FOOD TNCs, INTELLECTUAL PROPERTY INVESTMENTS AND POST-FORDIST FOOD CONSUMPTION: THE CASE OF UNILEVER AND NESTLÉ IN TURKEY*

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This article is an attempt to analyze the growing predominance and changing investment strategies of food TNCs (transnational corporations) in the context of a peripheral country, Turkey. My general argument is two-folded. On the one hand, I will demonstrate that exploiting intellectual property (intangible assets) by investing in foreign markets has become an important component of the expansion strategies of food TNCs in the past several decades. On the other hand, I will suggest that this process is closely related to changes in food consumption patterns. In other words, my intention is to show that with the growing segmentation of food consumption markets, intellectual property investments have gained even more significance in the production and marketing decisions of food TNCs, especially in the processed food sector.

For this purpose, I will first provide a brief review of the literature on the restructuring of the world agro-food industry after the 1970s and the role of TNCs in this process. Secondly, I will highlight the importance of intellectual property investments and changes in food consumption patterns in this period. I will then briefly summarize the transformation of the Turkish agro-food sector since the 1980s. In the last section, I will concentrate on the activities of two major food TNCs in Turkey, namely Unilever and Nestlé, and describe how their investment and marketing strategies have changed and responded to transformations in the consumption sphere.

Analyses of the current restructuring of the world agro-food industry are heavily dominated by a core-centric approach. My contention is that for the most part these analyses neglect changes in the investment and marketing strategies of food TNCs in the periphery. This is partly because the growth of trade and foreign direct investment and financial integration, have been concentrated within the global triad of North America, Western Europe and East Asia since the 1980s. Therefore sociological accounts of the globalization of agro-food markets usually focus on these regions and ignore what takes place in other parts of the world. I believe that research on food TNCs would benefit from studies dealing with peripheral countries.

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THE RESTRUCTURING OF THE WORLD AGRO-FOOD INDUSTRY AND THE FOOD TNCs

Several scholars have described the transformation of agricultural production into a global agro-food complex in the postwar period (Friedmann 1982; McMichael 1992). One of the main features of the emerging agro-food industry was the creation of a durable food complex. This complex "changed food from a local, perishable set of ingredients to a widely marketed manufactured set of products with a long and hardy life" (Friedmann and McMichael 1989:106). It also contributed to the emergence of Fordist mass consumption diets in core countries and the standardization of food consumption patterns. This new mass diet included processed foods, dairy, meat and poultry products, whose mass production and swift delivery became possible thanks to advances in biotechnology and transportation. The underlying characteristic of the "postwar food order," as it has been called by some, was that it was an integral part of the Fordist accumulation model, combining mass production with the mass consumption of food (Friedmann 1982 and 1991).

This postwar food order started to disintegrate in the 1970s as a result of changes in world market conditions (McMichael 1992; McMichael and Raynolds 1994). When we examine the sociological literature on agro-food restructuring in the past three decades, we see that current research concentrates on several areas. In broad terms, these areas include the new international division of labor, global sourcing, rising ascendancy of transnational regulatory institutions and the undermining of the regulatory powers of nation-states. Some authors argue that there is a new division of labor in agriculture in the 1980s between low-value and high-value products. While core countries predominantly export low-value temperate cereals and oilseeds, peripheral countries specialize in exports of high-value products such as fruits, vegetables and exotic products (McMichael and Raynolds 1994; Llambi 1994; Friedland 1994). Some of these analyses draw attention to the new norms of consumption in core countries which are reflected in the emergence of specialized, customized and segmented food markets and market niches (Marsden 1992; Lyson and Geisler 1992). Moreover, the increasing dominance of transnational institutions and mechanisms such as the IMF, the World Bank, NAFTA, the EU and GATT in regulating the organization and workings of global agro-food markets are often cited as an indication of declining nation-state capacities (Bonanno et al. 1994; McMichael and Myhre 1991; McMichael 1992).

