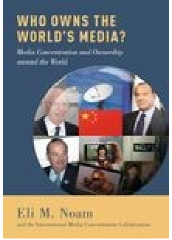

Who Owns the World's Media? Media Concentration and Ownership around the World

Eli M. Noam and The International Media Concentration Collaboration

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CHAPTER

15 Media Ownership and Concentration in Turkey

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Abstract

This chapter looks at media ownership and concentration in Turkey. Once it has completed an overview of the Turkish media scene, the rest of the chapter describes the major media industry firms (conglomerates, religious community/sectarian media), print media (newspapers, magazine publishing), audiovisual media (radio, broadcast television, multichannel TV platforms), telecommunications media (wireline and wireless telecom), Internet media (Internet Service Providers, search engines, online news market, social media), and international ownership. Overall, Turkish media markets are dominated by a handful of vertically integrated industrial conglomerates with cross-ownership in almost every segment, often allied with influential religious groups. Despite the media market being liberalized on paper, due to political, economic, and regulatory factors, it remains highly concentrated, with no real ownership controls in place (excluding TV and radio). Major firms are, in Telecom, Turk Telecom, Turkcell, and Vodafone. In print and audiovisual media, Dogan, Cukorova, Turksat, and Turkuvaz.

Keywords: Turkish media market, news market, conglomerates, print media, audiovisual media, telecommunications, Internet, Turk Telecom, Turkcell, Dogan, Cukorova, Turkuvaz Turkish media market, news market, conglomerates, print media, audiovisual media, telecommunications, Internet, Turk Telecom, Turkcell, Dogan, Cukorova, Turkuvaz

Subject: Economic Sociology, Social Research and Statistics

Introduction

Turkish media markets lack overarching cross-ownership rules, despite a profusion of national regulatory agencies and media laws.[1] In practice, politicians, government agencies, the judiciary, and conglomerates all try to game the system for their own partisan and business agendas. This development is the result of a campaign of privatization without liberalization carried out by successive governments beginning in the 1980s. Until the early 1990s, the state controlled all non-print media outlets, and there were no independent regulatory bodies. The privatization of the audiovisual and telecommunications markets led to increased commercialization in the 1990s.[2] From 2003 on, Turkey's efforts to enter the European Union (EU) entailed the adoption of an *acquis communautaire*, an EU outline for rewriting all ownership rules and competition guidelines.[3] Turkish regulators also have obligations to other supranational bodies, such as the OECD, the World Bank, and WTO. On the surface, the *acquis* and ongoing ↳ p. 388 Turkish media reforms are compatible: regulators were initially responsive to EU demands, and media companies behaved similarly to their EU counterparts in making investments in the media markets of Central Asia, Eastern Europe, and the Caucasus.[4] Internally, however, Turkish conglomerates have been successful in finding legal loopholes to bypass regulatory rules, and have been able to veil their actual market shares instead of fully reporting them.[5],[6] Turkey must meet three primary *acquis* obligations: to ensure compliance with EU regulatory laws, prepare the market for full liberalization, and to develop ICT infrastructure. However, these obligations have not been well managed. As a result, most of the initial steps taken in accordance with EU requirements put forward identical provisions, contradictory amendments, and broadly defined responsibilities subject to interpretation.[7] Most significantly, legislators have been unable to promote competition and redress the high level of concentration for the wireline market in particular (with the exceptions of international and long-distance calling, though). The continued dominance of the telecommunications monopolist, Turk Telekom (TT), is one of the reasons that the 2011 progress report for Turkey aired concerns about the implementation of the *acquis* obligations.[8] The state of the wireline market illustrates that merely copying EU rules and standards does not ensure increased efficiency or transparency.

The European Commission's (EC) progress reports on Turkish media summarized several key problems facing regulatory agencies fulfillment of the *acquis*. The Information & Communication Technologies Authority of Turkey (ICTA) is in charge of harmonizing national media laws with EU standards (for spectrum management, licensing, network access, numbering, number portability, rights of way, and tariffs), but Turkey's Electronic Communications Law (ECL) and Mobile Communications and Internet Law are not in compliance with these standards. The ICTA, according to the EU, "confer(s) a margin of discretion on the regulator that could lead to legal unpredictability" in licensing practices, a statement that openly questions the transparency and autonomy of the ICTA.[9]

Legislative policy formulation is a patchwork process involving the prime minister's office, several ministries, parliament, and a number of interest groups and professional organizations. Legislators have generally not been successful in promoting sustainable long-term growth through consistent policymaking or in advancing lower levels of concentration and better cross-ownership controls. From parliament's perspective, the mandates and capabilities necessary for implementing new policies are not present because of a multiplicity of ministries, laws, and national regulatory agencies, as well as the executive branch's insertion of itself into the process. No elected officials want to "own" the regulatory regime due to fears of alienating corporate media and party members, though according to a report of the EC, ambiguity over
p. 389 which Turkish agency is responsible for ↳ enforcement is the leading source of confusion here.[10] That ambiguity is the reason that a clear confirmation of policy issues at the ministerial level is rarely observed, and the ex-ante and ex-post regulatory responsibilities are overlapping: ICTA is dedicated to ex-ante regulations, while the Competition Authority (CA) is in charge of the ex-post situation. While their functions seem complementary, in practice both are mandated to perform similar ex-post enforcement duties, and this has led to disputes.[11] While the ECL assigns the ICTA shared responsibility for approving mergers and acquisitions alongside the CA, it has provisions that accept an overriding CA mandate to monitor and audit violations of competition under the Competition Law. It is a common perception in Turkish politics that the state enacts political and economic objectives through regulators. The Radio and TV Supreme Council (RTVSC) is one of the most important media regulators, and one of the most discussed when it comes to transparency and political independence. As is the case with all national regulatory agencies in Turkey, its nine board members are nominated by parliament. Although RTVSC considers itself as an autonomous regulator, the composition and the way boards are appointed belie this assertion.

The relationship between regulatory agencies and the judiciary strains the implementation: the authorization of alternative operators was restricted for five years, from 2004 to 2009, because the ICTA had authorized licenses for three and half years terms, which the High Administrative Court cancelled in 2008. Consequently, the ICTA had to revise the authorization and issue new licenses in 2009. Licensing strictly controls entry to the commercial broadcasting market. The RTVSC and ICTA are mandated to regulate frequency allocation—which was not done for terrestrial TV and radio broadcasting—but whereas RTVSC is responsible for allocating frequencies, ICTA holds a mandate over the planning process. The tasks of RTVSC are explained in the Turkish Constitution, but the duties of ICTA are not clearly specified by any laws. Given that RTVSC and ICTA had similar tasks and responsibilities for frequency allocation and data transfer services, the Ministry of Transport and Communication (MoTC) declared in 2009 that these two agencies would be merged, though no such consolidation has taken place.[12] In any event, the implementation of Turkey's new frequency allocation plan is nontransparent: the goals outlined in the National Spectrum Allocation Plan are contradictory, since they prioritize demands of multiple state agencies yet seek to provide fair competition among commercial and public entities.[13]

There are no cross-ownership restrictions for wireline or wireless telecom, multichannel TV platforms, and Internet service providers (ISPs); capital and revenue caps apply only to broadcasting. In all other markets, firms are allowed to hold assets across different media sectors as long as they follow the Competition Law and existing cross-ownership rules—even though these were initially written for the broadcasting market alone. Turkish conglomerates have easily circumvented these regulations.

The European Competitive Telecommunications Association (ECTA) ranks Turkey—along with the Czech Republic and Bulgaria—in the lowest tier of countries for performance in media regulation and transparency.[14] The p. 390 ↳ ICTA's power to enforce rules remains limited, and it lacks the authority to impose fines and sanctions. In addition, it has not imposed either a truly cost-oriented mobile termination rates (MTR) program, or any internal nondiscrimination obligations. The effectiveness of the regulatory regime, for wireline telecom in particular, demands more than *de jure* independence for regulatory bodies.

The Major Media Industry Firms

As a result of privatization, the traditional model of media firms as family-owned print publishers was supplanted by conglomerates with cross-ownership holdings in broadcasting and telecommunications. During the second half of the 1990s, wireless, wireless telecom, private broadcasting, and print media became more concentrated through cross-ownership. Similarly, the late 1990s and early 2000s saw commercialization transform into conglomeration. A handful of conglomerates consolidated print media outlets through acquisitions to dominate the industry, and this continued after 2001. In addition, religious and conservative business groups with strong ties to religious sects or communities also entered into market segments through buyouts, thus bringing about further consolidation.

The seven main media groups between 1985 and 1995 were the Dogan Media Group (DMG), controlled by the Dogan Family (with close ties with the Populist Republican Party, and later with the Motherland Party, which is center-right, conservative); the Sabah Group, run by tycoon Dinc Bilgin (with close ties with the True Path Party, center-right, conservative); the Uzan Group of the Uzan family (with close ties to the former one-party regime of the Motherland Party); the Cukurova Group, established by businessman Mehmet Emin Karamehmet; the Aksoy Group (also with close ties to the Motherland Party); the Ihlas Group, led by the head of the Isik religious sect (conservative, pro-religious, and also with close ties to the Motherland Party); and the Feza Group, supported by well-heeled segments of the Sunni Muslim religious community.

Other principal groups with cross-cross-ownership in Turkey include the Albayrak Group (religious and pro-government); the Ciner Group (secular mainstream with strong support of JDP government); the Calik Group's Turkuvaz Medya, whose CEO is the son-in-law of prime minister (mainstream conservative/pro-government); the Dogus Group (secularist, mainstream, reconfigured supporter of JDP government); the Ipek/Koza Group (supporter of the religious community of the Feza Group); and the pro-government, secular STR Group.

After 1995, cross-ownership became even more concentrated across these markets: Dogan alone controls over 60% of total advertising revenues nationwide. The economic crisis of 2001 had a very significant effect on concentration. As a result of it during the first JDP administration, the media assets of the Uzan, Sabah, and Aksoy media groups were all confiscated by the state agency called the Saving Deposit Insurance Fund (SDIF) in 2004, putting the three out of the media business. The Ciner, Dogan, Dogus, and STR media groups acquired their assets. While political parties seek supporters in the press, conglomerates attempt not only to influence policy decisions, but also to maximize their profits through rent-seeking. The creation of the Albayrak, Calik, Ipek/Koza, and STR media groups—which had no previous experience in the media market—to "balance out" against existing media groups affiliated with the JDP's political rivals resulted in increased politicization of media and of clientelism.

