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The making of a globally-recognised wine region:

A case study of Ningxia, China

A thesis

submitted in partial fulfilment

of the requirements for the Degree of

Doctor of Philosophy

at

Lincoln University

by

Beifang Zhai

Lincoln University

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Abstract

Abstract of a thesis submitted in partial fulfilment of the
requirements for the Degree of Doctor of Philosophy

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Recent theorising about place-making – a key element of regional development and a core theoretical construct in the field of human geography – emphasises the need for researchers to adopt a relational perspective and a naturalistic methodology to understand how, through action and interactions, people create new economic spaces. Building on this literature, this study examines the implication of the commodification of place based on the global countryside and rural culture economy in the context of a wine region in China. The study interprets how local, regional and national actors and agencies in China are working in concert to create a globally-recognised wine region. The study's location is Ningxia – a rural area with established vineyards and boutique winery clusters. The place-making process involves the local implementation of central government policies and initiatives designed to raise the region's international profile as a place of high quality wine production and associated wine tourism opportunities for visitors.

Throughout the process of commodifying place, this wine region is marked by evidence of global connectivity and flows but, at the same time, this study reveals that these global forces intersect with, and are modified by, local contingencies and specificities including political, economic, physical, cultural and technological elements. The political influences are mainly framed around the regional government and the government authority, the Administration of Development of Grape Industry of Ningxia (ADGIN), as well as regional policies and regulations from the central Chinese government. Economic influences are primarily recognised through financial transactions and capital investment, and marketing activities. The physical characteristics of the location are fundamental to any wine industry and, in this context, have been largely explained in terms of the physical elements of terroir, a French term, further reflecting the influence of the global in the local. Local cultural influences are manifest in the interpretation of the concept of terroir through a traditional Chinese culture and

philosophy lens, so that the physical elements of terroir are influenced by local cultural elements. The technological forces discussed mainly relate to the adoption, at a local level, of technological knowledge and equipment in grape growing and wine production. Thus, global forces are interwoven with the local development of the wine industry, through industrial (capital investment), technical and cultural attributes, and new social relationships associated with wine originating beyond the regional level influence the development of a collective regional body.

This study contributes to the conceptualisation of a relational sense of place in a particular Chinese wine region and the examination of the process of making a wine region by discussing the construction of a wine region from the perspective of key supply-side stakeholders; by understanding the role of Chinese political and cultural values in making a wine region; and by addressing the interaction of local and global forces in the locality. This study also contributes to the creation or interpretation of local terroir from local-global nexus by investigating a wine region with its specific features in the Chinese context. Finally, his study contributes to providing a reflection of the fact that the global-local nexus means that the emergence of a wine region is not uniform and that global factors and local/regional factors are manifest in different ways. These global-relational perspectives provide insights into how the Ningxia wine region can be perceived as a “newly differentiated global countryside”, being transformed by the interaction of global forces with extant local elements.

Keywords: relational sense of place, the commodification of place, the global countryside, rural culture economy, terroir, wine, wine tourism, policy, culture, Ningxia wine region

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Chapter 1

Introduction

1.1 Introduction

Informed by theories of relational sense of place making and the commodification of place, rural change, rural culture economy and the emerging global countryside, this study examines how local, regional and national actors and agencies in China are creating and promoting a new wine region. The location of the study is Ningxia – a rural area with relatively recently established vineyards that is being positioned/branded as “the Napa Valley of China” (see also Boyce, 2013; *Ningxia Aims to Become China's Napa Valley*, 2014; *Ningxia is the Napa Valley in Central Asia*, 2023, p. 43). This process involves the local implementation of central and regional government policies and initiatives designed to raise the region’s international profile as a place of high-quality wine production and associated wine tourism opportunities for visitors.

China is a fascinating, unique setting to explore and elaborate the process of rural change and the making of wine a region. It is one of the world’s fastest growing wine-producing nations (Li & Bardají, 2017) with continual increase in the annual production of wine from 2012, as shown in Figure 1.1. The annual yield of wine has been over 14 million tonnes since 2019 (*Industry reports*, 2022). The Chinese central government in Beijing has exclusive power to approve policies and initiatives for the development of every industry in any region, including viticulture and wine. China’s “11th Five-Year Plan” and “12th Five-Year Plan” (from 2011-2015) included an aspirational vision for the nation’s wine industry (see Section 4.4.3). In recent years, there are also relevant initiatives in wine issued by the central government (see Appendix E), such as *the Catalogue of Encouraged Industries in Western region (2020)* and the “14th Five-Year Plan” of *Implementation of Technological Cooperation between Eastern and Western regions*, to strongly support the development of a wine industry in China.

Unlike Europe, US, Australia, New Zealand and Chile, where researchers have examined the making of wine regions (see also Banks et al., 2013; Banks & Overton, 2010; Charters, 2006; Easingwood et al., 2011; Overton et al., 2012; Perkins et al., 2015; Skinner, 2009), there has been very little analysis of the process in China. To address the gap, this study explores how local, regional and national actors and agencies in China are working in concert to create a globally-recognised wine region in Ningxia, one of China’s four main wine regions.



Figure 1.1 2021-2022 the Annual yield of wine and wine regions in China ¹

Source: Industry reports (2022) (translated by the author)

Although wine regions and the wine industry in China have grown substantially, and there has been some international success, overall, Chinese wine is not perceived as being of high quality, since most wines produced in China have traditionally been bulk wines without regulation of quality (Zhang & Thach, 2016). This is beginning to change, via a substantial effort to build wine regions of renown. Ningxia is one region that holds great potential in this regard.

The unique environmental geography of Ningxia has resulted in the rapid development of this wine region and wine industry as shown in Figure 1.2. The Eastern Foothills of Helan Mountain is located in what has become known as the “golden zone” for growing premier wine grapes because it is pollution-free, has rich soil, reliable irrigation from the Yellow River, 3,000 hours of sunlight and less than 200 millimetres of rainfall annually. A dry climate reduces the risk of fungus or rot, which can be a huge problem in humid wine regions like Burgundy (Xinhua, 2016). According to data presented by the Administration of Development of Grape Industry of Ningxia (ADGIN), by 2016-end, there were 86 established wineries and 98 new wineries being built (Chen, 2017) and, in 2021, the numbers were 101 and 110, respectively. In 2021, 130 million bottles of wine were produced in Ningxia, with a

¹ The researcher has some doubts whether this data is accurate, but has decided to include the map anyway, as it does show the distribution of wine regions. The highest region shown is the Xinjiang wine region, accounting for 21.3% of the total yield in China. However, according to the data provided by the Administration of the Development of Grape Industry in Ningxia, the Ningxia wine region produced about one third of the total yield in 2020.

total value of 26.1 billion RMB (about 5.94 billion NZD) (The General office - the Government of Ningxia Autonomous Region, 2022). By the end of 2021, the region had 35,000 hectares of vineyards, an annual yield of 130 million bottles of wine and a total value of over 30 billion RMB (7 billion NZD). Moreover, Ningxia has achieved a certain global recognition and reputation, selling its wines in over 40 countries. The brand value of wines in Ningxia Eastern Foot of Helan Mountain is estimated at about 28.144 billion RMB (6.57 billion NZD) (*Industry reports, 2022*). The Ningxia wine region has the highest concentration of wineries in China, yet the province is the second smallest in the country.

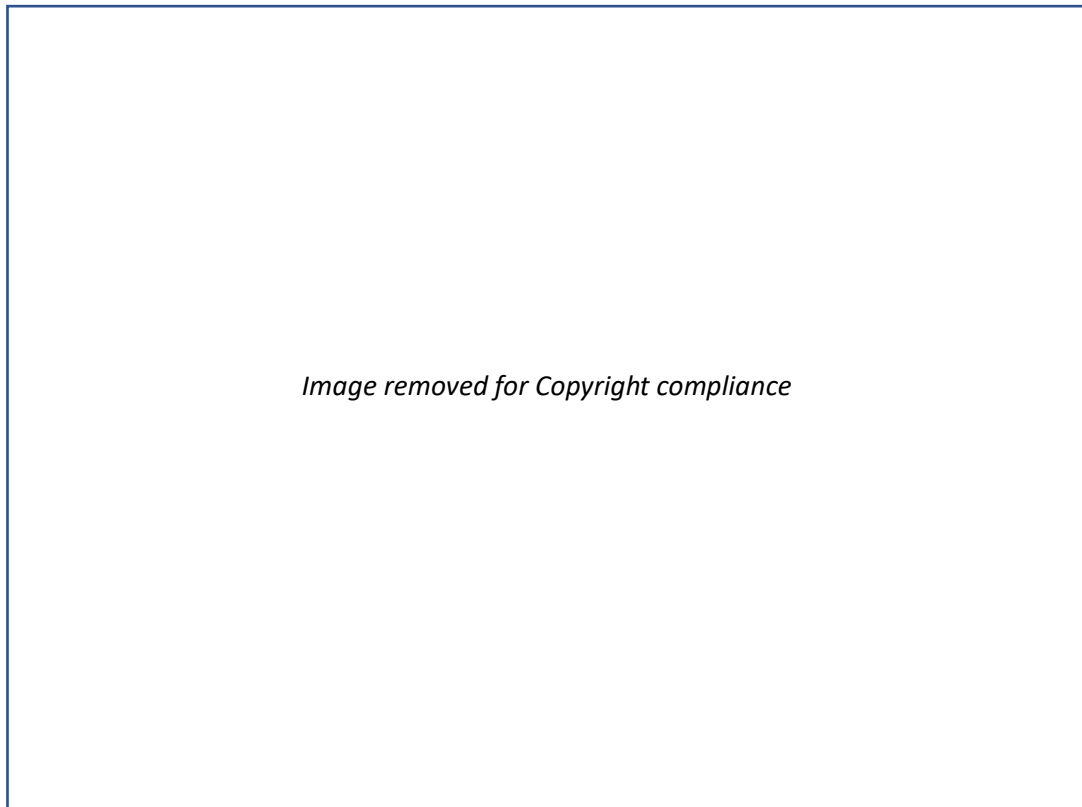


Figure 1.2 Producing and selling report of Wine in Ningxia²

Source: Industry reports (2022) (translated by the author)

Regulations and political support have underpinned the rise of the Ningxia wine region. Coupled with the excellent growing conditions for grapes, the development of the wine industry in Ningxia has been strongly supported by the Ningxia government and authorities. Ningxia was the first region in China to operate under the rigorous regulations for local viticulture and wine quality production and, in 2012, the first to become an official observer of the OIV (The International Organisation of Vine and Wine) (Li & Bardají, 2017). The Ningxia government was also the first regional government in

² 1 Ha = 15 Mu

China to manage a regional wine industry, which has been achieved through the establishment of a bureau at the provincial level. In 2003, Helan Mountain, as a sub-region, became China's first official appellation by the Chinese General Administration of Quality Supervision, Inspection and Quarantine (*Ningxia Wine*, 2013). Therefore, this study analyses the outcomes of the relevant national policies and regional initiatives in the wine sector (see Section 4.4.3 and 4.4.4), including winery establishment, wine production, marketing, and wine tourism development.

Ningxia as an autonomous region for an ethnic minority has its specific social and political commitment. According to Demei Li, a columnist of *DecanterChina.com* and wine industry consultant to the Ningxia government, the wine industry in Ningxia is an important dimension of local economic development (Wu, 2014), not least because it provides future development opportunities in what is one of the poorest provinces in China (the third smallest GDP in 2017) but also because most winery employees and seasonal workers from villages are Hui ethnic minority. Wineries recognised their social responsibilities such as, solving unemployment, protecting benefits of local farmers, and maintaining national unity and society stability (see also *China Business Daily*, 2020; Jiang, 2020; *People's Daily*, 2020; *Xinhua Daily Telegraph*, 2022).

Recently, scholars have paid increasing attention to the process of rural restructuring that is occurring in many regions involving changes to economic, social, political and cultural contexts (Morrison, 2006) and resulting in increasingly heterogeneous and hybridised regions. Particular attention in this analysis has been paid to consumption-based activities in rural areas and the commodification (Perkins, 2006) and globalisation of place (Woods, 2010) through which a differentiated global countryside is created (Perkins et al., 2015; Woods, 2007). Rural areas are experiencing significant changes in part due to the establishment of new industries associated with a diverse population migrating to and residing there. While significant attention is being paid to the influence of globalising forces on local change, researchers are not ignoring that this change happens in particular places where local actors negotiate and respond to these forces in their own ways (Ray, 1998).

Wine is a product firmly tied to the place where it is made, although it is commonly sold worldwide as a globalised product (Banks & Overton, 2010). The essence of a place is captured in a wine bottle and reinforced in the stories and marketing that surround the product, the latter reflecting the wine industry's effort to create connections to the place of production, which may be "countries, regions, locales and even vineyards of origin" (Murray & Overton, 2011, p. 419). Sometimes, these connections to place serve as a component of international trade agreements protected by regulatory interventions such as geographical indications (GIs) (Murray & Overton, 2011). At other times, these connections to place are less tangible and not legally enforced. From this perspective,

the wine sector can be seen as involving a wide range of local and global relationships enacted at the local level.

The work of Massey (1991) is foundational to understanding the relationship between the global and the local in the making of place. The relational perspective of place she offers that locations are made and remade at the local level through a multiplicity of social relationships, some originating locally, but many others reflecting global forces. With a focus on the context of wine, a wine region can also be viewed as constructed in the same way. The emergence of a wine industry attracts wine stakeholders and relevant industry insiders with different motivations, perceptions and strategies to engage in the construction of a wine region. They contribute to the establishment of wineries and the operation of wine businesses, but also interpret local and global forces in specific and particular ways. Therefore, each stakeholder connects with the construction of the wine region and it is necessary to understand their role at the winery and regional level.

1.2 Research objectives

The main objective of this study is to understand the key factors contributing to the making of the Ningxia wine region in China. In so doing, the study sets the case study region at the nexus of global and local forces and examines the perspectives of key stakeholders in the region as they negotiate with these forces. These stakeholders are people involved in the wine industry, but also people working in agencies and organisations associated with regional development.

Research questions

1. To examine the motivation and perceptions of the key stakeholders in the emergence and development of the Ningxia wine region in China.
2. To examine the influence of a range of global and local forces influencing the making of the Ningxia wine region, including global flows of capital, technology and tourists, and more local contingences, such as local business decisions, and central and regional government policies and regulations.
3. To explore the relationship between the emerging Ningxia wine region and the broader perceptions of the key stakeholders about the place-based identity, including the tourism destination image of the region.
4. To explore the role of wine tourism in the process of creating and maintaining the regional identity of the Ningxia wine region.

These research objectives have shaped the study design, data analysis and the presentation of stories of the interviewees, guided by theoretical considerations originating in Massey (1991) theorising about a relational sense of place-making involving global and local forces. Based on a thorough critical analysis of theoretical approaches to understanding the relational nature of place-making, and particularly, rural place-making, this lens is then applied to the Ningxia wine region to contribute to the understanding of the commodification of place, rural transformation and construction, the global countryside, rural culture economy, terroir, wine region and wine tourism more broadly.

The purpose of this study is to demonstrate the subjective nature of real-world phenomena, to elicit unanticipated findings, and to embrace the context of the study. Therefore, a qualitative, interpretive research design was chosen. Semi-structured in-depth interviews were conducted in the case study area. Throughout the collection and analysis of data, steps were taken to ensure that the richness and detail of various perspectives of key stakeholders are captured and represented.

1.3 The significance of the study

The contribution of this study is that, by analysing the global and local forces that contribute to the success or failure of a wine region construction, the process of a progressive sense of place-making are identified, particularly in the context of China. While the phenomenon of rural change exists in many countries and regions, it is not a homogenous phenomenon. The case study region, Ningxia, offers interesting stories of a wine region in the context of China. It may be more relevant than ever to understand this phenomenon in an increasingly globalised world, since global and local forces inevitably intersect at the locality. As discussed above, and in Chapter 2, the wine industry is a global phenomenon, with mobile ideas, actors and technologies, shifted interests and emerging questions and controversies. Global trends and forces in the wine industry intersect in a particular locality in place-specific ways, resulting in the construction of a particular place (Massey, 1994). The way this happens is impacted by political factors, socio-cultural values and norms, the economy and the needs of the region and the associated global forces.

This study contributes to explore the local and global factors involved in the commodification of rural places through the emergence of a wine industry, leading to rural transformation. Moreover, investigating a wine region with its specific features in the Chinese context will represent how terroir is created in the locality. Particular attention in the analysis of rural changes has been paid to processes of commodification (Perkins, 2006; Perkins, 2012), which is implicated in the reshaping of rural locations from places of agricultural production to a hybridised or multi-functional place for the consumption of non-traditional rural production, services, and the tourism (see also Murdoch, 2006; Potter & Tilzey, 2005; Wilson, 2007; Young, 2006). Woods' identification of the global countryside

(Woods, 2007) and Ray's framing of the rural culture economy (Ray, 1998) provide useful relational global and local perspectives of changes driven by the commodification of rural resources and products. Therefore, Massey's conceptualisation, and the application of the commodification of place, is relevant to understanding rural areas that are changed to become a wine region in the process of globalisation. Investigating a Chinese wine region with its specific local and extra-local features will also contribute to how terroir is constructed and articulated in a wine region far from the 'home' of the terroir concept.

This study also contributes to examining how wine stakeholders' decisions and actions on the operation of wineries and businesses impact the physical, social, economic, political and cultural changes of rural regions and their motivations for behaviour. In previous studies, many scholars focused more on the Chinese wine sector from the perspectives of consume-side, but less about wine production (Capitello, 2016; Li & Bardají, 2017), especially the perspectives of supply-side. This perspective of supply-side provides a new way of understanding a relational sense of place and rural place and the role of supply-side stakeholders in the development and transformation of a rural region. Therefore, a significant contribution of this research is to understand the changing nature of rural areas and the role supply-side stakeholders play in influencing these changes.

1.4 Thesis organisation

This thesis includes eight chapters. After the introductory chapter there is a review of the relevant literature (Chapter Two), followed by a review of the methods used (Chapter Three), an overview of the contextual information and background of the case regions and information on the participating wineries (Chapter Four). Chapters Five, Six and Seven present the study's findings and discussion. Chapter Eight concludes the thesis.

Chapter two presents a critical literature review that outlines the theoretical perspectives used to examine the research objectives. This chapter discusses the relational sense of place and rural studies literature to set the scene for understanding a hybrid, differentiated global rurality. The commodification of place provides ways to understand how rural regions are transformed. From the global level, the global countryside conceptualises characteristics of rural areas that are shifted by the engagement of global forces in localities, whereas the rural culture economy provides more local approaches that can be implemented. This chapter also provides a critical analysis of the literature on these topics from a wine and tourism perspectives. With the wine context, the concept of terroir provides different aspects to better understand the making of a wine region. The role of wine tourism in the commodification of place and the promotion of a regional image are also noted.

Chapter three outlines the research methods used, selection of the research setting, and the data analysis methods used. The purpose of this chapter is to explain the approach used and how the study proceeded to obtain the research findings. It also discusses the study's limitations.

Chapter Four introduces the contextual information of the case region and participating wineries. This chapter discusses the relevant demographical, geographical, political and industrial context of the region and the profile, background, and analysis of winery names of the participating wineries. The chapter is the result of the qualitative approach, based on in-depth interviews with winery stakeholders, government document analysis and participatory observation.

Chapters Five and Six present the research findings. First, the motivations of the participating wineries and their business practices are identified in the case region. Their perceptions regarding wine tourism and marketing are also revealed. For the role of place in rural transformation, the case region comprises physical terroir, human terroir, and the marketing value of terroir. As developed in this chapter, the cultural and political elements lead to a unique narrative of place and regional image.

Chapter Seven discusses the significant findings and explores some explanations for the findings, in light of the literature. This chapter discusses the process of the commodification of the Ningxia wine region and the local and global force interplay in their ways in the case study region. There are two major ways: producing a wine region, i.e., the physical creation and development of Ningxia as a wine region, and selling the wine region, or the portraying and promotion of the region and the wines of the region both internally and externally.

Chapter Eight concludes the thesis with implications of this study by offering a broader understanding of place-making in the contexts of wine and China. This chapter also discusses the broader significance and possible implications for other wine regions in China and other Asian countries. The chapter reviews and explains the research objectives given the findings and discussion. Finally, the limitations of the study and the potential for future research are explored.

Chapter 2

Literature review

2.1 Introduction

This chapter analyses the relevant literature to build a theoretical framework to understand the making of a wine region in a global-local nexus. The first section sets a theoretical foundation by outlining Doreen Massey (1991; 1994) highly influential conceptualisation of the relational sense of place and presents some notions of the relational nature of rural places. Although the local scale is focused when investigating agricultural process, many wider forces are also involved. The globalisation process has a significant impact in shifting rural places in terms of economics, society and culture. It is noticed that the shifting dynamics are interwoven differently in different countries. The political concerns are significant in the context of China, where there has been limited research focusing on the interplay of global and local factors in the emergence of a wine industry, and in particular, a wine region.

Secondly, the chapter discusses the process of the commodification of place (Perkins, 2006; Perkins, 2012), which is introduced to illustrate how a rural place is (re)shaped, from a place for agricultural production to a place for the consumption of non-traditional rural production, services, and the tourism. Woods' identification of the global countryside (Woods, 2007) and Ray's rural culture economy (Ray, 1998) provide useful global and local perspectives of changes driven by the commodification of rural resources and products. The concept of the global countryside emphasises the diverse ways of reshaping rural places through globalisation and manifest the power of diverse relations in this process. Ray's rural culture economy examines the manifestation of the local and the extra-local sources (including globalisation) in a particular place, providing a way of mediating the complex relations between them. With a focus on selecting some elements of specific local cultural resources for commodification by local actor, a distinctive place is created. Due to different perspectives provided by these two concepts, a comprehensive discussion of them provides a broad understanding of the process of place construction and has implications for the making of a wine region, which is linked with the wider world, but also involves local actors and unique specificities of place. Research to date has not yet examined the implication of the commodification of place based on the global countryside and rural culture economy in the context of a wine region in China. This study of Ningxia makes contribution to this knowledge gap.

Thirdly, the chapter introduces the concept of terroir – an element critical to most wine regions – and outlines how the different dimensions of terroir are articulated through the intersection of global and the local processes. Each wine region has a specific context, particularly combining natural and cultural features. This local distinctiveness means there is no common form all wine regions will develop. Therefore, investigating a Chinese wine region with its specific local and extra-local features will highlight how terroir is constructed and articulated in a wine region far from the ‘home’ of the terroir concept.

Finally, the chapter introduces the concept of wine tourism, a critical component in the commodification of many rural places, reflecting one particular element of the global countryside (Woods, 2007), and also the role of local actors in this process, as demonstrated in rural culture economy mode (Ray, 1998). The role of wine tourism in regional development is also highlighted in this final section.

In summary, this chapter synthesises the literature to build a theoretical frame for the making of a wine region, from which the research gaps are identified. There are a limited number of studies that synthesise these concepts in a Chinese context to analyse for the making of a wine region. This study addresses that research gaps and provides a comprehensive understanding of the local-global processes that can contribute to the development of a wine region in China.

2.2 A relational sense of place

The notion of place has received extensive scholarly attention in geography, with a shift from a focus since the 1970s on bounded places to relational and progressive concepts (Robertson, 2018). Historically, place has been often characterised as a largely static, local, unique and bounded entity and experience (Pierce et al., 2011). For example, as (Tuan, 1977, p. 6) Tuan argued, “if we think of space as that which allows [human] movement, then place is pause.” In his work of, Relph describes places as “centres of human existence” that bring people a sense of meaning and stability in their lives (Relph, 1976, p. 43). Cresswell (2004, 2014) confirms what Relph and Tuan emphasise; the importance of a special place in terms of its physical location. Throughout history, the notion of place has related to the local and the familiar and place remains a significant concept within the broader physical and social landscapes in this exceedingly spatially and temporally mobile world (Urry, 2010). For example, it is always important for people to emphasise their connections, and attach value, to special locations, such as home, street and community (Jacobs & Malpas, 2013; Lewicka, 2011).

However, today, geographers think of place as much more than just a static, bounded location. As a result, in academic writing, an increasing emphasis has been placed on the idea of place as relational and dynamic; place is changeable rather than stable (see also Dicken, 2007; Harvey, 2001; Jones, 2009, 2010; Massey, 1991; Massey, 2005; Thrift, 2004, 2008; Yeung, 2005). This argument was expanded in subsequent work In light of contemporary debates about time–space compression³ (Harvey, 1989), globalisation, and the impact of these phenomena on human experience, Massey questions the “sense of place” as a sense of “rootedness” or “fixity” (Massey, 1994, p. 151). For example, Massey presents the example of Kilburn, a place in north-west London and describes her relational perspective of place as being constituted by historically evolving relationships beyond its boundary. Massey argues that place is an event, “a meeting place” of “articulated moments in networks of social relations and understandings” (Massey, 1994, p. 154). The identity of place is spatial, but it is “not self-closing and defensive but outward-looking” (Massey, 1994, p. 147). In this way, relational forces are central to the dynamic of place; places are always in the process of ‘becoming’ (Paasi, 1991, p. 242).

A further contribution to the understanding of the relational and dynamic nature of place has been made by Tim Ingold. Ingold (2021) argues that being is not simply a matter of being “in place” but rather, being is formed by both historical events and the experience of contemporary life, because the meaning of place is not simply defined by its material existence but also by how it is interpreted, narrated, understood, felt and imagined by people with different backgrounds and cultures. As an example, Chengde Mountain Resort is not only a collection of geographical (material) features and historical features of the Qing Dynasty but is an iconic symbol of Chengde. For visitors, it is a wonderful place to travel to and, for residents, it is a locus of significant memories of lifetime with family and friends (Gieryn, 2000).

Rural development has been associated with the concept of relational place-making through the last two decades (Bite & Kruzmetra, 2019). Rural areas are progressively being made and remade in response to a range social, cultural, economic, environmental and political forces. Researchers of rural areas are closely exploring how widespread changes have transformed the countryside from a

³ Time-space compression refers to any phenomenon that alters the qualities of space and time. For example, due to the technologies of communication (such as internet, telephone and fax), the space and time that appear to shrink constitute global processes. In the interpretation of time-space compression, the significance of place is eroded by globalisation under capitalism.

series of primarily agricultural areas into areas involving production and consumption, often involving networks of local and global actors (Mackay et al., 2009). This shift in functions in the era of globalisation requires new conceptualisations to explain the phenomena that have seen the emergence of a number of relational theories of place, including the multifunctional rural space (Wilson, 2007), the commodified countryside (Perkins, 2006), the emergent 'global' and 'hybrid' countryside (Woods, 2007), and rural culture economy (Ray, 1998).

It has been emphasised by many scholars that spatial scale issues are important in human geography and similar disciplines (Marston et al., 2017). For example, Peterson et al. (2002) state the geographical diversity of agricultural landscapes has led some to suggest that many policies related to agriculture should be implemented at the subnational, regional and local levels to address the multifunctional nature of agriculture. Through the lens of human geography, the social relations that constitute space are organised into constellations of temporary coherences (Massey, 2001), which are embedded in a social space that is determined by relationships and interconnections at the local level. For example, a particular wine region is continually being made and remade over time by the unprecedented flow of money, culture and people across national boundaries, reflecting globalising forces, but it is enacted 'on the ground' both literally and figuratively. In this way, in the context of a rural area, agricultural actors are assumed to continue to operate mostly at the local level and most agricultural processes have strong roots in a particular locality. Therefore, the local scale is of strategic importance when investigating agricultural processes (Wilson, 2007).

As discussed above, considering that "place" is a concept with a meaning derived from experience in an actual physical location, a socially constructed perspective dominates academic writings on place (see also Johnstone, 2004; Sebastien, 2020; Stedman, 2003), including rural places. Rather than taking physical features for granted, these understandings of place as social construction focus on the progressive sense of place (Cresswell, 2004, 2014; Massey, 1994). On one hand, place is not just tied to the present moment, but also to the dominant histories, which can guide its future actions. The meaning(s) of a place, in terms of physical, economic and social patterns and historical moments, can have an impact on government policy and the landscape itself. Thus, "a 'feedback loop' is created in which meanings impact current physical realities and current physical realities have a potential impact on meanings in the future" (Alkon & Traugot, 2008, p. 99).

Understanding the social construction of place also means acknowledging the fundamental economic drivers shaping place. For example, wine regions globally have been transformed over time, as they have been shaped by changing economic, cultural and political/legal forces (Barker, 2004; Kelly, 2007). Thus, place formulation is a complex process involving interlinked and diverse

forces. For example, the 'value of land' can be perceived in terms of economic return (such as rental), but also has a social value such as sentiment of place-attachment or the status of place in cultural values or traditions and narratives handed down over many generations.

While much of the processes involved in the making of place can be observed at the local level, many wider forces are also involved in this process. There are significant factors originating beyond a specific rural place that influence the trajectory of its development, including the flows of capital seeking new markets, cheaper resources and profitable products, and new investment opportunities; the flows of tourists seeking new destinations and experiences; and the flows of migrants seeking employment and amenity values (Woods, 2007).

Rural China has also seen a wide range of changes and multi-faceted transformation, including in agricultural production practices and rural land use, industrial structure, rural demographic structures and resident lifestyles and culture, the rural economy and rural policy. Many of these are summarised by Chen et al. (2019). Like the European experience of industrialisation and urbanisation a century earlier, the scale and significance of the rural transformation in China is strongly impacted by globalisation (Chen et al., 2019). For example, agents and forces operate in rural China's transformation at the local, national and global level, involving human and non-human elements (Long et al., 2012; Woods, 2011). However, the trajectories, consequences and responses in contemporary rural China are not the same as in Europe, shaped as they are by a broad set of environmental, economic, social, cultural and political concerns, such as national strategies and policies related the gradual reforms, and the role of local governments in reshaping different rural localities (Woods, 2020). However, there is limited research on how rural places in China are being transformed at the nexus of global and local forces. Hence, these perspectives have proved useful in the current research in illuminating and explaining the processes working in a wine region and in the context of China. The next section discusses the concept of place commodification, which is positioned in this thesis as a critical force in place making.

2.3 The commodification of place

A rich body of recent research on both post-productivism and multi-functional rural spaces focusses on the commodification of the countryside, by which the countryside shifts from a place of agricultural production to a place involved in the creation of a variety of non-traditional rural products, services, including the touristic consumption of the countryside (see also Cloke & Perkins, 2002; Mackay et al., 2009; Perkins, 2006; Slee, 2005). Agricultural production is not a commodification of the countryside in exactly the same way as a wine industry. The reason behind

this understanding is that wine may capture the uniqueness of a place (Overton & Heitger, 2008) and the significance of cultural attributes in wine may not alike exist in other agricultural productions. The process of rural commodification has been occurring since the 1980s as a part of rural restructuring and has operated differently throughout the world (Perkins, 2006; Perkins, 2012). During the late 1990s, rural sociology literature developed around the process of commodification, with particular emphasis on various ways local rural residents were generating income. The commodification process has remained an enduring theme in rural change literature (Mackay et al., 2009; Perkins, 2006) and is referred to as neo-endogenous or local rural development (Mackay et al., 2009; Ray, 2006; Woods, 2004). During his study of rural change and the development of new rural economies, Perkins (2006) suggests that commodification is the critical process driving these changes, as capital seeks new forms of accumulation and interacts with national and international regulatory arrangements as well as local production and consumption patterns.

Against the backdrop of globalisation, there is growing evidence that rural areas in developed market economies are pursuing economic activities that are explicitly based on local resources, skills and knowledge (Kneafsey et al., 2001). For example, one strand of rural research has looked at the role of local residents in rural commodification (Kneafsey, 2001; Mackay, 2004). For a better understanding of the mechanisms behind the commodification of contested knowledge at the local level, an integrated approach that takes into consideration of old and new social relations is necessary (Kneafsey, 2001). In other words, it is necessary to acknowledge both historical and current social relationships that constitute a place. This recognition is useful because such interconnections “account for the particular ways in which an area’s local history and culture is made available and transformed into a resource of local economic and social development within a globally evolving economy and society” Urry (2002, p. 152).

Aside from the characteristics of the countryside and current trends in rural development, the production and consumption of nature are also dimensions of the commodification of place that are integrated into the transformation of the countryside. According to Duffy (Duffy, 2008, 2014) and Rainer (2016), rural nature is increasingly being incorporated into exchange value logic; that is economic value is being created from landscape and the commodification of nature-based experiences, which is also resulting in new social constructs of the countryside. Woods (2010) claims that the attributes of a rural idyll – scenery, nature, tranquillity and authenticity – can be transformed into commodities to be traded and sold. Through commodification, a place becomes a commodity that enters the capital market, which triggers major changes in settlement patterns, industrial structures, spatial representations and the relationships between stakeholders (Chen &

Kong, 2021). According to Woods (2007) global countryside, these changes are primarily initiated at a global scale.

Overton (2010) notes that the act of consumption of the 'rural' derives from consumer demand, mirroring the economic, social and cultural utility of that commodity perceived by consumers. Therefore, places are consumed both culturally and economically. For example, many premium brand food and drink products are associated with the unique attributes of place, in terms of physical environment and human intervention, with wine being a prime example of this phenomenon, particularly through the notion of terroir and regional branding (see also Bruwer & Johnson, 2010; Sato & Kohsaka, 2017; Warman & Lewis, 2019). These products often link cultural and historical aspects of the place of production to create value. These ideas are highlighted in Ray (1998) rural culture economy approach to place-making. Therefore, in the next two sections, the focus of Woods' global countryside is on how global influences the local, whereas Ray's rural culture economy centres his analysis at the local level.

2.3.1 The global countryside

Rural areas, including wine regions, are being influenced and transformed by the effects of globalisation in terms of the social, economic, political and cultural processes and often in contradictory ways (Hill & Fountain, 2022b; Perkins, 2006). Globalization has a significant influence in shifting rural economies and societies, but does not result in homogenized global rural areas, rather reshaping and differentiating localities in unique ways. Compared with the studies on the global city (Sassen, 2004), Woods argued that there were fewer studies focused on the influence of globalisation in specific rural localities; hence, he introduced the concept of the global countryside (Woods, 2007; Woods, 2011; Michael Woods, 2014; Micheal Woods, 2014) to conceptualise the changes and frame the relationship and influence of local and global forces in rural places, such as rural Europe (Micheal Woods, 2014) and Queenstown, New Zealand (Woods, 2011).

The global countryside is defined by Woods as "a hypothetical space, corresponding to a condition of the global interconnectivity and interdependency of rural localities" (Woods, 2007, p. 492). In other words, this notion relates to the impact of global forces on local places, and the interaction between global and local entities, including local actors who negotiate with these forces in light of local contingencies. Different rural localities may engage with, and respond to, combinations of the forces of globalisation to a different degree and in different ways. For example, the Cromwell District, Central Otago, New Zealand, has been transformed by globalisation in terms of the international wine trade, regional and global flows of tourists, real estate development and the development of

relevant service industries (Perkins et al., 2015). A case study on peasant Colombian women living in the mountain town of Toca, Boyacá, reveals how global forces have impacted women's work and family lives (Rodriguez Castro et al., 2016).

According to Woods (2007), many elements of the global countryside are apparent in rural regions around the world, although, arguably, no region is completely globalised, instead they exhibit one or more of ten main characteristics: the globalization of agriculture product system; the new global network; migrant labour on a global scale; the global flows of tourists and amenity migrants; the global capital accumulation for both commercial and residential purposes; commoditized natural environments; reshaped landscapes; the increasing social disparity; the new local politics and authority; and place-based identity affected by the contested global process. Different characteristics are expressed in different rural areas to different extents. Applying this model as a framework to understand the making of a wine region, some of most relevant characteristics to this study are outlined in the following sections.

The flow of global capital

The global countryside involves the flow of global capital accumulation for both commercial and residential purposes. Because of the mobility of capital as a prime force of globalisation, place is reshaped by capital accumulation (Harvey, 2001). The role of capitalism is significant in making places in particular ways as Harvey (1996, p. 295) concludes: "places arise, constituted as fixed capital in the land and configurations of organisations, social relations, institutions etc. on the land". Harvey (2001) also discusses the importance of commodity production in shaping space. Harvey's discussion focuses on 'the spatial fix' of capital tied up, leading to the contradiction of capital accumulation, whereas Hudson views the demand of profitable place to place; capital seeks to gain a competitive advantage through niche production, as (Massey, 1994, p. 137) argues "capital is not a thing, it is a process".

The flow of capital through investment links localities around the world, building an interdependency among them. It also provides new opportunities for rural business activity (Bosworth, 2010). The economic return based on the land includes the profit derived from the products produced from the land and which is the result of how the land is used and by whom. It exemplifies the interaction and intersection of economic and social constructs of place (Overton, 2010). This can enhance land value that is transferred into higher returns for the products (such as wine) from the place and in the land market. For example, Harvey (2001) highlights the wine industry in discussing the idea of monopoly rent associated with particular places with distinctiveness. The wine trade includes both capital and profit, and cultural elements in wines, wine consumption and attachment among producers and

consumers. The uniqueness, originality, and authenticity of the resultant products, which is sought by monopoly rent, can be established by appeal to terroir and other distinctive factors. In this way, capital seeks to appropriate places and then is engaged in the specificity and uniqueness of place construction to generate value and status of place, to extract profit, and protect the investment.

Because of increased demand by consumers, capital accumulation and industry restructuring, the wine industry heavily involves global capitalism (Overton et al., 2012). For example, increased foreign investment has seen global wine companies such as Pernod Ricard and Constellation Brands investing in many new wine regions, resulting in, not only the flow of capital, but knowledge, wine styles, techniques, and migrant labour, often from the 'Old World' to emerging wine producing regions in the 'New World'. Simultaneously, new investors in wine operations are now active in the global wine industry. For example, Chinese investors have purchased some well-known wineries and invested in many wine regions, such as Bordeaux and regions of Australia (Overton et al., 2012). In some emerging wine-producing regions, employees from local wineries are studying foreign expertise and advanced winemaking techniques abroad and international experts are employed to help local wineries succeed in improvement and innovation, such as in the Thailand wine industry (Banks et al., 2013). Thai winemakers, regardless of their scale, have used European and/or Australian technologies and expertise to develop their production processes, while Thai winemaking expertise is being created through training oenologists overseas and in Thailand under foreign winemakers (Banks et al., 2013). This means that a national wine industry can be involved in the global wine industry in many ways: global investment "in" and national investment "out". This reflects the fact that such relationships are stretched out over space. Alongside the flow of capital, economic, technological, political, cultural and social relationships stretch out at different levels, from local to global.

The global value chain

There have been a number of studies that analyse the composition of global value chains⁴ in the agricultural sector (see also Challies & Murray, 2011; Neilson & Pritchard, 2011; Oro & Pritchard, 2011; Stringer & Le Heron, 2008; Vicol et al., 2019). Due to globalisation in the agricultural and food sector, local producers are integrated into a global agri-food system. This local-global linkage is conceptualised by global value chain analysis. The global value chain approach aims to explore the

⁴ In this paper, the term "global value chain" is used to refer to both global commodity chains (GCCs). There is arguably a valid distinction between the two terms, although the present paper does not address this issue.

complex transnational networks of agencies that are involved in the production and consumption of commodities (Challies & Murray, 2011). Over the past three decades, many countries have liberalised their trading regimes and are now fully engaged in the global economy. Engagement in global agriculture commodity chains has been geographically uneven because of varying domestic neoliberal reforms. For example, there are still relatively high levels of state support and protectionism in the European Union, the US and Japan (Pechlaner & Otero, 2010). With France and Germany, their countryside's protective regimes are valued for their cultural, social and ecological values, as well as their productive value, in an attempt to maintain a competitive advantage in international trade (Cheshire & Woods, 2013). In contrast, in net food-importing countries, considerable concessions have been made in various trade negotiations, along with attempts to facilitate greater access to international markets by developed countries (see Anderson & Martin, 2005; Cheshire & Woods, 2013). Likewise, in both Australia and New Zealand, the implementation of radical reforms attempted to not only liberalise global agricultural trade, but also create domestically a globally competitive agricultural sector (Woods, 2010).

In the context of the wine industry, because of lowering trade barriers and increasing global trade, wine regions worldwide are experiencing wider and stronger competition. Domestic wine producers are competing with global producers who offer high quality wines at lower prices (Hussain et al., 2008). As a result, some local wineries producing poor quality wine may be driven out and others try to improve quality and establish regional branding under competitive global pressure (Overton et al., 2012). For example, China signed a free trade agreement with New Zealand in 2008 (*China-New Zealand FTA*, n.d.) and upgraded it in 2022 (*FTA Upgrade*, n.d.), Chile (in 2005, 2008 and 2019 (*China-Chile FTA*, n.d.)) and Australia (in 2005, 2015 and 2017 (*China-Australia FTA*, n.d.)). All these trade agreements will result in increased pressure on domestic wine regions in Chinese markets as access to imported wines improves and the free trade agreements make wine cheaper (Li & Bardají, 2017). Charters (2006) has argued that the choice of drinking a wine is not only the decision of a consumer, but the result of economic, social, cultural and political relationships. As an increasingly globalised product, wine presents specific characters. For example, it is consumed sometimes as an accessible and cheap local product in much of Western and Southern Europe, but it is also globally consumed by the middle class and the rich as both a common commodity and a higher-priced, sought-after branded, luxury item (Beverland, 2004; Dewald, 2003; Liu & Murphy, 2007; Overton et al., 2012). There also have been many factors contributing to the rapid growth of wine consumption in China over the past few years, including a fast-growing economy, higher living standards, an interest in Western culture, and a better health and social environment (García-Cortijo et al., 2019). Consequently, economic relationships in wine producing regions can be highly competitive and

vulnerable to consumer fashions that are set far away from the localities influenced. Moreover, high-quality wine is linked with unique cultural and historical attributes of a place and the processes and people behind the wine production. As a highly traded commodity, cross-cultural encounters between different participants, such as producers, merchants and consumers, are essential to the wine trade. The interactions and negotiations across the value chain between these actors produce changes to the locality.

