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**MARKETS, INSTITUTIONS AND CULTURES: PATTERNS OF WINE
CONSUMPTION IN EUROPE, 1850-1950**

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Abstract

This working-paper describes and tries to analyze patterns of wine consumption between 1850 and 1950, a period of important structural changes in the economies of Europe. Three sub-periods - 1850-1880; 1880-1914 and 1818-1938- are distinguished to analyze the relation between prices, income and diet changes; England and France are used as case-studies to show increasingly divergent patterns of consumption within country-by-country specific developments. The role of institutions and public choice are stressed as relevant in explaining changes in the supply of wine for retailing; cultural habits and social cleavages are a second source of factors accounting for the demand of wine and for the limited applicability of Engels's Law in explaining the position of wine in household expenditure through the period.

Keywords: Economic History; Consumption; Wine; Alcoholic beverages; XIXth Century; XXth Century; Western Europe; Supply; Demand; Institutions.

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Introduction

With the increasing integration of the European economy since the end of World War II, patterns of wine consumption have tended to even out across countries: reductions in international commercial tariffs and increases in per capita income have widened the demand of imported beverages and boosted elastic consumer goods such as wine. Current figures in per capita consumption show the trend towards overall convergence in spite of differences between producer and non-producer economies: England has risen from 2 to 12 litres per head and year between 1940 and 1990 while France has on the contrary reduced per head consumption by half in the same period, from 140 to 70 litres of table wine per year (Sournia, 1990:56; Nourrisson, 1997: 44).

This working-paper describes and tries to analyze patterns of wine consumption in the century between 1850 and 1950, a period of important structural changes in the economies of Europe. Industrialization and production for the market, urbanization and demographic growth deeply affected relative prices and income levels and its distribution, affecting the demand of alcoholic beverages. The study of the history of wine consumption brings about issues regarding the relation between prices, income and diet changes; between the supply of substitutes and the demand of wine and other alcoholic beverages; and between state regulation, interest groups and social perceptions in the definition of the political economy of the drink trade. The paper outlines the different patterns of wine consumption across a variety of countries and compares England and France as two extreme and relevant examples of long-term divergent patterns of consumption to identify some of the specific connections between the role of markets, institutions and cultures in shaping the structure of supply and demand of wine consumption and its evolution over time.

Wine consumption between the mid-XIXth and the mid-XXth century summarizes the fortune and misfortune of the wine trade as it became increasingly intertwined with economic changes and nation-state developments. Market national integration helped even out consumption levels between country and town and between producer and non-producer regions, whereas protectionism at the international level limited exports to non-producer countries. Income increases made wine a more accessible commodity, but unequal social distribution of rents segmented consumption nationwide. State regulation had a more complex effect over demand: it influenced positively the supply of retail alcohol drinks, but it helped keep prices high by increasing intervention in production after the filoxera crisis. This gave patterns of wine consumption an irregular shape both historically and geographically.

The evolution of wine consumption, 1850-1950

Three periods are taken into account separately: 1850-1880, witnessing overall expansion of production and consumption across Europe; 1880-1914, in which there took place a process of differentiation in national patterns of consumption partly autonomous from income and relative price trends; and 1918-1940, expressing the persistence of differentiation within an overall trend toward price elasticity of wine. World War II implied a major shift in tendencies and its aftermath was the starting point of homogeneization in national patterns.

The structure of wine demand experienced a deep change at the beginning of the first period, coinciding with the growth of the international wine market and of urban demand stimulation: "table wines" below 15% of alcohol content outcompeted high gradation wines of Porto and Sherry style, traditionally imported from Portugal and southern Spain (Pan-Montojo, 1994, 94-121)(Table 1).

Table 1. The decline of high gradation wines in the british market, 1850-1900.
 [Imports to England by country of origin (in thousands of gallons)]

Years	Portugal	France	Spain
1850	2815	341	2469
1855	2345	533	2696
1860	1776	1126	2976
1865	2889	2612	5192
1870	2940	4158	6262
1875	3887	5039	6777
1880	2817	6651	4799
1885	2906	5604	3922
1890	3622	5913	3598
1895	3213	5787	3452
1900	3611	5333	4075

Source: Wilson (1940: 367)

a) 1850-1880.

Wine output increased throughout producing regions in Europe since the 1850s responding to market opportunities and transport cost reductions. Rising agricultural output per hectare smoothed the slope of food price inflation and helped loosen tariff protections for cereals and other agricultural products, including wine, while the general commoditization of the economy was expanding wage labour and income in different social groups. All this affected positively wine consumption levels, especially relative to the first half of the century. In this context, France acquired a core position both in total production and in the developing international market, fostering exports to non-producer countries (Pan-Montojo and Simpson, 1997).

Tariff reductions for imports opened a new era of consumption in England particularly after 1860, as Figure 1 shows. Benefitting from a reduction of 2 s. per gallon on imported wines below 18° (or by two thirds of previous custom duties), the wine trade expanded through the developing industrial cities. As Table 2 indicates, the ongoing demand of wine correlated with the general increase of wages both in industry and agriculture after 1850. After 1870, decrease in prices also helped stimulate household expenditure in wine, per capita consumption peaking in 1876 to some 2,5 litres per year or by twice and a half the figures in 1850 (Appendix, Figure 1). Total wine consumption increased by 113% in the 1860s and by another 50% in the 1870s. Gains in living standards and alcohol consumption were not fully proportional though, particularly after 1865.

Table 2. Prices and wages in England, 1850-1880
(Index, 1851=100)

Period	Prices	Wages	Wine cons.
1850-54	108.2	101.9	103.9
1855-59	118.8	111	104.9
1860-64	120.6	114.6	156
1865-69	120	122	218
1870-74	118.8	135	264
1875-79	107.2	138.2	268

Sources: for cost-of-living prices and real wages, Mitchell (1992:846-847 and 181); for wine consumption totals, Wilson (1940: 332)

The upward trend in wine consumption took also place in France. Per capita consumption doubled between 1850 and 1870, from around 70 to 140 litres per year (Appendix, Figure 2). Wine prices remained high because of the maintenance of state taxation for retailing and due to enduring urban entry tariffs (*octroi*), so the main correlation with consumption was again the growth of income: rural producers profitted from high agricultural prices while new urban workers could afford higher consumption levels in developing cities (Table 3). Yet, as in England, wine consumption significantly overpassed the development of material living standards: household expenditure was including wine in a higher proportion than other industrial items in a period of net income gains.

Table 3. Prices and wages in France, 1850-1880
Index (1851=100)

Period	Prices	Wages	Wine consum.
1850-54	102.8	104	76
1855-59	111	117	83
1860-64	113.3	130.6	107
1865-69	118.6	140.7	142
1870-74	123	154	133
1875-79	123	165	134

Sources: for cost-of-living prices and real wages, Mitchell (1992:846-847 and 181); for wine consumption (per capita), Nourrisson (1997: 44).

