Revisiting Coca-Cola’s “Accidental” Entry into Communist Europe

Abstract: This article focuses on the puzzling circumstances that led to the production of the first bottle of Coca-Cola in Eastern Europe—in Bulgaria in 1965. The curious story line is revisited because, while opposition to the expansion of the iconic drink after World War II particularly in Eastern Europe, has been well studied, more has come to light about the economic activities and intentions of the Bulgarian Communist Party. A central argument is that the ideological opposition of communist parties across Europe held less power than did local economic interests. What looked like the surprising “breakthrough” of Coca-Cola instead fit a general strategy to intensify trade with the West. The article broadens the understanding that local actors contributed to the cracking of the Iron Curtain at least as much as did the “irresistibility” of Western culture.

Keywords: Bulgaria, Coca-Cola, Communism, Cold War, consumption, Eastern Europe

In the summer of 1961, American film director Billy Wilder was in Berlin shooting the comedy One, Two, Three. In one scene, the main character, Coca-Cola executive C. R. MacNamara (James Cagney), claims that his company will be the first to breach the Iron Curtain. “Napoleon blew it. Hitler blew it. But Coca-Cola’s gonna pull it off,” he says. Typically, the seeming absurdity of such an idea would have been enough to make people laugh. But that particular summer, not many people were laughing at Billy Wilder’s humor. On the morning of August 13, when the Hollywood crew showed up at the shooting location next to the Brandenburg Gate, they were astonished to find the set literally divided in two. Through it, built overnight, ran the Berlin Wall.

The comedy was eventually completed after shooting was moved to a parking lot in Munich. When the movie finally hit screens in Germany and the United States, audiences found it unnerving rather than funny. It took another two decades before its brilliant humor could finally be appreciated— the film achieved box-office success only after being re-released in 1985. While the comedy may not have seemed very amusing back in 1961, it did prove to be prophetic. Audiences, of course, had no way of knowing this at the time, nor did the film’s creators. In retrospect, though, we can see that at least two of the movie’s fictional premises anticipated real historical events.

In one scene, MacNamara is negotiating with three Russians. They offer him a Cuban cigar, explaining that they had signed a trade contract with Cuba: “We send them rockets, they send us cigars.” A year later, in October of 1962, the joke turned into reality—Russian missiles were discovered in Cuba, precipitating the Cuban Missile Crisis.

Coca-Cola’s breakthrough was the other sarcastically suggested premise that came true four years later— albeit not in the Soviet Union, as One, Two, Three’s main character anticipated, but in Bulgaria. One nuance mars the clairvoyance of the moviemakers: the development did not result from the corporation’s negotiating genius. It was arranged through the seemingly inexplicable, possibly erroneous, initiative of local actors.

Billy Wilder’s film drew on the strong symbolic presence that Coca-Cola had established around the world, and in particular on the role it played in the Cold War. Coca-Cola was one of the most debated items of merchandise in twentieth-century European commercial and popular culture. As Miller (1998: 170) points out, it developed into a meta-symbol, representing anything from a capitalist commodity to imperialism, Americanization, and more recently, globalization.

Its arrival in Europe in the twentieth century elicited strong passions, both positive and negative, in the West and the East. For economic reasons and due to fear of Americanization, ideology-based populism fueled opposition to Coca-Cola’s expansion across Western Europe in the early 1950s, as shown by the research of Kuisel (1991) on France and Sørensen and Petersen (2012) on Denmark. But while some saw Coca-Cola as a threat both as cultural icon and as economic competitor, others perceived it as a desired product and a carrier of cultural liberation. Wagnleitner (1994) writes about the rebellious adoption of Western culture.
of Coca-Cola by the postwar generation in Austria, which used the drink (as well as other symbols of U.S. pop culture) to re-pudiate the values of previous generations.

But while passions over the drink in Western Europe receded in the 1950s, the Cold War kept them alive in Eastern Europe until the 1980s. Within the East-West tension, Coca-Cola was seen (and used) as an ideological weapon by both sides (Pendergrast 1993). Also in the East the drink became to many a symbol of freedom and modernity (Wagnleitner 1994; Veenis 2011). This made it unacceptable to communist governments in the East, but at the same time so desirable that various domestic soft-drink industries were compelled to create their own versions of the forbidden drink (Veenis 2011 for East Germany; Pribyl and Veselá 2014 for the former Czechoslovakia; Bajde, Damjan, and Kolar 2011 for the former Yugoslavia).

While the body of research on Coca-Cola in Europe is significant, one of the arguably most interesting moments of its history—its actual penetration of the Iron Curtain—has so far escaped scholarly attention. This article fills the gap. Relying on primary sources such as the documentary A Cold Coca-Cola in the Days of the Cold War (Atanasova and Nedeva 2005), promotional materials of Coca-Cola (Atanasova and Nedeva 2006), the biographical writing of the documentary’s central character Toncho Mihaylov (2007), and an open-ended interview that I recorded with him in 2012, I discuss the seemingly surprising developments in the 1960s, which resulted in the production of the first bottle of Coca-Cola in Eastern Europe.

