

## CAPITAL AND CAPITALISTS IN TURKEY

## Media capital and ultra-cross media ownership

Gülseren Adaklı

In Turkey, a dependent capitalist country, the media displays ownership and control patterns different from those in other parts of the world. Across the world, large media outlets tend to pursue profit just like companies in other industries, and media production accounts for a large part of their growth strategies. In Turkey, this is not the case. In Turkish capitalism, media investments are “instrumentalized” towards ulterior goals such as securing investments in other sectors and gaining political clout.

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Born in 1966 in İskenderun, Adaklı graduated from Gazi University's Faculty of Communications in 1988. She went on to work at the production and news departments of media outlets such as TRT, Hürriyet Production, THA and ATV. In 1995, she joined the Faculty of Communications at Ankara University as a research assistant. Adaklı submitted her master's thesis entitled Reality Shows in Turkey in 1998 and her PhD thesis Ownership and Control in Turkish Media Sector (1980-2003) in 2003. Since 2010, she has been giving lectures at Ankara University on media policies, the history of communications, and political economy of the media and culture.

In the wake of the capitalist crisis of the 1970's, media investments gained momentum and expanded in the 1980s and 1990s.<sup>1</sup> Media outlets, whose number dwindled, followed expansion strategies which accelerated three main types of integration.

Horizontal ownership occurs when a corporation in a certain sector strives to control target audiences and markets in different subsectors with multiple products/companies. For instance, a corporation running a TV channel that appeals to the general public may also set up a news channel or specialized newspapers with specific target groups.

Vertical ownership is when a corporation tries to control the entire supply chain, from the procurement of raw materials or basic inputs to the delivery of the end-product to the consumer. When a single company manages to control the entire production process, a strong tendency towards monopolization appears in the sector.

Cross-media ownership refers to strengthening control in a certain medium by

stepping into other media. For instance, a holding company dominant in the music industry might invest in book publishing or cable TV industries with a view to compensate the cyclical slowdown in the former by profiting from growth in the latter. Once a taboo, the wave of neoliberalism turned this into a legitimate aspiration.<sup>2</sup>

Ultra-cross media ownership is when a holding invests in the media as well as other industries. In general, Turkish media outlets guarantee investments outside the media. Such holdings may capitalize on their power in the media to take part in public tenders, government incentives and allocations, and privatizations.

This “new media architecture” has been gaining momentum in Turkey and across the world since the 1980s.<sup>3</sup> Some claim that the media should not serve the interests of the government or business, but that of the general public; the media should contribute to an egalitarian and democratic social order. However, the new media architecture disregards public good. The relationships of media companies with other industries make media outlets cautious about any content which might jeopardize such joint interests. Power hubs (i.e., governments, bureaucracy, companies, and regulatory agencies) capitalize on their media power to gain profit or political clout.

### “Pro-AKP media”: Media outlets instrumentalized more than ever

After the military coup in 1980, consecutive Motherland Party governments allowed capital to enter the media sector and the integration of the latter into the banking and fi-



nance industries. Under AKP rule, the media industry has completely merged with manufacturing and services, resulting in a media complex dependent on the government. The media has become more instrumentalized than ever before in Turkish history, displaying not only political parallelism,<sup>4</sup> but also upholding the objectives of the AKP government regardless of its own policies.<sup>5</sup> Accordingly, instead of the popular expression “biased media” (yandaş medya), I use the term “pro-AKP media,” which denotes an ensemble of political, social and economic relations. The media owes its presence and clout to AKP, occasional conflict with the government in the last ten years.<sup>6</sup> During the Gezi protests, pro-AKP media outlets’ headlines were almost identical to one another, as can be seen in these publications of June 7, 2013.