All of the major media groups, except for Feza, are large conglomerates and their major business activities are in other sectors such as finance and banking, mining, energy, automotive, tourism, construction, and real estate. The conglomerates use their media outlets to protect these business interests, while there seems p. 391 ↳ to be no efficient way to control concentration and cross-ownership. As such, the relationship between ownership and types of financial investment in Turkish media industry has changed significantly in the past two decades. Although technological advancements lower the cost of radio and TV broadcasting, the competition and the required infrastructure demand high investment. Similarly, the profitability of the print media and private broadcasters is directly dependent on deep pockets in other lines of business. The majority of media owners of 1990s and 2000s came from construction and/or banking and finance. The dominance of conglomerates is not only limited to control over the national newspaper market but also other segments of media. Yay-Sat of the Dogan Group and Turkuvaz Dagitim of the Calik Group run a *de facto* duopoly in print media distribution. The only serious recent competition has come from Islamic media outlets, which proliferated in the 2000s, backed by Islamic financiers. Together, media markets have been dominated by conglomerates with core business other than media, and by pro-JDP newcomers subsidized through the preferential awarding of energy and mining licenses, subsidized cheap loans, support by officials, and public works tenders. In sum, the Turkish market's highly differentiated media products have been concentrated through vertical integration and conglomerates accelerated by barriers to entry, economics of scale, high entry costs, inadequate regulations, and absence of cross-ownership rules (except for radio and TV).

The Conglomerates

The Dogan Group is one of the largest business groups in Turkey, with extensive activities in the media, tourism, energy, real estate, and insurance sectors. Its Dogan Media Group (DMG) controls almost half of Turkey's private media outlets and about 60% of advertising revenues nationwide. It has joint partnerships with a number of well-established international companies, including CNN (owned by Time Warner), Axel Springer, OMV, Universal Music Group, Burda, and Egmont.

DMG has historically been considered a mainstream outlet associated with state-sponsored secularism. This changed in 2009, when the group was fined a massive USD2.5 billion due to the 2006 sale of Dogan TV Holding to the German publisher Axel Springer. In 2011, the group sold its two well-established secularist newspapers—*Milliyet* and *Vatan*. The group's media outlets lowered their secularist tones and became more in line with the conservative and pro-Islamist views of the government.

DMG's portfolio of media firms includes newspapers, magazine and book publishing and distribution, printing, television and radio broadcasting, advertising, online media, an ISP, and fixed line telecom. It operates 8 national newspapers, 24 magazines, and six printing facilities in Turkey and Germany. DMG owns six national dailies *(Hurriyet, Radikal, Posta, Fanatik, Referans*, and *Hurriyet Daily News)*, three national TV channels *(Kanal D, Star* and *CNN Turk)*, several radio channels *(Radio D, Slow Turk Radio, CNNTürk Radyo, and Radio Moda)*, a digital platform (D-Smart), as well as film production and advertising firms (D Produksiyon, ANS, and Hurriyet Yapım), and two distribution firms (DPP and YAYSAT). The group also includes one magazine group Dogan Burda (DB), a joint venture with the German publishing house Burda with 27 titles. Dogan has its own news agency (DHA), two publishing house (Dogan Egmont and Dogan Kitap), one printing house (Dogan Ofset), a music company (DMC), a merchandising company (D&R), Dogan Online, and the telecom division "Smile." In 2005, Dogan acquired 100% of Trader Media East (TME), an online and print classified advertiser active in Central and Eastern European markets. The group also owns one TV station in Romania, Channel Romania D.[15]

The company participates in several joint ventures with foreign firms. Axel Springer owns 44.9% of the
p. 392 shares of Dogan TV Holding, and ↳ Burda, the German publishing group, holds 44.9% stake of Dogan Yayin Holding. Most of the media assets of the Group are traded on the Istanbul Stock Exchange.

The second largest group is the Turkuvaz Group, which belongs to Calik Holding, owned by Ahmet Calik, a businessman with close ties to the JDP government. As noted earlier, the CEO of TMG is the son-in-law of Prime Minister, and then President, Tayyip Erdogan. The group owns two pro-government national TV channels (*ATV* and *A Haber)*, two national newspapers (*Sabah* and *Takvim*), 14 monthly and 5 weekly magazine titles, one printing house, one online news portal, and one distribution firm. All Turkuvaz's media assets are directly owned by Calik and are not publicly traded.[16] In 2007, Calik won control of the defunct Sabah group's media assets. The JDP enabled the process for political ends: it approved credits to the Calik Group from two state banks to finance the buyout of the confiscated media assets of the Sabah Group. TMG broadcasts two pro-JDP TV channels and its management is closely associated with the family of Erdogan.

The Cukurova Group, active since 1977, operated with a secularist inclination up to 2004, but has been pro-government since then. It is owned by Mehmet Emin Karamehmet. It owns two national newspapers *(Akşam and Güneş)*, four magazines (*Alem, Platin, Autocar, and Stuff*), two national radio stations (*Alem FM* and *Lig Radyo*), national TV channels *Show TV* and *SkyTürk*, a media marketing firm (Mepas), an advertising marketing (Zedpas), a TV/radio technical infrastructure services firm (Eksen Yayıncilik), a digital satellite

TV platform (Digiturk) with the broadcasting rights of Turkish premier football league up to 2014, a leading cellular GSM operator (Turkcell), and the ISP Superonline, Turkey's first ISP.[17]

The Dogus Group has been active since 1999 in the media market, exhibiting a moderate, secularist inclination up to 2005, but it has been pro-JDP since then. It is owned by Ferit Sahenk. The group owns four free news and three thematic channels (*NTV, Star TV, CNBC-E, e2, NTV Spor, NBA TV*, and *Kral TV*). The group also owns seven radio stations (*Kral FM, N101, NTV Radyo, NTV Spor, Radyo 5, Radyo Eksen, Radyo Voyage*, and *Virgin Radyo*) and has license agreements with the American publishers Condé Nast and the National Geographic Society.[18]

Ciner Medya Holding is part of the Ciner Group and is owned by Turgay Ciner. It has three national TV channels (*Haberturk, Kanal1*, and *Bloomberg HT*—the latter is run with Bloomberg L.P.), one newspaper *(Haberturk)*, numerous magazine titles like *Marie Claire* and *Maison*, two radio stations *(Haberturk Radyo and Bloomberg HT Radyo)*, a news agency (Ajans Haberturk), an online news company (Haberturk.com), a production company, and printing facilities. Like the other groups that were characterized as moderate secularist until the mid-2000s, Ciner's media outlets are now very much in line with JDP's politics.[19]

The Religious Community/Sectarian Media

The only serious competition to these conglomerates has come from the newer religious media groups, which are backed by Islamist associations. After 1990, the proliferation of religious media outlets supported by conservative parties, and the rise of pro-Islamist corporate lobbies, became more visible. Since 2002, the year pro-religious JDP came to power, it has gradually been creating its own media groups. Religious sect and community-based media became powerful, recognizing the abundance of economic and political rents the JDP government could offer them.

The religious and sectarian media is quite diverse, and there are several well-known and visible business
p. 393 groups with close links with the current JDP government. These include ↳ the Feza Group and Ipek/Koza (community of Nurcu sect), Ihlas Group (Isikcilar sect), Albayrak Group (the Nakshibandia sect), Yeni Asya (Nur sect), and Yeni Mesaj (Icmal sect).

The biggest of these is the Feza Group, controlled by the influential Gulen movement (which makes it a not-for-profit enterprise). It owns four TV channels (*Samanyolu TV, Samanyolu Haber, Mehtap TV, Ebru TV*), the highest circulating newspaper, *Zaman*, two weekly magazines (*Aksiyon* and *Sizinti*), one news agency (Cihan Haber Ajansi), a national radio network (*Burç FM*) and 25 local radio stations, and one printing house. The Ihlas Group, owned by Isikcilar sect leader and pro-JDP businessman Mucahid Oren, is one of the more venerable religious media entities, having been set up in 1970. It owns a newspaper (Turkiye), a TV station (TGRT Haber), a radio station (TGRT FM), a magazine firm, a news agency (Ihlas Haber Ajansi), and a fixed line and Internet services company (Ihlas Net). The family-owned Albayrak Group, composed of 50 firms and with very close personal and familial ties with the Prime Minister Erdogan, owns a newspaper with a moderate Islamist position (*Yeni Safak*) and a TV channel (*TVNET*). The Ipek/Koza Group, with major operations in gold mining and printing industries, is owned by Akin İpek, a pro-Gulen businessman. The group owns a conservative daily (*Bugun*), and two TV outlets (*Kanalturk* and *Bugun TV*).

Clientelism and Political Parallelism

The regulatory regime has not been successful in limiting high concentration, resulting in augmented "clientelist" relationships between media patrons and the state. Clientelism includes limited development of the mass circulation press caused by an authoritarian political culture, a slow development of democratic and civil society institutions, and a collapse of the "horizontal solidarity" of journalists and the convergence of "journalistic logic" with the logic of party politics and family (i.e., owner) privileges.[20] Moreover, in addition to various forms of protections, Turkish governments, with a strong patrimonial state tradition, support the companies of "eligible" businessmen or families with diverse forms of subsidies, such as credits, incentives, and other advantages. These supports are exclusively discretionary and discriminatory, and the rules and procedures were regularly changed with the political views and the agenda of governments. Consequently, media outlets often reverse their previous positions and roles and become the mouthpieces of the governing political party and of their parent conglomerates.[21]

In Turkey, the combination of market and state power in a patron and client network is a common phenomenon. In fact, the commercialization of the Turkish media sector has not broken the strong linkage between state and media conglomerates, but reversed its direction after 2002, the year JDP came to power. Until the 1990s, the state acted as a patron and media firms were its clients. In that period, the governments exerted enormous power over media content. However, after the deregulation of radio and TV broadcasting segments in early 1990s, the beginning of the period of coalition governments, conglomerates started to put the pressure on politicians and bureaucrats through their media outlets, thus leading to the inversion of the relationship (i.e., the coalition governments became the clients). For the major conglomerates, the main objective behind the involvement in the media business had to do with the indirect benefits of ownership rather than with the desire to develop pluralism and democracy.

In the 1990s, the proliferation of private broadcasting had no effect on the high degree of political parallelism. The industrial conglomerates were able to intervene in political decisions ↳ related to their business interests, particularly in the period of coalition governments from 1992 to 2002.

Until the 1990s, the state—through the armed forces—exerted enormous power over media content. After the deregulation of the broadcasting market, the development of coalition governments in place of unitary party or military rule saw politicians and bureaucrats appealing to media owners for favorable media coverage, inverting the media–state relationship. The coalition governments became clients. The proliferation of privately owned broadcasting networks had no effect on the high degree of political parallelism; the instrumentalization of media outlets actually enabled conglomerates to intervene directly in the political process between 1992 and 2002 with select editorializing. Despite the benefits they accrued, though, media groups intervened at their own peril: in 2001, Dinç Bilgin, the owner of the Sabah Group, was arrested and charged with embezzlement. In 2002, the government confiscated all of the Uzan Group's assets when it was found to have not paid back loans to its mobile vendor, Motorola, and the firm was charged with siphoning off deposits in its commercial bank to fund underperforming assets.

