



The consumption of space: Land, capital and place in the New Zealand wine industry

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ABSTRACT

Geographers have developed a keen interest in the social production of space – in the way meanings and values are ascribed to places as a result of changing social, cultural and political processes. There is a need to explore this approach further, seeing how social and economic values of places are inter-related and how these values are constructed in often deliberate and concerted ways. There is also a need to explore how such values are consumed: how the values in place are traded, appropriated and redistributed, both through the products of places and in land markets. This paper examines the New Zealand wine industry where certain wine regions have been identified and developed in ways which attempt to emphasise their distinctiveness in terms of wine quality and thus enhance the value of the wine produced. Different strategies have been employed in this process of place construction and this reflects the differential role of capital, striving on the one hand to increase the price and marketability of the products of distinctive places but, on the other, careful not to over-inflate land values and thus restrict further expansion. The paper suggests that the issue of consumption of space, involving a complex relationship amongst land, capital and place, is worthy of further exploration.

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1. Introduction

In the past two decades geographers have come to appreciate the way space is socially constructed. Lefebvre (1991) and Soja (1996) in particular have suggested that space is an artefact of human imaginings and activities, that notions of space owe more to the way we experience, value and develop the places we live in than to their intrinsic physical characteristics. These constructions change over time and reflect our cultural understandings of our world. At the same time, attention has been given to the economic forces that shape places and, in particular, the role of capital (Harvey, 2001; Hudson, 2001). In addition, following Urry (1995) and others, the understanding of the way places are sites of consumption has improved just as we have learned more about cultures of consumption, the social construction of consumption and the ways that consumption is linked to identity and social interaction (Wilson, 2005; Seymour, 2004; Brewer and Trentman, 2006).

There is potential to draw some of these strands together to see, for example, how the social production of space is linked to consumption in and of that space. Furthermore, it could be suggested that we have not yet adequately linked these new social and cultural understandings of space with an appreciation of the economic forces and relationships that work within, and themselves help reshape, these spaces. Here it is possible to draw upon research which critically examines the way spaces are being transformed through globalisation. We now know more about industrial

structures and commodity chains and the ways these link and shape the economic spaces we inhabit (for examples in the wine industry see Gwynne, 2006a,b, 2008a,b). And we have begun to unravel how local consumption patterns survive and sometimes successfully resist the homogenising tendencies of globalisation (Winter, 2003; Jackson, 2004; Veseth, 2005). Yet, it is possible to go further. Consumption as an economic process is critical for it involves establishing monetary values for commodities – and some of these commodities are closely associated with particular places (in this paper we examine titles to land or bottles of wine with a regional denomination). Thus, the act of consumption resulting from consumer demand reflects the utility of that commodity; utility which embodies both economic values, such as rent, and also the social and cultural values that consumers attach to place. Space, it is maintained here, is not just socially constructed but it is also consumed as both a cultural and economic act.

This paper examines the processes of both the production and consumption of particular spaces in the New Zealand wine industry. It moves from the more abstract notion of the production of 'space' to the more concrete concept of 'place' – for places, variously defined, promoted and protected, occupy a key niche in the wine industry, tying product (wine) to place (the geographical origin of the grapes used to make wine).

2. The production of space

The conceptualising of space has been a concern in geographical theory. Following Henri Lefebvre's work (translated into English,

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1991), Harvey (1990), Soja (1996) and Massey (2005) in particular have argued persuasively for a recognition of the way space is conceived as a fluid entity, shaped and reformed over time by complex social, cultural, economic and political forces. Despite some uncertainties and differences over the use of Lefebvre's concepts (Unwin, 2000), space can be seen both in abstract and physical terms but it is with the former that we can see the way space is imbued with different meanings as a result of social production and reproduction. Space thus exists and is reshaped in the imaginations of individuals and societies. Unwin (2000, p. 12) has observed that the idea of the social production of space 'has been taken up as a cornerstone of contemporary social theory'.

Although there is some difficulty in moving from the abstract notion of space to the definition and study of the more concrete arena of 'place', Merrifield argues for such a shift as 'daily life practices are embedded in particular places' (Merrifield, 1993, p. 525). Place has become the focus for study in seeing how human agency has produced different spaces.

Understandings of the social and cultural constructions of space and place have been matched by important work on the economic dimensions of the way space is formed and reformed. Hudson (2001, p. 282), in particular, has explored the role of capital in shaping space: "Within the confines of capitalist social relations, the production of space is closely linked to the imperatives of commodity production. Capital seeks to shape space in its interests, informed by the demands of profitable production". Pike (2009) and others have also explored the concept of branding, showing the ways places are packaged and promoted as brands. These economic processes may not be independent from social processes and it could be suggested that cultural meanings ascribed to places may be related to the way places are constructed, reinterpreted and promoted by capitalism and vice versa.