The strong correlation between wage increase and wine consumption reveals a common pattern of demand in industrializing countries and suggests that domestic demand was probably more influential than protection reduction in shaping the drink trades in this period.

b)1880-1914

In both cases, France and England, a relative decline in consumption was taking shape by the end of the 1870s. This relative decline in per capita consumption functioned as a divide line in the evolution of wine and alcohol consumption in european countries, triggering off a substantial differentiation in national patterns of demand that were to be quickly stressed and to stay long since. England would never regain the levels of per capita consumption reached at the end of the first period, whereas France would keep upward trends in the face of production crisis due to the phylloxera vine disease.

In England, the trend towards relative decline was to remain and deepen itself in the following decades prior to World War I (Appendix, Figure 3). Wages kept rising in this period, but their rate of increase was overpassed by reductions in prices (Table 4). Wine witnessed the opposite trend: custom dues were augmented in 1888 to 2 s. and 6 d., affecting retail prices. Yet beer and other alcoholic beverages did not become substitutes to wine, suggesting a deeper shift in diet and household expenditure related to the effect of Engel's Law on consumption patterns. However, wine doesn't seem to have gained elasticity to price, though: the trade did not react to lower prices relative to alcohol since the end of the century (Table 5).

Table 4. Prices and wages in England, 1880-1914
Index (1914=100)

Period	Prices	Wages	Wine consum.
1880-84	101.8	73.4	139
1885-89	89	73	128
1890-94	88.4	83.6	135
1895-99	85	86.6	149
1900-04	90.8	88.4	135
1905-09	93.4	91.2	111
1910-14	99	97.1	107

Source: for cost-of-living prices and real wages, Mitchell (1992:847 and 181-182); for total consumption figures, Wilson (1940:332-333).

Table 5. Index of alcoholic beverages consumption and prices, 1870-1914
1900=100

Period	Wine		Beer		Spirits	
	Cons.	Price	Cons.	Price	Cons.	Price
1880-1884	93.5		79.5		80.3	
1885-1889	86		80.6		75.4	
1890-1894	91		88		83.9	
1895-1899	100		96.7		90	
1900-1904	91	84	98.2	100.3	95	100
1905-1909	75	81	92.7	101	81.9	119
1910-1914	72.3	82	95.2	117	67.2	119

Sources: for consumption figures Wilson (1940:335); for prices, Prest and Adams (1954: 76, 79 and 83). Average prices in 1900 were 1.48 s. for wine, 2.56 d. for beer and 3.31 s. for liquor, per gallon.

Rhythms of structural transformation were not uniform, and neither would patterns of wine consumption. In France, the end of the century witnessed a marked peak in per capita consumption after a short decline in the 1880s mainly due to price increases during the phylloxera crisis (Appendix, Figure 4). The state and interest groups in the sector reacted to diminishing returns in viticulture, reducing custom dues and signing preferential commercial agreements with third producer countries. Wine prices actually decreased after 1885 and through the turn of the century, paving the way for a great increase in consumption: by 1900, french population drank an average of over 160 litres of wine per person and year.

Relative prices of wine to other foodstuff partly explain the enduring structure of french alcohol expenditure. But alcoholic substitutes like absinthe and other *alcools d'industrie* were becoming cheaper, and yet that did not affect overall trends in the demand of wine. Absinthe consumption became a policy concern at the turn of the century, resulting in state regulation of industrial production and in the homogeneization of urban entry duties on all kinds of alcoholic drinks (Formery, 1946; Scott Haines, 1996). With the levelling of wine and absinthe prices, naturally-fermented beverages made out of grape outcompeted industrial spirits in household budgets. Other substitution in place was between cider and beer, the first one suffering from unbalanced crops and increasing competition from more industrialized beer (Table 7).

Table 6. Prices and wages in France, 1880-1914.
Index (1914=100)

Period	Prices	Wages	Consumpt
1880-84	94	77.5	--
1885-89	92.6	77.8	--
1890-94	92	80.4	84
1895-99	90.2	83.5	98
1900-04	90.6	85.7	118
1905-09	91.8	90.5	134
1910-14	97.6	97.9	113

Source: for prices and wages, Mitchell (1992: 847 and 181-182); for total taxed consumption, Pech (1975).

Table 7. Production of alcoholic beverages in France, 1880-1914
(in Millions of Hl.)

Period	Beer	Cider
1880-84	8.8	13.3
1885-89	8.3	11
1890-94	8.5	16.5
1895-99	9.6	14.3
1900-04	10.8	19.6
1905-09	11.4	12
1910-14	12.2	19.9

Source: Pech (1975).

In Germany, a mixture of factors governing the french and the british cases influenced negatively wine consumption since the late 1870s (Appendix, Figure 5). The phylloxera disease accounted for an important decline in grape output, and state intervention over tariff protection was not as intensive as in France: imports were increased, but they could not stop the downturn in per capita consumption. As everywhere else, alcohol consumption was high in Germany, but in this case, Engel's Law seemed to be making its way through in the face of a quick decline in prices.

c) 1918-1940.

The interwar period functioned mainly as a confirmation of the long lasting structure of the alcohol sector both in production, with a lingering crisis, and in consumption trends. France reached its historical consumption peak while England returned to figures closer to the period before 1870s. Elasticity to price increased as alternative drinks made its way through the structure of demand, and protection and regulation incentivated domestic production of wine at the expense of the international market.

In England, spirit and beer consumption levels declined persistently throughout the whole period as the distribution of household expenditure rewarded clothing and other industrial goods and services (Appendix, Figure 6). Alcohol consumption as a whole was founding alternatives in other non-alcoholic beverages, like tea and table waters, which doubled their total consumption figures between 1925 and 1940 thanks to a reduce in price of 100% (Stone, 1954:188). However, wine was unable to regain a better position within the pattern of alcohol demand. Wine per capita consumption in the first 1920s turned up to over 1,5 litres per year, but then decreased again, per capita consumption remaining basically constant between 1925 and 1940. The wine trade was experiencing a deep change in this period accounting for cheaper prices: England eased protection tariffs to Commonwealth imports, helping australian and south african wines increase their share in the british market at the expense of french table and portuguese porto wines (Table 8). Cheap but low quality english wines also increased their share in aggregate demand thus showing the growing elasticity to price of wine consumption, but still within a highly restricted and segmented market: total purchases increased by less than 13 per cent between 1920 and 1938.

Table 8. Structure of wine consumption in England by country of origin, 1920-1935.
(Percentages)

Years	France	Portugal	Spain	England	S. Africa	Australia	Others
1920	25	36	19.2	11	--	3.2	5.6
1925	16.5	43.5	16.9	11.2	--	4.3	7.3
1930	14.5	30.5	14.7	17	3.1	12.8	7
1935	9.5	20	16.7	24.9	6	16	6.7
1940	8.7	18.4	15.5	29.3	6.6	14.9	6.2

Source: Stone (1954:188).