To analyze these developments in the context of the political and economic situation of the period, in addition to the above-mentioned research I draw on multiple studies of consumption under European communism, most notably: Gronow (2003) and Reid (1997, 2002) on Soviet Russia; Bren and Neuburger (2012) on Eastern Europe; Ivanov (2011) for a discussion of Bulgarian communist prosperity; and Grigorova (2013) for an investigation of communist Bulgaria’s trade with France. Within this framework I will attempt to clarify the historical record of the events and their interpretations (including in my own previous publications).

The analytical framework of this article combines political, economic, and cultural history, as do an increasing number of recent Cold War studies, in order to overcome the bipolar conceptual model dominating earlier research. This work taps into the ongoing debate about the role of local players in the gradual reorientation of the Eastern European social utopias toward consumption.

I begin by describing the events preceding the Coca-Cola contract as they had been presented to the Bulgarian public in the past: a dramatic story of an honest mistake made by a low-ranking official and the allegedly unexpected consent given by the state leader Todor Zhivkov to allow for the production of the controversial drink.1 I then argue that this interpretation of historical events is, if not wholly untrue, at least critically incomplete.

I analyze the historical incident from two perspectives. First, I assess it in relation to both public and concealed attempts by the Bulgarian state in the 1960s to intensify international trade beyond the Communist bloc. I then look at how ideological concerns, which triggered opposition to Coca-Cola in Western Europe, played a role in Bulgaria.

The “Accident”

In the past, the general public in Bulgaria was told that Coca-Cola arrived in their country in 1965 “by accident.” According to the story, in what could be labeled as one of the most astounding mix-ups in the history of communism, at least as far as everyday life was concerned, food technologist Toncho Mihaylov brought Coca-Cola into the lives of Bulgarians. A brief moment of confusion supposedly set in motion a series of events that eventually turned Bulgaria into the first country in the Communist bloc where Coke—the modern world’s most ubiquitous soft drink and the popular emblem of its biggest ideological enemy—was produced and freely sold.

Before its appearance in the local market, many Bulgarians believed that Coca-Cola was an alcoholic beverage. In the late 1940s many European communist parties, fearing Americanization, campaigned against the drink. In Italy, Unità warned parents that drinking Coca-Cola would turn their children’s hair white. Austrian communists warned that the bottling plant of the corporation could be surreptitiously transformed into an atomic bomb factory. In France, Le Monde warned of Coca-colonization and rumors spread of forthcoming advertisements of the drink on the façade of Notre-Dame de Paris (Kuisel 1991: 101). In Bulgaria, the state-run National Television showed inebriated American soldiers drunkenly stumbling around with Coke bottles in their hands and pockets.

While the communist parties in Western Europe subsequently changed their views (Kuisel 1991), the drink remained unwelcome in the Eastern bloc where political leaders not only saw Coke as a symbol of their greatest ideological enemy, but insisted on their own version of consumer utopia—even if, as Veenis (2011) notes, it often consisted of copying their opponents’ material world.

Against this background the arrival of Coca-Cola to the Bulgarian market in 1965 can certainly be seen as an unexpected and transformative turn of events. Indeed, the agreement to
produce the drink in Bulgaria marked an opening, which led to more contracts for Coca-Cola in the Eastern bloc and also opened the way to similar brands, such as Pepsi and Schweppes. But was it as accidental as we have been led to believe?

According to the version popularized in Bulgaria in the last decade, everything happened out of the blue in 1965. During food technologist Toncho Mihaylov’s first visit to Paris he entered a bistro. Observing a world much more glamorous than the one he had known in Sofia, he ordered a carbonated orange soft drink, labeled as Fanta. He loved the taste, so he asked his hosts to introduce him to Fanta’s manufacturers (Atanasova and Nedeva 2005, 2006; Mihaylov 2007; Shkodrova 2014).

Mihaylov was in Paris at the invitation of the Cifal company, which had a connection to the French Communist Party. The company was to supply Bulgaria’s first soft-drink factory with an assembly line. Because he was responsible for the factory’s setup, Mihaylov had traveled in order to familiarize himself with the equipment. The new factory’s production line was supposed to include a carbonated orange drink and, to him, Fanta seemed like an excellent example.

Two days later Mihaylov’s request for an introduction—which, as the story goes, would turn not only his personal life but also the spirit of Bulgarian state socialism upside down—was granted. As he was on his way to the meeting that his hosts had arranged, the car left the center of Paris and headed toward the suburbs. When it stopped in front of an industrial office building, he saw Coca-Cola–branded trucks lined up next to it. Startled, he took a closer look at the building, only to discover that its facade also bore the recognizable logo.

“But I want to meet with the manufacturers of Fanta, not Coca-Cola,” he told his hosts. Their explanation cleared up his confusion—both drinks were manufactured by the same company. Mihaylov now says that the day’s details have fallen through cracks in his memory, but one can easily imagine the horror that the then-forty-year-old technologist experienced.

At that point, he had already had some run-ins with the communist authorities, both because of his mother’s free-spirited thinking and his own history of disagreements with them, and thus maintaining his reputation and his career demanded a delicate balancing act. Having been sent to the other side of the Iron Curtain only after his boss personally vouched for him, he had been instructed to make contact only with his hosts from the French Communist Party (Mihaylov 2007: 43). And yet, on that spring morning, he found himself standing in front of the pop icon of “rotten capitalism,” and he was about to negotiate for its manufacture in Bulgaria.