The flow of global tourists and amenity migrants

The global countryside also refers to the flow of tourists who are attracted to sites of global rural amenity, resulting in amenity-based economies (Perkins et al., 2015; Wilson, 2001; Woods, 2011), rural restructuring, such as significant changes in ownership, use and governance of rural land (Gosnell & Abrams, 2011), and a form of commodification of rural amenities by tourists and immigrants (McCarthy, 2008; Perkins, 2006).

Generally, amenity migration is characterised as people who migrate from another place to a locality having a distinctive character and values attained by the commodification of place (Moss, 2006). Attractive amenity values include the natural landscape, leisure, tourism and recreation activities, cultural and historical heritage, cost of living, safety, cost and convenience of transport and communications, access to urban cities and the availability of public services (McCarthy, 2008). Amenity migrants include retirees, second-home owners and tourists who all need additional services and labour (Dawson, 2012; Williams & Hall, 2002). Entrepreneur migrants with motivation for rural amenities often start businesses to make a living and experience the rural life (Dawson et al., 2011). This process of migration is not without controversy, however; there has been widespread concern about the potential social, cultural and political impacts on localities caused by the arrival or recurrent movement of amenity migrants (Argent et al., 2014).

As recently observed, amenity migrations have taken on an increasingly international characteristics (Albrecht, 2007; McCarthy, 2008; Moss, 2006), which is frequently accompanied by a broad influx of international tourists (Hjalager, 2007). For example, during the transformation from an agricultural community into a global resort, Cancun has been reconstructed as a dynamic 'hybrid-space' for consumption. The reshaping of this place has been influenced by elements of Mexican, American and artificial Mayan culture (Torres & Momsen, 2005). Tourism in rural localities leads to a hybrid demographic structure of locals and migrants and a transformed landscape. In this way, the local is linked with the extra-local by international tourism to become a hybrid space. Though the transformation is highly localised, the actors involved can be global; resulting conflicts can be at a

local, national or international scale. For example, the social and environmental issues brought by global tourist's impact locality on local communities and may present challenges to local and national government actors who seek a balance between the economic benefits and the social and environmental cost.

A sizeable body of studies describes how the social identity of rural places is shifted and redefined as newcomers begin to occupy the locality (e.g. Brogden & Greenberg, 2003; Ghose, 2004; Salamon, 2003; Sheridan, 2007). For example, changes in patterns of rural land development (such as from crop land to vineyards and wineries, and from agricultural land to real estate) serve to alter the social construction of the spaces with special meanings and shift the rules of what kind of practices and relationships belong. There is increasing recognition that land use regulations and environmental protection are critical areas of conflict and mobilisation among various stakeholders in the development of high amenity rural places (e.g. Brogden & Greenberg, 2003; Ghose, 2004; Salamon, 2003; Sheridan, 2007).

As wine regions can have a value for their natural and recreational amenity, a rich body of literature notes that many wine regions all over the world, particularly those identified by high quality production, have experienced a recent repositioning as high amenity rural areas (Overton, 2010; Overton et al., 2012; Perkins et al., 2015; Woods, 2011). Overton and Murray (2013) suggest that wine production, and the prestige associated with wine, have a significant impact on up-market tourism and leisure developments. A flow of tourists is notable. For example, with the Salta Wine Route, tourism has created new job demands and new socio-ecological inequality in terms of living conditions and access to land and water (Rainer, 2016).

A contested place

As the previous discussion and Woods observes, the global countryside is always contested; the reconstitution of a rural place by global forces may cause resistance among local residents. Change often brings conflicts of interest among local actors because of distinct perceptions, such as on how to manage land and how to share public resources (Woods, 2010). The opportunities brought by globalisation are perceived differently by local agencies and actors. As Epp and Whitson (2001, p. xxi) suggest, the politics of the global economy "exposes and sharpens divisions within communities between those who see opportunities (or, failing that, no other choices) and those who see threats or displacements". There may be tensions focused on not only particular social or economic concerns, but also cultural and geographical identity (Perkins et al., 2015; Woods, 2007). Rural residents have different attitudes towards ongoing globalisation and a landscape transformed by the

marks of globalisation. For example, in an American rural town, some residents considered the restaurants bringing economic benefits as a positive step of modernisation, others argued the negative foreign influences on rural culture, value and lifestyle, and a third group recognised the establishment of restaurants as leading to standardisation of the local service industry (Woods, 2007). Thus, under globalisation, the socio-economic structures of rural communities may be polarised, causing social issues such as deprivation, division and homelessness. For example, when opportunities are created for large corporations and brands to amass considerable wealth, small producers and traders, such as local farmers and family-owned companies, who are unable or unwilling to alter and compete, may be squeezed out of business. As stated above, amenity migrants can fuel rural economies by investment in business and property, but they may help to increase property prices and living costs that low-income local residents cannot afford, leading to issues of out-migration and deprivation.

The value of the concept of the 'global countryside' for this thesis is clear. First, the concept highlights the diverse ways in which rural areas are reshaped through globalisation and to highlight the power of some relationships (human and non-human, local and non-local) involved in the process, which is a 'thrown togetherness' explained by Massey (1994) (see Section 2.2). Second, the 'global countryside' is always in the process of becoming; in the words of Massey, place is progressive (Massey, 1994). Viewing rural place as a 'progressive' has implications for making a specific wine region at a global-local nexus. From this perspective, when factors related to the wine sector move in or change, holding the networks of relationships, the wine region can be seen as their point of intersection. Simultaneously, the wine region is linked with the wider world, for example Murray and Overton (2011, p. 421) paint the global wine industry as "characterised by contradictory processes of globalisation and localisation". The local area is transformed through the development of the wine industry and local actors actively negotiate with the exogenous relationships to make a unique wine region.

In the context of the wine industry, the cultural geography associated with wine is influenced by global forces, and globalising trends and global pressures, coupled with local place specificity, affect the making of a wine region. The transformation of landscape can result from transplanting plant species or the introduction of more commercial agricultural varieties (such as imported wine varieties), the establishment of wineries, the proliferation of the symbols of global wine culture, the migration of technical experts or other workforce, and the development of global tourism resorts and their associated infrastructure. For example, a vineyard that acts as a tourism destination in

Thailand is associated with western culture (wine and name) and local experiences (landscape and elephant tour) (Banks et al., 2013).

The remaking of rural places, influenced by the forces of globalisation, is always a contested, unpredictable process because of the unique specificities of local places (Micheal Woods, 2014). Localities are not the victims of globalisation but may be rejuvenated through it. How local actors engage with global forces is primary to the reshaping of the places where they live and work and to the maintenance of place identity in the face of globalising forces. The rural culture economy approach provides a way to understand this process at the local level.

2.3.2 Rural culture economy

The commodification of place can be explicitly illustrated through the theory of rural culture economy, first proposed by Ray (1998) and explored in the work of other researchers (Kneafsey, 2001; Kneafsey et al., 2001; Mackay, 2004; Mackay et al., 2009; Panelli et al., 2003; Ray, 1999). According to Ray (1998), commodification of the countryside can be understood as part of the 'culture economy' approach to rural development, which takes a comprehensive view of rural (re)development in a variety of contexts and settings. The main focus of this theoretical approach has been on the ways by which local actors strive to maximise and/or maintain control of their social and economic relationships in the face of globalising forces. In this sense, the culture economy should examine the manifestation of local and extra-local sources, including globalisation, in particular settings, and the interdependence of the local and the extra-local forces at all stages of analysis. An article by Ray (1999) explores the notion of 'culture-territorial identity' as a means of mediating the complex relationships between localities and extra-local forces in a specific place.

In the concept of rural culture economy, the term 'economy' relates to the relationship between resources, production and consumption (Rangnekar, 2004), and the idea of 'culture' refers to the attempt to reorganise 'economy' through the commodification of resources to create, at least partially, a cultural system (Ray, 1998, p. 3). The concept consists of strategies intended to transform local knowledge into resources that can be applied in the local territory or to select 'alternative' development paths with a focus on ethical and environmental dimensions. This knowledge is also viewed as ways of doing things and ways of understanding the world in the broadest sense.

As a theoretical perspective on rural development activity, rural culture economy first refers to the production side, including the territory, its cultural system and network of actors, which together create a set of resources to pursue profit. The non-local is viewed as 'consumers' by the local

(‘producers’), who seek to sell themselves through different ways. Therefore, the development of local place consists of both local and extra-local forces in dynamic relationships. Promoting local development includes two paths: selling the place to the consumers outside the local area and to local actors (Kneafsey et al., 2001).

The rural culture economy can be exemplified in the promotion of place, tourism and recreation based on the commodification of local resources (Kneafsey, 2001). Kneafsey (2001) uses Ray’s culture economy framework to investigate local rural tourism development in Commana, France, and the ways local residents participated in, and responded to, the commodification of a rural place. Mackay (2004) and Panelli et al. (2003) applied Ray’s work to case studies in New Zealand, the former investigating the development of rural tourism and the construction of rural place on Banks Peninsula, in the South Island, and the latter examining the emergence of a culture economy around the farming history in Tirau, in the North Island.

Central to the rural culture economy theory is the suggestion that a focus on regional/territorial identity and commodification of local cultural resources can be material, symbolic and human (Mackay et al., 2009). In Mackay et al. (2009), a range of cases of rural development based on the local resources (or ‘cultural markers’, as Ray calls them) are outlined: traditional cooking skills (Haukeland & Jacobsen, 2001), local music (Gibson & Connell, 2003), local language (Ray, 1998), regional heritage (Moon, 2005), history and architecture (Panelli et al., 2003), adventure and wilderness (Clope & Perkins, 2002), and bucolic landscape (Mackay, 2004). Endogenous, or local, resources can, and often do, become key resources in the pursuit of territorial development objectives. Thus, rural places are viewed as deeply embedded in their territories, if understood etymologically as a connection to the land or terroir (Woods, 2015, p. 1). Due to the nature of wine with strong connection to the place or terroir, this approach is relevant to the wine industry.

Ray asserts that place signifies specific characteristics that can lead to future economic activities. Accordingly, distinctive place identities are created when some elements of specific local cultural resources are selected for commodification by local actors. Through the process of commodification, these elements become products (tangible or intangible), whether that be commodities sold in the marketplace or cultural symbols of the locality, such as local landmarks, heritage, language, customs and traditions (Mackay et al., 2009). In this process, forgotten culture can be regenerated and new products associated with place and culture created. In the context of wine, for example, through the process of commodification of place, both wine and relevant cultural symbols referring to wine are produced.

Ray's culture economy approach to rural (re)development can be integrated and explored in the context of wine region construction. From the discussion above, four inter-related modes are distinguishable within the rural culture economy, which are to be modified and explained below in the context of the wine sector. The four modes are: Mode I: The commodification of culture; Mode II: A new territorial identity for the outside; Mode III: Territorial initiatives for the local; and Mode IV: The local response (see Figure 2.1).

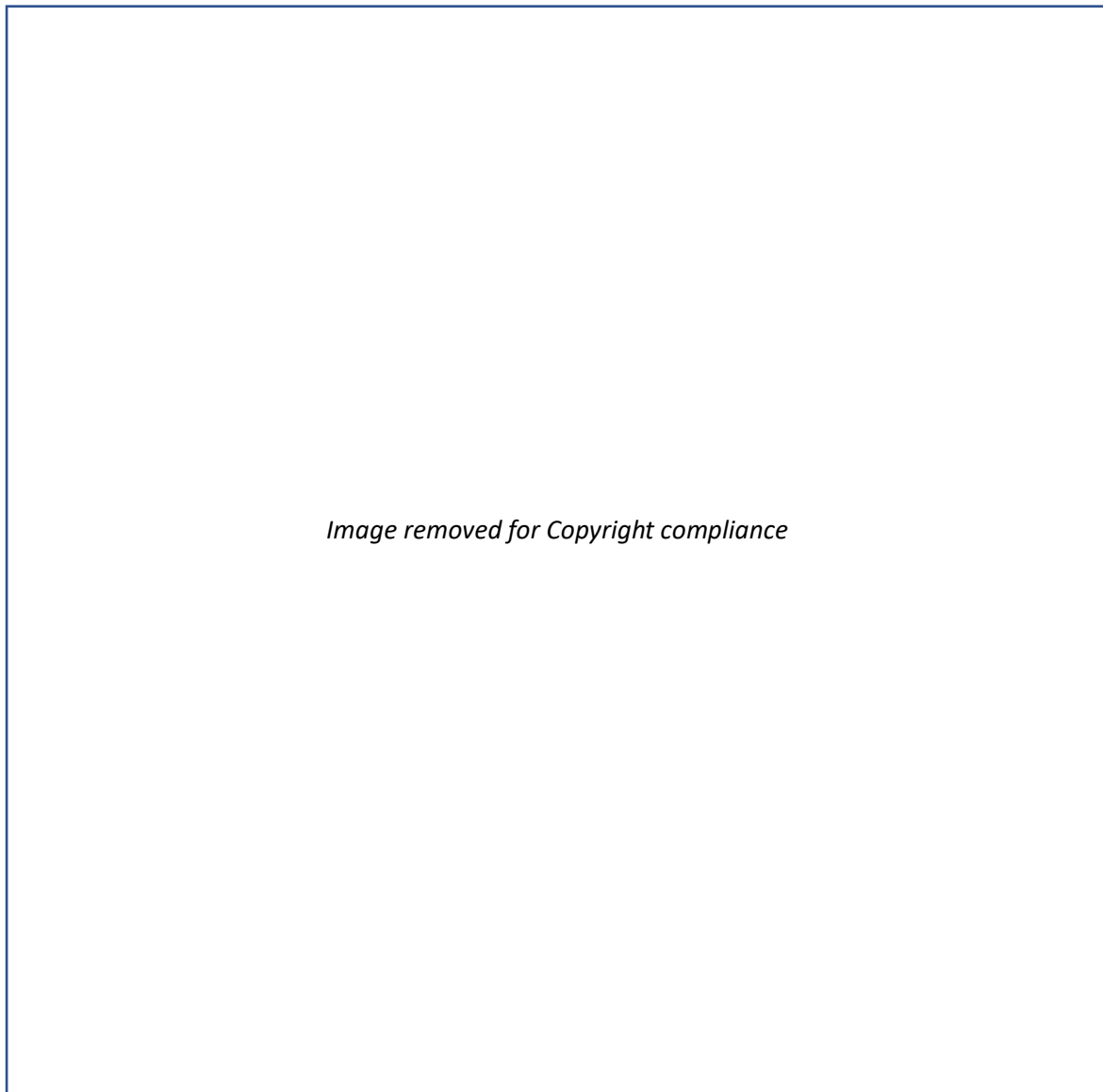


Figure 2.1 Typology of the culture economy

Source: Ray (2001)

Mode I The commodification of culture

Mode I, the commodification of culture, refers to the creation and valorisation of resources with a place identity that can be marketed directly or used in the marketing of the territory. In simple terms, commodification turns things into saleable, profitable goods. The commodification of culture in the wine sector means the harnessing of the cultural resources of a place to create value and marketability of wine. In the past, a resource may have no exchange value, such as uncultivated land, local history and culture, or a particular environmental landscape. From this point of view, the commodification of culture creates economic activities, such as wine production from uncultivated land, sometimes accompanied by wine tourism; both of these activities may add exchange value through sharing local heritage and culture. In turn, the emergence of wine and the wine tourism industry will transform the rural place and create new cultural products, resulting in place construction with a unique place identity.

There are two rationales underpinning Mode I. One is that the fixing of a product to territory enables the retention of more economic benefit in the locality; the other focuses on the type of economic activity controlled by local actors who, in turn, mould it to support, rather than dilute, the local culture (Lash & Urry, 1994); each of these rationales are evident in the nature of wine production and wine tourism.

Mode II A new territorial identity to the outside

Mode II occurs when a (new) territorial identity is constructed and projected to the 'non-local', i.e., integrating cultural resources as part of a territorial identity to promote the area or product. In other words, these are new territorial initiatives that seek to either make use of an existing organization (local authority, agencies, etc.) or form a new co-operative structure, the goal of which is to establish and promote the territory's identity. Mode II involves two ideas: the establishment of a place identity on the basis of the cultural resources in the rural locality (e.g., establishing a regional wine brand based on a unique terroir or regional heritage); the other is to sell this image to the exogenous market (Mackay et al., 2009). In relation to the wine industry, this process results in "selling place" (Kearns & Philo, 1993); both through the sale of the product of that place (i.e. the wine) or to attract inward investment to the wine industry. In the construction of territorial-cultural identities, the local and non-local forces are dynamically linked (Lowe et al., 1995; Van der Ploeg & Van Dijk, 1995).

Historically, food and drink have been used as tools to construct stereotypes of other regions and nations (Murcott, 1996), but food is also understood as a representation of identity created by a territory. For example, Everett and Aitchison (2008) and Haukeland and Jacobsen (2001) concluded

that local food is an integral part of many local place identities and the commodification of rural areas. This was exemplified in the discussion of Cornwall (England) by Everett and Aitchison (2008), where food, tourism, economic growth and place promotion are interrelated. In the production of their food and drink, many boutique producers place a strong emphasis on the distinguishing characteristics of the location, the people and the production processes that go into their products. Typically, products portrayed as having a high quality are closely connected to the history and culture of their place of origin. By purchasing these items, therefore, a sense of nostalgia may be evoked and a bond between the consumption of the product and the experience of the place is created (Ryan & Mizerski, 2010). These are not the only way that food products can be connected to place; while some products focus on the territory-culture context, others connect the rurality of the location where the food is produced to certain values of life, such as freshness and wholesomeness, creating a connection between outsiders' perceptions of what rurality is and the promotion strategies of a rural region (Tregear et al., 1998). Images to represent a place are not simply selected by accident, but are produced, mediated and chosen in accordance with particular cultural and ideological contexts (Waterton, 2010).

One major difference in global wine production compared with other global agricultural products is the direct connection between quality of wine (perceived and/or tangible) and its place of origin. For example, wine can be described as the expression of the essence of a particular place (Murray & Overton, 2011). While globalisation has resulted in the growth of a bulk wine industry, with a focus on mass production and an associated "placelessness", region of origin, terroir and heritage are still central in wine regions where small-scale production and high-quality wine dominate (Beverland, 2006; Fountain et al., 2020; Fountain & Thompson, 2019).

Using the French wine industry as an example of culture economy approach, Moran (1993a) explores local knowledge in the rural economy. Each wine is the outcome of the physical resources of a particular region and the accumulation of local knowledge. These features "cannot be replicated anywhere else" (Moran, 1993a, p. 264). Over time, French wine came to depend on inter-regional and international trade, which led to a collaboration between the local and state levels to maintain the economic interests of producers and localities. Because of this, state regulations were established that embedded geographical origin into product identity - *appellation d'origine contrôlée* – converting local knowledge into 'property.' These actions led to the protection of local knowledge by the state's legal system. The trademark is given to the product; localities and producers are given 'property rights' to exploit the product. Moran's study demonstrates how the identity of the product feeds back into the identity of the territory. This enhanced territorial identity becomes intellectual

capital that can undergo further transformation. For example, the wine's identity is derived from its geographical origin and, in turn, the identity of the territory is fostered by its prominence as a source of wine. When this occurs, it is also possible for local producers of other products and services to use the property rights. It is through such connections with the original product that other producers can promote their own local product's identity. Hence, it appears that the original local knowledge may be capable of transcending 'the original' towards other social and economic actors who share the same ties to the territory. Moran (1993a) also highlights the role of associations in the cultivation and enhancement of local knowledge as property. It is worthwhile taking this insight a step further by considering how local knowledge can be rediscovered or invented (Hobsbawm, 2012). This example also highlights how the rural culture economy approach can be applied in an empirical investigation of the construction of a wine region. In fact, the wine industry is an excellent example of how a region manages to retain a niche in the context of globalisation.

Modes III and IV Territorial initiatives for the local and the local response

In Mode III of Ray's framework, strategies for territorial development are still discussed but the emphasis is placed on selling the initiative to local stakeholders, including local communities, businesses, groups and official organisations, to raise "the self-confidence of local people and organizations, building confidence in their own capacities to bring about development, and valorising local resources" (Ray, 1998, p. 7). According to this perspective, new economic opportunities, innovation and a socio-cultural vibrancy can be enhanced, and local capital and entrepreneurship can be encouraged to commit to the culture-territory by territorial strategies.

Modes I, II and III can be viewed as "repertoires of strategic action" ("repertoires means a stock of resources or regularly-used techniques" (Ray, 2001, p. 22) or the sum of tangible and intangible features and resources associated with territory" (Ray, 2001, p. 23) available to a place, whereas Mode IV focuses the possibility of a "range of paths of development" (Ray, 2001, p. 23). By turning to local cultural resources, a local economy can have a range of development strategies, one or several of which can be chosen in the territory, according to the requirement of local situations. In Mode IV, local actors are asked to provide an explanation of how they respond to the other three modes. In other words, how they employ these selected resources in the pursuit of local development objectives. Accordingly, it indicates the extent to which locals are willing to surrender identity, culture and place in exchange for market benefits. It also involves effort to compete more effectively in the global market through the use of local protectionism to control localised influences, such as economic, social, cultural and environmental factors. The indigenous culture of the territory is stressed as more than a marketing instrument in the global economy but is also rediscovered as the

source of local identity. In the era of globalisation, local cultural resources turn out to be dynamic, progressive and flexible. Local cultural resources include a range of components, each of which can be used separately or incorporated with others in a territorial development strategy. Alongside the emergence of a new industry (such as wine), new and/or added-to cultural resources over time create a new place identity (such as a wine region, or a wine tourism destination).

In the case of Ningxia, the emergence of the wine industry is an outcome of the commodification of local physical and cultural resources as well as political intervention. Local actors are enabled by these factors to respond to the opportunities to establish and manage wine businesses, which together contribute to, and influence, the construction of a wine region with its unique features. Ray's culture economy approach can contribute to identifying the resources available to the local wine industry and to analysing how it is to be developed as a source of differentiation and added value and reputation in the wine region. As Simon (2005) argues, a strong connection between product and its place of origin leads to attractive representations of the region embraced and embodying in the product itself. In this case, a place's unique set of characteristics may be expressed and experienced in a bottle of wine (Overton & Heitger, 2008). The countryside's cultural assets, in terms of physical, human and intangible, can be captured by the concept of 'terroir'.

2.4 Terroir

Place is not just a location, but has "social, cultural and discursive qualities that greatly influence its value on wine" (Warman & Lewis, 2019, p. 494). The concept of terroir captures much of the above – the environmental, economic, social, cultural and political factors that constitute a wine region. The meaning of terroir is discussed in describing, delimiting and promoting wine regions worldwide. Terroir is more than a mere attribute of wine recognised by researchers to winegrowers to wine writers to importers to impassioned wine lovers. The power of terroir, explicitly or implicitly, has an impact on the way in which wine regions and their location are perceived (Overton, 2019). As an elusive concept, many authors and approaches have characterised terroir in various ways (e.g. Charters et al., 2017; Spielmann & Gélinas-Chebat, 2012; Van Leeuwen & Seguin, 2006; Vaudour, 2002). A formal definition of viticultural "terroir" has been identified by the International Organization of Vine and Wine (OIV, 2010, p. 1) as:

Viticultural 'terroir' is a concept, which refers to an area in which collective knowledge of the interactions between the identifiable physical and biological environment and applied viticultural practices develops, providing distinctive characteristics for the products

originating from this area. Terroir includes specific soil, topography, climate, landscape characteristics and biodiversity features.

This definition suggests both an ensemble of knowledge specific to a place, and the interplay between this place and adapted human practices that contribute to produce a unique wine. The geologist Wilson (1998) equates terroir to soil, and also mentions climate and culture. Anthropologist Trubek (2008) gives more weight to not only place but also taste, as mentioned by Parker (2015). According to him, terroir serves to define, explain and frame people's sensual, practical and habitual relationships with the land. The geographer Moran (2001) argues for the significance of human elements in both winegrape growing and winemaking, which includes cultural dimensions. Patterson and Buechsenstein (2018) address a summary of many authoritative definitions of terroir. Additionally, they examine the most holistic perspective expressed by Moran. These views are common among New World countries. In contrast, Old World countries tend to value their relationship with nature as harmonious and place a greater emphasis on historical traditions. Cappeliez (2017) tries to bridge the gap by distinguishing terroir discourse within a globalised cultural context. She argues that elements of a cultural idea associated with place are likely to change as the concept of terroir travels through diverse cultural contexts, such as different local interpretation of terroir, whereas normative principles (such as the physical and human aspects of terroir and the interaction between them) are more likely to remain stable.

The physical terroir of a particular place will not automatically produce a distinct wine. Thus, the art of winemaking is not only associated with the land itself, but also with how it is transformed and expressed into wine, which is produced in the vineyard, the winery and in the cellar (Daynes, 2013). A good winemaker is someone who can read the physical terroir and transform it into wine. The final wine is a distinct product that expresses the specific terroir from which it comes, including positive qualities and weaknesses. These winemakers can also excel at working through their knowledge, skills, experiences and creativity. For example, they can understand the land they work and know the varieties planted, the viticultural practices and vinification. They can also know how well specific grape varieties and techniques are managed to suit the physical terroir. In summary, terroir is not just about the physical environment, although this element is critical, but instead mirrors the complex interactions between humans and the natural world that produce the specific place with distinctive characters.

Terroir is not only a local concept, although it is presented in relation to a particular locality, but, as a French word, the concept itself has been adapted and applied around the world. Furthermore, the knowledge, viticultural techniques and the grape varieties themselves are ultimately mobile and

reflect some characteristics of the globalising countryside. A proper explanation of the relationship between wine producers and their place is critical to this study. Additionally, it is a key component of the marketing and branding of wine. The concept of terroir will now be discussed in four sections: the physical terroir, human forces, the marketing values of terroir and political concerns.

2.4.1 Physical terroir

Generally, terroir is used worldwide with respect to the soil and climate in particular locales where grapes are cultivated. The geographical and geological landscapes of a particular place combine to form terroir as a physical concept (Vaudour, 2002), covering the entire natural environment of a vineyard, such as the soil, climate and topography. The physical features can all have an impact on the quality and the nature of wine. As in the illustration of 'nutriment' or plant-growing terroir offered by (Vaudour, 2002, p. 118), terroir is correlated with a vertical relationship between the soil, atmosphere and plant that links with a taste or instrumental quality. Bohmrich (1996, p. 33) definition of terroir is restricted to the innate and immutable features of the natural environment, including "*sunshine, rainfall, temperature to the slope, orientation, altitude and soil composition*"; that is, the interactive ecosystem in a particular place, and can be observed in differences in the taste of wines that are made by the same winemaker with the same techniques but from adjacent vineyards (Van Leeuwen & Seguin, 2006). The differences evident in a wine from vintage to vintage illustrate the role of the vineyard-specific terroir in making wine. According to the definitions, the physical aspect of terroir is dominant and fundamental to a wine region. There is often also an implicit assumption that this physical terroir is eternal but, of course, the 'natural' physical terroir is often altered by human intervention, e.g., through the application of fertilisers and pesticides.

Both endogenous human characteristics, such as the history and culture of a place (Charters, 2006), and exogenous forces, including global capital (Overton, 2019; Woods, 2007), have an influence in determining the location and character of a wine region. Throughout the history of the wine industry, the historical development of wine grape varieties, the flow of migration, conquest, and cross-cultural exchanges have influenced the mix of grape varieties. Human terroir will be discussed in next section.

2.4.2 Human terroir

In addition to its natural context, as introduced above, terroir carries an imprint of the interplay between humans and place (Barham, 2003). It has been increasingly suggested by scholars that terroir must be understood as both a physical ensemble and a human construct, each equally

important. Human factors, in terms of history, socio-economic, viticultural and oenological techniques, are critical parts of terroir (Seguin, 1986). Human terroir can be used to interpret the features in terms of “*savoir-faire*⁵, knowledge, traditions, and the social characteristics of terroir. Vaudour (2002, p. 120) expresses the notion of ‘conscience’ terroir that refers to “various ethnological, sociological and cultural meanings of a geographical place or origin, which collectively refer to identity and memory”. Moran (2001) highlights the importance of human factors in creating terroir and notes that premium wines are produced by people who understand the vineyard and present its character in their wines. Charters et al. (2017) stress terroir products (wine) are valued based on inherited knowledge and skills transmitted between generations. Thus, the idea of terroir is somewhat ‘mystical’ (Vaudour, 2002) and, as illustrated by Charters (2006, p. 106) “it is not merely that the wine tastes different, but that it is – almost philosophically – a different object because it represents a specific plot of land. In this way the physical substance of the wine is subordinate to its role as a marker for where it came from.” Similarly, terroir and *goût du terroir* (taste of the locality) are used to frame and address the sensual, practical and habitual relationship between people and land (Trubek, 2008).

The social and cultural features of wine production emerge from the human intervention required to reflect a specific locality. In this perspective, terroir can be thought to be one expression of the cultural heritage, that is constantly recreated by local communities and is passed from generation to generation (Lockshin et al., 2006). Terroir provides an idealised perception of the space, reflecting localised culture and individual perspectives on history (Fort, 2006). Once a terroir is perceived, it offers a source of identity for people (Charters et al., 2017).

Terroir is also crucially involved in selling wine. It can be a powerful marketing device and an instrument in the market for assigning uniqueness to local products by capturing the value of places and communicating a sense of place that coincides with the commodification of place. Marketing value of terroir will be discussed in next section.

2.4.3 Marketing value of terroir

Place clearly plays a role in the promotion of wine and wine branding, as it does in much contemporary place marketing takes advantage of the commodification of place to sell items (Vik

⁵ *Savoir-faire* literally translates from the French as "know how". In English, it means being adaptable and highly-skilled, knowing what to do in any situation (*Terroirs and Savoir-Faire*, n.d.).

and Villa (2010). Merrett and Whitwell (2014) propose the definition of premium or luxury wine as a rare commodity, branded on the basis of its geographical origin. Marketing a wine as distinctive from all others is possible because its place of origin can be invaluable (Charters, 2006). Therefore, the significance of product differentiation permitted by terroir is recognised as a means of advertising and marketing wine in a fragmented market. The 'slogan' terroir depicted by Vaudour (2002) allies with quality and typicality⁶. Thus, a terroir-based marketing strategy is based on quality and tradition rather than price and scale (Trubek et al., 2010).

Terroir, or regional branding, is not central to all wine products or wine regions. For example, Anderson (2004) discusses how small and medium-sized enterprises (SMEs) in the wine industry select development strategies on the basis of volume of production or distinct quality wine to position themselves in a crowded global marketplace. Some operators and regions choose to produce uniform bulk wines on an industrial scale to meet value-oriented demand from consumers and get high yields. Other regions and producers position their top-tier and distinctive wines in terms of the terroir, with inherited techniques, perceived quality, reputation, vintage and place of origin central to this branding (Murray & Overton, 2011).

Hayward and Lewis (2008) suggest that use of the concept of terroir means engaging in the making of myths or stories about wines and wine regions. Although, in the past, this technique was applied primarily in traditional wine producing regions, increasingly, the positioning of wine, and entire regions, around that region's terroir has been an approach used in more recently developed wine regions in narratives about the differentiated characteristics of the local place and how these impart flavour and quality to local wines (Alonso & Northcote, 2009; Fountain & Dawson, 2014; Murray & Overton, 2011). The marketing and branding the images and stories of heritage, culture and place in the marketing of wine is also an approach used in relation to wine tourism, which is discussed below (Ballantyne, 2011).

Vaudour (2002) typology of terroir provides a useful means to summarise the perceptual differences of the meaning that the term 'terroir' evokes, presenting the interconnected elements of plant, territory, marketing and identity. Charters (2006, 2010) developed this framework by offering a model providing a series of applications of terroir at physical, cultural and commercial levels. In more recent literature, Charters et al. (2017) synthesises another progressive fourfold interpretation of

⁶ Typicality evokes the distinguished identity of product in its place of origin.

terroir that is identified as a balance between the tangible environmental attributes, the intangible metaphysical context of spatial and cultural meaning, and the role of human capital, that, together, serve as a potentially unique marketing concept and a tool for promoting a unique, irreplaceable and irreproducible product.

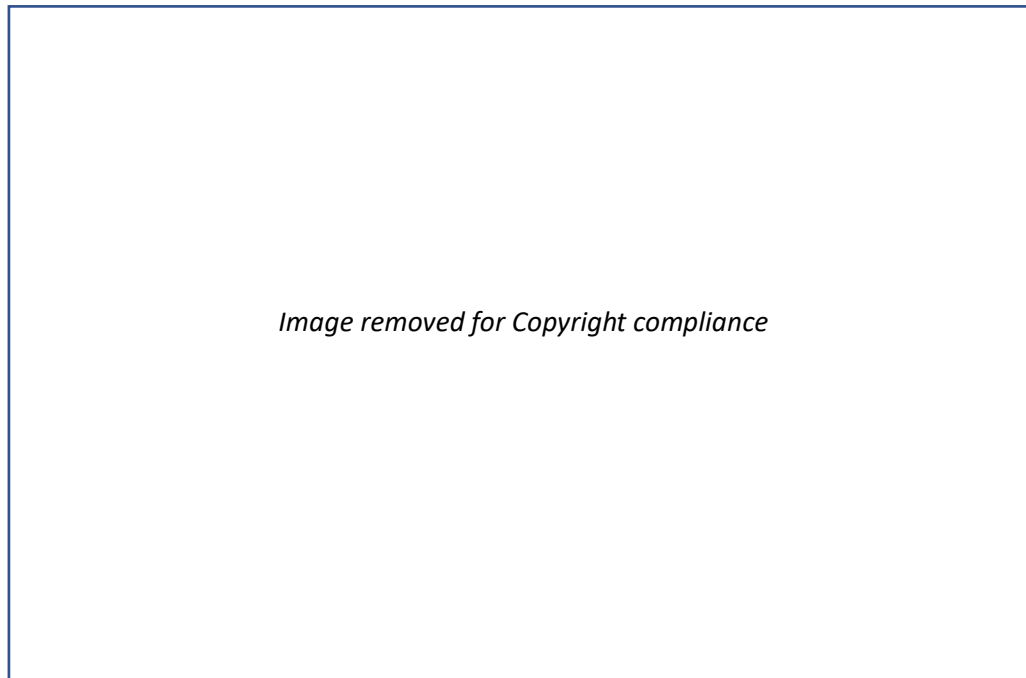


Figure 2.2 The interweaving aspects of terroir and marketing value

Source: Charters et al. (2017)

According to this model, whether successful grape growing is possible first depends on the favoured physical characteristics in a place. This physical environment subsequently determines the wine quality: a bulk product with low quality and low price, or a premium product of higher price and reputation. Secondly, in the human dimension of terroir, a wine region is socially and culturally constructed by human actions and relationships. Thus, a wine region is constantly made and remade as these social relationships with origins across the global-local continuum shift. This process is also contested because tensions exist between the physical, the mystical, and social forces. Third, as discussed above, terroir is used to develop narratives of wine quality and distinctiveness that can add value and promote and sell product in the marketplace. However, as an ambiguous concept, it is clear that the interpretation of terroir varies in different regions, and between actors within those regions. Although the notion of terroir seems quintessentially based in the local, as the previous discussion highlights, it is actually very much shaped globally.

One element not explicitly discussed in Charters' model are the political forces apparent in the development, marketing and branding of wines and wine regions. For example Alonso and Northcote

(2009) acknowledge the role of local authorities and governments in helping the development of the wine industry and regional image creation in Western Australia's wine region, and Carew and Florkowski (2012) discuss how government policy and support can have a critical impact on determining market outcomes in western Canada. In their overview of the wine tourism system, Hall et al. (2002) categorise the institutional resources in the supply side of the wine industry, including government, legislation, regulations and planning. The role of political forces in the wine industry has been explored by many scholars (Lee & Gartner, 2015; Skinner, 2009). As for an emerging industry, although the evidence on whether policy is closely related to industry expansion is mixed, policy factors are taken into consideration by researchers.

The political forces are not just local, or even national; in this century, over a dozen wine regions around the world have been designated as UNESCO World Heritage sites. They include four in France and three in Italy. Consequently, this designation has arguably further enhanced the commercial value of a long-established place (Fountain et al., 2020). Beyond this small selection of wine regions, however, there are other regulatory processes at work, particularly around the expansion of geographical indications (GIs) to more and more non-European regions and countries (Demossier, 2018). This is in part because of the global spread of the term "terroir", but it is also strongly influenced by the perceived marketability of terroir and regional branding in the wine industry. The issue of legal protection of 'terroir' is discussed in the following section.

2.4.4 Political relationships and legal protection

A number of studies have examined the relationship between labels of origin and terroir, focusing on the legal protection mechanisms for producing wines in particular areas with specific grape varieties by a precise production system (Barham, 2003). From this perspective, the 'geographical indication' system, or GIs for short, is closely linked to the concept of terroir. Geographical indicators (GIs) demarcate products by place of origin, whereby the identity and quality is associated with a particular place (Ayu, 2006). The WTO Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement is a truly 'globalised' GI obliging governments to protect GIs in action; wine GIs are under a higher level of protection in its requirement (Van Caenegem & Cleary, 2017). GIs are used to strengthen the status as a quality sign of food with a place of origin and to contribute to expansion of product certification procedures internationally (Donner et al., 2017).

In the context of the wine industry, there are two categories of GIs defined by European regulations: protected designations of origin (PDOs) and protected geographical indications (PGIs). The former are strongly connected to regions of origin including specific geographic, environmental and social

dimensions, whereas the latter focus on the quality, reputation and other attributes of the region (Vlachvei et al., 2012). GIs are evaluated as protection regulations for domestic wine producers and enable the guarantee of superior quality wine with a unique image (López-Bayón et al., 2018). For example, GIs are considered the main pillar of quality policy for agricultural products in the European Union.

GIs can be used extensively and effectively as instruments for rural and regional development. They are not exclusively commercial or legal tools, they also provide a strong connection between food, place and culture. GIs can galvanise local producers and increase revenues for small-scale actors. They serve to maintain local character and local identity, enhance local values and preserve biodiversity and heritage (culture and tradition) (Cleary & Van Caenegem, 2017; Donner et al., 2017). GIs can also be used as rural and regional policy tools to foster sustainable development and to create the dynamics of place (Donner et al., 2017). Because of the success of a strong socio-economic impact of GIs in the European Union and other developed countries, it is noticed that GIs are being increasingly developed in emerging wine regions to gain the benefits created by GIs. However, there are possible challenges posed by the creation of GIs for developing countries, because of a wide range of activities and conditions at a legal and political, financial and organizational level when implementing them (Vandecandelaere et al., 2010).

The measures that help to protect this status include Denominations of Origin (DOs), Appellations of Origin (AO), Indications of Geographical Origin (IGOs), Geographical Indicators (GIs) (Alonso & Northcote, 2009), and the *appellation d'origine contrôlée* (AOC) system. While the defining of place in the context of wine at different scales can be viewed as a response to the globalising forces (Murray & Overton, 2011), this attempt to delimit and fix place runs counter to Massey's claim for a progressive sense of place that involves viewing place as socially-constructed, unbounded, flexible and contestable (Massey, 1994). For example, although GIs support and maintain local wine quality and reputation, the strict controls may have a negative impact on innovation or development of wine production in response to globalisation and shifting local conditions (Fountain & Cogan-Marie, 2019).

A study by Potter and Tilzey (2005) indicates agricultural actors in the developing world are most affected by "top-down" decision making processes that impact local decision-making. The idea of terroir is essential to agricultural policy, referring to quality, tradition and local development, to maintain rural landscapes and agrarian traditions in France and other European countries (Van Dam et al., 2002; Vaudour, 2002). Other initiatives may involve developing a local wine industry strategy, promoting regional identity, establishing local wine tourism, a wine festival or show, a new wine town development project, or a wine market. According to Ray (1998), such initiatives result in the

(re)valorisation of local culture and the establishment of a renewed sense of place, local recognition and confidence in local participation.

In summary, although Old World countries (especially France) are the typical referents for terroir discourses, research highlights locally specific cultural constructs of terroir in New World countries such as Canada (Cappeliez, 2017; Voronov et al., 2013), China (Zheng, 2019) and Israel/Palestine (Monterescu & Handel, 2020). New ideas about what constitutes terroir, and how best to express it, continue to emerge, resulting in contestation (Smith Maguire & Charters, 2021).

