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How can public policies facilitate local cooperation? insights from the EU's wine policy

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ABSTRACT

Decentralised cooperation is key for achieving a range of policy goals, but we still know relatively little about how to create it in low-trust, institutionally weak settings. This article develops an account of Facilitative Overarching Institutional Frameworks (FOIFs) as macro-level institutions that abate the obstacles to local cooperation. Through qualitative evidence collected via fieldwork, it is shown that the EU's wine policy is a good example of a FOIF, and that it has crucially contributed to the puzzling emergence of demanding forms of local cooperation in the Greek wine sector. When combined with favourable local conditions, and particularly with local leadership, as in Santorini, a FOIF can have transformative implications for local cooperation. When local leadership is absent, as in Lemnos, the final degree of local cooperation will be more limited. While the rareness of embedded policymaking in Greece inhibits the adoption of public policies that favour decentralised cooperation, in the wine sector the EU's system of subsidies and geographical indications partially compensates for these for domestic institutional deficiencies. The article contributes to our knowledge about the emergence of decentralised cooperation in adverse circumstances and improves our understanding of the effects of transnational integration regimes on local governance arrangements.

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1. Introduction

How can public policies facilitate cooperation among economic actors in low-trust, institutionally weak settings?

Local cooperation is central to the market success of small firms, which can mitigate many of the productivity disadvantages of small size by working together (Farrell 2009). Encouraging inter-firm cooperation is thus an important policy goal in countries with fragmented firm ownership structures. Achieving this goal is an example of the 'problem of decentralised cooperation', where public policies face the challenge of getting private actors to adopt cooperative behaviours, without being able to coerce them to do so (Culpepper 2003). This challenge is relevant in many policy areas, from industrial policy to education, international development, innovation, and others.

Yet, despite some notable studies of decentralised cooperation, we still know relatively little about how to trigger cooperation among economic actors, especially when it comes to contexts that lack the 'exceptionally high levels of trust' and 'dense network[s] of complementary institutions' that typically underpin cooperation in production (Ornston and Schulze-Cleven 2015, p. 563). Local cooperation is

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particularly difficult to create in countries that lack state legitimacy (Carter 2018) and traditions of embedded policymaking (Culpepper 2003), as promoting cooperation is easier when the state can leverage the expertise of private actors in the process of policy design (McDermott 2007).

Building on political economy scholarship (e.g. Ostrom 1990, Culpepper 2003, Ferguson 2013) and the participatory governance literature (e.g. Sabel 1993, McDermott 2007), this article develops a novel account of Facilitative Overarching Institutional Frameworks (FOIFs) as macro-level institutions that abate the obstacles to cooperation among local actors. The utility of the concept is illustrated by focusing on the emergence of local cooperation in an unlikely setting, namely the Greek wine sector. Given the fragmentation of Greek vineyards, local cooperation among producers and winemakers for quality upgrading and branding was crucial for the sector's recent ability to switch to upscale foreign markets. How did these forms of cooperation arise in a country with low interpersonal trust, low administrative capacity, and a nearly complete absence of embedded policymaking practices?

I argue that the EU's wine policy has facilitated local cooperation in the Greek wine sector, contributing to its success. The frequent depiction of the EU's Common Agricultural Policy (CAP) in political science as a protectionist, rent-allocating policy that principally benefits large farmers (Hix and Høyland 2011) overlooks the CAP's potentially transformative effects on local governance arrangements in fragmented economies. Based on case studies of the wine sector at two Greek islands, Santorini and Lemnos, the article shows that the subsidy programmes and geographical indications (GI) system associated with the EU's wine policy satisfy all the characteristics of a FOIF, with the expected positive effects for local cooperation on the ground. Given that FOIFs do not impose local cooperation from above, but they merely reduce the obstacles to its emergence, local factors, and especially the availability of local leadership, also influence the final degree of cooperation observed in an area. Nevertheless, by providing supportive tools to actors seeking to trigger local cooperation, FOIFs enable the creation of cooperation in cases where it would otherwise fail. The CAP's facilitative instruments were developed outside the national context in which some of their positive effects on cooperation materialised. Thus, the policies associated with 'transnational integration regimes' such as the EU (Bruszt and McDermott 2012) can sometimes facilitate cooperation even in countries with deficient domestic institutional frameworks.

The article contributes to our knowledge about the emergence of decentralised cooperation in unlikely settings and improves our understanding of the effects of transnational integration regimes on local governance arrangements. It also casts a novel light on the CAP, with implications for a range of other public policies that seek to trigger decentralised cooperation in pursuing their ultimate goals.

The article is structured as follows. The next section develops the concept of FOIFs, situating it in the literature. The third section presents the article's methodology and case studies. The fourth section focuses on the empirical analysis, demonstrating, in turn, that the CAP satisfies the characteristics of a FOIF; that this has the expected positive effects on cooperation on the ground; that the positive effects of FOIFs on local cooperation are maximised in the presence of local leadership; and that the EU's wine policy is an example of a FOIF supplied despite the absence of domestic embedded policymaking. The fifth section concludes.

2. How can macro-level institutions promote local cooperation? introducing the concept of Facilitative Overarching Institutional Frameworks

2.1. Situating FOIFs in the literature

A long literature emphasises the importance of cooperation among geographically proximate actors for economic development (McDermott 2007, Asheim *et al.* 2011, Ferguson 2013). Multistakeholder local cooperation is also relevant for industrial policy approaches aiming to promote innovation (Mosconi 2015), for urban planning (Béal and Pinson 2014), and for the achievement of sustainability goals (Ponte 2020).

However, the way in which macro-level policies can promote cooperation among private actors is studied relatively rarely. On the one hand, the literature on industrial districts in the 'third Italy' (Bagnasco 2009, Becattini *et al.* 2009) and in specific French (Berthet and Palard 1997) and Canadian (Palard 1999) regions focuses on how new forms of inter-firm cooperation rely on pre-existing local social and cultural assets, without as much reference to national or supranational policies. Still, this literature does provide useful insights on how *local* governments have facilitated cooperation (Palard 1999, Pinson 2002), on which this paper draws in its conceptualisation of facilitative *macro*-institutions. On the other hand, the contemporary literature on industrial policy focuses on the size and direction of public funding (Mazzucato 2013), with less attention paid to firm behaviour and the governance of inter-firm relations (Hancké and Garcia Calvo 2022) beyond the use of conditionality (Maggor 2021).

What tools can distant policymakers use when they wish to promote decentralised cooperation? The political economy literature on cooperation and sociology literature on participatory governance provide some guidance. While Ostrom's *Governing the Commons* (1990) is best known for the ten principles of successful *local* self-governance, the book also offers a useful account of *macro-level* institutional frameworks that promote local cooperation. These 'facilitative political regimes' '[allow] substantial local autonomy, [invest] in enforcement agencies, and [provide] generalised institutional-choice and conflict-resolution arenas' (p. 212). Culpepper (2003) argues that inter-firm cooperation can be facilitated by subsidy programmes targeting the actors 'who waver on the border between' cooperation and non-cooperation. From a participatory governance perspective, McDermott (2007) shows that public-private institutions acting as forums for deliberation, resource pooling, and knowledge diffusion among diverse stakeholders can underpin cooperation for upgrading. The concept of FOIFs brings together this somewhat disparate literature, providing a systematic account of how public policies can reduce the obstacles to cooperation.

