

# **The Business of Ethics, the Ethics of Business**

*Albania*

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## I. Executive summary

Albanian media have gone a long way since the emergence of the first private newspaper. The publications market has experienced a continuous boom over the last 15 years, in spite of the extremely small population. Along with the variety of choices that the numerous media bring, they have also raised questions about business practices and sustainability in view of the difficulties of surviving in such a small, competitive market.

A relatively unstable legal framework for competition means the market is not closely monitored, although there is a regulatory body to do so. There are no limitations on the maximum market share that a company may have. Although a single company may not assume a dominant position, there is little enforcement of the rule because of a lack of reliable market research. The tools of official supervision are almost nonexistent, and the restrictions imposed by a law adopted in 2003 are stronger on paper than in practice. The regulatory body remains in a weak position and credibility will continue to be elusive without stronger enforcement. Moreover, an earlier law dating to 1995 was stricter than the current one. “Dumping” in newspaper prices was formerly prohibited, as was the acquisition of a market share of over 40 percent by a single broadcast outlet, company or joint venture. Rules allow single-entity ownership of a maximum 40 percent of a media enterprise. However, cross-ownership is not regulated in any way. The relatively weak attempts to establish and monitor competition have given rise to ample speculation over the questionable business practices of some media outlets, and there is an overall lack of interest in ethical behaviour.

Transparency in media ownership depends on the good will of the holders. Legislation imposes no obligations in this regard. Consequently, as in many other economic sectors in Albania, the media industry does not play by open rules, and neither Parliament nor media owners seem keen to change the situation.

Compared to a decade ago, when the first private media was set up at the initiative of journalists, businesspeople now prevail among media owners. It is extremely difficult to find an owner of a significant media outlet who is not engaged in business other than media. Interests often influence output. Media owners are frequently directly involved in politics.

Although the law allows people to request information about media ownership, few media outlets have taken the initiative of revealing their holders. The lack of transparency also applies to finances.

The absence of strict regulations on government-sponsored advertising, coupled with a vacuum of independent data on circulation and audience ratings, leaves ample room for speculative allocation of state advertising. Government money is the only means of survival for many outlets, especially print media.

The transparency of business funding has become of widespread concern in recent years, and the debate has frequently involved the media. No concrete steps have been taken, however. Media outlets continue to depend on outside funding, and their editorial independence is often questioned.

Since the emergence of the first private newspaper, Albanian media have grown in quantity and quality as well as in professional skills. This has led to more responsible reporting and higher ethical standards. Progress has been mainly due to the initiative of reporters themselves rather than any interest on the part of management to provide training. Training is considered the key to ethical behaviour on the part of journalists and owners alike.

Contracts that could guarantee independence and protection for journalists lack

references to ethical standards. They are confined to details of working hours, duties and company rules, with no consideration for the social value of a media organisation. Similarly, the media businesses in most cases lack internal regulations or other documents that might ensure ethical behaviour by owners and journalists.

Most media businesses have no clear policy on ethics, nor do they have a clear mission statement. Editorial independence depends largely on the attitudes of journalists, managers and owners.

These factors put journalists in a weak position to preserve independence and integrity. Working without contracts or viable regulatory mechanisms to protect them from internal and external pressure, they retreat to self-censorship. The lack of a trade union for journalists, as well as the fragmented and weak journalists' associations, reflect and nurture this situation.

In this context, it is not surprising that investigative journalism in Albania is almost nonexistent and the encouragement of hard-news journalism is absent. Although journalists, editors and publishers are generally held responsible for their publications, they have no legal protection from prosecution in the event of litigation. While there is public debate about external pressure on journalists, internal pressure from their own organisations is not publicly discussed.

Attempts to set up councils and codes of ethics, as well as counselling sessions in this area have led to unexpected results: they emphasise only journalists' obligations. The lack of a trade union or strong journalists' associations also promotes self-censorship rather than editorial integrity and higher ethical standards.

There are signs that the media industry, especially management and owners, are becoming increasingly aware of the importance of ethical behaviour in building credibility and reputation, and consequently long-term profits. However, their business practices show that practical steps need to be taken in order to make the ideal a reality.

## II. Context

Albania has been a parliamentary republic since the overthrow of the Communist regime in 1990, and has been trying to consolidate democracy ever since. As of 1 January 2005, its population was 3.135 million<sup>1</sup>. According to the latest data, from 2003, the country's GDP per capita was ALL 219.423 (€1,500<sup>2</sup>), and the average monthly wage in 2003 was ALL 19,123 (€159)<sup>3</sup>.

The current picture of the media market in Albania differs dramatically from 1990, at least in quantity. After 15 years of developing as private, allegedly independent, outlets, media outlets have been continuously increasing in number, although there has been no commensurate increase in quality.

This evolution has been fastest among print media. There are no dependable data on print media, so all statistics cited here are approximate. According to 2003 research conducted by the Albanian Media Institute, 98 newspapers and 70 magazines were published in the country, including both general and niche titles<sup>4</sup>. The numbers have changed since then, although the exact current figure is unknown. For instance, there are 21 dailies at present, compared to 18 in 2002. Several weekly newspapers have also emerged, but there is no data

<sup>1</sup> Institute of Statistics (INSTAT), data provided on its website, <<http://www.instat.gov.al/graphics/doc/tabelat/Treguesit%20Sociale/Popullsia/POP%202004/pop1.xls>> (accessed 18 September 2005).

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Albanian Media Institute, *Monitoring Albanian Media Landscape 2002*, Maluka, 2003, p. 5.

on papers that have ceased publication.

Private publications emerged in the early 1990s. As late as 1995, electronic media, for most Albanians, meant state radio and television. Nowadays, according to official data, the country has 91 private television and 45 private radio stations<sup>5</sup>. Of these broadcasters, two television and two radio stations broadcast on national licenses. One of the television stations is licensed for satellite broadcasting. In addition, there has been a considerable increase in cable channels. In 2002 there were only six cable companies.<sup>6</sup> Cable television became more popular after 2003: the number of cable television channels reached 31 by January 2005.<sup>7</sup>

Last year saw the introduction of the first digital terrestrial television platform, Digitalb. Soon after, a network of television stations started operating a digital satellite platform. So far, these operators have been working under no specific regulations. Parliament has repeatedly postponed discussion of the issue.

The lack of systematic and scientific audience research makes it difficult to assess the market shares of publications and broadcasters in Albania. Not only are data lacking on the number of outlets, but there are no data for print media except those disseminated by the publishers themselves. Their statements are not entirely reliable, considering the lack of independent sources. In general, it is believed that individual newspaper circulation is rather low, given the large number of publications and the small population. The total circulation of the 21 daily newspapers is not believed to exceed 60,000 copies. "There are currently 21 daily newspapers in Albania, the two largest of which have an average circulation of no more than 15,000 copies per day, a rather low number for a country of three million," according to IREX's *Media Sustainability Index 2004*.<sup>8</sup>

The print media industry is also plagued by a weak, often malfunctioning distribution system. In a country where 50 percent of the population lives in rural areas, local newspapers barely survive and have little significance. Tirana-based newspapers cannot reach distant rural areas due to poor infrastructure. For instance, given the fact that the average monthly income of a teacher is around ALL 10,000 (approximately €80) a teacher would have to allocate 13 percent of his/her salary to buying a newspaper,<sup>9</sup> which makes papers rather expensive.

In this context, electronic media, especially television, assume greater importance and influence on public opinion. TVSH, the public broadcaster, covers 73 percent of the country; Radio Tirana (RT), the public radio service, broadcasts two national channels which both reach 80.5 percent of the territory.<sup>10</sup> There are currently two private national television stations: *TV Klan*, which was launched in 1998 and covers 43 percent of Albania's territory, and *TV Arberia*, set up in 1996, covering 30 percent.<sup>11</sup> Despite the indication of the territorial coverage, there are no available data on individuals or households with access to electronic media.

<sup>5</sup> KKRT, list of licensees, available on the KKRT website at <[http://www.kkrt.gov.al/licenca\\_frame.htm](http://www.kkrt.gov.al/licenca_frame.htm)> (accessed 20 June 2005).

<sup>6</sup> Albanian Media Institute, *Monitoring the Albanian Media Landscape*, as cited, p. 26.