Under AKP rule, certain media outlets suffered from economic repercussions, such as hefty tax fines. Two cases are the tax penalty of TL 3.7 billion handed to the Doğan Group in 2010<sup>7</sup> and the economic hardships imposed upon Taraf newspaper for its critical stance.<sup>8</sup>

Pro-AKP media outlets, which became significantly visible from 2007 onwards, generate media content which serves government purposes. They define the terms of political debate through news reports and debate programs, but their influence extends beyond this. For instance, the Çukurova Group, which once controlled Akşam newspaper and Show TV, succeeded in producing a new billionaire (Mehmet Sepil) in a single year thanks to its subsidiary Genel Energy, which was granted the right to extract and

distribute oil in Iraqi Kurdistan.<sup>9</sup> How would it be possible for this media boss to support an editorial line critical of the government’s Kurdish policy? The example of Mehmet Emin Karamehmet will illustrate this, as will that of Ferit Şahenk, owner of the Doğuş Group, which drew criticism for its coverage of the Gezi protests.

Oil investments of Genel Energy in Iraqi Kurdistan. The company is a subsidiary of Çukurova Holding, former owner of Show TV and Akşam newspaper.

Ferit Şahenk, owner of the TV channel NTV, was designated the richest man in Turkey in the Turkish edition of Forbes magazine in 2011. Şahenk also made it to the headline of the Zaman newspaper on April 26, 2009.<sup>10</sup>

The ways in which these media outlets act are very similar. For instance, according to the Law No. 3684 concerning the Radio and Television Supreme Council (RTÜK), media companies were unable to participate in public tenders. In 2001 the Doğan Group lobbied to allow media outlets to submit such tenders and to raise the limits on the foreign ownership of these outlets. Until the Law No. 6112 passed in March 2011, the legislation was ambiguous and thus unreliable in the eyes of investors – especially foreign companies. All media companies expended immense efforts to amend the law. Today business groups that own TVs, radios, etc., can submit public tenders without any problem as a result of this joint political campaign. Holding companies can step in and out of a critical industry such as the media without hurdles, because these “collaborative cartels”<sup>11</sup> have left

These identical headlines are taken from pro-AKP newspapers on 7 June 2013, during Gezi Park Occupation. "I would sacrifice my life for democratic demands".





Bottom: The owner of NTV television Ferit Şahenk was listed number one in 2011 Forbes Wealthiest People in Turkey. Şahenk was on the front page of Zaman newspaper on 26 April 2009.

aside their disagreements to support political initiatives that pave the way for strategic investments in construction, contracting and energy. Therefore, it is necessary to investigate who operates these holding companies, how they are enriched via public tenders, what kind of networks they create, and the role of the AKP government in this context.

### Prominent cases of ultra-cross media ownership

The handover of Sabah-ATV: The Sabah-ATV handover sparked significant debate. Established by Dinç Bilgin, Sabah-ATV was acquired by Turgay Ciner in 2002 before being seized by TMSF (Security Deposit Insurance Fund) in 2007. In 2008, it was transferred to the pro-AKP Çalık Group almost like a gift through a highly controversial payment method.<sup>12</sup> In time, the Çalık Group came to suffer huge losses but was saved from its demise by the government. In December 2013, Sabah-ATV was sold to the Kalyon Group, the rising star of the construction industry during AKP rule.<sup>13</sup>

The acquisition by Kalyon Group has led to many rumors. During the corruption probe initiated by the police on December 17, 2013, many recordings were made public via the Internet, some of which suggest that the Minister of Transport at the time, Binali

Yıldırım, and the Prime Minister’s son Bilal Erdoğan urged the Cengiz-Limak-Kolin consortium to acquire not the media assets of Çukurova Group but those of Sabah-ATV.<sup>14</sup> When Umut Oran, an Istanbul MP from Republican People’s Party submitted a parliamentary inquiry on this acquisition the, Presidency of Telecommunication and Communication demanded that the text of the inquiry be removed from the MP’s personal web site!

