Greek whisky : the localization of a global commodity
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2. The imported spirits industry in Greece

It is well known that whisky has long been produced and consumed in the U.S.A, Scotland, England and Ireland. Even though whisky seems foreign to Greek tastes, in recent decades it has become part of the social fabric and, in certain contexts, localized. Interestingly enough, "whisky" in Greece usually refers to a broad category of Scotch.

Scotch whisky possibly first arrived in Greece with the British communities that moved into the country in order to play an active role in the political and economic life of the country after the Greek revolution in 1821. The relationship between the two countries has been on one hand a long romantic enterprise full of fictions and dreams, and on the other a story of political, economic and symbolic influence. Britain was instrumental in the creation of the modern Greek state, in large part due to their idealized notions of Greek culture and history. From the time of the creation of the Greek state, figures such as Alexandros Mavrokordatos actively supported British involvement in Greek affairs and the British have had the opportunity to influence, participate and promote their own interests in Greece.

After the creation of the nation state in Greece, British luxury goods became particularly prestigious and were considered much better than domestic ones.[17] The same mentality can be still found nowadays in the expression "αυτό είναι μέγγλα" (*afto ine megla*) which literally means "this is Made in England" in Athenian slang, the connotation being that the product referred to is of high quality. This view of a British modernity is also related to the concept of the West, which in many cases in Greece is tied to notions of high culture, style and progress.

In order to understand the trajectory of consumption patterns it will be necessary to describe the localization of whisky in terms of investment, trade and marketing. The success story of Scotch in Greece is different from that of Coca Cola (Foster 2008, Miller 2002). The Scotch-producing companies did not use the franchise system. On the contrary, Scotch whisky was and is still made only in Scotland and its production site is intertwined with the identity of the beverage. Moreover, even though Scotch has been a global commodity since the beginning of the twentieth century, its success was made possible by traders. Scotch whisky has been imported into Greece since the 1900s by small importing companies that gradually merged with multinational corporations in the post-Fordist era. This narrative of globalization is therefore intertwined with a form of flexible accumulation (Harvey 1989: 147).

As Harvey has suggested, globalization is characterized by an intensification of social and economic life, a sort of time and space compression (1989: 141). Within this context the shift to a post-Fordist regime of flexible accumulation is characterized

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[17] Not only British commodities were considered prestigious. French, Italian and American commodities carried also a high-class style.

by the appearance of new sectors in the economy, increasing and new consumption patterns, new sectors of production, new markets and an intensification of information networks that aim to speed up the processes of consumption and production. In addition, in this era the flexibility of production, consumption and labor has been central in the establishment of a new form of capitalism. The speeding up of social and economic life has resulted in the expansion of large multinational corporations, especially since the 1970s. As will be demonstrated, Greece's beverage sector and the successful establishment of whisky can be interpreted in terms of the wide impact of flexible accumulation. The process of value formation of whisky from the side of the importers and the industry is intertwined with these economic and social shifts.

In what follows, I examine how importers and producers of whisky established the beverage in Greece, especially after the Second World War, and expanded the trade. This set of local relationships was a prerequisite of multinational capitalism and ensured that the process of value formation of whisky would be an ongoing enterprise in the commercial sense. This chapter examines the strategies used by both the importers and the producers of whisky in Greece to establish their position in the market.

The industry in the twentieth century: the small importers

The primary focus of this section of the study is the history of the commercial localization of whisky and other imported alcoholic spirits in Greece. Specifically, it examines the social, economic and political conditions under which whisky was introduced and became widely available in Greece.

Several symbols of Britishness appeared in Greece after the revolution. The landmark hotel *Grande Bretagne*, for example, next to the Greek parliament in the centre of Athens, was founded in 1874 and became one of the city's most important buildings. *Grande Bretagne* became the central meeting place for those Greeks and foreigners who were shaping the political, economic and social life of the country. Industrialists, ship-owners, diplomats, government officials and journalists gathered daily in its reception rooms and restaurant while in the elegant apartments famous foreigners stayed and, in some cases, lived. The name of the hotel was carefully chosen and expressed the glory of the British Empire, a place where kings and queens could socialize and even sleep. English names expressed quality and style. *Café Splendid* was a coffeehouse in the centre of Athens where high-class Athenians would socialize (Papageorgiou 1985: 4). The British store *Sidney Noel* was one of the first department stores in Athens in the 1920s (Figure 2.1), where all kind of British products (including whisky) could be found (Papageorgiou 1985: 5).

Figure 2.1 Advertisement for the British department store Sidney Noel in Athens in the 1920s. The text in the center reads "Sterling in quality and sterling in price - The most important English store in Greece" (Papageorgiou 1985: 5).

Despite the fact that whisky has long been a part of Greek social life, my focus in this part of the book is on the post-war era, and more specifically 1960 and onwards when such beverages were widely imported, promoted and massively consumed in Greece. In that time frame the commodity trade has undergone numerous transformations, which continue up to the present day. Many small importing companies grew in size and many were acquired by multinational corporations. As a result, the distribution chain became more efficient but less profitable for small Greek importers and less competitive. Whisky nowadays can be found in supermarkets, neighborhood shops, bars, clubs and households. Most of the whisky consumed in Greece is Scottish in origin and some of the more popular brands include the well-known Johnnie Walker, Chivas Regal, Dimple, Famous Grouse and Cutty Sark.

In order to better understand how whisky and other imported drinks were established in Greece, this study examines the history of the industry in relation to economic and political processes. In terms of production and consumption, two distinct periods can be identified. The first spans the time from the end of the nineteenth century to the end of the 1950s, while the other encompasses the development of the industry from the 1960s to the present. The primary characteristic of the first period was the production and consumption of brandy, ouzo and beer. Among these drinks, brandy, liqueurs and ouzo were projected as "traditional" and "Greek" because, according to their producers, they have been historically based on Greek ingredients such as grapes, Corinthian raisins and Chios mastic. Furthermore, their production has a long history and they are deeply embedded in Greek social and cultural life. Many of these beverages are still made today from recipes that have been passed on from generation to generation featuring special combinations of spices and aging techniques.