Each wine region has a specific development context – its ‘place’ – a combination of soil type, climate, topography *and* social and cultural features. The diversity of settings and their differences mean there is no generalised/common mechanism that all wine regions can exploit. Given that geography matters a great deal in the wine sector, it serves to discuss the construct of place. The intricacies of particular settings are often taken advantage of in the marketplace, as a wine’s ‘point of difference’.

As discussed above, terroir is a multi-faceted concept, that influences not only the choice and management of grapes, but also the method of wine production, the culture and habit of drinking wine, and the reputation of the region for producing fine or high-quality wines and its promotional or commercial advantages (which may be enhanced by legal recognition via geographical indications). In turn, these features are incorporated into the region’s culture (Anderson & Nelgen, 2022). The bundle of cultural and natural factors constitutes terroir in wine regions and produces a stream of services that are beneficial economically, socially and culturally (Throsby, 2015).

However, terroir is certainly not a static concept and almost no wine region is static or insular; production costs are changing in response to new regulations and technical standards; decreasing costs of communication and information are improving technology transfer and marketing skills between regions; and a decrease in trade costs is altering the ability of wine to be traded inter-regionally and internationally (Anderson & Nelgen, 2022). As a result, the competitiveness of each region’s producers can change in the global marketplace.

The final section of this chapter discusses the concept of wine tourism. This is discussed separately, as it synthesises the above discussion of the commodification of place, the global countryside, rural culture economy and the marketing of terroir.

2.5 Wine tourism

Wine tourism refers to a range of experiences centred around wine and has been studied by numerous researchers for more than three decades. Developing wineries and vineyards as tourism products can be identified as motivators for winery entrepreneurs who enter the wine industry with small-scale production and a lifestyle (Cambourne et al., 2009). There are a number of potential benefits from wine tourism for wine regions and individual wineries, which include enhancing winery and regional image, brand growth and recognition, cellar door sales, regional revenues (Hall & Mitchell, 2000) and the establishment of a long-term physical and emotional connection with visitors (Charters et al., 2008).

The significance of wine tourism may be understood in research into the development of unique regions. The reason behind this understanding is that both wine and tourism strongly link to regional destination with distinct characteristics (Hall et al., 2002). In Hall (1996, p. 114) study, the relationship between wine tourism and the region is illustrated, as “there is a direct impact on tourism in the identification of wine regions because of the interrelationships that may exist in the overlap of wine and destination region promotion and the accompanying set of economic and social linkages”. Based on this statement, extensive research has explored the role of wine tourism in regional development, particularly, in the diversification and development of rural areas under the globalisation (Hall et al., 2002). Wine and tourism are two commodities that are “branded on the basis of their geographical origin”(Merrett & Whitwell, 2014, p. 174). As the wine and wine tourism industry can be mutually beneficial, both activities can be viewed as attractive options in suitable rural areas.

Wine tourism is argued to (re)construct the sense of place. As outlined in Ray (1998) rural culture economy framework, place is shaped and used in relation to new forms of social, cultural and economic relations, which, certainly, includes wine tourism. The unique characteristics of place, the people and the process behind the production, especially linking with the cultural and historical attributes of a wine region, can be promoted through thoughtfully crafted tourism experiences in wine regions (Fountain et al., 2020; Frost et al., 2020; Sigala, 2020). Many wine regions are creating development strategies associated with the tourism industry to promote high-value wines and establish and promote a regional cuisine. For example, the formation of a culinary cluster in France is associated with particular geographical and cultural characteristics of terroir (Croce & Perri, 2017; Marlowe & Lee, 2018; Pitte, 2002). Fountain et al. (2020) studied wine tourism providers in Burgundy from a cultural perspective, framing their research with cultural notions of place, particularly the

tensions arising from globalisation and rural change. In further work, some of the cultural notions of place and the cultural and social conditions resulting in wine tourism activity are revealed in two different contexts. In Burgundy the heritage of previous winemaking generations and the inheritance of land with the aptitude to furnish great wines is emphasised (Hill, 2020).

The experiential elements are deeply rooted in terroir. Holland et al. (2014, p. 276) conceptualise wine tourism as “an experience of a certain lifestyle, landscape, and culture”, which are elements embedded in the term terroir. Based on the synthesis of relevant discussion, they develop a conceptual model of ‘terroir tourism’ that combines three elements in the wine tourism product: the viticulture, winemaking and the linkage to regional development, all of which intersect to present the uniqueness of identity of a particular wine region. Wine tourism production can be identified as an intersection of the wine and the tourism sectors, situated in the broader context of the wine region and the global flows of tourists (Hall et al., 2002), such as vineyards, wineries (Getz & Brown, 2006), wine routes/trails (Hashimoto & Telfer, 2003; Telfer, 2001) and wine festivals (Houghton, 2001; Telfer, 2001). The terroir tourism model (see Figure 2.3) can be applied to depict a wine region as a wine tourism destination on the basis of distinctive regional identity to attract tourism visitors (Holland et al., 2014). Alongside this emphasis on “local”, the global is clearly encapsulated in the entire phenomenon of wine tourism. For example, both ‘local’ (i.e., Burgundians) and ‘global’ origin (i.e., foreigners, or expatriate residents) actors are engaged in the development and delivery of wine tourism experiences in Burgundy (Fountain et al., 2020).

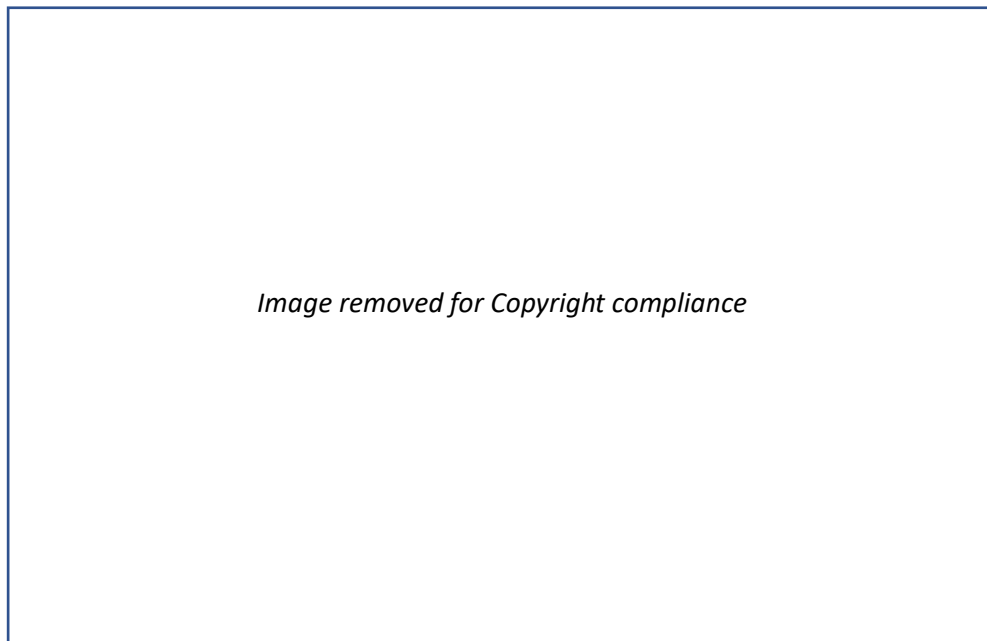


Figure 2.3 A conceptual framework of terroir tourism

Source: Holland et al. (2014)

Currently, wine tourism is implicitly considered to take a similar form for the same reasons around the world. Although wine tourism studies have largely focused on topicalities (Carlsen & Boksberger, 2015), findings in the Cote d'Or region suggest that a greater focus should be on the specificity of place (Fountain et al., 2020). Therefore, investigating the development of wine tourism in a specific place is significant. In most researches of wine tourism in the context of China, wine tourism turns to be explored at the micro and descriptive level (see also Liu, 2011; Xi, 2013; Zhang & Cao, 2014) and on the focus of perspectives of tourists (see also Gu et al., 2018; Qiu et al., 2013; Wei, 2015). There is a limited amount of research about wine tourism from the perspectives of supply-side stakeholder and the role of wine tourism in rural development. This study will contribute to the research gap.

2.6 Summary

Building on Massey's relational and progressive sense of place, this study analyses the mechanisms underlying the making of a wine region, taking into account the complex interrelationships between local (endogenous) and non-local (exogenous) contingencies. In an emerging wine region, new social relations can help (re)construct place and shape local identities through the commodification of place, in terms of the development of new types of entrepreneurial activity (Koster, 2007), recent economic relationships with other places (Kneafsey, 2001), new political relationships, the arrival of migrants and new inhabitants in locality, and the emergence of wine tourism. These are mediated through existing local social relationships, such as local community and political organisations.

By considering this process from the perspective of the global (most notably through Woods (2007)'s concept of the 'global countryside') and the local (exemplified by Ray (1998)'s rural culture economy), it is possible to identify the resources available for developing localities and analyse the strategies that can be used to transform these resources into commodities that can be sold, under the influence of global forces. As Massey (1994) notes, the focus of understanding place should be on the nature of "processes", distinct mixed features of social relationships at the extra-local and local level.

Based on the critical evaluation of the literature presented above, place is conceptualised as the expression of contextual forces, being impacted by the engagement of different actors in a progressive social construct of place and by specific cultural and political contexts. Arguably, Massey and Ray started at the locality, showing changes all the time, and Woods focussed on the global forces that influence local places. Through the synthesis of these concepts, an understanding of the making of a specific wine region in Ningxia, China, within a global context can be explored. Since the potential of supply-side research is considered where new knowledge about the construction of a

wine region can be gained, how to approach research objectives to produce knowledge a selected setting, will be addressed in the next chapter.

Chapter 3

Methods

3.1 Introduction

The purpose of this chapter is to describe the approach and methods chosen for the study to meet the study's objectives, as outlined in Chapter One. It comprises four main sections that explain the study's design, the research and analytical procedures and the limitations of the study. The first section describes the research method and provides an overview of the study site. The second section discusses why a case study was selected. In the next section, the data collection methods and the analysis methods are explained. In this study, three data collection methods are used: documentary analysis, face-to-face semi-structured in-depth interviews and observational research. Finally, the limitations of the study will be discussed.

3.2 Qualitative methodology

Given the research objectives and subsequent questions about the relationship between people and places, and the individual experiences people have in and of particular settings, this study uses qualitative (interpretive) research methods (Lofland, 2006; Myers, 2013). Rather than merely a method, qualitative research is an approach based on assumptions related to the process of knowledge formation and the nature of reality (Patton, 2014). An important aspect of qualitative research is the consideration of the interviewees' perspectives on the studied issue and the notion of the social construction of the realities being studied (Boeije, 2010; Flick, 2018). Qualitative research focuses on understanding the dynamics of change from the perspective of the interviewees, whereas quantitative research often attempts to account for the causes of change primarily through objective measurement and quantitative analysis (Goertzen, 2017). Rather than discussing what is "real" (as in objective verifiable truth), researchers in qualitative research attempt to understand what people's subjective understandings of reality are. Accordingly, this approach is clearly in accord with the study's aims and objectives, which are to explore how interviewees perceive and interpret the wine region where they live and work and their motivations, perceptions and experiences of operating their wineries. In turn, this study analyses how their actions relate to other impacts and outcomes in the construction of a wine region. From the perspective of stakeholders, a qualitative investigation contributes to a deeper understanding of the interaction between local and global forces on the making of a wine region.

3.3 The research setting

This study was conducted in the Ningxia wine region, China (see Figure 3.1). Although wine regions and the wine industry in China have recently grown substantially, and there has been some international success with particular wines, overall, Chinese wine is not perceived as being of high quality, since most wines produced in China have been traditionally bulk wines without regulations on quality (Zhang & Thach, 2016). This is beginning to change, due to a substantial effort to build wine regions of renown. One region that holds great potential in this regard is Ningxia. Ningxia is an autonomous region that is predominantly rural with established vineyards. It is currently being positioned and branded as ‘the Napa Valley of China’ (see also Boyce, 2013; *Ningxia Aims to Become China’s Napa Valley*, 2014; *Ningxia is the Napa Valley in Central Asia*, 2023). The region has a mission to achieve the status of a leading wine region in China and a landmark on the world wine map (Li, 2017). This process involves the local implementation of central government policies and initiatives designed to raise the region’s profile internationally as a place of high-quality wine production and associated wine tourism opportunities for visitors.

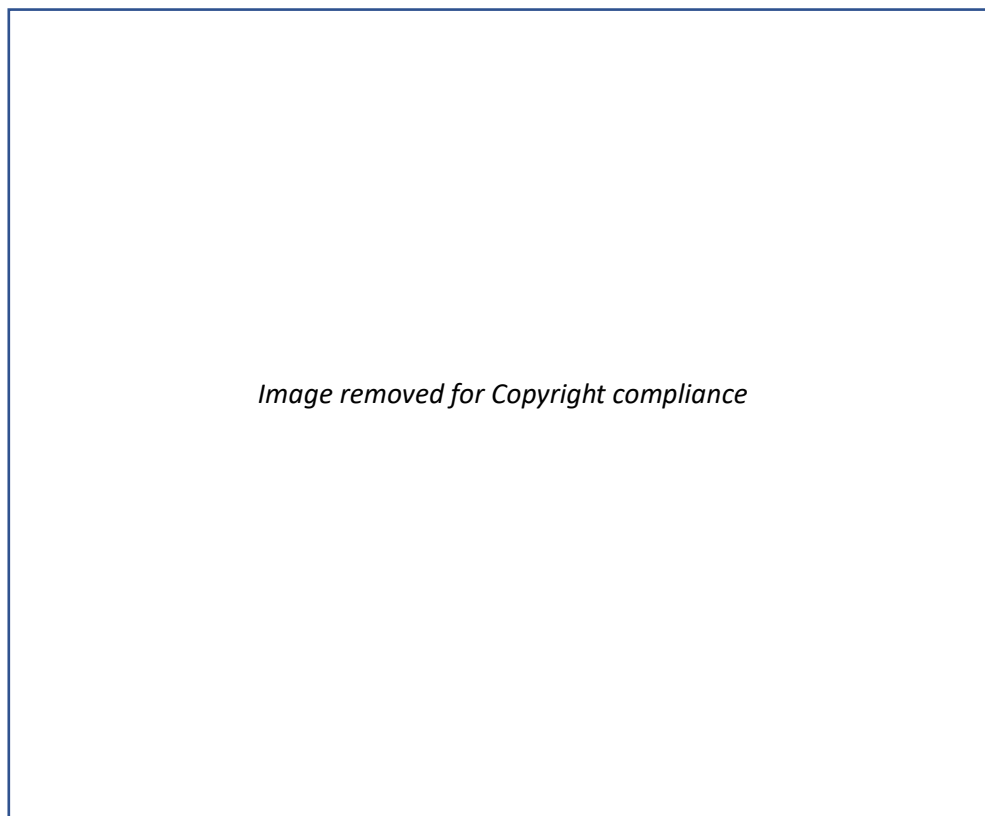


Figure 3.1 The location of the Ningxia wine region

Source: Wu (2014)

Regulations and political support have underpinned the rise of the Ningxia wine region. Coupled with excellent growing conditions for grapes, the development of the wine industry in Ningxia has been strongly supported by the Ningxia government and other authorities. Ningxia is the first region in China to operate under rigorous regulations for local viticulture and wine quality production and, in 2012, became the first to be an official observer of the International Organisation of Vine and Wine (OIV) (Li & Bardají, 2017). The Ningxia government was also the first to manage a regional wine industry, which was achieved through the establishment of a bureau at the provincial level in 2012.

Ningxia is an emerging global wine region, and as with most emerging wine regions, globalisation underpins many of the developments and associated landscape transformations evident in the Ningxia wine region, including very significant financial investment by international winemakers and distributors in vineyards, wineries, and wine tourism facilities. The symbols of connection of Ningxia to the wider world of wine include the increasing presence and success of local wines in international and domestic wine competitions; international academic and technique seminars; a winery classification system and regional conservation regulations launched with international winemaking standards; and an increasing number of foreign winemakers (bringing fine winemaking techniques), professionals and winery managers (Hao et al., 2015).

Another very important point to make with respect to Ningxia wine industry relates to potential access to new global markets, including those associated with the Belt and Road Initiative. It will probably result in Ningxia being more connected globally, but that hasn't happened yet. In the period of fieldwork, this point turned to relate to a national policy, rather than to global trends. According to Li Jianhua (the Party Secretary of Ningxia Communist Party of China Committee), there are many opportunities and changes provided by the Belt and Road Initiative (OBOR), which is a foreign policy and economic initiative launched by Chairman Jinping Xi in 2013 to connect China's undeveloped border and hinterland regions with neighbouring countries (Cai, 2017). There are plans to build three routes connecting Ningxia with the world: the Land Silk Road, the Air Silk Road, and the Online Silk Road. The initiative represents the vision of the local authority for the development of Ningxia: Go global. Local enterprises are encouraged to explore international business and increase the globalisation of regional industries (Xu, 2015). With the advent of the Belt and Road Initiative and China economic transformation, the regional advantages of Ningxia and the region's unique industries have been highlighted and has resulted in wide ranging interest in investment in the regional industries, including the wine and wine tourism industries. For example, many financially strong coal and oil companies are willing to invest these industries, with one - OBOR – setting up platforms and transport channels for exchange between Ningxia and other countries. OBOR

programs also include an International Alliance of Vine and Wine, the import of technologies and wine makers and investment in networks and channels to enhance wine exports. There are other strategic initiatives to extend global links. For example, the Helan Mountain Wine Expo has been held annually since 2013 to accelerate global communication in the latest winemaking techniques and equipment, and to provide greater exposure to and opportunities for the local wine industry (*North Central China*, 2015).

From the above, it is clear that Ningxia wine industry is the product of forces interacting across scales, from local enthusiasm and investment in wine, and regional support and regulation for this activity, through to the realisation of national and global market opportunities. Therefore, the Ningxia wine region is considered a suitable case given the research objective. Another significant reason for choosing the Ningxia wine region concerns the practicalities and logistics of fieldwork. The Ningxia wine region is geographically concentrated, stretching about 200 kilometres from the northernmost sub-wine region Shizuishan to the southernmost Hongsipu. This concentration provides the opportunity to visit more wineries and stakeholders in a tight time frame.

3.4 Data collection

In this study, three data collection methods have been used: documentary analysis, face-to-face semi-structured in-depth interviews and observational research; the study is staged over three phases. The fieldwork began at the end of May 2018 and lasted about three months.

3.4.1 Document analysis

The first phase involved secondary data collection and analysis (websites of and documents from wineries, the tourism industry, the local authority, government documents, regulations and initiatives from central and local authorities) with the aim of eliciting critical contextual information for this study on the making of the Ningxia wine region. Throughout the study, the documentary analysis provided valuable insights. Because of the context of China, much of the data and statistics related to the Ningxia wine industry are not publicly available. Therefore, the statistical information and government documents provided by government authorities have proven very significant for analysing the industry development. Winery websites provide a basic introduction to wineries and the contact information. Tourism websites may provide wine trip information that is helpful in analysing the development of wine tourism. Collecting information provided from website at first is helpful to make the list of potential interviewees which might be chosen as valuable targets. Website information can also provide brief profiles of wineries and/or winery owners and winemakers.

3.4.2 Interviews

The second research phase involved conducting face-to-face semi-structured in-depth interviews with winery owners, managers, winemakers, and representatives of local businesses, associations and authorities that are key stakeholders in the wine sector. To generate rich data on the perspectives and experiences of key stakeholders, the interviews involved semi-structured questions, allowing direct lines of questioning, but also providing room for following new lines of inquiry as they arise in conversation. In contrast, a survey questionnaire method would not offer the detail and depth of perception to meet the study research objectives.

In conducting semi-structured in-depth interviews, it is recognised that a small group sample of the right interviewees will provide important insights linked to the research issues of the specific context (Hay, 2010), so the sample size depends on the study's objectives, the usefulness and credibility of the interviewees, and the limited resources in terms of funding and time rather than a predetermined number (Patton, 1990). Given the significance of winery stakeholders in the wine sector, and the fact that the Ningxia wine region comprises five sub-regions, interviewees were selected from each of the sub-region to identify trends that may have developed on the basis of geographic location.

Secondly, winery stakeholders were mainly selected from the 36 classified wineries (see Section 5.2 for more details). These wineries differ significantly from each other in terms of ownership structure and size. For example, some are large government-backed properties (such as COFCO's Great Wall); some are wholly foreign-owned wineries and international flagships (such as the Domaine Chandon opened by Moët Hennessy, Helan Mountain of Pernod Ricard, and Chandon of LVMH); and some are renowned boutique wineries (such as Silver Heights of Emma Gao and Chateau Helan Qingxue of Zhang Jing). All of these classified wineries are involved in some way with the tourist industry (one requirement being that they were classified wineries including tourism facilities such as a cellar door/tasting room and winery tour). In addition to the classified wineries, some other wineries were included to enrich the data, especially, wineries with special characteristics, such as with specific historical, cultural or technological elements in the establishment of wineries and the promotion of wines.

This study has limitations because it includes only the perspectives and experiences of the selected winery stakeholders. The exclusion of some wineries from the final sample is due to many reasons, including time limitations and challenges with access (such as, too difficult to travel to the winery, to contact winery owners or winemakers or to be accepted by chosen interviewees). Other wineries

were excluded as they were still at the development stage at the time of the fieldwork. However, given the nature of qualitative research and the main focus on wineries involved in some way in wine tourism, there is a wide range of interests represented in the sample. It is important to acknowledge that the results presented here do not necessarily represent all wineries in each sub-region.

Other stakeholders interviewed include representatives of local authorities or governmental officials, especially the Administration of Development of Grape Industry of Ningxia (ADGIN), whose actions and conversations are critical in developing wine region and wine industry. These stakeholders are particularly important, given the high level of government involvement in the regional development and the complex cultural and political situation in China (see Section 4.4.3.4, 4.4.4 and 6.7). Finally, the selection of interviewees from the local/regional service industries was based on them having collaborated with wineries and being engaged in the wine industry, meaning they had an in-depth understanding of the wine and service (including tourism) industries.

The most challenging issue occurred at the beginning of the fieldwork: How to connect with potential interviewees. Because of the specific Chinese social context and the background of the potential interviewees, it was impossible for them to accept an interview from an unknown student. This hurdle was overcome in two ways: first I connected with the governmental officials to get the phone numbers of recommended interviewees and I used these officials as referees. Secondly, I sent emails to addresses located on relevant websites. Fortunately, one interviewee from the culture and media industry involved in the wine industry replied to me and accepted my interview. Using this social network of interviewees, I then had the opportunity of connecting with many stakeholders.

The total number of interviewees (53) comprises 37 wineries (including 24 classified wineries and 13 other wineries), 2 regional authority interviewees, 5 experts and 9 interviewees from other relevant industries. Interviewees from wineries include winery owners, winemakers and managers. The priority of selection is based on the significant role of actors in wineries. For example, in some wineries, the winemakers may be in charge of the operation of wineries (see Section 5.2). The number of interviewees well exceeds the sample size of less than 20 deemed adequate for this type of study (Baker et al., 2012). The length of the interviews varied, depending on the level of engagement of the interviewee with the wine industry, and ranged from 20 to 90 minutes.

In research projects, it is crucial to maintain the anonymity and confidentiality of interviewees. In this project this was achieved by following a strict project procedure and protocol, which was reviewed and approved by the Lincoln University Human Ethics Committee (see Appendix A). No interviewee has been named in this thesis, or in any future published work, being described by roles only (e.g.

'wine maker', 'winery owner', 'government official'). With the interviewees' consent, all interviews were audio-recorded. When the interviewee presented new ideas, notes were made and further questions asked. At the end of interview, every interviewee was required to sign consent form (see Appendix 2), rather than at the start of the interview, as is usual in studies, because in the context of Chinese culture and society, the relationship can be built during the process of interview, good for reaching the agreement to sign the consent form. Otherwise, when facing a stranger at the start of the interview, interviewees may have a general reluctance to sign it.

An indicative interview schedule (Appendices C and D) was developed with open-ended questions, informed by previous research, with the goal of eliciting from respondents descriptive and explanatory data. While the interview guides provided a useful starting point for interviews, these discussions often ran more like guided conversations. When necessary, probing questions were used to obtain additional information from interviewees on issues they felt were important. For the purpose of minimizing disruption to interviewees' daily lives, the time and location of the interviews were selected according to convenience of interviewees; most interviews were conducted at participating winery or office.

Because of social and cultural norms, it was difficult for me to get entire interviewees demographic profiles during the interview. As supply-side stakeholders, they have a relatively high social status and most were older than me; it does not accord with Chinese social etiquette to gather personal information, such as educational background.

3.4.3 Field observations

According to Yin (2009), observation as a supplementary source of evidence collection technique is valuable for collecting more reliable and not purely historical data. Participant observation also provides distinctive opportunities relating to the ability to gain access to events and has a goal of understanding the nature of the phenomena. Participant observation is defined as "a method in which an observer takes part in the daily activities, rituals, interactions, and events of the people being studied as one of the means of learning the explicit and tacit aspects of their culture" (DeWalt & DeWalt, 2011, p. 1). By observing and participating in an event, the researcher becomes a complete insider, from being an outsider, to gain intimate knowledge (Creswell, 1998).

Participant observation can provide a triangulation of data from a different point of view to supplement perspectives obtained through documentary sources and interviews. There are two types of observations utilised during all stages of my fieldwork. The first type refers to wine events

held in the region during the period of my fieldwork, which I was able to attend. For example, I was able to attend the 7th international Exhibition for Wine Production & Fruit/Vegetable Farming and Processing, to which I was invited by a governmental official. The figures of the case of event observed are shown below in Figure 3.2 and 3.3).



Figure 3.2 The observation of the 7th international Exhibition for Wine Production & Fruit/Vegetable Farming and Processing

Source: The author



Figure 3.3 The observation of wine production machines

Source: The author

The show was supported by the Administration of Development of the Grape Industry of Ningxia (ADGIN), Ningxia Hui Autonomous Region, and International Organisation of Vine and Wine. By attending this event I was able to observe the professional, comprehensive and innovative products

and services being offered across the whole industry supply chain from wine growing to wine packaging, including vine cuttings, vine protection, grape harvesting and pressing, cellar, label, corks and barrels.

The second type is the observation occurred in wineries and wine centres, either before, or during the semi-structured interviews, or by joining wine events and visiting wineries in the region. Data were captured through observing wine tasting events, exploring winery buildings and facilities and wine routes, to strengthen my understanding of wine tourism offerings, and the tourists who visit them. It also provided visual understanding of the physical and cultural landscape of the wine region. During the observation period, field notes and pictures were taken. Most of the time, I observed the interaction between wine tourists/consumers and facilitators for the wineries. For example, how many, and what type of people attended the event? What was/were the reaction(s) of interviewees to the wine showcased in this event? What did the facilitators say about the wines, the winery, and the regions?

3.5 Data analysis

The results of an in-depth interview are analysed in three steps: transcription, coding and analysis. In the case of this study, verbatim text of an interview was created by transcribing from the digital recording device and notes were made after the interview (no more than two weeks later). The period was relatively long because two or three, or more, interviews were often done in one day and interviews were done over consecutive days. All interview times were decided by interviewees and it was more efficient to interview neighbouring wineries in a single visit, meaning interviews often occurred in 'blocks' of time. However, initial notes were recorded at the end of each interview, which provided insights for subsequent interviews, especially in the early stage of data collection.

Silverman and Marvasti (2008) argue that transcripts are more than just a means of collecting data; they are a means of gaining insight into the world as perceived by the respondent by immersing oneself in the transcripts and reading the text as it is presented by that respondent. Transcribing was completed slowly and thoroughly; it was intended to include every word that could be understood during the interview, as well as any pauses or notations regarding the respondent. As interviews took place at the wineries, there was sometimes background noise that made words and phrases difficult to understand. In some interviews, I took notes instead of recording and I was unable to capture every word of their comments, when the interviewees took me on a tour around their winery facilities.

The process of open coding consists in asking questions, making comparisons and identifying categories and issues in the text (Corbin & Strauss, 1990). To facilitate a more comprehensive understanding of the problem, coding and categorizing the data allowed more effective organisation and conceptualisation of the information. Manual coding was used to label different categories based primarily on the material itself and from the literature, such as different motivations, and elements of terroir. As the interviews were conducted in Chinese, all data were transcribed in Chinese verbatim and, after coding, were translated into English. Because of differences between the two languages, my interpretation and presentation of the findings reflects my personal translations, which may be somewhat different to the translation another Native Chinese speaker might provide.

In this study, the term 'winery', what we are talking about is not always a 'winery' in the sense of where a wine is made, but we are using it as a shorthand for a wine producer. This term winery is used as a catch all for businesses involved in wine production, which will involve a mix of grape growing and wine making, rather than the more technical description of a winery as the building where grapes are turned into wine.

3.6 Summary

In this chapter, the overall research design and data collection have been described. To gain an in-depth, thorough understanding of the topic, a qualitative investigation was conducted. Based on the relevance of the research objectives, the region and the specific interviewees were selected for the study. Given this, Chapter 4 will outline the context of Ningxia and the development of wine industry in China and in Ningxia, based on documentary collections (especially, governmental documents and books) and as some of the information provided by senior interviewees in the interview process.

Chapter 4

The Ningxia wine region: Context and Background

4.1 Introduction

This chapter emphasises the relevant background and contextual information that has contributed to the development of the wine industry in Ningxia. It includes an overview of the Ningxia region, the wine industry of China, the regional development of Ningxia under government policies and information on the participating wineries.

4.2 The context of the Ningxia region

Ningxia, officially the Ningxia Hui Autonomous Region, is an inland province in mid-west China. It was a minority autonomous region for the Hui people and, according to statistics in 2015, 36 percent of China's Hui population live there (Administration of Development of Grape Industry of Ningxia, 2018). The total area is 66,400 square kilometres and, at the end of 2019, the resident population was around 6.95 million (Ningxia Bureau of Statistics, 2020), which ranks it second to smallest by area and third smallest by population of China's 27 provincial units. In Ningxia, there are five cities: Yinchuan, Shizuishan, Wuzhong, Guyuan and Zhongwei (see Figure 4.1).

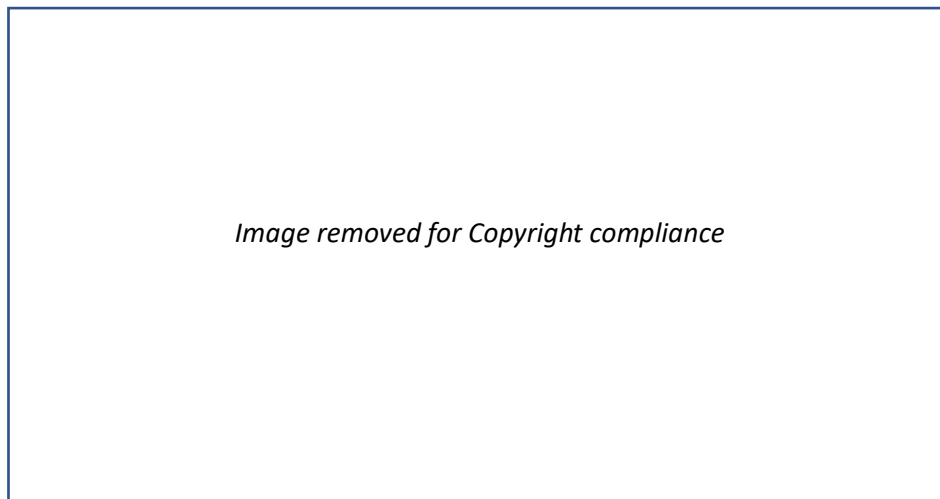


Figure 4.1 A map of Ningxia and its regions

Source: Administration of Development of Grape Industry of Ningxia (ADGIN) (adapted by the author)

The average altitude in the Autonomous Region is over 1,000 metres, higher in its south than in its north with a difference of nearly 1,000 metres. Because of its typically temperate continental climate, it has a long, cold winter and short, hot summer (Administration of the Development of the Grape Industry of Ningxia, 2018). The temperature is lowest in January with an average maximum daytime temperature of 0° C and highest in July, with an average maximum temperature of 29° C (*Climate and Average Weather in Ningxia*, n.d.). Ningxia is relatively dry and windy with abundant sunshine and strong evapotranspiration. It is a very dry place; the average annual precipitation is from 150-240 millimetres (Administration of the Development of the Grape Industry of Ningxia, 2018).

In terms of the geographical landscape, the province can be divided into three areas. The northern Yellow River irrigation area features flat land and fertile soil, with the reputation of being the 'Oasis beyond the Great Wall'. The middle arid area is dry, windy and sandy and is known for its barren land and poor living conditions. The southern mountainous area (Xihai mountain area) is dominated by hills and ravines. It is partly cold and humid and is one of the national poverty-stricken areas in China. In 1972, it was identified by the United Nations Food Development Agency as one of the least suitable areas for human survival (Chen et al., 2022; Zhu, 2011). The Ningxia wine region is located in the northern and part of the middle areas.

Ningxia area is one of the origins of Chinese civilization. There were human inhabitants in the region about 30,000 years ago in the late Paleolithic period, with evidence found at the heritage "Shuidonggou". After emperor Qinshihuang unified the six kingdoms in 3 BC, Beidi County (Ningxia's name in the Qin dynasty) was set up with military colonies and arable land. In this same period, irrigation from the Yellow River began making agriculture possible. At the end of the West Jin Dynasty (265AD-317AD), Helianbobo from the Xiongnu ethnic group established the local authority of Xia and have governed Ningxia ever since. During the Tang Dynasty (618AD -907AD), the military command centre was set up in Lingzhou (present Lingwu City) and the Shuofang military governor was also appointed under the direct leadership of the Tang emperors. During the time of the Han and Tang Dynasties (206BC – 907AD), Ningxia was an important hub of trade between eastern and western regions (*Ningxia Travel Guide*, 2022). In 1038, Yuanhao Li, the leader of the Tangut ethnic group, established the Kingdom of Xia with the capital Xingqing Fu (present Yinchuan city), later known as Western Xia after the Yuan Dynasty. In 1227, Mongolia conquered Western Xia and renamed it Ningxia, meaning peaceful. Ningxia Wei and Ningxia Fu, the political districts, were set up by the Ming and Qing Dynasties, respectively, to rule the region. Ningxia province was founded in 1929 and was later incorporated into Gansu province in 1949 after the establishment of the People's

Republic of China. In 1958, Ningxia was reconstituted as an autonomous region (Regional Economic Cooperation Division of Ningxia Department of Commerce, 2022).

Ningxia has significant advantages and potential in agriculture, energy and tourism. First, Ningxia has arable land of around 1.1 million ha or 0.187 ha per capita, ranking it second in China. Land with the Yellow River irrigation is around 527 thousand ha, making it one of the 12 grain production bases in China. With grassland of about 2.44 million ha, it is one of China's 10 largest pasture areas. Secondly, Ningxia boasts a usable water resource of 4 billion cubic metres from the Yellow River, accounting for 7 percent of the total cubic metres from the Yellow River. It ranks sixth amongst provinces in terms of its proven coal reserves of 46.9 billion tonnes. There are over fifty mineral resources in Ningxia. Third, Ningxia is recognised for its rich cultural and historical resources derived from its long history, along with its diverse natural landscapes that make it a fascinating tourism destination with diversified resources, such as the ancient Yellow River civilization, mysterious Western Xia history, distinctive Hui customs and habits, and magnificent scenes of the desert. Important cultural heritage and unique natural settings include "two mountains and one river" (the Helan Mountains, the Liupan Mountains and the Yellow River), "two deserts and one mausoleum" (the Sand Lake, the Shapotou Scenic Spot and the Western Xia Imperial Tombs), "two fortresses and one wall" (the Jiangtaibu, the Zhenbeibu and the ancient Great Wall) and "two cultures and one scenery" (the Western Xia culture, the Hui ethnic culture and the scenery of the Oasis Beyond the Great Wall) (Bulage, 2017; State Council Press Office, 2013).

4.3 The development of the wine industry in China

Wine grapes have been grown in China since the 4th Century BC, but the modern commercial industry is a creation of the late 19th century (Li, 2013). Generally, towards the beginning of the period of Emperor Wu of Han (140-88BC), Chinese winegrowing and winemaking started. Before the Tang Dynasty, grape wine was always a luxury for high officials and noble lords (Li, 2013). For centuries, because of historical and cultural reasons, rice wine has been more popular than grape wine in the population, resulting in a low level of viticulture and winemaking, although China has its indigenous grape varieties.

The start of modern wine industrialisation and large-scale production of grape wine in China occurred with the establishment of the Changyu Wine Company in Yantai, Shandong Province in 1892 (Mitry et al., 2009). Following the development of wine industry and wine consumption market, including the giant COFCO (China National Cereals, Oils and Foodstuffs Corporation) winery operated by the Chinese government in 1988, domestic Chinese wine has attracted growing

attention. In 2015, China's grape vineyards was 799,000 hectares, becoming the second largest vineyard area in the world (*China overtakes France in vineyards, 2015*). Figure 4.2 shows the four major wine regions defined in administrative divisions: Xinjiang (Shanshan, Manasi and Shi Hezi), Ningxia (He Lanshan), Hebei (Changli and Shacheng) and Shandong (Yantai, Penglai and Qingdao).



Figure 4.2 The main wine producing regions of China

Source: Chen (2017)

Ningxia is one of the emerging wine-producing regions having experienced considerable growth in its vineyard area and production of wine over the past 40 years. It remains a large producer in the global context. Ningxia wine region's distinctiveness lies in its success in producing quality wine based on its many favourable physical settings and human involvement, especially by the regional government.

4.4 The regional development of the Ningxia wine industry

4.4.1 A brief history of winemaking in China and Ningxia

The history of the origin of the Ningxia wine region presented here is summarised from the work of Zhang and Zhao (2016). The earliest literary record of wine in China is found in *Shiji (The Records of the Grand Historian)* that report that, in 138 B.C. Zhangqian, one of the first official diplomats in Han dynasty, brought back grape varieties and grape growing and wine making technique to mainland China by the Silk Road, which was a trade route connecting the East and West (Godley, 1986; Zhang

& Zhao, 2016). The grapevines were rooted in Ningxia, which lies right in the Silk Road. During the Tang dynasty, the prosperity of the grape sector can be seen in the famous poem written by Wei Zhan “贺兰山下果园成, 塞北江南旧有名” (a number of vineyards lie at the foothill of the Helan Mountain, its reputation of the oasis beyond the Great Wall has been recognised since ancient times). In the Song dynasty, Ningxia was ruled by the Western Xia regime and wine was given as a gift to Song’s government officials. Winemaking is recorded by Tang Shenwei in *Classified Materia Medica*. In the Yuan dynasty, Ma Zuchang wrote a well-known poem *Lingzhou* (an old name of Yinchuan and Lingwu in Ningxia) with the description: “葡萄怜美酒, 苜蓿趁田居” (grape is made into wine, and alfalfa flourishes in the field). Since alfalfa was the primary crop for local nomads and is bracketed together with grape, it is assumed that the wine industry was prosperous and Ningxia was a wine producing region at that time. However, wine production in Ningxia decreased and ultimately disappeared in the Ming and Qing era. The main reason is inferred to be the extended influence of Islam, which strictly prohibits alcoholic drinks (Zhang & Zhao, 2016).

4.4.2 The soil types of Ningxia

Soil is the foundation for grapevine growth and the physical, chemical and biological characteristics of soils, including soil type, soil structure, soil depth, fertility, moisture and temperature, significantly influence vine root growth, nutrient absorption, water uptake, wine composition and wine quality (Li, 2017; Wang et al., 2015). Vines can be cultivated on a huge variety of soils; it is generally accepted that better wines are produced when the grapevines are grown on poor soils (Van Leeuwen & Seguin, 2006). The major soil type in Ningxia is sierozem, which accounts for over 50% of the area, but different types of soil are found in different sub-regions because of different proportions of sand, gravel and clay (see Table 4.1).

Table 4.1 Different soil types in Ningxia’s sub-regions

Sub-region	Soil type
Shizhuishan	Gravel, irrigation silting, high PH
Yinchuan	Gravel
Yongning	Gravel, sandy
Qingtongxia	Sierozem, aeolian, irrigation silt
Hongsipu	Sandy, gravel

Source: Zhang and Zhao (2016) and Administration of the Development of the Grape Industry of Ningxia (2018)

The regional characteristics of the soils are that they are well-drained, adequately aerated, low water holding capacity, heat-retaining, low fertility, low organic matter, and high pH (7.5-8.7). These

qualities are generally beneficial for effective grape production, promoting deep growth of vine roots, heat retention, and pest resistance, but there are some negative implications, such as slow grape growth and low nutrient take-up (Zhang & Zhao, 2016).

4.4.3 A timeline of modern wine industry in Ningxia

The origin of the modern wine industry in Ningxia dates back over 40 years. There were three phases in making the Ningxia wine region taken by the Ningxia government, as stated by a government official⁷:

1. Before 2004 was an experimental stage of 20 years.
2. From 2004 to 2014, was the phase of fast development, large-scale product base and winery clustering.
3. From 2014 till now, has been the new development stage in terms of the industrial upgrading that must be integrated into the primary, secondary and tertiary industries, modernisation, and regional branding.