Regardless of whether they are diverse or narrowly sectarian, private media groups are still restricted by heavy state censorship. On top of that, the tendency of conglomerates to shrink from controversial reporting, particularly in international coverage, leads to self-censorship. More diverse and vibrant views appear consistently at the local and regional outlets, but these have limited distribution ranges due to restrictions implemented by the courts. There has also been a proliferation of lawsuits brought against journalists, academics, and human rights defenders that have been undermining the freedom of expression. In 2011, watchdog groups reported that Turkey had the dubious distinction of holding "more journalists in prison than any other country" in the EU,[22] in terms of the ratio of journalists to population, and more than any country in the world including China, as stated by a well-known columnist Ugur Dundar.[23] In particular, legislation governing online content and the conditions under which Internet service providers (ISPs) can operate are not in line with EU laws protecting freedom of expression and the right of online access.[24]

Given that the long-awaited directive on media concentration had to be scuttled after lobbying efforts against it, the EU's current directives on media concentration and ownership control lack adequate policy instruments to promote pluralism in Turkish media markets. Creating more pluralist media in Turkey, particularly for new digital platforms, will require much more effective implementation of competition rules and new policy tools to redress cross-ownership.

Print Media

Newspapers

The history of Turkish national print press starts at the end of the 15th century with the establishment of first print press by Jewish refugees from Spain in two cities of the Ottoman Empire, Istanbul, and Salonika. Much has happened since. Fast forwarding to today: The 1980 *coup d'état* by the Turkish military was a turning point in the structure of print media. Despite the censorship that prevailed under military rule (and the unitary party rule that lasted from 1983 to 1987, when a constitutional referendum was held), the military allowed news outlets to expand into local and regional markets, which greatly expanded the scope of print access. Regional and local print markets are vibrant and diverse, but the national market has ↳ been subject to increasing concentration and political parallelism.

There are 163 national newspapers in Turkey, of which national newspapers have an 80.9% market share by circulation, followed by local papers (2,381) with a 15.3% share and regional dailies (73) with 2.4%. Readership is relatively low given Turkey's economic indicators, literacy rate and population size: the Directorate-General of Press Advertisement has reported a steady decline in circulation numbers, coupled with a fall in the public's level of confidence that the press is more impartial than not.[25] Within the 163 national dailies are seven minority newspapers: the Greek-language *IHO* and *Apoyevmatin*; the Armenian-language *Agos*, *Jamanak*, and *Nor Marmara*; the Ladino-language *Salom*;[26] and the Kurdish-language *Azadiya Welat* (Table 15.1).

Table 15-1. Daily Newspapers (Market Shares by Circulation), 1990–2011

	1990	1992	1996	2000	2004	2008	2010	2011
Dogan Media Group (Dogan Yayin Holding)	13.8	19.0	41.3	39.7	37.8	38.2	32.7	23.7
Finansal Forum				*0.6*	*0.3*	*0.5*	*0.4*	*0.0*
Hürriyet Daily News			*17.8*	*15.4*	*12.6*	*12.0*	*11.1*	*10.8*
Milliyet	*13.8*	*14.7*	*18.7*	*8.9*	*6.5*	*5.3*	*4.4*	*Demirören*
Meydan/Gozcu		*4.3*	*4.8*	*3.0*	*3.7*	*0.0*		
Posta				*10.6*	*13.6*	*14.6*	*12.2*	*11.3*
Radikal				*1.2*	*1.1*	*1.0*	*1.2*	*1.6*
(a)*Vatan*						*4.8*	*3.4*	*Demirören*
Demirören								6.4
Milliyet								3.9
Vatan								*2.5*
Sabah/Turkuvaz Media Group (Calik Holding)	21.5	28.5	18.4	20.5	17.4	14.1	11.7	11.2
Sabah	*21.5*	*28.5*	*18.4*	*15.8*	*10.0*	*9.3*	*8.7*	*8.6*
Takvim				*4.7*	*7.4*	*4.8*	*3.0*	*2.6*
Simavi Family	30.5	23.8		Article II.				
Hurriyet	*17.2*	*23.8*	*Dogan*					
Gunaydın	*13.3*	*N/A*	*Dogan*					
Feza Group (*Zaman*)		4.7	7.7	4.5	10.8	17.5	19.6	22.7
Ihlas Group (*Turkiye*)	15.6	9.0	14.1	7.9	4.2	3.3	3.4	3.4
Çukurova Group				9.2	9.9	8.1	6.1	5.6
Aksam				*4.3*	*4.8*	*4.1*	*3.5*	*3.2*
Gunes				*4.9*	*3.7*	*3.5*	*2.6*	*2.4*
Halkave Olaylara					*1.4*	*0.5*	*0.0*	*0.0*
Tercuman								
Uzan/STR Group (*Star*)					2.3	3.3	2.6	3.8
Albayrak Group (*YeniSafak*)					2.9	2.5	2.5	2.5
Ipek/Koza Group (*Bugun*)						1.2	1.7	1.7
Habertürk(Ciner Group)							5.4	6.7

Akit/Yeni Akit			1.0	2.1	<1%	<1%	<1%	1.3
Anadolu'da Vakit	<1%	<1%	<1%	<1%	1.6	1.4	1.1	<1%
Bugun		7.0	4.8					
Cumhuriyet	4.1	2.1	1.3	1.1	1.3	1.8	1.3	1.3
D. Bugune Tercuman					2.8	<1%	<1%	<1%
Gunes	2.5							
Milli Gazete	<1%	<1%	<1%	<1%	<1%	1.2	1.3	1.3
Vatan					5.3	Dogan		
Sok						1.3	1.3	1.2
Sözcü							4.6	5.4
Tan	6.2							
Taraf							1.2	1.2
Tercuman	3.9	1.0						
Turkiye'de Yeniçag		<1%	<1%	<1%	1.1	1.3	1.1	1.3
Yeniyuzyil			6.0					
Others	1.9	4.9	5.4	7.9	2.8	4.8	2.4	
C4	81.0	82.0	84.0	81.0	76.0	78.0	70.1	64.3
HHI	1,903	1,896	2,365	2,219	2,020	2,090	1,714	1,393
N (>1%)	8	8	8	8	12	13	16	17
Noam Index	680	677	845	793	577	581	429	338

Source: Press Advertising Agency.

Between 1995 and 2005, HHI, C4 the Noam index dropped significantly due to the entrance of other conglomerates in to the market, such as Albayrak, Ipek/Koza, and STR. By 2005, though, 16 out of 21 national newspapers with 1% or more market share were owned by 8 media groups. Meanwhile, DMG doubled its number of titles from three to six by incorporating *Posta, Radikal, Gozcu*, and *Referans*, but its overall market share fell to 37%. In terms of circulation numbers and advertising revenues, the market is highly concentrated.[27],[28]

Concentration indices based on market shares by circulation can be misleading since HHI values based on the market share by revenue are much higher than the HHI values based on market shares by circulation. Between 2006 and 2011, the Turkuvaz Media Group (TMG) of the Calik conglomerate entered the market by acquiring Sabah Group's 15% market share through its two dailies *Sabah* and *Takvim*. In this period, 18 of 23 national newspapers with 1% or more market share fell under the control of nine conglomerates for a combined 89% market share. The market share of the top four conglomerates (C4) slightly decreased from 75% to 71%, due to the doubling of the market share for Feza Group's *Zaman* and the entry of other groups through buyouts. Seven independent newspapers—*Cumhuriyet*, *Milli Gazete*, *Sözcü*, *Sok*, *Taraf*, *Yeni Cag*, and *Yeni Akit*—accounted for a combined 13% market share. HHI subsequently declined from 1,996 in 2006 to 1,738 in 2011, while the Noam index (NI) fell from 531 to 424 in the same period, illustrating an increase in the diversity of voices (Table 15.2).[29]

Table 15-2. Daily Newspapers (Market Shares by Revenue), 2003–2011

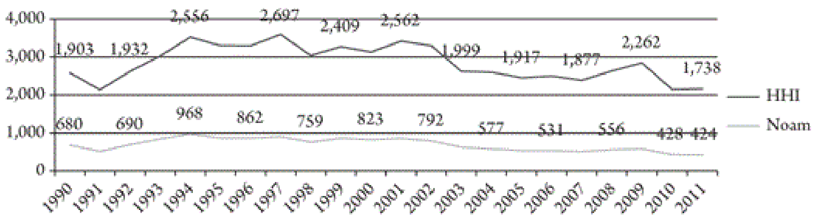
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Dogan Media Group (Dogan Yayin Holding)	60.0	62.0	60.1	58.7	59.3	63.0	60.9	58.3	46.4[1]
Demirören									13.0
Turkuvaz Media Group (Calik Holding)	17.0	19.0	18.0	18.5	16.5	15.3	14.2	13.4	12.5
Cukurova Group	5.0	5.2	5.0	5.3	5.2	4.8	4.1	5.0	4.1
STR Group	3.0	2.1	2.2	1.6	1.8	2.0	2.1	2.0	2.1
Ihlas Group	2.0	3.1	3.7	3.5	3.2	2.7	2.3	2.5	2.2
Feza Group	4.0	4.1	4.4	5.2	6.4	7.9	8.3	9.5	10.1
Ciner Group							2.1	2.2	2.4
Ipek/Koza Group			1.0	1.1	1.2	1.1	1.2	1.3	1.3
Albayrak Group	1.2	1.1	1.2	1.4	1.3	1.2	1.1	1.2	1.4
Vatan	2.1	2.1	2.2	2.1	2.3				
Sözcü							1.1	1.4	2.2
Others	5.7	1.3	2.2	2.6	2.8	2.0	2.6	3.2	2.7
Total Revenue (mil TRY)	451	645	820	902	1,018	986	811	926	997
Total Revenue (mil US$)	297	446	607	627	780	764	522	615	596
C4	86.0	90.0	88.0	88.0	87.0	91.0	88.0	86.0	86.0
HHI	3,949	4,268	4,006	3,825	3,879	4,302	4,014	3,714	2,637
Noam Index	1,410	1,524	1,430	1,275	1,293	1,536	1,338	1,175	839
N (>1%)	8	8	8	9	9	8	9	10	10

Source: Author.

1 59.0% before sale of two papers to Demirören. Revenue estimated.

The analysis of the Turkish national newspaper market shows that the NI can be used to assess the hard to measure concept of external pluralism (diversity of voices). The decline in the NI value indicates more diversity of voices, that is, external pluralism. The decline in NI value from 531 to 424 shows the increase in the number of newspapers in the system, rising external pluralism accordingly (Figure 15.1). A recent empirical study of the Turkish newspaper industry supports this observation based on the Noam index by stating that "using micro-individual level survey data it is shown that while internal pluralism within newspaper readership communities is declining, the external pluralism [diversity of voices] is on the rise."[30]

Figure 15.1



HHI and MOCDI Index for Market Shares by Circulation

Concentration analysis based on advertising revenues reveals that the concentration assessment based on market share by circulation might be misleading, since HHI values based on the market share by advertising

revenues are higher than the HHI values based on circulation data. According to the data on Table 15.2, it is striking to see how the concentration level gets significantly higher when market shares based on
p. 396 advertising ↳

p. 397 ↳

p. 398 ↳

p. 399 ↳
revenues of newspapers rather than circulation are assessed—an HHI of 2,637 versus 1,393.