Ouzo was mainly produced and consumed by Greek-speaking populations living in Asia Minor and on the islands of Lesbos and Chios. Many family distilleries can still be found there, such as Ouzo 12 and Plomari. These distilleries date back many years despite the fact that nowadays they have evolved into commercial production units. Ouzo was also produced in Piraeus and in Athens but became even more popular and widely consumed after the arrival of the Greek speaking immigrants from Turkey in the 1920s who brought with them a variety of new tastes and foods that became incorporated into Greek life.

The production of brandy was based mainly in the Peloponnese and Athens and was associated with the local types of grapes that are grown in these areas. Furthermore, there was a continuous trade of brandies and liqueurs from Greek communities that were living in Alexandria, Asia Minor, Thessalonica, Volos and other cities on the Mediterranean. One of the first brandy companies was Metaxas, founded in 1888 by Spiros Metaxas. The brandy was made with grapes and spices and came in different ages. The drink became widely traded and consumed throughout Greece and abroad and in 1900 it was exported to the United States, which was the major destination for Greek emigrants.

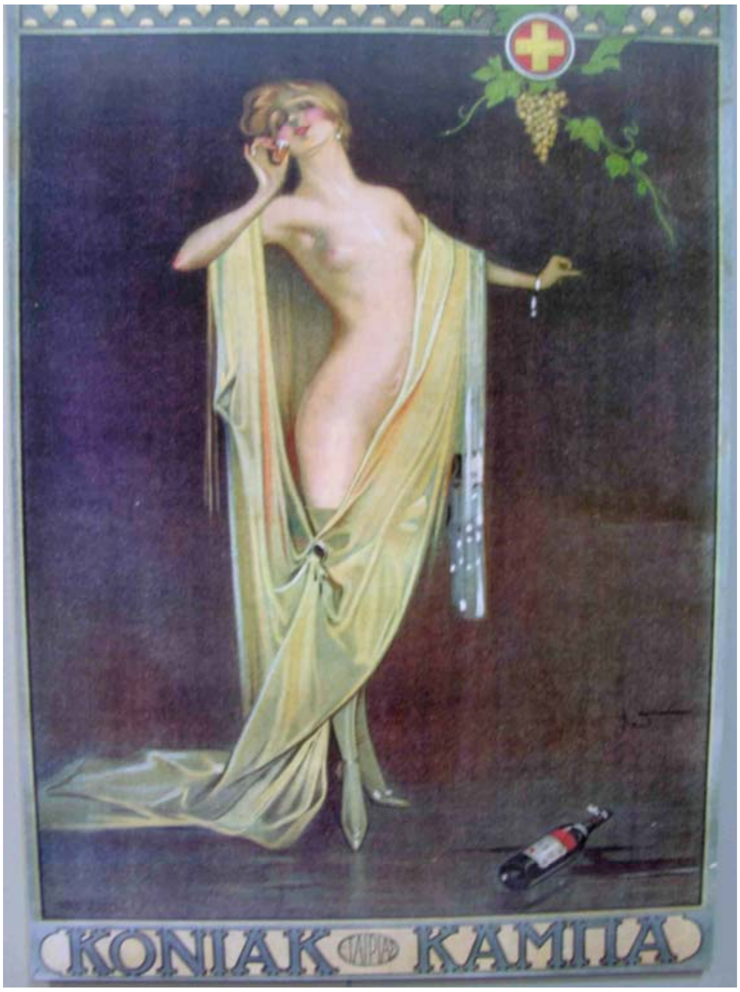

Figure 2.2 An advertisement for the Greek brandy *Kampa* from the beginning of the twentieth century (National Literature and Historical Archive of Greece).

On the other hand, the consumption of beer in Greece is associated with the arrival of King Othon of Wittelswach of Bavaria in 1833. Othon was followed by a number of bureaucrats, civil servants, entrepreneurs and troops when he first arrived in Greece. As one might expect, most of the newly arrived Bavarians were beer drinkers. One of them was Johan Ludwig Fix who set up a brewery in Athens, followed in 1864 by his son Charles and the foundation of the modern Fix brewery, which coincided with the appointment of King George Christian Wilhelm Glyxbourg. Since then beer has been widely produced and consumed in Greece and imported into Greece. An example of the social distinction conferred by the consumption of beer at that time is evident in the well known sketch by the Bavarian Hans Hanke in 1836, copying the original by L. Kollnberger (Clogg 1992: 52). The watercolor (Figure 2.3) depicts the *Ωραία Ελλάς* (*Orea Ellas*) café, which was for a long time the main centre of political discourse and, like all cafes, a place of male leisure. On the left of the picture there is a group of Greek men dressed in Western style, drinking beer like the Bavarian soldiers behind them. On the right the Greek men dressed in local kilts (φουστανέλα*: fustanela*) are drinking *raki* or *tsipouro*.