Furthermore, many studies point at the eagerness of TNCs in setting up a cross border division of labor for taking advantage of cheap labor and raw materials as well as value-adding at the point of consumption through global sourcing (Sanderson 1986; Raynolds 1994). In most of these analyses, TNCs appear as the main agents in the coordination and organization of world food markets. For example, according to Heffernan and Constance (1994), TNCs' ability to gather and utilize information gives them primacy as global actors. In the next section, I will turn to how TNCs exercise their increasing control of food markets, by means of examining the role of their intellectual property investments.

INTELLECTUAL PROPERTY INVESTMENTS

I argue that taking advantage of the intellectual property (intangible assets) that transnational companies possess is increasingly becoming one of the major investment strategies of food TNCs. These intangible assets include research and development (R&D), differentiated products, established loyalties with suppliers and customers, and unique brands and trademarks (Henderson, Voros and Hirschberg 1996; Handy and Henderson 1994). In fact, R&D expenditures in food industry are generally low in comparison to other manufacturing industries. However, there has been a significant growth over the past twenty years in the number of patents produced by the food and beverage manufacturers (Rama 1998). The rate of technology transfer from other industries has also increased, such as in the case of the chemicals and pharmaceuticals industry. The nature of product innovation in this sector is also different than other industries. Technology is only one component of the innovation process in the food industry. Brands, packaging and advertising are other elements which are vital to the innovation process. When these factors are taken into account, the food industry's comparative innovative performance appears to be quite high (Wilkinson 1998).

One of the main characteristics of the world economy in the past several decades has been that the share of production destined for international trade has not increased considerably. "Instead, the predominant thrust has been acquisitions by multinational food corporations of existing firms operating in established markets, and mergers among large multinational food firms" (Buttel 1996:26). Through these mergers and acquisitions, firms can avoid competition with local firms and make an easier entry to developing, or already lucrative, markets. Given the fact that capacity expansion and technological development in the food industry have become more expensive in recent years, mergers and acquisitions are crucial for reducing financial risks (Buttel 1996).

In the case of peripheral countries, new forms of investment strategies are pursued and implemented by TNCs to capitalize on their intangible assets. Through joint ventures, licensing agreements, management contracts, franchising and sub-contracting, TNCs make significant in-roads in foreign markets, particularly in high value-added segments of the food processing industry. Major food TNCs mostly invest in brand name and differentiated processed foods as well as milk products, vegetables and fruits. In this regard, especially important are joint ventures in which the TNCs provide "more sophisticated product technology and, often, a brand name and advertising experience … Sharing product technology and control with local partners, such firms benefit from the latter's knowledge of local markets and ability to share risks" (Oman 1993:182-3).

A body of scholarship in economics underlines the importance of intangible (firm-specific) assets in evaluating the investment strategies of food TNCs, an area that has not adequately been pursued in sociological accounts (Hagen 1998; Handy and Henderson 1994; Henderson et al. 1996; Malanoski et al. 1996). According to this point of view, firms with a greater amount of such assets have a higher propensity to become internationalized in order to make larger use of these assets:

> The fundamental basis for firms' choosing production abroad to supply foreign markets seem to lie in their desire to capitalize on existing intangible investments in their brand, knowledge, and reputation, while serving foreign markets in a cost-effective manner. A foreign affiliate enables the parent firm to capitalize on intangible investments because it allows for greater control over the quality, distribution, and presentation of the product in the foreign market. It also enhances the ability of the

> firm to produce a good suited to the foreign customers' needs and preferences (Malanoski et al. 1996:101).

As noted above, most large food firms prefer foreign direct investment in the form of license agreements, joint ventures and foreign subsidiaries over exports as their major strategy to gain access to foreign markets. Handy and Henderson (1994) analyze the role of foreign direct investment in the US food manufacturing sector and argue that TNCs have higher ratios of intangible to total assets than those firms with no foreign operations (Table 1). They point out that transnationals "establish foreign affiliates primarily to access and serve the host country market, rather than to originate exports" (Handy and Henderson 1994:227).