Public policies promoting local cooperation are typically adopted through embedded policymaking, i.e. through a process of institutionalised and systematic collaboration between state representatives and stakeholders such as firms and employer associations, where the latter provide essential information about the contextually specific obstacles to cooperation that the former would otherwise not have access to (Culpepper 2003). In examining whether FOIFs can be at all supplied in contexts lacking domestic embedded policymaking traditions, the article turns to the literature about transnational integration regimes (TIRs) such as the EU and NAFTA (Bruszt and Langbein 2014, 2020). This work shows that TIRs can positively affect local governance arrangements even in the presence of domestic institutional deficiencies (Bruszt and McDermott 2012). The article contributes to these findings by shedding a novel light on the EU's wine policy as a facilitator of local cooperation in an adverse domestic context.

2.2. Characteristics of FOIFs

In this paper, FOIFs are conceptualised as macro-level institutions that abate the obstacles to local cooperation. To derive their characteristics, one must first specify the nature of those obstacles at a level of abstraction that transcends specific sectoral and geographical contexts.

There are two ways to approach this task. On the one hand, political economists often assume that people understand the full range of available cooperative and non-cooperative strategies, and that they can estimate the associated benefits and costs. Within this framework of substantive rationality, the obstacles to cooperation are analysed in terms of collective action problems, where 'the individual pursuit of self-interest generates socially undesirable outcomes' (Ferguson 2013, p. 4). On the other hand, sociologists often challenge the assumption of substantive rationality, considering that people use heuristics to make decisions. In this view, the principal obstacles to cooperation are cognitive: unaccustomed to cooperation, boundedly rational local actors may fail to conceptualise the benefits and even the nature of potential cooperative activities. To trigger cooperation, the main challenge is to alter the 'mental models' (Ferguson 2013, p. 12; Ostrom 1999, p. 526) or 'social representations' (Smith 2017, p. 614) used by local actors in making decisions.

While most studies of cooperation focus on one of these two kinds of obstacles, both are relevant, but they manifest sequentially. When a type of cooperative activity is still new, local actors first face the cognitive challenge of conceptualising the potential benefits of cooperation. After that stage, collective action problems are likely to arise. More innovative forms of cooperation are associated with higher cognitive obstacles (Gartzou-Katsouyanni 2023). This approach is consistent with a 'broad conception of rational action' (Ostrom 1990, p. 37), in which economic actors make decisions based on cost-benefit calculations, but at any time may face uncertainty about the payoffs of different strategies.

Thus, macro-level institutions can facilitate cooperation if they address cognitive obstacles to cooperation and collective action problems. Building on the political economy literature about cooperation and on participatory governance scholarship, I argue that they can do so in five ways (Table 1).

To reduce the cognitive obstacles to cooperation, macro-institutions can firstly generate opportunities for stakeholders who do not habitually work together to deliberate, discover potentially beneficial forms of cooperation, and formulate a common vision (Pinson 2002, Béal and Pinson 2014). The participatory governance literature emphasises the importance of 'empowering [a variety of socioeconomic groups] to experiment with new policies and institutional forms' (McDermott 2007, p. 107). Through the act of 'studying their industries jointly', economic actors come to see the payoffs of cooperation anew, leading them to redefine their interests (Sabel 1993, pp. 1158-9). Political economists also recognise that institutions providing 'capacities for deliberation' facilitate economic coordination (Hall and Soskice 2001, p. 11). Such institutions allow firms to exchange private information, improving their confidence about each other's likely behaviour, and they 'help actors develop collectively solutions they might not have conceived on their own' (Culpepper 2003, p. 21).

Secondly, public policies can address cognitive obstacles by subsidising the upfront costs of cooperation. These costs are the hardest to cover locally, as early on in a cooperative project, the stakeholders' uncertainty about the future benefits of cooperation is the highest. In Culpepper's (2003) study of inter-firm cooperation in vocational training, successful subsidy programmes concentrated aid during the first year of training, when the net cost of taking in apprentices was highest, while the future returns were the most uncertain. In her study of groundwater resource management in California, Ostrom shows that public authorities assisted early cooperative efforts by conducting studies on the state of local basins. This technical assistance, which was an in-kind subsidy of the upfront costs of cooperation, helped groundwater pumpers understand the severity of the challenge they were facing. Ostrom 'strongly doubt[s]' that without this assistance, local actors 'would have been able to craft the [local] institutional innovations that they devised' (1990, p. 212).

Once cognitive obstacles have been overcome, local cooperation may still be inhibited by collective action problems, such when the poaching of workers by other firms leads to an undersupply of vocational training (Culpepper 2003), or when cheating on the price by a downstream firm after a supplier has invested in specific assets inhibits vertical cooperation along the supply chain (Ferguson 2013).

Table 1. Summary of the characteristics of FOIFs.

Characteristics of a Facilitative Overarching Institutional Framework (FOIF)	
Characteristic	Type of obstacle addressed
1. It creates opportunities for deliberation among diverse stakeholders	Cognitive obstacles to cooperation
2. It subsidises the upfront costs of cooperation	
3. It enables local stakeholders to adopt cooperation rules tailored to their local and sectoral context	Collective action problems
4. It facilitates the monitoring and enforcement of the local cooperation rules	
5. It strengthens the delineation of the boundaries of the relevant group of actors	

One way to address such collective action problems is by adopting rules that increase the credibility of the relevant actors' commitment to cooperate. Public policies can facilitate this by providing local actors with arenas for 'microinstitutional choice', where they can decide on binding rules tailored to local context (Ostrom 1990, p. 139). In Ostrom's Californian case study, the state subsidised groundwater pumpers to settle disputes by initiating legal proceedings. During the litigation process, the pumpers were incentivised to devise their own rules for limiting groundwater usage, as otherwise, the judges would impose their own unpredictable decisions. Public assistance schemes can perform a similar function if they allow stakeholders to devise eligibility rules that address collective action problems in their sector (Culpepper 2003, McDermott 2007). Given their privileged access to contextual information, enabling local stakeholders to design local rules is preferrable to imposing such rules from above (Ostrom 1990, Clark and Hussey 2016).

For local cooperation rules to retain their credibility, they must be consistently enforced (Ostrom 1990). Monitoring rule implementation and sanctioning violators are public goods that can be difficult to supply locally (Ferguson 2013). Thus, providing mechanisms for rule monitoring and enforcement are also key functions of FOIFs.

Finally, collective action problems can also arise from the possibility that new actors may opportunistically enter a local sector and undermine earlier achievements. In Ostrom's (1990) study, the ability to delineate the boundaries of the relevant group of stakeholders is considered a precondition for cooperation. When it comes to inter-firm cooperation for economic upgrading, public policies can impose barriers to enter in a local sector or require new entrants to abide by previously agreed rules. Such policies allow incumbent firms to reap the fruits of cooperation, decreasing their discount rates.