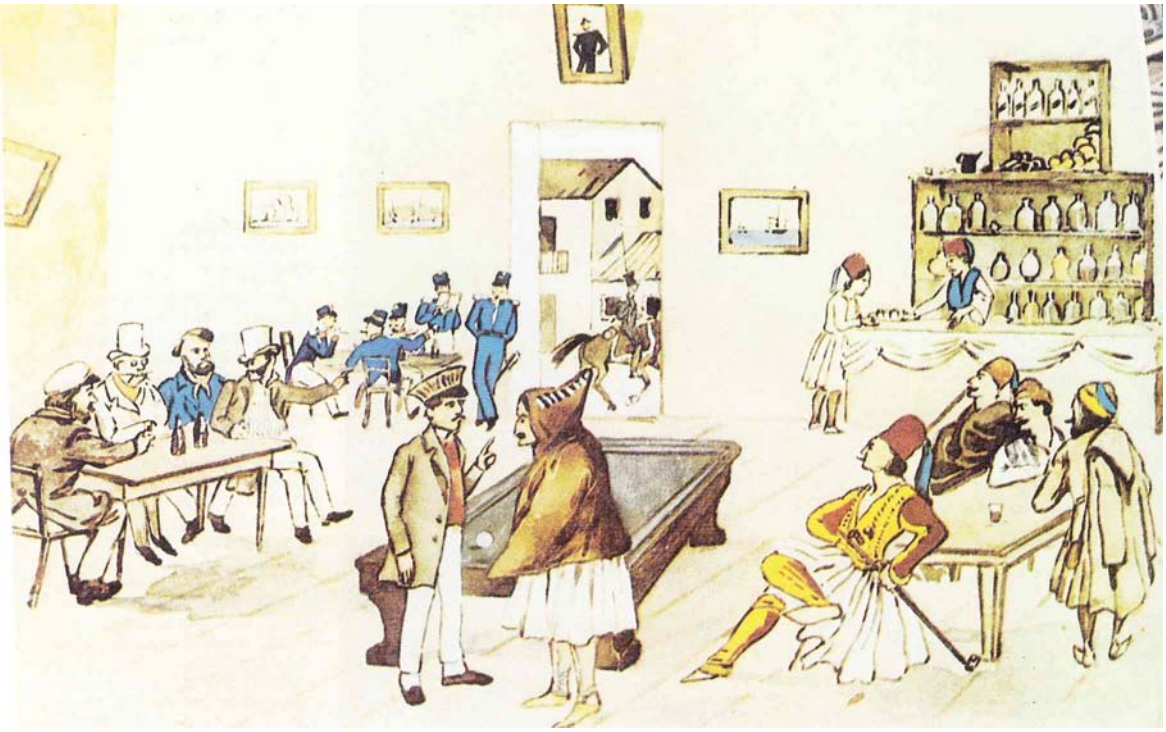

Figure 2.3 Ωραία Ελλάς *"Orea Ellas"* coffeehouse (1836).

At the beginning of the twentieth century the negative performance of the Greek economy had a detrimental impact on commerce and trade (Kremidas 2000: 187). The government at the time was struggling to meet its public debt obligations, which had been incurred pursuant to the creation of the modern Greek state. As a result of these conditions the food and beverage industries came into crisis, much like the highly developed textile industry.

However, during the war period the food and alcohol industry experienced growth. One of the first import companies of that time was Καρακώστας και Γιαννάκος (Karakostas & Giannakos), which was founded in 1903 by Nikolaos Karakostas. The company started as a food and liquor store in the centre of Athens, situated at the corner of Athinas and Geraniou Streets. The shop imported a variety of wines and spirits, which became very popular among the western-oriented Athenians of the time. ΑΜΒΥΞ (Amvix*)* is a similar company that was founded in the war period, specifically in 1917, by Albert Revah and two other partners. *Amvix* imported luxury food products and beverages and soon became one of the leading import companies in the sector. However, this was one of the most difficult periods for the imported beverages sector.

Turkish nationalism and the war of Asia Minor resulted in the retreat of Greek troops and Greek refugees from central and western Turkey. At the time the state had contracted with several companies for the provision of consumer goods for the army. Furthermore, the decline of international trade between 1914 and 1918 resulted in a sharp decline in imported commodities and a corresponding increase in domestic production. After 1922 one and a half million refugees fled to Greece. Several among them decided to invest in the liquor industry, while others sought to continue their family businesses in Greece.

The period between 1923 and 1939 was characterized by the development of many small industries, which was a result of the arrival of the large number of refuges from Asia Minor during the Greek–Turkish war. The economic crisis of 1929 did not harm the Greek economy to the same extent as other countries, and this allowed industry to expand. Within this context the food and alcohol industry also developed, for similar demographic reasons (Riginos 2000: 204). It was also during this period that small quantities of whisky were first produced and consumed in Greece. The famous *Karoulias* importing company was established in 1940 and imported a variety of foods and drinks to Athens.

Figure 2.4 The first whisky label produced in Greece by the Kalogiannis Brothers (Ouzo 12). The label dates from the inter-war period. (National Literature and Historical Archive of Greece).

During the Second World War the Germans imposed a harsh regime, appropriating all available food and alcohol sources and forcing the country to pay for all occupation costs. The result of this policy was a famine during the winter of 1941-1942, which caused the deaths of 100,000 people. Despite the fact that food was in short supply, the wealthy continued to have access to British, French and American luxury delicacies and specialty goods, including whisky (Clogg 1992: 127). In 1944, when the war was almost over, Winston Churchill and Josef Stalin made the informal "percentages agreement" which established British predominance in Greece and Russian predominance in Romania and Bulgaria (Clogg 1992: 138). Under these conditions the British forces played an important role in the repression of the insurgent communist forces and the establishment of a new national political framework.

After the war the British revived the economic life of the country by giving a loan of ten million pounds to the Greek government. However, a result of this was their active involvement in the political economy of the country. The U.S. government too, through the Truman doctrine, included Greece in their sphere of economic and political influence. Due to the difficult years of the war in combination with the Greek civil war (1946-1949), the efforts of the United States to compete with the influence of the British coupled with the fear of communism made Greece a major recipient of aid through the Marshall plan. According to historians, “Between 1945 and 1950 Greece received U.S. $2.1 billion in all forms of aid, a sum greater than the total of all foreign loans contracted between 1821 and 1930” (Koliopoulos and Veremis 2002: 172).

Under these conditions liberalism was promoted as the core economic system of the post-war period. Within this perspective, the state should not interfere in the market but rather should support and sustain the forces that enable supply and demand. Especially after 1954 this principle became central in the state’s post-war policies (Hatziiosif 2000: 295).[18] Furthermore, the monetary reforms that took place during that time had a very positive effect on foreign investment. Through the effect of the Marshall plan and the promotion of further plans for economic support, the Americans became important agents in Greece to the extent that “few major military, economic or indeed, political decisions could be taken without American approval” (Clogg 1992: 146). That client relationship would dominate most of the second half of the twentieth century in Greece. Under these conditions of British and (even more) American patronage, trade between Greece and these two countries was further developed and expanded. It was no coincidence that after the war there was a massive flow of new products and commodities that arrived from both Britain and the USA.

After the Second World War the Greek alcohol and import industries developed massively. More particularly, the GNP per capita growth between 1952 and 1972 increased at an average rate of 7-8 percent and remittances flowed into the economy as a result of the high level of migration of Greeks to countries such as Germany and Australia (Koliopoulos &Veremis 2002: 174). Consumption increased considerably and new consumer goods appeared on the market. Furthermore, the companies that had traded in food and imported drinks before the war were further developed and became actively engaged in importing whisky. In 1951, for example, the company known as Karakostas & Giannakos (Καρακώστας και Γιαννάκος) was renamed Genka (ΓΕ.Ν.ΚΑ.). Genka imported a variety of whiskies, such as Ballantines and Canadian Club, into the Greek market after the 1960s.