<sup>7</sup> Interview with Argita Shkupi, Head of Department of Jurisdiction and Licenses, KKRT (National Council of Radio and Television), Tirana, 10 February 2005.

<sup>8</sup> IREX, *Media Sustainability Index 2004*, available at <<http://www.irex.org/msi/2004/MSI-2004-Albania.pdf>> (accessed 25 June 2005)

<sup>9</sup> G. Ibrahim, A. Loci, *Media Landscape of Albania: Legal Framework*, in *Media Online*, 2001, <<http://www.mediaonline.ba>> (accessed 3 July 2005).

<sup>10</sup> KKRT, *2003 Raport Vjetor ne Kuvendin e Shqiperise, (Annual Report to Parliament for year 2003)*, Tirana, 2004, available at <[http://www.kkrt.gov.al/informacion/raport\\_2003.htm](http://www.kkrt.gov.al/informacion/raport_2003.htm)> (accessed 13 May 2005) [hereinafter, KKRT, *2003 Annual Report*].

<sup>11</sup> *Ibid.*

Radio covers more territory. Top Albania Radio, dating from 1998, covers 87 percent of the country, while Radio +2, also founded in 1998, covers 72 percent.<sup>12</sup> Television remains more influential, however. The radio industry has no audience surveys at its disposal, but advertisers are more interested in TV ratings. There has been sporadic research into television: three attempts were made during 2001-2003 by the Institute of Surveys and Opinions. These surveys did not include the whole country or all television stations and were limited in time, hence limited in usefulness as well.

Internet use has been spreading slowly in the country in recent years. Online publications remain rare and of little influence. Official data are lacking in this area as well.

Other outlets include the Albanian Telegraphic Agency, the public news agency, and some private news agencies whose activity is little known.

In view of this, the ten most influential media in the country and subject of this research include mainly TV stations, daily newspapers, and one national radio station. Five television stations have been selected:

- *TV Klan* and *TVA*, the only stations with nationwide coverage
- *Top Channel TV*, a successful station, airing popular programs
- *Koha TV*, a station which has benefited from significant investment after being bought a few years ago by a group of shareholders including politicians
- *Vizion + TV*, which produces its own programs – the first to do so on a significant scale.

The study also includes:

- *Top Albania Radio*, the first national radio station, and the one considered to be the most popular, especially among young people. This station airs talk shows with popular hosts and sometimes engages in social reporting, a rarity among Albanian stations, which broadcast mostly music and flat news.

The research includes four daily newspapers, selected according to their popularity as indicated by industry representatives.<sup>13</sup> They are:

- *Shekulli*, unanimously seen as the daily with the largest circulation in the country
- *Panorama*
- *Korrieri*
- *Gazeta Shqiptare*.

Besides the perception of popularity, ownership and business conduct were used as additional criteria for their selection.

### III. Competition framework

New regulations on competition came into force on 1 December 2003, when the Law on Protection of Competition no. 9121/2003 was approved.<sup>14</sup> It does not impose any limit on market consolidation. The law says that a company holds a “dominant” position if it can impose its will “independently of other participants in the market, such as competitors,

<sup>12</sup> Ibid.

<sup>13</sup> Due to the lack of any data, the only available tool is a kind of empirical ranking measuring the “popularity” of the papers. It is informally validated by people from the industry - media directors, owners, editors, and journalists. However, there are no unanimous opinions on what paper is more popular than another, except for *Shekulli*, which has been unanimously indicated as the highest-circulated daily. In the other cases the selection in this research tried to closely mirror the majority opinion of industry representatives and media editorial staff.

<sup>14</sup> Law on the Protection of Competition, no. 9121/28 July 2003, *Official Gazette*, 1 December 2003, See < <http://www.globalcompetitionforum.org/regions/europe/Albania/Approved%20Law%209121%20A.pdf> > (accessed 20 september 2005).

clients, or consumers”.<sup>15</sup> The approval of the Authority on Competition is necessary prior to any potential consolidation or merger whenever a company’s annual revenue exceeds certain limits.<sup>16</sup>

The Authority on Competition (AC) enforces the law. It is composed of a commission and a secretariat. The AC’s members are appointed by Parliament and are responsible for the general supervision of the market: they can inspect the annual revenue of a company, its market share, and the expansion of its capital through acquisitions or mergers.

The AC is to monitor compliance with competition rules for the media, as incomplete as those are. A change in legislation is necessary in order to increase its responsibilities. So far the only evidence of any activity regarding media competition was a comment by the authority on proposed amendments to the press law that some Members of Parliament initiated in 2004. The draft contained two controversial articles that sparked debate within the media community. One of them aimed to regulate the market of daily newspapers. Alleging that some papers are sold at below production cost, the AC asked them to establish a floor price. The other article was intended to prohibit publishers who sell their papers below the floor price from participating in public tenders.

The Authority on Competition criticised the articles, stating: “The owners have the right to set prices as they like. In many countries in the world it is common practice to offer free newspapers, independentl of the high cost of their production.”<sup>17</sup> Other international bodies dealing with media issues, such as the OSCE and Reporters without Borders, also criticised the amendment. “To impose a minimum and obligatory price on print media at a time when they are struggling to survive in an era of unlimited television and Internet access is an intrusive commercial measure which is tantamount to accelerating the demise of print,”<sup>18</sup> the OSCE Mission in Albania said in its response to the Parliamentary Media Committee.

Media representatives were divided over their stance on the restrictions. “Through these amendments the state is trying to halt the private enterprises that have invested millions of ALL (lek) in the media industry in recent years,”<sup>19</sup> said Koco Kokedhima, owner of Spekter jsc. Publishing Group. There were also voices in favour of the Parliamentary initiative, including Nikolle Lesi, publisher of the daily *Koha Jone*, and Erjon Brace, editor in chief of the daily *Zeri i Popullit*. “The aim is to purify, to the extent that we can, through legal means, the fourth estate, the media sector, which has become dominated by illegal businesses and by businessmen that have established media outlets just to protect their interests, rather than to independently inform,”<sup>20</sup> Nikolle Lesi said. Work on the Press Law continues.

This was not the first debate on media competition, however. From 1995 to December 2003 competition in Albania was regulated by the Law on Competition no. 8044/1995.

This law was significantly stricter. It prohibited concentration, which was defined as occurring when one company or joint venture controlled more than 40 percent of the market.<sup>21</sup> The old law also contained an amendment stating that: “In the field of independent

<sup>15</sup> Ibid, Art. 3.

<sup>16</sup> Ibid, Art. 12.

<sup>17</sup> Authority on Competition, quoted in IREX, *Media Sustainability Index 2004*, available at <<http://www.irex.org/msi/2004/MSI-2004-Albania.pdf>> (accessed 25 June 2005).

<sup>18</sup> OSCE Presence in Albania, “Response to parliamentary media committee in relation to print media law,” July 15, 2004, available at <[http://www.osce.org/documents/pia/2004/07/3363\\_sq.pdf](http://www.osce.org/documents/pia/2004/07/3363_sq.pdf)> (accessed 21 September 2005).

<sup>19</sup> “Tryeza per median kunder amendamentit Brace-Lesi,” [Roundtable on the media against the Brace-Lesi amendment], *Shekulli*, 8 July 2004, p.5.

<sup>20</sup> “Brace-Lesi: Media-Biznes, nuk terhiqemi nga propozimi, (Brace-Lesi: Media-Business, we will not withdraw our proposal), *Korrieri*, 26 January 2005, p.14.

<sup>21</sup> Law on Competition, no. 8044/1995 *Official Gazette*, December 1995, art. 4.

print media it is forbidden to lower the price of newspapers and magazines below the cost of their production.”<sup>22</sup> This particular paragraph was added at the initiative of a group of MPs, following protests by some in the media community about the sale of publications below production cost in order to get a larger share of the market. This amendment exempted so-called “party newspapers and magazines”<sup>23</sup>, helped preserve the economic independence of the print media and represented an attempt to impose “fairness” within the framework of the Law on Competition<sup>24</sup>.

Against this legal background, in October 2003, Nikolle Lesi, Member of Parliament and owner of several publications and one radio station, asked that the Directorate on Economic Competition (DEC – at the time the regulatory body on competition) to look into allegations that some papers were being sold at prices below their production cost in violation of regulations<sup>25</sup>.