Magazine Publishing

While the magazine market is fragmented and pluralistic, it has become more concentrated since the late 2000s. Circulation rates declined and a number of publishers divested themselves from international titles being published under license from US media groups. The distribution network in this market is also duopolistic: the dominance of Dogan Burda—a joint venture between DMG and the German publishing house Hubert Burda Media—and TMG adversely affects smaller outlets' circulation rates.[31] Four major conglomerates (and one smaller publisher, the Mutlu Group) dominate the market: Dogan Burda (27 titles, about half-owned with the German publisher Burda), TMG, the Dogus Group (partnered with Conde Nast), and the Ciner Group. The latter two publish several foreign titles under license, such as *Marie Claire* and *National Geographic*, at a time when many publishers are not renewing licensing agreements with foreign outlets due to declining readership. Despite a decline in HHI due to new entrants since 2006, the market is
p. 400 still highly concentrated ↳ (Table 15.3).

Table 15-3. Magazine Publishing (Market Shares by Circulation), 2006–2011

	2006	2007	2008	2009	2010	2011
Dogan Burda (Dogan Media Group, Dogan Yayin Holding + Hubert Burda Media, Germany)	57.5	49.9	51.9	52.0	48.8	43.9
Dogus Group					11.1	9.0
Ciner Group	30.7	29.6	7.2	10.8	7.7	7.5
Ciner (GD)	*8.0*	*7.6*				
Ciner/Sabah Group	*22.7*	*22.0*				
Turkuvaz Media Group (Calik Group)			21.9	19.3	19.2	26.6
Cukurova Group	3.2	9.9	9.9	6.5	3.0	3.0
Vatan/Mutlu Group	8.6	10.6	9.1	11.4	10.2	10.0
C4	100.0	100.0	93.0	94.0	89.3	89.5
HHI	4,333	3,576	3,407	3,366	3,044	2,881
N (>1%)	4	4	5	5	6	6
Noam Index	2,167	1,788	1,521	1,503	1,242	1,176

Source: Advertisers Association.

p. 401 The C4 has increased due to the steady decline of titles that owned by other smaller firms and TMG's acquisition of the Sabah Group's assets from the Ciner Group in 2007.

Table 15.4 reveals interesting results. First, the top two groups' advertising revenue share increased from 60% to 72%, less than circulation-based market share. Second, contrary to the circulation-based market share, the C4 steadily increased from 74% to 94%, due to the decline of titles owned by other smaller firms, as listed on the table, and the entrance of Calik Group's Turkuvaz in 2007 by acquiring Sabah Group's confiscated titles from Ciner Group (Table 15.4).

Table 15-4. Magazine Publishing (Market Shares by Revenue), 2001–2011

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Dogan Burda (Dogan Media Group, Dogan Yayin Holding + Hubert Burda Media, Germany)	43.0	45.0	47.0	44.0	40.0		41.0	44.0	49.0	48.0	52.0
Dogus Group	4.0	4.0	4.0	3.0	4.0	5.0	7.0	8.0	7.0	9.0	8.0
Ciner	24.0	19.0	17.0	16.0	20.0	21.0	21.0	5.0	4.0	5.0	4.0
Group											
Ciner (GD)						*7.0*	*6.0*				
Ciner/Sabah	*24.0*	*19.0*	*17.0*	*16.0*	*20.0*	*14.0*	*14.0*				
Group											
Turkuvaz Media Group (Calik Group)								18.0	18.0	19.0	20.0
Cukurova Group	3.0	5.0	8.0	9.0	11.0	10.0	10.0	8.0	5.0	4.0	4.0
Vatan/Mutlu Group						6.0	8.0	7.0	8.0	7.0	6.0
Others	26.0	27.0	24.0	28.0	25.0	16.0	13.0	10.0	9.0	8.0	6.0
Total Revenue (mil TRY)	32.0	48.3	50.0	69.0	84.0	106.0	127.0	124.0	86.0	111.0	118.0
Total Revenue (mil US$)	43.2	79.2	70.4	48.0	*114*	*151*	*165*	*96.0*	*132*	*168*	71.0
C4	74.0	73.0	76.0	72.0	75.0	84.0	87.0	90.0	91.0	92.0	94.0
HHI	2,428	2,458	2,612	2,319	2,171	2,385	2,348	2,473	2,886	2,821	3,226
N (>1%)	9	9	9	9	9	9	9	9	9	9	9
Noam Index	809	820	871	773	724	795	783	824	962	940	1,075

Source: Author.

Audiovisual Media

Radio

From 1927 to 1993, a state-owned company since 1964, the Turkish Radio and Television Corporation (TRT) held a broadcasting monopoly. After 1993, commercial licenses were awarded, and local, regional, and national stations proliferated: in 2011, there were 36 national, 100 regional and 951 local stations in the country. Of those, TRT owned four national and ten regional stations.[32] Commercial stations are subject to the Private Radio and TV Broadcasting Law and operate under the mandate of RTVSC. The heavily state-subsidized and state-owned TRT is subject to the TRT Law (but not to the RTVSC).

While primary revenues sources of private radio stations firms are advertising and sponsorship, due to the differentiation between unit prices there is no correlation between revenues generated by advertisement based on a duration/second measurement and the market share by advertising revenues. For the former, the figures stand as Power Group 18%, Dogus 17%, Spectrum 13%, Dogan 8%, TRT 8%, Cukurova 7%, Saran 4%, Number One 4%, Samanyoluof Feza 3%, Show Radio 2,5%, and Radio Viva 2%, giving a total of 87% of the total market share.[33] Partly as a result of the entry of conservative religious media both the NI and HHI declined between 2001 and 2011. For 2010, the HHI and C4 values for the top 12 station groups are 1,010 and 56, respectively, indicating a moderately concentrated market. The Noam index of 292 is declining, indicating voice diversity. Interestingly, unlike the other traditional media segments, there are two groups (*Power* and *Spectrum*), active only in radio, with a C4 with a combined 31% market share. The big media firms (Dogus, Dogan, and Cukurova) have 32% of the advertising market, meaning that unlike in the other segments, the conglomerates do not dominate radio due to low level of advertising revenues and low level of barriers to entry.

Due to the proliferation of religious media and their consolidation of preexisting stations, the NI and HHI values have declined over the past decade. However, low advertising revenues and lack of entry barriers mean that these new groups have been unable to consolidate their holdings as they have with respect to newspapers (Table 15.5).

Table 15-5. Radio Group (Market Shares by Listeners), 2004–2011

	2004	2005	2006	2007	2008	2009	2010	2011
NTV Group (Dogus Group)	19.6	19.5	19.5	20.3	18.2	20.3	20.4	17.9
Power Group	7.7	8.8	8.9	11.2	9.2	11.5	12.2	12.2
Spectrum Medya	21.5	22.8	18.3	16.1	12.0	10.7	10.9	11.0
Dogan Media Group (Dogan Yayin Holding)	4.2	4.5	8.7	11.7	11.8	12.2	12.0	11.0
Number One	5.6	6.7	6.2	6.8	6.7	6.8	7.0	7.2
TRT (public)	6.8	5.5	4.5	5.1	4.8	5.0	5.2	4.2
Cukurova Group	6.4	5.1	4.9	5.6	5.6	5.6	5.5	4.7
Saran Group	6.3	6.1	4.5	5.2	5.1	3.6	1.7	2.5
Turkuvaz Media Group (Calik Holding)	N/A	N/A	N/A	N/A	N/A	1.4	3.2	2.3
Ihlas Group	3.0	2.2	1.7	1.7	1.3	1.3	1.2	0.0
Ipek/Koza Group	N/A	N/A	N/A	N/A	N/A	1.4	1.6	1.4
Burç FM(Feza Group)	N/A	N/A	1.2	1.5	1.8	N/A	N/A	N/A
Radyo Viva	3.3	4.9	4.1	4.9	4.7	4.9	3.2	4.7
Show Radyo	5.9	5.4	4.6	5.2	4.9	4.6	3.8	3.3
Radyo 7	3.3	3.7	3.5	3.5	3.3	3.4	1.4	2.1
DunyaRadyo	1.0	N/A	1.4	1.3	1.3	N/A	N/A	N/A
RadyoKlas	N/A	1.7	1.6	1.6	1.7	1.6	1.7	1.6
Moral FM	1.6	1.2	1.3	1.5	1.5	1.5	1.2	1.1
Total Revenue (mil TRY)	74.9	78.5	98.8	111.0	112.0	88.0	104.0	121.0
Total Revenue (mil US$)	51.8	58.1	68.7	85.1	86.3	56.7	69.0	72.4
C4	56.0	58.0	55.0	59.0	51.0	55.0	56.0	52.0
HHI	1,150	1,214	1,034	1,137	891	987	983	855
Noam Index	307	325	259	284	223	247	246	214
N (>1%)	14	14	16	16	16	16	16	16

Source: Advertisers' Association and Author.

Broadcast Television

With a population of 74 million and nearly 19 million households equipped with TV receivers (of which 17 million are satellite dishes), Turkey is the sixth largest TV market in Europe.[34] Both commercial and public broadcasters are subject to extensive regulation, and as of 2012, commercial broadcasters are increasingly subject to cross-ownership restrictions by the RTVSC. TRT, the national public broadcaster, is funded p. 402 ↳ though an electricity tax that accounts for 70% of its annual budget along with direct state subsidies, some commercial advertising, and licensing fees. TRT broadcasts nine national programs including, in the Kurdish language two regional channels, and four international channels broadcasting in Turkish for the Turkish diaspora, as well as in French, English, and Arabic.

Ending the public broadcasting monopoly in 1993 was aimed to create of private broadcast networks and to bring several established traditional media firms into the national TV market. In 1990, Turkey's first commercial network—then known as Magic Box and now as Star TV (part of DMG)—began broadcasting from the Federal Republic of Germany (West Germany), and its success encouraged other entrants. Between 1990 and 1993, the state made no attempts to regulate the new media groups. Since TRT was directly administered by the state, the RTVSC was formed to serve as a market regulator only in 1994.[35] From 1994 to 2002, ownership regulation as defined by Law No. 3984 was based on p. 403 ↳ capital limits for share-ownership thresholds: a firm was allowed to own only one radio and only one TV station, with the further restriction that shareholders could not hold more than 20% of any outlet's shares. (If the firm owned stakes in multiple outlets, the total share ratio could not exceed 20%).[36] While the law capped cross-ownership between the print and audiovisual markets, it set no limits on the number and variety of media activities in other markets. A new cap based on viewer/listener percentage was set at 20% by a 2002 revision of Law No. 3984, but that cap proved unrealistic and did not act as a barrier against concentration.[37] Instead of preventing concentration, its provisions enhanced the emerging patron–client relationship between media groups and coalition governments, and allowed media groups to rapidly acquire dozens of small, independent networks.[38] Major media companies effectively lobbied against new cross-ownership restrictions imposed. In 2002, Turkey's Constitutional Court ruled that in addressing cross-ownership issues, the law would lead to monopolies.