Global expansion strategies of the leading TNCs can, in fact, be seen as a response to the saturation of industrialized-country markets. In addition to policies of market segmentation with an emphasis on high quality products, opening up developing country markets has become a crucial expansion strategy. These priorities have contributed to the development of new strategies for agricultural R&D. "Whereas previously agronomic criteria prevailed in the R&D programs of plant and animal breeding, the latter are now increasingly geared to processing and end-user priorities" (Sorj and Wilkinson 1994:90). Therefore, taking over established companies with a significant domestic market share and an emphasis on innovation are different sides of the same coin. This innovative push involves "reducing the constraints associated with the perishability of food products…, diversifying the methods and techniques of food preparation and, packaging and advertising" (Marsden and Little 1990:7).

POST-FORDIST FOOD CONSUMPTION

Many scholars have argued that in the last several decades, parallel to the transformations in the world economy, there has been a transition from mass consumption forms to more differentiated, post-Fordist, consumption patterns (Lash and Urry 1994; Aglietta 1987; Piore and Sabel 1984). According to these analyses, mass consumption was characterized by relatively limited choices, little product differentiation on the basis of specific market segments and the purchase of commodities produced under conditions of mass production (Urry 1990). On the other hand, post-Fordist consumption is distinguished by a greater volatility of consumer preferences and higher market turnover rates, heightened market segmentation and increased preferences expressed for goods and services which are produced in more flexible, specialized and non-mass forms of production (Lash and Urry 1994).

The food industry is one of the economic sectors where the diversification of preferences and concomitant market segmentation are most apparent. The introduction and the growth of exotic fruits and vegetables on supermarket shelves, and sophisticated culinary methods in expensive restaurants since the early 1980s, are shown as examples of this phenomenon (Christopherson 1994). The emergence and the salience of various fashions and new styles in food consumption such as eating organic and healthy foods, and vegetarianism, are other common instances of this trend towards post-Fordist food consumption patterns which are conceptualized by Goodman and Redclift (1991) in the following way:

Table 1. Intangible Assets of 21 Leading World Food Manufacturing Firms

	Intangible Assets as a Percentage of Total Assets
Multinational Firms	19.1
US Firms	16.9
Non-US Firms	23.1
Firms Without Foreign Operations	12.4
US Firms	11.6
Non-US Firms	16.7

Source: Handy and Henderson (1994).

> We would argue that some segments of the market in developed countries have entered a 'post-fordist' era, as far as the consumption of food is concerned. That is, an era not so much of the mass consumption of homogeneous, industrially produced food as of the development of healthy foods for market 'niches', often reflecting ethnic variety and traditions, but utilizing the full armoury of the food processing industry, and targeted to consumers willing to pay for high value-added products (Goodman and Redclift 1991:240).

Thus, there is a growing specialization in food markets. For instance, in the case of fresh produce, post-Fordist niche markets have emerged for products such as "tropicals" and "baby vegetables" (Friedland 1994). But, mass consumption forms and post-Fordist consumption patterns co-exist in the current period. Here, Friedmann (1991:86) underlines the class differentiation in the adoption of post-Fordist food consumption practices:

> While privileged consumers eat free-range chickens prepared through handicraft methods in food shops, restaurants or by domestic servants, mass consumers eat reconstituted chicken foods from supermarket freezers or fast food restaurants and dispossessed peasants eat none at all.

Similarly, Marsden (1992) relates the development of new value-added food markets in the United Kingdom to the rising living standards of the 'service class' during the 1980s.

When we compare the current period with the Fordist period of consumption, then, we observe a major difference. During the postwar food order Fordist consumption patterns were created whereas in the past several decades, segmentation of markets has occurred in such a way that post-Fordist consumption exists side by side with mass consumption patterns. These developments in consumption have partly been brought about by, and partly have resulted in, a restructuring of production as well as new investment and marketing practices.

The emergence of post-Fordist food consumption patterns is usually examined in the case of core countries. No attention is paid to what kinds of post-Fordist consumption forms may take shape in a peripheral context. In what follows, my aim is to bring together an analysis of the investment and marketing strategies of food TNCs and the transformation of food consumption patterns in Turkey, a peripheral country. My argument is that, parallel to global trends, food TNCs have resorted to a variety of investment and marketing strategies in their quest to optimize the effectiveness of their operations in the periphery. Thus, food TNCs have entered into relationships with local corporations to reap the benefits of their partners' knowledge of local market conditions. Related to this, they have been able to pursue marketing strategies that emphasize product proliferation, exploitation of intangible assets and market segmentation.