Despite the risk, he entered the building. “I wanted to make orangeade,” he says, shrugging his shoulders, although it was probably very difficult for him to take the next few steps. The horror of the situation finally dawned on him when he shook hands with the group of high-ranking employees who informed him that he was the first Eastern European ever to seek out contact with the Coca-Cola Company (ibid.). Its representatives were undoubtedly just as disconcerted—after all, it must have been quite puzzling that a delegate from Bulgaria, known as the Soviet Union’s most loyal ally, was showing an interest in Coca-Cola.

In his autobiographical book Resisting Time, Mihaylov describes entering the offices:

[There were] already seven or eight people lined up and waiting for me, headed by Alexander Makinsky, the company’s vice-president for France. He shook my hand a little too heartily and asked what language we were going to speak in.

“In Russian,” I answered.

“Nu, horosho,” he said and embraced me.

It turned out that he was a prince who had emigrated from Russia, and that his son-in-law was now the head of the Paris police! My God, what a pretty mess I’d gotten myself into! I felt faint—I realized I was the first person from the socialist camp who’d ever asked to visit the Coca-Cola Company. (2007: 43)

Alexander Makinsky—a suave, multilingual White Russian émigré, as Mark Pendergrast (1993: 242) describes him in his book For God, Country and Coca-Cola—had an important role at the time. The company depended on his diplomatic skills to soften the French Communist Party’s hostility to their brand—a fight that the prince seemed to be winning by that point. The fact that Mihaylov was brought to the corporation’s offices precisely by these hosts suggests that the situation had already changed since the 1950s.

This part of Mihaylov’s autobiographic tale is filled with vivid exclamations of fear, shame, worry, and regret, suggesting he was not only aware of the explosive situation into which he had gotten himself, but also of the serious trouble that awaited him as a result (Mihaylov 2007: 44). Now beyond his control, events quickly led to the unavoidable outcome. The prince offered to visit Mihaylov in Sofia, to which the embarrassed Bulgarian—subscribing to the entrenched norms of politeness—had no choice but to accede. “There was no way a Bulgarian was going to say, ‘it’s not possible,’” recalled Mihaylov later (ibid.). To top it all off, Makinsky also called the Coca-Cola vice president in Brussels, informing him that his friend Toncho had invited them to visit Bulgaria.

Upon returning to the country, Mihaylov says that he tried to cover up the incident, hoping it would somehow get buried and “un-happen.” In the official report of his trip, he made no
mention of his visit to Coca-Cola. But two weeks later, Makinsky called him at the Texim enterprise offices in Sofia and inquired about the visit. The call caused Mihaylov to march directly into his boss’s office and tell him the whole story.

The boss in question was Georgi Naydenov, a notable figure in the history of Bulgarian communism. Naydenov had already gone through a curious personal transformation from a partisan under the alias Geto to an arms dealer and industrialist (albeit relying on the resources of state capital). The Texim enterprise, which he headed, participated in the free international market on behalf of Bulgaria’s planned communist economy. The soft-drink factory was just one of the large-scale businesses that the company developed between 1960, when it was founded, and 1969, when it was shut down under pressure from Moscow. In 1965, Naydenov’s influence in the country was extraordinary.

After hearing his subordinate’s story, Naydenov allegedly exclaimed, “One might as well be hanged for a sheep as for a lamb!” then picked up the phone and requested a meeting with Todor Zhivkov (Atanasova and Nedeva 2005). An hour later, with his terrified employee trying to hide behind his back, Naydenov was standing before Bulgaria’s prime minister and negotiating for Coca-Cola’s local manufacture (Mihaylov 2007: 45).

Pencho Kubadinsky, another famous partisan from the highest echelons of power, was also present at the meeting. “Hey, Geto,” he reportedly said. “You were supposed to make lemonade, and look at you now, talking about making alcohol!”

His comment gave rise to a discussion of what the drink actually was, but even before the confusion over its alcohol content, or lack thereof, could be cleared up, Todor Zhivkov interrupted the conversation: “Okay, I agree! Invite them to come!” These words put an end not just to the misinformed argument but also to Toncho Mihaylov’s anguish. As unlikely as the story’s beginning seemed to him, its outcome was even more unimaginable (Mihaylov 2007: 45–46).

A contract was signed within a month. The first bottle of locally manufactured Coca-Cola (with a logo in Bulgarian!)
was on the market in less than a year. That is how the country ended up as the drink’s first producer in the entire region, even before Greece and Yugoslavia, neither of which belonged to the Soviet bloc nor had the same reasons to object to the sale of Coca-Cola in their markets.

Doubting Mihaylov’s Tale

Although it is difficult to deny the entertaining drama of its plot, this account does not seem entirely convincing when viewed in the context of the history of Coca-Cola in France. Cifal, whose guest Toncho Mihaylov was at the time, belonged to the French Communist Party (PCF, Parti Communiste Français). The PCF were instrumental in the fierce fight in the late 1940s and the 1950s against the admission of Coca-Cola to their national markets.