New broadcasting legislation was enacted in 2011 as Law No. 6112.[39] The new law regarded the share of commercial communication, advertising and sponsorships revenues as the criteria for protecting competition. The new threshold criterion was set at 30% of total market revenue. Although the law does not describe how this share percentage should be calculated, RTVSC officials suggest that the base of calculation is the 3% of total revenues paid to RTVSC on a monthly basis by broadcasters. No entity can hold more than 25% of the shares of one television or radio station. Additionally, the ownership threshold for foreign investors was increased from 25% to 50%, on the condition that no foreign investor can hold stakes in more than two broadcasters. Although the main concern behind the adoption of the new law was to be in harmony with the EU's Audiovisual Media Services Directive (AVMSD), it is not in compliance with AVMSD's content, ownership, and competition rules. Although it largely aligns legislation with the AVMSD, it has failed to comply with the principle of freedom of reception and retransmission.[40] Law No. 6112 expanded commercial entities' investment opportunities, and it has barred political parties, trade unions, religious foundations, and local governments from owning networks (Table 15.6).

Table 15-6. TV Broadcasting (Market Shares by Viewership), 1999–2011[1]

	1999	2003	2007	2009	2010	2011
Dogan Media Group (Dogan Yayin Holding)	16.9	16.7	23.6	22.7	24.0	21.8
Kanal D	16.9	16.7	14.2	14.1	15.0	14.4
Star TV (until 2007)	*0.0*	*0.0*	*9.4*	*8.6*	*8.9*	*7.4*
SHOW (Cukurova Group)	16.5	14.2	11.9	10.7	8.4	9.4
Ciner Group			10.4	1.6	0.6	N/A
ATV (until 2002)			*10.4*			
Habertürk TV				1.6	0.6	
ATV (Sabah Group)	14.3	14.2				
Uzan Group[2]	15.6	4.4				
Star TV (until 2011)	*13.4*	*4.4*				
Kral TV (until 2008)	2.2					
ATV (Turkuvaz Media Group, Calik Holding)[3]				10.0	11.7	11.4
TGRT (Ihlas Group)	8.4	7.9				
Samanyolu TV (Feza Group)	Article III.	2.7	5.6	5.7	4.6	4.0
TRT (public)	5.3	8.7	3.9	3.1	0.3	N/A
TRT1	*4.8*	*7.1*	*3.9*	*3.1*	*0.3*	
TRT2	*0.5*	*1.6*				
Kanal 6	2.1					
Kanal 7		5.0	6.5	4.5	3.9	3.4
Flash		3.2	1.8	1.8	1.7	1.9
Fox International Channels (Murdoch Family, News Corp., US/UK/AUS)			4.7	8.2	7.9	8.7
Kanal 1						
Cine5[4]				1.1	0.6	
Total Revenue (mil TRY)	182	756	1,950	1,543	2,219	2,698
Total Revenue (mil US$)	441	497	1,493	994	1,473	1,614
C4	61.0	53.0	46.0	43.0	44.0	51.0
HHI	1,151	882	923	867	885	799
Noam Index	434	294	327	274	335	303
N (>1%)	7	9	8	10	10	7

Source: AGB Nielson, Author.

1 The data should be taken with grain of salt pending allegations that regulators and broadcasters are colluding to sell Nielsen data from Turkish households in order to rig what households' meters report.

2 Both Kral and Star TV are now part of the Dogus Group due to the state's seizure of Uzan's assets in 2004.

3 ATV was first owned by the Sabah Group from its establishment in 1993 until 2002, when it was confiscated by the state

depository insurance fund, including assets of Uzan and Aksoy, and their owners imprisoned. The Ciner Group purchased ATV in collaboration with Saban. Ciner then was forced to sell ATV to Çalik Holding in 2007.

4 Cine5 is now Al Jazeera Turk, having been sold to the Qatar-based network by the Savings Deposit Insurance Fund in 2011.

Despite an increase in the number of channels since 2002, the market shares by revenue for DMG, TMG, and the Cukurova Group have all increased: combined, the three media groups take in between 55% and 61% of annual advertising revenues (Table 15.7).

Table 15-7. TV Broadcasting (Market Shares by Revenue), 2008–2011

	2008	2009	2010	2011
Dogan Media Group (Dogan Yayin Holding)	31.4	30.5	32.8	27.8
Kanal D	21.9	20.4	22.2	19.0
Star TV	*8.3*	*8.9*	*9.5*	*7.7*
CNN Türk[1]	*1.2*	*1.2*	*1.1*	*1.1*
ATV (Turkuvaz Media Group, Calik Holding)	12.3	12.1	16.9	13.6
Cukurova Group	11.4	12.0	8.7	13.1
Show TV	*11.4*	*12.0*	*8.7*	*13.1*
Fox International Channels (Murdoch Family, News Corp., US/UK/AUS)	4.2	6.1	6.8	8.1
NTV Group (Dogus Group)	6.2	6.9	6.5	5.5
NTV	*3.6*	*4.0*	*3.7*	*3.1*
CNBC-E[2]	*2.3*	*2.4*	*2.0*	*1.5*
NTV SPOR	*0.3*	*0.5*	*0.8*	*0.9*
Habertürk TV (Ciner Group)	0.3	1.2	1.9	1.4
Samanyolu TV (Feza Group)	2.2	2.1	1.6	1.9
Kanal 7	1.8	1.8	1.8	1.6
TRT (public)	1.4	0.7	0.9	1.3
Total Revenue (mil TRY)	1,687	1,442	2,018	2,448
Total Revenue (mil US$)	1,306	929	1,339	1,464
C4	61.3	61.5	67.3	63.8
HHI	1,203	1,169	1,536	1,237
Noam Index	456	443	545	412
N (>1%)	7	7	7	9

Source: RTVSC.

1 Jointly owned by DMG and Turner's CNN (US).

2 Jointly owned by the NTV Group and CNBC Europe, which are part of Comcast/GE's NBCUniversal (US).

Multichannel TV Platforms

Due to the decline in consumer costs, the proliferation of satellite TV services and the growth of HDTV, there has been a substantial increase in demand for multichannel services since the early 2000s, bringing the total number of registered households to 3.7 million. Free satellite TV broadcasts, however, still dominate the market, reaching 13.3 million households. Offering over 800 channels, their business model is based mostly on advertising revenues, so the only cost incurred by customers comes from installation fees.[41] p. 404 ↳

p. 405 The market is dominated by three platforms because of prohibitions aimed at insulating free terrestrial and the non-fee-based satellite TV networks from competition. In 1998 first state-owned platform Turksat, based on landline cable, was erected. In 2001, the second license was awarded to the Cukurova Group's Digiturk; in 2007, a third license was awarded to the Dogan Group's D-Smart. Although the service structure of D-Smart and DigiTurk is a hybrid of both multichannel video platforms and video channels in European nations, in order to make the segment compatible for international comparison, they are categorized as multichannel TV platforms along with the state-owned landline-based cable TV network TURKSAT Cable TV. The Digiturk and D-Smart operators cannot bundle cable network operators or provide IPTV services due to regulatory restrictions by the RTVSC and ICTA, which distinguishes them from traditional multichannel system operators (MSOs). Like video channels, they do bundle international programming—such as BBC World News, National Geographic, MovieMax, the Discovery Channel, Cartoon Network, CNN International, TV5 Monde, and Al Jazeera International—and distribute them through the video channel transmission monopolist Turksat (both rely entirely on the Turksat 3a satellite for transmission). Currently, there are no major restrictions on the ownership of subscription TV services, but there are considerable entry p. 406 ↳ barriers, in relation to both delivery and programming access (Table 15.8).

Table 15-8. Multichannel TV Platforms (Market Shares by Subscribers), 2005–2011

1)	2005	2006	2007	2008	2009	2010	2011
D-Smart (Dogan Yayan Holding)	0.0	0.0	1.1	19.0	25.1	25.3	23.2
Digi Turk (Cukurova Group)	48.6	51.0	52.6	57.7	47.4	45.5	53.7
Turksat Cable TV (State)	51.4	*49.0*	46.3	23.3	27.5	29.2	23.1
Total Revenue (mil US$)	182	208	289	353	391	425	617
C4	100.0	100.0	100.0	100.0	100.0	100.0	100.0
HHI	5,006	5,002	4,912	4,233	3,633	3,776	3,956
N (>1%)	2	2	3	3	3	3	3
Noam Index	3,550	3,547	2,839	2,447	2,100	2,183	2,287

Source: Author.

The state-owned cable TV (landline) operator Turksat had 1.3 million subscribers in 2011, and it provides both infrastructure and broadcasting services for terrestrial networks. Although there are 15 operators authorized to provide cable services as of 2011, Turksat is the only operator that provides nationwide services.

The privatization of TT had a significant impact on the cable TV market. Before 2005, cable providers were usually established as joint ventures between TT and private companies. However, during the course of privatization, TT was required to transfer its cable assets to Turksat by the CA, on the grounds that the separation of these networks was essential for promoting competition. As this was an interim measure, however, there was some ambiguity as to the ownership claims of commercial operators, and this has discouraged further investment infrastructure. A new draft regulation on the privatization of cable network has been presented to the public by RTVSC in order to redress Turksat's monopoly, but it has yet to become law.[42]

Turksat bundles channels, including over the air national TV (and radio) networks as well as international news channels, and it markets packages over its own landline network. Along with D-Smart and DigiTurk, Turksat offers broadband Internet, cable telephony, and cable data services. Of the three, Turksat has the smallest market shares for broadband Internet (6.1% of the total market) and fewer than 100,000 cable telephony and IPTV subscribers each.

Telecommunications Media

Wireline Telecom

The Post, Telegraph, and Telephone (PTT) General Directorate was established as a state enterprise in 1924. As a result of privatization, the PTT was separated from the Ministry of Transport and Communications (MoTC) in 1993 and broken down into two separate entities: the Directorate of Postal Operations and the joint stock company TT, which functions as the owner of all distribution networks, telephone exchanges, and transmission infrastructure. Until 2000, the MoTC and TT were responsible for regulating the market. Law No. 4502 was passed in 2000 to set a deadline for the full liberalization of fixed line voice services not later than the end of 2003. Parliament subsequently passed legislation in 2003—inspired by the EU's 1998 p. 407 supranational telecommunications ↳ regulatory framework—that finally ended TT's monopoly rights. The termination of monopoly rights and the establishment of the ICTA and new regulatory framework did not indicate full liberalization, though, since new entrants were discouraged by the restrictive licensing regime. Subsequently, the 2001 Telecommunication Act capped the stock ratio of domestic and international shareholders to 49%. The Oger Telecom Venture Group (Saudi Arabia) acquired 55% of TT in 2005 (leaving the Turkish state with 30%), thanks to the removal of the upper limit on foreign ownership. In effect, though, privatization occurred without liberalization: the terms and conditions of the sale granted the Oger Group (Saudi Arabia) a 21-year concession, at the end of which all plant and equipment would revert to the state, a move that is incompatible with EU guidelines. Oger itself is part owned by Saudi Telecom, a state-owned enterprise.

Individual licenses are limited to narrowly defined services, and the boundaries of these services are not always clearly defined, leaving significant legal ambiguities. The ICTA did issue such licenses just months after TT's monopoly rights came to an end, but these licenses were not activated for several years because of lengthy interconnection negotiations with TT. Although TT had to complete technical preparation for Type B licenses and Type A licenses by 2004, it was not until 2006 that any interconnection agreements were actually signed. So, unsurprisingly, the market shares of TT for overall fixed voice services in 2008 were 92% by traffic and 81% by revenue. Although local wireline services were opened to competition and number portability opened up in 2009, the Telecom Association interest group contends that TT's monopoly position has not been seriously affected. If wireline tariffs are compared with EU averages, the tariffs of international calls were slightly lower than the EU average, but in terms of purchasing power parity (PPP), local call tariffs were higher.[43],[44] Prices charged by TT are higher than those in many OECD and EU countries, and measures recommended by the EU to increase competition at the local level have been delayed (Table 15.9).

