



Media ownership and financing in Albania

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 **Albanian Media Institute
Instituti Shqiptar i Medias**

Tirana 2014

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Publisher:



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Introduction

There is increasing attention and importance attached to media ownership, funding, and their transparency, as crucial elements that lend credibility to media companies and to the professional quality of their content. As a recent report on this topic puts it: “How can the public make a choice if they cannot ascertain who provides the information on which they rely? How can citizens evaluate the reliability and trustworthiness of the message if the identity of the media owner is obscure? How can journalists work properly if they do not know who ultimately controls the company they work for?”¹

Where does Albania stand in this respect? In twenty-five years of struggle for democracy and its consolidation, Albanian media has been an important actor in the country’s progress. However, the ownership and activity of media businesses themselves can hardly

1 P. Valcke, Background report: “The Unbearable Lightness of Media Ownership Transparency,” September 24, 2014, Council of Europe, <http://www.coe.int/t/dghl/standardsetting/media/cdmsi/Valcke.pdf>

be called transparent. As the EU Progress Report 2014 notes: “The lack of transparency of media financing and the interference in the media by political and economic interests remain major challenges. This includes the non-transparent allocation of funds for advertising by state-owned companies and the government.”²

The practice started in the last years that obliges media companies to register at the National Center of Registration, which makes the data on companies available online for free has led to the potential for greater transparency of the nominal owners of shares in media companies. However, there are cases of speculation of disguised ownership. Another major problem is the persisting lack of transparency of media funding. It can be said that the problem of transparency has been displaced from transparency of ownership to transparency of media funding.

Since 2004 Albanian Media Institute has published three reports on media ownership in Albania and plans to continue monitoring media ownership, in order to keep documenting the changes in media landscape and how they affect professional and independent journalism. This research aims to provide an updated information and analysis of the existing legislation on media ownership, its implementation, the media landscape, its ownership structure, and the evident or foreseeable consequences.

² http://ec.europa.eu/enlargement/pdf/key_documents/2014/20141008-albania-progress-report_en.pdf

Legal provisions on media ownership and transparency

There is a clear distinction between regulation of ownership of print media vis-à-vis audiovisual one. Considering that audiovisual media makes use frequencies, which are limited national resources, the regulation of ownership in audiovisual media is rather detailed. By contrast, the print media is regulated by the Law on the Press which comprises only the following vague and quite general statement: “The press is free. Freedom of the press is protected by law.”³ The same situation is true for online media, which lack any regulation regarding content, ownership, or other similar criteria.

On the other hand, there are specific rules and limits on ownership set by Law 97/2013 “On Audiovisual Media.” Article 62 of this law determines that “no natural or legal, local or foreign person shall have more than 40 percent of the general capital of a joint stock company that holds a national audio broadcasting license or a national license for audiovisual broadcasting.”⁴ In addition, the owner of

³ Law No.8239, “On Press,” 03.09.1997.

⁴ Law 97/2013, Art.62.

a company with a national license can own no more than 20% of another company that owns a national license. “Regarding analogue broadcasting, participation shall be allowed with up to 10 % of shares in a third national company. Such a person shall not be allowed to have an audio broadcasting license, either local or regional, or an audiovisual broadcasting license, either local or regional.”⁵ Limits also apply to local or regional licenses: “A natural or legal person who has 100 percent of the shares in a company, which owns a local or regional audiovisual broadcasting license, may be issued only one second local or regional audio broadcasting license.”⁶ In addition, a person or company who has shares in a company which has a local or regional audio broadcasting service, may not have more than 40 per cent of the general capital in a second company that owns a local or regional audio broadcasting license.

Apart from the limit on shares of media companies, the law also sets a ceiling on advertising revenue for media companies: “No owner of national audio broadcasting licenses and national audiovisual broadcasting licenses, including the outlets licensed for audiovisual program services and/or authorized for program services based on satellite networks may not, according to this law, broadcast more than 30 percent of the commercials in the audiovisual broadcasting market.”⁷

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

Main traits of Albanian media landscape

Albania has a rich and dynamic media landscape, with about 250 broadcast media outlets and 25 daily newspapers. The exact number of print media is unknown, and so is the number of online media. Their market shares are also unknown, as are data on their readership, circulation and sales, and audience. While there are some ongoing efforts to measure the success of media in the market, there are no public data and studies in this field. In this context, any attempt to determine market shares and significance of media outlets would be pure speculation.