Transfer of the media companies of Çukurova Group: Obligated to abandon his banking investments in 2002, Mehmet Emin Karamehmet was left with Turkcell and Digitürk as his most important companies. Media outlets such as Show TV, Skytürk and the Akşam newspaper posted huge losses, and were unable to pay employee salaries for months on end. On May 24, 2013, the Security Deposit Insurance Fund seized the Group’s media companies, and almost immediately, Show TV was sold for a ludicrously low sum to Turgay Ciner, who enjoyed strong relations with the government. The other media outlets such as Akşam newspaper and Skytürk channel<sup>15</sup> were first bought by a consortium among the construction companies Cengiz-Limak-Kolin, which had also been awarded the public tender for the construction of the third bridge over the Bosphorus. As soon as the news of the acquisition became public, Limak’s owner Nihat Özdemir announced that they had cancelled their decision to buy the said companies. Finally, Ethem Sancak, who had briefly stepped into the media industry in 2007 with the Star Media Group, made a comeback when he was most needed and acquired these companies.<sup>16</sup> Upon the completion of the sales on November 21, 2013, Sancak acquired Çukurova Group’s media companies with the exception of Show TV in return for 62 million dollars.<sup>17</sup>

Ethem Sancak, who openly admits that he reentered the media business to support PM Tayyip Erdoğan,<sup>18</sup> had formed a joint-venture with the British company Alliance Boots back in 2001 to establish Hedef Alliance; then he sold all his shares in the company to Alliance Boots in 2013.<sup>19</sup>

Ciner Media Group/Turgay Ciner<sup>20</sup>: Turgay Ciner’s biggest media companies (Sabah-ATV) were seized by the state in 2007, after then he also established new media companies. His editorial line avoided any friction with the AKP government. The senior managers intervened in any content which might jeopardize Ciner’s non-media investments. For instance, a popular quiz show at

Under the AKP (Justice and Development Party) rule, the media industry has completely merged with manufacturing and services, so that the government has been able to create a media complex organically dependent on itself. The media has become more instrumentalized than ever before in Turkish history. The said media complex not only displays political parallelism, but maybe more importantly, always upholds the objectives of the AKP government regardless of its own political ideology or publishing/broadcasting policy.

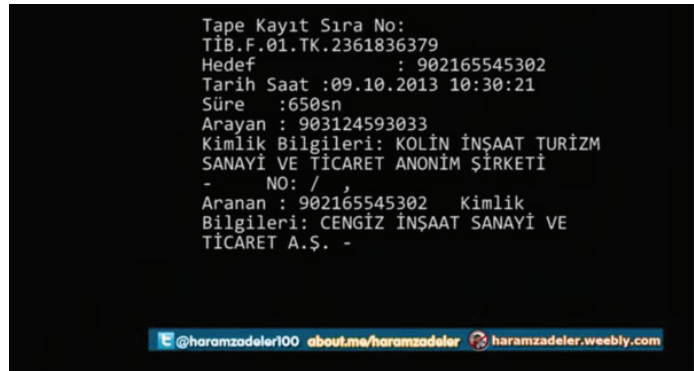
the TV channel Bloomberg HT was discontinued when its producer and presenter İhsan Varol posed questions that seemed to be in support of the Gezi protests. The program was banned in the wake of the corruption probe of December 17.<sup>21</sup>

Following the corruption probe, a so-called “tape war” between the government and the Gülen sect started through dissemination of secretly taped conversations. It was then alleged that Ciner had close relations with Gülen. In a conversation leaked on the Internet on January 13, 2014, it was alleged that Ciner said the following: “This newspaper will never publish a story which would compromise you... I shall never allow a piece which might embarrass his eminence (Fethullah Gülen).”<sup>22</sup> Even though the exact network of the Gülen sect remains unknown, Ciner’s Park Holding is known to have sponsored the Intercivilizational Dialogue Congress organized by the pro-Gülen Foundation of Journalists and Writers on June 6-7, 1997.<sup>23</sup> The AKP government (read: the PM) ensured that its henchmen rose to managerial positions in the Group, possibly to increase its power. In 2012, Ciner acquired Kasımpaşa Sports Club<sup>24</sup> and subsequently appointed Mehmet Fatih Saraç, known to be very close to the PM, to the boards of both the football club and the media group. The leaks also showed that, on a day when the Gezi protests spread across the country, Erdoğan called Saraç in person and demanded the removal of a news scroll on Habertürk. A new piece of legislation concerning the Internet, passed just after the recordings were leaked, gave Presidency of Telecommunication and Communication the right to prevent such leaks for good.<sup>25</sup>

