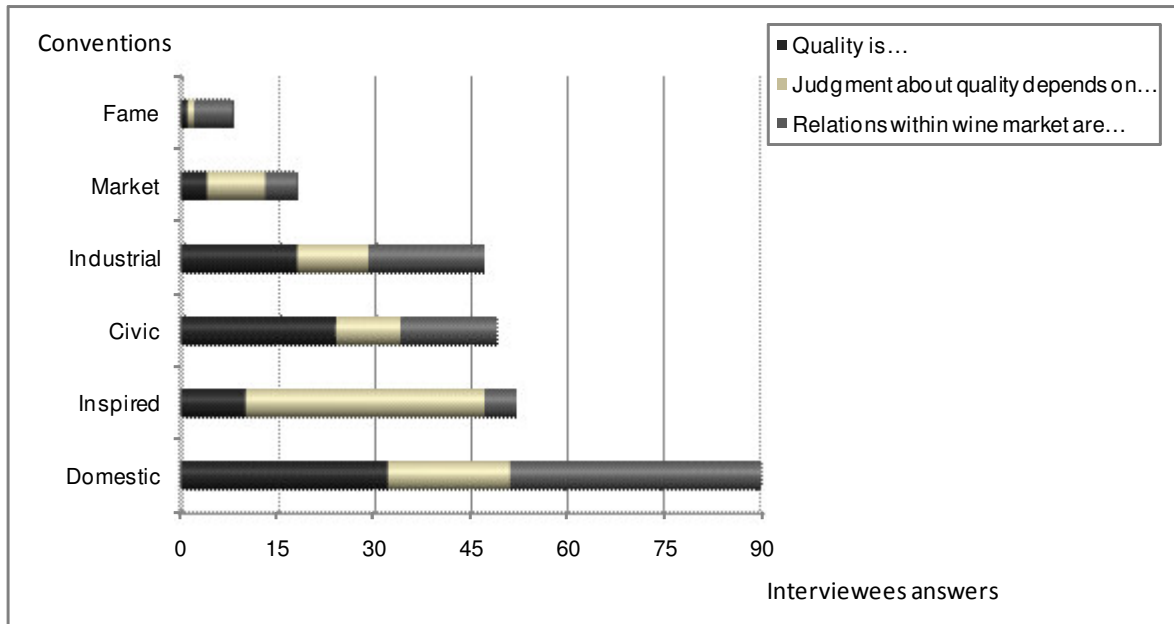
Source: Our elaboration of data from the Asti wine exchange, 2009

* The analysis was made on data from the Asti wines exchange (1986-2007), for negotiations of volume goods, at least 100 hectolitres to wholesalers

In which way, after the crisis of VQPRD classification, are quality conventions currently organized? The current arrangement of quality conventions will be depicted through interviews to 50 local wine producers, concentrated in the three provinces where nearly 90% of the regional wine is produced (Asti-Cuneo-Alessandria). The selection of cases was structured according to five types of firms that make up the backbone of the Piedmont wine market: vertically integrated firms, large bottlers, small niche vineyards, cooperative vineyards and small organic firms. The interviews included specific questions concerning quality conventions. Quality conventions were defined along three dimensions, according to Boltansky and Thévenot argument (2006): (i) *definition* of the concept of quality (quality is...), (ii) *judgement* of wine quality (wine quality depends on...), (iii) the *relationships* among wine producers (relations within wine market are...).

The interviewees were asked to choose the first and second quality conventions they relate to most (4) and we aggregate their answers as follows (Fig. 7).

Fig. 7. The Worlds of Quality Conventions.



Source: our elaboration from interviewees data

As we can appreciate the crucial role of the *terroir* emerges clearly. According to one of the most famous idealists of the *terroir* (Nossiter 2007), this means above all a way of using the prerogative of what is *local* (domestic convention). The relevance of the domestic convention confirms Ponte's (2009) research, according to which the *terroir* is a combination of elements: "where intimate knowledge of the land, and long-term and fine-tuning of practices and varieties embed into the wine the natural elements of land and climate" (p. 243). Secondly, the convention of inspiration is linked to spontaneity, passion and feeling (Boltansky e Thévenot 2006, 159): quality cannot be standardized but only achieved by means of a "unique" experience. This

convention is coherent with the finding that *terroir* wines are: “against homogeneity of smell and taste, and leveling off and standardization of diversity across vintages (Negro *et al.* 2007, 19). Or, in other words, the *terroir* must protect us from the devastating lies of marketing and the cynical exploitation of the market, culture and the political world and must represent a fight for the survival of *individual taste* against the debasing force of impersonal power (Nossiter 2007). A key element of *terroir* is also sharing the private good for the *public* good (civic convention): this convention gives importance to public space, legality, the law, duty and formal rules (Boltanski e Thévenot 2006, pp. 185-193). The world of civic conventions thus refers directly to the rhetoric of “certified quality” which emerged immediately after the methanol scandal. Finally, the industrial convention, which refers to technology applied to grape cultivation and to wine production, emerges. Industrial convention *per se* is not incompatible with the *terroir*: large producers of more than 500,000 bottle a year are examples of *terroir* wine, which can combine tradition, *genius loci*, technology and production (Nossiter 2007). It must be stressed that this convention can be found at the edges of the conception of *terroir*, shared with other quality concepts typical of “international wines” based not on *terroir* but on *grape*. It therefore is a potential area of strategic and symbolic *disputa* (Boltanski e Thévenot 2006).

