Chapter 14

The Periods of Crisis in the Ownership of the Media of Large Enterprises in Turkey

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ABSTRACT

Like every giant holding, large enterprises in the media may also face crisis in certain periods. This chapter will evaluate Dogan-Group and its publications in the context of the media industry in Turkey and will analyze the tax crisis the group in question experienced in 2009. In order to ensure an objective perspective in the research, the authors chose to examine the publications of newspapers which are thought to represent three different ideologies in Turkey. In this context, to ensure the objective approach in this study the 42 news reports published between February 2009 and September 2009, newspapers that are thought to have different viewpoints in Turkey, such as Sabah, Cumhuriyet, YeniSafak, and the so-called “flagship” of the group, Hurriyet Newspapers, have been investigated using content analysis. The time interval was chosen in accordance with the tax penalty. Content analysis method will be used in this study, and in this context, how much space the newspapers allocated to the crisis, their ways of handling the crisis, and the language they used when handling the crisis will be examined.

INTRODUCTION

Globalization, in its general sense, refers to the process of economic, cultural and political integration. This integration is described with a reference to information economy as well as transition to post-industrial society, internationalization of production, trade and finance, the rise of multinational companies, reduction of cross-border customs on goods and services flows, deregulation of financial markets, weakening
of the nation-state structure, importance of local dynamics and development of new communication
technologies. The most important tool in this process is the media. For, the media removes the boundaries
between the societies, thus enabling them to obtain information about each other more easily.

Economic and political conditions should be taken into account when making globalization policies.
For national and international companies, the only target is profitability, and the neoliberal economy
maintained in line with this goal should be organized within the framework of these policies. Neolib-
eralism’s fundamental target is to establish a market mechanism with its own rules, in which there is
minimum state intervention.

The implementation of neoliberal economic policies in Turkey accelerated with the irregularities
experienced since the 1980s. The reflections of these policies in the media field were seen in the regula-
tions on the private channels, whose numbers increased rapidly in the 90s (Taskaya, 2008). The 1990s,
when the number of private initiatives in the field of broadcasting increased and private broadcasters
and publications were diversified, was an important period for Turkey. The rapid changes in informa-
tion technologies brought about the global commercial media market. This commercial media market
appears to have resulted from dominant companies, new technologies that make the cost of global sys-
tems efficient, World Bank, IMF and World Trade Organization and the neoliberal economic policies
that have lifted the regulatory barriers of global commercial media and have been supported by the US
government (McChesney, 2003).

A number of developments in the audio-visual field attract attention in the media transformation that
occurred after the 1990s. In this process, the structure of traditional family businesses started to change
and large conglomerates took advantage of the economic opportunities offered by neoliberal policies and
began to enter the press sector. With this transformation, a new process took place: the new owners of
the newspapers expanded their media enterprises horizontally and vertically and transformed them into
large media groups organized around newspapers. In this process, the media started to become monopo-
lized, becoming a tool that supports the nature of the capitalist system and serves its legitimation. Mass
media studies after 1980s identified economic factors as their starting point and based their arguments
on economic factors. In this period, Aydin Dogan, one of the important businessmen of Turkey who
was announced among the top taxpayers by the Istanbul Chamber of Commerce in various years since
1977, entered the media sector by acquiring the Milliyet newspaper in 1979 and then started to build the
group of large companies in the press sector. Over time, this group has grown rapidly with horizontal
and vertical monopolizations and has become one of the giant conglomerates of Turkey.

Large media groups may be affected by global crises as well as by local crises. In the global crisis
experienced in 2008, Dogan Holding increased its annual turnover and expanded its conglomerate struc-
ture. However, due to the sale of 25% of the shares of Dogan Media Group to Axel Springer in 2006 and
then due to the tax crisis resulting from the tax penalties imposed after the audit of the Finance Revenues
Controllers, the Holding went through a downsizing process. The Holding entered into a difficult period
due to the tax penalties imposed in February and September 2009.

In the present study, the tax crisis experienced by the Dogan Media Group is evaluated within the
framework of the media industry in Turkey. In order to make the study objective, Yeni Safak, Cumhuriyet
and Sabah Newspapers, which are considered to represent 3 different ideologies in Turkey, and Hurriyet
Newspaper, which is considered as the group’s flagship, were examined In the study, the number of
news stories about the crisis in newspapers was determined through content analysis method and in this
context, how much space the newspapers allocated to the crisis-related news stories, their handling of the
crisis and the language they used in these news stories were examined through descriptive text analysis.
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