France sustained a pattern of wine consumption in the interwar period similar to pre-war standards. Cider and beer kept their relative elasticities to prices but barely affecting overall wine consumption levels, which reached their historical peak in the 1920s at some 175 litres per head (Appendix, Figure 7). Wage increases accounted for enduring high consumption levels before

1929, and state regulation of production and commercialization helped maintain wine prices lower than average in the 1930s (Table 9). The consumption of spirits declined persistently during the period, though, as sectorial concerns on the side of the state focused on wine at the expense of higher alcoholic beverages.

Table 9. Prices, wine prices and wages in France, 1920-1940
Index 1929=100

Period	Prices	Price of wine	Wages
1920-24	57.4	90.8	62
1925-29	89.4	107.8	85.4
1930-34	83.6	92.2	104.8
1935-39	98.6	82.9	132

Source: for cost-of-living prices and industrial wages, Mitchell (1992:848 and 183); for wine prices, Pech (1975).

Other european countries suffered from high protection barriers to imports and from slow state response to domestic production crisis. In Germany, state intervention made for the resurgence of the grape producing sector, and labor regulation and capital investment assured high wages for wide sectors of the population, thus inducing higher consumption levels of wine during the 1930s. Other countries like Portugal or Spain suffered from enduring viticulture crisis and subconsumption in the face of belated state regulations (Appendix, Figure 8).

Income distribution and the demand of wine

Consumption levels of wine in the Old Regime had been strangled by low per capita income and limited commercialization of outputs. The development of market production and wage labor enhanced the overall potential for consumption in wide sectors of the population of European countries but, according to Engel's Law, it should have done so partly at the cost of foodstuff and drink. Yet the trend in household budgets was opposite in the short run, keeping the proportion of foodstuff and consequently ameliorating diets at the expense of new industrial goods. Anyway, alcoholic beverages profited from real wage increases even more than foodstuff in relative terms. Strong and lasting alcoholic consumption regimes were being created both in England and France since the middle of the XIXth century. They exhibited relative inelasticity to income variation, but they markedly differed in the position occupied by wine country by country depending on substitutes by price.

In England, the rise of per capita incomes after 1850 was distributed within household expenditure in favour of alcohol consumption: in the 1870s, real wages increased by an overall 16 per cent while spirits purchases rose by 20.3 per cent and beer and wine by 23.7 per cent (Dingle, 1972). After 1880, price reduction and a retail revolution amounted to a shift in the diet, with the increase in meat and milk consumption at the expense of alcohol in the budget: between 1875 and 1885 total alcohol decreased from 15 to 12 per cent of total household consumption, and then again down to 10 per cent by 1914. Wine had a distinct evolution within drink patterns, though. In 1876, the peak consumption year, wine occupied 15 per cent of total alcohol expenditure, but it declined sooner and deeper, stabilizing at around 10 per cent of total alcohol consumption by the end of the century. Part of this evolution was due to relative price of wine not just to other alcoholic beverages but also to non-alcoholic substitutes like tea or table water, which made their way into the diet and increased overall price elasticity of wine and alcoholic beverages (Table 10). However, the rise of substitutes was lower than the decline in wine consumption.

Table 10. Per capita purchase of non-alcoholic drinks in England, 1850-1900

Period	Tea (pounds)	Table water (gallons)
1851-60	2.31	
1861-70	3.26	
1871-80	4.37	3.1
1881-90	4.92	2.9
1891-1900	5.70	2.9

Sources: for tea figures, Burnett (1966:98); for table water figures, Prest and Adams (1954:88).

In France, still in the first half of XIXth century, great amounts of rural and urban population destined around 70 per cent of their income to foodstuff (Dauphin and Pizerat, 1975; Postel-Vinay, 1992). The rise of wages incentivated wine consumption both in rural and urban areas, in producer and non-producer regions. But the high increase in wine per capita consumption was due to an even more steady maintenance in the proportion of primary goods within household purchases. Frenchmen destined a rather stable proportion of their budgets to foodstuff between the 1870s and World War I, and the very slow decline in relative prices of agriculture helped reproduce a pattern of expenditure oriented to increase the quantity and quality of food at the expense of industrial goods (Table 11). Alcohol had a great share in total demand: between 20 and 30 per cent of the food budget -or between 12 and 18 per cent of total household expenditure- was invariably spent in alcoholic drinks by the working classes of Paris and most industrial urban France in the period 1870-1900 (Scott Haines, 1996). Prices of alcoholic beverages relative to foodstuff partly explain this enduring phenomenon, but the stable position of wine within alcohol purchases reclaim attention to other distributive variables.

Table 11. Consumption budgets in urban and rural France, 1878-1907

Items	Paris artisans (1878-81)	Provinces artisans (1884-87)	Agriculture (1879-1889)	City dwellers (1907)
Food	50,1	53,7	56,7	64,0
Housing	8,6	6,1	7,1	11,0
Maintenance	9,6	6,6	8,4	8,0
Clothing	23,9	19,5	14,8	14,0
Miscellaneous	7,8	14,1	13,0	3
Total	100,0	100,0	100,0	100,0

Source: Lévy-Leboyer and Bourguignon (1990: 37, 44). Figures were originally taken from classical works by Le Play and Halbwachs.

The social distribution of income was also influential in the formation of an enduring pattern of alcohol demand, but with divergent effects over wine consumption in countries like France or England. In general, the rise of wages was very unevenly distributed across societies in the second half of XIXth century. Among workers, only sectors of skilled had enduring and certain increases in their standards of living. Unskilled workers had very unstable wage increases, particularly in the 1860s and early 1870s; in these groups, income uncertainty fostered short-term expenditure strategies incentivating high alcohol consumption levels. On the opposite side of the social scale, aristocrats and rentiers kept their share in the market of wines. In between, urban white collars, small entrepreneurs and public servants engrossed an expanded new middle class: in England, between 1850 and 1870 these groups expanded by 81 per cent, and by another 103 per cent until 1891 (Fraser, 1981; Mann, 1995). This group was the main target of the emerging wine trade due to their buying capacity, but its *middle* position inside class-like perceptions of the social structure influenced the chances of wine to get socially diffused.

In England, the social dimension of drink trapped wine in the spiderweb of distinction (Harrison, 1973). Economic inequalities were in this case underpinning a growing social segmentation of demand and defining wine as a positional good of inelastic demand. In France, on the contrary, social or geographical differentiation did not function as a barrier to wine consumption. Urban workers reproduced social habits inherited from their rural origins while the

emerging *bourgeoisie* quickly socialized aristocratic customs (Dion, 1959; Walton, 1992); both processes of emulation guaranteed the persistence of wine consumption levels in new emerging classes. Beyond social cleavages, economic differences were reflected first in quality, and only second in the quantity of wine consumed.