The investigation stalled because the law did not require the papers to submit information to the DEC, and the only papers willing to cooperate were *Koha Jone*, owned by Lesi himself, *Panorama*, owned by the Panorama group jsc., and *Zeri i Popullit*, owned by the Socialist Party. *Shekulli*, *Sot*, *Republika*, and *Rilindja Demokratike*, refused to submit any data. As *Republika* and *Rilindja Demokratike*, along with *Zeri i Popullit*, are sponsored by political parties, they were excluded from the investigation because they were not subject to the Law on Competition of 1995 (as stated above, the law exempts the party papers from this requirement).

Although the specific investigation ended with no particular result, it pointed to deficiencies both in legislation and enforcement, as well as the freedom of print media outlets from state control. “The state should guarantee the implementation of proper competition practices. Monopolies should not exist, as they damage the market in general, as well as the advertising market, since they are not interested in advertising,” said Alfred Peza, editor in chief of *Korrieri*.<sup>26</sup>

Apart from prices, another frequent, though not publicly debated problem is relations between competitors. The law formerly prohibited practices detrimental to the reputation of competitors, such as false statements aimed at ruining their business. Persuading employees to breach contracts with a competitor and hiring those employees in order to gain a competitive edge was also forbidden.<sup>27</sup> These articles have been frequently disregarded, a practice made easier by a lack of employment contracts for most media employees<sup>28</sup>.

<sup>22</sup> Amendment on the Law on Competition, no. 8403/1998, as cited, art. 1.

<sup>23</sup> Party newspapers are those publications set up and funded by various parties, to express their political orientation.

<sup>24</sup> I. Londo, Report on Albania, in Brankica Petkovic (ed.), *Media ownership and its impact on media independence and pluralism*, Peace Institute and SEENPM, Ljubljana, June 2004, available at <[http://www.mirovni-institut.si/media\\_ownership/albania.htm](http://www.mirovni-institut.si/media_ownership/albania.htm)> (accessed 25 June 2005) [hereinafter, PI/SEENPM, *Media ownership – Albania*] p. 45.

<sup>25</sup> This case was quoted in PI/SEENPM, *Media ownership – Albania*, p. 56.

<sup>26</sup> Interview with Alfred Peza, editor-in-chief of *Korrieri*, 23 June 2005.

<sup>27</sup> Law on Competition, 8044/07 December 1995.

<sup>28</sup> PI/SEENPM, *Media ownership – Albania*, p. 45.



## IV. Ownership and its impact on media professionalism and independence

### *Regulation of ownership*

Media ownership issues are regulated by legislation only for electronic media. The current press law contains two provisions stating that freedom of the press and other issues are subject to regulation under the general competition and commercial laws. However, the Law 8410/1998 on Radio and Television (hereinafter Law on Radio and Television) contains rather detailed regulations on several issues, including ownership<sup>29</sup>.

It restricts ownership of electronic media outlets. Political parties, religious institutions and economic organisations such as banks and credit institutions cannot hold broadcast licences. Currently the regulatory authority, *Keshilli Kombetar i Radios dhe Televizionit* (National Council of Radio and Television, or KKRT), may grant two kinds of licenses: local and national. Criteria for national licences are more demanding in terms of the documentation and initial capital required, the structure of the company, programme requirements and the percentage of shares held by a company's owners.<sup>30</sup> Currently there are two national television stations, *TV Klan* and *TVA*, and two national radio stations, *Top Albania Radio* and *+2 Radio*.

The holder of a local license may be an individual or company. The law prohibits the granting of more than two local broadcast licenses for the same territory, either for radio or television. However, the same broadcaster may obtain both a radio and a TV broadcast license. An individual may not own a station that covers an area of more than 200,000 inhabitants. Foreigners may also own stations and are subject to the same restrictions.

The limit on individual ownership of a national radio or TV station is 40 percent. Thus, a national radio or TV station must have at least three owners. The owners of national broadcast outlets are forbidden to hold shares in another national radio or television enterprise. It is also forbidden for a shareholder in a national broadcasting station to obtain a local broadcasting license. The rules are aimed at preventing the concentration of national media, safeguarding media pluralism and diversity, and maintaining the potential for profit.

Apart from limits on ownership, a national media company must be registered as a joint stock company.

The law does not contain any provisions regarding cross-ownership of print and electronic outlets. The owner of a national or local media outlet can hold as many shares in as many print media outlets as he/she wants. Similarly, in the absence of detailed legislation on the press, there is no limit on the ownership of print media outlets, either in the number of media outlets, nor in the shares per media outlet.

Owners of electronic outlets are obliged by law to report shareholding data when applying for a broadcast licence and to register any ownership changes in the Commercial Register. They must also report ownership changes to the KKRT and receive its approval.<sup>31</sup>

<sup>29</sup> Law No. 8410 of 30 September 1998 on the Public and Private Radio and Television in the Republic of Albania, Official Gazette 20 October 1998; as amended by Law no.8657 of 31 July 2000; Law no. 8794 of 10 May 2001; Law no. 9016 of 20 February 2003 and Law no. 9124 of 29 July 2003, available in the Albanian language at <<http://www.kkrt.gov.al>> (accessed June 2004).

<sup>30</sup> All ownership criteria quoted from PI/SEENPM, *Media ownership – Albania*, p. 42, as prescribed by the Law on Radio and Television, art.20.

<sup>31</sup> Law 7667/1993 on the Commercial Register, *Official Gazette* 1/1993, art. 33.

### *Main ownership traits*

Most owners of television stations have no previous background in the media, and they are generally involved in other businesses. It would be hard to find a significant shareholder in any media company who has dropped his or her other business interests. Indeed, they often expand them, as revealed by the study *Media Ownership in SEE-Albania*, by the Peace Institute, Ljubljana.<sup>32</sup>

It is very difficult to identify owners of the main media groups who have concentrated their capital into a single medium. Cross-ownership is common among the main media groups, all of which own at least one publication as well as a radio and/or television station.<sup>33</sup> For example, the Klan group owns *TV Klan*, one of the national television stations. This group of owners includes Aleksander Frangaj, a journalist who held half the shares of daily *Koha Jone* when it was the leading newspaper in Albania. The other two owners are Marsel Skendo and Julien Roche, a French citizen. The two businessmen have been cooperating for some time in many fields, including an airline, construction firm, advertising agency and a post-production studio. Media 6 jsc, the company that owns *TV Klan*, also holds 51 percent of Media 5 ltd., which owns the daily *Korrieri* and *Klan* magazine, probably the best-known political weekly magazine in the country. The other shares in Media 5 ltd are held by three well-known journalists and analysts and a website designer. This is a unique case in media ownership, where those who work in the media outlet also hold significant stakes in it.

Another prominent media group is *Spekter jsc.*, wholly owned by Koco Kokedhima, an entrepreneur with interests in many businesses. This group owns *Shekulli*, the largest daily newspaper, economics daily *Biznes*, and *Sporti Shqiptar*, a sports daily, as well as *Spekter*, a weekly magazine. In addition, 2k Group, held also by Koco Kokedhima, owns 40 percent of shares in *TV A1*, a local television station, while the other 40 percent is owned by his brother, Anastas Kokedhima. Kokedhima's brother also owns 40 percent of +2 Radio, one of the national stations. Kokedhima has started up to 25 businesses in different areas, such as a bank, hotel, advertising agency, Internet provider and construction firm, according to Jurisiana Zhupa, sales manager at *Spekter jsc.*<sup>34</sup>

Until recently the general manager of this media group was Brixhida Kokedhima, Koco's wife, who recently decided to enter politics as chair of the Green Party. This took place after several public protests by the Greens against the Albanian government's intention to sign an agreement with an Italian firm for a waste dump site and a refinery. It is unclear whether these protests were motivated by purely environmental concerns, given these entrepreneurs' vast business interests. However, in general this group has kept a high profile through public statements on issues such as newspaper pricing policy, competition rules and environmental concerns.

Unlike neighbouring countries, Albania has little significant foreign ownership. Despite the unrestricted access, the media market has not proven attractive to outside investors. The most important foreign media presence is the Edisud joint stock company, which owns *Gazeta Shqiptare*, a daily newspaper first published before the Second World War and successfully relaunched in the early 1990s. Edisud then started a radio station, *Radio Rash*, and a television news channel, *News 24*, a trendsetter and the first of its kind, and an online

<sup>32</sup> PI/SEENPM, *Media ownership – Albania*, p. 58.