In this section, the Ningxia wine industry will be introduced by following the above timeline. Some references are from government documents shared with the researcher by ADGIN but cannot be confirmed in any other sources. According to these reports, in the early 1980s, Mr Qichang Guo, an academic dignitary and one of the first of the generation that developed a modern wine industry in China, proposed that Ningxia had very suitable terroir for planting wine grapes (*The Region*, n.d.). The State Bureau of Light Industry authorised him to execute the construction of three modern wineries with same design and grape variety in the three provinces. In 1982, several large wine producers (such as Changyu, Great Wall and Dynasty) began establishing vineyards or purchased abundant wine grapes from the Ningxia region, because of its suitable environment and climate for grape growing (*Ningxia Prepares for the Golden Era of Wine in China*, 2019; Zhang & Zhao, 2016). For some senior interviewees in this study, that period is considered the period of ‘colonisation’, which means those big brands got significant economic benefits through buying high-quality raw material at a low price and local farmers were exploited by them, with low margins for grapes.

⁷ This interviewee was in high position in ADGIN in the period of fieldwork and worked in other regional authorities before, in charge of the development of wine sector in Ningxia from the beginning.

Ningxia's modern wine industry started in 1983 with the piloting of large-scale planting of wine grape varieties by China State Farms Agribusiness (Group) Corp (CSFAC). That trial resulted in the establishment of the Yuquanying Winery, the first regional winery, in 1984 (Yi, 2018). At around the same time, Professor Hua Li⁸ visited Ningxia and was convinced that Ningxia had the potential to be a great wine producing region. These events resulted in the rapid development of the modern wine industry from this time. In 1994, the fourth grape industry seminar was held in Ningxia and it provided the theoretical foundation of making Ningxia a wine region, according to a senior interviewee. From 1986-1996, some large-scale wineries were established with the production capacity of around 100,000-200,000 hl⁹ per year, such as the Guangxia, Xixia King Winery and Empire Horse Winery, meaning this was bulk wine production (Hao et al., 2015). These pioneering wineries are regarded as the cradles of talent by most interviewees, since many winery owners and winemakers have previously worked for them.

In 1996, Peng Li, the former Chinese premier, toasted the China Five-Year Plan with red wine, emphasising the product's benefits for health and 'social ethics'. This action was seen as a signal of the Central government paying attention to the wine sector, according to a senior interviewee with government background and government officials, because, formerly, Baijiu, as a national liquor, was always served on such a great occasion (Anson, 2018). As a senior wine owner stated during an interview: *"the key year in the adjustment of the agricultural structure, when six regional pillar industries were announced in terms of grain, dairy, wolfberry, freshwater fish, grapes and wine industries"*.

In 2003, the Eastern Foot of Helan Mountain was certified as the region of the original protection of wine (Zhang & Zhao, 2016). In 2004, the Ningxia government determined it would adjust the orientation of the wine industry after seminars with experts and visits to Bordeaux, Burgundy, the Rhone Valley (in France), Spain and Italy. The Ningxia government was keen to see wine enterprises that have so far been established, including the vast foreign corporations, play their part in improving the regional economy. Therefore, in 2005, the Helan Qingxue Winery, as a pilot programme and the first demonstration vineyard in Ningxia, was established following the demands of regional and

⁸ Lihua was the first doctorate majoring in Viticulture and Oenology in China, started the viticulture and oenology major and later started the Wine Faculty in Northwest Agricultural University. This was the first time in China (*Chongqing Daily*, 2016).

⁹ 1 hl = 100 litres

national policy. In 2011, the wine world caught its first glimpse of the potential of Ningxia's wine region when Helan Qingxue won the Decanter World Wine Awards (DWAA) International Trophy, the first renowned international award for a Chinese wine (Service centre of the development of wine industry in Yinchuan, 2020). This event is regarded as the important milestone for the Ningxia wine region that opened the door to the world. The success of the Helan Qingxue Winery, as a boutique winery producing high quality wine, strengthened the confidence of regional government in the development of the wine industry and provided a development model. A wine college at Ningxia University opened in 2013 (*The introduction of Food and Wine College at Ningxia University*, 2020).

The role of Chairman Jinping Xi is significant in the development of the wine sector in Ningxia. Firstly, Jinping Xi, as the Provincial Party Secretary of Zhejiang Province back in 2005, raised "the conviction that lucid waters and lush mountains are invaluable assets" (Xi, 2014), which was reported and then emphasised by him as Chairman at the 19th National Congress of the Communist Party of China. This marked that the central government policy had changed to high value ecological and environmental protection in 2017- the wine sector is noted as a 'green industry'.

Secondly, when visiting Ningxia in July 2016, Chairman Xi said China's liquor industry in the future will be: "*A cup of Baijiu in one hand and a glass of wine in the other hand*" and added the comment:

China's wine market has huge potential for growth. Eastern foot of Helan Mountain produces the best vintages with great market potential. The vision of integrated development in regional wine industry is right and will be continued in boosting sustainability (Administration of the Development of the Grape Industry of Ningxia, n.d.).

This statement played an essential role in strengthening the confidence of the industry and regional government in participating in the wine sector, as was illustrated by many winery owners. They stated that they were positive in the stability of the direction of the development of the wine industry because of the attitude and vision of Chairman Xi. His word is considered by many interviewees as a guarantee for sustainable development.

In 2020, Chairman Xi set guidelines for the development of wine industry in Ningxia again:

With rising standards of living, wine industry has bright prospect. The development of wine industry needs to combine with strengthening the governance of the Yellow River floodplain and ecological restoration. The development goals include the improvement of techniques, the growth of cultural values, the creation of regional brand with recognitions and the

increase of added values and comprehensive values (Administration of the Development of the Grape Industry of Ningxia, n.d.).

Highlighted on the ADGIN official website is the vision of Chairman Jinping Xi who calls for sustainable, integrated development of this wine region, noting particularly the potential of Eastern Foot of Helan Mountain, Ningxia in 2016 and 2020 (Figure 4.3).



Figure 4.3 The vision of Chairman Jinping Xi

Source: Administration of the Development of the Grape Industry of Ningxia (n.d.), used by permission
(Translation of two comments from Chairman Xi is in two direct quotations)

The development of the Ningxia wine region was not only a regional initiative; the Chinese central government in Beijing has exclusive power to approve policies and initiatives for the development of every industry in any region, including viticulture and wine. China's "12th Five-Year Plan" (from 2011-2015) summaries five achievements in wine industry during the period of "11th Five-Year Plan" (from 2006-2010), which includes enlarging wine industries and wine corporations, developing wine industry in different regions, improving raw material quality, branding wine, differentiating and improving wine products in technology and innovation (Li & Bardají, 2017). And five existing concerns are planned to be solved in "12th Five-Year Plan": lacking a proper development plan, lacking supply bases of raw material, lacking wine culture, an urgent need of high technology and innovation and low quality and wine fraud. The significance of governmental guidance and support to wine industry in China is also underlined in "12th Five-Year Plan", including the further

development of existing wine producing regions¹⁰, the addition of new areas, adjustment of the industrial structure of the industry, improved technology and product quality and integration of a wine culture and wine brands (Li & Bardají, 2017).

In 2012, the establishment of the General Office of Administrative Committee of the Grape Industry Zone of Eastern Foot of Helan Mountain Wine Region (GOACGIZEFHMWR), the Administration of the Development of the Grape Industry of Ningxia (ADGIN) and the International Federation of Vine and Wine of Eastern Foot of Helan Mountain (IFVWEFHM), at the provincial level, marked the beginning of an eight-year fast-track development in the grape and wine sector in Ningxia. Since then, the Ningxia government was the first provincial government in China to manage a regional wine industry and support has been provided by successive regional governments, whose primary responsibilities are sustainable economic, social and environmental development. These government authorities have been responsible for carrying out development plans, implementing approaches and initiatives, creating industry policies and regulations, and coordinating the different parties in the wine industry.

In modern Chinese politics, the party-government organisation hierarchy arranges dual administrative system. The Communist Party is responsible for determining the direction of policy and the relevant regional government(s) is(are) in charge of implementing policy and day-to-day execution. This is used at all levels of government and Communist Party organisations (such as state-owned enterprises, universities, hospitals and other state institutions) (Bai & Liu, 2020). In relation to the wine industry, GOACGIZEFHM is the highest office and ADGIN is headed by a director, who is also the Deputy director of GOACGIZEFHM as the second-highest-ranking official and Party Branch Secretary. In all organisations, including wineries with more than three Communist Party members, a Party Branch is set up and arranges Party-building activities regularly for ideological and political education to regulate personal and organizational behaviour. Some wineries have Party-building exhibitions. According to a government official¹¹, the Party governs everything through both rule of law and morality. ADGIN and IFVWEFHM actually implemented the approach and initiatives to achieve the vision of building a globally recognised wine region. Another state-owned organisation under ADGIN is the International Wine Trade Expo Centre of Ningxia (IWTECN), the key role of which

¹⁰ Ningxia was one of wine producing regions in China during period of 12th Five-Year Plan, according to the timeline of development of Ningxia wine industry (see Section 4.4.3).

¹¹ An interviewee of this study

is a flexible commercial operation. ADGIN works on guiding and managing wine industry and acts as a buyer of regional wines and wineries, in accordance with regional development approaches at different development stages.

By the end of 2020, the region had 32,800 hectares of vineyards, accounting for nearly one third of the national vineyard area making it the largest region in China for grape cultivation and the second largest in the world after Bordeaux, France (The General office - the Government of Ningxia Autonomous Region, 2022). By the end of 2021, the region had 35,000 hectares of vineyards, the annual yield of 130 million bottles of wine and the total values of more than 30 billion RMB (7 billion NZD) (*Industry reports, 2022*). Moreover, Ningxia has achieved certain global recognition and reputation, selling its wines in more than forty countries. The brand value of wines in Ningxia Eastern Foot of Helan Mountain is estimated about 28.144 billion RMB (6.57 billion NZD) (*Industry reports, 2022*).

4.4.4 Initiatives and regulations

As outlined earlier, Ningxia was the first wine region in China to operate under rigorous regulations proposed by the regional government for local viticulture and wine quality production. Better regulations and legislations are required to resolve inconsistent standards (Wang et al., 2010) and irregularities that exist throughout the entire wine making process (Li et al., 2009). From 2003-2016, there were many regulations proposed for the development of wine industry (see Table 4.2). Among over 15 sets of regulations proposed by the regional government, the Ningxia winery classification activated the making of a world-renowned wine region. All participating wineries are ranked into five different classes and are evaluated level-by-level promotion per two years. The full mark is 198 with: First Growth (188-198); Second Growth (168-187); Third Growth (158-167); Fourth Growth (138-157); Fifth Growth (118-137).

Table 4.2 The main regulations governing the wine industry of Ningxia

Name	Year	Target
The appellation of wine in Ningxia Eastern Foot of Helan Mountain Wine Region (GB/T19504-2008)	2003-2013	To protect the product with national geographical indication and guarantee the geographical origin of the grapes and wine producing.
Regulations on the protection of Ningxia Eastern Foot of Helan Mountain Wine Region	2012	To rationally exploit, utilise and protect natural resources and maintain the origin of wine with high quality
Ningxia winery classification System	2013	To rank the wineries under international standard.

Ningxia prime vineyard appraisal and management	2016	To promote the construction and management of quality vineyards
Supportive policies and Measures on accelerating wine industry development by innovative financial support on agriculture	2016	1. To provide direct subsidy in the construction of seedling system and quality vineyards, the promotion of market and regional branding, technology innovation, talents cultivation, and the construction of socialised service system. 2. To establish three supportive loan systems (loan guarantee, discount loan, and loan risk compensation)

Source: Zhang and Zhao (2016) and Yi (2018) (translated and adapted by the author)

The evaluation committee, organized by the International Federation of Vine and Wine of Eastern Foot of Helan Mountain (IFVWEFHM), comprises oenologists, sommeliers, wine critics, representatives from industrial associations and consumers. Although the classification system is modelled on the Bordeaux 1855 Classification, and ranks wineries into five levels based on scale, production, quality, distribution, management and contribution to the wine tourism industry, it works rather as a guide for development. The specific classification has nine indispensable factors for weighted assessment of the whole winery, instead of classing the best wines according to their price and quality. Table 4.3 shows 36 classified wineries in five sub sectors at the time of the fieldwork. Yinchuan, the capital of Ningxia Hui Autonomous Region, has twenty, the most classified wineries. Yongning, the oldest sector with the largest area of vineyards, is where many large wineries and state-owned and foreign-owned wineries are located. Hongsipu is the largest ecological immigrant region in China.

Table 4.3 The classified wineries in Ningxia at the time of the fieldwork

Sub sector	Third Growth	Fourth Growth	Fifth Growth	Total
Shizuishan		Chateau Hedong		1
Yinchuan	Helan Qingxue Château Yuanshi	Kannan Winery Legacy Peak Estate Sen Miao Moon Valley Winery Chateau Lanny Li's Vineyard Chateau Changyu Moser XV Chateau Chengcheng	Chateau Mihope Chateau Pushang Chateau Lansai Chateau Minglu Chateau Miqin Xinniu Winery Jinyuan Winery Haixiang Estate Chateau Yuange Chateau Yintai Chateau Baoshi	20
Yongning	Château Bacchus	Lilan Winery Chateau Yuquan of Ningxia State Farm Great Wall Tianfu	Lux Regis Winery Pernod Richard Yangyang International Winery	9

			Chateau Saint Louis Ding Deylong Winery	
Qingtongxia			Emperial Horse Winery Chateau Yuhuang Chateau Jinshawan Chateau Helanfanhua	4
Hongsipu			Chateau Huida Chateau Hongfenjiarong	2
Total	3	11	22	36

Source: Yi (2018)

One of key initiatives mentioned by all interviewees as important in the booming wine industry in Ningxia was the strategic development pattern of “Small winery, Large wine region” declared by Mr Linhai Hao (Zhang & Zhao, 2016), who was a special government consultant executing the development of the wine industry, former vice president of Ningxia Hui Autonomous Region government, former director of the GOACGIZHMEF and former president of the IFVWHMEF. The pattern was proposed by Mr Hao, Professor Li Hua and scientist, Zhenping Wang. They did theoretical and practical investigations in Ningxia and made an evaluation of the general Chinese wine sector. It requires wineries to be built under centralised planning by the regional government. For example, wineries need to plant their own high-quality wine grape vines and produce premium wine by their own harvest in accordance with the standard. They also have aims to build large chateaux and undertake marketing, to increase wine quality, promote wine brand and integrate the functions of the primary, secondary and tertiary industries. This pattern producing relevant regulations faced plenty of pressure and challenges since, as a pioneer in China, it was breaking from the traditional industry structure without a case for reference and to gain a paramount position in the Chinese wine market. For example, the concept of estate wine encouraged wineries to plant their own wine grapes and produce premium wine by their own harvest in accordance with the standard. The first classification system and the largest-scale import of grape vine cuttings in China were carried out by regional authorities to change the current status of the wine industry in China, which was industrialised wine of low-quality. Other actions included the establishment of ADGIN, and a proposal to build Eastern Foot Helan Mountain Wine Industry and Cultural Corridor. This pattern had been changed by the end of 2017 along with the change of the Provincial Committee Secretary. The original pattern was replaced by “Large winery, Large wine region”. The background of this shift of regional development pattern will be introduced in the following paragraph.

Generally, the turnover of governmental leaders, in the short term, is always accompanied by negation and replacement of previous policy (Eaton & Kostka, 2014; Guo, 2007). In Ningxia, the regional development pattern was shifted alongside with the turnover of regional government

leader. However, according to a government official interviewed for this study, the main reason for transforming key pattern of regional development in the wine sector is in accord with national policy of supply-side reform¹² (*Supply-side reform*, 2016; *To boost economic growth through supply-side reform*, 2022). It was the time to adjust regional initiatives to raise the influence of products "Created in China" branding, which was in accord with both macro readjustment of direction and the law in the then wine industry development in Ningxia. After the emerging wine industry was thriving, spearheaded by increased scale and high-quality products, the new model derived from the industrial upgrading had to be integrated into the first, second and tertiary industries at a faster pace, to boost competitiveness and to meet diverse consumer demands.

Another central policy change resulted in a shift of the mix of production and marketing strategy in the wine sector, particularly for the companies whose main customers were government authorities and public organisations. The Eight-Point Regulation was stipulated by Jinping Xi and announced at the end of 2012 (*The Eight-point Regulation*, 2018). According to the responses of many interviewees, this regulation caused a sharp decrease in the amount of government consumption of their wine, leading to a market transfer to the general market. More results of selling the wines will be illustrated in Section 5.5.

The regional government has a significant influence on the development of wine industry, partly due to the rural land ownership. China has urban state-owned land ownership and rural collective-owned

¹² On 20 November 2015, Chairman Xi proposed the idea of supply-side reform at the 11th meeting of the CPC Central Leading Group for Financial and Economic Affairs. In 2017, central government fully carried out the supply-side structural reform to enhance the efficiency of all contributing factors and streamline government and delegated powers. Supply-side reform mainly focused on fuelling domestic demand and replenishing supply. Domestic demand can be created by supply-side innovation and heavier demand can, in turn, lead to supply-side improvements. Finally, steady growth and structural adjustment proceed in parallel. All industries and regions in China were in the process of reform, merger and acquisition to make big China brands, even the telecom, petroleum sector and the State ministries and commissions were included.

land ownership¹³. All land legally belongs to the state; individuals cannot privately own land but may obtain land-use rights for 30 years (in this case) with fees. Also, according to Chinese property law, the right to use construction land, such as building winery and accessory facilities, is only with regard to state-owned land. Therefore, it is a complicated, inconsistent procedure involving many functional divisions to go through the legal formalities.

In this section, relevant policies, initiatives and regulations from regional and/or national governments are illustrated. The development of a new industry is highly impacted by these political factors, although some political factors are also influenced by the global wine regulations and global wine market.

4.5 Summary

Ningxia's background, the wine industry's development in China and the regional development of the wine industry have been discussed. The role of political forces at the regional and national level have been the focus. They have impacted Ningxia wine industry and contributed to shape the development of the region at different stages. The Ningxia wine region has followed its own development trajectory, highlighting the fact that rural changes and rural construction is not a broad, generalised, similar process. A variety of historical and contemporary contextual factors, as well as individual stakeholder decisions and actions (see Chapter 5), contributed to the development of this phenomenon. National and regional political decisions and actions have transformed the physical and cultural landscape and the possibility for wineries to be involved in the wine sector. In turn, the actions of winery stakeholders have shaped the physical and cultural landscapes. These added or created values and meanings can contribute to the process of the wine region's construction. The

¹³ Article 10 of the Constitution specifies that "land in the cities is owned by the state. Land in the rural and sub urban areas is owned by collectives except for those portions which belong to the state in accordance with the law. House sites and privately farmed plots of cropland and hilly land are also owned by collectives. The state may, in the public interest, requisition land for its use in accordance with the law. No organization or individual may appropriate, buy, sell or lease land or otherwise engage in the transfer of land by unlawful means" (Wang, 2006, p. 313).

next chapter will examine the participating wineries of the Ningxia wine region, such as the ownership styles, the backgrounds of the participating winery owners, the motivation, the analysis of winery names and architectures, and activities in selling the wine and being involved in wine tourism. Some issues associated with their background and practice will also be discussed.

Chapter 5

The participating wineries of the Ningxia Wine Region

5.1 Introduction

This chapter has five sections outlining the findings from the wineries and other interviewees involved in the Ningxia wine sector. The first section examines the basic profiles of participating wineries and winery stakeholders, the ownership style and the backgrounds of the participating winery owners. Some issues associated with their backgrounds and practice are discussed. The second section analyses winery owners' motivations, strategic decisions, business practices, and their short- and long-term expectations. In the third section, winery names and architecture are analysed to discuss the cultural values. The next two sections discuss the situation in selling wine and being involved with wine tourism, on the basis of respondents' perspectives of the distribution channels and wine tourism activities and associated issues.

5.2 Participating wineries

5.2.1 Profile of participating wineries and winery stakeholders

The wineries that participated in this study vary in organisational structure, ownership model, size and stage of development. Figure 5.1 shows the locations of all participating wineries by sub-region and the number of them in different growth stage of the Ningxia classification system (see in Section 4.4.4). This classification system is used as a point of reference because it is the most important index to evaluate the development of individual wineries. Each sub-region is not involved in proportion to the total number of participating wineries, because of the different intensity in each sub-region. For example, currently, approximately half of all classified wineries are in the Yinchuan sub-region because Yinchuan is the capital with convenient transport and rich resources for developing the wine and tourism industry; there is only one classified winery in the Shizuishan sub-region. Between them, the Yinchuan and Yongning sub-regions account for over 80 percent of all participating wineries. Two-thirds of all 37 participating wineries are classified wineries. Other wineries include a garage winery, a public company, a biodynamic winery, a prestigious boutique winery, an old winery and a large-scale winery, which will also be analysed in this study to present the overall landscape of the Ningxia wine region.

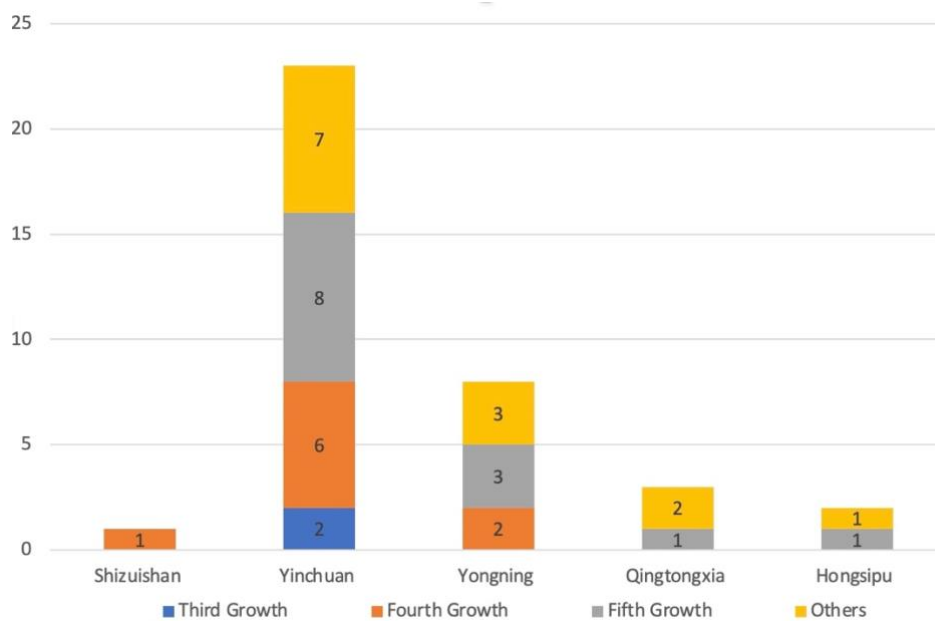


Figure 5.1 The number of participating wineries in the five sub-regions of Ningxia

The ownership styles include 2 state-owned, 2 transformed from public institution owned¹⁴, and 33 privately owned wineries, including 2 foreign-owned corporates, 12 domestic corporate/company ownership wineries and 19 domestic individual/family owned wineries.

Most wineries first planted grapes between 2006 and 2015 (see Figure 5.2), when Ningxia became the most popular province for the latest round of investment in the wine sector. Over 60 percent of wineries have vineyard areas ranging from 11 to 30 hectares (see Figure 5.3), because of the first development pattern of the "Small wineries, Large producing area" that the Ningxia government advocated. The largest vineyard (157 ha) belongs to a central government owned winery. The dominant grape varieties are cabernet sauvignon, followed by merlot, marselan and chardonnay.

¹⁴ State-owned enterprises are created and owned by local government's SASAC (The State-owned Assets Supervision and Administration Commission of the State Council) or central government's SASAC to partake in commercial activities on the government's behalf. In Chinese, the former is called Guoqi and the latter is called Yangqi. For example, in my study, Chateau Yuquan of Ningxia State Farm governed by Ningxia State Farms Agribusiness Group Corp. (NSFAC) is Guoqi. The Great Wall Winery owned by COFCO (China National Cereals, Oils and Foodstuffs Corporation) is Yangqi. Both are state-owned enterprises. Public institutions in China, as quasi-government organizations, are led by government departments and have strong dependence on fiscal funds, with an obvious official and civilian duality. This is a representative example of the differences between China and western countries in political and economic systems.

Some wineries have specific national varieties, such as cabernet gernischt, beimei, and beihong. Most wineries primarily produce premium, high-quality red wine, but also make a small amount of white wine from grape varieties including riesling and chardonnay. Only one winery makes ice-wine.

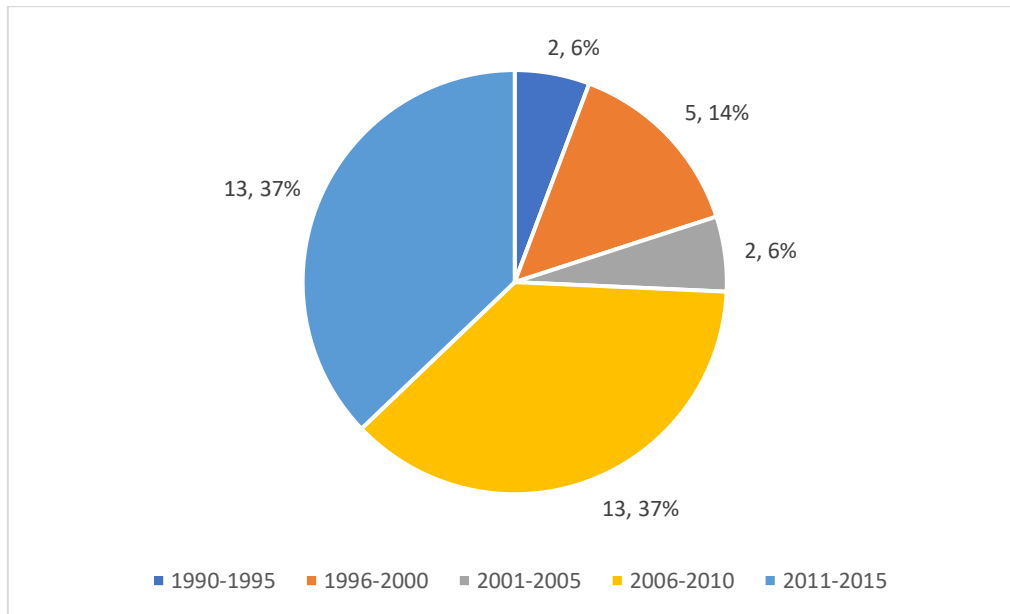


Figure 5.2 The number and percentage (shown as “number, percentage”) of participating wineries in different stages of year of planting

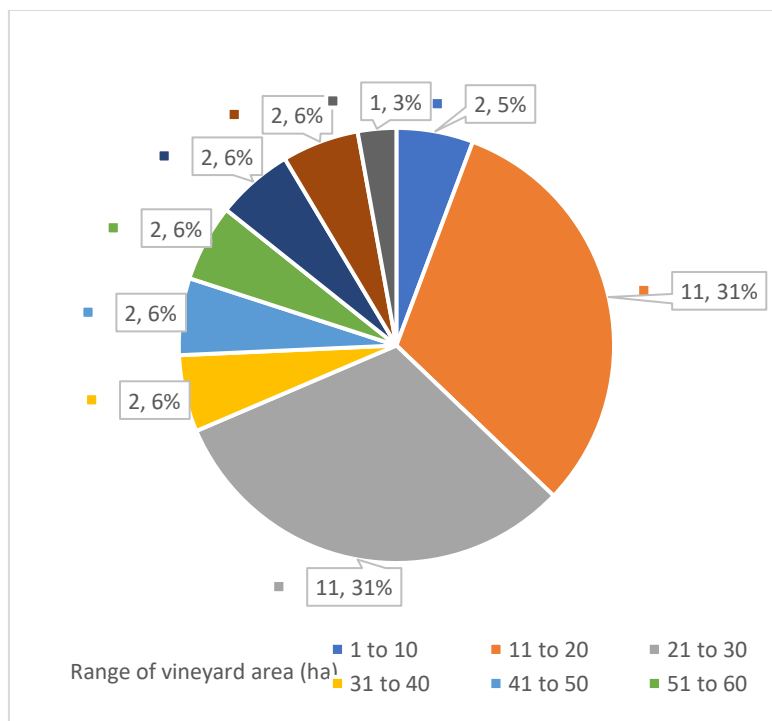


Figure 5.3 The number and percentage of participating wineries in different ranges of vineyard area (hectares)

The production volume varies greatly, regardless of the ownership structure. Overall, around half of all the wineries produce 10-100 thousand bottles of wine per annum, of which, only one winery each produces the smallest and the largest number; 13 produce wine in the range of 50-80 thousand bottles. About three-quarters of the wineries have a production capacity of below 300 thousand bottles. According to the respondents, most wineries were not yet operating at maximum production capacity because of the recent downturn in the domestic wine market. The annual production is based on the sales volume of the previous year and the annual orders for wine.

All 37 winery interviewees as key stakeholders play significant roles in the wine industry and are involved in daily operations. Two-generation owners of one winery were interviewed and both winemaker and owner from another winery participated in this study. As shown in Figure 5.4, 25 interviewees are owners of boutique wineries; the others are winemakers or managers who play an important role in winery daily operation.

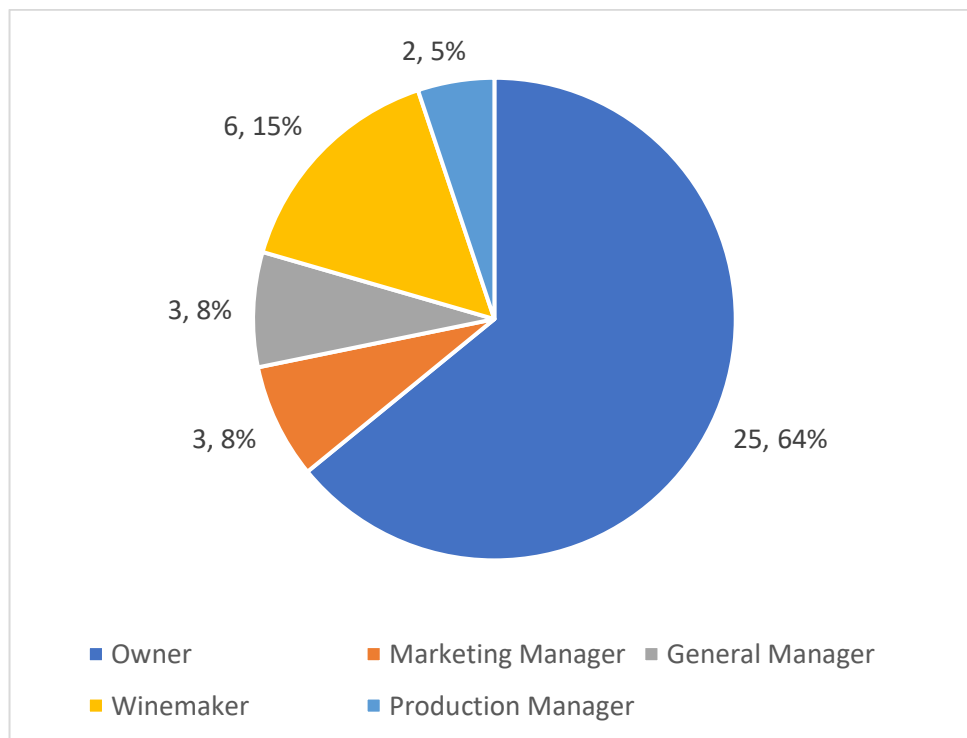


Figure 5.4 The roles of interviewees in wineries

Winery owners generally multitask the administration and marketing management. In addition, some owners (around 20 percent) serve as the winemaker; the rest hire someone for this role. On the basis of the production size and financial capability, some winemakers were contracted to make wine for a number of wineries, whereas others work solely for one winery. Two local famous winemakers were hired as contract winemakers by several small wineries. These winery owners

explained that this was because they had had great cooperation for many years, resulting in making wine of stable high-quality and the owners personally appreciated their winemaking style. Seven wineries had consultants in viticulture, including one foreign expert, and double that number had consultants in winemaking. Among them, less than half of winemaking consultants came from overseas; some national leading experts worked for more than one winery. Three privately-owned corporate/company ownership wineries hired both viticulturists and winemakers.

Six winemakers were involved in this study; most of them needed to execute the broader production process in terms of planting, product processing, purchasing, packaging, and marketing, because of the limited number of full-time staff (fewer than 10 for most wineries) and inadequate funds, which saw more money being spent on infrastructure and planting than on the skills and expertise that people needed. According to the responses, winemakers, working like the executives in many wineries, have more power ceded to them by the owners, who are portfolio entrepreneurs¹⁵ often from other industries without a wine background so focus on other business operations. The following quotations illustrate winemakers' views of their roles:

I am in charge of winemaking, administration, producing management, purchasing, pricing, packaging and selling, because we have less staff. Everyone has to multitask.

I am experimenting with some hybrid vines.... I designed a set of wine labels with Chinese cultural elements. In the beginning, the owner did not agree, but finally, these labels were utilised in market (since I insisted) I am a winemaker but also take charge of reception of industrial activities and the government visits.... I manage three vineyards, producing workshop, selling and other businesses.

In addition, three general managers are heads of the winery because of the winery's organisational structure: foreign-owned wineries and a winery transformed from a public institution; other interviewees are managers responsible for administration, marketing or production. The backgrounds of participating winery owners.

¹⁵ Portfolio entrepreneur establishes and operates multiple business in parallel (Gompers et al., 2010; MacMillan, 1986; Parker, 2014; Wiklund & Shepherd, 2008).

5.2.2 The backgrounds of participating winery owners

The majority of wineries were domestic investments. For example, some famous Chinese brands, such as Changyu, Great Wall and Dynasty, and Ningxia State Farm¹⁶ have established wineries in Ningxia. More winery owners became involved with the wine industry with significant existing wealth, mainly from other industries, such as the real estate, mining, construction and engineering industries. They have made an essential contribution to the prosperity of the wine sector, although most have little or no experience in grape growing or wine making. Many winery owners did not view their wineries as their primary business and income from other businesses was continuously invested in the wine sector, since most wineries remain unprofitable at this stage. Another significant component of investment is foreign capital. Of the 37 participating wineries, around a quarter of the owners had a background with wine (see Figure 5.5). Most interviewees reported that the ownership style had little impact on winery management and operations. Instead, the essential influencing attribute is the background of winery owners that led to the success of making Ningxia a wine region. However, many issues still exist. For example, the respondent from a state-owned winery explained that the strategic development had been changed to focus on producing higher-end wine, because of a new general manager who has a background in administering imported wine and liquor stores and is familiar with well-known overseas wineries and their wines. Another example is that a winemaker from a corporate ownership winery stated that New World style wines are produced at reasonable price in the market because the CEO's personal wine preference is Australia wine.

¹⁶ Ningxia State Farm belongs to China State Farm, with a full name of the China State Farm's Agribusiness Group Corporation now. It is a mega state-owned enterprise found in 1980, combining farming with the second industry and commercial industry. Its business includes agriculture and produce processing, agricultural services and development, trade and other businesses in domestic and foreign markets. The first winery was established by Ningxia State Farm.

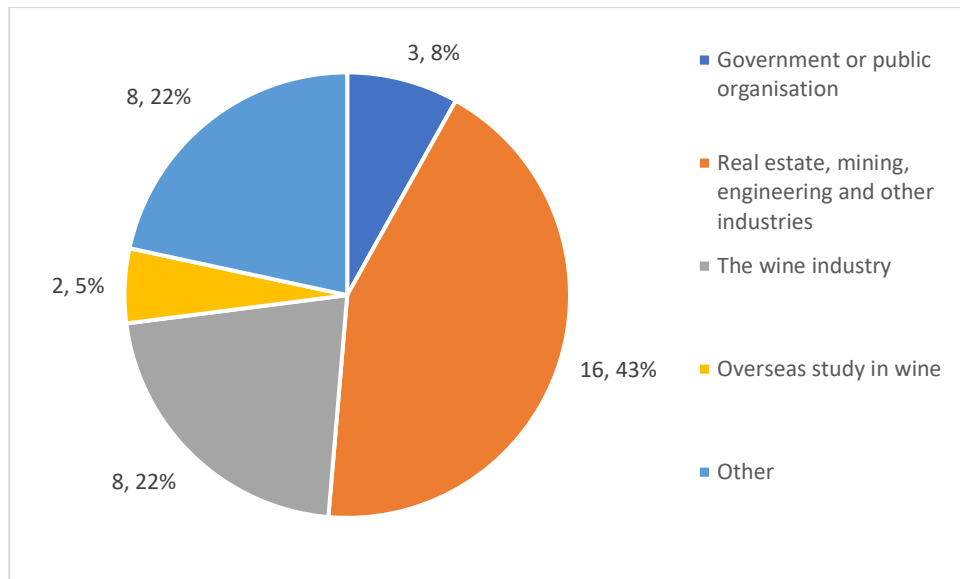


Figure 5.5 The backgrounds of winery owner interviewees in this study

As illustrated in the sections above, about three-quarters of winery owners have no wine background but have the financial means to invest. According to most interviewees, the characteristics of owners are “rich”, “unfamiliar with the wine sector”, and “sensitive about mianzi (face)”. These characteristics can yield beneficial results as well as the hidden issues.

Although they are successful habitual or portfolio entrepreneurs in other businesses, as inexperienced winery owners, their previous experience may have negative effects on entrepreneurial performance because it may involve habits that are difficult to change. They then act as obstacles to adaptation in a new venture. In addition, some winery entrepreneurs may lack self-evaluation and administration skills in the wine industry, as the following interviewees highlight:

Most winery owners have not been involved in the wine industry for a long time, so that they are unfamiliar with the concept of wine branding. They just established a winery at first, and then made wine. After that, they started considering next step. (A manager in foreign-owned winery)

The majority of winery owners are from other high-profit industries. From their perspectives, wine is as similar as a profitable mineral product, for example, a winery owner simply calculated a bottle of wine should have 80 RMB profit return and 200 thousand bottles should be produced, (from personal perspective). However, they do not consider how to sell, who is the customer... including the consumer psychology, regional consumption habit, and consumption capacity... (A government official)

It is difficult to sustain winery development now, because most winery owners without wine background expected an over-optimistic future of this industry and overstate the short-term profitability. (A winery owner)

Resource-based businesses and real estate businesses in China are in a seller's market; their customers purchase their products without other choices. These entrepreneurs can earn huge profits relatively fast and easily and generally pay less attention to consumers' demands and the market. Most owners with these types of background do not know the nature of the wine industry: a long term and lower return product and the wine market. Therefore, they operate wineries based on previous experience, resulting in impatient operating and incorrect strategies as the following quotes acknowledge:

They focused on fast return in investment and profit, and lost patience in cultivating human resource and market. Even professional talents can work out, it is hard to execute, due to the distrust and impatience from the owner. (A government official)

The reason of current issue is that the owner has never deepened understanding of wine from the beginning. They considered wine as only money-making. After many-year investing a lot without understanding, just making wine, they realized the bigger difficulty of selling, in turn, focusing on marketing, but it is harder. (A winery manager)

For general customers' demands, wine is a homogeneous shopping product, so they purchase for the best price, if without sense of the product's real differences and importance. Therefore, pricing becomes another problem, because these inexperienced new owners were over-pricing their wine without regard to its quality and industry standards:

The wine price in retail should be based on its quality, market and price of same level wines. However, some winery owners considered making wine as manipulating a money printing machine, because they set the wine price and value. Normally, the price was around 500 RMB, even over 1,000 RMB, according to their previous drinking experience. The profit is huge by calculating relatively lowest cost of production. (A winery owner)

It is wrong to price wine including cost of building and other investment. The wine price tag is over inflated. (A winery owner)

Another example is from participant observation. During a cellar door visit to one winery, the winery staff introduced the most expensive wine priced at over 200 NZD per bottle. The explanation for so a

high price was obviously subjective, referring to the story of Helan Mountain: *“this wine was only sold through the owner’s social network not in mass market, as it is unacceptable price for customers”*, a winery owner said.

Many winery owners reported that *“the wine must be expensive in coincidence with its global-award-winning status”*. However, general customers’ concern is about the value/price ratio instead of such awards, consequently resulting in a bulk of unmarketable goods and inventory cost, as many interviewees acknowledged: *“general customers would not pay such a high price on national wine brands, relying on the appreciation of the winery stakeholders’ spirit and passion or the wine story, even myself”*.

However, there are exceptions to these cases. Analysis showed that managerial experience in the clothing industry affects performance positively, probably because of some similarities between the wine and clothing sectors:

I worked in the clothing industry before, which has a large number of homogeneous products and brands in the market, therefore, attributes, such as quality, price, customer service, convenience of buying, and customers’ demand, are key for business, as similar as wine product. Therefore, I established and operated winery based on market and economic rules, especially, I focus on marketing and brand building. (A winery owner)

Some respondents expressed their concern about winery owners’ personal causes. For example, they paid less attention on learning wine knowledge by themselves and by their staff, in spite of deficient wine knowledge influencing the winery’s strategic development, as the following quotations of a government official and another respondent from the wine sector show: *“less winery owners had interests in learning more wine knowledge before establishing a wineries”* and *“we provide free classes of wine, but many owners are unwilling to attend by themselves or let their staff attend these classes.”* Unless there is a compulsory requirement from the government, the major wineries have no interest in attending classes or seminars about wine knowledge. For example, a famous foreign cork company invited local wineries to attend a seminar about how to choose and use cork for wine. *“I think it is very valuable, but few wineries attended”* said one interviewee.