To sum up, the demand of alcohol and the position of wine inside family budgets after the 1850s depended partly on the changes in the structure of expenditure impelled by net per capita income growth, but they were also determined by contextual social traditions country-by-country specific. In general, industrial transformation and urbanization accelerated alcohol consumption throughout Europe. The sudden increase in the acquisition power of working and middle classes overpassed the supply of alternative consumer goods, including cheap and good food, and accounted for the establishment of a stubborn alcoholic pattern of alcohol demand. But this “rent-effect” of income growth had different implications for wine consumption in each country because the pattern of household demand in expansion had been essentially inherited from a pre-industrial period, and changes in relative prices were not to erode it drastically in the short run. These were the social conditions of possibility for the Engel’s Law to be set into motion.

Institutional change and the supply of wine

The growth of aggregate demand in developing countries impulsed wine production and international commerce. But domestic institutional change was essential for the development of the drink trade, alcohol supply regulation being one of the most important fields of state revenue and intervention in public health matters. In particular, the structure of institutional retail licencing and the state capacity to intervene in the emerging market of leisure were two significant spheres affecting the supply side of the wine domestic market.

In England, the Gladstone government promulgated a liberalizing legislation promoting wine retailing through the acquisition of licences by shops and restaurants, which boomed in the

1860s to 3000 and 2000 licences respectively (Briggs, 1985). Off-licences specializing in wine and spirits were innovative in their concentrated entrepreneurial structure under one single firm and in the employment of salaried labour, as part of a whole changing structure of shopping and the emergence of the so-called *multiplés*, supplying affordable and quality foodstuff and industrial commodities (Fraser, 1981). But they were soon caught in a structure of alcohol licencing unfavourable to the competitiveness of wine relative to other drink trades, especially beer.

The organization of beer retailing had been established prior to the rise of wages and income, in the first half of the century. It was part and parcel of a wider process of technological innovation and structural transformation of the beer industry contemporary of the first industrial revolution (Gourvish and Wilson, 1996). The brewing sector pioneered the adaptation of Watt's steam-machine, developed scale economies since the early XIXth century and concentrated at the expense of small brewing-sellers. In the 1830s, the percentage of malt used by small independent brewers in beer processing was already less than half, and it was constantly reduced to less than 10 per cent in the 1890s (Wilson, 1940:338).

Retailing was also reorganized in this period for over a century. Licencing was a state monopoly; industrial brewers guaranteed a share in the market for themselves through the acquisition licences and on-licence premises. The Beerhouse Act of 1830 tried to cut across especulation in the public house market by liberalizing licencing, but with opposite effects to expectations: vertical integration actually increased after 1830 and, as licence regulation was quickly reimposed over the whole retail sector, it contributed to stabilize a long-term *tied-house system*.

In the long run, this oligopolistic industrial and retailing structure would prevent innovation and reduce the competitiveness of brewing, but in the shorter run beer retailing was clearly enhanced by the 1830 legislation and its aftermath. It also defined the institutional guidelines of the drink trade and licencing in a rather exclusive way that would be repeated in the wine trade after 1850: *beerhouses* as on-licences, and wine shops as off-licences for wine and, in due course, for spirits incorporated to widen the scope of business. Thus, institutional procedures

had their own impact on the segmentation of the drink trades. To this effect was also contributing a marked geography of alcoholic beverage shops which reproduced social cleavages at the cost of wine retailing diffusion (Harrison, 1973).

In France, retailing experienced also a great rise with the growing demand of wine. One first important development of the mid-XIXth century was the quick levelling in the number of wine shops and on-licence premises between the country and the city (Nourrisson, 1990). But, as opposed to England, the structure of wine retailing did neither innovate nor follow much shopping transformation. A diffuse network of small shops connected to wine producer regions and *chateaux* firms supplied developing towns, a structure that would remain practically intact until the growth of consumer cooperatives in the 1930s. Traditional retailing was already organized around wine: other beverages on the rise had to adapt to it and could not offer competitive alternatives in small scale distribution.

In particular, beer was not undergoing industrial transformation: in 1875 there were around 480.000 brewing companies, most of them small private brewer-sellers, and the figure remained basically unchanged until the 1930s (Sournia, 1990). Actually, beer retailing was forced to compete with wine by developing its own segmented retailing in the form of an exclusive on-licence, the *brasserie*. The spirit industry was quickly transformed during the 1880s in the wake of the filoxera crisis, and it accounted for formidable price reductions and diffusion through traditional on and off-licences, but it was combatted through institutional changes diminishing taxation over wine by local institutions, and by strictly regulating the liquor trade, especially through control agencies and prohibitions (absynthe was banned during World War I and never legalised again). In France institutional intervention was stronger over production than consumption, and this allowed traditional retailing to adapt to changes in demand and regulation.

Apart from regulation in the supply of alcoholic beverages, institutional rythms were also relevant for the supply of alternative consumption products. Just as labour by the industrial revolution, the social division of leisure was undergoing deep redefinition in the later decades of the XIXth century and up to the interwar period. Working-time and holidays were not only distinguished but fully differentiated in terms of social activities to which the state could provide

with leisure activities. In England, bank holidays and working-time regulation created the conditions for new institutionally-oriented activities: travelling, visits to museums, public baths, libraries and so on were a specific product of the later Victorian period, and they were nearly by definition alcohol-free spaces and activities (Harrison, 1971; Cunningham, 1980). In France, state regulation of alternative leisure was much slower and this, together with deficient housing conditions and urban space transformations, incentivated private leisure around on-licence *cafés* (Scott Haines, 1996).

To sum up, institutional change was crucial in the shaping of the supply structure of wine within alcohol distribution and commercialization. Regulation preferences and capacities differed across countries in spite of overall state development, and this meant that also in this sphere traditions -in the form of institutional *tempos*- had their own independent effect.

Cultures and the political economy of alcohol regulation

State regulation of wine consumption had import and export policies as one of its main branches. As European countries turned to protectionism, the international wine market became increasingly dependent on government choice. Different interest groups competed for political leverage, from organized vine cultivators to anti-alcoholic movements, wholesalers and distillers. The political economy of the wine trade would differ country by country in spite of overall mercantilist trends, and the chances of organized interests would be influenced by cultural perceptions of the role of alcohol and wine in social life.

England pioneered an anti-alcohol movement since the mid XIXth century, which focused on the middle and working classes and undertook temperance campaigns to reduce total alcohol consumption, particularly among women (Weir, 1984; Gutzke, 1984). In spite of its one million affiliates by the end of the century, The United Kingdom Alliance (UKA) was soon strategically blocked by class-cultural distinction, and the more it was depicted as anti-labour, the more radical and maximalist became its discourse (Jones, 1987; Gutzke, 1989; Dingle, 1980).

The temperance movement never gained enough leverage power to significantly alter state policies over imports and the supply of alcoholic beverages, and not even during World War I did the state completely undertake the drink trades (Dingle, 1980). But it had an indirect impact on consumption levels through the demand of strict licencing and regulation of *pubs* and off-licences, the so-called *Gothemburg system* of late victorian England, aiming at the reduction of retail supply (Harrison, 1971; Thorne, 1985). While in 1855 England had one licenced premises for every 185 inhabitants, by the end of the century the number of pubs had been reduced to one for every 366 inhabitants, and to one single on-licence for every 500 by 1935 (Wilson, 1940:380).