<sup>33</sup> All the following data on ownership stakes in media outlets are quoted from: PI/SEENPM, *Media ownership – Albania*. The data derives from official sources: the Commercial Court Register and KKRT.

<sup>34</sup> Interview with Jurisiana Zhupa, sales manager at *Spekter jsc.*, 27 June, 2005.

news agency, Balkanweb. Although the company is Italian, the staff is all Albanian except for the general manager.

Many foreigners involved in Albanian media are Italian. *Telenorba Shqiptare*, a local television station, is 55 percent Italian-owned. *Alba TV* was another local television station under Italian ownership, but the station stopped broadcasting and did not pay its fees,<sup>35</sup> so the KKRT withdrew its licence in 2003. Another important foreign owner, not only in the media but also in other businesses in Albania, is Julien Roche of the Klan group.

A significant group of owners are politicians who hold shares in media outlets. One of the most prominent has been Nikolle Lesi, currently chairman of Demochristian Party and founder of daily *Koha Jone*, which was the most widely read newspaper until some years ago. The Koha group owns the daily *Koha Jone* and the sports daily *Sport Ekspres* which is wholly owned by Lesi. He also owns 40 percent of *Radio Koha*, while 40 percent is owned by Natalina Lesi, Nikolle Lesi's wife, and 20 percent by Bardhyl Ucaj, its current director. The Koha group also published a weekly magazine, *AKS*, which was considered to be a quality literature and culture magazine.

Lesi also used to own Media 99 jsc., the licensee of TV *Koha*, which it sold in late 2002 to four individuals, including former Minister of Agriculture, Agron Duka (25 percent), as well as his brother, the head of the Football Federation, Arben Duka. The main owner, with 40 percent, is Lefter Koka, mayor of Durres, the main port city in the country. After its purchase, the television station did not broadcast for some time, but it has lately become a significant outlet after benefiting from considerable investment.

These cases of politician shareholders are not the only ones that raise conflict-of-interest questions. As reported above, *Panorama group* jsc, which publishes the daily *Panorama*, counts among its main shareholders people who operate beverage factories and construction firms.<sup>36</sup> The same applies to the main media groups mentioned above. Most owners, if not all, have businesses in many other fields apart from media. The owners of Vizion+ TV operate several construction companies, according to owner Genc Dulaku.<sup>37</sup> Of the analysed media outlets, only the owners of *Gazeta Shqiptare* said they were not involved in any other commercial activity.<sup>38</sup> "It is difficult to find newspapers or broadcasters that have no affiliation to political parties or businesses. The current emergence of new newspapers is more a reflection of an increasing desire by political or business groups to have their own say in the media market," IREX's study revealed.<sup>39</sup>

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<sup>35</sup> Electronic media outlets have to make annual payments to the KKRT as fees for the licenses they hold. The sum is different for radio and television stations; it also varies in accordance with the size of the area: it can range from ALL 1,150 (approximately €10) to ALL 40,000 (approximately €333) for radio stations outside the capital. The range of annual fees for television stations outside Tirana varies from ALL 2,300 (approximately €19) to ALL 100,000 (approximately €833.) Fees for electronic media outlets in Tirana are ALL 42,300 (approximately €352) for radio stations and ALL 114,300 (approximately €952) for television channels. Finally, media outlets that hold a national license have to pay the highest fees: ALL 1.5 million (approximately €12,500) for national radio stations and ALL 5 million (approximately €41,666) for national television channels. [Source: KKRT's website: [www.kkrt.gov.al](http://www.kkrt.gov.al), accessed in September 2005.]

<sup>36</sup> Interview with Kasem Hysenbelliu, manager of *Panorama*, Tirana, 27 June, 2005.

<sup>37</sup> Interview with Genc Dulaku, owner of Vizion + TV, Tirana, 27 June 2005.

<sup>38</sup> Interview with Ardian Angoni, general director of *Gazeta Shqiptare*, Tirana, 25 June 2005.

<sup>39</sup> IREX, *Media Sustainability Index 2004*, available at <<http://www.irex.org/msi/2004/MSI-2004-Albania.pdf>>, (accessed on June 25, 2005)

### *Media ownership in practice*

The country's legal framework requires ownership transparency through listing in the Commercial Register. For electronic media, the KKRT must approve changes in ownership. Thanks to Law no. 8503/1999 on Access to Information, these data are available to the public.<sup>40</sup> However, when it comes to voluntary revelation of ownership, not all media outlets are the same, and there are different degrees of transparency.

Print media usually publish the name of the publisher, the owning company or the management staff. Electronic media do not, either on their websites or in their press releases. Among the print media outlets, none fully discloses who owns its shares. The daily *Panorama*, for example, lists its owner only as Panorama Group jsc, with no information on who owns what within the group. *Shekulli* lists its publisher as Koco Kokedhima, who in fact is the sole owner, according to the Commercial Register.

In the case of *Korrieri*, the publishers are not listed, but the director is. At the moment it is Julien Roche, who is also one of the main owners. Neither the name of the ownership company, nor the percentage of ownership shares is mentioned in the paper. The same applies to *Gazeta Shqiptare*, which publishes the names of its management staff, but not the shares of the media group. So far publishers have paid little attention to the need for transparency. It should be noted, however, that newspapers are not required by law to publish their ownership.

However, there are legal requirements on editorial independence. The Constitution guarantees freedom of the press in both printed and broadcast media.<sup>41</sup> The Law on Radio and Television reads that "editorial independence is guaranteed by law."<sup>42</sup> In addition to this broad provision, the law seeks to guarantee the independence of broadcasting through a number of important provisions pertaining to the regulatory authority, public broadcasting, content, sponsorship and other areas.

Other sections of the law also guarantee what can be considered a sort of equal-employment opportunity policy: "Employment, promotion, duties and rights of the public and private radio and television stations are not determined by sex, origin, political conviction, religion, or membership of trade unions." These articles on electronic media fail, however, to address the real problems of identifying and protecting editorial independence.

Nor have Albanian media owners tried to put these guarantees into practice. In contracts that some media outlets provided for this research, there is no reference to editorial content or independence. The contracts refer only to general work conditions from the administrative point of view: job description, salary, annual leave, social security payments, working hours, breach of contract and sick leave. All the contracts contain extremely general terms, mentioning administrative issues with no reference to journalists' rights to free expression.<sup>43</sup> Journalists, technicians, administrators and managers all appear to have the same contracts.<sup>44</sup>

There is no reference to how the relationship between the editorial staff and owners should be formalised. *Spekter jsc.* is the only outlet that has a mandatory code of ethics for

<sup>40</sup> Law No. 8503/30 June 1999, on Access to Information, *Official Gazette* 22, 1999.

<sup>41</sup> Constitution of the Republic of Albania, art. 22. **Note:** The Constitution was approved by Parliament on 21 October 1998, adopted by the Referendum of 22 November 1998, and has been in force since its promulgation by the President of the Republic on 28 November 1998.

<sup>42</sup> Law on Radio and Television, as cited, art. 5.

<sup>43</sup> Work contracts of TVA, Top Channel, Top Albania Radio, TV Klan, *Korrieri*.

<sup>44</sup> Interviews with general managers/directors of the selected media outlets, June 2005.

all news employees in the media group. The code contains no provisions on the owners' conduct. It sets out obligations and principles for journalists, with directives on what is acceptable and what is not regarding editorial content.

No publishers' or owners' code of conduct exists, although major owners comprise the Association of Electronic Media. Headed by Aleksander Frangaj, one of the main owners of Klan group, the association has been active when the interests of electronic media have been at risk, especially when the interests of owners are threatened. "The Association of Electronic Media has had its role in voicing our stance for a strong implementation of the law on audiovisual property,"<sup>45</sup> said Milto Baka, sales manager of *TV Klan* and *Korrieri*. The same opinion was voiced by *TVA*: "The Association has been active during the campaign against piracy, advertisement price discussions and in the amendments on digital television."<sup>46</sup>

One of latest examples has been the lobbying for the amendments on digital television. The regulatory authority is drafting these amendments, which will be passed on to Parliament for approval. The main television stations cooperated in securing the passage of a law against piracy in electronic media. While lip service had been paid to copyright issues in the past, all private television stations had filled their schedules with pirated programmes, including Hollywood movies that were still being shown in cinemas. This situation ended abruptly in October 2003, when the anti-piracy provisions came into force.<sup>47</sup> They were immediately implemented by most television stations, with the remainder falling into line only after the KKRT imposed some fines.