Market conventions, which refers to competition based on price, and the fame one – based on the opinion of experts and rating of guides – were scarcely indicated. These are the conventions to which *terroir* is opposed to most radically. These conventions include the logic of guides such as the “Wine spectator” (Nossiter 2007). The convention of fame has strong effects on prices: Negro and colleagues (2007) report that wines with 2, 3, and 4 stars in the famous Veronelli Guide receive substantially higher prices—a four-star wine sells for \$32 more on average than a one-star wine. A three-star wine gets on average \$16 more than a wine with only one star.

All in all, today the regional Piedmont model places great emphasis on the *terroir* and on the concepts of quality that goes against those typical of international wines (5). This conception of market is a *constitutive rule* of the local wine production market for it shapes the identity of the producers that live in these areas. To be a producer, for those who hold this belief, means maintaining a close link between the *terroir* and the final product. It must be underlined that this is far from being an encompassing local identity. Modernists such as Barrique producers are also quite established in Piedmont. But to challenge the *terroir* local identity – as a group of insurgent modernists did in the early '80 with the introduction of *Barrique* for aging Barolos and Barbarescos – organized endeavors to realize *new categories* and *identities* are needed (Negro *et al.* 2007).

6. Conclusions

This article has analyzed the transformation of wine production market in Piedmont across 25-30 years. The present regional focus on quality and exportation has occurred thanks first of all to an endogenous change made by the mid of '70 by schumpeterian entrepreneurs who imported the idea of the *terroir* from near-by France. This did not translate into economic success for the over-production problem and the low link between quality and wine production and consumption: merchants dominated over estate-wineries. In 1986 the criminal action of unscrupulous traders caused thus the methanol wine scandal. The reaction to the scandal founded the idea of “certified quality”, whose effects were to appear only in 1994 thanks to the institutional changes of the wine production market. Today, the normative idea of certified quality is represented in the regulative framework of the wine production market. From this viewpoint our results are in line with the idea that: “markets are explicitly moral projects, saturated with normativity” (Fourcade and Healy 2007, 22).

Today “certified quality” does not include the whole idea of quality that animates local producers. When small local producers adhered on mass to the new institutional rules the language of certified quality lost its power. Local producers actually refers to a broader set of conventions than to “certified quality”. Nonetheless, the legacy of *terroir* is even so noticeable. Current conventions refer to the concept of the *terroir* and oppose the idea of “international wines”, in particular through domestic, inspired, civic and industrial conventions.

Our analysis also posed a number of research questions that need to be looked deeper into. The first issue concerns the entrepreneur-innovators who in the beginning sparked the change towards quality production. Who were they? Were they, as is often the case in the introduction of radical innovations, marginal individuals? (Day 1994). How did they organize their collective action? A second issue touches the time lag between the methanol wine scandal (1986) and the law reforming VQPRD production (1992, finally entering force in 1994. Why was so long a time period needed? Which are the collective actors that guided and opposed the reform? A third question points to the “grey area” of industrial conventions at the edge of the conception of *terroir*. It would be fruitful to select case studies where holding industrial conventions also meant keeping the *terroir*, and other cases where it meant leaving *terroir* in favour of international wines. Finally, the role played by wine professionals (winemakers, *sommeliers* and trade agents) in building up the idea of quality has remained completely unexplored.

Endnotes

1 The analysis of “production markets” assumes that they are cliques of producers who watch each other reciprocally (White 1981, 543).

2 According to Collins social life is changed and shaped by “ritual events” which create belonging to a group and shared meaning. The presence of a common focus of attention in face-to-face situations generates an “emotive crescendo” which shapes shared cultural meanings. By means of a collective situation, this sense of belong to a group is created as well as enthusiasm and individual energy, symbols which represent and reinforce the ingroup/outgroup distinction, as well as a sense of justice, moral standards and legitimate sanctions associated with the violation of these standards (Collins 2004).

3 Only those vineyards that have both their legal location and private residence have been taken into consideration. Only the provinces of Alessandria and Asti were considered given that no data was available for the province of Cuneo.

4 In the interviews the different worlds were shown as neutral choices such as first type, second type, third type, etc. Wine producers were asked to choose as follows among three dimensions of the six worlds of quality (inspiration-domestic-civic-fame-market-industrial): A) *Quality is*: 1) Like creating a piece of art: it needs inspiration and creativity; 2) To follow customs and traditions; 3) To safeguard the interests of the territory or some other collective interest; 4) Recognition by guides, experts and/or public honorary bodies; 5) Linked to price and the continual penetration of new markets; 6) Linked to technology and organisation of the firm. B) *Judgement about quality depends on*: 1) The emotions it arouses; 2) Informal judgements of those who have most experience; 3) Respect for formal rules of the “disciplinare di produzione”; 4) From public recognition; 5) From the sales price; 6) From chemical-physical characteristics; C) *Relations within wine market are*: 1) Inspired by passion and devotion; 2) Based on trust; 3) Taken from the collective interest; 4) Based on the recognition of third parties; 5) Guide by market prices; 6) Based on technical functionality evaluations.

5 This generalization is only speculative, giving the problems of inference we have with our limited sample and it should be tested with a larger and casual sample of regional wine producers.

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