In the 1960s more companies that were principally focused on the production and importation of alcohol and whisky invested in the market. In 1963 the Athenian breweries contracted with Amstel beer and a new factory was founded in Athens (Kerofilas 1997: 138). During that period the economy was booming and the first supermarkets, such as Vasilopoulos and Marinopoulos, were established in Athens. Coca Cola and other new soft drinks appeared on the market and a variety of standardized consumer goods became part of daily life. Athens started growing rapidly and the first luxury hotels, such as the Monte Parnes and the Hilton, were founded. The Karoulias Company expanded further into the alcohol and beverages sector and moved out of the food sector. It was during this period that Karoulias became the representative of Cutty Sark Scottish whisky in Greece. A characteristic example of the developments in this period is the joint corporation of Λίζας & Λίζας (Lizas and Lizas), the unification of two family distilleries, one in Pireus port and one in Kalithea. The company was created in about 1965 and continued producing spirits

[18] An important role in the development of consumerism during the 1960s and 1970s was played by Spyros Markezinis, head of the Ministry of Economics under the Papagos Greek Rally (Clogg 1979: 168).

for the Greek market, such as the liqueur Eoliki. During this period the company became increasingly aware that imported drinks were also becoming more and more fashionable in Greece and therefore they decided to import other beverages to sell on supermarket shelves.

The period after 1967 is known as the dictatorship, when the regime of the colonels took over the Greek democracy. After that period nothing would resemble the Greece of the past, either socially, economically or culturally. This was the time when Greece negotiated its political institutions and tried to develop and become modernized.

From the beginning of the dictatorship the colonels arrested more than 10,000 people, including all major politicians. Other people left the country for different European destinations in self exile. The main figure who could legitimize the group of the dictators was King Constantine. Under pressure he agreed to cooperate. However, under constitutional changes that started in May 1968 and amid the increasing violence and torture of citizens, the King stated, "This is not my government" (Gallant 2001: 199). King Constantine left in exile as all efforts to change the situation, including the coordination of a counter military coup against the colonels proved fruitless.

The colonels who organized the so-called "glorious revolution" were Giorgos Papadopoulos, Nikolaos Makarezos and Brigadier Colonel Stilianos Pattakos (Gallant 2001: 197). They were not so much interested in modernizing Greece as in saving the country from the "communist threat" and other hidden enemies who supposedly had as their target the "glorious Greek civilization". The colonels' conservative policies included the banning of mini-skirts and the imposition of a mandatory hair length for men. In addition, their overt nationalistic discourse was immediately expressed in their symbols. With the revolution the mythical phoenix was reborn as the Greek nation. The colonels had no clear plan or policies or even a coherent ideology, and in that sense they could not articulate a future political economy (Koliopoulos and Veremis 2002: 174). Even so, the Greek economy went though a period of sustained growth and low inflation, the result of a longer process that had already started in 1952. Remittances flowed into the Greek economy from "guest workers" in Germany and other European countries (Koliopoulos and Veremis 2002: 174). During this period tourism played an important role in raising people's incomes and strengthening the economy.

The regime wanted to attract foreign capital and industry to Greece and tried to bring Greek ship-owners back to the country by offering generous privileges. These actions, though, were not enough to keep up with the work of their democratically elected predecessors. The regime borrowed heavily to finance their schemes and this resulted in inflation that could only be kept under control by means of violent pressure on workers and trade unions, who could no longer negotiate their salaries and rights (Gallant 2001: 200).

The first country to accord official recognition to the regime of the colonels was the U.S.A. Under Richard Nixon the relationship between the two countries became tighter and Greece's position as part of NATO during the dictatorship became more important. The major reason for this diplomatic approach was the changing political and economic conditions in the Middle East and the Eastern Mediterranean such as the coup of Qadhafi in Libya, the continuing Arab-Israeli conflict and the increasing Soviet influence in the area (Gallant 2001: 201).

In Greece after 1973 there was a worsening performance in most sectors of the state and the economy. This can be understood as a result of the seven-year dictatorship and the world petrol crisis. Foreign and domestic investment declined and inflation increased (Close 2002: 170). The economic conditions favored importing, and as a result the trade deficit became much bigger than before. Brands emerged everywhere; household shelves became packed with supermarket products; and marketing was found in many different contexts. American cigarettes became popular and whisky was found at entertainment and social events. Vodka was not widely consumed, especially during the dictatorship, because it was considered “a drink for communists or for people who were leftist”.[19] During the post-authoritarian period, more companies importing alcoholic beverages were established and there was an effort by several importers to produce whisky in Greece. The company Μπόικος (Boikos), for example, was founded in 1978 and represented William Grant whisky. Other imported drinks included Glenfiddich, the bourbon Old Huck, Whyte and Mackay and Havana Club.

With regard to the production of whisky during the seventies, the producer companies tried to present the whisky they made as Scottish and therefore depicted what they considered to be “Scottish” symbols on the labels of their bottles. Their beverage was named “Scot”, “blended” or “Greek” whisky. As a result, the Scottish Whisky Association petitioned the Greek court of justice to prohibit the production of any beverage called “Scots” or “blended”. According to the Scottish Whisky Association, the company Kissamos G. Koutsourelis ABE

> Produced and distributed onto the Greek market an alcoholic drink bottled in such a way that confusion was created regarding the kind of drink and its country of origin. The word “Scot” was written on the label of the bottle, there was a design depicting traditional Scottish dress, and under the design there was an English shield. Furthermore, most of the words were in English. Consequently, the consumers considered the above drink to be Scotch whisky.

Similarly the Greek firm Maria Katsarou - Alexandros Merzanakis OE produced an alcoholic drink on the label of which was the name “Golden crown whisky”. Also on the label was a picture of an English Guardsman, at the bottom of which was written in Greek “Greek whisky”. Another producer and distributor of whisky was *Apostolos Vamvounis*. Vamvounis produced whisky in a bottle labelled with the words “Black Lion, finest blended whisky” along with a picture of a lion’s head together with the words “Ailisburn, the finest whisky” and the design of a unicorn and a coat of arms. The Greek company A. and G. Georga OE also distributed a drink on the Greek market, which bore no relationship to whisky. However, on the label of the bottle were written the words “Scotch Whisky” in Greek, and it was named “The golden horseshoe”. There was also a design of a horse surrounded by a horseshoe.