Milliyet’s June 3, 1997 edition indicates that Intercivilizational Dialogue Congress held in Istanbul was sponsored by Park Holding, Kentbank and THY.

## The Leviathan of neoliberal capitalism

Ultra-cross media ownership denotes neoliberal capitalism’s intricate network of relations. The media has been tightly constrained since the 1970s, jeopardizing freedom of expression and other civil liberties. The AKP government used police power and media power to suppress the Gezi protests of June 2013, and continues to block freedom of expression. However, although the ownership structures of the media were realigned to support the AKP government, this was



## Sabah-ATV 8 Patronlar Binali Yıldırım'ın Belediye Başkanı Olması Durumunda İhale Alamayacaklarını Düşünüyorlar



not enough to stop the Gezi protests. Thus, the government sought recourse in heavy-handed tactics, branding all international criticism as “conspiracy.”<sup>26</sup>

The Turkish media is an integral part of a group of abbreviations such as TOKİ (Public Housing Administration), HES (hydroelectric power plant), AVM (shopping mall) and TFF (Turkish Football Federation), which form the basis of the collective capitalist class. The social results of all this result in

Top: The “tapes”, apex of surveillance society...

Below: News sites that covered CHP MP Umut Oran's questioning of the sale of Sabah-ATV media companies were warned by Telecommunication and Communication Agency.

Pro-AKP media outlets, which became significantly visible from 2007 onwards, generate media content which conspicuously serves government purposes. In particular news outlets, months and years have passed without the slightest criticism of the AKP. They are able to define the terms of the debate through news reports and live debate programs, and thus the material and human resources of the country are brought under governmental control under pretexts such as “urban transformation” or “overcoming the energy crisis.”

war, neglect of earthquake victims, “unsolved” political murders, racism, anti-Kurdish sentiment, forced migration/displacement, murders of women and transsexual individuals, poverty, deprivation, and cultural impoverishment.

The AKP government made use of not only police power but also media power to suppress the Gezi protests which erupted in June 2013, and continues to suffocate the media’s freedom of expression in an outright fashion. However, although the ownership structures of the media were realigned to support the AKP government, it was not enough to put an end to the Gezi protests.