RESTRUCTURING OF THE TURKISH AGRO-FOOD SECTOR IN THE 1980s

As food TNCs have expanded their markets in SouthEast Asia and Latin America, and to a lesser extent in Central and Eastern Europe, over the past decade, there has been a decline in foreign direct investments (FDI) in Africa, the Middle East and the Mediterranean region. The only exception to this trend in the Mediterranean region is Turkey, where FDI in the food industry has been rising rapidly (Tozanli 1998). For instance, between 1989 and 1993, foreign direct investment in the food sector increased more than two-fold to nearly US$400 million (*Capital* 1993). In fact, the share of the food manufacturing sector in total foreign capital investments between 1954 and 1998 was 7.11 percent, which is the highest figure in the overall manufacturing industry (HDTM 1998). Food giants such as Jacobs-Suchard, Kraft, General Foods, Heinz, Danone, Carrefour and Philip-Morris have all made significant investments in the country during the 1990s in areas ranging from food processing to retailing (*Ekonomist* 1993). These investments are propelled by the promise of a lucrative market in Turkey, which has a relatively young and rapidly growing urban population and an expanding – and modernizing – marketing and distribution infrastructure.

The proliferation of TNCs' operations in Turkey should be situated within the deregulation of the agro-food sector since the 1980s. On the one hand, the protection of agricultural production for the domestic market was consciously eroded in order to make way for export crops. On the other hand, the deregulation of foreign trade and investment has allowed foreign capital to enter both the agricultural and the processed foods sectors (Yenal and Yenal 1993). In the same period, the Turkish private sector's interest in the food sector has also grown. The share of the private sector in the food industry has risen rapidly since the 1980s and exceeded that of the public sector. In 1996, the shares of the private sector and the public sector in the total volume of food production were 54.27 percent and 45.73 percent, respectively (*Gida Teknolojisi* 1996). New companies specializing in food production have emerged at the same time that domestic corporations operating in other industrial sectors invested heavily in the agro-food industry, particularly in food processing. Turkish food manufacturers with growing scales of operations have entered into partnerships and joint ventures with transnationals in processing meat and milk, fruit and vegetable processing and freezing, tea processing, food packaging and food catering (Kapital 1994). The increasing presence of international capital in these sectors in the form of large scale and high technology plants points to a trend through which food manufacturing in Turkey, although still dominated by small scale production, is being transformed into an integral part of the international agro-food industry. Here I should underline that the food manufacturing industry exhibits a highly concentrated character in terms of the distribution of modern technology. While more than 80 percent of food firms are utilizing low-level traditional technology, the rest are operating with imported advanced technology. Another important point in this context is that the R&D

expenditures are extremely low in the Turkish agro-food industry. They amounted to US$92.1 million in 1991. Eighty-six percent of these R&D activities are carried out in the universities. The shares of public institutions and the private sector in this amount are 12 and 2 percent, respectively (Pala 1991).

Simultaneously, with the process of deregulation and internationalization in the agro-food industry, the structure of the domestic market has also changed drastically since the 1980s. New bouts of rural exodus in the 1980s and the 1990s, triggered partially by agricultural restructuring, increased Turkey's urban population to about 60 percent of the total (SIS 1996). While this had the overall effect of expanding the metropolitan food market, it more importantly contributed to a widening polarization of income in the country that was initiated with economic liberalization in the early 1980s. Hence the creation of a segmented market, with impoverished working classes on one side, and a new middle class that is increasingly defining itself through life styles and consumption on the other (Oncu 1991; Abadan-Unat 1991). Growing income inequality and the decreasing purchasing power of the working classes are the basic factors behind the greater segmentation of the food market. Rising inflation rates coupled with decreasing real wages caused a dramatic collapse in the purchasing power of the urban masses during the 1980s (Padilla and Oncuoglu 1990). Thus, while low income families became more and more dependent on bread, cereals and seasonal vegetables, high income families ate more meat and meat products, dairy products and various processed foods (Baysal 1991).