Other companies that were engaged in the trade in whisky and other products in the food and beverages sector during the 1970s and 1980s included Nektar, Apka and Perseus. Nektar (Νέκταρ) was founded in 1976 as Kanelakis Bros (Αφοι Κανελάκη) and imported Dewar’s, Bell’s, Dimple, Haig and Classic Malts from 1985 to 1991. Nowadays Nektar imports a variety of other products such as ice tea, mineral water and soft drinks. Another small importing company was Perseus (Περσεύς), with whiskies such as Jack Daniels and Usquaebach. Apka (Άπκα) was also founded in 1985 and became the representative of the Russian vodka Stolichnaya.

[19] Interview with the president of Pernod Ricard Greece, C. Loutzakis, 22 February 2006.

After the 1970s multinational corporations, including producers of whisky and other beverages, became more aware of the new markets that were emerging globally and therefore tried to take advantage of these new economic conditions. In addition, they were confronted with the rigidity of Fordist and Keynesian policies and therefore new strategies had to be adopted in order to be able to deal with the global economy. As Harvey has pointed out, globalization entails the shrinking of time and space (1989). The capitalistic system has been through various phases, and its current phase began in the 1970s as a result of the crisis in the Fordist system of production (Harvey 1989).

The regime of flexible accumulation came after the crisis of overaccumulation of western capitalism and more specifically after the 1970s. Until that time the Fordist system of mass production of standardized products was so efficient that began to overproduce, resulting in massive unemployment and reduction of demand. The decline of consumer markets further influenced many sectors, corporations and government revenues. Many states decided to print more money in order to solve the crisis, but this created further inflation. Consequently, the Fordist system of production was affected by the crisis to such a degree that it was abandoned. The over-production of the standardized commodities of the system resulted in overproduction and over-supply, which reduced demand. This decline of the Fordist system pushed capitalists to re-examine the value of mass production in the form of long-term contracts between the state, employees and industries. Consumer markets declined, consumers could not buy the products that had been over-produced, and governments could not handle the escalating crisis.

“Flexible accumulation” became a strategic choice for many companies especially after the oil crisis of 1973 (Harvey 1989: 145). Under these conditions there was a shift to services, to more effective means of controlling and expanding commodity chains, to growing inequalities (such as the Nike factories in South East Asia) and to time and space compression which makes commodities circulate faster and more easily around the globe. Especially after the 1970s, the goal became to speed up both production and consumption.

At the end of 1980s and the beginning of the 1990s, it was quite clear that the Greek whisky and alcohol market had grown large despite the small population of the country and the fact that tastes had for a long time been based on wine and ouzo. Furthermore, the low taxation policy for countries in the European Economic Community led to the development of larger corporations that could import and export their products in a much easier and more profitable way. The competition between small family companies that had been based on personal networking in distribution and in marketing was entering a new era.

Transnational Capitalism: the multinationals take control of the market

For the most part the Greek economy was faced with many problems from 1980 until 1993. Average growth was among the lowest in Europe, with 1.3 GNP in 1980-82 and 0.5 GNP in 1990-93 (Close 2002: 168). Despite the fact that there was a large black market in Greece that was not represented in economic figures and therefore not captured in economic calculations, the E.E.C. standards for convergence between the

GDP per capita and the E.E.C. average were far too high for the country. According to Close, these figures

> Indicate that Greece had somehow failed to benefit from a massive influx of EEC subsidies and loans, for which its government had bargained forcefully, and had become the community's seemingly incurable invalid – a despised one at that, given the flagrant way in which Community aid had been wasted in corruption and vote buying (Close 2002: 169).

During the 1980s the socialist PASOK Party could not overcome the crisis and as a result the GNP fell to 1.6 per cent.[20] The second oil-price shock that caused international turbulence was moving the country into turmoil as the effects of inflation were found in all aspects of the economy. Despite the efforts of PASOK to support the welfare state and bring a more democratic social policy into practice, the country's economy did not become very competitive. In addition, "although EC membership revived foreign investment, the end of protectionism hit indigenous firms hard. High consumer demand had always outstripped domestic supply, increasing imports and inflation" (Koliopoulos & Veremis 2002). These were far from ideal conditions for negotiations between multinational companies and Greek distilleries or import companies.

A major problem within the imported beverages sector was the introduction by the Greek government of an import quota for alcoholic beverages, including whisky, during the 1980s. This import quota had a negative effect on the imports of Scotch whisky in Greece. Indeed during the 1983 a discussion began in the British parliament about the pressure of the government to Greece and to the E.E.C. The Hansard archive of the House of Commons provides an insight from this debate (Hansard Digitization Project):

Mr. Roger Sims

> Asked the Minister for Trade whether, in view of the restrictions already imposed on Scotch whisky by Greece, he will make representations to the Greek Government concerning their proposed introduction of quotas for imported spirits.

Mr. Sproat

> The Government made strong representations to the European Commission about the inclusion of whisky in the recent Greek request for quotas. But in view of the doubling of Greek imports of whisky since 1980 and a substantial increase in imports of other spirituous beverages the Commission has now allowed Greece to introduce an import quota for spirituous beverages including whisky for 1983 at levels slightly below 1982 sendings. We shall continue to press the Commission for early action against a variety of Greek fiscal measures which illegally discriminate against whisky. (HC Deb 14 February 1983. Vol. 37 c59W 59W)

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[20] The PASOK (ΠΑ.ΣΟ.Κ.) or Pan-Hellenic Socialistic Party first came to power in October 1981 and was re-elected in 1985. During this period the founder of the party, Andreas Papandreou, became the prime minister.