2.3. The interplay between FOIFs and local factors in explaining cooperation outcomes

By reducing the obstacles that local actors must overcome to trigger cooperation, FOIFs *increase the probability* that local cooperation will emerge, but they do not *guarantee* that it will do so. It has long been recognised that local capabilities and local governance arrangements contribute to the emergence of 'local collective competition goods' that can improve productivity (Burroni *et al.* 2008, p. 474). Accordingly, scholars of cooperation typically attribute variations in local cooperation to differences not only in the applicable macro-institutional frameworks, but also in local factors. Indicatively, in Culpepper's (2003) study, appropriately designed policy tools only led to local cooperation when local employers had associational capacity. Similarly, in Bruszt and Langbein's account, EU accession policies only improved developmental outcomes in the presence of 'better organised sectors working in developmental alliance with domestic state authorities' (2014, p. 59-60).

In line with this literature, the approach presented here is neither purely top-down nor bottom-up: I argue that the emergence of cooperation requires the activation of local resources within a framework of facilitative macro-institutions. While it is beyond the scope of this article to comprehensively analyse how local factors affect cooperation, I suggest that in settings lacking a recent history of inter-firm cooperation, leadership by a small group of actors can make an important contribution to high-cooperation outcomes. This argument is consistent with the idea that endogenous gradual change requires 'a powerful actor, a Schumpeterian norm entrepreneur (…) who is able to break sharply with long-held institutional inertia' (Gerschewski 2021, p. 226). Drawing on Crouch's (2005) account of 'institutional entrepreneurs' as actors who bring about institutional innovation despite structural constraints, I conceptualise leadership as a type of 'system-level' change agency (Blažek and Kvêton 2023, p. 148) that catalyses the emergence of local cooperation by introducing cooperative norms (Farrell 2009; Acemoglu and Jackson 2015), disseminating ideas about collective entrepreneurial strategies (Shane 2000), and identifying resources to cover the upfront costs of cooperation (Olson 1965) (see [Gartzou-Katsouyanni 2020] for a more extensive discussion). This approach is similar to Grillitsch and Sotarauta's (2020) 'trinity of change agency' argument, which also emphasises the importance for the emergence of new growth paths of economic and institutional entrepreneurship, as well as of place-based leadership aimed at 'pooling competencies, powers and resources to benefit both agents' individual objectives and a region more broadly' (p. 708). This paper's emphasis on leadership in adverse contexts for cooperation complements studies of places where favourable sociocultural conditions make cooperation a perpetual local feature that gets organically repurposed as the economy changes (Berthet and Palard 1997, Musotti 2009, Ornston 2012).

3. Methodology

3.1. Case selection

Can the concept of FOIFs help explain the emergence of cooperation in an unlikely setting? The empirical part of this article examines this question by focusing on the Greek wine sector as a critical case where cooperation is difficult to explain based on existing theories (Hancké 2009).

During the last three decades, 'the Greek wine sector has undergone a complete transformation', witnessing an 'unprecedented improvement' in quality (Papadopoulos 2010, pp. 243-4). Faced with a decline of over 30% in domestic wine consumption in 2016–2021 compared to 2004-2009, the sector showed a remarkable ability to switch to upscale foreign markets, increasing exports by 36% in terms of volume and 151% in terms of value (Table 2). According to the National Bank of Greece (2018), the wine sector 'contains the highest percentage of dynamic SMEs combining export-orientation and branding' in the food and beverage industry, which itself showed an overall higher resilience than other sectors during the Eurozone crisis (p. 13). Greek vineyards are small: their average size is 0.53 hectares, compared to 1.88 in Spain, 2.28 in Italy, and 10.55 in France (Eurostat, 'Vineyards in the EU'). Greek winemakers usually don't own all the land where the grapes that they use as inputs are cultivated, making vertical cooperation along the supply chain crucial for quality upgrading capabilities. At the same time, as in other regions, individual wineries typically lack the resources required to establish their brand name in far-away markets (Moschini *et al.* 2008). Thus, promotion often relies on horizontal cooperation among wineries.

The emergence of cooperation in the Greek wine sector is puzzling, as Greece lacks the preconditions usually considered to favour cooperation. Embedded policymaking occurs rarely, as there is a tradition of 'radial cooperation' with the state by each actor separately, rather than through inclusive collective fora (Andreou 2010, p. 20). Clientelism makes it difficult to create broad-based, depoliticised facilitative macro-institutions. The problem is aggravated by Greece's well-documented shortfalls regarding the uniform implementation of the law, which disproportionately penalises larger-scale economic activities, including cooperative ones (Doxiadis 2014), and the hyper-centralisation of the Greek state, which leaves little leeway for local governments to reshape local rules (Loughlin 2001). Greece also scores particularly low in large-scale surveys measuring interpersonal trust (e.g. European Commission 2018, p. 31). Studying the emergence of cooperation in these adverse conditions makes it easier to discern the factors that facilitate cooperation, as there are fewer confounders, and can yield useful lessons for other fragmented, institutionally weak economies.

Given that in EU member-states, the applicable macro-institutional framework in the wine sector is largely determined by the EU's Common Agricultural Policy (CAP), focusing on the Greek wine

Table 2. Data about the Greek wine sector.

	Consumption and exports in the Greek wine sector		
	Domestic consumption (quantity, 1000 hl)	Exports (quantity, 1000 hl)	Exports (value, thousand euro)
2004–09	3,269	42,552	5,099,598
2010–15	2,868	51,554	8,956,212
2016–21	2,266	58,006	12,803,871

Sources: International Organisation of Vine and Wine; European Commission, 'Wine trade' database.

industry provides an opportunity to study the CAP from a novel perspective, in terms of its effects on decentralised cooperation. The CAP is often depicted in political science as a protectionist, rent-allocating policy favouring large farmers (Hix and Høyland 2011). This view does not paint the whole picture. The CAP originally emerged as a social policy aimed to reduce the income gap between farmers and other socioeconomic groups (Knudsen 2009). According to the Treaty of Rome, 'a fair standard of living for the agricultural community' was to be ensured not only through income transfers, but principally through policies 'to increase agricultural productivity' (Article 39 TFEU, Roederer-Rynning 2015, p. 200). While for many decades, this modernisation objective took a back seat as the CAP focused on price support mechanisms, since 1992 it has resurfaced in the context of substantial CAP reforms.