The restructuring of agro-food production in the 1980s changed the composition of food items in the domestic market and introduced non-traditional items to the popular diet. Considerable segments of the urban population, especially middle class urbanites, were eager to try these new products and to adopt them into their diets (*TDN* 1995). Certain sections of the middle classes (professionals, managers, corporate executives, etc.), especially younger and well educated metropolitan dwellers, have become the major consumers of non-traditional food products such as new processed foods and imported exotic vegetables and fruits. What is noteworthy in this process is that those food products which are generally considered as Fordist food items in the core countries, such as frozen foods and packaged dairy and meat products, are now occupying a central place in niche markets for the urban middle classes in Turkey. This can be observed in Table 2. The low consumption rates for the selected manufactured food items attest to the fact that the consumption of certain processed food exhibits the characteristics of niche markets. And the largest group of consumers of packaged and processed/frozen foods are university graduates and metropolitan dwellers.

The fact that the mass consumption foods of a previous period in the core have become items in the niches of a segmented market in Turkey should not be seen as an aberrance. All these food products are novel to most of the Turkish population. From their packaging to display in modern supermarkets, they represent convenience, modernity, healthiness and being trendy for people endowed with higher economic and cultural capital. This is to say that these so called Fordist food products are bestowed with different social and cultural meanings in Turkey, which make them objects of specialized and stylized food consumption for educated higher middle class urbanites. Plus, as I mentioned earlier, this situation is also a consequence of the global expansion strategies of TNCs in the face of the saturation

Table 2: Positive Responses to the Question: "Did you consume the following products within the past week?" (in percentages)

	Education				Residence		
Product	General	Primary	Medium	University	Metropoles	Other Cities	Rural Area
Packaged Honey	29.7	26.4	39.6	46.7	45.5	28.5	22
Ketchup, Dressings, etc.	26.5	20.9	44	51.1	49.8	28	11.7
Frozen Food	11.7	9.5	17.8	23.3	17.7	12.2	7.6
Canned Fish	11.4	8.9	18.7	24.4	18.6	12.1	6.5
Packaged Meat Products	38.6	33.9	52.4	63.3	54.5	37.8	30.1
Packaged Yoghurt	36.6	32.8	47.9	55.6	72.3	32.4	20.3
Packaged Milk	20.9	18.4	29.5	28.9	34.5	23.5	10.4
Ready-to-Make Soup	37.4	34.4	46.2	53.3	50.9	37.5	29.6
N Population	1970	1521	359	90	440	762	768

Source: PIAR 1998.

of core country markets for mass consumer goods. Now I will turn to this process by means of discussing the operations of two food giants in Turkey.

UNILEVER AND NESTLE IN TURKEY

My analysis in this section is based on interviews with the managers of domestic and transnational food companies and a survey of secondary resources on food TNCs that I conducted in Turkey in 1996 and 1997. Here I will focus on the activities of Nestlé and Unilever in Turkey in order to demonstrate the changing forms of investment by – and the organization of – food TNCs. Unilever and Nestlé are the two oldest multinationals operating in Turkey. They have had a presence in Turkey since the 1950s and both companies have greatly expanded their operations in the past decade. Unilever has been one of the largest vegetable oil processors with a majority share of equity since its first entry into Turkey. Whereas Nestlé entered the Turkish market with only confections and baby formula on a small scale in the 1950s, it has recently strengthened its presence through mergers with domestic corporations.