Pub reduction was just one feature of a wider campaign of social moralization which tried to promote alcohol-free public spaces. Wine consumption in the public would be damaged by teetotal arguments, not just because many of the new emerging *music-halls* for the middle classes were potential spaces of wine consumption, but mainly because in a more general way wine consumption and imports were since the first anti-alcoholic regulation -the *Beer and Wine Act* of 1869- identified by anti-liberal propaganda with strong alcoholic beverages and its demoralizing effects.

In France, high degrees of alcohol consumption did not promote the formation of a powerful and massive temperance movement. Anti-alcohol regulations were systematically rejected in regional assemblies in spite of a growing concern about the personal and public health effects of alcohol consumption (Nourrisson, 1990). Actually, wine was excluded from the list of dangerous alcoholic beverages, and a shared representation of wine consumption as a healthy and culturally-valued activity was developed during the *Belle Époque* (Scott Haines, 1996; Nourrisson, 1997). This wide cultural identity was not only reflected in the highly-alcoholic social and public life of frenchmen, but also served as an opinion basis for state intervention in the promotion of wine consumption.

From the phylloxera crisis, government increased substantially state regulation of the drink trade to keep quality control and consumption levels. Custom dues were reduced to satisfy demand in the 1880s and local taxation was reduced. The state undertook control of the drink

trade during World War I through the *Régie des alcools* and was kept after to promote consumption during the interwar period. Transformed into centers of social networks, french *cafés* boosted during the Third Republic and after. By the 1930s, France had one licenced premise for every 80 inhabitants (Tardieu-Gotchac, 1972).

Shared identities targeted alcohol and wine in particular with different social value in a period of deep cultural changes in european countries. This was a major -though difficult to estimate- factor influencing the stability of consumption patterns between 1850 and 1950.

Conclusion

One hundred years ago, in the very same period when european wine consumption standards were being marked by a deep and enduring divergences, political economy and economics as a whole were in crisis. Eventually, the neoclassical synthesis would provide more stable grounds for the discipline but, in the meantime, a whole generation of intellectuals, from Pareto, Simiand and the young Schumpeter to Veblen, Weber or Halbwachs developed their thought focusing on what was widely considered to be the weakest point of classical economics: namely, the abstract and ahistorical notion of the individual as an economic actor (Gislain and Steiner, 1995). For these academics, the realm of economic demand could not be accounted for by mere economic analysis: institutions -accounting for the role of tradition in economic rationality- and social issues were crucial variables for explaining long-term consumption patterns and their changes. Simiand, for example, understood that wine had become a sort of *thermometer* of social unrest in France by the end of the century: minimum ingestion had to be secured by wage, otherwise workers would protest (Halbwachs, 1958, 95).

Old Institutionalism and Economic Sociology were eventually taken to the margins by mainstream orthodoxies. At the same time, especially after World War II, wine consumption levels have started to even up among OECD countries. This trend allows for long-term interpretations of changes in demand using relative prices, fiscality and income as sole variables

(Spring and Buss, 1977). It could be case, though, that these changes do not relate just to “objective” integration but also to “subjective” shifts in preferences which cannot be just taken for granted or explained by means of neoclassical economics. Maybe it is the time to renovate the old traditions of institutionalism and economic sociology for the sake of justice to the history of consumption patterns and of economic history as a whole.

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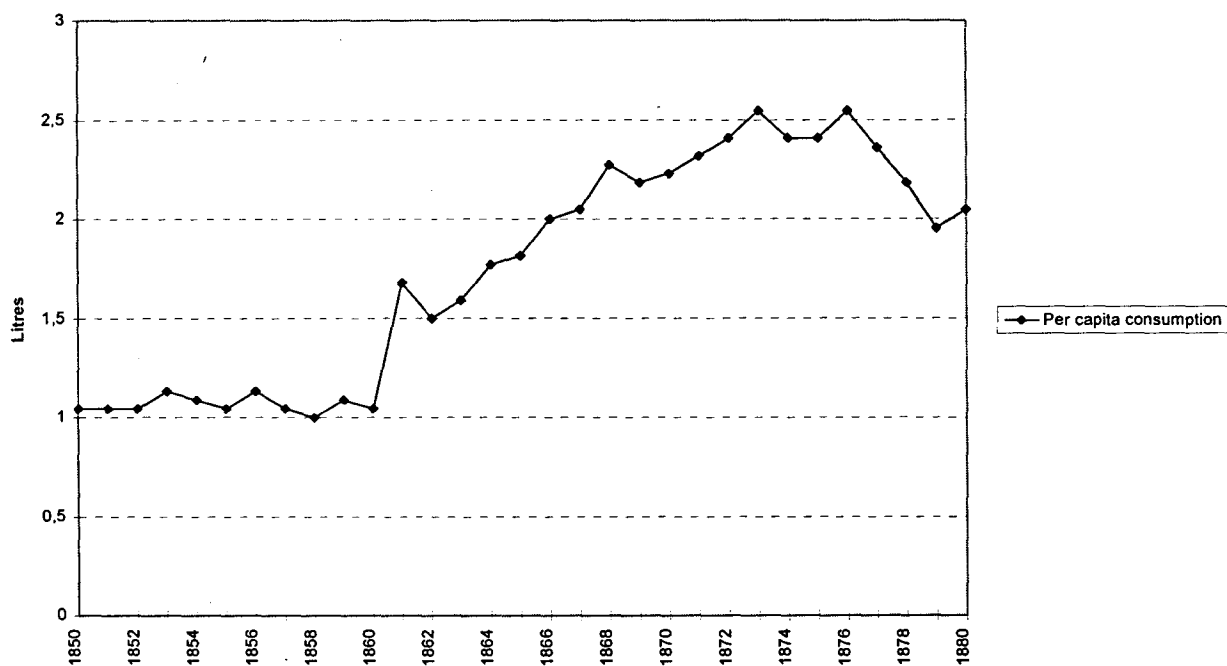
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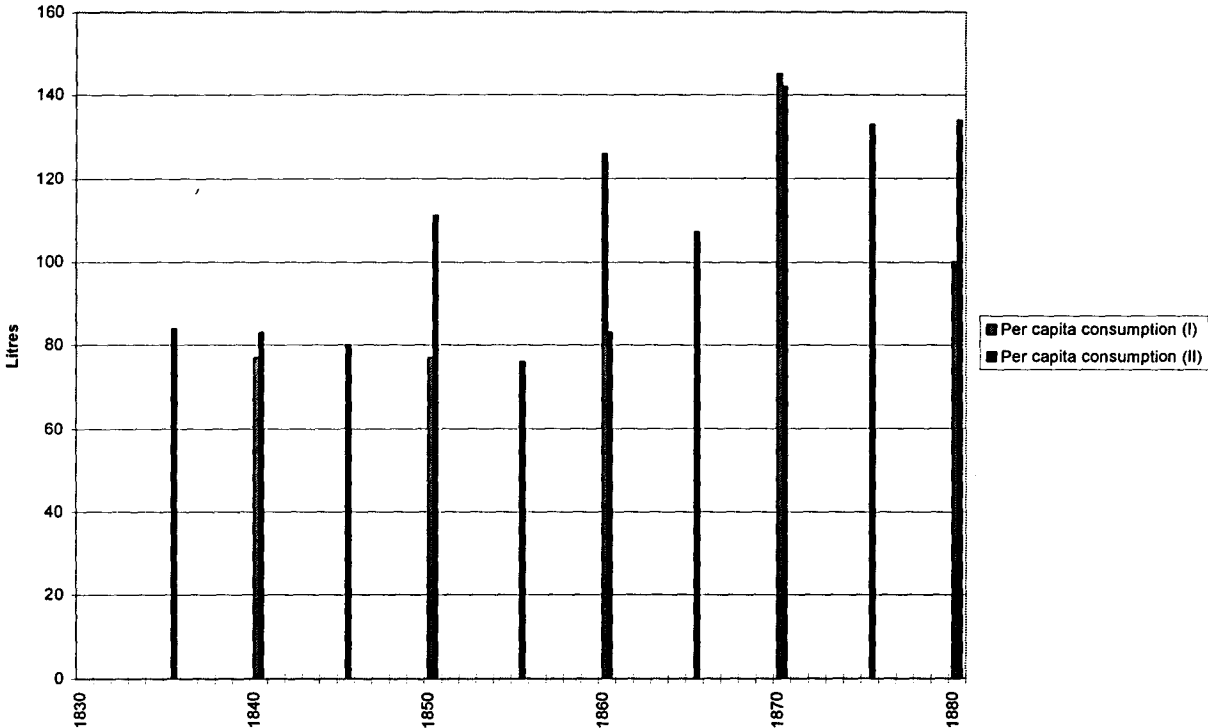
APPENDIX