Since its reform in 2008, the EU's wine policy has stood at the forefront of these developments (Itçaina *et al.* 2016). Most financial support for the sector has been directed towards vineyard restructuring, investments, and promotion, rather than traditional instruments like direct payments to producers and distillation subsidies (European Commission 2019, 2020). The wine sector also has a particularly 'complex and sophisticated quality infrastructure' (Ponte 2009, p. 238). It accounts for nearly half the agri-food products that have geographically based EU quality certifications (European Commission, 'Adding value' database), which are associated with more equal relations among producers and lead firms (Ponte 2009) and can have positive developmental effects (Belletti *et al.* 2017, Crescenzi *et al.* 2022). Given their link to developmental goals in places with fragmented ownership structures, these financial and regulatory instruments are particularly interesting for scholars of decentralised cooperation. Greece, which acceded to the European Economic Community (EEC) in 1981, is a good setting for studying the effects of both CAP subsidy programmes as they evolved from their traditional to their current form and EU GIs. Even though Greece adopted its first GIs in the wine sector in 1971, this system was explicitly designed to mirror the EEC's GI legislation in preparation for Greece's accession and to facilitate the export of quality wines (Kourakou-Dragona 2019, Boutaris 2020).

The article examines the implications of the EU's wine policy for cooperation in Greece using local case studies. Given that the presence of a FOIF is considered a necessary but not a sufficient condition for the emergence of cooperation, two case studies were selected, which varied in terms of the degree of observed cooperation. This strategy made it possible to examine whether the policy instruments of interest influenced local cooperation through similar mechanisms in cases with a different outcome, reducing the likelihood of falsely attributing the creation of cooperation to the EU's wine policy when it was solely due to idiosyncratic local factors.

Specialised literature was used to first identify the outlier, high-cooperation case, namely the island of Santorini, which was transformed from an area producing low-quality, bulk wine in the 1980s to 'a 'flagship' wine-producing region that is leading the way for building awareness of Greek wine not only in the US, but also worldwide' (Kotseridis *et al.* 2015, p. 43). Several forms of cooperation contributed to that result, including vertical cooperation among producers and winemakers to improve cultivation practices, horizontal cooperation among producers to invest in modernised infrastructure, and horizontal cooperation among wineries to create a place-based brand name (Iliopoulos and Theodorakopoulou 2014, Vlahos *et al.* 2016). The island of Lemnos was subsequently selected as a most-similar, low-cooperation case. Lemnos's wine sector has a comparable size to Santorini's and it is similarly structured (Table 3). Both islands have a big wine cooperative, founded in 1937 in Lemnos and 1947 in Santorini, which produced most local wine in the 1980s and still produce a substantial share. The two islands also have private wineries. Their number has risen more quickly in Santorini in recent years due to the higher market success of local wine. Santorini's and Lemnos's winemakers both have access to standard CAP subsidies for vineyard restructuring, infrastructural investment, and wine promotion, and to financial assistance through the 'Smaller Aegean Islands' scheme. Both islands first received designations of origin for local wines in 1971 (Royal Decrees 502 and 539/1971), which were recognised according to the EEC system upon Greece's accession, and had an additional category of wine protected after 2000 (Santorini's

Table 3. Background information about Santorini and Lemnos.

Background information about the case studies			
	Santorini	Lemnos	Greece
Vineyard area (ha) (2011-9 avg.)	1,293	737	56,228
Volume of grapes used for wine (tons) (2011-9 avg.)	2,762	4,812	481,602
Number of vineyard holdings (2016)	899	1,028	97,792
Approximate number of active members of the local wine cooperative (2018-9)	1,000	700	N/A
Approximate number of local private wineries (2018-9)	16–18	6–8	N/A
Kilo price of local grapes (2018-9)	€3-3.5	€0.42-0.48	N/A
Permanent population (2011)	15,550	17,262	10,816,286
Share of the population with a bachelor's degree (2011)	9.6%	13.2%	16.7%

Sources: Hellenic Statistical Authority: Annual Agricultural Statistical Survey; Farm Structure Survey; Population-Housing Census. The information about the wine cooperative members, the number of private wineries, and the price of local grapes was collected during fieldwork.

Vinsanto and Lemnos's Kalampaki). Nevertheless, the low degree of cooperation in Lemnos has contributed to worse economic outcomes compared to Santorini, including bigger shares of the local wine being sold in bulk and lower producer prices (Vakoufaris *et al.* 2007).

3.2. Data collection and analysis

The article's case study-based research design allowed for the use of qualitative research methods to study the mechanisms linking macro-level institutions and local cooperation (Bennet and Elman 2006). A process-tracing approach was adopted to examine the observable implications of each step of the causal chain linking the two variables. Accordingly, evidence was collected about the extent of observed cooperation in Santorini and Lemnos, the obstacles to cooperation, the implications of EU wine policy instruments for cooperation, and the differences between the two islands.

Evidence was collected through 25 semi-structured interviews with grape producers, winemakers, cooperative representatives, and civil servants in Santorini and Lemnos; the minutes of the General Assembly meetings of Santorini's wine cooperative between 1984 and 2005; the local news; and grey and secondary literature (see Appendices).

4. The emergence of cooperation in an unfavourable context: empirical findings

4.1. Empirical setting: cooperative activities and obstacles to cooperation in the wine sectors of Santorini and Lemnos

In this article, the extent of local cooperation is conceptualised in terms of the occurrence of specific types of cooperative activities that can boost economic returns in viticultural areas with fragmented ownership structures.

The success of Santorini's winemakers in producing some of the most recognisable and expensive Greek wines based on the white *Assyrtiko* varietal was underpinned by cooperation. The heavy, traditional wines that Santorini produced in the 1980s were 'useless' for the tastes of modern consumers (interview #11): 'nobody was interested to buy such a degraded wine, neither in Greece nor abroad' (*Thiraika Nea*, Sept. 1988, issue 380). Shifting away from such an equilibrium is a costly process with uncertain results (Belletti *et al.* 2017). Starting in the late 1980s, a newly established private winery and the island's wine cooperative, which produced most local wine at the time, introduced major, costly innovations in cultivation and processing methods, which required vertical cooperation along the supply chain. The producers were asked, initially by the northern Greek winemaker Yannis Boutaris, to restructure their vineyards, change cultivation methods, and harvest their grapes about a month earlier, when they weighed less. These changes had an upfront cost, and in a low-trust environment, producers doubted that they would eventually receive higher returns. As mentioned by a producer in 1989, 'I would like the [cooperative] to determine the dates of the harvest with its agronomist and not with foreigners'; 'let all the producers understand that Mr. Boutaris came to Santorini so that he can make money while they work' (Santo Wines General Assembly minutes, Act 117, July-August 1989).

The Santorini cooperative's successive infrastructural investments, and especially the construction of an ultra-modern new winery in the late 1980s, were key modernisation milestones. Initially, 'many producers reacted strongly against the investment [on the new winery]. They thought that a lot of money was being spent for no reason' (interview #9). Nevertheless, and despite an 'ongoing reservation towards "parachuters" who come, buy some grapes, rent a winery, and sell the wine without investing on the island' (interview #2), both the cooperative and an increasing number of private winemakers continued investing in quality upgrading in subsequent years.