Even in view of the relative success of this association, it must be noted that it has no code of ethics or conduct. In the same vein, its public pronouncements have been made mostly when business interests were at stake, and there is no hint of any association action with regard to editorial independence.

## V. The funding of the media business

### *Transparency of funds*

Funding of media businesses and its transparency has been one of the main debates on media in the last two years, with mutual accusations between publishers themselves, or between the government and media owners. However, in spite of the occasionally heated debate, no specific steps have been made to shed more light on funding.

The 2003 annual report of the KKRT contained an alarming figure: only 46 percent of the income of television stations came from advertising revenue, 5 percent came from sponsorship, and the other 49 percent came from other sources.<sup>48</sup> Similarly, last year's report stated that no television station made a profit; some managed to break even, while the rest operated at a loss.<sup>49</sup> Over the past year, the vague category of "other sources" has featured in debates about media independence and transparency, with the government, media outlets and media owners all accusing each other of wrongdoing. Since there is no legal requirement for owners to declare their sources of income, there is no transparency on this extremely important issue.

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<sup>45</sup> Interview with Milto Baka, sales manager of *TV Klan* and *Korrieri*, 23 June 2005.

<sup>46</sup> Interview with Ilda Bakshevani, general manager of *TVA*, 21 June 2005.

<sup>47</sup> Law no. 9124 of 29 July 2003, on some amendments to Law No. 8410 of 30 September 1998 on the Public and Private Radio and Television in the Republic of Albania *Official Gazette* No.71, 2003.

<sup>48</sup> KKRT, *Annual Report 2003*.

<sup>49</sup> KKRT, *2004 Annual Report*.

Ad revenues are too small to support the skewed media market in Albania. According to a report issued by the Albanian Center for Media Monitoring, the total advertising market in 2003 had a net worth of only €12 million, too little to support so many media outlets.<sup>50</sup>

In most cases, “other sources” of income means the numerous other businesses of most media owners, including construction, which is the most lucrative business in Albania today. Others include import-export trading, advertising and Internet services.

Advertising revenue is divided into publicly funded advertising and commercial advertising. The situation differs depending on the category of media. State advertising is essential for the survival of print media outlets, while commercial advertising has the greatest weight in electronic media. For example, in the case of *TV Klan*, commercial advertising accounts for approximately 85 percent of total advertising revenue, whereas this figure is only 40 percent for the daily *Korrieri*, with the other 60 percent being state advertising.<sup>51</sup> Similarly, the daily *Shekulli*'s advertising revenue is split in half between commercial and state advertising,<sup>52</sup> while national TVA receives 80 percent of its advertising revenue from commercial ads and the remaining 20 percent from state advertising<sup>53</sup>.

The percentages of state advertising revenue vary significantly from one media outlet to another. In some cases it is instrumental in sustaining an outlet, especially in print media. “Government should engage in a fair distribution of state advertising, considering that nearly 60 percent of print media revenue consists of state advertising revenue,”<sup>54</sup> said Alfred Peza, editor-in-chief of *Korrieri*.

Despite the importance of state advertising for the survival of print media outlets, there is no legislation to regulate its distribution in the media, nor is there a regulatory body to supervise and control the allocations. In addition, there are no official and regular research data on media ratings. This opens the gate for eventual abuse in the allocation of ad funds as a reward for editorial obedience. It also raises the possibility of threats, since withdrawal of the funds could affect the financial security of the papers deemed inconvenient by decision-makers.

Several cases of state advertising have been contested so far. *Shekulli* received a significant amount of state advertising until September 2001, when the daily changed its editorial policy and began criticising then-Prime Minister Ilir Meta. Public funding soon dried up. By mid-November *Shekulli*'s state advertising had fallen to 1.3 pages, while three other large-circulation dailies carried three times more, around four pages.<sup>55</sup>

Another government subsidy representing the carrot-and-stick method was granted to *Korrieri* in October 2001. Of ten million leks (approximately €7,407) allocated to *Korrieri*, six million were earmarked for publication of “government propaganda materials,” and four million for publication of a supplement on the occasion of Independence Day. This decision of the Council of Ministers was considered an arbitrary and biased one by the rest of the press, because it withheld subsidies from papers like *Tema*, which took a consistently critical stance against the Meta government, as opposed to *Korrieri*.<sup>56</sup>

While electronic media less dependent on state advertising, it is not exempt from state influence. There have been allegations that media coverage is used to win favours from

<sup>50</sup> Albanian Center for Media Monitoring, *Albanian Media Monitor*, 2004/1, July 2004, p. 52.

<sup>51</sup> Interview with Milto Baka, sales manager of TV Klan and *Korrieri*, 23 June 2005.

<sup>52</sup> Interview with Jurisiana Zhupa, sales manager at Spekter jsc, 27 June, 2005.

<sup>53</sup> Interview with Ilda Bakshevani, general manager of TVA, 21 June 2005.

<sup>54</sup> Interview with Alfred Peza, editor-in-chief of *Korrieri*, 23 June 2005.

<sup>55</sup> Human Rights Watch, *The Cost of Speech*, June 2002, 14/5, p. 48.

<sup>56</sup> *Ibid.*, p. 48.

politicians in other businesses. In other words, politicians have been accused of extended patronage of the other businesses of the major media owners in exchange for positive coverage. Alba Malltezi, formerly vice-director of *Gazeta Shqiptare* and presently director at TV News 24, has stated that: “The most serious threat to freedom of the press today is its economic dependence, which leads to secret agreements between businesses, politics and the press: these agreements have nothing in common with free and accurate information.”<sup>57</sup> As for 2003, the IREX report on media sustainability concluded:

The government has the tendency to advertise its enterprises, such as AlbTelekom, the power company and the state insurance company, through the media outlets that support it. Profits from these advertisements are substantial and viewed as rewards for pro-government coverage. Conversely, the stations and newspapers that support the opposition are punished by being ignored by the state advertisers.<sup>58</sup>

Politicians may use different tools in putting pressure on businesspeople whose media outlets do not provide favourable coverage. An example occurred in Parliament in July 2004, when Prime Minister Fatos Nano accused some important media holders of tax evasion, of denying employment contracts to their staff and of having non-transparent sources of income — not only in their media outlets, but in their other business activities. Specifically, Nano accused several powerful media groups, including Koha Group, 2K Group and Ada Construction, the main shareholders of the Klan group, of having violated the laws on buildings.<sup>59</sup> The charges included allegations of fraud in the payment of social security. For instance, national *TV Klan* had paid social security for 21 persons receiving the national monthly minimum wage of ALL 10,184 (€80); national *TV Arberia* had declared 30 employees, with a wage of ALL 13,000 (€102); Top Channel had declared 90 employees with an average salary of ALL 10,000 (€78); and so on. Nano alleged that the figures were extremely low and did not correspond to the real salaries paid to media employees. When he made these allegations, the editorial policies of these three media groups were at odds with the prime minister and the government, which is not in itself an unusual situation in Albania. However, it does raise the question of why the prime minister chose to single out these companies for criticism, and why there is no systematic independent monitoring of such issues.

Transparency in media funding goes little further than obligations to the state, namely the submission of annual balance sheets to the tax authorities; or, for electronic media, to the regulatory body KKRT. In any case, electronic outlets do not always promptly observe their obligations. The 2004 annual report of the KKRT stated that about 60 percent of electronic outlets had submitted brief financial reports, most of them short on detail.<sup>60</sup>

The print media outlets, lacking a regulatory authority, report their finances to the Directory of Tax on Income. In addition, *Gazeta Shqiptare*, on 15 August every year publishes its annual balance sheet in the two middle pages of the publication.<sup>61</sup> It is published in Italian, and is the same one that the Italian-owned society presents to the Italian authorities.

Another attempt at more financial transparency was initiated by Spekter jsc. in its economic daily *Biznes*, which also called on other large media houses and outside companies to publish the main figures of their accounts.<sup>62</sup>

Another sensitive issue in the media scene is advertising and its representation, especially

<sup>57</sup> PI/SEENPM, *Media ownership - Albania*, p. 57.