For several decades, Unilever's main line of production, in addition to cleaning products, was vegetable shortenings, i.e., margarine. This small range was mainly the result of official restrictions on its line of products and difficulties in obtaining imported raw materials due to foreign currency shortages and regulations. Unilever started its operations with two margarine brands in Turkey in a capital partnership with one of the leading Turkish banks in 1953. By keeping the price of its margarine well below that of butter and natural ghee and pursuing an aggressive advertisement campaign, Unilever rapidly expanded its consumer base in the absence of any brand rivalry. Its products aimed at the mass market, from rural areas to urban migrants and the urban middle classes (Fieldhouse 1978). Its advertisements in the 1960s and 1970s demonstrate that consumers from all socio-economic backgrounds were targeted (Unilever 1997). It can be said that Unilever largely achieved its aim of substituting margarine for butter in most Turkish kitchens by the 1970s.

In the wake of the deregulation of the Turkish economy in the early 1980s, Unilever started to diversify its range of products. On the one hand, a line of products that targeted the health foods market was launched, from 'light' margarine to various kinds of cheeses. On the other hand, Unilever introduced a wider variety of food products ranging from ice cream to prepared foods and tea. This contrasts to Unilever's operations in the core. Unilever started to diversify its product range much earlier in European countries. Starting from the 1960s, aside from margarine production, the company has specialized in frozen food and ice cream production as well as soup, tea and salad dressings. Since the mid-1970s, it has also been producing low-calorie products, health foods and convenience foods for different world markets (Maljers 1994).

The company also entered other product lines through acquisitions of established Turkish companies with popular brand names. A case in point is Komili, one of the largest and oldest olive oil producers. In the wake of this acquisition, the company introduced different varieties of olive oil, taking advantage of the established Komili brand name. Some of these varieties, such as flavored and extra virgin olive oils, were aimed at metropolitan niche markets. The manager of the vegetable oils department of Unilever in Istanbul told me that this product differentiation targeted the market created by higher income groups in metropolitan areas. What she calls the "supermarket boom" in the 1990s, that is, the rapidly growing network of large food retail stores in cities, helped the company promote new products thanks to large storage capacities and high turnover rates. In addition to Komili, Unilever also acquired Aymar, a popular domestic brand of vegetable oils. By means of these acquisitions, Unilever also gained access to these companies' networks with domestic suppliers, distributors and customers, and cashed in on consumer loyalty to certain brand names.

In the Unilever case, we observe that its recent Turkish investments are geared to exploiting intangible assets in two different ways. First, Unilever takes advantage of its local partners' intangible assets, from popular brand names to domestic networks. Secondly, it also capitalizes on its previous R&D operations in Europe, by introducing Fordist products such as frozen foods, into the Turkish market.

The history of Nestlé in Turkey is somewhat different. As I mentioned earlier, except for confections and baby formula, Nestlé did not have a visible presence in the food sector until the 1990s. It made a strong entry into the Turkish market in 1995 by acquiring 25 percent of the country's largest dairy producer, Mis Sut, and increasing its ownership share to 49 percent in 1996. A Nestlé executive explained this bold and sudden move by pointing out that Turkey has become the fastest growing market in the Middle Eastern region with a young population and an "increasingly more sophisticated group of consumers". Expanding from a limited product range of pasteurized milk and plain yogurt, Mis Sut-Nestlé proceeded to significantly diversify its range of products into lines such as fruit yogurts, specialized milk products and dairy desserts (*Gida Teknolojisi* 1997).

From the perspective of Mis Sut, this merger involves a give-and-take. The General Director of Mis Sut told me in an interview that Nestlé provided them with an invaluable resource, namely R&D. Mentioning the example of Mis Sut's failed attempts at developing a commercial version of a traditional dessert in the 1980s, he likens their previous R&D operations to "cooking in a kitchen," whereas Nestlé's R&D, in his view, is a scientific enterprise. The gains that Nestlé has made by buying Mis Sut are also very significant. According to the Mis Sut General Director, Nestlé is now taking advantage of Mis Sut's highly developed distribution network. Moreover, it also capitalizes on the well-established Mis Sut brand name. Finally, Nestlé learns from Mis Sut about the structure of the domestic market and consumer demands and tastes. As Mis Sut's general director said, "we will teach them how to make yogurt."