When the Eurozone crisis hit, the domestic demand for quality wines in Greece collapsed. In response, thirteen wineries cooperated horizontally to redirect their sales to North America through the 'Wines of Santorini' marketing project. This effort had to overcome the wineries' distributional conflicts, as different project designs would benefit different wineries. The challenge was aggravated by Santorini's strongly competitive environment for inputs: 'We have an issue with the raw material, the grapes are limited. This creates conflicts, and sometimes those conflicts create siloes' (interview #12).

In contrast, in Lemnos, the cooperative did not heavily invest in quality upgrading until recently: 'the producers used to deliver their production [to the cooperative], and if they happened to be politically close to the management, there could be tolerance regarding quality. (…) The cooperative would borrow money from the Agricultural Bank, it would pay the producers, and (…) nobody dealt with whether the product would be sold in the end' (interview #17). Vertical cooperation for quality improvement began in the mid-2000s when a private winery started producing upscale wine, while the cooperative started focusing on quality in the 2010s, under difficult financial conditions. Even though local wineries recognise the importance of creating a local brand name, it has proved impossible to overcome the distributional conflicts that inhibit collective marketing activities: 'perhaps it's a bit premature to go as five competitors to an exhibition and knock on the same door, and say come, choose the best' (interview #24).

4.2. Does the EU's wine policy satisfy the characteristics of a Facilitative Overarching Institutional Framework?

Has the EU's wine policy facilitated the types of cooperation mentioned above? To address this question, I firstly examine whether key financial and regulatory instruments of the policy satisfy the characteristics of a FOIF.

CAP subsidy programmes often favour cooperative endeavours, whether within producers' groups, among winemakers, or by interprofessional associations involving actors across the supply chain (Skylakaki 2019). By encouraging local stakeholders to form associations and make collective entrepreneurial plans, such subsidy programmes create opportunities for deliberation (first FOIF characteristic), while also reducing the upfront costs of cooperative activities (second FOIF characteristic).

GIs are labels granted to 'products with specific characteristics, qualities or reputations resulting from their geographical origin' (Vandecandelaere *et al.* 2020, p. 2). The CAP's GI system also performs several functions of FOIFs. Firstly, it incentivises local stakeholders to adopt their own cooperation rules (third FOIF characteristic), which can prevent opportunistic winemakers from tarnishing a wine area's reputation by exploiting information asymmetries and selling low-quality wine as local (Moschini *et al.* 2008). To be granted a Protected Designation of Origin (PDO), the most demanding GI, wine must be produced according to a code of practice or 'specification', which includes, among other elements, the wine's 'principal analytical and organoleptic characteristics', 'specific oenological practices, 'maximum yields per hectare', and grape varietals (European Parliament and Council Regulation 1308/2013, p. 720-1). These rules are not imposed from above, but they are agreed upon by local producers, winemakers, and their representatives in preparing a PDO application (Belletti *et al.* 2017). A GI can in principle only be granted to 'a group' of producers and/or processors (Council Regulation 2081/1992, p. 3-4), encouraging the creation of 'a common vision concerning the quality of the product' (Belletti *et al.* 2017, p. 46). The use of the PDO logo cannot be denied to any local producer, ensuring that the system fosters inclusive economic development (Locke 2002).

The EU's GI system also obliges member-states to ensure that 'inspection structures are in place, the function of which shall be to ensure that agricultural products and foodstuffs bearing a protected name meet the requirements laid down in the specifications' (Council Regulation 2081/1992, p. 5). These inspection authorities must meet EU standards and be accredited (Barjolle and Sylvander 2000). The set-up of enforcement mechanisms to ensure that local rules are followed (fourth FOIF characteristic) strengthens the credibility of commitments to follow higher quality standards (Moschini *et al.* 2008), something particularly important in low-trust contexts.

Finally, the CAP's regulations on planting rights contribute to the delineation of the boundaries of the group of relevant stakeholders (fifth FOIF characteristic). The planting rights system requires grape producers to apply for authorisation to plant new vines, and it limits both the quantity of new vines and the varietals for which permissions are given. This system generates barriers to entry, but it also obliges new entrants to abide by agreed upon rules about varietals. This makes it harder to enter opportunistically in a successful sector and plant higher-yield, lower-quality varietals. The GI system also facilitates boundary delineation, as the geographical area covered by a PDO label is well-defined.

4.3. The EU's wine policy and local cooperation on the ground

Do the aforementioned instruments of the EU's wine policy have the expected effect in terms of promoting cooperation on the ground?

According to the marketing manager of Santorini's wine cooperative, the CAP's financial incentives for collective projects played a crucial role in sparking horizontal cooperation to promote local wines in North America:

> When the [CAP] funding for promotion activities to third countries came, [a Greek marketing specialist in the US] said it's a pity, Santorini is very important, make sure that you get organised, create a team with a contract. (…) We are still discussing that a formal association must be created. (…) There will also be other funding programmes that will be easier to manage if such an association exists, both from the financial and the organizational point of view. The EU always, and especially as time goes by, prioritises and chooses team projects. The more collaborative they are, the better. (interview #2)

A private winemaker made a similar point, but more cynically:

> If you must agree [with other winemakers] for someone to subsidise you, you will agree. Will we get [a subsidy of] €500,000 from the Greek state or a European programme to go [collectively] to America to present our wines? This is not bad, let's agree. But if the €500,000 had been allocated separately to each winery, we'd say, what are you talking about? (interview #6)

Stakeholders in Lemnos also recognised the importance of cooperation for CAP funding: for 'grape producers to be able to obtain some benefits that they are entitled to, (…) they must be registered in a group, they must be organised.' This is because the European Union 'believes – correctly – that producers must unite in teams' (interview #19). By nudging economic actors towards forms of cooperation that would likely not have taken place otherwise, subsidies for collective projects have fostered new networks, strengthened organisational capacities, and created an understanding that cooperation can pay off, dynamically opening new possibilities for future local cooperation.

Historically, CAP subsidies had not always promoted cooperation. Price guarantees had hindered cooperation: with the EU setting an above-market price, there was little incentive to upgrade. Distillation subsidies, which redirected excess wine production to low-value industrial uses, reinforced the agri-food industry's statist orientation. Characteristically, when faced with financial difficulties in the 1980s, the reflex of Santorini's grape producers was to demand higher distillation subsidies: 'Governing Board member [X] says that a telegram of complaint should be sent to the EEC because it put quantitative restrictions to preventive distillation and so it obstructs the sale of the wines even at a low price' (Santo Wines General Assembly minutes, Act 98, July-August 1984).

These incentives started to change in the 1990s, as price guarantees started being replaced with other types of support. In 1993, small Aegean island producers started benefiting from a new 'subsidy per hectare', granted as part of special assistance for outermost EU regions. This subsidy did not aim to promote cooperation, but in Santorini it had the effect of doing so because it was disbursed through the cooperative. This enabled the cooperative, for the first time, to collect a levy from all producers to pay for its new winery. The CAP also financed the winery directly through investment subsidies. Given the backlash against using producers' contributions to cover even the remaining cost, it seems unlikely that this winery would have been built without EU subsidies (interview #9, Iliopoulos and Theodorakopoulou 2014). The CAP's vineyard restructuring programme and the subsidies for transition to organic agriculture have also proved effective in reducing the producers' upfront costs when it comes to vertical cooperation with winemakers (interview #23).