The PCF’s newspaper, L’Humanité, formulated numerous fears of what the communists saw as the American strategy to colonize France and Europe via the Marshall Plan, and Coca-Cola was seen as one of the spearheads of the U.S. invasion. Kuisel (1991) illustrates the many ways in which communists publicly opposed the expansion of the corporation into the national market, warning of dangers such as the decline of the French national drink—i.e., wine—due to the incursion of Coca-Cola, the use of Coca-Cola’s distribution network for espionage purposes, and the threat of destroying the balance of payments with the United States.

The battle over Coca-Cola was gradually lost by the French communists in the 1950s, and the corporation broadened its presence on the national market. However, the drink remained a symbol of Americanization, with many French continuing to find it “distasteful and possibly harmful”; in a 1955 poll, 61 percent said they did not like it “at all” (Kuisel 1991: 115).

Considering these circumstances, and even if the French Communist Party later changed its position, it seems unlikely that the hosts of Toncho Mihaylov would have taken him for negotiations with Coca-Cola without a word of warning or at least an expression of surprise. It seems improbable that they did not mention to their guest that the sparkling orange drink he liked so well was produced by Coca-Cola, as Mihaylov explicitly said in our interview in 2012.

As members of the French Communist Party, even if they were no longer concerned with what Coca-Cola stood for, they must have been aware that the Eastern bloc still considered the United States to be its ideological archenemy. It is difficult to imagine that those responsible for putting Mihaylov in touch with the producers of Coke were unaware of the strangeness of his request, and of the blunder they were (possibly) helping him to make.

One might speculate that the representatives of Cifal hid from Mihaylov the identity of the producer because of the commercial interests of their company in connecting Coca-Cola and the Eastern markets. While this is a possible explanation, Mihaylov’s minor position made him an improbable candidate to carry out a major breach of the Iron Curtain.

Besides, even if the blunder recalled by Mihaylov is true, it is difficult to believe that it fairly presents the circumstances leading to Coca-Cola’s breakthrough in Bulgaria. Further doubts are cast by the economic and political context in Bulgaria at the time of the described events.

Reaching Out to the West in the 1960s

The 1960s experienced a gradual softening of the entire Communist bloc’s previous hardline attitude toward economic cooperation with the West. The Eastern European countries had already given up on creating a supranational trade institution through their Council for Mutual Economic Assistance, which led its member states to individually seek out ways for strengthening trade relations with Western Europe.

The relative liberalization following Stalin’s death has been broadly researched. The decade is notable for the growing attention to consumer goods and the goal of “catching up and overtaking America,” as set out at a congress of the Soviet Communist Party in 1959 (Reid 2009: 85). Bulgaria, considered to be the most loyal ally of Moscow in the bloc, followed the trend.

Many postcommunist researchers interpret the period as one of attempted “corrupting” of the nation: ruling via fear was replaced by searching for compromise between ideology and the realities of life. As Znepolski (2008: 221–50) noted, a strategy of “bribing” people with promises and concessions was developed in order to “buy” obedience. Ivanov (2011: 235) dubbed the new social setup a “consensus of hypocrisy.” Bankov (2009: 223), in the same spirit, called the end of the 1950s and the 1960s “the big letup.”

An important element of the liberalization was the growing effort by the leadership to improve economic exchanges with the West, without abandoning its representation of the West as an ideological enemy. To explain the developments around Coca-Cola, in the following paragraphs I discuss the ruling elite’s attempts to intensify the country’s international trade; the contract signed with Renault, another Western company; and the observed efforts to improve relations with the United States. These all suggest that the deal with Coca-Cola was well suited to the leadership’s activities and played a role in facilitating other facets of the communists’ business.
Beginning in 1959, the communist leadership of Bulgaria plunged into an unprecedented economic experiment. While maintaining the façade of centrally planning the national economy, they launched business activities to bypass it. They did so in the hopes of improving their negative payment balance regarding foreign trade in hard currency. Less importantly to them, they aimed at closing gaps in consumer supplies.

Texim was the first company created as part of this policy in 1960. Although its official mandate was to seek “import and export activities with capitalist countries,” its debut task was to supply arms to the National Liberation Front of Algeria. Founding a company of this sort was not a Bulgarian innovation. It followed the Soviet model of a trade company, tailored to serve the needs of national military defense and other strategic operations, such as trade in nuclear materials and related equipment (Hristov 2009: 11, 17–20). This trade was naturally considered sensitive and to be performed covertly. Texim was established by a highly confidential order of the Council of Ministers.

To better serve its purposes, the new company was given extraordinary decision-making autonomy. It was exempt from the rules applied to all other players in the state economy, and was granted significant tax reductions and enormous financial support. It also abused its privileged position and was frequently blamed by the financing body, the Bulgarian National Bank, for lacking financial discipline (Vachkov 2008: 180).

The head of the company, Georgi Naydenov, was himself a senior secret services official who was trained in Yugoslavia and had been given assignments in Egypt and Turkey before assuming the new management tasks (Hristov 2009: 18). Some of his contemporaries described him as a daring “man ahead of his time” (Karamanev 2001: 12) with strong instincts for trade, which helped further the rapid development of the company. The success of his activities was boosted
enormously by generous state support. The company’s exchange with other trade entities and institutions in the state was arranged to be highly advantageous and enormously profitable for Texim (Vachkov 2008: 181).