Figure 1. Per capita wine consumption in England, 1850-1880 (in litres)



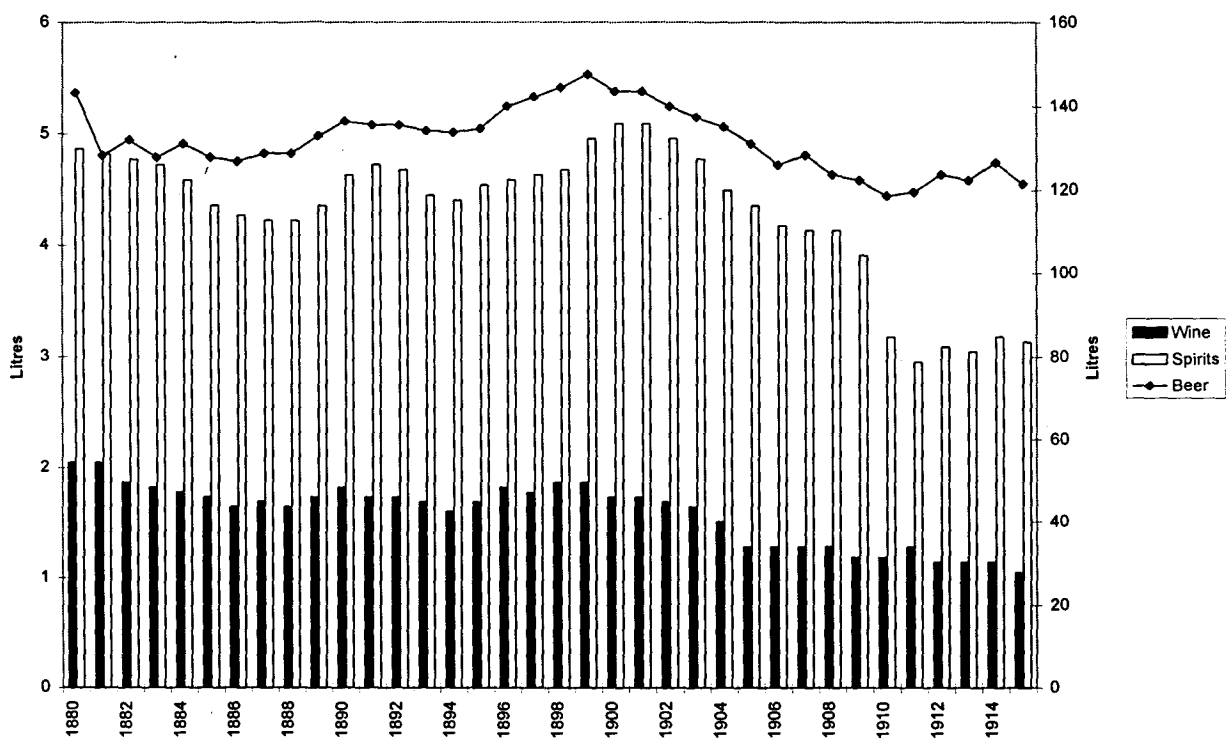
Source: Wilson (1940: 332)

Figure 2. Per capita consumption in France, 1840-1880



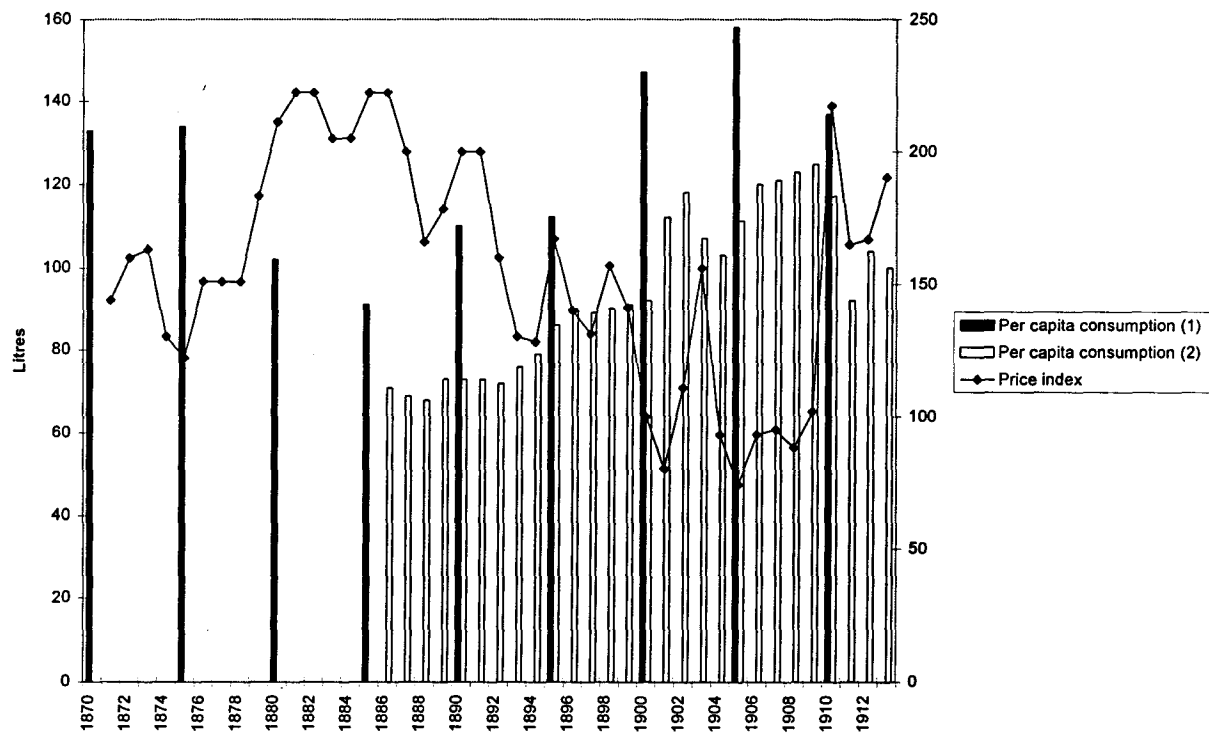
Source: (1) Nourrisson (1997: 44); (2) Statistique (1934).