Despite this debate in the House of Commons the restricted system of commodity flow (of Scotch) continued to regulate demand and by 1986 the import quota for spirituous beverages had increased several times (Stewart 1989). Particularly after 1985, Greek distilleries and import companies started discussions with the larger multinationals regarding cooperation or selling. According to one of the heads of a large import and production company in Greece, which came to be part of the Pernod Ricard Group

> Many people in the importing industry realized in the 80s that a large quantity of imported beverages and whisky was flowing into the country. In that sense we could foresee that after some years we were going to cooperate with foreign and multinational institutions. After 1984, when PASOK was already in power, there was no option. And I don't put it politically but economically. The market in Greece was far too small in comparison to Europe and we couldn't compete with any foreign institutions. With this perspective, our company merged with the Pernod Ricard Group in 1990 and since then we have all the company's brands in our hands.[21]

Pernod Ricard was founded in France in 1975 and became the world's second largest company dealing with the production and distribution of whisky and the first for aniseed drinks. The company trades in Scotch whiskies such as Chivas Regal and Ballantines, malt whiskies such as Aberlour and The Glenlivet, Irish whisky such as Jameson, Canadian whisky and Bourbon whisky as well. The company had already acquired the Campbell distilleries in Scotland in 1975, Austin Nichols in the U.S.A. in 1980, Irish distilleries in Ireland in 1988 and, in 1990, the *EPOM (Ε.Π.Ο.Μ.)* distilleries in Greece who were also importers of whisky. The biggest acquisition successes in recent years have been 38% of Seagram wines and spirits in 2001 and total control of Allied Domecq in partnership with Fortune Brands in 2005.

Similarly in 1992 the multinational Berry Bros and Rudd Ltd took partial control of one of the biggest alcohol import companies in Greece, Karoulias. Karoulias had been a major importation and distribution company in the Greek market from the 1960s. However, in 1992, Berry Bros (owners of Cutty Sark Scotch whisky) bought most of the shares in the company. Furthermore the company signed a deal with Brown Forman Co, the owners of Jack Daniel's and Southern Comfort, in 1994. In 1998 the company cooperated with Remy Hellas, part of the Maxxium Hellas group, and took control of their products which included Famous Grouse, Plomariou Arvanitou (Πλωμαρίου Αρβανίτου) ouzo, Cointreau and Remy Martin. In 1999 the company managed to gain control of the distribution of Metaxa in Greece. In 2000 Berry Bros acquired 100% of Karoulias. In recent years the company has been actively involved in the wine business by cooperating with Kir-Giannis (Κυρ-Γιαννη Μπουτάρη) distillery, Spyropoulos (Κτήμα Σπυρόπουλου), Sigalas (Κτήμα Σιγάλα) and United Distilleries of Samos (Ένωση Οινοποιητικών Συνεταιρισμών Σάμου). Some of their most popular products are Cutty Sark, Jack Daniel's and Famous Grouse.

The leading multinational in the alcohol industry in Greece is Diageo. The company's history in Greece (as Diageo Hellas) is related to the foundation of United Distilleries Boutari and the United Distilleries Greece. These companies merged in 1995 and acquired the business of United Distilleries Kanelakis. In 1997, when the

[21] Interview with the president of Pernod Ricard Greece, Mr. C. Loutzakis on 22 February 2006.

global merger of Guinness and Grand Metropolitan created Diageo, the Greek subsidiaries of the two companies IDV Metaxa and United Distilleries Greece merged into UDV. In 2001 the company was renamed Guinness UDV Hellas and in 2002 it adopted the name Diageo. Its products include the most popular whiskies on the Greek market, such as Johnnie Walker, Bell's, J & B, Haig, Vat 69, Black and White, White Horse, Dimple, Cardhu and a variety of Scottish single malts. Furthermore, many brands that were traded by smaller companies such as Nektar (Νέκταρ) from 1985 to 1991 finally passed on to Diageo. Today Diageo multinational has investments in more than one hundred and eighty countries.

These three multinational companies have come to control the majority of the alcohol market not only in Greece but around the globe (see Table b). In Greece alone, Diageo, Karoulias (Berry Bross), Pernod Ricard (ΕΠΟΜ), Bacardi- Martini Hellas, Amvix and Mantis take almost 80% of the gross profit of the market, while there have been at least two hundred and eighty-five companies competing to take a share.[22]

In conducting research relating to the above-mentioned companies, several themes became apparent that express their localized character over the past few years. Issues of nationality, for example, and the accumulated history of each company are expressed in the legal names attached to them. 'Pernod Ricard Hellas' is followed by the abbreviation EPOM (Ε.Π.Ο.Μ.), the name of the Greek subsidiary that merged in 1990, and Karoulias still has the same name despite the fact that Berry Bros and Rudd has taken total control of the Greek firm.

In terms of competition, the multinational corporations have fought to take as great a share in the market as they can by contracting with smaller importers and producers in Greece. According to the distributor for Diageo on Skyros and the president of Pernod Ricard Greece, this has been achieved by a "rationalization of distribution". The effectiveness of certain distribution strategies in recent years has resulted in easy and fast distribution to a variety of small communities like Skyros Island. The multinational corporations have employees responsible for different areas of Greece who travel regularly to specific destinations to deal with the local distributors and take their orders. These employees usually work under the "sales department". They offer detailed catalogues of all the products of each company, usually with photographs. The local distributor just fills out the order form and within a short time the products are sent to him or her. The actual distribution is contracted with particular distribution companies that specialize in this sector. The main characteristic of this "rationalization process", as Mr. Loutzakis put it, is that "in the past, production and distribution were pursued by the same means of operation, while now distribution employs different means such as experts on logistical operations".

[22] These data are changing continuously due to new deals and mergers in the food and beverages sector. They are based on an economic report in the *Elefterotypia* (*Ελευθεροτυπία*) daily newspaper, Economy section, 25-05-2003 under the title "Ανθεκτικά τα κέρδη".