The GI system has also facilitated cooperation in the Greek wine sector. Greece passed its first legislation on designations of origin for wines in 1969 (Legal Decree 240/1969). The provisions about Greek 'designation of origin' wines were written 'in accordance with the requirements of [European Economic] Community legislation on VQPRD wines [the EEC GI at the time]' (Kourakou-Dragona 2019, p. 17). The adoption of the GI system was spearheaded by the head of the public Wine Institute, Stavroula Kourakou-Dragona, now known as 'the mother of Greek oenology' (interview #3), who at the time argued that 'it is necessary, in the interest of [the Greek] wine commerce, to harmonise our wine policy as quickly as possible with the EEC's agricultural policy' (Kourakou-Dragona 1963, quoted in Kourakou-Dragona 2019, p. 14). The approach to quality wine production represented by the GI system stood in contrast to production practices at the time (Boutaris 2020) and to the prevailing belief that Greece should produce standardised, cheap wines and export them in bulk to Northern European distilleries (Kourakou-Dragona 2019). Unlike in Italy, where it was perceived that PDO labels were often granted as clientelistic favours (Carter 2018), in Greece I found no evidence of widespread clientelistic quid-pro-quos tarnishing the credibility of the legislation's implementation, which was based on the scientific documentation of grape varietals and wine production methods across Greece by the Wine Institute, working with local producers and winemakers (Boutaris 2020, Kourakou-Dragona 2019, interviews #3,11).

As a pioneering winemaker of Santorini said, the adoption 'of GIs according to the European regulation helped very much. (…) There are areas whose character changed when they acquired a PDO. (…) A PDO could put an area in order because it had strict standards' (interview #11). The President of Santorini's cooperative explained: 'Having a PDO is important for us because (…) it requires that you are organised, that you have all those elements that we were lacking until then: the creation of institutions, services, rules' (interview #1).

Compliance with those rules is ensured through multiple layers of controls and the involvement of a dedicated domestic administrative structure (Kourakou-Dragona 2019, Boutaris 2020). As was explained in Lemnos:

> When delivering the grapes, the producer must say from which vineyards they originated. This is fundamental for quality, but also to ensure that non-vinifiable varietals are not vinified. (…) When the wine is ready (…) we take samples, and we send them to the Centre for the Protection of Plants and Quality Control in Patra for the chemical analysis to be done. (…) Secondly, another control is done by a committee of the Interprofessional Organisation of Vine and Wine, which is an organoleptic control. (interview #23)

It is indicative of the system's effectiveness that in Santorini, winemakers suspect that local grapes are mixed with cheaper, non-local grapes in the production of table wines, but there are no such suspicions when it comes to PDO wines (interviews #6, #7). Similarly, in Lemnos it is widely believed that the PDO specifications are adhered to (interview #17).

The planting rights system has also helped prevent cheating. The fact that 'you cannot plant other [higher-yield] varietals of grapes in Santorini' is one of the 'most impactful aspects of agricultural legislation' today, as it 'decreases the cases of adulteration, where the Assyrtiko varietal is mixed with another varietal that is cheaper' (interview #7). However, planting rights also inhibit the scaling of Santorini's vineyard, exacerbating distributional conflict among winemakers. Thus, planting rights facilitate cooperation more because they compel new entrants to abide by previously determined rules than by reducing the size of the local sector.

4.4. Why was a higher degree of cooperation observed in Santorini than in Lemnos?

Santorini's wine producers utilised the EU wine policy's facilitative instruments more effectively than their counterparts in Lemnos. A PDO label does not suffice to create a regional brand name: this requires collective marketing activities (Moschini *et al.* 2008), which Santorini's wineries undertook, utilising CAP funding. In contrast, Lemnos's wineries failed to find the required 'own contribution' (interview #22) and obtain CAP subsidies. In fact, a PDO label does not even guarantee quality, which depends on the PDO specification rules, the widespread use of the PDO label locally, and local investments in upgrading. Thus, the emergence of local cooperation requires not only the presence of facilitative tools, but also local ability and initiative to utilise them.

Why were facilitative instruments utilised to different extents in the two islands? Fieldwork evidence suggests that the presence of a small group of leading actors in Santorini, and their absence in Lemnos, made an important difference. These leaders gradually introduced cooperative local rules, disseminated modern conceptions about winemaking, and identified funding sources to reduce the cost of cooperation.

In Santorini, quality improvements were introduced initially by a winemaker who owned a big wine firm in northern Greece. This winemaker created a new winery in Santorini in the mid-1980s, gradually earned the producers' trust by making good on his promises in less demanding exchanges first, introduced quality-based pricing for the local grapes, publicly shared his vision, and opened new markets for Santorini wines (interviews #3,11,13; *Thiraika Nea*, Jul.-Aug. 1990, issue 393). In contrast, most big firms bought Lemnos wine in bulk and did not invest in showcasing the island as a wine-growing region. For example, a big beverage company used Lemnos wine as an input for a cognac-like drink (interview #17).

During the Eurozone crisis, the Santo Wines cooperative spearheaded the effort of forging an agreement among the island's wineries for promotion activities, investing disproportionate financial, human, and organisational resources to the project (interviews #2,14). The fact that 'all wineries in Santorini have exceptional wines', which is linked to the success of earlier upgrading efforts, as well as the richness of Santorini's myth and history, motivated a marketing specialist in North America to assist Santorini's wineries to apply for EU promotion funding (interview #14). More generally, in Santorini, 'always one or two people take the lead, but the others stand behind and pay their share' (interview #3).

Such leadership was lacking in Lemnos. A winemaker wished for the cooperative to lead collective efforts, as it 'is, de facto, the locomotive [of the sector]' (interview #19). The cooperative regretted that 'private winemakers are waiting for us to pull forward', as 'they are more flexible' (interview #17). Another winemaker thought that the Agriculture Ministry should 'gather the winemakers around the table so that we can do something collectively' (interview #18). Part of the reason why Lemnos was often not included in national promotion initiatives because '*we* haven't knocked on any doors to say that we are interested, please include us' (interview #17). This leadership deficit was partly related to the significant financial constraints of Lemnos's wine sector in the early 2010s, which were linked to the fact that upgrading had begun later in Lemnos than in Santorini.

There are two major alternative explanations for the higher degree of cooperation in Santorini compared to Lemnos. Firstly, a common view is that the success of Santorini's wine is due to the island's recognisability as a touristic destination. Although Santorini's fame reinforces its wineries' marketing efforts, tourism also generates a competing land use that could have eliminated Santorini's wine sector, as happened in other Greek touristic areas. In fact, given how easy and lucrative it is to convert one's vineyard to a guest house on that small island, the survival of Santorini's wine sector is a testament to its success.