Figure 3. Per capita consumption of alcoholic beverages in England, 1880-1914 (in litres).



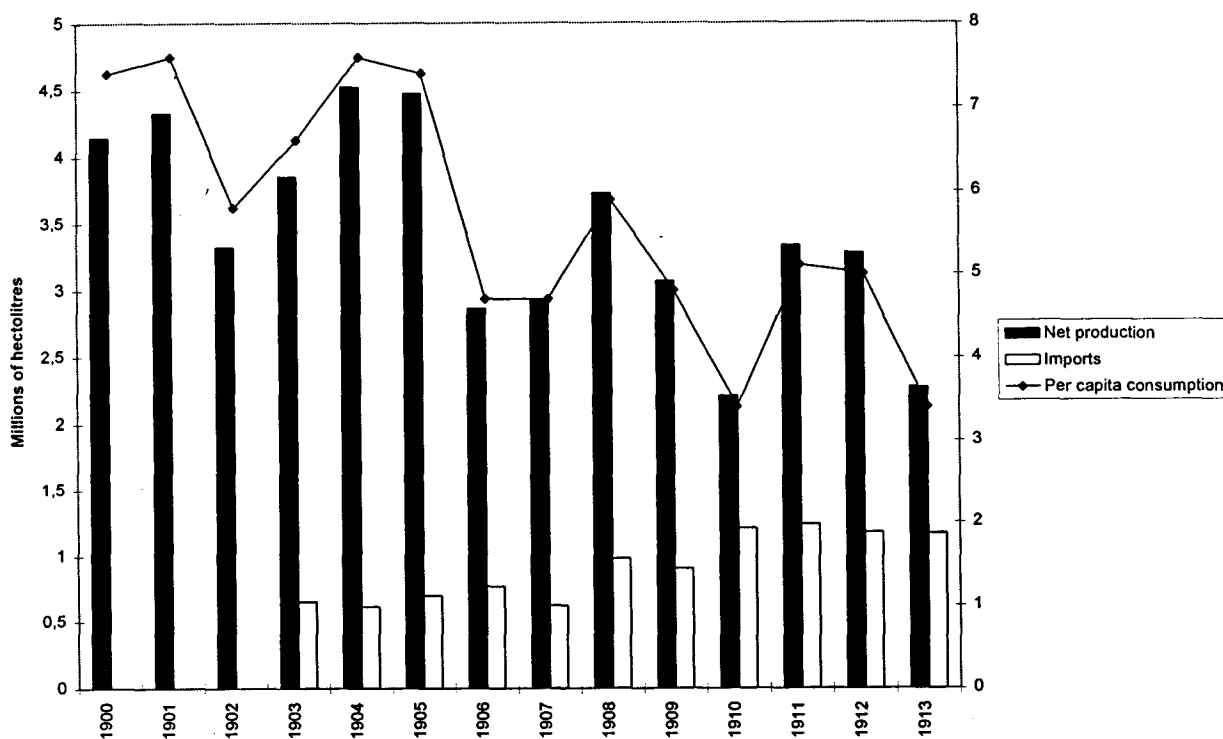
Source: Wilson (1940: 332-333). Transformed to litres.

Figure 4. Wine per capita consumption and price index. France, 1880-1914
 (Index, 900=100)



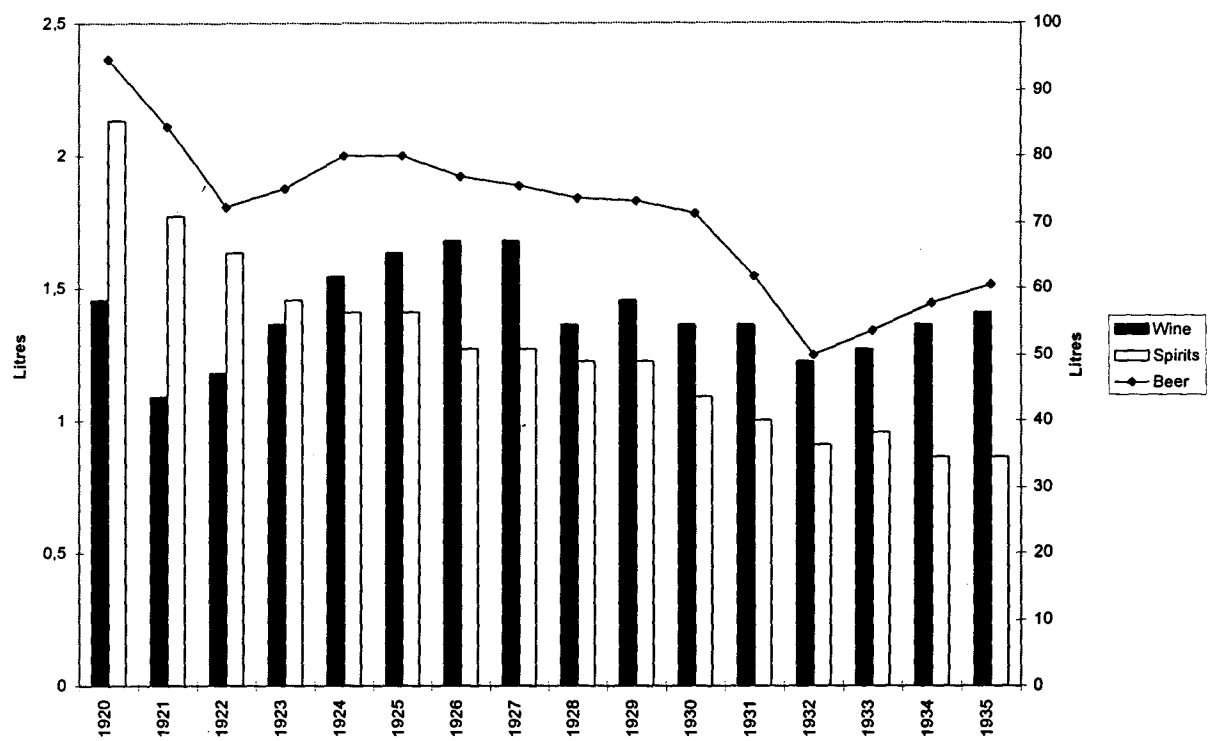
Sources: (1) Statistique (1934); (2) and prices, Pech (1975).