Table 15-9. Telecom Wireline Market Share by Voice Service Revenues (%)

	2000	2004	2005	2006	2007	2008	2009	2010	2011
Turk Telekom (public until 2005: Oger Group, Saudi Arabia,[1] then 30% public)	100.0	98.0	96.0	95.0	94.0	92.0	90.0	89.0	91.0
Superonline	0.0			1.3	1.3	1.7	2.2	2.2	2.1
Millenicom	0.0			1.2	1.1	1.6	2.1	2.2	2.1
Bizfonik	0.0					1.1	1.2	1.7	1.8
Turknet	0.0			1.1	1.2	1.3	1.2	1.4	1.3
Telsim/Vodafone Turkiye (Vodafone, UK)	0.0			1.1	1.1	1.3	1.4	1.5	1.2
Total Revenue (billion TRY)	3.12	6.61	7.42	7.11	7.53	7.74	7.55	8.58	9.21
Total Revenue (mil US$)	5.02	4.63	5.49	4.97	5.78	6.00	4.87	5.70	5.87
C4	100.0	98.0	99.0	99.0	98.0	96.0	95.0	95.0	97.0
HHI	10,000	9,604	9,216	9,031	8,842	8,474	8,114	7,938	8,296
N (>1%)	1	1	1	5	5	6	6	6	6
Noam Index	10,000	9,604	9,216	4,050	3,965	3,459	3,311	3,240	3,386

Source: ICTA.

1 35% of Oger is owned by Saudi Telecom Co (Saudi government).

The level of competition in fixed broadband services is even lower than it is for fixed local services. Due to pricing and technical issues among ISPs and TT, the local loop has not been unbundled and bitstream access is restricted. In 2008, although there were approximately 80 registered ISPs, TT held a 95% market share in fixed retail broadband connections (in pure resale and the number of bitstream connections, alternative operators' market shares by revenue were 15%).[45] Besides the very slow implementation of fixed services number portability, there remain outstanding issues regarding interconnection rates and pricing tactics among long-distance service providers and the TT, as well as among ISPs and the TT on unbundling the local loop and granting bitstream access.[46]

If cable TV infrastructure were upgraded, it could offer solid competition against TT's monopoly. However, the ill-defined jurisdictional boundaries between the ICTA and CA have given ICTA an area for political maneuvering that has proven detrimental to reducing concentration. While the ICTA was established as an autonomous entity, it has become an important vehicle for political, bureaucratic, and business rent-seekers. The ICTA's stance that it has full authority to develop and enforce regulations is in part responsible
p. 408 for the regulatory ↳ environment that shields incumbents from competition. The CA, for its part, is not engaged with politicians or other regulators over the matter. According to experts at the CA, the existing legislation limits the authority's sanctioning powers. Thus, public and civil society support of regulatory capture is needed for the drafting of more effective competition regulations. Although implementing regulations regarding customer rights and quality of services were introduced by the ICTA at the EU's urging, the transparency and accountability of its activities are still in need of substantial improvement.[47] A decree adopted in 2011 authorizes the Ministry of EU to monitor and inspect all kinds of transactions by independent regulatory authorities in line with obligations stemming from the *acquis*. This raises concerns as to the independence of the regulatory authorities in Turkey in carrying out their duties.

Wireless Telecom

The Turkish mobile market is one of the most concentrated cellular phone markets in Europe. Services began in 1998 with the award of two GSM-900 network licenses to Turkcell and Telsim (the latter then part of the Uzan Group) on the basis of revenue-sharing agreements between them and TT. Later that same year, the government issued the operators licenses, each worth US$500 million (TRY1.6 billion), in a 25-year concession agreement. Until 2001 Turkcell and Telsim were the only mobile operators in the country. In 2001, two GSM-1800 licenses were rewarded to Aycell, a TT subsidiary, and Telecom Italia Mobile's Aria (Italy), in partnership with the public bank Türkiye İş Bankası. These new operators were unable to gain sufficient market shares in the beginning due to the absence of mobile number portability, ↳ ineffective
p. 409 roaming/interconnection policies, and significant differences between on-net and off-net prices. As a result, Aycell and Avea merged in 2003 to form a new operator, called Avea, in which TT now holds an 81% stake. Telsim was sold to Vodafone (UK) in 2005 after the Uzan Group's assets were seized by the state (Table 15.10, Table 15.11).

Table 15-10. Wireless Telecom (Market Shares by Subscribers), 1994–2011

	1994	1995	1997	1999	2001	2003	2005	2007	2009	2011
Turkcell (Cukurova Telecom Holdings Ltd, Cukurova Group)	75.0	70.0	73.0	73.0	69.0	68.0	64.0	58.0	56.0	53.0
Telsim/Vodafone Turkiye (Vodafone, UK)	25.0	30.0	27.0	27.0	30.0	21.0	22.0	26.0	25.0	28.0
Avea (Turk Telecom; Oger Group, Saudi Arabia)	0.0	0.0	0.0	0.0	2.0	10.0	14.0	16.0	19.0	19.0
C2/C3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
HHI	6,250	5,800	6,058	6,058	5,665	5,165	4,776	4,296	4,122	3,954
N (>1%)	2	2	2	2	3	3	3	3	3	3
Noam Index	4,433	4,113	4,296	4,296	3,275	2,986	2,761	2,483	2,383	2,286

Source: ICTA.

Table 15-11. Wireless Telecom (Market Shares by Revenue), 2004–2011

	2004	2005	2006	2007	2008	2009	2010	2011
Turkcell (Cukurova Telecom Holdings Ltd., Cukurova Group)	74.5	70.3	7.0	63.7	63.5	61.9	57.2	52.0
Telsim/Vodafone Turkiye (Vodafone, UK)	15.2	16.9	15.3	22.2	20.9	19.6	23.9	28.1
Avea (Turk Telecom; Oger Group, Saudi Arabia)	10.3	12.8	13.7	14.1	15.6	18.6	18.9	20.0
Total Revenue (mil TRY)	6,669	8,338	9,036	11,752	12,622	12,971	13,995	15,444
Total Revenue (mil US$)	4,614	6,170	6,285	9,000	9,775	8,352	9,287	9,239
C3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
HHI	5,887	5,392	5,463	4,748	4,713	4,556	4,197	3,888
N (>1%)	3	3	3	3	3	3	3	3
Noam Index	3,403	3,117	3,156	2,745	2,724	2,634	2,426	2,247

Source: ICTA.

Turkey imposes one of the highest value added taxes (VAT) in Europe on mobile operators as a proportion of total cost of ownership. Although the base VAT rate on telecommunications services other than mobile is

similar to the rate charged in other countries, Turkey has 45% mobile-specific taxes.[48] Although legislators
p. 410 and experts have recognized that the relationship ↳ between the higher taxes and competition has been a shortcoming for more than a decade, the ICTA, MoTC, and Ministry of Finance have only reduced the broadband Internet services tax to redress the matter.

While competitive safeguards have been introduced in mobile number portability and regulatory cost accounting, the rights of new entrants are weak. In wireless markets, competition has been more active, but communication charges imposed on mobile operators are still high. The authorization of mobile virtual network operator services (MVNO) and for regulation authorizing broadband wireless access services operators is pending.

Internet Media

Internet Service Providers (ISP)

Turkey is the 13th largest Internet market in the world (and sixth in Europe), with 35 million (45% of the population and 41.6% of households) users averaging 32.7 hours per month.[49] With the rapid growth of the market from basic localized Internet access services to large clusters providing a wide range of information services with web connection, TTNet—a TT subsidiary—and a few other providers are well positioned to take advantage of growing market opportunities. They have consolidated their market shares at the expense of small local ISPs, many of which have been forced to shut down. Although there were more than 120 license holders in 2011, only 70 of them are currently active. TTNet’s overall market share is 86%, whereas in fixed retail broadband connections (xDSL), its share rises to 95%. Most ISPs are small and serving local markets, often operating as virtual ISPs reselling connectivity.

Between 2006 and 2011 the size of the market increased with the addition of many new households and the rapid adoption of fixed retail broadband connections. By establishing TTNet in 2007, TT extended its telecommunications monopoly to Internet services. Due to the absence of alternative delivery networks, other ISPs have for years been dependent on TT to deliver their services. Although new regulations now guarantee other ISPs access to TT’s network, it still benefits from its established relationships with fixed telephony subscribers.

Given the fact that 89% of fixed line Internet access is provided by xDSL, 6% by cable TV network, and 5% by other means, the fixed broadband ISP segment is highly concentrated. The number of bitstream connections was not more than 8,000 in the late 2000s and the combined market shares by revenue for TTNet’s competitors only surpassed 15% after 2010.[50] TTNet’s monopoly over infrastructure and services endures, since the commercial realization of bitstream access has been significantly delayed by TT’s legal challenges. Although ICTA aimed to resolve pure resale and bitstream issues and make bitstream to be readily offered to ISPs, TT has been successful in challenging the ICTA decisions (Table 15.12).

Table 15-12. Internet Service Providers (Market Shares by Revenue), 2006–2011

	2006	2007	2008	2009	2010	2011
TTNet (Turk Telekom; Oger Group, Saudi Arabia)	92.9	93.0	93.3	90.6	85.6	82.7
Turksat (public)	1.0	1.0	1.1	2.3	3.8	5.3
Others[1]	6.1	6.1	5.6	7.1	10.7	12.1
Total Revenue (mil TRY)					674.5	887.5
Total Revenue (mil US$)					447.6	530.9
C4	97.0	97.0	96.0	97.0	94.0	93.0
HHI	8,641	8,658	8,655	8,226	7,348	6,865
Noam Index	6,218	6,140	6,138	5,834	5,211	4,869
N (>1%)	2	2	2	2	2	2

Source: ICTA.

1 Includes ISPs.

The ICTA agency has not been able to intervene in the retail broadband segment, which is the provenance of the CA. However, regulation has failed to provide a clear delineation of the responsibilities between two agencies. As such, the CA still hesitates to adjudicate cases involving claims of anticompetitive behavior exercised by TT in domains under ex-ante regulation that is enforced by the ICTA, and instead focuses on retail broadband Internet market. Due to continuous advancement in mobile technology, the launch of 3G services in 2010, and the convergence of fixed mobile services, TT does at least face increased competition in wireless services, though it remains to be seen to what extent this will benefit its competitors.

Search Engines

Google's Turkish-language portal google.com.tr monopolizes the search engine market, reaching 93% of p. 411 the total online population. Other ↳ popular global search engines have not been able to gain a market share against Google, and their presence is negligible; there are no indigenous search engines competing in the market at this time (Table 15.13).