A second alternative hypothesis is that Santorini had a better pre-existing organisational capacity. Indeed, Santorini's cooperative is one of four Greek cooperatives with a mandatory status, which obliges grape producers to deliver at least a quarter of their production to the cooperative. Lemnos's cooperative is voluntary. Without denying that the mandatory status of Santorini's cooperative may have in some ways facilitated upgrading, in Santorini it was a private winemaker who initially introduced quality improvements. The governing board of the mandatory cooperative could have failed to support his effort, catering to many producers who viewed him negatively. Instead, it worked closely with him (interview #11). Moreover, the cooperative has given up on the right to collect a quarter of the grape production of each local grower, allowing private winemakers to form their own producer networks, and thus informally suspending its mandatory character (Iliopoulos and Theodorakopoulou 2014). In fact, Santorini's cooperative currently processes a smaller share of local grapes than Lemnos's cooperative (40% compared to about 67% in Lemnos during fieldwork).

As regards the longer-term winemaking traditions, both Santorini and Lemnos have hosted quality wine production at various moments during prehistoric, medieval, and modern times (Product Specification File 2011b, Santorini PDO; Product Specification File 2011a, Lemnos PDO). Indicatively, while Santorini can boast that its vineyard is one of the oldest globally, Lemnos's wines are praised in the *Iliad* as the Achaeans' drink of choice when they besieged Troy. In fact, in the early twentieth century, winemaking techniques were arguably advancing faster in Lemnos, as a modern private winery employing French oenologists was created in 1920, at a time when Santorini's wine sector had taken a hit from the Russian Revolution. Moreover, during that period, charitable donations by the diaspora were managed through cooperative institutions in Lemnos (Lagopoulos 2016).

4.5. How did a FOIF become available in a country that lacks embedded policymaking capacities?

The EU's wine policy was negotiated in the framework of the CAP, with little influence from small countries like Greece. Briefly reflecting on the policy's origins is instructive, as it suggests an alternative avenue through which FOIFs can become available, beside embedded policymaking at the domestic level.

Many of the EU wine policy's facilitative instruments were promoted by agri-food regions dominated by dynamic, export-oriented SMEs. A modern-style GI system was first institutionalised in the early twentieth century in the French Champagne region, which faced pressure from import competition (Meloni and Swinnen 2018). The system represented a deal between grape producers and wine merchants, where the merchants would exclusively buy local grapes if producers agreed to follow detailed production instructions (Carter 2018). This model was soon adopted in other French regions, and it was later 'uploaded' to the EU level (Dyson 2017, p. 66) upon French insistence (Carter 2018).

Regarding the CAP's financial instruments, price guarantees, which undermine cooperation, were historically favoured by large producers (Coleman 1998, Knudsen 2009). As the EU's wine policy was reformed, it was dynamic regions with many SMEs and strong sectoral consortia, like Bordeaux, which lobbied for EU marketing and investment subsidies to be directed to associations rather than individual firms (Itçaina *et al.* 2016). Regions producing high-quality PDO wines also favoured the abolition of distillation subsidies, which inhibit collective upgrading efforts, but defended the planting rights system: stakeholders in Aquitaine 'see [PDOs] as impossible to manage without an accompanying system of planting rights' (Itçaina *et al.* 2016, p. 152).

While SMEs in Champagne, Aquitaine, and other leading wine regions did not have the interests of Greek winemakers in mind when making policy proposals, it turned out that fortuitously, the institutions that facilitated cooperation in those pioneering regions also had similar effects in a different setting. Given that European regions with wine GIs are more likely to also have GIs for other agri-food products (Huysmans and Swinnen 2019), those positive effects may even spill over to other local sectors.

5. Conclusion

In this article, I set out to understand how public policies can facilitate decentralised cooperation in unfavourable circumstances. Bringing together scholarship from political economy and sociology, I developed the concept of FOIFs building on the idea that facilitative macro-institutions would have to address both cognitive obstacles and collective action problems. By assigning to public authorities the role of empowering local actors, the FOIF concept lies between top-down and bottom-up approaches, combining elements of 'external' and 'internal oversight' of the economy (Clark and Hussey 2016).

The EU's wine policy was shown to be a good example of a FOIF. The policy's regulatory and financial instruments reduced local actors' uncertainty about the benefits of cooperation and helped them design and enforce local rules addressing collective action problems in their sector. Thus, far from sacrificing small farmers on the altar of globalisation, the CAP helped small producers in Santorini and Lemnos, albeit to varying degrees depending on local leadership. The EU's wine policy is expected to influence other fragmented European wine-producing regions in a similar way, though additional comparative research is needed to establish how far national-level policy implementation mediates this effect.

The FOIF concept is relevant for several policy goals requiring decentralised cooperation in different sectoral and geographical settings. Indicatively, multistakeholder cooperation is central for place-based approaches to economic development, but it remains unclear 'how diverse groups of actors [can be] encouraged to work towards a common purpose, how their actions can be coordinated for the collective good' (Beer *et al.* 2020, p. 48). This paper helps address this gap. By drawing on a policy that exemplifies the EU's forbearance towards some forms of economic coordination that benefit small or weak actors (Foster and Thelen 2023), the paper also has implications for how transnational integration regimes such as NAFTA can become more inclusive, avoiding situations where trade mostly benefits a few large, cost-competitive firms (Bruszt and McDermott 2012, Huysmans 2022). An interesting question for future research is whether top-down standards and certifications can be reformed to allow for local rule formation, and whether this would help address contextually specific obstacles to cooperation.

The comparison between Santorini and Lemnos highlighted that beside FOIFs, cooperation also requires the activation of local initiative. Thus, while FOIFs can enable cooperation in instances where it would not emerge otherwise, as in Santorini, they can also amplify inter-regional inequalities. Future research should examine how actors in economically weaker regions can be empowered to take maximum advantage of facilitative instruments. Moreover, given that the EU's wine policy facilitates cooperation among small groups of actors with relatively clear, concentrated interests, future research should enquire whether and under what conditions FOIFs can also promote cooperation in sectors with more stakeholders, such as tourism, or among citizens more broadly.

Finally, the observation that the EU's wine policy facilitated local cooperation in a different context than where it was originally developed opens the way for greater degrees of institutional knowledge exchange among similarly structured economies than is sometimes acknowledged (e.g. in Hall and Soskice 2001). It also suggests that transnational integration regimes can strengthen local governance not only through conditionality, but also by uploading suitable institutional blueprints at the supranational level, thereby making them more broadly available.

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Ethics declaration

This research project has gone through the LSE's Research Ethics Review process and was deemed to not raise any significant ethical issues.