Studies of the wine industry have contributed to this literature on the construction of space and place. One of the reasons for the interest in the wine industry is that location matters a great deal in the production and marketing aspects of wine. The industry, in some sections at least, has drawn upon the French notion of 'terroir', a broad concept encompassing the physical characteristics of the land (its soil, climate, topography) and its human dimensions (culture, history, technology) (Moran, 2001). Further, it is argued by many in the wine industry that wine, as a product, reflects its terroir in that the flavour of grapes derives significant character from local climatic conditions and the mineral composition of the soils (Wilson, 1998; Vaudour, 2002; Fanet, 2004; Martinez-Carrasco et al., 2005). Winegrowing traditions also are seen as critical, although in many cases these reflect the invention and representation of an idyllic past (Ulin, 1995). Such is the significance of terroir and place to winemaking and marketing that in many parts of the world, governments have taken steps to protect the place names associated with particular wines (Bordeaux, Burgundy, Champagne) and treat them as the intellectual property of the regions and countries they derive from (Gade, 2004; Barham, 2003; Charters, 2006).

This phenomenon has come under scrutiny from a number of geographers with Moran's examination of appellation systems (1993a,b) being notable. Barker (2004) and Kelly (2007) have produced research on the way wine regions in France and New Zealand have evolved over time and have been shaped by both cultural and political/legal systems. Significant also is the way work has examined the structure of the wine industry and its relationship to changing regulatory environments (Barker et al., 2001; Lewis et al., 2002).

Through such work we are gaining insights into the way the wine industry is shaping certain places, imbuing them with meanings that are spread through the market-place, often with the active support and protection of regulatory regimes to protect

geographical indications of their origin. These processes and forms are spatially varied, though there are signs of greater homogeneity of approach, with global trade regulations spreading the protection of geographical indications to new world wine regions such as Australia (Banks and Sharpe, 2006; Josling, 2006; Charters, 2006; Veseth, 2005).

Despite these valuable insights into the way places are constructed and reformed over time, there remains a tendency to overlook some of the fundamental economic drivers, in particular the role of markets and land. Yet these too need to be seen as complex processes, interlinked with social constructions of place. Land values – expressed through the price paid for freehold titles or rentals – are a good indicator of the perceived economic return (rent) on that block of land. But they may also reflect certain non-economic values such as sentiments of place-attachment or the status of a place. Furthermore, even the economic rent of a piece of land may reflect not only the profit derived from the sale of goods produced from the land but also the imagined – or hoped for – increased yields resulting from the social constructions of the place. The way land is traded, for how much, how it is used and by whom thus provide windows through which we can examine the interplay of economic and social constructions of place.

Harvey (2001, pp. 394–411) has begun to explore the concepts of monopoly rent tied to place specificity, interestingly himself drawing on examples from the wine industry:

The wine trade is about money and profit but it is also about culture in all of its senses (from the culture of the product to the cultural practices that surround its consumption and the cultural capital that can evolve alongside among both producers and consumers). The perpetual search for monopoly rents entails seeking out criteria of speciality, uniqueness, originality and authenticity in each of these realms. If uniqueness cannot be established by appeal to 'terroir' and tradition, or straight description of flavour, then other modes of distinction must be evoked to establish monopoly claims and discourses devised to guarantee the truth of those claims. (Harvey, 2001, p. 401)

Harvey, then, has suggested that the search for profits drives capital to engage in the sort of constructions of space that emphasise distinctiveness of places and their resultant products as one strategy to exploit monopoly rents of these unique places. Such constructs of certain places thus generate value in the land and in the names of the places. Establishing and protecting place names as brand identities establishes a monopoly value over that name and place and land. This creates an enhanced value in the land that is translated into higher returns for the products of that place (such as a bottle of wine) and in the land market. Place can be a powerful marketing tool in the wine industry (Banks et al., 2007; Schamel, 2006; Johnson and Bruwer, 2007). Capital investment will be attracted to the industry and land ownership, sometimes into speculative trading in land in the hope of rising monopoly values as the brand becomes more established and accepted. The way capital seeks opportunities to extract profits helps drive a complex process of place definition and protection.

3. From production to consumption

There is, then, more that needs to be learned about the production of space. However, taking Harvey's mention of the consumption of wine, we have not yet adequately explored the way space and place are 'consumed'. Consumption, as both an economic and cultural process, is critical. There is, after all, no point in a

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