Another issue of concern to most interviewees is blind investment on expensive equipment and winery building. It is most noticeable in Ningxia that most wineries, of whatever scale, use expensive imported machinery, covering a complete industry supply chain from grape planting to wine packaging, including seedlings, vine protection, grape harvesting and pressing, cellar, labels, corks and oak barrels. As some interviewees stated: *“the major wineries bought new foreign equipment”*.

Many reasons were indicated, including suggestions from experts, encouragement from the government, the perception of making great wine by great hardware use and, particularly, for *mianzi* (face), because winery owners reported: “We have no experience before, therefore most money was spent on ‘surface’, such as building and equipment.” A statement by a wine educator was:

In the early days, most winery owners are transformed from high-profit industries. They invest wineries with perceptions as a fixed asset, an inheritance, a personal garden or a recreation club. They are rich and do not care how much it spends, so everything (such as machines and oak barrels) should be the best. The consultant should be a foreign expert.....

Most interviewees agreed that advanced foreign machinery has had a positive impact on the development of the regional wine sector, such as improving the quality of wine and bringing more global attention. However, more issues arise in terms of the financial burden, resource waste and inadequate follow-up cash flow for sustainability. Many respondents suggested that these excessive costs led to less money for other, more important or necessary parts. The following quotation said by a winery owner is representative of the accounts provided by most interviewees:

A large amount of money was spent on winery buildings, over decoration, and the best imported equipment in the beginning, however, even if the wine produced was one of the top wines in the world, how much does it cost? The winery is not a five-star hotel. Many cheaper domestic equipment is good enough. I know a case; a winery bought eight pumps once but only needed one.... So many wineries invested blindly without a clear goal, leading to serious difficulties in terms of overstocking, no budget on marketing, and high pricing. As I know, almost all wineries are experiencing difficulties in operation now.

Some interviewees expect to increase the usage of the equipment in many ways, such as OEM (original equipment manufacturer) and to purchase future equipment according to their needs and budget, such as buying second-hand equipment or renting from other wineries.

Many fabulous architectural buildings of diverse styles were built by most classified wineries in the beginning. They contribute to a regional image and provide tourism resources, but also result in serious financial issues for wine sustainability.

In summary, it has been shown that many current pricing, financial and entrepreneurial issues correspond directly or indirectly to the backgrounds of winery owners. A good understanding of the wine and wine industry is essential to the success of a winery, whereas starting a new venture with

only limited previous experience and that is related to other industries can be risky and may lead a winery to suffer more difficulties.

5.3 Motivations for and perceptions of wineries

Winery owners play a fundamental role in making the Ningxia wine region and they influence the broader context by their actions and decisions. This is reflected in the comment of the owner of a cultural media company deeply involved in Ningxia's wine sector: *"as a third party, I think that these winery owners, as modern farmers, invested a large amount of money and great enthusiasm on the wine industry. Without them, there will be no Ningxia wine region, and no global recognition."*

It is obvious that there are various types of winery owners, with different backgrounds, diverse motivations, management styles and business practices. In light of the subjective, symbolic nature of wine, motivations for winery development in Ningxia are not limited to a focus on maximizing profit and production growth. Indeed, it is clear that motivations are measured in numerous ways not only relating to wine quality, but also status and lifestyle. The following section outlines the winery perceptions, experiences and motivations that need to be analysed in this study.

5.3.1 Individual motivation

In the rural wine region context, development of the wine industry in the Ningxia wine region is not only driven by the economic motives, but also reflects individuals' motivations who are expecting to fulfil their personal, social and political goals. The wine industry attracts people with diverse lifestyle and business motivations, which impact the administration and practices in the winery, including strategising, employment and other business activities.

In the context of China, until recently wine was not viewed as an every-day drink but was generally consumed in a business or government context. Though this has begun to change, it is still true that most owners of participating wineries have business and government backgrounds. Of the owners and managers interviewed, the motivations for involvement in the wine industry are varied and include economically-related motivations, personally-oriented motivations, family-oriented motivations, lifestyle motivations, status-oriented motivations, and politically-related motivations. They are listed from the most important motivation to the least in Table 5.2.

Table 5.1 An analysis of Chinese winery owners' motivations

Motivation item	No.
Political factors	7
Idyllic lifestyle	7
Amenity	7
Interest	6
Post-retirement	5
The potential of Ningxia wine region	5
The profit	5
Making quality wine	5
For inheriting	4
Personal factors	3
Regional brand and/or wine brand	3
Industrial transformation	2
The potential of China's wine market	2
To prove the excellence of this region	2
Research	2
Wine tourism	1

Politically-related motivations

Entrepreneurs motivated by political factors highlight the orientation of the central and/or regional governmental policy. For example, in the context of Chinese wine industry, state-owned, regional-government-owned, or central government-owned wineries were established, mainly according to the government projects or strategies for the wine sector. As a governmental official stated:

I am in charge of the construction of this winery. It was being built on merging other 41 small wineries to build one big wine brand ..., because of the new development pattern of "large wineries, large producing area" that the Ningxia government advocated. The decision was also based on the new Central government policy of building big Chinese brands.

Another general manager of a winery that was transformed from a public Institution into enterprise in 2000, reported:

Historically, research institutes were fully or partly funded by the government, but those having business operations would be gradually transformed into enterprises based on the regulation of the reform of China's public institutions. Our motivated factors for building this winery are the need of research and the innovation of product.

The motivations for establishing one of the most representative wineries in Ningxia are also connected to political forces. One winery owner with a long history as a senior government official described how he came to own a winery in his retirement:

The establishment of this winery mainly came from regional and national policy demand at that time, as a pilot program and the first demonstration vineyard in Ningxia. I and other two founders, who were also government officials, decided to establish this winery in 2005.

In addition, some private winery owners also focused on the orientation of government policies in developing a certain industry. These politically-oriented motives played a significant role in the decision-making for involvement in the wine sector in Ningxia, as the following statement suggests:

My successful experience of involving in any industry is to follow the direction and policy from the government. The strategic decision is going to decide the survival of a business. I bought the land in 2002, but when there was no policy of developing the wine sector. In 2004 and 2005, the Premier Zhu reported the national development would focus on northwest in the future and the top enterprises would be in the agricultural industry. In 2006, the wine industry was made to be flagship industry and I began planting grape in 2007 and established winery in 2011. It is my main business now.

Lifestyle motivations

A couple of owners mentioned the intention of involvement in the wine industry was for post-retirement or being attracted to an idyllic lifestyle. Because of the long-established agricultural civilization and the influence of Taoism, pursuing the idyllic country life is rooted in the Chinese collective consciousness. That can be shown in Chinese literature which, in general, is attached to nature with the representation of “Tianyuan” (idyllic) as both a physical dwelling and a spiritual anchor. The perceived lifestyle is associated with owning a winery, the rural environment, and the recreational and amenity appeal of the region: *“I purchased this winery for seeking a rural idyllic lifestyle and the amenity. I worked in the coal industry before. Moreover, I grew up in a rural area.”* (A winery owner)

In addition, many winery owners consider a winery can serve their post-retirement life because, besides the favourable rural environment, it includes meeting friends with a wine drink, planting organic fruit and vegetables for health, or still getting interesting work done.

Status-oriented motivations

Winery entrepreneurs are motivated by status-oriented factors in terms of the appeal of owning a winery in a best wine region, the perceived regional image associated with producing high-quality wine and the building of a globally-recognised wine brand. The achievement of personal aspirations is prioritised over a commercial emphasis on profit maximization, as the following statement indicates:

We have tested winemaking for many years without selling in the market. Actually, my aim is to make world-class top wine not for earning profit currently. It does not matter how many years it will cost. You know, only experiment once per year. (A winery owner)

For many participating winery owners, it is not only about producing and selling wine, but about involving other individual goals of wine production, such as producing biodynamic wine, organic wine, “super” or “ultra” premium wine, and a particular wine variety. As referred to the personal aims of making regional image, most interviewees indicate the making of a sought-after regional brand with producing world-class wines, focusing on value and quality, like Burgundy or Bordeaux, whereas others report it was also an option to have renowned wine brands such as Yellow Tail to promote the Ningxia wine region. In summary, it is more winery owners’ preferences than customers’ demands about what wine to make.

Economically-related motivations

According to some winery owners involved in the study, they are motivated by economic and financial benefits with an emphasis on earning a living or large financial returns. Some of these economic motivations relate more to maximizing the profit from the land rather than the wine specifically. This means that interviewees talk about taking advantage of land grants, minimising the cost in free land use or resource use. The following quotations are typical of this position:

I made a decision of planting grape and making wine, because of the probable profit-maximization of a land. It is hard to earn more money from other crops, because they do not have brand value as wine. (A winery owner)

We have one of the oldest and best vineyards and provided grapes for other wineries. However, the profit from the raw material was too low to survive. Therefore, we decided to establish our winery and wine brand. (A winery owner)

Establishing or purchasing a winery were considered by some winery entrepreneurs as an investment decision, to response the government call of industrial transformation from declining industries e.g., the resource-based industries, heavy industry and real estate to ecological and environmentally friendly industries, or to diversify businesses, as the following quotes illustrated by winery owners: *“I was in mining industry before the involvement in the wine sector. It was the government call of industrial transformation to an environment-friendly industry.”* And *“I was in the clothing industry before. Due to industrial depression, I established this winery to pursue alternative business opportunity in the wine sector.”*

Personally-oriented motivations

Personal motivations mentioned by interviewees vary greatly, such as expressing love for the owner’s wife, for building a remarkable architecture, and as an experiment. Some motivations are irrelevant to the wine sector, whereas others more geared toward the category of professional reasons, as illustrated by the following quote:

There are three motivations of building this winery: the first one was to prove grape with high quality that can be planted in Ningxia. Coming up the second motivation: to test whether better wine can be made with local grape. The third is how to express local terroir well. (A winery owner)

The starting points of these personal motivations are combined to make stories or myths about the area’s wine. Some wineries highly engaged in the wine industry had a great sense of individual interest in wine, wine culture or the wine industry, so they were motivated to work hard on their own wineries:

I worked in a mega state-owned group corporation, which has a wide range of businesses in terms of agriculture, produce processing (such as meat, dairy product, beer and wine) and tourism. I have been in many occupations and my most favourite is wine. Producing wine is attractive, full of feeling and fulfilling. In addition, I agreed with the common sense of Ningxia’s good terroir, however, the wine sector was underdeveloped. I wanted to be more than producing wine, but to produce one of the best wines in the world. After retirement, I decided to establish my own winery to achieve this goal. (A winery owner)

Family-oriented motivations

Family-oriented motivations were similarly highlighted as especially significant because, based on Confucian principles, family has long been a core component in Chinese society and the basis of

Chinese culture. Many aspects of Chinese life can be tied to honouring one's parents or ancestors. Therefore, in the context of the wine sector, some entrepreneurs established or have taken over a winery depending on the demands and preferences of the family, such as the construction of family-used building and the demand on parents to take over a winery. Many of the next generation and relatives are required to study in viticulture and oenology and relevant subjects for future development of their wineries. As some winery owners describe it:

We have one of the oldest and best vineyards but did not make wine before. Due to the low financial return from grapes and the economic difficulty, my mother commanded one of our three brothers to inherit the vineyard. I am the oldest, so I took over. (A winery owner)

When my father began planting wine grapes, his aim was to produce premium wine with recognised brand outside Ningxia. At that time, local farmers provided quality grapes at a very low price for other wine brands and wine regions. Therefore, I was convinced by him to voyage abroad to Bordeaux studying for a Master of Oenology. After five years, I returned home to focus on making the highest quality wine possible and on developing the Ningxia terroir... Now, my daughter, though still young, is poised to become the third-generation owner. (A winery owner)

Most interviewees gave more than one motivation for establishing wineries, as a second-generation winery owner stated:

My father as the senior industry insider decided to establish his first own winery producing bulk wine after cooperating with Xixia King Winery many years and being familiar with the wine sector, because he recognised the potential of Ningxia wine region and the positive and beneficial policy in the wine industry. After many years, since there was a market niche for high quality wine, we established a boutique winery to address this gap. Moreover, one of our missions is for inheritance, at least more than three generations. The second generation are also assigned to study different majors the winery and hotel need abroad for better operation in the future.

Ningxia as an autonomous region for ethnic minority has its specific social and political capital. Social responsibilities, such as solving unemployment, protecting benefits of local farmers, and maintaining national unity and society stability, are also stressed. Many interviewees indicated the key social role of wineries, such as providing job opportunities for ecological migrants from the poorest and unviable mountain areas, and benefits for their family. Most of seasonal labours from nearby villages are Hui ethnic minority. That required more social responsibilities of wineries, especially, the state-

owned wineries, as stated by a winery owner: *“we have more social duties for the stability and unity among this wine region. That is why we expanded faster and excessively purchased grapes from local, even not in accordance with the law of market.”*

In spite of the variety of motivations identified by the interviewees, multiple motivations may be involved for each participating winery and influence their cognition and philosophy in the wine business. For example, some winery owners with primary motivations related to governmental subsidy and the use of land may not emphasise winery operations or wine quality. In addition, it must be noted that motivations and goals evolve over time.

5.3.2 Evolving perceptions and motivations

Although the respondents outlined their motivations categorised into different types, in fact, their perceptions evolve because of the serial process of development and contextual and personal settings shift, especially in wineries operated by two generations. The following statements indicate the inherited and evolutionary perceptions of two different-generation owners.

I did international trade in Russia and got the chance to taste wine with great interest there in the early 90s. After the Fall of the Soviet Union, I returned Ningxia and took in a program of planting grapes in 1997. I was motivated to plant quality grapes in Ningxia, but as a material base for many large brands at that time, Ningxia mainly contributed more profits for other wine regions. Therefore, I changed my motivation to make Ningxia a sought-after wine region and convinced my daughter to study in Bordeaux in a Master of Oenology. (The patriarch)

My motivation was to make the best wine possible and on expressing the local terroir. My daughter is expected to be the third generation of winemaker to achieve a higher goal. (The current owner)

In turn, the shifting of perceptions and motivations has an impact on how these wineries are operated and the strategies are made. For example, some owners were primarily concerned with economic-oriented motivations but, as time goes on, the enjoyable experience of producing wine is perceived and the wine receives more appreciation with improving quality. They may tend more towards status-seeking. In addition, an owner with family-oriented motivations stated the shifting of his perceptions on running winery:

I did not drink wine before I inherited this winery by the requirement of my parents. Also, I had a more profitable businesses to do, comparing to the high investment and low return in the wine sector. However, due to the deeper involvement in the wine industry, I begun understanding the wonderful world of wine. It is a sense of fulfilment when people (such as the celebrities, the government officials, and wine lovers) like your wine. This kind of life value cannot be bought by money. That enhances my confidence. I thought of giving up in the difficult period, but in some tasting activities in Shanghai and Anhui, dozens of wine lovers appreciated the quality of our wine and the meaning of a Chinese wine brand which cannot be measured by money. Wine is alive. That motivates me to insist on producing high-quality wine and promoting the wine brand.

Because of financial and market forces, some wineries began to reposition their production to more meet customers' demands, such as OEM (original equipment manufacturer) wine with lower price, customised wine, and a middle-range wine, to gain cash flow, whereas other wineries have updated their wine brands to a higher class as a new goal. Some winery owners have diversified their winery operations to focus on the tourism component, whereas other wineries plan to reduce a strong tourism focus or stop tourist visits (see Section 5.6). Some owners decided to reduce production because of excess inventory, whereas an owner started another new operation on enlarged business scale and increased production. These practices might be a change in the means to fulfil motivations.

Though there are diverse ownership forms of the wineries participating in this study, most wineries have matured to be operated more on rational decisions. Most recognise that producing wine is not only a rural idyllic lifestyle or a one-time-only investment, but about a long-term business. Most interviewees focus only on their prioritised short-term plan, such as enhancing marketing and selling more wine to survive. Other interviewees have long-term plans, such leaving their winery to the next generation, to create their wine brand, and to produce high-end wines expressing the Ningxia terroir. A few respondents suggested a much more ambitious aim: to make the Ningxia wine region be branded as "Eastern Foot of Helan Mountain of the World".

5.4 An analysis of winery names and winery architectures

In this section, an analysis of participating winery names and winery architectures will be outline.

5.4.1 Participating winery names

In the 37 participating wineries, a source of their origin and brand stories behind the 34 winery names mainly came from the interviews; beside books the information on winery names is missing. In some cases, the explanation of the source of winery names were not explicit but were often about some cultural heritage or personal story; others have generally apparent origins, particularly referring to physical landscape, place name, family and parent company names. Names with more than one source and meaning are classified in more than one category. Table 5.2 shows that landscape and personal meanings are the predominant elements in naming wineries; heritage is a secondary source including both regional and traditional Chinese cultural heritage including philosophy, myth, literature, Chinese writing style and Chinese characters. Brand stores from the source of cultural heritage, personal meanings and parent company names may not tell a story related to the regional brand of Ningxia Eastern Foot of Helan Mountain.

Table 5.2 The meaning and source of winery names

Category	Total	% of wineries
Landscape (all)	10	26.3
Mountain	7	18.4
Area name	3	7.9
Heritage (all)	8	21
Regional heritage	4	10.5
Cultural heritage	4	10.5
Personal meanings	10	26.3
Personal name	3	7.9
Personal heritage	4	10.5
Expectation	3	7.9
Parent company name	6	15.8
Vineyard characteristics	4	10.5

Physical landscape and area names

The natural landscape and places were some influencing factors in the naming of 26.3 per cent of the wineries. Helan Mountains are the main source of inspiration, such Helan, He, Lan, East Foothill, scenery of Helan Mountains, reflecting the location of the wineries in the Ningxia Eastern Foot of Helan Mountain wine region with a National Geographical Indication. However, there are fewer brand stories involving these names.

In some situations, elements of cultural heritage and landscape combine in the brand story. For example, the winery name can represent the traditional Chinese-style idyllic life by combining Helan mountain and traditional Chinese building, such as a pavilion. Or the name links Chinese characters of Helan ((贺) and/or (兰)) with other Chinese characters with cultural or philosophical meaning to add more interpretations to the names.

Heritage

Heritage is another source of winery names. Four winery names refer to the history and legends of the Western Xia Dynasty and the heritage in the region in the rationale for their names, often with the good wishes for the winery development or with the aim of representing the traditional Chinese farming culture. In the Chinese writing system, using the first word can represent one sentence, generally from traditional Chinese poems. It is a common way to combine two characters reflecting the meaning of two sentences, as in the following case:

The name is derived from a part of the legend of the goddess patching the sky, who left her skirt ribbon becoming Helan Mountain to protect this place: the ocean under the blue sky was dried up, and farming started in the frontier. Also, Ningxia is lauded as the frontier land of abundance like the lush southern regions of the Changjiang River. (A winery owner)

Personal meanings

Personal meanings (name, family heritage and expectations) are the most common sources of names of all wineries. The owner's family name and given name have been chosen by three wineries. Another aspect is the owner's expectations. In three cases, the winery name refers to personal heritage (family history, personal belief, personal experience). Two wineries combine their name with personal heritage, including their education history and past experience.

Brand stories are often more dramatic, often linking to traditional Chinese culture. For example, by using *the same pronunciation* of a Chinese character with meaning of "be derived from", the name implies a meaning that is "the production of premium wine is derived from Helan Mountain, Huanghe River and the Ningxia wine region". Moreover, a Chinese character that reflects the building materials and the previous business the owner started is added. The winery name may be short, but many interpretations can be made.

Another winery chose different Chinese characters, each of which has meaning for the winery owners. For example, a word can be chosen, based on a Chinese philosophy, Five Elements Theory.

This Chinese philosophy is used to describe interactions and relationships between natural things. The five elements are wood, fire, earth, metal and water; the fundamental elements of everything in the universe between which interactions occur. The Eight Characters of Birth Time of the owner carry the full information about a person's composition of the Five Elements and can be analysed to gain the fate and the running process of the person's whole life. An absent element can be supplemented in a name by the Chinese character of the same meaning.

Parent company name

The 15.8% of wineries invested in by Chinese famous brands and foreign-state companies refer to their parent company names in their name, using them directly or by adding some specific elements based on the locality.

Vineyard characteristics

Four wineries chose vineyard characteristics as a name source for the winery, reflecting the physical landscape of the region.

From the results above, winery names can be considered a cultural resource reflecting regional identity.

5.4.2 Attractive winery architecture

Ningxia is the only Chinese wine region with wineries built in different architectural styles including Chinese, Muslim, French (JB, 2015), Modern or Mixed. Other local, cultural and historical elements are also added, such as Muslim influences and the Western Xia Dynasty. Three wineries in Ningxia heavily promoted on travel websites for wine tourism are shown in Figures 5.6, 5.7, and 5.8. Changyu Moser XV (4A¹⁷) as one of ten wineries of Changyu. The building is primarily a European style chateau, but with added Muslim elements in the form of the roof of the building. The building integrates a wine culture exhibition, wine education, wine tasting, and facilities for conferences and wedding ceremonies. Additional tourism facilities and activities are available, including visit route, tour guide, and souvenir shop.

¹⁷ It is in Tourist Attraction Rating Categories of China, which is broken up into five categories from the lowest level to the highest level: A, AA (2A), AAA (3A), AAAA(4A), AAAAA (5A).



Figure 5.6 Changyu Moser XV

Source: From ADGIN in 2018, used by permission

Chateau Yuanshi (3A and National Cultural Industry Demonstration Base) was established in a Chinese garden-style and the architectural style of the Han Dynasty. The main building is made of stones from Helan Mountains and decorated with natural materials. Many collections of precious stones are exhibited in the cellar.



Figure 5.7 Chateau Yuanshi

Source: From ADGIN in 2018, used by permission

Chateau Yuquan of Ningxia State Farm is designed in the Chinese architectural style of the Song Dynasty, combined with the local culture of Western Xia Dynasty. A wine museum was established to introduce wine knowledge and the history of the Ningxia wine region from the first bottle of wine produced in Ningxia to the regional development of the wine industry.



Figure 5.8 Chateau Yuquan of Ningxia State Farm

Source: From ADGIN in 2018, used by permission

Local landscape, historical heritage and myths are also added in wineries' narratives, such as sights of Helan Mountains, Xixia Imperial Tombs, Dangxiang ethnicity and petroglyphs. Individual stories are commonly expressed in many family-owned wineries; some other wineries design their wine brand or wine labels with Chinese cultural elements that attract more attention and 'catch-on' in domestic market because wine is becoming a meaningful cultural product.

Attractive winery architecture of various styles can represent the physical and cultural landscapes of localities. They are viewed as a significant element in developing wine tourism.

5.5 Selling the wines

5.5.1 Different distribution channels selected by the participating wineries

The participating wineries were varied in their distribution channels and sales outlets, in terms of relationship building, direct selling, local and domestic distribution, on-site sales and export. Because most wineries are small or medium sized, they need to establish their own distribution channels based on their winery situation, as stated by a wine educator:

Some wineries are ambitious to engage in every distribution channel, such as hotel, restaurant, online store, and supermarket. However, it is impossible for most wineries, which have only around 10 staff. For example, it is time-consuming to contact so many restaurants and sell wine, which is the distributors' business. One main reason for sales difficulty is that many winery owners neither know wine nor wine market. It is harmful for sustainable development of the wine industry. (A wine educator)

At first, the famous brands with different ownership styles, size and management structures established their distribution channels in different ways. Some famous national and foreign large brands established their own distribution channels nationally and globally, therefore, the main mission of wineries invested in by them in Ningxia was production focused on making high-quality wine. Though some regional big brands have local retailers, such as local supermarkets and liquor stores, some regionally famous boutique wineries have renowned wine distributors or hotel chains, such as the Torres and Kempinski Hotel, who help them sell the wine to luxurious hotels and restaurants and establish their wine brand in market. For example, the following winery has achieved national and global recognition with a brand of the owner's name because of the branding strategy launched by its distributor:

Thanks to XXX in the success of wine branding. They promoted the wine brand with my name, a holder of a Diplôme National d'Oenologue from Bordeaux (France) and one of few female Chinese winemakers in the wine industry. They analysed that a double highlight may be attractive and impressive in marketing and better to build credibility.

All wineries exported wine. The owners considered it as a measure of enhancing the wine brand and raising brand popularity, instead of earning profit during the current development stage: *"I began exploring global market in 2017, such as London, North America, Italy, and Melbourne. It cannot earn more profit, but it is beneficial for promoting wine brand and making a customer's sense of premium wine."*

On the other hand, the major wineries, particularly with corporate ownership, report that the bulk of their wine was sold through their social networks. This sales method relates to three important Chinese cultural values of "guanxi", "mianzi" and renqing", which play an essential role in doing business in China. Guanxi is a process of building a relationship from the personal bond first and then in business, based on mutual trust and benefit (Luo, 1997). Mianzi, literally means "face", and can mean saving face but also gaining face. From the point of saving face, people need to behave in accord with their profile and status. On the other hand, from the point of gaining face, they need to respect the profile and status of the other party. Renqing means accumulation of personal favours exchanged in the past and it is closely related to guanxi and mianzi. Both mianzi and renqing are considered as social currencies in China (Chan, 2006; Wang & Pak, 2015). In the context of the wine sector, most owners are businessmen with an established high-level hierarchy and have established a strong social network through which they can gain instrumental benefits but also need to work to maintain the situation by interaction. Therefore, winery owners can sell the wines through their

social network while also needing to purchase wine as gifts to enhance their relationships with these other parties.

Wines can also be sold through online stores, social media, group purchase, local distributors or dealers, omni-channels (including stores, supermarkets and restaurants) and direct selling with membership. For example, one winery focuses on selling online in Taobao, which is one of the largest online stores in China:

Selling online is better for exploring a larger market and promoting brand. I spend one to two hours per day to read online comments and analyse why the customers gave them. These data from direct selling provide precise information including customers' purchase experience, repurchase, and potential for purchasing high price wine. In addition, it is more convenient to start sales promotion and customer interaction on Taobao.

Another winery gives more attention to promoting a web-popular wine brand on social media and has achieved some recognition and wine orders this way. Although wineries may use different means to sell their wines, direct selling with membership is considered as a common distribution channel for most.

Few participating wineries reported selling their wine through a winery cellar door. One winery was selling about 70 percent of its production at the cellar door and another around 30 percent. It is interesting to note that the respondent from a famous national brand, which has developed great wine tourism at sites throughout China, reported *"the cellar door sales in Ningxia was not as good as other wineries [in other regions]."* Further discussion of wine tourism in Ningxia is in Section 5.6.

Some wineries have set up their own tasting centres in Yinchuan and others have begun market expansion to the economically thriving cities in south-eastern coastal regions, such as Shanghai, Hangzhou, Guangzhou and Shenzhen. According to some interviewees, a specified geographic market is the Fujian province¹⁸ (Edmonds, 2005) where many wineries have local distributors because

¹⁸ The East-West Partnerships for Poverty Alleviation policy comprise the government's core strategy to reduce persistent poverty in China's western regions. Ningxia's partner is Fujian with the symbol of Min-Ning mode launched by Chairman Xi, as the former Associate Secretary of Fujian Provincial Committee in 1997. The partnership provides comprehensive fields of cooperation and diverse approaches (such as cadre exchange, technical support, specialist assistance, volunteering services, capital transfer and human resources training).

of political forces, especially, the East-West Partnership (Lu et al., 2012). The political factors have an influence on collective marketing strategies, which will be discussed in the following section.

5.5.2 Collective marketing strategies influenced by political factors

ADGIN also acts as a buyer. For example, ADGIN purchases 10,000 bottles of wines at retail price from each winery that wins the Eastern Foot of Helan Mountain Wine Exposition gold prize¹⁹ (see Section 6.7). ADGIN has established an international wine trade centre in Yinchua and many Ningxia wine centres in other regions through cooperation to increase wine sales and promote the regional wine brand. In addition, ADGIN annually assists local wineries with financial support to participate in many important trade shows around China and Hong Kong to display and sell Ningxia wines. Some interviewees agreed with the benefits gained from these programmes; one winery owner suggested “I met a long-term client in Hong Kong trade show, who sells our wine to Japan”. However, others questioned its practical effects, as one winery owner reported: “I have never displayed my wine in Ningxia wine centres. I do not know who it works for. I think it is a good platform for our small-scale wineries, if we can use them in practice”.

Some wineries in sub-regions set up local wine industry associations, which are semi-official, for providing local wineries service with a focus of marketing. As the president of the Qingtongxia Wine Industry Association stated:

There are Yinchuan, Qingtongxia and Hongsipu wine industry associations with similar functions, including product pricing, assisting regional and local government with relevant works, enforcing local vineyards establishment, and enhancing local branding and marketing, especially, selling. All wineries need to promote local branding or regional branding as a cluster at current stage. I think the unbalanced competition exists amongst different sub-regions. Yinchuan wine region with better facilities, government support and some famous boutique wineries is developed and promoted as a cluster earliest and has achieved some recognitions. But Qingtongxia, which produces the best grapes, is far behind. Our work is to unite local wineries to do market and sell our wine.

¹⁹ It ranks the highest score of 6 and NZD 110,000 governmental bonus, more than other renowned global gold prizes in NZD 66,000, and the regional government will purchase 10,000 bottles of gold prize at retail price.

5.5.3 Tensions

The first tension of selling wines is among the wineries and distributors. Distributors suggest that many local wineries might renege on the price of wine described in the business contract and sell their wine at a lower price to direct or other buyers to pursue more profits, resulting in a chaotic price system and consumers' distrust in the market.

Many wineries have a serious issue in pricing and price system control. For example, the customer can buy a bottle of wine from a winery for 180 RMB but from distributor it is 250 RMB. In the short term, the winery can maximize profits, however, in the long term, distributors will no longer sell its wine. (A wine educator)

Most local wineries prefer direct selling and have no sense of protecting distributors' profit. It is hard to sell local wines. They cannot provide a clear price system for us and customers. Once our customers bought a cheaper bottle of wine from the winery or other channels, they would be impossible to trust us. In addition, most winery owners were from other industries with strong social network. They thought a large amount of product could be sold by relationship selling. However, it is not a virtuous cycle in a long term. (A distributor)

Another distributor reported the chaos of wine pricing observed in two main national trade shows: *"in the early three days, the price is 300 RMB, while in the last day, it may be around 50-60 RMB"*.

Although most winery owners recognised Ningxia wine as high-quality, the risk of selling its wines in the marketplace may still exist, because of continuing lack of awareness of the Ningxia wine brand in the domestic wine market and much higher wine price than imported wine of the same quality level but with more brand recognition. In addition, limited production of small-scale wineries makes it difficult to increase distribution:

(e.g.,) A famous local winery can produce 35 to 50 thousand bottles of wine, only 6 to 8 thousand cases. It is impossible to increase distribution. It can just provide several hundred stores. (A government official)

On the other hand, wineries reported that most distributors presented a profit-oriented attitude towards Ningxia wine as the following quotes with the view of a winery owner: *"The distributors just prefer to sell renowned brands"*. And a distributor thought *"One of our evaluation elements about cooperation with wineries is the wine brand"*. The quote states that distributors are mostly interested in selling renowned brands instead of promoting other local brands. Some wineries expected to

increase profit margins by direct selling or have a larger annual turnover with distributors to guarantee their profit.

The second tension refers to the increase of sales in the marketplace. Currently, the leading issue faced by all participating wineries, and the region as a whole, is how to increase sales. How to transform a regional brand of producing high-quality wine inside the wine sector into a customer's recognition and consumption in the mass market is the primary challenge faced by most wineries.

There are also many other issues mentioned by interviewees. For example, distribution channels of most wineries depend on personal social network through *guanxi* and *renqing* (see Section 5.5.1), instead of in the marketplace. *Guanxi* and *renqing* cannot be transformed as long-term consumption practices, as the production capacity exceeds the purchase capacity from their social network that probably has a relationship with more than one winery owner. Relationship selling may negatively influence further financial capital and sustainable development. In addition, a winemaker pointed out "*the potential risk of mainly focusing on large clients*":

Some wineries use their social relationship to sell enterprises wine. Although they have good sales performance in a year, once the enterprise stopped the order for some unpredicted reasons, it would hit these wineries hard. Mass market is as important as large clients for the wine sector.

Other issues may be faced in the wine market, such as positioning and segmenting the target market, pricing product, lacking marketing talents and achieving a return-on-investment (ROI).

This section discusses different distribution channels selected by the participating wineries and issues they faced. It is noticed that the political factors have an impact on the selling of wine from the winery level and on the collective marketing strategies in the region. Wine tourism also contributes to the sales of wine, which will be discussed in the following section.

5.6 Involvement with wine tourism

The international literature suggests that wine tourism development provides an opportunity to build a unique regional brand focused on high quality wine, to build brand loyalty with domestic and international visitors, and to provide a distribution channel for the wineries to enhance sales directly (Bruwer, 2003; Gómez & Molina, 2012; Hall et al., 2002). However, to date, wine tourism in the Ningxia region remains under-developed; there is scepticism about the value of the activities when other challenges are considered.

All participating wineries have fully-developed cellar door facilities. This is largely because such facilities are required for wineries to be classified in Ningxia (see section 4.4.4). However, it is clear that, despite these facilities, few wineries are heavily involved in wine tourism; 27 wineries are open for tastings by appointment only and eight wineries have cellar doors open regularly for set hours. Beyond cellar door facilities, three wineries have established a wine museum or exhibition and three wineries are located in a tourism destination belonging to the same corporation. Two wineries offer accommodation and restaurant services operated separately by the same company and three wineries have fully functional restaurants. One winery has a hotel and restaurant under construction and a visitor centre was being built by another winery at the time of fieldwork. Most of their visitors tend to be industry stakeholders, buyers, distributors, wine lovers, government officials and scholars.

Most respondents agreed that benefits can be gained from wine tourism activities including enhancing the regional identity and wine brands and increasing cellar door sales, as the following two winery owners state:

Wine tourism naturally exists along with winery development. Visiting winery, such as great vineyard, wine production process, quality control and cellar door, can be considered as a sort of tourism activity. It is also a way of promoting wine brand. In addition, the visitors are willing to get engaged in wine tourism when we have established a good reputation of wine brand.

When guests are coming to wineries, they can talk to the winery owner or winemakers and experience in winemaking. They can have a professional and overall understanding of winery operation...It is a long way for being branded as a wine tourism destination by word of mouth. And with the establishment of brand and reputation, more benefits and more collaboration depending on customers' demand can emerge.

These two classified wineries provided wine tourism activities for visitors, since they realised the benefits and had facilities for wine tourism. But they did not mention the sales of wine from wine tourists. And according to participant observation, there were no other visitors when the author was visiting wineries.

Several local brands and one large national wine company with a presence in Ningxia have developed a strategy for and made a commitment to wine tourism and have had more involvement in tourist activities, including establishing a wine museum, wine culture exhibition, holding festivals and events, building more tourism amenities and hosting tourists for tasting. For these respondents, though the reputation of this region is growing in China and internationally, they see great potential

for the entities to work together to build a unique regional brand focused on high quality wine, and to build brand loyalty with domestic and international visitors. Wine tourism development provides an opportunity to achieve these ends in the eyes of some stakeholders and provides a distribution channel for wineries via direct sales. For example, one chateau has collaborated with the local tourist bureau and is included in a tour route. As a consequence, it sells most its wine through the cellar door. This is one of the few wineries investing money into wine tourism. Besides good sales, other benefits have been earned in terms of customer loyalty and wine branding, as the winery owner reports:

The biggest benefit we get from tourism is increasing sales.... We sought distributors before, but they held down the price. Therefore, we expected to be involving with wine tourism. Now we have the agreements with local tourism bureau and large national travel agencies. After visiting, the tourists would also promote our wine brand and we can save promotion cost. That is another benefit. From only free wine tasting provided in the beginning, we have developed five-star hotels, organic farm, restaurant, Mongolian-yurt-style dining room, and hundred-year vine. And we are the only winery in China having sightseeing train. Wine tourism must be a combination of culture tourism and the wine industry. It is an experience, getting people to actually visit the wineries, taste the wine and prune in vineyards.

Another well-known, small winery makes a profit from the entrance fee charge. The aim is to attract target customers, to whom the winery owner is confident to sell wine. Another winery, part of an ecotourism resort, combines wine with other agri-foods to create a unique tour experience. Another winery attracts visitors with a range of activities and events, only some related to wine. The outdoor activities include fishing, fruit and vegetable picking, a home-made wine festival and company training and annual party.

Tourism is another important element of in the story of Ningxia's development, with the goal of bringing in at least 1 million domestic and international tourists by 2020 (Zhang & Thach, 2016) but the global Covid-19 pandemic will have derailed this plan. Various wine tourism activities help to promote and closely communicate with the visitors in terms of wine exhibitions, winemaker dinners, and open days. According to the official vision of the sustainability of wine industry in Ningxia reported by ADGIN, a wine tourism infrastructure will be designed by the Ningxia government (Hao et al., 2015). A wine route has been built including a tourist centre and road signs and wineries are encouraged to develop various tourist services in terms of wine exhibitions, winemaker dinners, and open days (Hao et al., 2016).

As stated above, Ningxia has the basic conditions for developing wine tourism, such as a centralised boutique winery cluster (see Section 4.4.3), attractive winery architecture of various styles (see Section 5.5.2) and some recognition of wine brands. However, most winery owners were personally unwilling for their winery to be significantly involved in wine tourism because of the challenges they felt existed that outweigh the potential benefits.

The challenges include the high human and financial cost of involvement, the fact that wine tourism is time and energy consuming but the yield or return from tourists is low. As one winery owner reported: *“the cost of serving a guest is much higher than selling a bottle of wine”*. Another winemaker mentioned the impact of the time commitment to wine tourism: *“An excess of receptions actually influences my regular work and my private time.”* Although tourism facilities are required to be added to the Ningxia Winery Classification system, in reality, very few of the 36 wineries are open on a regular basis to the public with accommodation and catering capacity, because most small-scale wineries do not consider the strategic benefits that can be created by regularly accommodation and catering to tourists. As one winery owner indicated: *“we have no extra money on hiring a full-time chef or attendants to serve a much limited number of visitors.”*

Some respondents felt that, at this time, the focus should remain on producing top quality wine; tourism was a distraction. One winery owner acknowledged that their focus was on winning wine awards, which they had already done, so that *“although many visitors are coming to us, we insistently focus on wine producing not tourism and have no plan to develop wine tourism now.”* Another winery owner stressed that wine quality had to come first, before wine tourism. He said:

Wine tourism plays an effective role in promotion but need to be based on the quality wine that is the core aim of wineries. We will not develop wine tourism until the establishment of wine brands.

Another issue is that, currently, most winery visitors are perceived as less interested in wine and wine knowledge and more interested in the natural scenery, the amenities of the wineries and opportunities to relax that winery settings provided. Many winery stakeholders report that winery visitors are seeking ‘agri-tainment’ from their experiences, rather than focusing on wine related activities. For this reason, many boutique wineries currently refuse to accept general visitors, limiting access to industry insiders and experts. Other wineries charge a high reception fee to ‘screen’ visitors, resulting in higher sales and increased brand loyalty. For example, one winery with a favourable location for wine tourism, similarly felt *“wine tourism isn't suitable for my winery”*, explaining:

In the past, we served some tourists, but ... I think visitors have no wine knowledge and interests with no respect to our winery and wine. I prefer to promote mystery marketing campaign like other famous wineries in the world, as our target are high level industrial insiders and high-end consumers."

Another winery had made something of a compromise. Having established a winery with a Chinese garden and architectural style of the Han Dynasty, and actively promoting wine tourism in the past, now they were taking a more measured, targeted approach:

We opened free for the public before, but most visitors without basic wine knowledge experiencing wine tourism as agritainment actually had serious negative impact on the environment and vineyards. Currently, we do not promote the tourist spots and begin reservation to limit the number (less than 300) per day. The winery is still free but other facilities and vineyards are only open for membership (customers with loyalty of purchasing wine). We would like to provide best service for targeted consumers.

In this way, tourism is considered to be a less important pursuit in these participating owners' personal and business goals. Therefore, they did not actively engage in strengthening regional wine tourism.

Other limiting factors include the lack of a transport system and public tourist information and service centres. Unlike wineries and wine regions with well-designed official websites providing adequate information and wine tour guides in the Old and New World, most wineries in Ningxia do not have official winery websites, because the owners thought less value can be received from the websites. As a winery owner illustrated: *"Although our wine brand has achieved certain national and global recognition. Due to just several-year development, I found less information and stories could be provided when preparing a website."* In addition, the ADGIN does not have an official website providing the basic profiles of all wineries and wine tour information. A wine route has been built that includes themed road signs and online maps that mark the location of most wineries. However, building of other tourism infrastructure by Ningxia's government, such as tourist service and information centres, remains at the planning stage. There are plans to collaborate with the Ningxia Tourism Bureau to design a more comprehensive series of wine routes and provide training to tour guides and winery staff in both wine knowledge and service delivery but, at the time of the fieldwork, the government saw winery tourism as the responsibility of each winery, as one government official explained:

Currently [wine tourism] is developed by an individual winery. The sense of tourism is at a primary stage for most wineries. In the governmental research last year, human resources with both professional tourism and wine background were in short supply. Regional wine tourism needs long time, at least 20 years, to develop, longer than a regional brand.