Starting in 1960, Texim quickly accumulated assets and in 1962 its scope of activities was broadened and restructured. The company created a marine trade fleet with a capacity of one million tons (two billion pounds) per year; expanded the land transportation capacity from a hundred to a thousand trucks; acquired six 11–18 passenger airplanes suitable for transatlantic flight; founded five soft-drink factories; and created a fashion and cosmetics sales network. Most importantly, Texim solved for a while the greatest problem of the regime: the negative balance of convertible currency. Incoming currency in 1968 surpassed outgoing currency by 5.5 million dollars (Gardev 2009).

Almost simultaneously with Texim, two more companies were founded to operate as free-market entities: Bulet and Rodopa. Bulet is a particularly interesting case as, together with Texim, these were the first two business entities to import Western commodities to be sold to Bulgarian consumers (Ivanov 2011: 240). Bulet brought Renault, and Texim, apart from Coca-Cola, imported goods ranging from underwear and stockings to pharmaceuticals. Similarly to Texim, Bulet enjoyed exceptional fiscal advantages (Hristov 2009: 24, Filipova 2014: 113).

The negotiations with Renault began in 1959, six years prior to the contract with Coca-Cola, and were initiated by the French car company. At the end of the 1950s many Western car producers attempted to gain shares in the emerging Eastern European car market.

The first communication by Renault with the Bulgarian authorities was met enthusiastically by the country’s trade representative in France and coldly by the communist political bureau in Sofia. The initial letter of the trade representative from 1960 formulated the lucrativeness of the cooperation in reaching non-European communist markets: “It is commonly overlooked that with these sorts of cars we will have certain markets in the Middle East, from which the French are banned” (Grigorova 2013: 183).

The negotiations proceeded uneasily and a contract was not signed until 1966. Two of the main attractions—the French party’s consent to partial payment “in kind” and the permission for extensive re-export—are meticulously described in the agreement papers. Bulet was entitled to sell Renault cars, produced in Bulgaria, to Eastern Europe and the Soviet Union, and also to Vietnam, Mongolia, China, North Korea, Cuba, Sudan, Ethiopia, Iraq, Syria, and the United Arab Republic.

Export, and especially re-export, seems to have constituted the Bulgarian communist state’s core economic hope for profit in the 1960s. There are many indications in the history of the two companies that their masterminds’ objective was to profit by brokering between the Western European economies and the inaccessible-to-them markets in non-European communist countries.

Arms deals were part of the plan and they were not insignificant by any standards: Bulgaria was one of the first and largest exporters of weapons in the Eastern bloc and by 1988 it ranked thirteenth in the world, preceding much more powerful economies, such as that of West Germany, for example (The Economist 1994). The trade, which was supplemented by regular nonprofit financial and arms support for a wide range of African, Asian, and Latin American regimes, was naturally seen as a sensitive affair that had to be well concealed.

The decisions for support were made secretly by the Central Committee of the Communist Party. The archive from the 1960s also contains a document in which the Political Bureau ordered that “arms sales to national liberation movements, the Kurdish rebels and all progressive groups and movements be executed in a way which does not allow tracing the origin of the selling party or the sender, to avoid the complication of our country’s relations with third countries” (Decision B8 14-05-1965).

The commodities trade at first covered the actual activities of the related companies. But in some areas, it was seen as possibly lucrative per se, as in the case with Renault. The deal with Coca-Cola was concluded within this framework. One might argue that it all too conveniently fit the trends and purposes of Texim and the political establishment to have resulted from an honest mistake. The money made via arms deals needed to be legalized one way or another.

A prettier interpretation was offered by Francesco Tozi, who was responsible for Bulgaria within the Coca-Cola Company since the signing of the contract in 1965: “Texim had one problem. It was that it was making a lot of money in hard currency and had insufficient Bulgarian leva to pay its workers in the country. By selling Coca-Cola in Bulgaria, they obtained the funds necessary for their operation in the country” (Atanasova and Nedeva 2005). But considering the economic privileges of Texim in Bulgaria, such explanation seems more than naive.

Toncho Mihaylov’s account of his professional life contains several indications that different players were involved in considering the production of Coca-Cola for sale to third parties. In his memoirs the technologist, who later became the director of the first soft-drink factory, recalls how he suggested that Bulgaria be assigned royalties from the sales under
any contracts that the corporation would sign with other communist countries in the future. “They [Coca-Cola] accepted, but when I brought the draft to Georgi Naydenov, he crossed it out, saying: ‘Are you mad? They will imprison me! How could we ask royalties from the Soviet Union?’” (Mihaylov 2007: 47). Later, however, after Naydenov was indeed imprisoned and Texim disbanded, in 1975 Mihaylov was sent to Cuba. According to his own account, he was supposed to organize the production of Coca-Cola, but the Cubans “showed no interest whatsoever” (Shkodrova 2014: 141).