- 1 Ben Bagdikian associates this “attack into the media” with family companies’ decision to abandon various markets to get rid of their tax burden. Bagdikian, Ben (2000): *The Media Monopoly*, 6. edition, Boston, p. 11-13.
- 2 In 1975, the Federal Communications Commission (FCC) banned a company from controlling a daily newspaper, TV and radio in the same local market; however, it annulled this rule in 2007, thereby accelerating the liberalization of the media industry.
- 3 For further detail on the new media architecture, please see: Adaklı, Gülseren (2009): *The Process of Neoliberalisation and the Transformation of the Turkish Media Sector in the Context of the New Media Architecture*, in: Harrison, Jackie and Wessels, Bridgette (eds.): *Mediating Europe: New Media, Mass Communications and the European Public Sphere*, Oxford, New York, p. 286-317; (2006): *Türkiye’de Medya Endüstrisi. Neoliberalizm Çağında Mülkiyet ve Kontrol İlişkileri*, Ankara.
- 4 “Political parallelism” is a term used by Hallin and Mancini to indicate the distance between media outlets and political viewpoints in a country. Hallin, Daniel and Mancini, Paolo (2004): *Comparing media systems: Three models of media and politics*, Cambridge.
- 5 See Adaklı, Gülseren (2009): 2002-2008: Türk medyasında AKP etkisi, in: Uzgel, İlhan and Duru, Bülent (eds.): *AKP Kitabı: bir dönemin bilançosu*, Ankara.
- 6 Under the direction of Ahmet Altan (2007-2012), Taraf newspaper had given its support to the AKP government against military oversight. However, when the PM was seen to have a very close contact with the chief of general staff, the newspaper was still able to publish very critical headlines. Moreover, in times of dispute between the Fethullah Gülen movement and the government, the newspapers and TVs close to Gülen criticized the AKP very harshly.
- 7 CNNTürk (18.02.2009): Doğan Holding’e rekor ceza, <http://www.cnnturk.com/2009/ekonomi/sirketler/02/18/dogan.holdinge.rekor.ceza/514295.0/index.html> While the Doğan Group was handed hefty tax fines and defanged, the pro-AKP media outlets were relieved of all tax burdens. Please see Taraf (24.06.2013): Vergide abidik gubidik işler, <http://taraf.com.tr/haber/vergide-abidik-gubidik-isler.htm>
- 8 A journalist friend of mine once suggested that the short history of Taraf, launched in 2007, could be interpreted as a fairly lucid reflection of the relation between the Gülen sect and AKP. In hindsight, this idea seems to be vindicated with the developments following the operation probe of December 17, 2013, which AKP circles called a coup by the Gülen sect.
- 9 <http://yenisafak.com.tr/Gundem/?i=305755&t=28.02.2011> <http://www.genelenergy.com/operations/kurdistan-region-of-iraq.aspx>
- 10 Ekrem Dumanlı and Turhan Bozkurt (26.4.2009): Türkiye, Batı’dan kopmuyor, (interview with Ferit Şahenk), [http://www.zaman.com.tr/pazar\\_ayin-konugu-ferit-sahenk-turkiye-batidan-kopmuyor\\_841538.html](http://www.zaman.com.tr/pazar_ayin-konugu-ferit-sahenk-turkiye-batidan-kopmuyor_841538.html)
- 11 Bagdikian, Ben (2000), p. xv.
- 12 See Adaklı, Gülseren (2009).
- 13 Hacer Boyacıoğlu (20.12.2013): 100 milyar TL’lik ihale devî medyaya girdi, in: *Hürriyet*, <http://www.hurriyet.com.tr/ekonomi/25409671.asp>; *Hürriyet* (20.12.2013): Sabah ve ATV Kalyon’a satıldı, <http://www.hurriyet.com.tr/ekonomi/25407253.asp>.
- 14 In Turkey, where the lack of reliable sources has become a very serious concern, these “leaks” are far from the norms of the famous whistleblower Julian Assange’s criteria of “scientific journalism”; however, one is obliged to take these as a starting point. For Assange’s journalism, see Adaklı, Gülseren (2011): *Wikileaks versus Kapitalizm?*, in: Binark, Mutlu and Fidaner, Işık Barış (eds.): *Cesur Yeni Medya. Wikileaks ve 2011 Arap isyanları üzerine tartışmalar*, İstanbul, <http://ekitap.alternatifbilisim.org/files/cesur-yeni-medya.pdf>. For leaked recordings concerning the Sabah-ATV acquisition see <http://haramzadeler.weebly.com/1/post/2014/02/turkuaz-medya-fezlekesi.html> (accessed on February 3, 2014)
- 15 In its decision dated January 16, 2014, the Competition Authority (Rekabet Kurulu) ruled that Ethem Sancak’s ES Mali Yatırım ve Danışmanlık A.Ş. (trade registry no: 750749) was allowed to acquire all the shares of Çukurova Group in T Medya Yatırım ve Sanayi A.Ş., Atlas Yayıncılık ve Ticaret A.Ş., Alem Radyo ve Televizyon Yayıncılık Ticaret A.Ş., Bilişim Radyo Televizyon Yayıncılık Sanayi ve Ticaret A.Ş., Sakarya Kent Radyo ve Televizyon Sanayi ve Ticaret A.Ş., T Medya Magazin Yayıncılık Sanayi ve Ticaret A.Ş., T Medya Televizyon Yayıncılık Sanayi ve Ticaret A.Ş., Karova Medya Sanayi ve Ticaret A.Ş., T Medya Pazarlama ve Dış Ticaret A.Ş., T Medya Baskı Teknolojileri A.Ş., Ad Grup Basın Servisleri ve Ticaret A.Ş.’ <http://www.rekabet.gov.tr/default.aspx?nsw=SdEReVrahMmojT7mo8o9zg==&H7deC+LxB18>
- 16 *GazetecilerOnline.com* (4.10.2013): Akşam ve Sky’ı AKP medyası mimarına sattılar, <http://www.gazetecileronline.com/newsdetails/11416-/GazetecilerOnline/aksam-ve-sky39i-akp-medyasi-mimarina-sattilar>
- 17 *Hürriyet* (22.11.2013): Sancak, Akşam ile Skyturk’ü satın aldı, <http://www.hurriyet.com.tr/ekonomi/25178294.asp> <http://www.turkmedya.com.tr/>
- 18 *Patronlar Dünyası* (2013): Ethem Sancak: Medyaya Erdoğan’ı desteklemek için girdim, <http://www.patronlardunyasi.com/yhaber.asp?haberid=121933>
- 19 Songül Hatisaru (2013): İlacı İngilizlere sattı, Ruslarla Yandex’e giriyor, *Milliyet*, September 7. <http://ekonomi.milliyet.com.tr/ilaci-ingilizlere-sattir-uslarla/ekonomi/detay/1760124/default.htm>
- 20 <http://www.cinemediagroup.com/index/en>
- 21 *Radikal* (23.12.2013): Kelime Oyunu yayından kalkıyor, [http://www.radikal.com.tr/hayat/show\\_tv\\_uc-programi\\_yayindan\\_kaldirdi-1167668](http://www.radikal.com.tr/hayat/show_tv_uc-programi_yayindan_kaldirdi-1167668)
- 22 *Takvim* (13.1.2014): Gülen’in skandal ses kaydı ortaya çıktı, <http://www.takvim.com.tr/Guncel/2014/01/13/gulenin-skandal-ses-kaydi-ortaya-cikti>