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Appendices

Appendix A: Interview index

			Santorini – Wine		
1	President of the Santo Wines Cooperative & Vice-Mayor of Santorini	45 min	Santo wines oenotourism centre, Santorini	15 April 2018	19.00
2	Marketing Manager at the Santo Wines Cooperative	1 h	Santo Wines offices, Santorini	16 April 2018	10.00
3	Oenologist at a private Santorini winery	1 h	Pyrgos, Santorini	16 April 2018	12.00
4	Grape producer	1.5 h	Megalochori, Santorini	16 April 2018	14.00
5	Two grape producers	50 min	Pyrgos, Santorini	17 April 2018	11.10
6	Oenologist and Sales Representative at a private Santorini winery	1 h	Private winery, Santorini	17 April 2018	13.00
7	Winemaker and oenologist at a private Santorini winery	45 min	Private winery, Santorini	17 April 2018	14.30
8	Founder of the Selene Restaurant	45 min	Selene Restaurant, Pyrgos	17 April 2018	19.00
9	General Director of the of the Santo Wines Cooperative	30 min	Santo Wines offices, Santorini	18 April 2018	9.15
10	Employee at the Santorini branch of the Agriculture Directorate of the Ministry of Agriculture	1 h and 30 min	Offices of the Santorini branch of the Agriculture Directorate	19 April 2018	9.45
11	Yannis Boutaris, winemaker (two interviews)	1.5, 2.5 h	Chalkidiki	8 August 2017, 15 August 2023	11.30, 18.30
12	Winemaker	45 min	Sigalas winery, Oia	16 April 2019	12.00
13	Producer and long-time President of the primary cooperative in Pyrgos	1 h	Pyrgos bakery	16 April 2019	17.30
14	Owner of a marketing firm, Director of the Greek Wine Bureau in N. America	40 min	Online	24 October 2023	14.00
			Lemnos – Wine		
15	Professor at the Food Science Department in Lemnos	1 h	Skype	26 Aug. 2019	14.30
16	Vice-President of the environmental association of Lemnos, Anemoessa	40 min	Café in Myrina	30 Aug. 2019	10.00
17	Representative of the wine cooperative	50 min	Offices of the wine cooperative, Myrina	30 Aug. 2019	11.00
18	Oenologist at a private winery	40 min	Winery premises	30 Aug. 2019	14.30
19	Owner and oenologist at a private winery	50 min	Winery premises	31 Aug. 2019	12.00
20	President of the honey co-operative of Lemnos	1 h and 15 min	Café in Myrina	31 Aug. 2019	15.00
21	Director of the public General Chemical Laboratory for the Lesvos prefecture	1 h	Café in Myrina	1 Sept. 2019	11.00
22	Owner of a private winery	30 min	Winery premises	1 Sept. 2019	15.00
23	Agronomist at the Lemnos local authorities	2 h	Office of the local authorities, Myrina	2 Sept. 2019	10.00
24	Representative of the wine cooperative	45 min	Offices of the wine cooperative, Myrina	2 Sept. 2019	15.00
25	Two grape producers in Agios Dimitrios	1 h	Field in Agios Dimitrios	3 Sept. 2019	8.30

Appendix B: Documentary evidence, local newspapers, and case-specific secondary sources

		Santorini - Wine
D1	Documentary evidence	Minutes of the meetings of the Santo Wines Cooperative's General Assembly, 1984–2005
D2	Documentary evidence	Royal Decree no. 539 of 4/14 Aug. 1971 (FEK A′ 159); Ministerial Decision no. 21380 of 11/24 Feb. 1972 (FEK B′ 169); Product Specification File (2011a), PDO Santorini wine.
D3	Local news	*Thiraïka Nea* newspaper, 1982–1997
S1	Secondary source	Venizelou, A. (2015). *Μελέτη των σταδίων του κύκλου ζωής της Ένωσης Θηραϊκών Προϊόντων – Santo Wines* [Study of the stages of the life cycle of the Union of Cooperatives of Theran Products – Santo Wines] [Master's dissertation, Agricultural University of Athens].
S2	Secondary source	Iliopoulos, C., & Theodorakopoulou, I. (2014). Mandatory cooperatives and the free rider problem: the case of Santo Wines in Santorini, Greece. *Annals of Public and Cooperative Economics*, *85*(4), 663-81.
S3	Secondary source	Vlahos, G., Karanikolas, *P*., & Koutsouris, A. (2016, July 12-15). *Farming System Transformation as Transition to Sustainability: A Greek quality wines case study*. [Paper presentation]. 12th European IFSA Symposium, Newport, UK.
S4	Secondary source	Boutaris, Y. Εξήντα Χρόνια Τρύγος (Sixty Years of Harvest). Athens: Patakis
		Lemnos - Wine
D4	Documentary evidence	Royal Decree no. 502 (FEK A′ 150/ 26.07.1971); Product Specification File (2011), PDO Lemnos wine
S5	Secondary source	Dimopoulos, T., Dimitropoulos, G., & Georgiadis, N. (2018). *The Land Use Systems of Lemnos Island* (Report, Terra Lemnia Project/ Strategy 1.1/ Activity 1.1.1). Mediterranean Institute for Nature and Anthropos (MedINA).
S6	Secondary source	Kalmouti, S. (2014). *Οργάνωση και Λειτουργία της Ένωσης Αγροτικών Συνεταιρισμών Λήμνου του Νομού Λέσβου* [Organisation and Operation of the Union of Agricultural Cooperatives of Lemnos of the Lesvos Prefecture]. [Bachelor's dissertation, Alexander Technological Educational Institute of Thessaloniki].
S7	Secondary source	Lagopoulos, A. (2016). *Τα Πολιτιστικά και Περιβαλλοντικά αποθέματα, ως εργαλεία οικονομικής και κοινωνικής 'ανάπτυξης', μέσα από το μοντέλο της κοινωνικής οικονομίας: Η περίπτωση του νησιού της Λήμνου* [The Cultural and Organisational Reserves as Tools for economic and social 'development', through the model of the social economy: The Case of Lemnos]. [Master's dissertation, Greek Open University].
S8	Secondary source	Mimi, M. (2013). *Η Εφαρμογή της Κ.Π. LEADER για τη Λήμνο* [The Implementation of the Community Initiative LEADER for Lemnos]. [Master's dissertation, Agricultural University of Athens].
S9	Secondary source	Bakalis, C. (2007). *Λήμνος: Οργάνωση του Αστικού Χώρου (19ος–20ος αιώνας), κοινωνικός μετασχηματισμός, μεταναστευτικά δίκτυα και αστικοί 'αντικατοπτρισμοί'* [Lemnos: Organisation of the Urban Space (19th-twentieth century), social transformation, migration networks and urban 'reflections']. [Doctoral dissertation, University of the Aegean].
S10	Secondary source	Chaska, E. (2018). *Διερεύνηση της Επίδρασης των Καιρικών Συνθηκών στη Δυνητική Μεταβλητότητα της Τιμής Ελληνικού Οίνου ΠΟΠ* [Study of the Impact of Weather Conditions on the Potential Variability of the Price of Greek PDO Wine]. [Master's dissertation, University of the Aegean].
		National level
D5	Documentary evidence	Kourakou-Dragona, S., 1963. *Προβλήματα της Ελληνικής Οινοπαραγωγής (Problems of Greek Wine Production)*, study. Athens: Ministry of Agriculture.
S22	Secondary source	Kourakou-Dragona, S., 2019. *Εκ Βαθέων (De Profundis)*. Athens: Ekdoseis tou Foinika