In 1980, Mihaylov was sent to Iraq, where Bulgaria had started the construction of a bottling factory to produce Pepsi. The building was launched and overseen not just by specialized companies but by the Bulgarian state. Upon his sudden return to Bulgaria, prompted by the outbreak of war between Iraq and Iran, Mihaylov says he was asked to report to the deputy prime minister (Mihaylov 2007: 106). It seems that after the shutting down of Texim, the same priorities were pursued by way of a different arrangement.

Thus in 1965 the contract with Coca-Cola must have not looked like an enormous surprise—at least not to those involved in the international trade activities of Bulgaria. According to Boris Hadzhiev, who was an advisor in the Foreign Trade Ministry during the later years of the regime,
Zhivkov’s answer had already been decided by earlier conversations between him and Georgi Naydenov. Hadzhiiev believes that what was at stake was much more than trade considerations:

What the late Georgi Naydenov told me…was that he had traveled to the United States, I think, where he’d had some preliminary talks—without telling anyone about them, of course, since he was not authorized to do such things. So, he came back and told Todor Zhivkov that this was of great interest, that Coca-Cola could be used as a basis for political cooperation [because of the company’s influence on American politics]. …Yes, Todor Zhivkov was thinking about political cooperation. (Shkodrova 2014: 137–38)

The national archive contains evidence of Bulgaria’s coinciding attempts to intensify its trade with the United States since 1959, and on the controversies within the state concerning the “liberalization” efforts. In 1959 Sofia initiated the restoration of its diplomatic relations with Washington, which were severed a decade earlier. It tried continuously to activate the trade exchange. The process, though, was neither smooth nor uniformly embraced by the party’s leadership.

In a document from 1960, the then Bulgarian minister to the United States, Petur Vutov, listed numerous benefits of a possible economic cooperation. Export of Bulgarian agricultural goods, incoming tourism from the United States, and obtaining know-how in services, trade, and farm production constituted the main points of interest noted in the diplomatic document. The advantages of cooperation seemed obvious to its author. He wrote of the possible “immediate” start of trade relations with “a number of companies.” Despite the enthusiastic spirit of the document, the person responsible for external relations at the Central Committee agreed with one of Vutov’s proposals and disagreed with six others (Protocol A N 181 1960).

Amid what must have been serious internal controversies, Bulgaria continued its attempts. A document from 1966 speaks of an uneasy climate in which a list of requests by the Americans, such as to stop silencing the signal of Radio Voice of America and to grant multiple entry visas to their diplomats, were refused. However, trade interests remained a priority. Clearly seeking a way to balance between such interests and loyalty to Soviet political ideology, the Political Bureau suggested a combination of concessions and delays. They also advised softening the tone of the ideological opposition. “Without trespassing on the principles of our foreign policy, avoid extremities during demonstrations before the American legation,” reads the document (Protocol A N 82 1966).

The discrepancy between the tougher policy when it came to politics and the opening toward economic cooperation outlines what constituted Zhivkov’s position: a well-guarded ideological façade masking economic opportunism. As the chairman of the Senate Subcommittee on International Trade, Abraham Ribicoff, sarcastically noted while pleading against restrictions on trade with the Eastern bloc, there were “many paths to Socialism” (Ribicoff 1971).

Indeed, the Coca-Cola story, as part of the economic developments in the 1960s and 1970s, is a good illustration of how Bulgaria, and its leadership in particular, negotiated its own path to socialism. It shows both the clash of ideas about how to develop a sound modern economy and Zhivkov’s style of managing the situation and the country. Throughout his leadership he both balanced and exploited the controversies between communist hardliners, for whom loyalty to Moscow and ideology was of prime importance, and the more profit-oriented factions in the high echelons of power, which were eager to make use of the state-run economic possibilities.

Although the Prague Spring of 1968 resulted in Moscow strengthening its control over the Eastern bloc and forcing Zhivkov to dismantle Texim and Bulet, the controversies between the two camps remained until the end of communist rule. At all times, Zhivkov’s manner of handling the conflict was to avoid open confrontation while keeping all doors open. Arguably personal and political (and physical) safety had priority for Zhivkov over principles, state interests, and loyalties.

While the history of Coca-Cola implies that Zhivkov must have been personally involved in the decision-making process concerning the activities of Texim, when encountering the criticism of Moscow at the end of the 1960s, Bulgaria’s head of state avoided trouble by repeatedly instigating legal actions against Georgi Naydenov. This eventually led to a twenty-year prison sentence for the former boss of Texim (Hristov 2016) and the elimination of all his supporters from power.

In light of the developments described above, the version of Coca-Cola’s breakthrough as accidental appears highly improbable. It seems much more likely that the events, presented today as an honest mistake by Mihaylov, were in fact orchestrated by Texim’s mastermind Naydenov, who either coordinated them with Zhivkov, or anticipated the positive results given the context of the economic developments in the country and the support he enjoyed. Mihaylov was either misled, selected to be sacrificed in case of serious conflicts over the deal, or he might have agreed to play along.

It is also misleading to dub the incident a “breakthrough.” This case study shows that it was the Bulgarian Communist Party that saw Coca-Cola as an opportunity, rather than the Coca-Cola Company taking the initiative to open a crack in the ideologically fortified Iron Curtain. The case confirms the argument of Støersen and Petersen (2012), who noted that local actors, not American ones, defined the position of Coca-Cola in Danish markets. Their conclusion contradicts the developments in France, where according to Kuisel
(1991) Coca-Cola won over its enemies due to the pressure generated by the American company.