- 23 Çakıroğlu, Perihan (1997): Fethullah Hoca'dan işadamları destekli din kongresi, in: Milliyet, June 3.
- 24 Tolga Arslan ve Volkan Öner (17.12.2013): Kasımpaşa Spor'un 'başarı' öyküsü, <http://www.habervesaire.com/news/kasimpasa-spor-un-basari-oykusu-2634.html>
- 25 For a detailed analysis of the new censorship measures introduced by this legislation, please see Altıparmak, Kerem and Akdeniz, Yaman (2013): 5651 sayılı Kanunun değişiklik tasarısının getirdiği değişiklikler üzerine bir değerlendirme, [http://cyber-rights.org.tr/docs/5651\\_Tasari\\_Rapor.pdf](http://cyber-rights.org.tr/docs/5651_Tasari_Rapor.pdf)
- 26 The PM criticized international media outlets which covered the Gezi protests and the government's stance towards the media. For example, see (16.6.2013) Başbakan Erdoğan'dan Batı Medyasına Eleştiri, <http://m.amerikaninsesi.com/a/1682948.html>. The PM directly targeted the BBC journalists Paul Mason and Selin Giritli. For two examples of news stories which roused the ire of Erdoğan, see Mason, Paul (3.6.2013): Analysis: The hopes that blaze in Istanbul, <http://www.bbc.co.uk/news/world-europe-22752121> and Giritli, Selin (13.8.2013): Turkey media crack-down: Who to blame? <http://www.bbc.co.uk/news/world-23628066>.