Figure 5. Production and consumption in Germany, 1900-1913.



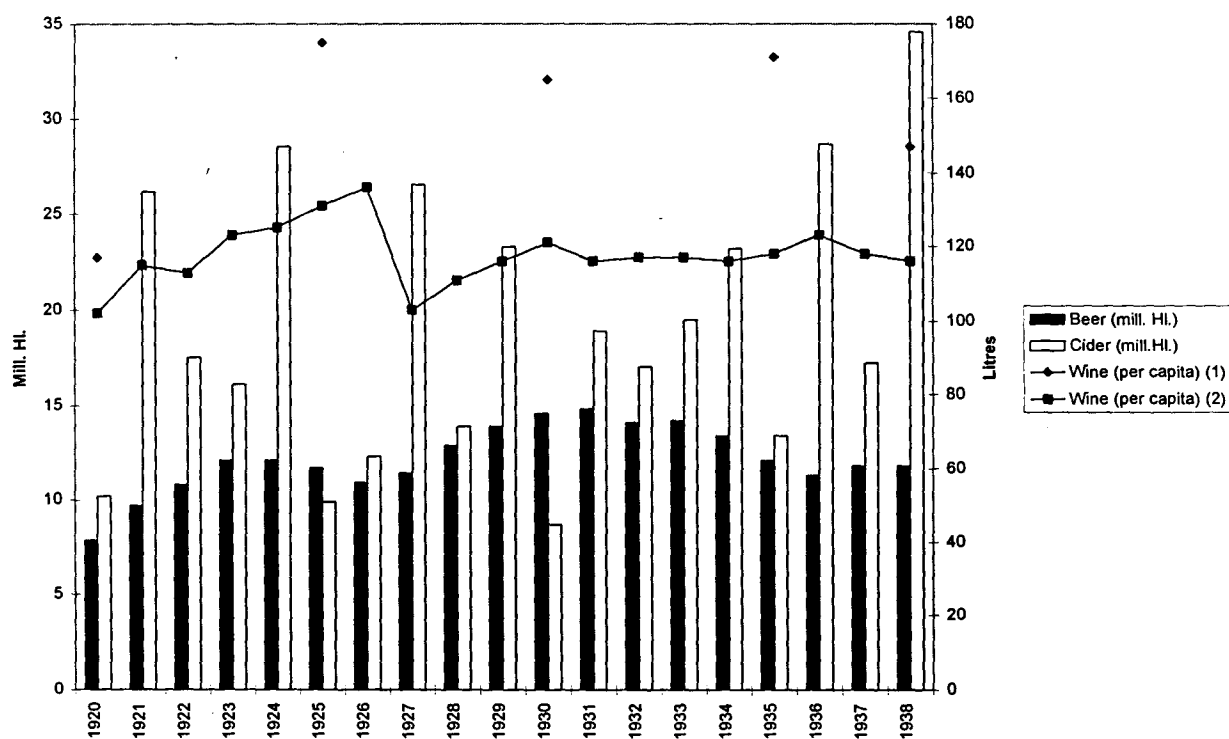
Source: Tallavignes (1903)

Figure 6. Per capita consumption of alcoholic beverages in England, 1920-1935 (in litres)



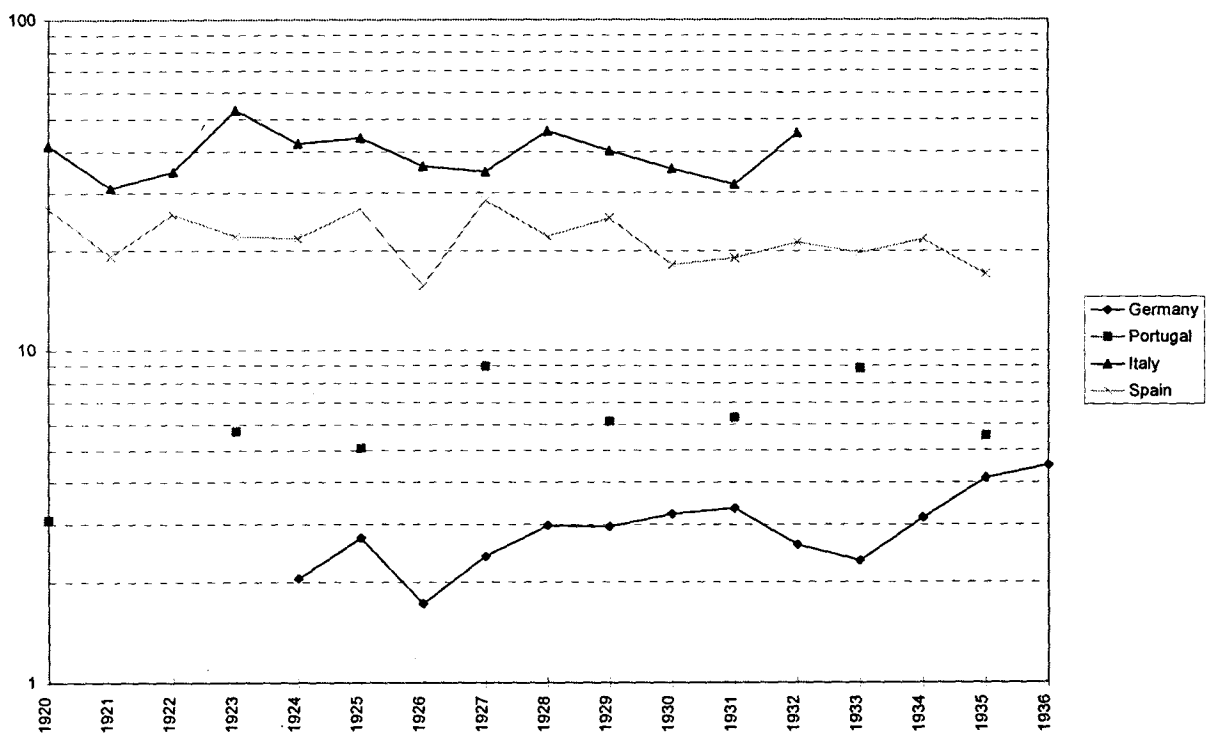
Source: Wilson (1940:333)

Figure 7. Consumption of alcoholic beverages in France, 1920-1938



Sources: Beer, Cider and wine (2) Pech (1975); (1) Statistique (1934).

Figure 8. Wine production in Germany, Portugal, Spain and Italy, 1920-1935
 (Net production in Millions of Hl.)



Source: O.I.V. (1939)