That local actors were of prime importance is further confirmed by a closer look at how the concerns that motivated opposition to the U.S. corporation in postwar Europe resonated in Bulgaria. This perspective offers a better understanding of why the agreement was reached, and why Bulgaria became the frontrunner in Eastern Europe.

**Economic and Ideological Anxieties**

The cited research on Coca-Cola’s history in Europe suggests that the opposition to the drink in the late 1940s and early 1950s was triggered by varying levels of the same anxieties: fear of “Americanization,” which was often raised or bolstered by the communist parties, and protection of domestic interests in the same economic sphere. Kuisel (1991) concluded that in France, motives included the growing concern over expanding U.S. economic and cultural domination. In his assessment the economic arguments were more an attempt to hide opposition to Americanization than actual concern for domestic industries or finances. Kuisel also acknowledged the strong lobbying pressure on behalf of local producers of beverages.

In Denmark, which according to Størensen and Petersen (2012) marked the best case of resistance in Europe, it was the well-organized local beverage industry that successfully kept Coca-Cola out of the country via protective financial mechanisms until 1959. Størensen and Petersen argue that business interests were dominant, with the debate keeping its distance from the ideological framework of the Cold War. They contend that Americanization was never a prominent issue in Denmark.
Very similar combinations of concerns were at play in Eastern Europe. After the end of World War II the Eastern bloc was in the grip of a firm ideological opposition to anything capitalist and American. This was evident ever since the aftermath of the war when Marshal Zhukov, a man of significant power and influence in Joseph Stalin’s empire and a Coca-Cola addict, had to ask for help from the American president to be able to indulge his addiction. To help him hide his passion from Stalin, which would have been seen as a betrayal, Truman arranged for the delivery of a small quantity of colorless Coca-Cola, poured into bottles with a different shape and sealed with caps stamped with a red star—produced secretly by Coca-Cola for the Soviet marshal (Pendergrast 1993: 215).

While the taboo over Coca-Cola in the late 1940s and early 1950s was entirely ideologically motivated, throughout the 1950s it was gradually strengthened by growing economic interests. To remain distinct from the U.S. company, many countries launched their alternative projects to develop sparkling beverages made of herbs and containing caffeine, which specialists collectively labeled as “cola drinks.”

The Slovenian Cockta was the first to make an appearance. Initially named Yugo-Cola, the drink was quickly renamed Cockta, which was intended to hint at its potential use as a cocktail ingredient. Cockta’s first official rollout took place in the winter of 1953 at the Planica resort in southwestern Slovenia, where it was served by girls dressed in red vests (Ramovš 2010: 56).

Czechoslovak Kofola was conceived in 1957 when the government commissioned the creation of a beverage to substitute for Pepsi and Coca-Cola, also known as the “imperialist” cola drinks from the West. Developed at the Research Institute of Medicinal Plants under the guidance of Zdeněk Blažek and released in 1960, the resulting drink contained a mixture of fruit and herbal extracts with added caffeine. Initially, the idea was to name it Kofokola, but eventually the shortened version Kofola won out (Pribyl and Veselá 2014: 10).

In East Germany consumers had been familiar with Coca-Cola since 1929, but after World War II they no longer had access to it. Perhaps for this reason a particularly plentiful choice of nearly twenty imitations was on offer by 1960 (Veenis 2011: 496).

One, Two, Three, whose scenario was based upon a Hungarian play by Ferenc Molnár, ridiculed all of these copies. One of the scenes shows MacNamara having the following exchange with some Russians:

**PERIPETCHIKOFF:** No formula, no deal!

**C. R. MACNAMARA:** Okay, no deal!

**BORODENKO:** We do not need you! If we want Coca-Cola, we invent it ourselves!

**C. R. MACNAMARA (REPLYING WITH HIS TYPICAL ARROGANCE AND SCATHING SARCASM):** Last year you put out a cockamamie imitation, “Kremlin-kola!” You tried it out in the satellite countries, but even the Albanians wouldn’t drink it. They used it for sheep dip! Right?

MacNamara’s words were an exaggeration and many of the “cockamamie imitations” were accepted. Some, probably improved, are still on sale. But hack then they were indeed considered by many Eastern Europeans to be a bad imitation of the desired original. Most brands shared the common faults of communist production, which Vennis (2011: 50) summarized as “dull looks and unpredictable taste.” As she noted, they were saddled with the same shortcoming of all goods produced by communist industries: being defined not by ideas, but by (limited) resources.