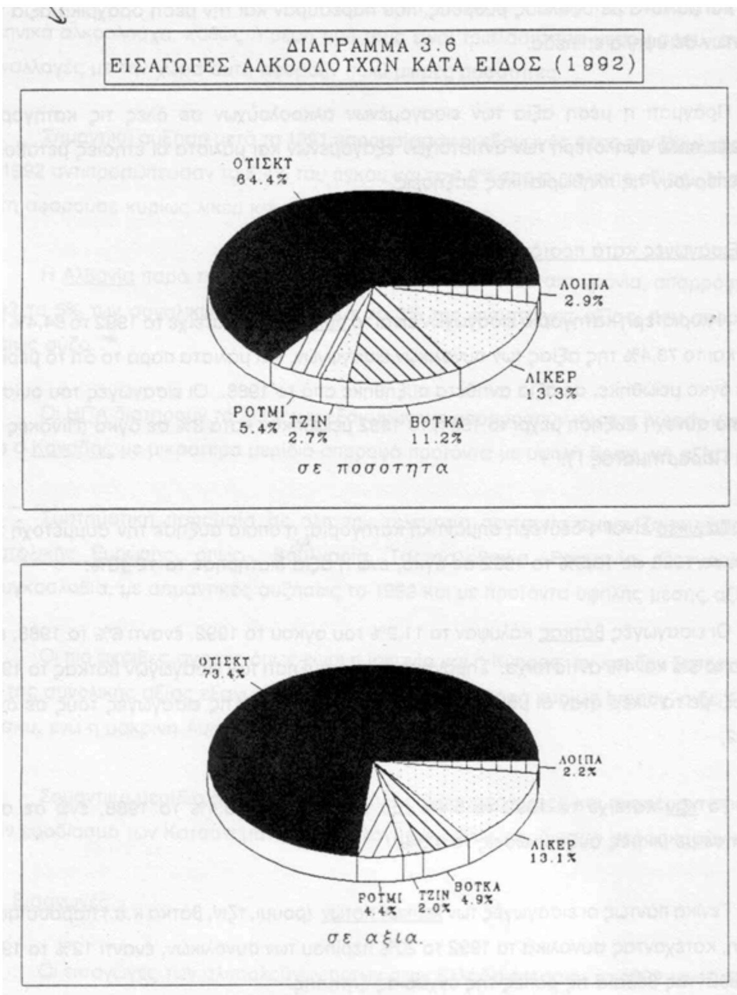

Figure 2.5 Imports of alcoholic beverages into Greece (1992). The dark section of the pie corresponds to Whisky and the other sections to various other imported beverages. The first pie relates to quantity and the second to economic value. Source: Foundation For Economic and Industrial Research (IOBE), Greece.

Since the beginning of the 1990s, when the multinational firms took hold of the market, the amount of imported whisky has increased. That can be understood in terms of the effectiveness of the strategies used and the decreasing number of competitors. During this period the market for whisky in Greece has become the largest one in terms of imported drinks. This is illustrated in figure a, where the dark section of the pie corresponds to whisky in terms of quantity and the second one in value in comparison to other alcoholic drinks that include rum, gin, vodka and liqueurs. The country of origin of these imports has mainly been the United Kingdom, with 70% of quantity and 78% of value of the total imports of alcoholic beverages (IOBE 1993). Similarly the consumption of alcohol in Greece in 1999 and 2000 was approximately 6.4 million boxes of twelve bottles totaling nine liters per person. This quantity corresponds to 40% of the total consumption of alcohol. Since then there have been small changes in these numbers, but still today Greece occupies seventh position in the total consumption of whisky globally with 31 million bottles of 70 ml. (Scotch Whisky Association).

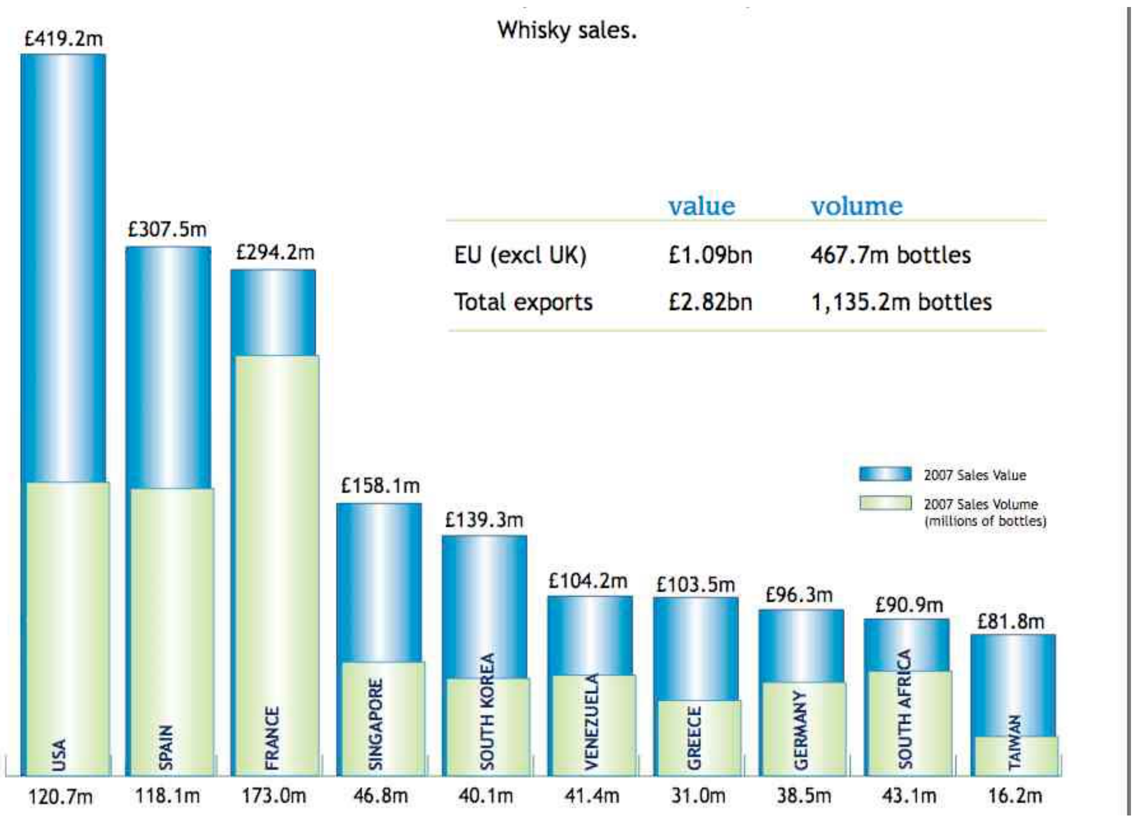

Figure 2.6. Scotch whisky export markets in 2007 in terms of value in British Sterling.
Source: Scotch Whisky Association.