Table 15-13. Internet Search Engines (Market Shares by Search Volume), 2001–2011

	2001	2004	2006	2008	2010	2011
Google (US)	99.0	99.0	99.0	98.0	98.0	98.0
Others	1.0	1.0	1.0	2.0	2.0	2.0
C4	99.0	99.0	99.0	99.0	99.0	99.0
HHI	9,801	9,801	9,801	9,604	9,604	9,604
N (>1%)	1	1	1	1	1	1
Noam Index	7,001	7,001	7,001	6,860	6,860	6,860

Source: comScore, qSearch, Statcounter.

Online News

The development of online portals by news agencies and the proliferation of social networking platforms have increased online media awareness.[51] While national daily newspapers, magazines, and broadcasters all produce web content, there are also numerous independent news portals, online magazines, and blogs. Some online news sites—such as MyNet.com, haberler.com, tumgazeteler.com, and ensonhaber.com—host numerous news blogs, exemplifying the potential of independent online journalism. Although audience interest in online media is high, independent online journalism is still relatively underdeveloped. Most ↳ p. 412 online news is copied and pasted from traditional media outlets. Only a few online media sites actually employ journalists to do their own reporting. Online news readership has not affected the circulation numbers of daily newspapers and magazines significantly.[52] The Internet users largely gravitate to the websites of established media outlets owned by conglomerates to get their news. Regulatory restrictions on content further impede the development of independent online news sites: Turkey's existing Internet Law limits freedom of expression and restricts citizen's rights of access.[53] While the growth of the Internet has been a very important tool for the development of new digital media and the emergence of some new globally and regionally powerful operators, its influence on concentration of traditional media has been negligible so far. The ICTA's power to ban websites with so-called inappropriate content without recourse to judicial proceedings for the webhosts has limited the growth of the medium, and the regulator is under public (and EU) pressure to relax some of these measures.[54]

Major media conglomerates, including those with no prior investments in media groups, were among the first to invest in online news media. Between 2009 and 2011, the market shares of the top four conglomerates (DMG, Dogus, TMG, and Ciner) increased from 68% to 73%. DMG dominates the market, and the online editions of its dailies *Hurriyet* and *Milliyet* are the fourth and fifth most accessed online news p. 413 portals in ↳ Europe, with 9.5 million and 8.8 million unique monthly visitors, respectively (Table 15.14).

Table 15-14. Online News Media (Market Shares By Monthly Unique Visitors), 2009–2011

	2009	2010	2011
Dogan Media Group (Dogan Yayin Holding)	48.0	50.2	52.0
hurriyet.com.tr	*21.1*	*22.0*	*23.0*
milliyet.com.tr	*19.0*	*20.1*	*21.0*
E-Kolay News	*7.9*	*8.1*	*8.0*
MyNet News	10.4	10.0	10.0
haberler.com	8.2	7.1	6.4
tumgazeteler.com	7.5	7.0	6.5
haberturk.com (Ciner Group)	7.4	7.8	7.7
sabah.com.tr (Turkuvaz Media Group, Calik Holding)	7.1	6.1	6.0
ntvmsnbc.com (Dogus Group + NBCUniversal, Comcast/GE, US)	5.8	7.0	7.2
Ensonhaber.com	5.6	4.8	4.2
Total Revenue (mil TRY)	177	230	337
Total Revenue (mil US$)	115	152	202
C4	74.0	75.0	77.0
HHI	2,705	2,889	3,052
Noam Index	956	1,021	1,078
N (>1%)	8	8	8

Source: ZenithOptimedia, Gemius, comScore Media Metrix.

Numerous outlets compete a small online advertising revenue pool of just US$191million (TRY318 million). Online news' sites advertising revenues are inadequate to create a self-sufficient and independent online media to be an alternative to the concentrated mainstream media conglomerates.

Social Media

Table 15.15 shows clearly a highly concentrated market increasingly dominated by *Facebook* among other social media networks. From 2009 to 2011, HHI value increased from 2,683 to 3,087 and C4 fluctuated in between 80% and 82%. The Turkish social media segment is dominated by foreign sites such as Facebook, Windows Live, Twitter, and Netlog.com. Although any major domestic conglomerates with significant market share and investment in online news media are not present in this segment, independent firms such as MyNet, Gecevip.com, and Kalpkalbe.com have been able to manage to stay in competition with global firms (Table 15.15).

Table 15-15. Social Media Market Share by Monthly Unique Visitors (%)

	2009	2010	2011
Facebook	45.0	49.2	52.0
Windows Live Profile	22.0	17.0	14.0
MyNet Eksenim	9.0	8.2	6.1
Netlog.com	5.0	4.3	4.0
Kalpkalbe.com	5.0	4.7	4.1
Windows Live People	4.4	4.1	4.0
MySpace Sites	2.6	2.2	2.1
Gecevip.com	2.4	2.3	2.2
Badoo.com	2.4	2.0	2.1
Twitter	2.2	6.0	9.4
Total Monthly Unique Visitors (million)	16.9	19.2	21.5
C4	81	80	82
HHI	2,683	2,884	3,087
NOAM	849	913	977

Source: Data compiled from comScore Media Metrix, Socialbakers, StatCounter, and Webrazzi analysis.

International Ownership (Both Inbound and Outbound)

International investors have substantial stakes in Turkish media markets. Similarly, Turkish media conglomerates have invested abroad. The first joint venture with a foreign media investor was in private TV broadcasting segment; the CNN-Turk partnership was a joint venture between CNN International (part of AOL-Time Warner) and the Dogan Group in 1998. In 2007, Robert Murdoch's News Corp. ventured with the Ihlas Group in September 2007. News Corporation entered the Turkish TV broadcasting market by acquiring a 50% share of Ihlas Group's TGRT channel, later renamed FOX TV. In 2006, Dogan signed a joint venture with Axel Springer AG of Germany. Axel Springer AG owns 44.9% of Dogan Broadcasting Holding. In 2011, Al-Jazeera (Qatar) bought a 50% share of Cine5 TV.

While there is no foreign direct investment (FDI) in the newspaper segment, it exists in the magazine p. 414 market. Dogan, as mentioned, has a joint partnership with the German Burda, with a 44.9% ↳ stake, and with Egmont Publishing. Mutlu Magazine Group has partnered with Imako, a Greek publisher. Foreign ownership restrictions up to 50% are valid for all segments, and foreign investment in all media markets are subject to the supervision of the General Directory of Foreign Direct Investment at the Ministry of Economy.

In the wireline market, the Saudi Oger Group has 55% stake at incumbent operator TT that holds 81% of third wireless GSM operator Avea. In wireless segment Vodafone International has 51% stake at the second GSM operator Vodafone Turkey. Although the share and ownership structure is very complex, it can be estimated that Russian Alfa Group and TeliaSonera of Norway have approximately 40% at stake in Turkcell.

Turkish media investments abroad are extensive. The major daily newspapers of the major conglomerates such as *Hurriyet* and *Milliyet* of Dogan, *Sabah* of Calik, and *Zaman* of Feza Group are published and circulated in all Western European countries, the United States, and Canada to reach approximately 4.5 million Turks working abroad. All major public and private national TV channels, by using Turksat 3a satellite, transmit a large footprint covering from Western and Eastern Europe to Central Asia, including Russia, North Africa, and the Arabian Peninsula. Dogan, which owns a TV station in Romania, has been very prolific here. It has also acquired 67% of Trader Media East (TME), a leader in online and print classified advertising with strong local brands serving markets in Russia, Poland, Ukraine, Belarus, Latvia, Croatia, and Kazakhstan, for USD336.5 million. Similar to Dogan, Cukurova's GSM operator Turkcell has several significant investments in GSM services in other countries, 100% stake at the Georgian GSM operator GEOCELL, 100% at MOLDCELL of Moldavia, 100% at KKTCell of Northern Cyprus Turkish Republic, 80% at BEST of Belarus, 55% at Astelit of Ukraine, 51% at Azercell of Azerbaijan, and 51% at Kcell of Kazakhstan, respectively. In addition, TT has 15% stake at ALBtelecom, the incumbent fixed line operator of Albania.

Conclusion

Overall, Turkish media markets are dominated by a handful of vertically integrated conglomerates with cross-ownership in almost every segment, supported by influential religious sects. These interests control more than 90% of advertising revenues. Despite the media market being liberalized on paper, due to political, economic, and regulatory factors it remains highly concentrated, with no real ownership controls in place (again, excluding TV and radio). Turkish media markets show characteristics of monopoly in cable TV, fixed line, ISP, and search engines (the latter is due to Google's worldwide role). There are oligopolies in mobile telecom, the print media, digital platforms, and online news. In most of the segments, particularly wireline, wireless, ISP, cable TV, and digital platforms, the implementation of competition rules have been deliberately delayed.

There are only two unconcentrated media markets, broadcast TV and radio. However, the HHI values based on the market shares of advertising revenues are higher than those based on circulation or subscribers, except for consumer magazines. For example, the *Zaman* daily newspaper is the most circulated newspaper in Turkey with almost one million sold issues/day in 2011. It has 22.7% of market share by circulation, but only 10.1% by advertising revenues.

This private concentration process began when the state relaxed its control over media. Traditional family ownership structures were soon replaced by corporate ownership after the 1980s. As a result of the end of state monopoly in radio and TV markets in 1990, commercial groups began obtaining control of those industries. After 1996, the concentration of ownership further increased by the consolidation of print media and audiovisual media assets by conglomerates.

The absence of overarching cross-ownership rules, weak enforcement of ownership controls, and delayed implementation of competition laws have allowed vested interests to abuse the power of the press. Turkish
p. 415 conglomerates have been successful in finding legal loopholes to bypass regulations, and their complicated ↳ ownership structure helps muddy the waters. The largest conglomerates in the larger Turkish economy dominate the media, and there seems to be no efficient way to control the high concentration and cross-media ownership and to promote competition.

Although the regulatory regime concerns the capabilities of vertically integrated media conglomerates to use their power across media segments to influence public opinion on political, social, and economic issues and to twist competition in their favor, the conglomerates are still powerful in almost all highly concentrated media markets.

Besides the legal ambiguities caused by complex legislative process, there has been a multiplicity of ministries, governmental agencies, national regulatory agencies (NRAs) with poor reputations for independence and transparency, overlapping regulatory regimes, slow and ineffective implementation of competition rules and the EU's *acquis*, weak enforcement of ownership limits and control mechanisms, and the absence of cross-ownership rules in most media industries.

The research presented in this chapter reveals six important findings. Some of them may contribute to our understanding of more general comparative media research and theory. First, the findings show that the Noam index is an important tool to measure diversity of voices and external pluralism and may contribute further to comparative media research by identifying the relationship of political parallelism and client networks and clientelism in media systems. Second, it suggests that the regionalization of Turkish media necessitates the development of new comparative media system models. Third, from the perspective of patron-client networks theory, in the 1990s and early 2000s, the relationship between media and state has been inversed. Fourth, Turkish media markets show that there is a fundamental concern about the ability of the EU to raise the level of efficiency (competition) and harmonize the Turkish media market within a single EU market just by arranging the rules. Fifth, the EU's Directives in relation to Turkish regulations illustrate implementation problems of EU policies. Sixth, the EU's current competition provisions contained in the *acquis* are inadequate to address competition and concentration concerns. How to regulate media markets and enforce the rules, particularly of competition, still remain challenging issues.