However, in contrast to other Eastern European countries, in 1965 Bulgaria lacked even a bad copy of Coca-Cola. The country did not even have a soft-drink industry; when Toncho Mihaylov traveled to Paris, it was only beginning to be developed. When it came to business interests, at that time the situation in Bulgaria was the opposite of that in most other countries. Bulgaria was not interested in protecting its own products and know-how; rather, it was looking to establish them.6

Consequently, it was mainly the symbolic meanings of Coca-Cola that posed a problem. But how big a problem was it by the 1960s? The end of the 1950s in Eastern Europe was defined by a changing culture. The military, ascetic lifestyle and rhetoric under Stalin were abandoned and replaced by concern for the material well-being of the people under Khrushchev. Communism was revamped, its focus shifting from social revolution to modernization. As many scholars have noted, this was never a straightforward process. It contained what Bren and Neuburger (2012: 6) defined as the “ideological juggernaut” of communist consumption: “it was both necessary, given the pursuit of a communist utopia, and endlessly problematic.”

Instigated by the declarative promises of the state leadership, consumer expectations in Bulgaria grew, but so did the efforts, stated in official public discourses, to discipline and tame any potential consumption frenzy. Prosperity grew, claimed state-controlled media, officials, and Zhivkov himself, and consumers were taught to be moderate, modest, and sober in their demands (Elenkov 2011: 145–46). Trade and industry were advised not to inform but to educate proper communist consumers (Mineva 2005).

This ideologically legitimized consumption left a space for the Bulgarian state to start negotiations with Renault early in the 1960s. Compared to those negotiations the
The Legitimacy of Consumption over Ideology

Coca-Cola’s entrance into Bulgaria was quite the opposite of what it was depicted to be: a whim of fate, the consequence of an accident. On the contrary, the case is a good illustration of the agency of the local communist leadership in the general process of building consumer expectations among Eastern European societies. It indicates that while the popularity of the drink and its symbolic meanings mattered to consumers in the Eastern bloc, the actual “breakthrough” was not determined by the pressure this created, but by other, unrelated interests and considerations of state leadership.
In the aftermath of the Cold War the irresistibility of the Western material world was thought to be responsible for the crumbling of the communist regimes in Eastern Europe.  

But a growing body of research convincingly asserts that the ruling communist class played an active role in the process. The early shifts in the revolutionary spirit of communism, which opened the way to concerns over longer-term social sustainability and the achievement of certain standards of consumption, were studied by Gronow (2003). Glushchenko (2010) researched the personal role of the Soviet food industry’s leader Mikoyan to borrow liberally from the United States in terms of ideas for the Soviet food industry. 

Many researchers noted that in the 1950s the idea of satisfying the material needs of the citizens had entered the ruling parties’ rhetoric (Gronow 2003; Crowley and Reid 2002; Reid 2009 on the Soviet Union; Bren 2010 on Czechoslovakia; Elenkov 2008 and Stanoeva 2015 on Bulgaria), legalizing in this way consumption and even luxury. After all, as Buck-Morss (2002: 7) insightfully notes, the two divided systems were competing "to excel in producing the same utopian forms."

Among the various forms of involvement of the Communist bloc’s leadership in causing cracks in the Iron Curtain, the Bulgarian contract with Coca-Cola was a direct import of know-how and, with it, of consumption products. Sidelineing the controversial symbolism of the drink in the process further strengthened the idea of legitimacy of consumption over ideology.

The Coca-Cola case is yet another piece of evidence of the agency exercised by the Communist bloc’s leadership in constructing the consumption ideal and working to achieve it—and the often crooked ways in which this took place.

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Notes

1. The account of this historical incident was first brought to light through the journalistic work of Atanasova and Nedeva. They authored the anniversary booklet 40 Years of Coca-Cola in Bulgaria: We Are Here to Stay, published by the Coca-Cola Company in Bulgaria. The booklet does not contain a date of publication, but considering the title it must have been released in 2005. The main product of Atanasova and Nedeva’s work—the one that reached broad audiences in Bulgaria—was their film A Cold Coca-Cola in the Days of the Cold War (2006), broadcast on Bulgarian National Television. The story was also extensively described by the main actor, food technologist Toncho Mihaylov, in his autobiographical book Resisting Time (2007). There are no essential discrepancies in the interpretation of the events offered by Atanasova, Nedeva, and Mihaylov. I interviewed Mihaylov in 2012, and further details and his story became part of my monograph Communist Gourmet (2014). At the time, while his story seemed surprising, I had no reason to doubt it. However, further research rendered his account improbable.

2. The quote is from my interview with Toncho Mihaylov in 2013, but the same information is presented in different words by Atanasova and Nedeva (2005, 2006) and Mihaylov (2007: 43). [Translations of all quotes from the Bulgarian in this article are mine.]

3. The quote is from my interview with Toncho Mihaylov in 2013.

4. According to different sources, such as Wolton (1986) and the website of the GIPAL Group (http://cifalgroupe.com/?page_num=133&lang=en), the company was involved commercially with the Eastern bloc since the 1950s, trading know-how, technology, and equipment for the agriculture and food industry, consumer goods, oil and gas.

5. The archive of the Central Committee of the Bulgarian Communist Party, which is now available online (http://archives.bg/politburo/), contains many records of such decisions throughout the decades.

6. In fact, in Bulgaria a local version of Coca-Cola, named Altai, was only made in the 1970s, when the state limited the import of Coca-Cola. Even when Coca-Cola was produced in the country, it remained a rare, almost luxurious commodity.

7. An early example is how the American national exhibit at the Moscow fair in 1959 was portrayed in the U.S. press; see Hamilton (2009).

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