<sup>58</sup> IREX, *MSI – Albania 2003*, p. 9.

<sup>59</sup> *Speech of Prime Minister Fatos Nano to Parliament on 5 July 2004, as reported in Sot*, 6 July 2004.

<sup>60</sup> KKRT, *2004 Annual Report, Annex 1*, p. 4.

<sup>61</sup> Interview with Ardian Angoni, general director of *Gazeta Shqiptare*, 25 June 2005.

<sup>62</sup> Interview with Jurisiana Zhupa, sales manager at Spekter jsc, 27 June, 2005.

its clear separation from editorial content. The law on electronic media stipulates that ads should be clearly marked to distinguish them from editorial content.<sup>63</sup> In general, this rule is observed by electronic media.

In print media, there are no rules on this. However, many newspapers mark the pages that are sold as advertisement or commercial announcements. When parts of the page are sold, such sections are not always marked. In almost all cases, however, the advertising/notifications are framed in boxes to separate them from editorial content.

Sometimes, however, editorial content resembles hidden advertising. Interviews with journalists indicate that stories written as “news” are in fact sold to advertisers. There have been cases of a company commissioning favourable articles.<sup>64</sup>

Overall, neither owners, the media community nor the government appear interested in transparency. The issue is raised only when it suits someone’s interest, and is quickly dropped again.

#### **Case study: attempts at financial transparency**

Media outlets do not go to great lengths to disclose their economic activity; most of them fulfil their legal obligations by submitting financial figures to regulatory authorities as required by law. However, *Gazeta Shqiptare* openly publishes its entire annual balance sheet on August 15 every year. Another attempt at transparency was made by *Biznes*, an economic daily owned by Spekter jsc. The paper decided to publish its annual balance sheet and called on other companies to do the same. Some major companies, such as banks and mobile phone companies, did react positively, but only a few. The initiative was taken by the group’s ownership. “For transparency purposes, our publisher decided to publish the balance sheet of the company, as a sign of respect and an effort at transparency towards our readers,”<sup>65</sup> Jurisiana Zhupa, the company’s sales manager, said. After the publisher extended the invitation to other companies, most of them did not react, but the readers did. “In the meantime, we received letters and e-mails from our readers, greeting this initiative and making their own suggestions and demands. However, media companies in general did not react positively and did not join the initiative; their only expression of interest regarded the desire to know rival companies’ economic situations,”<sup>66</sup> said the sales manager. Although short-lived, this was one of the very few efforts to shed light on the economic activity of companies and increase transparency, not only in the media, but of businesses in general.

## **VI. Separation of editorial and business departments**

Apart from limiting ownership shares, the law obliges licensed national broadcasters to register their business as joint stock companies.<sup>67</sup> The idea behind this requirement is that they are more accountable and transparent. The stakeholders’ general assembly of each company appoints two-thirds of its supervisory committee, while the employees appoint one-third.<sup>68</sup> The supervisory committee, in turn, appoints the directors of the company.<sup>69</sup> By commercial law, every joint stock company is required to have a supervisory committee, which appoints

<sup>63</sup> Law on Radio and Television, art.50.

<sup>64</sup> Interviews with two editors of two weekly magazines, Tirana, June 2005. Due to the delicate nature of questions asked of journalists, they demanded to speak upon condition of anonymity, hence their identities cannot be revealed.

<sup>65</sup> Interview with Jurisiana Zhupa, sales manager, Spekter jsc, 27 September 2005.

<sup>66</sup> Ibid.

<sup>67</sup> Law on Radio and Television, art.20.

<sup>68</sup> The Stakeholders’ General Assembly, comprising all the owners, is the key decision-making body within a joint stock company, and its existence is required by the Law on Commercial Companies [Source: IPLS, *Guide to Electronic Media*, p. 13].

<sup>69</sup> IPLS, *Guide to Electronic Media*, p. 13.



the board of directors and which is responsible for the company's activity.<sup>70</sup> However, there has been no evidence so far that the mechanism really operates within Albanian media companies. The supervisory committees instead appear to be ghost mechanisms.<sup>71</sup>

The obligation to operate through a joint stock company does not apply to print media, which are subject to general business regulations. Therefore, of the ten media outlets included in this research, two are not registered as joint stock companies: the owners of *Top Channel TV* and *Korrieri*. Among the others, only one turned out to have a board on which the editorial team is represented. Some of the media outlets do not have a board at all, whereas others replied that, although their editorial team was not represented on the board, editors may speak to management about editorial content or new matters.<sup>72</sup>

Neither the KKRT nor the Commercial Register monitors the internal structure of media companies, apart from the initial documents submitted as application for the licence. This is because the law does not require it. Media owners are not disturbed by the potential system of checks by the Supervisory Committee. No case of an ownership decision being contested or even discussed by the Supervisory Committee has publicly emerged.

On a formal level, no separation is acknowledged of executive management and editorial decisions. No contracts, regulations, or codes regulate this relation. On the practical level, all media representatives interviewed for this research described the relationship as a "gentlemen's agreement."<sup>73</sup> For example, when one of the shareholders and main contributors to *Korrieri* decided to leave in a dispute over an article, he continued to receive his salary and returned of his own will a couple of months later.<sup>74</sup>

Contract samples provided by some managers made no mention of editorial independence or professional standards and did not refer to the status of journalists at all. They were general employment contracts that could cover any job. Journalists generally are in no position to fight for their opinions, especially when it is contrary to that of an owner. Their contracts do not cover this situation, and they lack the support of a strong union.

There are several journalists' associations, which remain extremely weak. The two main associations, the League of Albanian Journalists and the Association of Albanian Journalists, have not made any notable attempts to raise awareness among journalists or to organise them for a common good. Other journalists' associations have been established on the basis of a special interest, such as environmental reporting; on a regional basis, such as the League of Northern Journalists; or by gender. IREX has recently supported the idea of establishing a trade union for journalists, but all attempts to set up an effective organisation have failed so far, due to lack of cooperation within the media community, or even lack of interest in changing the situation.

Against this background, it is very difficult to find a journalist who would criticise the editorial policy of his or her media outlet. "Most journalists in Albania work without contracts and are subject entirely to the owners' whims," the IREX study says.<sup>75</sup> There have been no en masse resignations from Albanian newsrooms. When asked if there had been a case, one editor replied: "I would not dare."<sup>76</sup> Another journalist replied to the same question by saying: "When there is a conflict of interest I try to pass the story on to a colleague in the

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<sup>70</sup> *Ibid.*, p. 27.

<sup>71</sup> PI/SEENPM, *Media ownership – Albania*, p. 52.

<sup>72</sup> Interviews with general managers of the ten media outlets, as quoted in the present study, Tirana, June 2005.

<sup>73</sup> Interviews with general managers of the ten media outlets, Tirana, June 2005.

<sup>74</sup> Interview with Milto Baka, sales manager of TV Klan and *Korrieri*, 23 June 2005.

<sup>75</sup> IREX, *Media Sustainability Index 2004*, available at <<http://www.irex.org/msi/2004/MSI-2004-Albania.pdf>>, (accessed 25 June 2005).