As we discussed in this chapter, the major regulatory challenge present in Turkey is the domination of media markets by several vertically integrated industrial and financial conglomerates. Also, despite a large number of local, regional, and national news outlets, state censorship is still a major issue, especially for online news. From 2002 to 2011, Article 167 of the Constitution was used to regulate electronic media through ownership restrictions by limiting the number of national broadcasting licenses that could be held by a single individual or entity. But Article 167 never achieved the goal of reducing concentration in that way, since it did not address cross-ownership.

Failure to limit cross-ownership has resulted in augmented clientelist relationships between media patrons and the state. Ruling parties have favored "eligible" businessmen with subsidies, credits, and preferential legal treatment. The proliferation of private broadcasters and the continued concentration of Turkish media markets had no effect on the high degree of political parallelism: the media are polarized, with outlets associated with (or wholly owned by) pro-JDP individuals on one side. The other media are not necessarily opposed to the JDP, but are more concerned with enlarging their profits. Turkish politics and society are highly polarized and deeply divided. The mainstream media, however, are primarily concerned with enlarging their profit margins through higher circulations/ratings. On the other side, conservative, religious community, and sect-based pro-JDP media outlets are principally involved in the dissemination of their perspectives on lifestyles and politics.

With respect to proposed EU reforms for Turkey, there are still concerns regarding the capability of such measures to bring the Turkish media market into line with the European common market, as their
p. 416
competition provisions have so far proven inadequate. Moreover, ↳ Turkish legislators have been unsuccessful in planning for long-term growth and tight ownership controls: a lack of mandates necessary for formulating and implementing policies contributes to ill-defined administrative boundaries among regulatory bodies. The national regulatory agencies' (NRAs) immunity from political interventions, independence, accountability objectivity, and the transparency of NRAs have been disputed since their establishment. Governments express and endorse their political and economic objectives through these authorities. The ICTA has been heavily criticized for exercising discretion that could lead to legal inconsistencies in the discharge of its duties, and other bodies are even more amiss in transparency, accountability, and autonomy.

Although the independence, duties, and powers of the NRAs are well established by law, some aspects of the independence—such as effective structural separation of the regulatory functions from activities associated with ownership or control, appointment and dismissal rules of the board by Cabinet of Ministers and Parliament, independence from state agencies—still need to be ensured. Transparency in the decision-making process also needs to be improved.

In sum, given the convergence of media networks and products, and the emergence of new media, it is evident that problems in Turkish media markets cannot be resolved simply by developing new laws. A complementary and integrated approach should be accepted on all levels to create legislation because enforcement today does not offer fair competition rules for players, but instead protects conglomerates in highly concentrated media markets. Bringing regulatory bodies under the rubric of a single umbrella regulatory agency could be an institutional solution to the multiplicity of responsibilities, overregulation, lack of transparency, slow implementation of reforms, and weak enforcement mechanisms. Given the rapid development of new media outlets, the questions of how to create a new legal framework and the questions of how to regulate the media markets should be brought up into the public policy agenda as soon as possible.

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THE TURKISH NATIONAL MEDIA market has been mostly privatized since the 1980s, but competition has arrived at a slower pace (Table 15.16). The existence of several overlapping regulatory regimes has complicated efforts to reduce the market’s high overall concentration. Weighted Average HHI declined from 6,967 in 2004 to a still very high 5,012 in 2010. From the chapter’s figures, this gives Turkey the third-highest weighted average HHI of all the countries surveyed, after China and South Africa.

Table 15-16. National Media Industries Concentration in Turkey

	2004/5		2011 or Most Recent		% Change Annual Average	
	Company Power Index in Country	Company Share of the Overall National Media Market (%)	Company Power Index in Country	Company Share of the Overall National Media Market (%)	Company Power Index in Country	Company Share of the Overall National Media Market (%)
Turk Telekom (55% Oger Telekom, Saudi Arabia; 30% public)	4,092.1	41.8	2,676.5	29.6	–4.5	–1.7
Turkcell (37% TeliaSonera, (Sweden); 13.2% Alfa Group, (Russia); 13.8% Cukurova Group)	2,287	30.7	1,279.9	24.6	–6.3	–0.9
Dogan Group	248.5	4.9	170.2	4.9	–4.5	0.0
Vodafone(UK)	95.2	6.3	374.2	13.7	41.9	1.1
Google (US)	28.0	0.3	143.7	1.5	59.0	0.2
Avea (44.6% Oger Telekom, Saudi Arabia; 22% public)	43.7	4.2	189.3	9.5	47.6	0.7
Cukurova Group	49.6	1.8	101.3	2.8	14.9	0.1
Turksat Cable TV	47.6	0.9	17.6	0.9	–9.0	–0.003
Turkuvaz Group	22.5	1.5	18.8	1.5	–2.7	0.006
Feza Group	1.0	0.2	3.1	0.3	28.1	0.01
21st Century Fox (US)	7.0	0.6	7.8	0.9	1.8	0.1
Dogus	2.3	0.2	2.2	0.2	–0.4	0.002
Ciner Group	7.6	0.7	0.9	0.2	–12.5	–0.06
Power Group	0.4	0.04	0.6	0.1	7.7	0.001
TRT (public)	3.6	0.4	1.0	0.3	–10.3	–0.01

Media Concentration Index	2004/5	2011 or Most Recent	% Change Annual Average
Total Revenue: Nat'l Media Industry (mil US$)	11,198	19,518	10.6%
Total Voices (*n*)	57	60	0.8%
Net Voices (*n*)	40	41	0.4%
Public Ownership (%)	13.9	11.3	–0.4%
Foreign Ownership (%)	48.9	50.1	0.2%
C4 Average—Weighted	95.1	93.1	–0.3%
HHI Average—Weighted	6,967	5,012	–4.0%
C1 Average—Weighted	79	62	–0.0%
Noam Index Average—Weighted	1,117	1,377	3.3%
Pooled Overall Sector C4	83.7	77.4	–0.0%

Pooled Overall Sector HHI	2,781	1,798	–5.1%
Pooled Overall Sector Noam Index	208	139	–4.8%
Market Share of Top Ten Companies: Nat'l Media Industry (%) (Pooled C10)	93.3	89.8	–0.5%
National Power Index	6,962	5,008	–4.0%

The telecommunications market in Turkey is heavily concentrated with the presence of a small number of operators, several of which are owned by foreign media groups such as Vodafone (UK) and the Oger Group (Saudi Arabia). Turk Telecom (TT) is the largest platform company in the country, with 36% of the market. It and Turkcell (with 30%) together control 66% of the platform sector, though both are losing market share to Vodafone and the smaller domestic competitor Avea (which like TT is partly owned by the Oger Group).

The broadcasting industries are competitive due to new market entrants and foreign networks. In contrast, the multichannel platform market is monopolized by the state-owned operator Turksat, which is the only nationwide operator in the market by virtue of its acquisition of TT's cable infrastructure.

Extensive cross-ownership across content media platforms by several conglomerates' media groups is the most outstanding issue in the Turkish market, with a series of mergers and acquisitions that impact on the country's EU ascension process.

The Dogan Group has a large presence in multichannel platforms, daily newspapers, and online news media: it controls 24.9% of the content media market, 2.5 times the share of its nearest competitor, the
p. 420 Cukurova Group (Table 15.17), and it has been increasing its ↳

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share at a rate of -1.1% per annum. It also has smaller, but still substantial market shares in TV broadcasting and radio. The Turkuvaz Group and Cukurova Group also have operations in TV broadcasting, multichannel platforms, daily newspapers, radio, magazines, and online news, though on a much smaller scale (Table 15.18). Except for Google and 21st Century Fox, the top content producers are all domestically owned groups held by large conglomerates.

Table 15-17. Top Content Media Companies in Turkey

	2004/5		20011 or Most Recent		% Change Annual Average	
	Company Power Index in Country	Company Share of the National Content Media Market (%)	Company Power Index in Country	Company Share of the National Content Media Market (%)	Company Power Index in Country	Company Share of the National Content Media Market (%)
Dogan Group	1,661.8	32.7	894	24.9	6.6	–1.1
Google (US)	187.3	1.9	809.3	8.3	47.5	0.9
Cukurova Group	159.5	8.5	226.8	9.1	6.0	–0.09
Turkuvaz Group	150.6	10.0	105.9	8.6	–4.2	–0.2
Feza Group	7	1.6	17.5	1.7	21.4	0.02
Murdoch Group (21st Century Fox, US)	46.5	3.7	44.2	5.0	–0.7	0.2
Power Group	2.4	0.3	3.1	0.3	4.3	–0.002

Media Concentration Index	2004/5	2011 or Most Recent	% Change Annual Average
Public Ownership (%)	2.8	1.5	–0.2%
Foreign Ownership (%)	15.8	20.0	0.6%
C4 Average—Weighted	72.9	67.5	–0.8%
HHI Average—Weighted	2,637	2,290	–1.9%
C1 Average—Weighted	40.0	37.0	–0.005%
National Power Index	2,584	2,271	–1.7%

Table 15-18. Top Platform Media Companies in Turkey

	2004/5		2011 or Most Recent		% Change Annual Average	
	Company Power Index in Country	Company Share of the National Platform Media Market (%)	Company Power Index in Country	Company Share of the National Platform Media Market (%)	Company Power Index in Country	Company Share of the National Platform Media Market (%)
Turk Telecom (55% Oger Telekom, Saudi Arabia; 30% public)	4,811.7	49.2	3,254.2	36.0	–4.6	–1.9
Turkcell	2,689.2	36.1	1,556.2	30.0	–6.0	–0.9
Vodafone (UK)	119.9	7.4	455.0	16.6	43.8	1.3
Avea (44.6% Oger Telekom, Saudi Arabia; 22% public)	51.4	5.0	230.2	11.5	49.7	0.9
Dogan Group	0.0	0.0	13.9	0.6	N/A	0.09

Media Concentration Index	2004/5	2011 or Most Recent	% Change Annual Average
Public Ownership (%)	15.9	13.4	–0.4%
Foreign Ownership (%)	54.8	56.6	0.3%
C4 Average—Weighted	92.6	82.5	–0.01%
HHI Average—Weighted	7,728	5,600	–3.9%
C1 Average—Weighted	86	67	–0.03%
National Power Index	7,732	5,599	–3.9%

Notes

1. In addition to a basic Competition Law, there are five other significant regulatory measures that are supposed to structure the market: print media is regulated by the Press Law (Law No. 5187), public broadcasting by the Public Broadcasting Law (Law No. 2954), commercial broadcasting by the Private Radio and TV Broadcasting Law (Law No. 6112), wireline telecommunications by the Electronic Communications Law (Law No. 5809), and both the wireless telecom and online media markets by the Mobile Communications and Internet Law (Law No. 5651).
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16. Turkuvaz Media Group website, http://www.calik.com/sektorler.aspx?id=24. Accessed on July 19, 2012.

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23. Ugur Dundar, Sözcü, July 7, 2013, p. 2.

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