A winery owner reported that “we set up a wine theme hotel in capital Yinchuan, because of the insufficient public wine tourism service”. All rooms are named by each winery’s name and decorated with a showcase of its wine and spin-off products, such as grape seed oil and facial mask. More services are also provided, such as a customised wine tour and booking vehicles. Service of making an appointment with other wineries is offered according to the requirement of guests, as most guests have no access to contact with most wineries. Other industry interviewees, such as a wine lecturer, the industry association representative and the owner of the cultural media company, use their knowledge and relationships to organize wine tours, targeting wine lovers and wine businessmen. The tour normally includes several-day routes with local tourism destinations and some local famous and typical wineries added, such as with global recognition, with attractive winery architectures and with well-planted vineyards.

To date, therefore, Ningxia has not established a regional identity as a wine tourism destination except amongst industry insiders, experts and wine lovers. There is a general expectation, however, that with further government investment in wine tourism infrastructure and training, wine-interested visitors will begin to arrive. When that happens, a number of boutique wineries expect to develop their wine tourism facilities, based on their high reputation, increased visitor numbers and well-matched regional tourist centres. Moreover, with support from the regional government, Ningxia has the potential to establish a regional identity as the “Wine City of China” in terms of landmarks, buildings, transport and transits with wine culture elements and professional service in the hospitality industry. Ningxia has the basic conditions to develop wine tourism, such as a centralized boutique winery cluster, attractive winery architecture in various styles and some recognition of wine brands.

5.7 Summary

This chapter outlined the winery stakeholders’ profiles, motivations, perceptions and business practices in the wineries. There are many types of motivation that may influence their operations and management in the wineries. Winery names and architecture are analysed. Both can be perceived as cultural elements associated with wine and the region. Winery stakeholders’ perceptions and practices related to selling the wine and wine tourism were analysed. Though wine

tourism can benefit the wineries and regional development, an optimal level of cooperation between wineries has not been achieved because many winery stakeholders have less interest in running wine tourism, as demonstrated by the responses and actions of some study interviewees. As for the distribution of wine for sale, some stakeholders tend to draw on individual resources to gain an advantage in the market. Interviewees contribute to and participate in regional initiatives that reflect their individual interpretations of place and advance their personal interests. There are many factors that may influence the outcome of regional development, including the motivations of each company and whether their goals are similar or conflicting because of social and cultural norms. The next chapter will explore the role of place in the making of a wine region with unique features.

Chapter 6

The role of place in making Ningxia wine region

6.1 Introduction

This chapter analyses the role of place in the making of the Ningxia wine region. In the wine sector, terroir is the element that connects the product (wine) and the place. The term 'terroir' differentiates a wine region from other regions in terms of environmental elements (the unique combination of soil types, climate and topography), social elements (the talents, experience and imagination of winemakers), and historical and cultural elements (inherited techniques, stories or myths about a wine region and its wine) (Overton & Heitger, 2008; Vaudour, 2002). In other words, terroir is used to build and reproduce stories of the unique characteristics of specific regions and how these impart the flavour and quality of the wines of those regions (Banks & Overton, 2010).

As discussed in Section 2.4, there are three main dimensions of terroir: physical terroir, human terroir and the marketing values of terroir. These are also seen in the model of Charters et al. (2017) (Section 2.4.3), but political forces are not explicitly discussed in Charters' model. In the context of China, cultural forces are explored as playing a significant role in the interpretation of place. First, individual assessment of place is explored because the perception of place may influence the involvement of winery stakeholders in the region and of other interviewees working in the region. Secondly, physical terroir, human terroir and marketing value of terroir will be discussed to explore how a wine region is made. Finally, cultural and political elements will be the focus in the context of China.

6.2 Individual assessment of place

The assessment of place is closely intertwined with stakeholders' involvement with the wine sector. For example, entrepreneurial decisions can be influenced by winery owners' perceptions that a place can be appropriate and possible for new ventures and can provide the opportunity to pursue and achieve their desired goals (profit, personal, family, lifestyle, status or political), as explained in section 5.3.1. In addition, the interpretation of place impacts other interviewees who make a decision to work in Ningxia as seen the following statement by a winemaker:

Ningxia wine region is the core of the wine industry in China. The notion of 'core' can be defined into four parts: resource, information, logistics, and product. For example, you can

find most agencies of national and international companies, covering a complete industrial supply chain here. That proves the significance of Ningxia. For industrial practitioners, it is a great region to offer opportunities to work and to achieve your goals. In addition, the ‘core’ refers to convenience, its location. For example, it is crucial for winemakers. We have a strong demand of having a well-balanced life after work. You can work in the winery daily and go back home in the city at night. It is impossible in any other wine region in China.

Some other interviewees also noticed benefits from the geographical concentration in Ningxia. For example, it is about 200 kilometres from the northernmost sub-wine region Shizuishan to the southernmost Hongsipu, as in a statement by a winery owner: *“Ningxia has geographical advantages, since most wineries are located within about 35 kilometres radius of capital Yinchuan, comparing to the distance of several hundred kilometres between two wineries in Xinjiang wine region. It is the best working condition for winery staff to work in winery and live in city. It is good for industrial sustainable development.”* (see Figure 6.1).

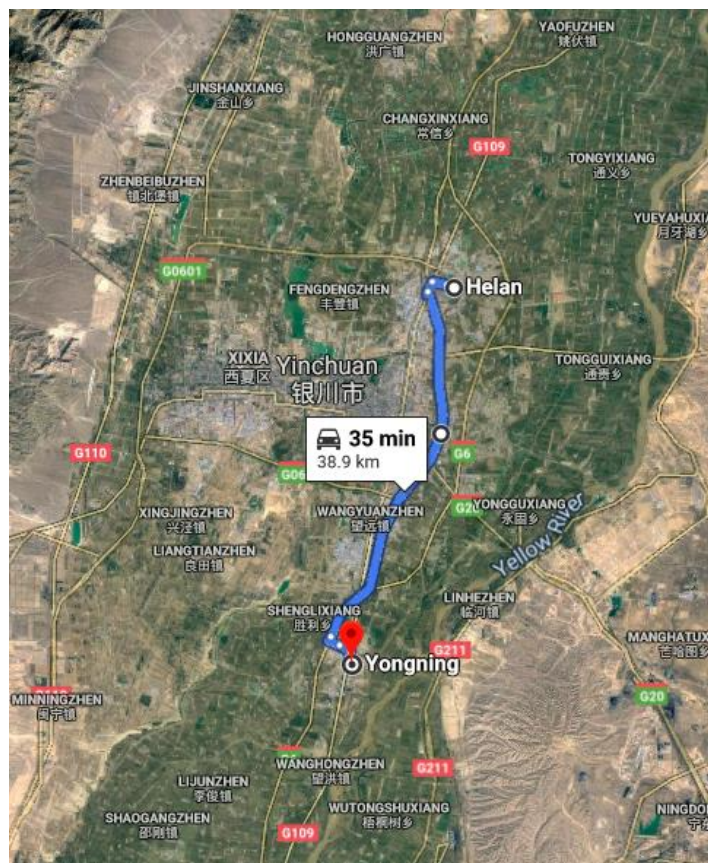


Figure 6.1 The distance from Helan to Yongning in Ningxia

Source: Modified from Google map

The logistics system in Ningxia is not as good and convenient as in the south-eastern region. However, compared with the other main wine producing regions located in northwest and other global wine regions, the advantage of location is still considered by some interviewees as its core competence and attraction: *“actually, Ningxia is located around the centre of China. You can take a plane to any part of China in three hours. It is a significant geographical advantage, resulting in good logistics and resource centre.”* (a winery owner)

Many universities and research centres are located in Ningxia. These educational institutions provide courses in winemaking, viticulture and sales/marketing and cultivate talent for local wineries.

We have geographical benefits. Ningxia is the only wine region with high education institutions located in. Also, due to the small size of Ningxia wine region, it is convenient for students to do field trips and internships. That results in more and better industrial talents offered for local wineries. (a government official)

From a scholar’s perspective, Ningxia provides them with the ability to do research in practice, which can return benefit to local development. A scholar at Ningxia University said:

I established a winery in Yongning for research and postgraduate student study. It is the best way to improve their practical skills. Also, I can do any experiment in my own vineyard. In addition, I can get profit from selling wine and invest the return for further research. It is impossible in other wine regions.

Assessment of place includes other benefits, including specialised labour, the support and provision that wineries draw from specialized suppliers and service providers, the exchange of knowledge and employees between wineries, resources in a specific locality and the positive effects of clusters. Although the interpretation of the same region may differ in the individual’s relationships to the place, it has an important impact on their involvement with the wine industry in Ningxia.

In next three sections, the role of place in making a wine region will illustrate from the physical terroir, human terroir and marketing value of terroir.

6.3 The physical terroir

Terroir is an essential concept of the wine industry, referring to the combination of climate, soil, and other growing conditions that supposedly provide a unique stamp in terms of wine production for each location (Hira & Swartz, 2014). As has been reported in the literature, all our interviewees

acknowledge that terroir plays a primary role in making Ningxia wine region successful, which, according to their responses, is narrowly defined as the physical setting, in terms of climate, soil and topography because these elements influence the decision for involvement in the wine sector and gives Ningxia the opportunity to develop its wine sector with the recognition of producing high quality wine. Available land is another factor. According to the interviewees' responses, the natural environment in the Ningxia wine region is ideal to grow high quality wine grapes; it provides the potential to make the best wine in the world, but there are some physical weaknesses that need to be overcome or used positively.

According to some wine industry pioneer interviewees, in the decade from the early 1980s, after field investigations, many national scholars proposed that Ningxia had great terroir for planting high-quality wine grapes (see Section 4.4.3). This was confirmed by a government official charged with the development of the wine industry from its inception: *"The terroir (in Ningxia) can be comparable to any great wine region in the world and may have the potential of making great wines."*

The perception of great terroir in Ningxia is not only from national scholars but has also been expressed by foreign experts, resulting in involvement in some wineries, as stated in the following quotes:

The corporation made a decision on selecting Ningxia because foreign experts agreed its great climate and soil. Another one is its land resources, serving large-scale winery. (A general manager)

We selected Ningxia, because Richard Smart (a flying viticulturist, their consultant) thought Ningxia had the worst vineyard management around the world, but the wine is not bad. He believed the high-quality wine can be made there. (A winemaker)

In an article in China Daily (Li, 2017), Richard Smart also expressed his perception of Ningxia. The comment is supported by other interviewees including winemakers, winery owners and experts. The following interviewee involved in a wine business is also a wine expert:

After investigating many wine regions in China, I decided to establish this winery here, due to it having the best terroir in China. I believe, definitely, the best wine in China will be produced in Ningxia. We have made great wines but it is in embryonic stage.

From interviewees' responses, the advantages of the local physical environment would seem obvious:

We were exploring many years before and confirmed the favourable conditions of Ningxia in terms of the protection of Helan Mountains to prevent wind and sand, the irrigation from Yellow River, and the suitable microclimate in which most major varieties are planted well. Also, Ningxia has more land resources than other old wine regions.

These statements are representative of the accounts provided by other respondents, some of whom added other elements, such as around 38° north latitude site, over 3,000 hours sunlight per year, no pollution, an appropriate diurnal range, around 670 million hectares of alluvial fan and suitable soil, e.g., a winery owner emphasised the quality of his wines, because *“It is the only winery located on the exact golden zone, north latitude 38°”*. A manager of a national brand compared the local terroir with Yantai in the Shandong wine region and suggested the former has a better terroir, including climate, sunlight, diurnal temperature range, and soil, at least for red wine grapes.

Though all interviewees reported the rhetoric of an excellent terroir, actually, it is not matched by the reality. The study interviewees agreed about the exceptional physical environment, but some negative points were noted by many interviewees, such as high soil pH, low soil fertility and organic matter, the cold winter, and climate change, which mean that the wine industry would not be possible without significant human (and chemical) intervention.

In the past, the Ningxia wine region was desert and gobi²⁰ and suffered from salinity problems. Much land in Ningxia had not been planted for over 3000 because it was impossible to grow crops. The desert-like conditions and salinity need to be transformed into vineyards, as stated by a winery owner: *“when I began establishing the winery, it was a remote rural area. It has big salinity problems, along with no water, power and road. You can even hear wolves howling at night.”*

Another winery owner tried to grow grapevines in untransformed land; most did not survive. A government official described the early failure of grapevine growing in the desert or sandy soil without fertilization; all vines were dead after winter. Different key stakeholders confirmed the necessity of local soil transformation. The common practice is: remove the large rocks; dig the

²⁰ Gobi, or Gobi Desert, is a great desert and semidesert region of Central Asia. The Gobi (from Mongolian gobi, meaning “waterless place”) stretches across huge portions of both Mongolia and China (Alitto, n.d.).

surface soil down to about 0.5-1.0 metre deep; then upgrade the subsoil with manure and fertilizers. This process was observed during fieldwork, with a machine sifting large rocks in a vineyard. A wine expert evaluated the cost of the process as around 150,000 RMB per ha. Another respondent and a government official suggested using enough organic fertilizer for long-term vine growth and grape quality, but how much fertilizer and total cost was not answered.

In pictures provided by an owner of the oldest state-owned winery (Figures 6.2 and 6.3), the original landscape of the vineyards and the pioneers working on improving land are shown.



Figure 6.2 The original landscape of Yuquanying farm

Source: From Chateau Yuquan of Ningxia State Farm (established in 1984, the photo received by the author in 2018, used by permission)



Figure 6.3 Improving the land

Source: From Chateau Yuquan of Ningxia State Farm (established in 1984, the photo received by the author in 2018, used by permission)

Another issue is the cold winter. Because of harsh winters (usually below minus 20° C previously and around minus 18°C in recent years) and large evaporation in an extremely dry climate during winter and spring, grapevines must be banked up in October under 30 cm of soil for survival and uncovered in April (because burying is also a vineyard practice, it will be discussed in Section 6.4.2).

Although many weaknesses exist, most respondents expressed a positive attitude about overcoming these difficulties, such as the burying vines. Some respondents exemplified cases of other successful wine regions with their weaknesses. They compared the extremely cold winters in Ningxia with heavy rain in Bordeaux, cold weather in New Zealand, and intense sunlight in Northern Australia. Their perceptions actually do not match the reality, since there is not intense sunlight in Northern Australia, which is very humid; the intense sunlight is generally in the south. Similarly, compared with Ningxia, it is not very cold in New Zealand. Many interviewees treated the flawed natural environment as a challenge and opportunity to make the highest end wine, because they were educated about “*flawed climate provides the possible opportunity of making the best wine*”, which was a winery owner’s quotation, related to him by the Dean of the Institute of Vine and Wine Science, University of Bordeaux²¹; many interviewees expressed similar perceptions.

Only one senior winery person mentioned climate change in Ningxia, as stated in the following quote:

It was desert in 1971 when I was designated to Ningxia State Farm. I saw the first rain in 1976 after arriving in Ningxia in 1971. It was commonly noted that Ningxia had intense wind and no rain and no snow. And then, there were more rain and snow and in recent years, even more heavy rain and flooding in some places. It was around minus 27 or 28 Centigrade on average in winter, but now it’s about just below minus 10 Centigrade. (a winery owner)

Figure 6.4 shows the average annual temperature in Ningxia from 1960 to 2015 with its increasing overall trend. Statistics of average winter temperature were not found.

²¹ The winery owner studied at the University of Bordeaux and is a holder of of a Diplôme National d'Œnologie. Published information suggests the source of this quotation can not be found.

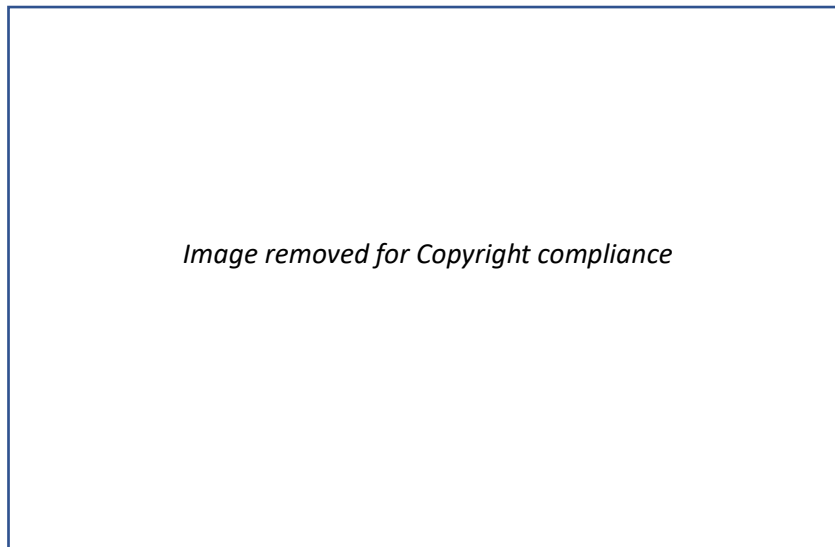


Figure 6.4 Average annual temperature in Ningxia

Source: Modified from Liu et al. (2018)

The influence of temperature increase seems not to be significant in the current development stage of Ningxia. However, in future, it may influence the burying required during the cold winters.

In summary, it is agreed by most interviewees that there is an impact of the local physical terroir on producing high quality wine and the potential to improve it, as stated by a manager from a famous national brand:

The wine quality has been recognised by the group and international experts and proved by several-year of data, because we have wine tasting competition amongst our wineries in all wine regions annually. Currently, the highest end wine is considered to be probably produced in Ningxia.

Some winemakers think the physical environment has an impact on wines' character since it is noticed that wines made from the same grape variety by the same producer, but from different vineyards, tastes different, suggesting recognition of the concept of physical 'terroir'.

It is essential to consider human factors as a part of terroir because no wine exists without human activity. The following statement by a winery owner illustrates the role of human factors:

Human being is great and human intelligence is infinite. It was considered as impossible to plant grape or plant such huge areas due to severe winters and low rainfall, but now there are more than 38,000 ha. It is the success of human against the nature.

The following section discusses the human elements of terroir in Ningxia. As stated in Section 2.4, the physical terroir is transformed into wine through the interaction between humans and the natural world.

6.4 Human terroir

In this section, the role of human factors is discussed. As evolution through selection of grapevine varieties and mastery of viticulture and oenological practices is determined by human factors (Van Leeuwen & Seguin, 2006), selecting the varieties, vineyard practices and winemaking technology will now be explored.

6.4.1 The selection of varieties

Because a good cultivar is essential for making wine, the selection of varieties is discussed first. According to the nature of grapevine growth, making a good wine can take over 10 years. Therefore, for an emerging wine region, the selection of varieties can play a role in the many-year development. Most of the world's widely planted varieties are planted in Ningxia. There is an official system of seedling import, detoxification and breeding, advocated by the regional government, because the entire China wine sector suffered huge losses because of planting non-traceable or viruliferous varieties, which almost destroyed wine industry at that time as stated by a government official (there are no other references):

In 2010, Grapevine leafroll disease (GLD) hit and devastated swathes of vineyards in China. Then, it was not allowed to plant self-cultivated seedling in Ningxia. We cooperated with the Customs and the National Administration of Forestry to import the largest scale of seedling from France, which was on trial for two years to guarantee its quality and health. I think it has a strong impact on the improving the wine quality.

As reported in Chapter 5.2.1, the dominant varieties are Cabernet Sauvignon, followed by Merlot, Marselan and Chardonnay; the varieties were imported from France in the beginning and Cabernet Sauvignon is prominent in Bordeaux. Varieties that best suit the local environment offer the possibility of growing great grapes and making premium wine. Some respondents stressed that the local terroir is perfectly suitable for growing Cabernet Sauvignon that, in part, explains the success of this wine region. However, it is also acknowledged that these varieties were chosen for marketing purposes, as a government official explains:

Both the science and marketing purpose were behind the choice of varieties in Ningxia. These (Cabernet Sauvignon, Merlot and Chardonnay) are wines recognised by mass customers. In the early stage of the wine industry, there was a big demand for these wines in the market. Secondly, during the period of Ningxia wine region development, we have introduced more than 60 varieties from the world, which almost include all great wine grape varieties. After around 30 years trial, local terroir is suitable for growing around 20 varieties, including these leading varieties.

Other wineries cooperated with scientific institutions and have specific Chinese national varieties, such as Beimei, and Beihong. Beimei and Beihong are interspecific hybrid wine grape varieties with cold resistance and a pleasant rose aroma (Fan et al., 2009; Kuang et al., 2022). They are cultivated as adapting wine grape varieties in Ningxia.

Whether new varieties should be introduced or which variety(ies) can express local terroir, is currently a contested issue. Some interviewees do not want to see the introduction of more, new, minority varieties, because it is too much too soon for such a young winegrowing area. Some interviewees argue that Burgundy and Bordeaux in France have had many centuries to express their sense of place. However, in Ningxia, most of the region's vines are under 10 years old; many vines are still putting their roots down. The oldest vines are only around 20 years old. It is currently impossible to make wine expressing local terroir. A wine expert explained that some successful New World wine regions planted old and popular varieties derived from the Old World and then spent several decades to achieve global recognition of their remarkable local characteristics, such as Cabernet Sauvignon planted in California and Sauvignon Blanc planted in New Zealand. Accordingly, the expression of local terroir is related to a certain period of planting vines and making wine, even using popular global varieties. Also, the popular varieties were chosen for a marketing reason as much as for a technical requirement, as the following quote expresses:

Ningxia needs to imitate these (successful) cases, such as Sauvignon Blanc planted in New Zealand, to be survival with popular wines in the market at first and to make wine expressing local terroir by continuous experiments within years. (A wine expert)

Currently, some winemakers thought that they needed a longer time to make wines that could express the local characteristics of terroir. The following statement typifies this view:

Cabernet Sauvignon performs well in Ningxia, but it is only medium quality without wider recognition of local characteristics. We need to discover subregional differences of same

varieties in different vineyards. It is a long way to go, because grapes grow once per year and we have only one chance to test annually. (A wine maker)

On the other hand, others suggested that similar varieties would limit the further development of the Ningxia wine region, because that could make it a homogenised wine region. Someone has begun having new or hybrid varieties on trial or plan to introduce new import varieties, as stated by a wine expert:

Marselan, which grows in popularity now, but it costs at least three years to test a new minority variety and it is unknown whether the general customers accept or not. It is produced for wine lovers and experts' need of trying new.

A few winery owners planted minority varieties for different individual reasons as explained in the following statements:

I did not want to follow hot trend of planting Cabernet Sauvignon. I just thought Marselan could performance not too bad.

My father has friends in Academy of Agricultural Sciences, who recommended Beimei and Beihong to be on trial. That is the reason why we only grow two rare varieties.

Some interviewees simply concluded that the same varieties could result in the lack of distinctive local characteristics of terroir. However, there is no evidence to support their opinion. They might just be expressing their expectations in planting domestic varieties.

6.4.2 Introducing and adapting techniques

Producing wine is a systematic process including the control of soil, fertilizer and water, the technical skills of workers, and techniques. Vineyard practice and winemaking technology are important factors differentiating wines. Many interviewees stated similar views on the relationship between grapes and wine. It is a 70/30 rule to follow with regard to making a good wine; 70% depends on the quality of raw materials and 30% relies on the winemaking technique.

Vineyard practice

Many interviewees, especially winemakers, underlined the primary role of the vineyard in expressing local terroir and emphasised the core competence of their vineyards: *“managing vineyard is the start of exploring terroir. How can we describe terroir without knowing where the grapes are from.”* As explained in Section 6.3, the physical setting of Ningxia needs human intervention in vineyard

practice: irrigation systems, fertilizing and soil improvement are essential for grape growth and quality control. Some interviewees admitted effective vineyard management resulted in improved grape quality. Particularly, modern principles from western countries are more precise and scientific in control of processing, such as the use of statistical data, weather stations, drip irrigation systems and the evaluation of grape maturity partly based on taste and previous experience. Some local practices have been replaced by global practices. For example, some vineyard practices, such as irrigation, fertilisation and the evaluation of grape maturity followed the lunar calendar in the past but rely only on laboratory indexes, which were learned from the global vineyard practices.

Burying vines (see Section 6.3) increases the difficulty of vineyard practices. It is a time-consuming, expensive process, taking around five people to do 1 ha in one and half weeks. Burying results in broader line spacing and a smaller number of vines. The following quote illustrates these negative conditions:

Burying in winter reduces the growth periodicity of grape. And early and late frost is an issue for grapevine growth and grape production. The globe warming results in the grape changing in over 10 years, such as the sugar content from low and adding sugar to too high. Another issue is high soil pH for winemakers. (A winemaker)

Five percent of vines are lost each year and, as they get older, the trunks may snap when bent resulting in a life expectancy of 25-30 years. Unearthing is another cost and can damage new shoots. Most respondents realize burying grapevines results in greater labour costs, lower yield, and a shorter life cycle of the grapevines. A winery owner pointed out *“the potential serious influence on the wine sector, because every time, burying and unearthing is harmful for vines and seedlings, which may cause a reducing number of old vines”*. According to some interviewees, the most common yields are a relatively low 21 hl/ha²² to 31.5 hl/ha; some have much lower yields. Conversely, burying vines gives the vines four months of uninterrupted ‘sleep’, which results in faster growth the next spring, and low yields lead to higher quality grapes.

Therefore, for long-term development, the vine training system needs to be improved to suit the situation of vine burying, or new varieties cultivated with cool resistance capacity (seen Section 6.4.1) to plant without the need to bury. Vines were originally trained in the independent long-trunk style for intensive planting. That could contribute to the growth of yield of young plants, but the cane

²² Hl/ha=hectolitres per hectare, which is the unit in viticulture to measure the yield.

trunk becomes thicker with age, making it harder to flatten it. After 2012, a new training method, “Chang (厂) style” (the shape is similar to Chinese character “Chang” (厂)), was developed to simplify the vine burying issue, improve grape quality and raise the level of viticulture standardization and mechanization to some extent.

Burying has become a unique feature of the Ningxia wine region, as illustrated by the following statement: *“burying is definitely due to climate difficulty, but we have developed this into a typical and distinctive cultural feature by holding the Unearthing Grapevine Festival (春耕展藤节)²³.”* (An industrial insider)



Figure 6.5 A vineyard with wider line spacing

Source: From ADGIN, 2018, used by permission

²³ The Unearthing Grapevine Festival has been held five times since 2015. The theme of the festival is to inherit traditional Chinese farming culture combined with terroir of wine and for wine branding.

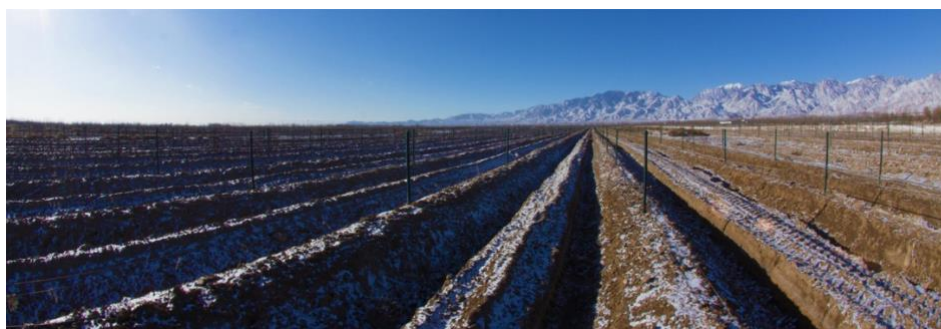


Figure 6.6 Grapevines buried in winter

Source: From ADGIN, 2018, used by permission

More methods have been adjusted to suit local physical settings, e.g., sugar content is usually an index for grape maturity and grape classification. However, as viticulture techniques improved, vine training methods changed and climate change became evident, sugar content has generally increased so the maturity of a phenolic substance has been added as another key index. Moreover, because of specific local conditions, manual picking is used in most vineyards. When the sugar content of the grapes reaches a high level, the grape stem is still unripe and fragile. It is easily broken and blended in with the crushed grape, which may result in a green, stinky flavour of the wine. To avoid this, grapes need to be manually picked before destemming.

During my fieldwork, many interviewees recognised vineyard management as an obvious weakness in Ningxia. A few wineries have cooperated with prestigious domestic experts or global viticulturists and specialists; most put less attention on improving their vineyard, because it is time and money consuming. Consequently, some interviewees underlined the serious shortage of skilled workers and viticulture experts, which can result in damaged plants and the less productivity and quality. The following quote is from an equipment supplier who provides service and equipment to dozens of wineries:

Due to too fast development of the wine industry, most viticulturists are from some oldest local wineries and much few people are willing to learn viticulture. One consultant can work for several wineries, but when there are some problems in vineyard, they could not solve it effectively. For example, one winery had vine growing problems. Each expert gave a different suggestion in theory and none of solutions figured out. Finally, they dug and found its root problem by themselves. How can it be worked out without practical check or just check the vine by these experts?

A wine scholar supported this claim:

The shortage of viticulture talent is a serious issue. Currently, many local viticulturists are farmers with experience of many-year grape planting, but having no professional education background, because working in vineyard is harder and less salary than making wine.... Many wineries much prefer to pay a foreign consultant high salary, but they are unwilling to increase salary level to attract more domestic viticulture talent.

Many times, less salary is paid to viticulturists than to winemakers, which exacerbates the problem of attracting experts:

The total amount of money earned by a viticulturist in more than half year is as similar as that of a winemaker working several days. Some winery owners prefer a foreign viticulture consultant paid high price to a local talent (A winery manager).

Another concern suggested by some interviewees is that: *“foreign experts may be not familiar with local conditions, especially burying, and foreign technique may not work in locality”*.

In this section, local and global forces interplay to make a special local vineyard practice. Global vineyard practices provide guidance for local wineries to improve their vineyard practices, though local elements require that global practices adapt, e.g., especially the burying.

Winemaking

Linked with the viticulture techniques, winemaking technique is another vital element influencing wine production. Winemakers can control or enhance some aspects of the natural terroir through intervention. In the beginning of the modern wine industry in China, the major wineries developed their production with the assistance of European and/or Antipodean experts and technology. In Ningxia, the same pattern has been followed: employees from local wineries are studying foreign expertise and advanced winemaking techniques abroad or training under foreign winemakers. Meanwhile, international experts are employed to help local wineries succeed, as a winery owner explains:

We hired a globally prestigious French expert in the beginning. He plays a significant role in developing technology of wine making and vineyard management, providing market suggestion, and transforming local farmers' perception of planting wine grape. Rather, these farmers would not like to accept guidance and suggestion from local experts. (A winery owner)

Additionally, to improve the skills and techniques of winemaking, the Ningxia International Winemaker Competition had been held twice by the Ningxia government in 2012 and 2015. In 2015, 48 winemakers from 23 countries were assigned to local wineries and, after two years, their wines made from local grapes competed for the award. During the period, the techniques and principles of those winemakers can be practised and learnt by local people. Many interviewees may not admit that the wines made by foreign winemakers are really better than those made by local winemakers. However, winemaking principles, techniques, their rich experience and scientific management (such as material use), are valuable things to learn. Many wineries still have foreign winemakers and/or consultants from the Old World and New World. Some interviewees, including the government officials, consider introducing more foreign experts is a way to promote the Ningxia wine region globally, as stated by a wine expert:

It provided the opportunity to learn the 48 ways of techniques locally. If we would like to learn these in the world, how much the cost would be, and it may be impossible to learn the best. Moreover, they will introduce Ningxia wine region and their experience in their countries. It is also a kind of advertising.

However, a few winery owners raised concerns about relying on foreign expertise. For example, language and cultural barriers may cause difficulty and misunderstanding in communication during work. This may affect the resultant wine such as its quality and characteristics.

For a new wine producing region, no winemaking techniques, knowledge and skills were passed on by earlier generations. Learning globally is a primary step in beginning to make wine. However, local ways of making wine were developed, alongside a shift in foreign technologies. For example, around one-third of interviewees prefer to collaborate with regional and national experts and regional contract winemakers, since they can make high quality wine with local characteristics on a better understanding of local settings. Most respondents recognised the importance of educating of local winemakers, who can develop advanced expertise locally. Some interviewees also used local tools and methods that are being trialled to give a regional imprint to a wine, such as the use of tailor-made terrine barrels and indigenous yeast, as the following statement by a winery owner illustrates: *“Ningxia wine region should be developed by us. For this aim, we train local winemakers, attract talents with study abroad background and send the next generations abroad to learn.”*



Figure 6.7 Terrine barrels in a cellar

Source: The author

Because local people had no preconceptions when they started, they are learning to build a local 'terroir' that may continue over the next several decades or hundred years. This point brings into focus consideration of the plots of land:

The wine's character is the representative of the land, not my winemaking style. My job is to explore the characteristics of the vineyard and the best performance of grape. (A winemaker)

I strongly believe in what I learnt from Burgundy – wines are all about terroir. I am focusing more on expressing our sense of place in our wine through biodynamics. I think it is the way to prove whether the terroir in Ningxia is good, and to further display the identify of local terroir. (A winery owner)

This section illustrates that the local implementation of global winemaking techniques in many ways, in terms of techniques provided directly by foreign winemakers, local winemakers trained in foreign techniques and innovation in local methods is necessary. When global winemaking techniques are used locally, they also need to adapt to suit the local physical environment and local people to practise.

6.5 Marketing value of terroir

As discussed in Section 2.4.3, the combination of place of origin and shared cultural heritage offers a basis for differentiation and competitive advantage. Since a place of origin is perceived as more specific and identifiable, the conscious awareness of the added value is communicated by a genuine sense of place. Terroir then serves as a potentially unique marketing tool for promoting unique, origin-specific products (Charters et al., 2017), as illustrated by a senior winemaker in the following quote: *“the concept of terroir was explicitly developed in the Old World as a marketing tool. It is a strategy to maintain France wines’ dominant role in the market.”*

Despite vineyards being cultivated in Ningxia since ancient times and some good wines made with global-recognition in recent years, local wineries have to fight hard to shake off an image associated with bulk wine rather than premium wine. The following quotes present the views of two winery owners:

In the early beginning of the wine industry, the 80s and 90s in last century, national wine was produced under low national production standard and left destructive sense of bad bulk wine in mass market. We need to judge this past of modern wine industry objectively, however, we have to pay for this historical issue now, with our long-term effort and hard work. When the recognition of domestic wine is changed, it will be the moment of progress in China wine industry and market.

Although the quality of our wine is as similar as the imported wine in blind tasting, the distributors seldom purchase our wine brands, because the customer’s recognition of Chinese wine is associated with the bulk wine rather than premium wine. It is also hard for them to change.

Most people view foreign wines, especially French wines, as higher quality and better taste than domestic wines. This can be seen as good marketing because foreign wineries market their wine as prestigious and luxury, and terroir plays a role in value creation. The establishment and promotion of local terroir as a marketing tool was from the individual winery and regional levels, but also extended to the global wine market.

First, individual wineries provide their marketing story to promote their unique product. Some winery owners recognise that the value of wine is not only determined by its quality but also how to tell a story. The notion of terroir can involve in the making of myths or stories about the wine and wine region, e.g., one winery succeeded in developing its wine brand with two stories. One story is the two-generation owners’ spirit and passion for their winery and the local wine sector. The other is

the romantic love story between a local girl and a French boy; how they met and fell in love in France and how they overcame difficulties, such as different nations and the conflict between personal aims and love. Finally, the girl returned home to China, pursuing her status-related goal of making great wine and the boy followed soon after. Their daughter though still young is poised to become the third-generation owner. This story, reported in both national and international press stimulated people's curiosity about this winery and added a romantic figure to making wine.

Another case concerns a tiny winery. According to the owner's interview, the winery is attractive to wine lovers and social media, even without a lot of promotion a lot because the winery is pioneering going biodynamic in China and the owner has many labels. The owner and his wife are young (80s generation) and Haigui (a slang term for Chinese people who have returned to mainland China after having studied abroad for several years). They are a couple with campus romance in China and France. After working in France for many years, they recognised the opportunity in the wife's hometown, Ningxia, and built their winery from nothing. They are both a couple in love and best partners in a business. Experiencing and overcoming many failures, they still insist on biodynamics and finally were successful. Their entrepreneurial spirit and story impress people in market.

Each winery story is not only promoted for winery marketing, but also can be considered as a part of the story of the Ningxia wine region. As stated in Section 4.4.4, the regional government plays a significant role in creating and promoting the story of Ningxia. The wine industry is promoted as Ningxia's "purple card", which is an official slogan proposed by the regional government. Regional images are used to invoke the environmental images associated with Eastern Foot of Helan Mountain: 'clean, green and non-pollution' with the purple colour of grapes. "Purple card" promotes Ningxia as a high-quality wine producing region in Eastern Foot of Helan Mountain.

As a new wine region, the marketing value of local terroir is influenced by the past domestic wine industry and the global wine industry. Therefore, telling their own stories of wineries and the story of Ningxia can be an effective way to add the physical, human and cultural values of local wines to the marketplace. Alongside the promotion of Ningxia wine and the establishment of its global reputation, Ningxia wines are also involved in the global wine world. According to Ray's rural culture economy (see in Section 2.3.2), cultural resources, which can be captured in the concept of terroir in the wine context, have exchange value through wine production. They also create marketable wine commodities. From this perspective, local and traditional culture can also add a specific value to local terroir, which is embraced in the wines. In the next section, the specific cultural elements that influence the development of the wine region will be discussed.

6.6 Cultural elements

In this section, the significant cultural forces that influence the interpretation of local terroir will be discussed, including traditional Chinese cultures, philosophy and food culture.

6.6.1 The influence of Chinese cultures on the understanding of terroir

Terroir, considered a cultural term with linguistic, historic and cultural roots in France, has been translated to and adopted in various cultural contexts. Indeed, the cultural borrowing and travelling of terroir are important features of local cultures in a globalised context (Cappeliez, 2017). The concept of terroir is interpreted differently by key supply-side stakeholders interviewed in this study, in that Western and Chinese concepts are incorporated because they can be used to create the cultural value of local terroir and be applied in practice. The basic principles of terroir tend to be similar, but the interpretation is related to Chinese cultures.

The term terroir is translated into Chinese directly as “Feng Tu”, which literally means wind and soil. “Feng Tu” is part of the Chinese idiom “Feng Tu Ren Qing”, which means local conditions and customs. It is described from the term “Tian (heaven, climate or timeliness), Di (Earth) complemented by Ren (human)” in localization. The three elements that influence the making of a wine region are integrated. The term “Tian Shi, Di Li, and Ren He” means right moment, right place and popular support. In older times, if you wanted to get a harvest, you have to pray to nature which would do you a favour. When it did, we say we have “Tian Shi”. When it didn't, we say we lose “Tian Shi”. Though things have changed, these terms are still kept. “Tian Shi” means many favourable conditions to help you achieve your goals. For example, in this study, policy is one of the key factors leading to the success of making the Ningxia wine region. Therefore, it can be considered as Tian Shi. Earth and humankind are similar to the physical and human elements, respectively, of terroir. Besides, the interpretation of terroir as a technological, cultural and social concept, emphasises traditional Chinese philosophy, represented by Taoism and Confucianism. As one winery owner stated:

I produce wine on the basis of some concepts of traditional Chinese culture and philosophy, such as ‘Tian Ren He Yi’, (which implies a harmonious relationship between humanity and nature), and ‘Zhi Xing He Yi’, (which is the integration of one’s thoughts and practical

consequences).²⁴ *A grape vine is rooted in the land; without culture without root. Combining local wine and Chinese culture is the way to express local terroir.*

Another description by some interviewees is associated with an old Chinese term “Feng Shui (wind-water)”. Feng shui is the ancient Chinese science and art of balancing all of the influencing factors in an environment to create the optimum and most harmonious space for occupants (plants, animals and humans). It was historically widely used to orient spiritually significant structures such as tombs and other structures in an auspicious manner; the locality is determined by local geographical features such as bodies of water, stars or the compass. For example, many interviewees provided an example of one winery presenting its unique terroir because of its specific location in the Xixia Empire Tombs²⁵ scenic spot. They agreed, currently, it may be the only winery that is entitled to promote its unique terroir, because of the Feng Shui of empire tombs. The empire tombs serve to protect the Emperor's legacy, by ensuring that the dynasty continues to be perpetuated and his heirs go on to greater and better things. It is common sense for Chinese that these empire tombs have the best and most power. In the beginning of the wine industry in Ningxia, the first global-trophy-winning wine and most award-winning wines were made from grapes grown in this vineyard, one reason is that people recognise the high-quality grape in its microclimate and soil, which is Feng Shui Bao Di²⁶. During the fieldwork, the winery was inspected after a storm to see whether its Feng Shui is as powerful as in legend. The winery observed had no serious impact, and the owner explained that *“we have never suffered extreme weather, no matter how serious in other areas.”* However, the power of Feng Shui in empire tombs is mysterious and has not been verified scientifically. Another winery owner designed his winery on the model of a pyramid (the ratio of 1 to 10) as an experiment, because he believes in pyramid power that can be seen as the power of Feng Shui in Egyptian empires' tombs. As he stated: *“The pyramid shape can generate the energy and enhance*

²⁴ ‘Zhi Xing He Yi’ is a Confucian philosophical guideline leading to its practical consequences. It is considered a valuable thought in the Chinese tradition to be ‘pragmatic reason’.