<sup>76</sup> Interview with editor of a weekly magazine, Tirana, June 2005.

newsroom so that neither me nor the story is endangered.”<sup>77</sup>

There are no accurate or official data on journalists' salaries. According to the latest IREX study wages vary greatly depending on the outlet and the area of the country. “A reporter at a regional television station can earn up to \$250 a month, but an editor-in-chief at a television station based in Tirana might receive \$2,500 per month.”<sup>78</sup> For this research, the general managers of the media outlets indicated that the average net salary of a reporter with two years' experience is normally in the range of €300-500. Three of them indicated that the average salary was €100-300, and the rest said that it fell in the €300-500 category.<sup>79</sup> The manager of the daily *Panorama* insisted that salary does not depend on experience, but on performance,<sup>80</sup> whereas the director of *Gazeta Shqiptare* said it depended mainly on the section covered.<sup>81</sup>

All interviewees said that journalists received a month's salary bonus at the end of the year. A few managers listed other incentives, such as extra payment for overtime, work on extra shows or excellence.<sup>82</sup>

#### **Case study: Editorial people consulted on business strategy**

Of all the media outlets featured in this research, only one of them allows members of its editorial staff to sit on its board. *Panorama*'s board includes four news staffers, and they all have the right to vote. That participation is seen as a permanent consultation with the editorial team on business strategy. *Panorama* is a relatively young newspaper, launched in 2003. It has grown, and now competes with the leading publications on the market. Management claims that it is No. 2 in circulation, although there are no available independent sources for confirmation. The managers attribute a great part of this success to the ethical behaviour of journalists and to the freedom they enjoy from the owner and management.<sup>83</sup>

#### **Advertising department**

The practices of media outlets in this research were split over their policies on advertising. Some strictly forbid journalists to sell advertising. However, four of the ten offer their journalists money if they secure advertising contracts. This mainly applies to the dailies, with the exception of *Korrieri*.<sup>84</sup>

The inconsistent situation mirrors to a certain extent the lack of written rules in employee contracts or internal regulations on interaction between newsrooms and advertising departments. In some cases, such as Klan group, the departments are separate.<sup>85</sup>

#### **Case study: how to protect content from commercial interests**

Although there are several media outlets that do not allow journalists to sell advertising, one of the most significant cases is that of *TV Klan* and the daily *Korrieri*. These media outlets, belonging to the same group, are adamant in their policy of separating editorial and ad departments. Both strictly forbid journalists to sell advertising in order to eliminate potential conflicts of interest. Most advertising

<sup>77</sup> Interview with news editor of a TV station, Tirana, June 2005.

<sup>78</sup> IREX, *Media Sustainability Index 2004*, available at <<http://www.irex.org/msi/2004/MSI-2004-Albania.pdf>>, (accessed 25 June 2005).

<sup>79</sup> Interviews with general managers of the ten media outlets, June 2005.

<sup>80</sup> Interview with Kasem Hysenbelliu, manager of “Panorama,” 27 June 2005.

<sup>81</sup> Interview with Ardian Angoni, general director of “Gazeta Shqiptare,” 25 June 2005.

<sup>82</sup> Interviews with general managers of the ten media outlets, June 2005.

<sup>83</sup> Interview with Kasem Hysenbelliu, general manager of *Panorama*, 27 June 2005.

<sup>84</sup> Interviews with general managers of the ten media outlets, June 2005.

<sup>85</sup> Interview with Milto Baka, sales manager of TV Klan and *Korrieri*, 23 June 2005.

contracts are concluded by an external sales house in order to maintain the integrity of the newsrooms.<sup>86</sup> “The group has applied this policy from its very beginning, in order to have a clear separation of advertisement and editorial departments, and the existence of the advertising agency within the group has also helped in this regard,”<sup>87</sup> said Milto Baka, the group’s sales manager. Financial matters are handled by the business management. “Journalists do not get involved in money matters, they are only responsible for content, and this makes things clearer and easier,”<sup>88</sup> he said.

## VII. Individual rights and editorial freedom

### *Fighting pressure from outside*

Almost all representatives of management said that the editor in chief, and rarely reporters, was responsible for editorial content in the event of of litigation. Whenever necessary, the company hires a lawyer for a journalist or editor. Some of the media outlets have a permanent lawyer or legal department (*Shekulli*, *Gazeta Shqiptare*, *Panorama*).<sup>89</sup>

In general, the authors of articles or programmes are identified by name in all the media outlets, with the exception of some editorials or opinion pieces, which are expressly stated as those of the news staff. In two of the analysed dailies, there are sometimes editorials print under nicknames. However, *Shekulli* expressly forbids this practice through its code of ethics, although in special circumstances management may decide otherwise. “Articles may not be published without the reporters’ byline or with a nickname. Cases when a nickname is allowed are at the discretion of the director and publisher of our news organisations, depending on the risk that the journalist or his/her relatives run as a result of the published information.”<sup>90</sup>

In addition, although there is no written regulation, television stations never broadcast stories and newspapers rarely publish articles using a disclaimer such as “the author is solely responsible for the story.” Again, here *Shekulli* makes an exception, since it often happens that editorial pieces in the newspaper are published using this disclaimer. One of the most notorious cases was been that of Fatos Lubonja, a regular contributor to *Shekulli*, whose commentary against the war on Iraq was not published. Lubonja claimed that the piece was rejected because it ran counter to government policy and was therefore against the economic interest of the newspaper. The owner of the company sued Lubonja for slander over an e-mail message he allegedly sent to friends accusing the ownership of playing politics.<sup>91</sup>

The case provoked a reaction that unified journalists, something that does not happen very often. In the wake of the lawsuit, editors of the main media outlets and chairs of journalism associations joined in a protest against what appeared to be an infringement of freedom of expression.<sup>92</sup> It drew colleagues to the side of a fellow professional, in opposition to ownership. Lubonja won the case. Ever since the disclaimer has been used whenever the newsroom has deemed it necessary, albeit only in regard to freelancers or columnists that are

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<sup>86</sup> Ibid.

<sup>87</sup> Ibid.

<sup>88</sup> Ibid.

<sup>89</sup> Interviews with general managers of the ten media outlets, June 2005.

<sup>90</sup> Spekter jsc. Code of Ethics, article 12, available at <<http://www.shekulli.com.al/index.php?page=kodietikes&PHPSESSID=7c3a9d05419c2c2fb412638191d292c6>> (accessed 20 June 2005).

<sup>91</sup> Albanian Media Institute, *Albanian Media Newsletter*, May 2003, available at <<http://www.institutemedia.org>> (accessed 15 June 2005).

<sup>92</sup> Albanian Media Institute, *Albanian Media Newsletter*, May 2003, available at <<http://www.institutemedia.org>> (accessed 15 June 2005).

not regular staff members.

There are no written rules or internal regulations that protect journalists from harassment, intimidation or threats. Neither existing contracts nor codes of ethics cover any of these aspects. Although codes set out precise duties for journalists, the duties of management towards the journalist are not included.

When asked how the management encourages hard-news journalism, most of the interviewees indicated financial and technical support as the only means.<sup>93</sup> “Journalists are offered technical and material support,” said Mesila Kerkeshi of Vizion+ TV.<sup>94</sup> Similarly, Jurisiana Zhupa, the manager of Spekter, said: “Journalists are well-paid and have editorial independence: they have every incentive to work well.”<sup>95</sup> In reality, investigative journalism is a relatively unexplored area in Albania, because there is little such tradition and little willingness or ability to develop investigative techniques. Some go so far as to say that there are no investigative journalists in Albania: “I think there is no real harassment against investigative journalists because there are no investigative journalists,” said Rezezar Xhaxhiu, an experienced journalist at News 24 TV.<sup>96</sup>

### *Fighting pressure from inside*

The relationship between journalists and business management has not been formalised in any way. Management representatives who cooperated with this research claim that their reporters enjoy editorial freedom and lack of intervention from the owners, but the assertion is not formalised on paper. It is said, rather, to be a “gentlemen’s agreement.”<sup>97</sup> At the same time, verbal agreements have turned out to be the only basis for firing journalists.

Self-regulatory bodies such as Ombudsmen or ethics commissions are nonexistent, with the exception of *Shekulli*. This daily has a board of ethics which oversees the implementation of its codes of ethics in the newsroom. However, this board works in a retrospective manner: the content is monitored by its staff once per week, after publication, according to Mark Marku, head of the board.<sup>98</sup> The board does not regulate in any way the relationship between journalists and owners/editors; it serves to watch the content and in some cases can impose sanctions, too, Mr. Marku said.<sup>99</sup>

In addition to having a board of ethics, *Shekulli* and the other newsrooms of Spekter jsc. also offer regular training courses to staff members, especially to young reporters. The participants are trained in basic professional reporting skills and gradually pass on to reporting duties, until they become staff members, Jurisiana Zhupa explained.<sup>100</sup> Like *Shekulli*, *Panorama* also holds advice sessions for reporters. However, these meetings cover ethical language and the proper manner of writing, rather than ethical issues.<sup>101</sup> This practice also takes place in some other media, but it is confined to interns. Young people aspiring to become professionals are assigned to a crew and gradually learn from them. This is especially

<sup>93</sup> Interviews with general managers of the ten media outlets, June 2005.

<sup>94</sup> Interview with Mesila Kerkeshi, general manager counselor, Mediavizion jsc, 26 June 2005.

<sup>95</sup> Interview with Jurisiana Zhupa, sales manager, Spekter jsc, 27 June 2005.