Despite the fact that in recent times new beverages (such as the ready to drink products) have been promoted, whisky still holds the biggest share of the market. The market for white drinks such as vodka, tequila and rum has also been increasingly developed of late. However, this process is related to the establishment of the commodity chains of the multinational companies that are trading in a larger variety of drinks in a more efficient way and have larger marketing budgets for these products than in the past.

The promotion and marketing of whisky has been an important concern for the companies that have been trading in the drink over the last decade. It is worth stating that most of the multinational companies have recently developed marketing departments, taking into consideration local and national factors relating to consumption. Greece is the only country in Europe where the advertising of alcoholic drinks by almost every means is permitted. There are no legal constraints on the marketing of alcoholic beverages; restrictions on marketing rest solely in the hands of the companies themselves, and they are actually able to decide on their own “moral code”. As a result, there is a large quantity of advertising in the mass media, in public spaces and other contexts.

Year	Investor	Target	Result
1988	METAXAS	KALOGIANNIS BROS (ΑΦΟΙ ΚΑΛΟΓΙΑΝΝΗ Α.Ε.), ΟΥΖΟ 12	100% was bought
1989	GRAND METROPOLITAN	METAXAS	100% was bought and 35% of ΟΥΖΟ 12
1989	3 E, LEVENTIS GROUP	BOTRYS	
1989	ALLIED LYONS	GENKA (ΓΕ.Ν.ΚΑ.)	35% was bought; in 1993 90%
1990	PERNOD RICARD	LIZAS & LIZAS	90% was bought
1990	GRAND METROPOLITAN	ΟΥΖΟ 12	70 % was bought
1991	BOUTARIS GROUP	KAMPAS (ΚΑΜΠΑΣ)	67% was bought
1992	BOUTARIS GROUP	HENNNIGER HELLAS A.E OF BSN GROUP	67% was bought
1992	BERRY BROS and RUDD Ltd. "Cutty Sark"	KAROULIAS AEBE (ΚΑΡΟΥΛΙΑΣ)	100% was bought
1992	BOUTARIS GROUP	UNITED DISTILLERIES BOUTARIS	50% was bought
1993	BOUTARIS GROUP	BOTRYS	100% assets were bought
1993	BOUTARIS GROUP	DISTILLERIE OF AEGEAN (ΖΥΘΟΠΟΙΙΑ ΑΙΓΑΙΟΥ)	100% was bought

Figure 2.7 Table of mergers and cooperation in the Beverages sector, 1988-1993. Source: Foundation for Economic and Industrial Research (IOBE), Greece**.**

From local trade to transnational capitalism

This short history of imported alcoholic beverages in Greece demonstrates the shift in ownership from local producers of alcohol and local importing companies to global corporations and multinational capital. This shift is nothing new; such processes are taking place in various forms everywhere and are entwined with globalization (Appadurai 2001). However, this story does not suggest that the shift is a unilinear process that can be found in all markets. Various scholars have suggested that the opposite direction, i.e. from global corporations to localized business operations, is also possible (Foster 2008: 71, Miller 2002: 252). Coca Cola, for example, is one such case of a localized network with its franchise system.

The transnational alcoholic beverage companies that appeared in Greece profited largely from their investments in the Greek market as the consumption of Scotch and other beverages raised considerably. Their decision to invest was based on the fact that the end of the 1980s signaled also the end of the *metapolitefsi* when transnational private capital investment was largely supported by the State and new private media such as television channels, radio stations and newspapers were established for the first time in Greece.

The speeding up of the processes of production and consumption during the 1990s resulted in the subcontracting and merging of Greek companies with the largest global competitors in the alcohol business, namely the Diageo, Pernod Ricard and Berry Bros companies. These companies in turn managed to gain control of almost 80% of the market within a few years, taking advantage of the local knowledge of their subcontractors and their associates in Greece. The companies used new technology and new production methods, but more importantly they established new distribution methods that made it possible to move the commodities faster from the production site and the import location to the retail store and the consumer.

As Appadurai has argued, "globalization from above" as defined by corporations, multinational agencies, policy experts and national governments is a complex and powerful force of change (2001: 19). Within this context,

> Global capital in its contemporary form is characterized by strategies of predatory mobility (across both time and space) that have vastly compromised the capacities of actors in single locations even to understand, much less to anticipate or resist, these strategies. (Appadurai 2001: 17)

However such theoretical perspectives raise questions about the effectiveness of commercial strategies on consumers. One could argue that elite owners of the means of production and distribution of alcoholic beverages as well as those who are producers of cinema imagination and marketing do not leave consumers much space for resistance. As Adorno has argued, the cultural industry creates a form of mass deception and as such consumers are disciplined to become modern European emancipated persons, a form of instrumental rationality that makes people submit to its authority as domination (1991: 98-106).

De Certeau, on the other hand, has suggested that powerful strategies such as these practices of powerful industrialists and media producers do not necessarily dominate the contemporary consumers (1984). Strategies are practices calculated by capitalists, organizations or bodies of expertise that have power over others and are able to claim a space of their own, like the multinational whisky corporations. A tactic, by contrast, is a calculated practice of the disempowered and of those who do not have a protected space from which they can operate and are therefor forced to act within the territory of those who hold power (de Certeau 1984). Consumers in that sense have tactics in their everyday life. Rather than being simply consumers they are potentially secondary producers. Such resistances will be investigated in the coming ethnographic chapters of this study.

Furthermore, large-scale economic globalization is not necessarily a process from above. Local businesses want to become part of global corporations and actively search for these possibilities. In the words of Mr. Loutzakis, president of Pernod Ricard Greece, who was the owner of the family alcohol business Lizas & Lizas, "the big corporations were in search of us just as we were in search of them, and that's how in 1990 our company got married to Pernod Ricard" (interview with C. Loutzakis). The "marriage" of local business to global corporations continued in various other contexts of the market and characterized many other businesses.

A reorientation from large-scale globalizing strategies to the "everyday" actions, movements and sensations of the ordinary people (de Certeau 1984) is able to bring more insights into the disempowered space of consumption as the second part of the study suggests. However in order to gain a better understanding of the meanings of Scotch in contemporary Greece, I first turn to the cinematic scenarios of commercial Greece cinema and the strategies of marketing and advertising in relation to Scotch whisky.