²⁵ Xixia Imperial Tombs, also called Western Xia Imperial Tombs, are a group of tombs of ancient emperors. It is known as Mysterious Miracle and Pyramid in East. Because of its largest scale, well-preserved relics and majestic tombs structure, it is listed in China Cultural Heritage sites. Several museums equipped in the scenic area help travellers take a probe into the history and culture of Western Dynasty Kingdom (*Western Xia Imperial Tombs*, n.d.).

²⁶ Geomantic and Treasured Site.

biodynamics. It is a self-breathing cellar by natural air circulation. And, by using local resources, I look forwards to making unique and great wine." Summerhill pyramid winery also uses the same principles (SUMMERHILL PYRAMID WINERY, n.d.).

Another case referring to traditional Chinese philosophy is the localisation of the philosophy of biodynamic viticulture that refers to five elements in the universe, the eight trigrams and the philosophy of Yin and Yang. The Five Elements Theory is a Chinese philosophy used to describe interactions and relationships between natural things. The elements are wood, fire, earth, metal and water; the fundamental elements of everything in the universe between which interactions occur. Yin and Yang means 'dark-bright', 'negative-positive', describing how seemingly opposite or contrary forces may actually be complementary, interconnected, and interdependent in the natural world, and how they may give rise to each other as they interrelate to one another. In Chinese cosmology, the universe creates itself out of a primary chaos of material energy, organized into the cycles of Yin and Yang and formed into objects and lives. The Eight Trigrams is from the book *Zhou Yi (the Book of Changes)*, meaning the origin of all things and creatures. It encompasses the five elements and Yin and Yang theories. The eight diagrams symbolize the eight natural phenomena: sky, earth, thunder, wind, water, fire, mountain and lake. It represents the ancient Chinese early knowledge of the universe (*Bagua*, n.d.). The following quotes illustrate a winery owners' view of Chinese biodynamics: *"Farming has more than 3,000 years history in China. It definitely has a principle, such as when to do and what to do. The Eight Trigrams refers to climate and the changing between heaven and earth. It is science."*

Although the key elements of the fundamental definition of terroir as presented by interviewees are similar, its foundations in natural settings, the significance of human forces, and the involvement of historical and cultural attributes, in the interpretation of the term is adapted and changed in a Chinese cultural context. Terroir as a foreign concept can be seen as shift by Chinese cultures in Ningxia wine region with the region also being involved in the global wine world. Another cultural element referring to wine is the local or domestic food culture, which will be discussed in next section.

6.6.2 The influence of food culture

As is generally suggested, wine is associated with "gastronomy, history, tradition, local quality food and dignified social settings" (Salvado, 2016, p. 396). Food culture is examined as an important influence on wine produced. Some interviewees stressed the tension between Chinese food culture and wine as in the following quote: *"not like in Western countries, wine has not become an integral*

part of Chinese food culture as a standard accompaniment at dinner. The majority treat wine as a foreign product, which is not a part of Chinese culture.”

Some interviewees pointed out some limits to forming a wine culture in China, including eating habits, the dominant role of Baijiu, and the way of matching food and wine. Ningxia is a Muslim area (see Section 1.1 and 4.2), even without an alcohol drinking culture for local Hui residents. The following statement represents a winemaker’s view on factors limiting wine consumption: *“Chinese dishes are mainly vegetables for family dinners, but wine commonly matches meat and cheese in western countries. Also, Chinese drink wine mostly in business dinners at restaurants, which is not a daily drink at home.”*

Most interviewees discussed the contradiction between the increasing demand to understand wine and the shortage of a domestic wine culture. From their perspective, because of the lack of a wine culture and tradition, Chinese consumers do not appreciate the taste of dry wine. One illustration reported by a winery owner is that it was fashionable to blend dry red wine with Sprite when drinking in the 1990s, the first prosperous period of the modern wine industry in China. Customers’ demands may affect winery owners’ decisions on growing which grape variety and making which style of wine, as the following statement illustrates:

Although wine is growing in popularity and wine market is increasing dramatically, Chinese consumers are unfamiliar with defining quality in wine in terms of aroma, tannin, body and balance, even the lecturer in wine training. Their preference for sweet and accessible wine style is a betrayal from the notion of terroir. (A winemaker)

According to some interviewees (including winemakers and wine experts), because the spirit of place may produce value when a working knowledge of terroir is possessed, more wine education training programmes will be provided by domestic and foreign wine education groups. Terroir product seminars were held many times by the regional government associated with other organizations to explore and promote Ningxia’s terroir.

The role of specific cultural elements in creating a unique place has been discussed but, as discussed in the Sections 4.4.3 and 4.4.4, the role of political elements is also significant in the context of China, the primary driver for the existence of the wine industry in Ningxia is government policy. In the next section, the influence of political elements will be discussed.

6.7 The political elements in Ningxia as a wine region

The government conducts and heavily influences industries and market exchanges. In Sections 4.4.3 and 4.4.4, the contributions of regional development on the development of the Ningxia wine region have been discussed. Some wine brands with the best reputation that came to Ningxia were partly driven by preferential policies and collaboration with local organisations. The following quotes are by a government official and many winery owners, respectively:

The right orientation of policy is essential to make a renowned wine region. It is impossible to find the similar largest and most holistic support by regional government for developing the wine industry in any regions and any countries, even in other wine regions in China.

One of the most vital factors, or the most one, for successful business investment in any industry in China is the policy and the support from the central and/or regional governments. Due to the mission of making a wine region in Ningxia proposed by the central and regional governments, we were motivated or encouraged to get involved in the wine industry.

Political factors can come with economic attributes in terms of land price, subsidies and loan guarantees. For example, the regional government strengthened vineyard management to some measure by funding technology such as drip irrigation systems, tracing systems, and vineyard monitoring systems. Many interviewees agreed with the benefits, such as low-price land rental and great land resources, provided by the regional government. Relevant legislation and support in going through the legal formalities all affect the viability of wineries.

The local government also actively supports the improvement of wine quality and the building of a regional wine brand. For example, the Ningxia government provides a prize of USD 50,000 to wines that win gold medals in the Concours General Agricole Paris, Concours Mondial de Bruxelles or the Decanter World Wine Awards. The Ningxia wine centres established in Beijing, Shanghai and Guangzhou to promote the regional wine brand, wine tourism, wine education, local food culture and wine matching were supported with USD 150,000 over two years by the Ningxia government (Hao et al., 2016). The Ningxia government is planning to establish more of these wine centres in 60 cities over the next five years (Ningxia Daily, 2017). The Ningxia government has also commissioned the International Centre for Recreation and Tourism Research (CRTR) to develop a quality control system for wine tourism in Ningxia (Zhang & Thach, 2016).

However, there may also be some negative impacts from the perspective of winery interviewees. The first is the shift of the regional development pattern from “Small winery, Large wine region” to “Large winery, Large wine region”. The following quote is the view of a general manager on this situation:

The change of regional development pattern has a significant influence on us. It is a different story, comparing to the Western world. The party leads everything, including the industry development facilitated by the government. So-called market economy is not only market economy. We are too weak to be oriented by the government.

Because of this shift, the establishment of wineries requires more investment in vineyards and wine production, which may result in a slow increase in the number of wineries. Moreover, the focus of regional government support shifted from small and medium size wineries (which might need more support) to relatively large wineries. Some winery interviewees viewed the shift as proving the instability of the regional development strategy of the wine sector, which influenced their confidence in operating their winery.

It is not debatable that the role of classification system in production standardisation is important as is the growth of winery reputation. However, some interviewees criticized the fairness of and necessity for some items. For example, Eastern Foot of Helan Mountain Wine Exposition gold prize is a key item for evaluation and earns a bonus²⁷. However, as a regional award, some interviewees questioned its authority and value. Another issue is that the classification scheme requires wine estates to be tourist-friendly and assesses them on this basis, rather than on wine quality as is the case in Western countries. As a result, many interviewees complained that the high requirements on establishing wineries with tourism facilities brought high costs and a financial burden that influences further production:

Although we produce high-quality wine, we were a little bit late to be added in classified wineries, because of the requirement in tourism facilities. We can establish tourism infrastructure in the beginning, but it was postponed due to huge cost. We discussed this issue with the ADGIN. The quality of wine is the main evaluation item in France classification system, not tourism. (A winery owner)

²⁷ It has a highest score of 6 and a NZD 110,000 government bonus, more than other renowned global gold prizes (NZD 66,000) and the regional government will purchase 10,000 bottles of gold prize wine at the retail price.

We are one of the first wineries in Fifth Growth, but we do not want to upgrade the classification level, because our annual budget is made depending on winery operation. Now we spend money on marketing instead of establishing more tourism facilities. (A winery owner)

Some small-scale wineries without strong financial support for buildings find it impossible to, or are not willing to, apply to become a classified winery, even though they produce high quality wines. This may be a distraction from the emphasis on producing quality wine, because of the need to run wine tourism activities (see Sections 4.4.4 and 5.6).

This section discussed the political forces in the development of a wine region in the context of China, which supplements Charters' model.

6.8 Summary

Place and context are clearly key elements in the making of a wine region. The assessment of a place is closely intertwined with stakeholders' involvement and other working interviewees in the wine sector. The location of place, the educational resources in the place and the cluster of wineries provide benefits for wine businesses. Wines produced in a certain region are defined by the region's characteristics of the physical environment and the technological, social, cultural and historical characteristics. Marketing and branding of wine products from a particular region are intended to use place imagery and the desirable attributes. It is also important to note that human agency influences the process of regional construction and regional marketing. Though each winery acts individually, the collective goal of all the wineries contributes to creating a wine region with distinctiveness. In the process of making a wine region, the role of terroir with physical and human aspects is apparent. Local and extra-local forces appear to interact and link to creating a narrative of place. The role of specific cultural and political elements is also significant in making a unique wine region in the context of China.

The two finding chapters illustrate the role of the participating wineries from winery level and the role of place from regional level to describe how local and global factors involved in the construction of a wine region. The next chapter will provide a discussion that merges the findings and the literature to suggest a relational sense of placemaking in a wine region.

Chapter 7

Discussion

7.1 Introduction

In the previous two chapters, research results reveal the process of making the Ningxia wine region. This process has involved the commodification of place in two major ways: producing the wine region, i.e., the physical creation and development of Ningxia as a wine region; and selling the wine region, or portraying and promoting the region, and the region's wines both domestically and internationally. The process includes the involvement of individual winery actors with different motivations, perceptions and actions about the making of the region. This commodification is illustrated in Table 7.1. Producing the wine region has involved three stages: first is the recognition of Ningxia as a potential site for grape growing and vineyard development; the second stage is planting the vines and developing wine varieties to make wine; and the third stage involves making the wine. Selling a wine region also includes four stages. The first stage is the creation of place markers, here in the form of a Geographical Indicator for the region and, in this process, the construction of a narrative of terroir. The second stage is marketing the wine to local and international consumers, the third stage is the involvement of wine tourism in selling wines and the fourth stage is to discuss the role of cultural elements in selling the wines.

7.2 The commodification of place in Ningxia

As commodification is negotiated by different actors in specific place to meet specific conditions and requirements, the form and content of commodification processes will vary from location to location. Based on these differences, it is imperative to conduct commodification research in developing countries based on different socio-economic backgrounds (Clope & Perkins, 2002). The study's findings now provide evidence to illustrate the process of commodification in Ningxia, in terms of the range of actors, with different degrees of power, involved in the different stages, which will be explicitly discussed in the following sections. Like the development of the gold mine industry discussed by (Rîșteiu et al., 2022) different interviewees shift their roles and present competing understandings in the process of commodification of place, which reflects different priorities at different stages of regional development.

The making of this Chinese wine region has involved restructuring this rural area and shifting the economic base, in this case from salinised barren land to grape (and wine) production (see Section 6.3). The process has seen the commodification of otherwise unproductive and unprofitable land (Fløysand & Jakobsen, 2007; Woods, 2004). A series of changes in industry structures, social and cultural structures, regional identity and stakeholders' relationships happen when a place is commodified. This is consistent with what has been found in previous studies investigating the commodification of place globally (Long et al., 2011; Rîșteiu et al., 2022; Velicu & Kaika, 2017; Zhang & Wu, 2017). For example, producing wine has transformed rural areas in Ningxia to vineyards and wineries, and has changed some rural workers to industrial workers, such as winemakers. This kind of rural transformation is also seen in the study by Long et al. (2011). This series of changes has led to a significant shift in the rural industrial structure, employment structure and land-use patterns in Ningxia in a process similar to the one Zhang and Wu (2017) discovered from the changes led by land commodification in some rural areas in Chengdu.

Throughout the process of change in this wine region there is strong evidence of global connectivity and flows. At the same time, this study has revealed these global forces intersect with, and are modified by, local contingencies and specificities including place-specific political, economic, physical, cultural, and technological elements. The political influences are mainly directed by the regional government and the government authority the Administration of Development of Grape Industry of Ningxia (ADGIN), as well as regional policies and regulations derived from the central Chinese government (Sections 4.4.3, 4.4.4 and 6.7). Economic influences are primarily recognised through financial transactions and capital investment (Section 5.3), and marketing activities (Sections 5.4, 5.6 and 6.5).

The physical characteristics of the location are fundamental elements of any wine region and, in this context, have been primarily explained in terms of the physical elements of terroir, although the concept of terroir is a French term, again reflecting the influence of the global on the local (Massey, 1991) (Section 6.3). Local cultural influences are manifest in the interpretation of the concept of terroir through a traditional Chinese culture and philosophy lens (Section 6.6) and the physical elements of terroir are influenced by local cultural elements (Section 5.5.2). Technological forces mainly refer to the adoption, at a local level, of global technological knowledge and equipment in grape growing, and wine production (Section 6.4.2), while there is also evidence of global influence in the foreign capital investment which has been critical for the development of the Ningxia wine region (Section 5.3). Furthermore, the grape varieties planted, the concept of terroir – itself a French

term – and wine culture are all global influences which are fundamental to this emerging wine region.

This chapter discusses how the multiple relationships and forces identified through this research has resulted in the making of a unique wine region which can be understood through the theoretical lens of place, and place-making as relational (Massey, 1994). This theoretical lens has been extended in a number of ways, but two that have been valuable for interpreting the current research are Ray (1998), whose rural culture economy explores how local actors interpret and respond to global influences at the local level, and Woods (2007) concept of “the global countryside” that focuses primarily on the influence of the global on the local. These theoretical frameworks have been the starting point for understanding how a wine region is constituted and presented in the context of Ningxia, China.

The different forces involved in different stages of the construction of Ningxia wine region are shown in Table 7.1 and are explained in the following paragraphs. This table shows that the forces influencing the making of the Ningxia wine region are listed down the left-hand column. It is acknowledged that these operate at a range of scales, from the global to the local, show in the second left-hand column. In this context 'local' refers to forces operating within the national boundaries of China (which of course are not really 'local' in the true sense). The contents of two stages of the commodification of place are listed one by one. The stage of producing the wine region includes three sections along with the timeline: recognition of area, planting and managing vines and making wines. The stage of selling the wine region includes four sections: creation of GIs, recognition of terroir, wine tourism and cultural elements linking to selling the wines.

Table 7.1 Making the Ningxia wine region: forces and scale of influence

Forces	Scale of Influence	Producing the wine region			Selling the wine region			
		Recognition of area	Planting& managing vines	Making wines	Creation of GIs	Recognition of terroir	Wine tourism	Cultural elements linking to selling the wines
Political	Local	+	△	△	+	△	△	△
	Global	-	-	-	△	△	△	-
Physical	Local	+	+	+	+	+	△	-
	Global	-	-	-	-	-	-	-
Economic	Local	△	+	+	-	△	+	△
	Global	-	△	△	-	△	△	-
Technological	Local	-	+	+	-	+	△	-
	Global	-	+	+	-	△	△	-
Social	Local	△	△	△	-	+	+	+
	Global	-	△	△	-	△	△	-
Cultural	Local	△	△	△	△	+	+	+
	Global	-	△	△	△	△	△	-

+Major influence

△ Some influence

-Limited influence

7.3 Producing the wine region

The making of a wine region has three stages. The first stage is the recognition of areas in Ningxia that have the potential to be developed as a wine region. In this stage, and in this case study region, national and regional political forces have given the idea impetus, but this political will is also influenced by economic imperatives and cultural values. The second stage of making this wine region is the planting the vines. At this stage, the most significant forces shift from the political to the technological, including knowledge and specific technologies acquired from other global wine regions, many of which have centuries of know-how. Capital investment is also primarily required at this stage. The third stage of the process involves the making of wine. At this stage, capital investment to establish the wineries is the most crucial and the introduction of international knowledge and technology influences the wine making, as it did during the second stage. Particularly, in the context of Ningxia, the regional government plays a significant role through its regulations and initiatives. In all three stages, the physical factor is fundamental and, in stages of planting the vines and making the wines, the role of local and global labour is realised.

7.3.1 The recognition of areas in Ningxia

A key finding of this study is that the recognition of areas in Ningxia that have the potential to be developed as a wine region, was primarily initiated by the involvement of political forces. However, that is not the full story - many factors came together to make this investment decision in the first place. The political decision was influenced at the national and global levels and by the market value of wine. First, the regional government made a decision to develop the wine sector in Ningxia, based on the central government policy of revitalising poor rural regions, particular minority regions, to achieve economic aims (such as enhancing the incomes of local residents and raising local revenue), environmental aims (such as sustainable development and ecological and environmental protection), and sociocultural aims (such as national unity and a new way of a modern, healthy lifestyle).

The selection of wine grapes was based on the knowledge, such as suggestions from viticultural experts, and the acceptance of these suggestions by regional and central government, in all likelihood inspired by the examples of other emerging wine regions around the world that were developing their wine industries on the basis of a scientific approach and a customer-driven international market (Giuliani et al., 2011). At the same time, however, Chinese officials looked to the 'Old World' of traditional wine-producing countries that have an emphasis on the terroir dimensions as a sign of quality and differentiation (Ditter & Brouard, 2014). Therefore, the regional perception

and practice of grape planting is influenced by the global factors, including technologies, market and a sense of terroir, and the regional and national political forces.

This study substantiates the political decision to invest in the wine industry also related to the economic value and cultural values, attributed to wine and regional development. The economic value is seen in previous studies that, for example, vineyard land is productive land and expensive land, so planting the vines can increase land value (Ashenfelter & Storchmann, 2016; Overton, 2010). Wines, particularly red wines, have become valued in Chinese and global marketplaces and cultures, as discussed by Charters (2006). The study reveals that the consumption of global wine has a significant impact on the locality from the cultural aspect, such as the production of local wine with French-style flavour (see Section 6.4.2), the introduction of western wine culture and wine education, increased consumer wine knowledge and the potential for consumers' interest in local wines (see Section 6.6.2). As explored in previous researches, Chinese wine consumption is perceived as a result of the adoption of a western lifestyle (Capitello et al., 2015; García-Cortijo et al., 2019) and a preference for western wines (Agnoli et al., 2014; Liu & Murphy, 2007; Liu et al., 2014; Tang et al., 2015; Xu et al., 2014; Zhao & Belk, 2007). Chinese people also became more knowledgeable about grape wines through education, wine courses and websites (Dewald, 2003; Lin & Tavoletti, 2013; Masset et al., 2016; Xu & Zeng, 2014). In this sense, global cultural forces brought by wine have an influence the local production and consumption of wine, which, in turn, contribute to the creation of regional identity and economic development.

In the Chinese context, the government has considerable power and resources and so it has a significant role in directing and controlling regional development. This is seen in previous studies that identify the significance of political forces in the commodification of place in the context of China (Shen & Shen, 2019; Wu, 2018). The state can play an important role in transforming rural space through policies, funding and the development of infrastructure. Above all, the relationship between the central and regional government presents specific characteristics in the context of China. Though central government proposes national missions from a macro perspective, regional government uses its political strength to provide more detailed regional development strategies. In the case of the wine industry in Ningxia, regional development policy is made by regional governments in accord with national policy, with these national policies shaped by economic imperatives focused on regional development of the poorest provinces, whereby the global demand for wine is seen to be a lucrative option, but also cultural ones, driven by the growth of wine culture in China.

Regional government intervention has taken many forms to support and lead the development of the local wine sector in Ningxia. In some ways, this is similar to other wine-producing regions, which

are shaped by laws and regulations (e.g. Altinay et al., 2016; McCarthy, 2012), financial support (e.g. Biggs et al., 2010; Stecker, 2014; Tracey et al., 2011), transfer of knowledge (Siebold, 2020) and other resources (good infrastructure, land, skills and equipment) (Borchardt et al., 2020). Comparing the role of government intervention in France (Old World) (Hira & Benson-Rea, 2013), New Zealand (New World) (Barker et al., 2001), and Chile (New World wine region in a developing country) (Overton & Murray, 2011), it is evident that, while government intervention has played a role in the growth or transformation of existing wine industries in each of these contexts, the role of regional government in Ningxia is more significant in the recognition of areas to make wine. Contrary examples are Thailand (Banks et al., 2013) and Mexico (Espejel et al., 2020) that illustrate negative political forces in the wine sector. This study reveals that, although the political forces have an impact on the wine sector in all global wine regions, Ningxia's pattern in wine industry development is unique to the Chinese context.

The results also reveal that the making of this wine region is not only to conduct economic development but also to contribute to strengthening national defence and consolidating ethnic unity in a Hui minority region, in line with the social construction of place. Because of the emergence of the wine industry, the social and economic lives of local interviewees have been shifted by the commodification of place. Another special point is that local state-owned wineries have a political and social responsibility from regional government to purchase grapes from contract farmers who are local Hui minority. These specific relationships in the context of Ningxia contribute to the unique features of the commodification of place.

This study suggests, by the discussion above, that the government is the actual power holder, since they own all the land (see Section 4.4.4). In comparison, wineries have less significant power in their hands in the recognition of areas for grape planting. For planting and managing the vines and making of the wines, the power is partly shifted from the government to the winery level. The significance of different forces also shifts in these two stages.

7.3.2 Planting and managing the vines

This study has revealed that the process of planting vines involves a range of different forces and influences. First, the preparation to plant vines involves access to land and the selection of major grape varieties (decided by the regional government), but the political decision is also driven by economic and cultural forces. Second, when planting vines, the key forces shift from the political to the need for capital investment. The final stage requires technology and technical knowledge, such as the acquisition of grape growing technology and the implementation of expertise from global

experts and local interviewees and a labour force, in terms of both local and global workers. These reflect the flow of capital, and the flow of knowledge and technology, at the local and global level, in accordance with the characteristics of a global countryside (Woods, 2007). The vineyard made by not only local labourers but also foreign experts, reflecting the global factors integrated with local factors to reshape the local landscape. Because the same forces are also found in the continuing stage of making wine, capital investment and the flow of technology and labour will be mainly discussed in the making of wine section (see Section 7.3.3).

This study reveals that regional government, rather than market demand, determines whether the activity of planting vines is permitted and which part and area of land may be used, because the state possesses land resource that is fundamental in the wine sector, plus other additional resources. This finding aligns with a previous study (Siebold, 2020) and study in the Chinese context (Zhang and Wu (2017). Traditional access to land and land-related resources in rural China is governed by local community rights and is protected by social closure against external force dispossession or encroachment (Wang, 2006). Government regulations heavily limit land use (see Section 4.4.4). Under policies and regulations, collective-owned rural land cannot be exchanged directly in the land market without local government expropriation or requisition. Investment and production on the rural land can be accepted, based on their further values realised (Lin, 2015; Yang et al., 2018).

Contrary to previous studies that argue that particular grape varieties are strongly connected with the physical environment and are selected through empirical experimentation in both the Old World (Moran, 1993b) and New World (Banks & Sharpe, 2006), this study reveals that the selection of particular grape varieties is impacted by multiple forces, including political and economic ones. This can happen because the regional government realised that emulating the most successful traditional wine producing regions may be a reliable and profitable regional development for a new wine region. According to research findings (see Section 6.4.1), regional authorities can invest in scientific research and trials to ensure varieties' quality, health and suitability. A marketing purpose is also behind choice of grape varieties. This is not unique to Ningxia, across global wine regions there are reports that grape varieties are becoming more internationalised and less diversified and specific to particular places (Anderson & Nelgen, 2022).

The results show that state or public land is a crucial element in the making of a specific place. Based on rural land ownership, regional authorities play a significant role in deciding the use of rural land in which investment and production. Due to the flow of capital investment and the flow of knowledge and technology, global factors are also engaged in the planting and managing the vines and Local practices are highly influenced by them.

7.3.3 Making of the wines

This research has revealed that once vineyards are planted, and grape vines well established, a combination of global and local forces are apparent in making of the wines. Wine as a commodity is crucial to create a new legitimate wine region that is embedded with property rights and labour engagement (Banks & Overton, 2010). As mentioned above, this mainly involves capital investment and the flow of knowledge and technology, though the regional government also has an impact on the process of winemaking through regional regulations and initiatives. The analysis of contextual forces and capital investment are essential components in coming to a holistic understanding of the making of a wine region.

First, contrary to providing legal and cultural credence to interviewees who invest in the establishment of wineries and vineyards and the production of wine (Tobias & Myles, 2022), in the context of this study, political support is a key attraction for capital investment. This reflects the specific characteristics of political and economic relationships in the context of China. The results suggest that political will, supported by infrastructure, politics, regulations and investment in the environment are attractive for local and global capital, consistent with the study by Bittencourt Marconatto et al. (2016). The role of government is to encourage local and national capital and entrepreneurs to commit themselves to making a wine region through territorial strategies. Wine investment can attach investors to a desirable rural pursuit, prestigious wine brands, and a commitment to place and product through matters such as wine labels with the name of the winery and well-designed winery buildings (especially designed by the owners). These are considered as in accord with Ray's explanation of purpose, which is to build and raise the self-confidence of local people in developing place and valorising local resources (Ray, 1998).

Contrary to the findings of the significance of the flow of global capital in the global wine industry (Woods, 2007), this study's results reveal that, to date, there has been relatively low levels of global commercial investment of capital directly into the establishment of wineries and vineyards in the region, although the emergence of the region has seen the involvement of global multi-beverage corporations, global traders and global winemaking equipment suppliers. Moreover, these results go beyond previous studies' results that, in other wine regions, the aim of foreign capital is to earn profits (Overton & Murray, 2016). Instead, global multi-beverage corporations tend to be attracted by the most favourable physical and political conditions in Ningxia. Their aims were first to establish wineries in Ningxia and then produce wines of high quality, rather than only the economic aim of earning profits. The global flow of capital is also enhanced by the regional authorities for regional economic development. Though there is a limited number of global corporations in Ningxia, they

contribute to the global flow of wine techniques and styles. They also increase the global recognition of the Ningxia wine region. At the same time, they need to adapt their winemaking techniques and styles suiting for local conditions and their business behaviours on social and cultural relationships in the local and overall Chinese contexts. The practice of global capital in Ningxia reflects the interaction of global and local factors on the local level.

Secondly, it must be pointed out that the type of capital invested in Ningxia depends on the regional development strategy of “Small Winery, Large Area” pattern. This pattern in Ningxia encourages the establishment of small-scale boutique wineries and focuses on wine quality. This pattern results in an “upscale” strategy that emphasises the specifics of place and “localised and locally-identified production” (Overton & Murray, 2011, p. 63). This result ties in well with previous studies in which, generally, the capital invested in the wine industry is not uniform but depends on an upscale or downscale strategy. For example, though New Zealand wine producers emphasise place, region or country of origin (upscale strategy), many large scale Australian producers emphasise company names instead of place names (downscale strategy) (Banks et al., 2007). Although the growth paths are different in these two countries, many of the wineries are operated and owned by multinational companies. Unlike Australia and New Zealand, Ningxia has tended to establish a niche between a lower volume of premium wine produced in China and meeting the demand for quality wine with a promise to the domestic market. The quality of products is embedded through place association and the wineries are mainly owned and operated by local investors, then national and, finally, global brands. As a result, making wine contributes to place demarcation.

The study’s results indicate that, alongside the government-guided model of development, tensions between individual businesses and regional development are created, such as whether the government excessively interferes in business operations, whether too much government support increases individual winery’s dependence, whether local protectionism influences outside brands’ businesses in the region and, in particular, whether regional and national policies are continuously supportive of the wine sector. The study’s results illustrate the difficulties and tensions that can arise when regional wine development strategies and regulations are apparently inconsistent. For example, the shift of a regional development approach from “Small winery, Large wine region” to “Large winery, Large wine region” reflects the influence of national policies on regional economic development strategies, causing tensions in local actors to some extent as seen in Section 6.7.

A lack of policy and regulation continuity at the regional scale is specific to China’s context. A possible explanation for this is the system of horizontal cross-province rotation of governors, which is an institutional agreement to regularly rotate political leaders at the provincial level (Zhao, 2015), and

reduced governor duration of term (terms of five years in a province with a maximum of two terms in the same province) in a certain region (Ke, 2015; Zhang & Gao, 2008). The results provide evidence to examine whether the shifting of provincial leaders might cause tensions with local winery stakeholders, because new leaders have not established strong relationships with local actors in the wine sector and are unfamiliar with the local context, a reflection that is consistent with previous studies (Muratova et al., 2018; Reagans, 2005; Zhang & Gao, 2008). However, this mechanism can also create benefits for local businesses, such as new social relationships beyond local and regional (Muratova et al., 2018). The results show that Ningxia, as a less-developed province, benefits most from new political leaders who shift from more-developed provinces, in terms of the exchange of information, successful experiments and larger target market. Another feature is the promotion system of political cadres which plays a significant role in economic growth (Li & Zhou, 2005) and social achievement (Lee & Jin, 2009), from which the wine sector in this region can gain.

Finally, because of the requirements of the Ningxia winery classification system, a full-equipment workshop with modern winemaking machinery, cellars with expensive oak barrels and winery buildings are established in classified wineries (see Section 4.4.4). The aim is to have wineries producing wines with high global standards and, in turn, to have market value in the global market. We can see that the local establishment of wineries is influenced by economic forces through capital investment, political forces through the regulations, and global forces through the French classification system and global wine market.

Growing grapes, and making wine, also involves the mobility of people. Though Woods (2007) refers primarily to the global movement of labour, in Ningxia, most labour movement is intraregional. As explained by some interviewees, most labourers in the wine sector are Hui people, who migrate from local poor rural mountain areas, and some local, national and global wine experts and winemakers. In much literature, migrant labour from developing countries increasingly underpins rural economies in developed countries, in sectors such as agriculture and tourism (Binford, 2003; Epp & Whitson, 2001; Woods, 2007). Ningxia has not yet become an importer of international migrant labour. Though both types of working people are employed by individual wineries, their selection is mainly influenced by regional initiatives and strategies (see Section 4.4.4).

Though political forces may have provided the imperative to develop the wine region, it was because of the global value and reputation of wine; the development of the wine industry itself is possible only because of the mobility of capital and technology. Some stakeholders in Ningxia are very keen to engage with the global network. They are either engaged in direct export or draw on other forms of international engagement for capital investment, specialist labour and knowledge exchange, and

global marketing. This study on Ningxia explores the complex relationship of wine, capital, political and other forces. A particular finding of this study is the flexibility and multiple functions of regional government authorities, particularly the Administration of the Development of the Grape Industry of Ningxia (ADGIN) (see Section 4.4.3). This is the opposite of a market demand-driven development model of other wine regions (Overton & Murray, 2011; Tiefenbacher & Townsend, 2020).

In summary, contrary to studies regarding wine as a “powerful Western cultural commodity and icon of capitalism” (Demossier, 2022, p. 119), we find Ningxia demonstrates that wine is a Chinese political commodity and an icon of a socialist market economy, as seen in Section 4.4.3. The Ningxia wine region can be viewed as a symbolic place of socialism with Chinese characteristics. In this sense, the specific political elements that add the unique characteristics of Ningxia wine region distinguish it from other global wine regions. It presents a new way of place-making in emerging wine regions that lack of history, heritage and wine culture.

This might be best exemplified in the motivations for involvement in the wine industry outlined by winery owners. As stated in Section 5.3.1, the decision of many winery owners to be involved in the wine industry is not only economic driven, but is driven by particular goals, in terms of their family, their social demands, their lifestyle and the political concerns (Section 5.3.1). Their motivations are influenced by political forces and social forces, as well as global forces. Wine investment can attach them to a desirable rural pursuit, prestigious wine brands, and commitment to place and product through such as wine labels with the names of the winery, and well-designed winery buildings (especially designed by the owners). This group of winery owners described elsewhere as ‘conspicuous producers’ (Overton & Banks, 2015), and are noticed for the achievement of social prestige and public recognition through the wines their investment produces. Local and governmental investors are involved in the wine industry because of the cultural and status cachet that derives from the perceived prestige of the wine and the industry in the global wine world.

The commodification of place refers to turning environmental and cultural components into saleable, profitable commodities (Mackay, 2004; Mackay et al., 2009; Perkins, 2006; Ray, 1998). The economic aim of the commodification of place is not only to create new economic relationships, but also to gain economic return by selling commodities. Therefore, in the following section, ‘selling the wine region’, this aspect of the commodification of Ningxia, resulting in place construction, is explained.

7.4 Selling the wine region

Selling the wine region includes three stages. The first stage is the creation of geographical indications (GIs) at the beginning of the development of a wine industry in the context of Ningxia, although this is not usually an early stage in most wine regions. In this stage, political forces are most involved with aims of physical, legal and cultural significance and, finally, resulting in economic profit in the marketplace. The second stage is the recognition of local terroir, particularly linked to specific sociocultural forces, operating at a local level. Because of the multiple dimensions of the concept of terroir, physical, technological, political and human forces have influence. As stated by Charters et al. (2017), all dimensions of terroir together serve as a potentially unique marketing concept and a tool for selling and promoting wines. Local stories link the region to claims of distinctiveness and quality dependent on its terroir (see Section 6.5). All narratives together help to create a unique place identity with wine, the taste of place and a wine culture in the Ningxia wine region, associated with not only geographical traits, cultural and historical elements, and the reality of local life, but also entangled with global elements.

It is common for new wine regions to narrate their terroir, or tell stories about the different characteristics of the local place (Murray & Overton, 2011). Rather than simply copy a series of attributes of a foreign wine culture, local actors tend to interpret and combine them and highlight more local perspectives, which are often best shared through wine tourism experiences (Section 5.6). The development of wine tourism is often critical to the selling of wine in many regions (Alonso et al., 2015; Hall et al., 2002; Hashimoto & Telfer, 2003; Overton et al., 2012). In the case of Ningxia, this step was initiated by the regional government with winery interviewees following, sometimes reluctantly. Through the activities of wine tourism, vineyards, wines and winery buildings are commodified for visitors with the economic returns influenced by the domestic wine culture and the flow of wine tourists (international and domestic).

7.4.1 The creation of geographical indications (GIs)

This study has revealed that, unlike many regions, the creation of a GI was important in the early stages of making of the Ningxia wine region. The development of GIs is a political decision with economic motivation that then it drives physical transformation, cultural creation and place making. This study shows the same aims of creating and using GIs but the timing is quite different, compared with previous findings. For example, creating and using geographic designations is a legal process that demonstrates physical (Unwin, 2005) and cultural significance (Demossier, 2022; Tobias & Myles, 2022) to serve economic and marketing aims (Dougherty, 2012), such as Appellation d'Origine

Controlée (AOC) in France, the Denominazione di Origine Controllata e Garantita (DOCG) in Italy and American Viticultural Area (AVA) in the United States. Like these traditional wine producing regions, the creation of GIs in Ningxia is for selling the wine in the global market, because of the increasing recognition of place of origin, in legitimate forms of GIs in international trade negotiations (Overton & Murray, 2014). Therefore, we can see the homogenising forces of globalisation have an impact on the regional demand for GIs to protect local products produced in a particular place.

7.4.2 The recognition of terroir

In the Ningxia wine region, wine actors have constructed some stories that link the region to claims of distinctiveness and quality dependent on its terroir. The characteristics are associated with the integration of its cool climate, local adaptation and innovation of technologies and training methods (see Sections 6.3 and 6.4.2), and particular local cultural and historical elements (see Sections 4.4.1, 5.5 and 6.6). Because of the short history of the modern wine industry, local stakeholders change the rules of the game in strategic terms by adding cultural factors, rather than just labelling the place of origin of the wine. These findings are consistent with research showing that terroir is not a static concept (Anderson & Nelgen, 2022). For example, a focus on different elements of terroir can be promoted in different periods and places. In Burgundy, in the past, old stories of winemaking with traditions were central to the positioning of wines in the marketplace, while currently, the combination of 'climate, landscape and labour' is promoted in its terroir values (Demossier, 2022). This study reveals that the terroir tends to focus on cultural capital and the economic benefits that can be generated.

This study reveals that the concept of terroir can be expressed by Chinese culture and philosophy (Section 6.6). For example, terroir can be expressed linguistically as *fengtu* (风土), which is based on the two characters for wind and soil, expressing the mystical relationship between the atmosphere and the earth. Moreover, a deep understanding of the human relationship with nature and the environment is captured in Tao philosophy. This not only contributes to a collective meaning of terroir perceived by local actors, but also is easier for Chinese people to understand a French term through a Chinese philosophy with similar principles. In this way, the specific cultural values of place are added to the local terroir and the place is culturally constructed with unique characteristics in the marketplace, in line with the approach to a rural cultural economy. This is the commodification of local/regional culture that can be marketed directly or used in the marketplace (Ray, 1998, p. 6). Through the commodification of culture, Chinese consumers perceive the unique meaning of the local terroir captured in a bottle of local wine. A similar finding has been revealed in other studies.

For example, in the context of the Māori culture in New Zealand, the term *tūrangawaewae* is adopted by some in the wine sector to express the relationship between place, people and the wine, which is similar to the aspects of terroir (Hill & Fountain, 2022a).

The study also provides evidence that technical practice combines traditional Chinese elements in creating the unique features of local terroir through planting vines (such as burying vines discussed in Section 6.4.2) and making wines (such as the use of locally tailor-made terrine barrel in storing wine in Section 6.4.2). These can be promoted as symbols of the integration of Chinese culture and global wine culture and as a symbol of the spirit of local people in making wine, in the marketplace. The results also suggest that the new wine culture in Ningxia is experimenting with methods to improve wine quality through processes ranging from planting, to making the wine, to storing the wine and branding the wine, in line with previous findings (Tiefenbacher & Townsend, 2020).

Secondly, winery names and architecture are also considered as conveyors of local terroir, including powerful local messages about nobility, tradition and 'placeness' (Gade, 2004). We reveal that many elements relating to Ningxia's local terroir feature prominently in naming the wineries, such as the landscape features of Helan Mountain, and local heritage, including the Xixia Dynasty and Dangxiang history, and cultural heritage in the local and Chinese context. Personal names and personal heritage also feature significantly in the naming of the wineries. However, this could dilute the regional identity, if there are some names with no relationship with local features (see Section 5.4.1).

Although wineries are generally viewed as of western style, each of local winery in Ningxia has developed its unique architectural style through bringing in local or Chinese cultural elements in their visual appearance, such as the use of local materials, local history and culture related to wine, local Hui elements, local landscape, local technology and traditional Chinese philosophies (see Section 5.4.2). For example, because of Ningxia's particular location, many elements of the surrounding ethnic minorities' cultures and history have been introduced and adopted in the architectural design, such as colour, logo and decorations. These images are designed to portray the wine as reflecting the unique local terroir and to strengthen the relationship with the local culture. Many wineries have also interpreted foreign cultural and local values shared between their non-national places of practice and local implication of practice. Imported winemaking facilities, such as underground cellars, oak barrels, haciendas, industrial high-tech facilities and stainless-steel tanks, can be the backdrop for more local storytelling.

These observations in Ningxia resonate with the representation of terroir in other wine regions that tend to express different focuses in their construction of the relationship between land, produce and

people, which is embedded in the expression of terroir, as examined in the case of Burgundy (Fountain et al., 2020). For example, in the Old World (Europe), traditional winery architecture is evocative of the traditions, history, elegance and status of wine as a high-end product, whereas in New World regions (such as the Americas, South Africa, Australia and New Zealand), because of a lack of tradition or history related to wine, winery buildings are designed to express the whole experience of wine and contemporary lifestyle (Kernohan, 2014).

The establishment of winery buildings involves the interplay of different influences. Besides the cultural values discussed above, from the economic perspective, a winery building of good design can provide a memorable setting for visitors, which can enhance wine sales and brand loyalty (e.g., Fountain et al. (2008); Thornley (2016)). Going beyond providing production facilities, winery buildings can also promote the image of a premium product in the global market. Moreover, building wineries in Ningxia is restricted to meeting the requirements of the regional legal framework, reflecting the specific political, economic and cultural relationships in the Chinese context.

The commodification of local terroir and identity can appeal to consumers in the rural culture economy (Ray, 1998). The discussion above explains some ways in which winery actors make the unique characteristics of wines and their identity by embracing mainly cultural elements to construct a sense of local terroir. Through this process, a unique terroir is transformed into a strategic marketing asset to enhance the product's value and the region in the marketplace.