<sup>96</sup> IREX, *Media Sustainability Index 2004*, available at <<http://www.irex.org/msi/2004/MSI-2004-Albania.pdf>>, (accessed June 25, 2005).

<sup>97</sup> Interviews with general managers of the ten media outlets, June 2005.

<sup>98</sup> Interview with Jurisiana Zhupa, sales manager of Spekter jsc., Tirana, 27 June 2005.

<sup>99</sup> Interview with Mark Marku, head of the board of ethics, Tirana, 10 December 2004.

<sup>100</sup> Interview with Jurisiana Zhupa, as cited.

<sup>101</sup> Interview with Kasem Hysenbelliu, general manager of *Panorama*, Tirana, 27 June 2005.

true with regard to technical staff, such as cameramen.<sup>102</sup>

#### **Case study: code of ethics increases reporters' responsibility**

Shekulli and Spekter jsc. have drafted and adopted a personal code of ethics, which is mandatory for everyone working in the newsroom as well as for management. However, it must be noted that the code refers mainly to journalists, and mostly to their obligations. More specifically, the code outlines how reporters should deal with sources, when anonymity is allowed, how to avoid libel, respect for privacy, how to report on minors and victims, behaviour during election campaigns and other professional issues.

Although this code may have its limitations and shortcomings, it aims at increasing the awareness of reporters' responsibilities. In one case, where a questionable "fact" was reported, the board and the reporter further investigated and determined that the reporter was wrong. The reporter was given a fine of \$40. At the end of the year, the accuracy of reporters is evaluated, creating the potential for a raise or a deduction in pay.<sup>103</sup>

According to the owner of the group, Koco Kokedhima, there have been several cases of complaints by the public, and some of the complaints have been deemed justified and corrected in the newspaper.<sup>104</sup> "For the journalists, this is like a professional school and they support it."<sup>105</sup> In this light, although the code does not in any way regulate the freedom of the reporter within the newsroom, it still sets some standards and rules which increase the responsibility of the journalists' responsibility.

### **VIII. Media: a profit-oriented business with a responsibility to the public**

In general, media owners and managers agree that ethical behaviour is essential in building long-term credibility. However, there is little to report of their attempts to foster such behaviour, or even to define what ethical behaviour is.

Most management representatives seem to be aware of the long-term benefits of observing professional and ethical standards, but extremely few have done anything about it. In a choice between awareness of high standards and a drive for quick profits, the latter seems to prevail although the two are not necessarily seen as mutually exclusive. When asked about the ability of ethical behaviour to increase profit, one of the managers said:

"In the deformed print media market in Albania ethical behaviour can hardly increase profit; the contrary might be the case. However, it is natural that ethical behaviour has an impact on readership. For instance, the readers of our paper demand ethics and we try to provide them. By preserving ethical standards in the newspaper there is the possibility that readership will increase and that has an impact on profit."<sup>106</sup>

In spite of their praise of ethics, many media professionals seem pessimistic about improving ethical standards. They indicate instead that other conditions have to be fulfilled first. Being aware that the majority of media owners have businesses in different fields, they suggest that a free, independent and pluralistic media is not the fundamental reason for establishing so many media outlets. "I am not against economic power translated into media power, but that should not be the ultimate goal. Media are being used as a bulletproof jacket that gives you immunity to safeguard your other businesses from the state," said Alfred Peza, editor-in-chief of *Korrieri*.<sup>107</sup>

In these circumstances, it is not easy to find a media outlet willing to promote good

<sup>102</sup> Interview with Ilda Bakshevani, general manager of TVA, Tirana, 21 June 2005.

<sup>103</sup> Interview with Mark Marku, as cited.

<sup>104</sup> Interview with Koco Kokedhima, owner of Spekter jsc., Tirana, 14 December 2004.

<sup>105</sup> Interview with Mark Marku, as cited.

<sup>106</sup> Interview with Ardian Angoni, general director of *Gazeta Shqiptare*, Tirana, 25 June 2005.

<sup>107</sup> Interview with Alfred Peza, editor-in-chief of *Korrieri*, Tirana, 23 June 2005.

journalism by risking ratings or circulation. The absence of independence and protection for editorial staff lays the ground for self-censorship. "As a result of the self-censorship practiced by journalists and the pressure of media outlet owners who have special interests, the public does not benefit from a strongly investigative press," IREX reported in its "Media Sustainability Index."<sup>108</sup>

### XIX. Conclusions

Media businesses have a long way to go before reaching desirable ethical standards in their business practices and their journalism. The intricate relation of the owners with other enterprises or businesspeople, as well as with the state, affects media behaviour in the newsroom. As reported above, it is extremely difficult to find an owner of a significant media outlet in Albania who is not closely linked to some other business, to politics, or in some cases, both.

This interdependence, or as the Organization for Security and Co-operation in Europe (OSCE) put it, "triangular relationship of mutually reinforcing benefits,"<sup>109</sup> has a profound impact on media freedom and on the possibility of editorial independence in the commercial media system. A media analyst and member of the Parliamentary Commission described the situation as follows:

"We have freedom of the press, but I'm afraid I cannot say we have a free press. Nowadays, the press is experiencing, first of all, what can be called economic censorship, and, precisely for this reason, it often happens that a large part of the press is forced to, or tends to, become an extension of certain economic and political circles, which damages the essence of what the free press is."<sup>110</sup>

Government restrictions on media freedom have been gradually replaced by economic problems. This shift has brought business interests to the fore and has significantly restricted the owners' interests in investigative journalism and ethical reporting, at the expense of the public interest, as well as at the expense of journalists themselves.

The feeble position of journalists against management and owners, combined with their lack of organisation, does not favour their interests. The absence of strong trade unions or associations of journalists has not helped journalists make progress in improving their working conditions.

Media industries invariably offer legal protection and advice for their journalists in the event of litigation. However, when it comes to internal pressure, journalists are devoid of any kind of protection. As a result, self-censorship, rather than independent thinking and editorial freedom in the service of the public, prevails in the newsrooms.

In spite of the unfavourable situation, there have been some cases indicating slow but welcome progress. Counselling sessions for journalists on ethics have been introduced as a regular practice in some cases, along with ethical codes. Regular monitoring of the ethical behaviour of journalists, combined with continuous training, can eventually lead to higher professional standards. This long-term investment can clearly assist media businesses in attaining credibility among the public; some of its representatives seem to have realised

<sup>108</sup> IREX, *Media Sustainability Index 2004*, available at <<http://www.irex.org/msi/2004/MSI-2004-Albania.pdf>>, (accessed on June 25, 2005).

<sup>109</sup> Ambassador Osmo Lipponen, head of the OSCE presence in Albania, Report to the Permanent Council, 30 September 2004, available on the OSCE website at <[http://www.osce.org/documents/pia/2004/09/3690\\_en.pdf](http://www.osce.org/documents/pia/2004/09/3690_en.pdf)> (accessed October 2004), p. 12.

<sup>110</sup> Interview with Prec Zogaj, in *Indexmedia*, no.1, 2002, p. 39.

this. Perhaps the next step should be striking a balance between journalists' duties and their rights, which are still scarce.

## **X. Recommendations**

The observance of regulations on competition, as well as of the Code of Labour, should be regularly monitored by state authorities in order to provide a healthy business climate.

The authorities should adopt stricter regulations on the transparency of cross-ownership and vigorously and constantly monitor their implementation. Media businesses should cooperate with regulatory bodies in finding solutions aimed at implementing an audited audience measurement system.

Government should increase transparency and adopt clear rules and strict criteria on the distribution of government advertising and all other subsidies.

Publishers/broadcasters should have contracts with their personnel, which should provide a clear job description. Contracts should detail the duties and responsibilities of all parties in a clear and undisputable manner.

Written regulations should be produced and implemented in the newsrooms to safeguard editorial independence and freedom from interference, be it internal or external, after consultations.

Publishers and broadcasters should cooperate with professional associations, as well as with other representatives of the media sector, to safeguard editorial independence and adopt self-regulatory documents.

Consultations between management and editors should be compulsory on issues that can affect the activity of the newsroom.

The media industry should cooperate with media organisations and other professional representatives to stimulate and promote hard news journalism through continuous training programmes, along with joint programmes aimed at raising awareness of the role of investigative reporting in a democratic society.

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