As in the case of Unilever, the Mis Sut-Nestlé joint venture demonstrates the importance of a TNC tapping domestic resources by means of networking with a local firm. In addition to that, the division of labor between Mis Sut and Nestlé is indicative of the importance of intellectual property investments for TNCs. In a globalized market, TNCs are able to make specialized investments in different locations. Thus, Nestlé keeps its R&D activities in Europe and makes it available for its partner in a selective manner, thereby causing Mis Sut to be dependent on it for product proliferation, while at the same time gaining knowledge of local tastes and consumer demands. Yet it should be noted that Mis Sut appreciates the potential for product differentiation that came with the Nestlé partnership (*Dunya* 1995). Underlining the growing power of supermarkets vis-à-vis producers through manipulation of shelf-space, Mis Sut's general director points out that his company needed the product range that became possible with Nestlé in order to claim more and better shelf-space and stay competitive. Here it should be noted that the share of supermarkets in the reatil market is growing steadily in the 1990s, although the food retail market is still dominated by small-scale grocery stores and various forms of bazaars. Corporate-owned supermarket chains have come to account for 30 per-cent of all retailed food in major metropolitan areas by the mid-1990s (Zet-Nielsen 1994).

CONCLUSION

In light of the above discussion, we can put forward several conclusions. Firstly, the evidence I presented here is in line with the argument that FDI by TNCs in the periphery are increasingly taking new forms such as joint ventures and acquisitions that cash in on intellectual property. In the case of Nestlé, which had less presence in the domestic market, tapping into the existing networks of a domestic corporation (Mis Sut) and taking advantage of its experience was a preferable option for gaining access to the market. Likewise, Unilever sought to strengthen its market share by means of acquisitions that allowed access to domestic networks.

In both cases, the significance of intellectual property is obvious in terms of strengthening and widening each firm's respective positions in the Turkish food market. While these two TNCs were predominantly engaged in producing a small range of products, such as margarine and confections in the postwar era, they have recently expanded their production range and now concentrate on producing and marketing high value-added processed foods. It should be underlined that the introduction of these new products for the most part does not require new intellectual property investments. For both TNCs, product development and R&D, the actual production process and marketing can take place in different countries. A case in point is the specialized milks and yogurts that are developed elsewhere by Nestlé and produced and marketed by Mis Sut in Turkey. Similarly, while Unilever launches products which are new to the Turkish market, such as packaged ice cream and frozen food, it simply makes use of existing technology and brand privileges which have already been developed in Europe. All these processes are clear indications of the fact that food TNCs are concentrating on new investment strategies to expand their market shares globally; capitalizing on their existing intellectual property is a significant strategy in this endeavor. Yet, there is another way in which intangible assets are crucial in the expansion of food TNCs. As evident in both cases, Unilever and Nestlé also take advantage of domestic companies' intangible assets, such as distribution networks, knowledge about market conditions and established brand names.

One can argue that the changing patterns of FDI continue to benefit the TNCs rather than their partners in a developing country. Although ownership may sometimes rest with the domestic companies, vital functions such as R&D and product development are still in the hands of the TNC. Besides, uncertainties regarding the market are shared between the TNC and the local partners unequally to the benefit of the former.

A second set of conclusions concerns TNCs' investment strategies in relation to the consumption sphere. In the cases of both Unilever and Nestlé, we observe how TNCs tap into the existing income polarization and contribute to the further segmentation of the Turkish market. The consumption of certain food products such as low-calorie foods and different varieties of olive oil, which have been introduced recently by these companies, is largely limited to the upper echelons of the metropolitan middle classes. The introduction of various food items by Unilever and Nestlé targeting different socio-economic groups thus solidifies and deepens the existing segmentation of the market.

Here I should underline the importance of the relationship between local contexts and global forces in determining the range of possibilities for the transformation of consumption practices. This relationship is always a dynamic and interactive one and may result in different outcomes in different socio-historical settings. Therefore, it is no surprise that various food products epitomizing the Fordist age of food consumption in the core are becoming the symbols of social privilege, prestige and economic wealth towards the end of the twentieth century in a peripheral context such as Turkey. Hence, local conditions are as important as the changing production and marketing strategies of TNCs in the emergence of various forms of consumption relations.

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