Ningxia follows a similar way of comparison and associations to the benchmark French terroir, such as geographic location, physical setting, grape variety(ies), wine style and winery classification system to add value, elevate price and increase wine sales. Similar ways are also found in the case of England's burgeoning sparkling wine region and Western Australia's Margaret River region (Dutton & Howland, 2022). Although each emerging wine region may strive to be 'something', if not the next "Burgundy", "Bordeaux" or "Napa Valley" in the global wine market then at least a recognised wine region with distinctiveness, Ningxia is being positioned/branded. For example, as stated in Section 1.1, in the beginning of developing the wine sector, Ningxia tried to position itself as "the Napa Valley of China" (see also Boyce, 2013; *Ningxia Aims to Become China's Napa Valley*, 2014; *Ningxia is the Napa Valley in Central Asia*, 2023). It is important for a new wine producing region to achieve certain global recognition by associating itself with prestigious names in the global wine world.

At this point, wine tourism has the potential to provide visitors with the chance to experience the full wine making process and wine culture and to make sense of terroir through tangible assets, such as the vineyard, distinctive building or winemaking equipment, and a harvest festival and its intangible

assets, such as the story of the families who pioneered it and the specific skills of growing plants and making wine. A unique wine tourism experience will help build wine brand recognition (Bruwer et al., 2017; Fountain et al., 2020; Hill & Fountain, 2022b) and enhance profit and cultural benefits for the wineries, but there are so many differences in the Ningxia experience. Therefore, wine tourism is discussed in the next section.

7.4.3 The involvement in wine tourism

An interesting finding on Ningxia is that, though visiting wineries can be commodified by winery actors in terms of potentially providing commercial tourist experience, wine tourism has not played an effective role in providing a marketing opportunity for participating wineries to sell wine in the study period. Despite local interviewees doing same as other places, the particular strategy of developing wine tourism has not worked because of local specifics. There are some potential reasons to account for this situation.

The study's findings demonstrate that most local wineries have basic wine tourism assets, in terms of vineyard, winery architecture, cellar, workshop for producing wine, tasting room and wine trials. Some activities in wine tourism have been recognised like direct selling wine to customers, direct promotion of wine and brands to visitors, creating emotional experiences, and building relationships with customers (Section 5.6). These findings are supported by previous findings; there is so much that is different in the Ningxia experience of wine tourism. For example, Getz and Brown (2006) suggest wine tourism provides chances to sell the product directly to visitors. Fountain et al. (2008), Hall et al. (2002) and Woldarsky (2021) add a role of wine tourism is in the promotion of wine brands, the establishment of customer relationships and loyalty in winery visits. Though most winery actors agree that benefits could be gained from wine tourism activities, including increasing cellar door sales and enhancing regional identity and wine brands, Ningxia's winery actors suggest a mismatch between their goals and the motives and interests of consumers and their different perceptions of wine tourism impact its forms and its implications. This finding is inconsistent with previous studies (Alonso et al., 2015; Fountain et al., 2020; Koch et al., 2013)

First, though most local actors confirm the global recognition of the Ningxia wine region, the study's findings provide evidence that non-dominant wine regions have a limited chance to attract more wine tourists. Unlike the Côte d'Or in Burgundy (Fountain et al., 2020), this region does not get global flows of tourists and, therefore, wine tourism is not working locally. The finding about the Ningxia wine region as a wine tourism destination is merely for industry insiders, wine experts and wine lovers is similar to a previous study in Hungary. Harsányi and Hlédik (2022) find that less-developed

wine regions attract wine experts, instead of wine tourists. This situation relates to the current market not being interested/knowledgeable about wine at the local and national level and the region being isolated from global flows of tourists, a key condition for the global countryside (Woods, 2007).

Secondly, though Ningxia has a centralised boutique winery cluster, winery operators have not built horizontal links with each other regionally to make a wine tourism destination. Similarly, vertical linkages with service industries (tourism and hospitality) have not been made regionally. As a result, wine tourism tends not to be systematically constructed. This finding is similar to a previous study on the São Francisco Valley Region, Brazil, a new wine region (Leal & Almeida, 2014), and Spain's Canary Islands, an Old wine region (Alonso & Liu, 2012). From these cases, it can probably be argued that developing successful wine tourism is under the interplay of different actors (government, wine sector, and hospitality and tourism agencies). Regional authorities, especially, should contribute to building relevant infrastructure and enhancing broader cooperation to provide high-standard, service packages, according to suggestions from interviewees in this study.

The lack of a strong wine culture in China, and a limited global reputation for its wine, impacts the attractiveness of Ningxia, or any other wine region, for domestic or international wine tourists. It is reflected in the findings that most winery visitors have less interest in wine and wine knowledge and more interest in the natural landscape and the amenities and rural idyll provided by the winery environment (Section 5.6) that can also be experienced in other types of tourism. The lack of tourists and a traditional wine drinking culture causes difficulties in pairing local wines with local food in restaurants, possibly resulting in the limited demand to purchase wine in winery and regional restaurants, according to interviewees in other relevant service industries responses. The findings for Ningxia show restaurants are not effective regional sales channels and the restaurants in local wineries are not well established. This finding is contrary to previous studies that show that restaurants are viewed as a major sales channel for small wineries (Hall & Mitchell, 2007; Velikova et al., 2019); and that encounters with wine-in-restaurant experiences can be perceived as wine tourism experiences in a region (Hill & Fountain, 2022b). We can see that, though the infrastructure is ready for the development of wine tourism, most winery interviewees in this study have decided not to offer wine tourism currently because they cannot find a domestic or global market.

The study's results reveal that selling wine through wine tourism and positioning the Ningxia wine region as a wine tourism destination is still challenging, though some cultural and marketing values are generated by the establishment of wineries for potential wine tourism operations, such as the contribution of creating local terroir and the promotion of regional image. Developing wine tourism should be primarily based on the recognition of wine culture and a global reputation in the wine

market. As wine is not mainly sold through wine tourism, the next section discusses how wine is sold, particularly linking to Chinese cultural elements.

7.4.4 Cultural elements linking to selling the wines

In the case of Ningxia, we find that the local wine is not sold widely in the global wine market, although the wine production system is very global in influence. Instead, the local wine industry faces high competition from the global wines on the local and national markets. Some stakeholders in Ningxia are very keen to develop a new niche export market, which may not happen, but all their actions link to it. This study finds that various distribution channels and sales outlets exist to sell wine; most are common in the wine world. However, selling wine through social connections ("*guanxi*" in the Chinese version) mentioned in Section 5.5.1 has its specific Chinese features. This section discusses selling wine linked to specific cultural forces operating at the local level. This means that the choice of a distribution channel can be strongly influenced by personal *guanxi* ties. *Guanxi* as a cultural element is transformed to have economic value through the wine business. *Guanxi* also creates a distribution channel through which to sell wine.

Based on a Confucianism core value, *guanxi* is one of a most prominent cultural characteristic that refers to relationships including social connections of benefit and power, such as interpersonal relationships (Buckley et al., 2006), particular ties (Jacobs, 1979), power relationships (Osland, 1990) and social capital (Gold et al., 2002). In the Chinese social environment, *guanxi* is critical for the transfer of information and other resources (Barbalet, 2017; Chen et al., 2013; Sheng et al., 2011; Xiao & Tsui, 2007). When comparing our results to those of older studies, a similar implementation of *guanxi* is seen in the establishment of wine distribution channels. For example, in an early study by Yeung and Tung (1996), a correlation between "right and strong" *guanxi* and the financial performance of companies is suggested. Park and Luo (2001) find that *guanxi* benefits expansion of the market. Though this personal *guanxi* in selling wine was seen in the study period, a potential risk probably occurs for long-term selling, such as saturation purchase of wine and the loss of this kind of large clients.

The findings show that the winery-to-government *guanxi* impacts the selection of wines purchased by the regional government and promoted by it outside the region. This *guanxi* is perceived as a product of the specific politico-economic system in the Chinese context and its significant influence in producing and selling wine is emphasised, as in previous studies. For example, Park and Luo (2001) suggest that companies in less open, inland provinces tend to rely more heavily on business-to-government *guanxi*. Nee and Opper (2007) find that a different degree of *guanxi* with government

authorities offers different opportunities to access to important resources, such as for Ningxia's sales and promotion channels. Given the importance of *guanxi* in Chinese culture, a unique character of the relationship between wineries, relevant businesses, the government, and customers is created. The process of selling wines through *guanxi* is an example that shows how Chinese cultural elements influence and are integrated into the commodification of place and the making of the Ningxia wine region.

7.5 Summary

The discussion above shows that the Ningxia wine region was made through the process of the commodification of place. The two stages of the commodification of place are: producing the wine region and selling the wine region. This brings a progressive sense of place (Massey, 1994) to study the making of a wine region through the perspective of the commodification of place. While significant attention is being paid to the influence of globalising forces on local change (Massey, 1991; Woods, 2007), this change happens in particular places where local actors negotiate and respond to these forces in their own ways (Ray, 1998).

The distinctiveness of this rural place comprises multiple relationships between the natural and human, the economy and policy, the city and the rural, as well as the specific interplay of economic, cultural, social and political relationships. The specific Chinese cultural and political elements play a special significant role in both individual winery businesses and regional construction. They also heavily influence the collective perceptions and practices of actors in the process of negotiating global forces at the local level.

First, developing the wine industry is perceived by regional government as a political mission. Alongside regional development initiatives and regulations, the regional government contributes to gradually develop the wine sector through a range of activities. Though winery interviewees are highly engaged in the process by producing wine and selling it at the operational and managerial level, because of a lack of power and resources, especially land use rights, they are restricted in the establishment of wineries and the wine region from the outset. For example, at the individual winery level, different wineries have been established. Some are based on the requirement of the classification regulations but others may not be willing or able to follow them. This reflects the fact that different winery classification levels of wineries exist because of the impact of more forces, instead of merely a winery's individual decision and operation (see Section 4.4.4). At the interpersonal level, because of different classification levels, the support gained and resources allocated by regional government and the involvement in industrial activities are different.

Second, at a structural level, following state policy, the regional government provides financial, legal and technical support, but it decides who is included or excluded in this support leading to different fates of individual wineries as seen in the findings (Sections 4.4.3, 4.4.4 and 6.7), such as the success of wineries in the global wine market with privileges and the difficulties of being classified wineries at the regional level without strong financial support. Therefore, in the initial stage of producing wine, the regional government is the power holder and winery stakeholders are responders with an active role in this process, resulting in capital investment in the wine sector. It is particularly noteworthy that the political decisions made are based on economic and cultural factors and technological expertise and the labour force have a significant role in planting vines and making wine.

Though the political actors focus on producing the wine region, winery interviewees become more significant in selling the wine region. Of course, contrary to findings on the process of rural commodification in Western countries, whose governments have often withdrawn from market operation (He & Wu, 2009), partly or completely, the results in Ningxia reveal regional government keeps engaging in the industry development and market operations, as in previous studies in the Chinese context (Chen & Kong, 2021; Wu, 2020). However, these government actions are more from a macroeconomic aspect, such as the regional development strategies and regulations. As stated in the findings, government intervention in the marketplace, or financial support, cannot totally solve the problem of sustainable development in selling wine to general consumers (Section 5.5 and 6.7). Selling wine is still a major business operation and challenge for individual wineries. As outlined in Section 2.3.2, Ray (1998) rural culture economy refers to the local (producer) seeking to sell themselves through different ways to the non-local (the consumer). Therefore, local and non-local forces are in a dynamic relationship in the development of place.

Chapter 8

Conclusion

8.1 Introduction

This study's findings reveal different local and global actors (in physical, economic, political, technological, social and cultural forms) interplay to shift a rural area into a wine region. The conceptualisation of relational sense of place acknowledges the role of supply-side stakeholders in the negotiation of local and global forces at the local level. However, to identify these relationships and to explore the process is complex in a particular context. The concept of commodification of place might be applied in a rural wine context to explore how place economic and social structures, and political and cultural characters are "constructed out of the intersections and interactions of concrete social relations and social processes" (Massey, 1994, p. 138). The study's findings also reveal a diversity of winery stakeholder business practices, in terms of marketing, wine tourism and a collective regional identity, shaped by different motivations and perceptions of place influenced by local and global forces.

8.2 Research contribution

The primary objective of this study was to understand the key factors contributing to the making of a wine region in Ningxia, China, from the perspective of local supply-side stakeholders, but from the outset that a particular place is situated at a 'global-local' nexus (Massey, 1991), uniquely influenced by the interplay of global and local forces.

Wine, as a globally consumed and produced agricultural product, plays an important role in the local economy and can be seen as part of ongoing geographical restructuring of the rural locality that, in turn, leads to a shift in local society. Local interviewees can respond to the challenges brought by the global forces in different ways. However, as Massey (2005) argues, the local place is not simply always the victim of the global but globalisation transforms localities through a process of negotiation including both local and global actors. Local interviewees, in terms of the government, associations, winery entrepreneurs and national investors, benefit from the opportunities presented in the global wine system, such as developing new global networks to strengthen local wineries' competitive advantage, access to technological expertise and exploration of global market niches. Although not all local wine stakeholders are engaged in direct exports, some are through other forms

of global engagement. For example, some acquire knowledge about different methods, equipment and markets by visiting other famous global wine regions, hiring global wine experts and cooperating with global traders and multinationals, to support the development of their winery and regional development. The global actors are welcome and encouraged as part of the strategic development of the local wine sector.

At the local level, this study highlights that key winery stakeholders hold diverse motivations for involvement in the wine industry, influenced by their personal background, and economic, social and political forces (see Chapter 5). First, engagement in establishing a winery occurs because winery stakeholders are willing to pursue opportunities and abilities to take action. Obviously, in the context of wine, stakeholders' motivation is not only economic driven, but is also driven by fulfilling more goals, in terms of their family, their social demands, their lifestyle and the political concerns (Section 5.3.1). This suggests that their motivation to be engaged in the wine industry is one factor that plays a role in the commodification of place process and outcomes. Their motivation can influence their cognition and philosophy in the wine business. In addition, their motivation can be multiple and evolve over time. Research findings also reveal that the backgrounds of winery can influence decisions on selecting different distribution channels to sell the wine. It should be noticed that the Chinese cultural and political forces have an impact on the selling of wine from the winery level and on the collective marketing strategies in the region.

Seeking to go beyond the perception of stakeholders, it is important to note that different local and global elements contribute value to places in different ways and at different times. Various factors affect individuals' construction of the Ningxia wine region (their place identity), such as their relationship with that place, their past experiences, their motivations and perceptions of the wine business and on place. For winery owners driven by status-oriented motivations, the place identity is a place associated with producing high-quality wine and the building of a globally-recognised wine brand and wine region. They focus on fostering a prestigious image for the wine and the wine region. For owners driven by lifestyle-oriented motivations, the place identity is a place with rural idyll that offers an escape to retire to and live in. They focus on their love and attachment to the region, the pleasant environment, recreational activities and the opportunity to earn a living from the land to support their lifestyle. For owners driven by politically related motivations and socially related motivations, place identity goes beyond the individual level. They make a social contribution to the rural place.

As recognised throughout this thesis, a region is continuously being shaped and influenced by not only the decisions and actions of individual agents within the place, but also by a range of

relationships associated with local and global forces, in accordance with Massey's relational sense of place (see Section 2.2). As the nature of wine is global, even terroir is a global concept, the influence of global forces cannot be ignored but the place construction in Ningxia is intertwined with broader cultural notions. Clearly, the development of the wine industry (and, probably, wine tourism) has been stimulated and made partly by contextual forces, especially political and cultural forces in the context of China (see Sections 1.1, 4.4.3, 4.4.4, 6.6 and 6.7). The geographic location of a region, its physical, political, economic and social structures may contribute to the development of an emerging wine industry and wine tourism industry or may limit its potential development. As revealed by this study, it is clearly a combination of both context and stakeholders, and the ongoing interaction between these, that provides a broader understanding of the making of the Ningxia wine region.

It is abundantly clear that national and regional political forces and regional environmental factors have played a very significant role in the establishment of the Ningxia wine region, in terms of the recognition and selection of an appropriate wine growing region, but also in the motivations of entrepreneurs who choose to invest in the industry. The significance of global knowledge and technology in the planting of vineyards and making wine has been noted throughout this thesis (see Section 6.4); as a newly emerging wine region, there was little local knowledge of viticultural or winemaking practices, although there is evidence that this is beginning to change (see Section 6.4.2). Alongside these global influences, however, there is substantial evidence of the adaptation of global techniques to local physical and social conditions, as well as the introduction of local cultural practices, such as vine burying, resulting in specific local characteristics. In this sense, Ningxia can be considered a global countryside with the flow of global investment and technology. However, a culture economy around planting vines and producing wine emerged in Ningxia by commodification of local cultural resources (material, symbolic and human (Mackay et al., 2009)) .

In selling a wine region, this research has revealed that local social and cultural factors have had a significant impact on choice of distribution channels, the narratives of terroir (represented visually through winery architecture, and in the naming of wineries) and in regional marketing of stories of individual wineries (see Sections 5.4, 5.5 and 6.5). While wine tourism is an important distribution channel for boutique wineries in many wine regions globally, in the specific and unique context of Ningxia, to date, this has been a less successful avenue for promotion. The study reveals that while winery stakeholders see the potential contribution wine tourism can make to the sale of wine and the promotion of regional identity as a wine region, they have different and, to some degree, conflicting perceptions of the importance of wine tourism to their businesses. Contextual factors have influenced their perspectives and behaviours toward wine tourism. Despite all classified wineries

having tourism facilities established, the majority of winery owners and managers do not currently view wine tourism as a worthwhile activity due to the local factors, such as, unbalance between high human and financial cost of involvement and low yield or return from tourists, the different goals of running wineries, the lack of local and national tourists' interests in wine and wine tourism and the lack of a transport system and public tourist information and service centres, and the global factors, such as, the lack of global recognition of Ningxia wine region for most global tourists (see Section 5.6).

An array of global forces has intersected with the particular physical, economic, technological, social, cultural and political context of Ningxia to shape the creation and evolution of this wine region. The making of a place not only relies on stakeholders' motivations, decisions and practices, but also on political decisions that have economic and social implications, and by cultural forces that contribute to the unique sense of place constructed.

This study contributes to the conceptualisation of a relational sense of place in a particular Chinese wine region and the examination of the process of making a wine region by discussing the construction of a wine region from the perspective of key supply-side stakeholders; by understanding the role of Chinese political and cultural values in making a wine region; and by addressing the interaction of local and global forces in the locality.

This process of making a wine region in Ningxia is the first to be investigated from the supply-side stakeholders' perspective in a Chinese wine region context, and in English, so this study contributes to a deeper understanding of those aspects. The results can provide a way to look at the (re)construction of a rural place in China, or further, in other Asian or developing countries.

The winery actors contribute to construct the uniqueness of the site with narratives based on cultural elements (and terroir) to sell the wines, linking to Ray (1998) rural culture economy theory. The meaning and business profiles of the wine are derived from their actions. In this process, winery stakeholders construct their own sense of wine and place (or terroir), having an impact on the construction of the Ningxia wine region. The shift of power demonstrates different weight is given to different factors at different stages in a cumulative way in commodification. This helps us to better understand the progressive process of place-making. This study also contributes to the creation or interpretation of local terroir from local-global nexus by investigating a wine region with its specific features in the Chinese context.

This study contributes to providing a reflection of the fact that the global-local nexus means that the emergence of a wine region is not uniform and that global factors and local/regional factors are

manifest in different ways. These global-relational perspectives provide insights into how the Ningxia wine region can be perceived as a “newly differentiated global countryside” (Woods, 2011, pp. 1-2), being transformed by the interaction of global forces with extant local elements.

8.3 Recommendations for future research

By analysing the factors that drive and influence the process of making a wine region, this study contributes to our understanding of process by which place is commodified in the context of the emerging wine industry in China. The particular contextual factors apparent in China, both political and cultural, that may be characteristic of other Asian countries. In the political and cultural context, many Asian countries have a different political system and cultural background, which means there is a need to apply the commodification of place in other places to understand how to make a place from local-global nexus in different localities and how political and cultural forces influence this process. Therefore, this study provides an instrument that can be used in other places or as a start to measure outcomes of the process of relational sense of place-making since an effective research tool has been approved for addressing this research objective. Though the types of forces and their different degrees of power shown in Table 7.1 may need to be modified to fit a particular situation, this framework could be taken as a starting point to consider the making of other places - not just wine regions, but where any new industry is introduced, or places are commodified in new ways. It will help researchers to frame future research designs.

This study focuses more on the discussion from the contextual perspective and key wine supply-side stakeholders, whereas there may be other communities and stakeholders in this region which have not been the subject of study. For example, there is a need to gain something interesting about local residents - their perceptions on the changing nature of their 'place'. Because Ningxia is a Hui minority region with a large number of Muslim residents who have different cultural constructs, such as community norms and values, it is assumed that there might be conflict between these values and the further development of a wine industry. Therefore, how local residents, especially Hui residents and community, play a role in the way of developing a wine sector should be significant. It would be interesting to explore the relationship between a place annually producing about one third of Chinese wine and a Muslim community.

This study has revealed perception and practice of key winery stakeholders in the involvement of wine tourism and analysed the challenges that they might face. It provides a viewpoint from the supply-side stakeholders. Therefore, another interesting research might be understanding the

motivations and experiences of wine tourists to the region. And the gap between their perceptions might be also analysed to provide an industrial implementation.

This study has revealed evidence of global influences on the making of the Ningxia wine region, so that the region does have some characteristics of the 'global countryside', however it is the case that the considerable influence of the Chinese political process, at both a national and local level, means that this global influence, particularly in terms of capital investment, remains relatively limited. As this wine region is newly emerged – and rapidly developing – a longitudinal analysis of the shifting influence of different global and local forces would be beneficial. Given the focus of this study is on processes, as much as outcomes, a particularly useful extension of this study would be to examine how the relationships change over time: Do the stages of development see a shift in influences?

This study revealed the local creation or interpretation of terroir at the local-global nexus in the context of China. Since an idea of wine is strongly connected to the earth and embedded in culture, it is not simple conclusion as this study explores; the wine produced in the region can reflect the uniqueness of place, which might not always match the image portrayed, such as the wine produced in the case region with general characters of a global wine. Therefore, it would be interesting to explore the concept of terroir based on another cultural construct in relation to place construction with uniqueness. Because central to rural culture economy theory is the suggestion that a focus on regional/territorial identity and commodification of local cultural resources, which can be also captured in the idea of terroir when investigating in the context of wine, it would be valuable to discuss relevant topics by synthesising these two concepts in particular research settings.

8.4 Concluding remarks

The introduction to this thesis posed questions related to the construction of a wine region at the global-local nexus (Massey, 1991). This study provides several arguments to enable a better understanding of this relational sense of placemaking in Ningxia, a Chinese wine region. First, the role of wineries is significant in the development of wine industry by engaging in the establishment of wineries and the practice of wine businesses. Individual winery factors (background and ownership style), local/domestic factors (cultural and political) and global factors (economic and cultural) play an important role in shaping their behaviours, decisions and actions.

Second, this study has also highlighted important issues and phenomena relevant to wine regions more broadly. a rural place is transformed to be a wine region by the complex interweaving of local and global forces, from the perspectives of supply-side stakeholders. The study of making of a wine

region has been developed in a western context, but it may need adjustment in its process in a developing country context, particularly, in the Chinese context. This study has been able to highlight the influence of place-specific elements and global elements related to wine and accommodate a range of cultural and political forces.

Appendix A Research Information Sheet

A.1 English Version

I would like to invite you to participate in a research project titled “The making of a globally-recognised wine region: case study of Ningxia, China”. The research is part of my postgraduate studies/PhD research at Lincoln University (New Zealand) being undertaken in the Faculty of Environment, Society and Design. My research is using the case of the Ningxia wine region to: (1) understand how new wine regions emerge, grow and find success on the global market, and (2) evolve into distinct and marketable “places” and wine tourism destinations.

To find out about key factors in the development of the Ningxia wine region, I will be interviewing people about the history of the Ningxia wine sector, recent industry and market developments, key challenges, and the future aspirations of those who are involved. Given your knowledge of the Ningxia wine industry, I believe that my research would greatly benefit from your participation. Your participation would involve a face-to-face interview, which will take about one hour to complete.

With your permission, I would like to audio-record your interviews. If you are not comfortable with being audio-recorded, I will take shorthand notes during the conversation. If you are willing to participate in this research, on the day we meet, I will provide you with a consent form to sign.

Please note that your participation in my research is voluntary and you may decline to answer any question. You may also withdraw from the project – including withdrawing any information you have provided – up to the end of 2018. You can do this by contacting either of my supervisors or using the contact details provided below.

Please also note that the results of the project may be presented at conferences and/or submitted for publication in academic journals. However, you may be assured of your anonymity in this research: the identity of any interviewee will not be made public or made known to any person. To ensure anonymity, individual interview data will be seen only by my supervisors and I and will be stored in an electronic form with password protection, and identity or data may be seen by the HEC in the event of an audit. No respondent will be named in any published work, being described by roles only (e.g., ‘local wine maker’, ‘staff member at winery’, ‘government official’).

This project has been reviewed and approved by the Lincoln University Human Ethics Committee.

I would be happy to discuss any any concerns you have about participation in the project. My name and contact details are:

Researcher/PhD Candidate:

Beifang Zhai (Norah).

BEIFANG.Zhai@lincolnuni.ac.nz

[Mobile: 0086-13933911965\(China\); 0061-0210359610 \(NZ\)](tel:0086-13933911965)

Supervisors:

Dr Joanna Fountain (Jo.Fountain@lincoln.ac.nz) Ph. 03 423 0487

Dr Sharon (sharon.lucock@lincoln.ac.nz) Ph. 03 423 0262

A.2 Chinese Version

林肯大学

环境、社会&设计学院，旅游、体育和社会系

调研信息表

我诚挚的邀请您参加我的研究课题：关于建立和发展全球闻名的葡萄酒产区的研究：中国宁夏。此次调研是我就读的新西兰林肯大学博士论文的一部分，由环境、社会&设计学院负责。我的调研是以宁夏葡萄酒产区为对象，研究：（1）新的葡萄酒产区是如何出现，发展以及在世界市场获得成功的；（2）演化成为独特的有市场价值的地区和葡萄酒旅游目的地。

为了研究宁夏葡萄酒产区发展的主要因素，我将会通过访问的形式了解宁夏葡萄酒的历史，近些年的产业和市场发展，主要的挑战以及参与者的未来期望。基于您对于宁夏葡萄酒产业的了解，我相信我会从您的参与中获取非常有价值的信息。您将参加一个面对面的采访，持续大约 1 小时左右。

在您的允许下，我将会把我们的谈话进行录音。如果您对此表示不适，我将用速记记录我们的谈话内容。如果您乐意参与此次研究，在采访的当天，我会邀请您签署参与调研同意书。

您的参与完全是自愿的，并且您可以拒绝回答任何问题。截止到 2018 年年末，您也同样可以在这个调研中撤出——包括撤回您提供的任何信息。您可以通过我或者我的导师撤回（联系信息在最后）。

此次研究的成果将可能在学术会议上展示或者在期刊上发表。但是我将承诺不公开您的姓名：您的个人信息不会应用在公开的场合以及被任何人知道。为了确保您的匿名，每个参与者的采访数据将只会被我和我导师看到，电子档案将被密码保护。同时，个人信息和数据可能被人类道德委员会作为监督者看到。没有任何参与者会在任何的发表刊物上出现姓名，仅仅以身份加以描述（例如：当地的葡萄酒酿酒师，酒庄的工作人员，政府官员等）。

此项研究已经获得林肯大学人类道德委员会的审核和批准。

我将非常乐意回答您关于参与此次调研的任何问题。我的个人联系信息如下：

研究者/博士研究生：

翟北方 (Norah) 邮箱: BEIFANG.Zhai@lincolnuni.ac.nz 电话: 13933911965 (中国); 0061-210359610 (新西兰)

导师:

Dr Joanna Fountain (Jo.Fountain@lincoln.ac.nz) 电话: 0061-3 423 0487

Dr Sharon (sharon.lucock@lincoln.ac.nz) 电话: 0061- 3 423 0262

Appendix B Consent Form

B.1 English Version

Name of Project: The making of a globally-recognised wine region: case study of Ningxia, China

I have read and understood the description of the above-named project. On this basis I agree to participate in the project, and I consent to publication of the results of the project with the understanding that anonymity will be preserved. I understand also that I may withdraw from the project, including withdrawal of any information I have provided, up to the end of 2018.

I consent to having an audio or video recording made of my interview.

I do not consent to having an audio or video recording made of my interview, but agree to notes being made.

I will respect the privacy of information given to me by others participating in the focus group (or workshop) and not discuss the information they have provided, with other people outside of the focus group (or workshop).

Name:

Signed: Date:

B.2 English Version

参与调研同意书

研究课题：关于建立和发展全球闻名的葡萄酒产区的研究：中国宁夏

我已经阅读并且理解此次研究课题的描述。基于此，我同意参加此次调研，并且同意此次研究成果公开发表（参与者匿名）。同时，我了解我可以在此次调研中退出和撤回任何我提供的信息（截止到 2018 年末）。

我同意此次采访被录音或者录像

我不同意此次采访被录音或者录像，但是同意被记录

我将尊重此次研究其他参与者提供的信息的隐私性并且不会和其他人讨论他们提供的相关信息。

姓名：

签名：

日期：

Appendix C Interview Protocol for winery stakeholders

C.1 English Version

The main objective of this study is to understand the key factors contributing to the making of a wine region at the interplay of global and local forces.

I General Background

1. Demographic profile (Name, age, gender, occupation, education)
2. Can you tell me about your involvement in this winery business?
 - a) How long have you been involved in this business?
 - b) What are your primary responsibilities?
3. Can you tell me about the basic background of this winery?
 - a) History, tradition, story and myth
 - b) Ownership structure? Has this winery always had the same owner?
 - c) The origin of this winery's name, and why it was chosen?
 - d) The busiest time of the year for producing wine/ catering visitors
 - e) Wine events or festivals held
4. How do you think the wines from this winery differ from other Ningxia wines? Why is this the case?

II regional identity

5. What would you say is the regional identity of the Ningxia wine region?
6. How has this changed over time?
7. What have been the causes of this change?
8. Are you a member of any regional association about wine/ viticulture? If yes, how often do you meet with the group member? What is the purpose of the organisation? If not, why not?

9. What other collaborations are you involved in that would help the region as a whole? If yes, how does it work? What influence from them?

10. What do you think of the Ningxia wine region being branded as “the Napa Valley of China”?

III Local and global factors

11. What factors do you think have been most significant in the successful development of Ningxia as a wine region?

- a) the role of the soil, geography and climate of the region
- b) the role of central government and regional government
- c) the role of the international investment
- d) the role of the migrant labours and experts
- e) the role of the migrant technology
- f) the role of the global wine industry

12. What impact does the ownership structure of this winery have on your operations?

- a) On staffing (e.g., foreign staff)
- b) On wine styles
- c) Distribution channels
- d) On branding

13. What factors do you think have limited the development of Ningxia as a wine region?

- a) Global or national competition
- b) Policies and regulations
- c) Regional wine branding
- d) Tradition and culture

14. Are there some specific people, group or community who have been particularly important in the development of this wine region? In the development of this winery?
15. How do you see this wine region and the wine industry developing in the short-term future? In the longer-term future?
16. What are the major current issues and challenges? Who will solve and how to solve?

IV Wine tourism involvement

17. Does your winery involve in wine tourism? In what ways?
 - a) Tourism networks
 - b) Winery website
 - c) the Administration of Development of Grape Industry of Ningxia (ADGIN)
 - d) Festivals and events
 - e) Guidebooks
18. What types of facilities do you have to host visitors?
 - a) Tasting room
 - b) Café, restaurant
 - c) Museum
 - d) Wine shop
19. How do you view the role of wine tourism to the winery in this region?
20. To what extent from your perspective this region has developed as a wine tourism destination?
21. What are your expectations of the wine tourism development any further?

C.2 Chinese Version

参访问题：其他主要参与者

此次研究的主要目标是探索在本地的和全球的互相作用下，影响宁夏葡萄酒产区发展的主要因素。

I 基本背景

1. 个人信息（姓名，年龄，性别，职业，教育背景）
2. 从事什么行业？
3. 你和葡萄酒产业如何建立联系的？多久了？怎么建立的？

II 区域特征

4. 宁夏葡萄酒产区的区域特征是什么？
5. 随着时间的发展，有什么变化吗？
6. 为什么发生了这样的变化？
7. 为了地区的整体发展，你有与其他的组织合作吗？如果是，怎么合作的？有什么影响？
8. 你怎么看待宁夏葡萄酒产区被贴上“中国的纳帕谷”的标签？

III 当地和和全球的因素

9. 你认为什么是导致宁夏成功发展成为葡萄酒产区的最重要的因素？（以下是提示性的内容，具体内容要参考受访者回答展开）
 - a) 风土（例如区域土壤，地貌，气候）
 - b) 中央政府和地区政府
 - c) 国际投资

d) 劳动力和专家的流动

e) 技术交流

f) 国际葡萄酒产业

10. 你认为什么是限制宁夏发展成为葡萄酒产区的因素？（以下是提示性的内容，具体内容要参考受访者回答展开）

a) 国际或者国内的竞争

b) 政策法规

c) 区域葡萄酒品牌化

d) 传统和文化

11. 你认为，有没有什么特别的人，组织或者社区对酒庄的发展至关重要？或者对宁夏葡萄酒产区发展至关重要？

12. 你认为宁夏葡萄酒产区以及葡萄酒产业的短期发展目标是什么？长期发展的目标是什么？

13. 当前主要的存在问题和挑战是什么？谁来解决这些问题以及怎么解决？

IV 葡萄酒旅游

14. 你如何看待葡萄酒旅游对于宁夏葡萄酒产区发展的作用？

15. 你有什么看法吗，对于宁夏发展成为一个葡萄酒旅游目的地？

16. 你对于未来葡萄酒旅游发展有什么期望？

Appendix D Interview Protocol for winery stakeholders

D.1 English Version

The main objective of this study is to understand the key factors contributing to the making of a wine region at the interplay of global and local forces.

I General Background

1. Demographic profile (Name, age, gender, occupation, education)
2. Can you tell me about your involvement in this winery business?
 - a) How long have you been involved in this business?
 - b) What are your primary responsibilities?
3. Can you tell me about the basic background of this winery?
 - a) History, tradition, story and myth
 - b) Ownership structure? Has this winery always had the same owner?
 - c) The origin of this winery's name, and why it was chosen?
 - d) The busiest time of the year for producing wine/ catering visitors
 - e) Wine events or festivals held
4. How do you think the wines from this winery differ from other Ningxia wines? Why is this the case?

II regional identity

5. What would you say is the regional identity of the Ningxia wine region?
6. How has this changed over time?
7. What have been the causes of this change?
8. Are you a member of any regional association about wine/ viticulture? If yes, how often do you meet with the group member? What is the purpose of the organisation? If not, why not?

9. What other collaborations are you involved in that would help the region as a whole? If yes, how does it work? What influence from them?
10. What do you think of the Ningxia wine region being branded as “the Napa Valley of China”?

III Local and global factors

11. What factors do you think have been most significant in the successful development of Ningxia as a wine region?
 - a) the role of the soil, geography and climate of the region
 - b) the role of central government and regional government
 - c) the role of the international investment
 - d) the role of the migrant labours and experts
 - e) the role of the migrant technology
 - f) the role of the global wine industry
12. What impact does the ownership structure of this winery have on your operations?
 - a) On staffing (e.g., foreign staff)
 - b) On wine styles
 - c) Distribution channels
 - d) On branding
13. What factors do you think have limited the development of Ningxia as a wine region?
 - a) Global or national competition
 - b) Policies and regulations
 - c) Regional wine branding
 - d) Tradition and culture

14. Are there some specific people, group or community who have been particularly important in the development of this wine region? In the development of this winery?
15. How do you see this wine region and the wine industry developing in the short-term future? In the longer-term future?
16. What are the major current issues and challenges? Who will solve and how to solve?

IV Wine tourism involvement

17. Does your winery involve in wine tourism? In what ways?
 - a) Tourism networks
 - b) Winery website
 - c) the Administration of Development of Grape Industry of Ningxia (ADGIN)
 - d) Festivals and events
 - e) Guidebooks
18. What types of facilities do you have to host visitors?
 - a) Tasting room
 - b) Café, restaurant
 - c) Museum
 - d) Wine shop
19. How do you view the role of wine tourism to the winery in this region?
20. To what extent from your perspective this region has developed as a wine tourism destination?

What are your expectations of the wine tourism development any further?

D.2 Chinese Version

参访问题：酒庄参与者

此次研究的主要目标是探索在本地的和全球的互相作用下，宁夏葡萄酒产区发展的主要因素。

I 基本背景

1. 个人信息（姓名，年龄，性别，职业，教育背景）
2. 参与酒庄产业
 - a) 你从事此项工作多久了
 - b) 你主要负责的业务
3. 酒庄的基本背景
 - a) 历史、传统、故事
 - b) 所有权？这个酒庄是一直有同一个拥有者吗？
 - c) 酒庄名字的起源，为什么选择这个名字？
 - d) 生产葡萄酒/接待游客旺季
 - e) 举办的葡萄酒活动和节日
4. 你认为你们酒庄的葡萄酒和其他宁夏酒庄的葡萄酒有什么不一样之处吗？为什么？

II 区域特征

5. 宁夏葡萄酒产区的区域特征是什么？
6. 随着时间的发展，有什么变化吗？
7. 为什么发生了这样的变化？
8. 你是区域葡萄酒/葡萄栽培组织的成员吗？如果是，多久你会与组织成员见面？组织的目的是什么？如果不是，为什么不是？

9. 你有与其他的组织合作吗，为了地区的整体发展。如果是，怎么合作的？他们对酒庄有什么影响？

10. 你怎么看待宁夏葡萄酒产区被贴上“中国的纳帕谷”的标签？

III 当地和全球的因素

11. 你认为什么是导致宁夏成功发展成为葡萄酒产区的最重要的因素？

a) 区域土壤，地貌，气候

b) 中央政府和地区政府

c) 国际投资

d) 劳动力和专家的流动

e) 技术交流

f) 国际葡萄酒产业

12. 酒庄所有权结构对酒庄经营有什么影响？

a) 员工结构（例如外籍员工）

b) 葡萄酒类型

c) 分销渠道

d) 品牌化

13. 你认为什么是限制宁夏发展成为葡萄酒产区的因素？

a) 国际或者国内的竞争

b) 政策法规

c) 区域葡萄酒品牌化

d) 传统和文化

14. 有没有什么特别的人，组织或者社区对你们酒庄发展至关重要？宁夏葡萄酒产区发展至关重要？

15. 你认为宁夏葡萄酒产区以及葡萄酒产业的短期发展愿景是什么？长期发展的愿景是什么？

16. 当前主要的存在问题和挑战是什么？谁来解决这些问题以及怎么解决？

IV 葡萄酒旅游

17. 你的酒庄提供葡萄酒旅游活动吗？通过什么方式？

a) 旅游网络

b) 酒庄官网

c) 宁夏葡萄产业发展局官网

d) 活动和节日

e) 宣传册

18. 有什么设备设施服务参观者？

a) 品酒室

b) 咖啡店、饭店

c) 博物馆

d) 葡萄酒专卖店

19. 你如何看待葡萄酒旅游对于酒庄的作用？

20. 你有什么看法吗，对于宁夏发展成为一个葡萄酒旅游目的地？

21. 你对于未来葡萄酒旅游发展有什么期望？

Appendix E Relevant initiatives in the wine industry in China in recent years (2019-2022)- national level

Table 8.1 Relevant initiatives in the wine industry in China in recent years (2019-2022)- national level

Timeline	Initiative	Relevant Department(s)	Content
26/08/2019	The notice of a general plan for developing six pilot free trade zones	State Department	Building Import and export distribution centres of food, agricultural products and wine
05/11/2020	The Catalogue of Encouraged Industries in Western region	National Development and Reform Commission (NDRC)	Adding wine and wine production as new encouraged industry in Xinjiang
25/05/2021	The general plan of building pilot zone of wine and broad-based development of the wine industry	Ministry of Agriculture and Rural Affairs, Ministry of Industry and Information Technology, Ningxia Civilian Administration	By the year 2035, the area of vineyards will be over 100 thousand ha; the annual yield of wine will be 600 million bottles and the comprehensive output value will be 200 billion RMB (46.7 billion NZD) in Eastern Foot of Helan Mountain Wine Region.
03/03/2022	“14th Five-Year Plan” of Implementation of Technological Cooperation between Eastern and Western regions	Ministry of Science and Technology, Ministry of Education, Ministry of Industry and Information Technology, Ministry of Natural Resources, Ministry of Ecology and Environment, State-owned Assets Supervision and Administration Commission (SASAC), Chinese Academy of Sciences (CAS), Academy of Engineering, China Association for Science and Technology	Develop wine industrial technology through corporation between Ningxia, Chinese Academy of Agricultural Sciences (CAAS) and other relevant provinces in eastern region

Source: Industry reports (2022) (translated by the author)

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