- *Print media*

Albanian print media are numerous, with 25 daily newspapers and many more publications of other frequencies. The print media are under no obligation to publish their circulations or sales and a system or authority for the verification of these figures is absent. In 2013, the press carried the findings of an empirical study conducted in Tirana only, at press selling points. According to these findings, Panorama sold 3,900 to 4,200 copies per

day, followed by Gazeta Dita with up to 3,300 copies and Shekulli with up to 1,200 copies per day.⁸ The same study estimated that sales in the rest of the country equaled those in Tirana or exceeded it by 20-30 percent at the most.⁹ However, official and certified data on circulation and sales of newspapers are absent.

- ***Audiovisual media***

Albania at the moment has two national commercial televisions, 71 local televisions, 83 local cable televisions, and two commercial multiplexes.¹⁰ Of all the existing national analog television stations, the public broadcaster Radio Televizioni Shqiptar (RTSH) has the greatest reach: its signal covers 80.5 percent of the territory, followed by Top Channel with 79 percent and TV Klan with 78 percent.¹¹ However, there are also digital multiplexes, but they are unaccounted for in the territorial reach figures. It could be said that the other main TV stations, based in Tirana, whose signal covers a significant part of the territory include: Ora News, News 24, Vizion Plus, A1 Report, and Albanian Screen TV. Apart from Vizion Plus TV and Albanian Screen TV, the other stations are all-news ones.

There are 63 local radio stations and two national radio stations. Public radio signal covers 80.5 percent of the

⁸ Migena Aleks, Ja sa kopje shiten gazetat ne Tirane, <http://www.ama-news.al/2013/04/ja-sa-kopje-shiten-gazetat-ne-tirane/>

⁹ Ibid.

¹⁰ AMA List of licensed operators: http://ama.gov.al/index.php?option=com_content&view=category&id=21&Itemid=75&lang=sq

¹¹ KKRT, *Annual Report 2012*, p. 58.

territory, while those of Top Albania Radio and +2 Radio, both commercial radios with a national license, cover 93.7 and 68 percent respectively.¹² There are some ongoing initiatives to measure audience shares in the country, but they are limited in geographical scope and the results are not public. However, radio stations seem to be more of an entertainment medium, with mainly music, interrupted by news flashes or talk show programs.¹³

- ***Online news media***

It is difficult to separate online news media from portals run by traditional media, as the main existing televisions and newspapers in the country have adapted to the demand for online content. In fact, websites of traditional media carrying news usually rank higher than online news media. For example, the most popular websites¹⁴ in Albania often include the website of Top Channel TV, a Kosovo-based newspaper, Balkanweb.com, an online news agency, and website of the daily newspaper Shekulli. The other media that closely follow are also newspapers websites, such as Gazeta Tema, Panorama, and Shqiptarja.com. News agencies NOA and Albeu are also among the top media sites. While the content of online news media is more or less the same as in the newspapers, what makes the difference is the speed of the news, the potential for interactivity, as well as the fact that the online version is free.

¹² KKRT Annual Report 2012, p.58.

¹³ AMI, Media dhe shoqeria e informacionit ne Shqiperi, Tirana, 2011, p.8.

¹⁴ Alexa.com rankings.

- ***News agencies***

The number of news agencies in the country remains limited, and so does their quality. The main new agency is the public one, Albanian Telegraphic Agency. Until the early 1990s, it had been the only news agency, but ever since the rise of new print and broadcast media, its popularity has steadily declined. However, given the general disrespect for copyright in the country, there are allegations that newspapers or other agencies copy part of the news from the public agencies.

There have been attempts to establish private news agencies over the past years, but they generally failed and the agencies shut down, unable to cope with financial pressure and secure their space in the market. The situation seems to have improved in the last years, with increased penetration of internet and a booming online presence of news agencies or other related media. At the moment, there are several websites that serve as news agencies. However, the authenticity of news and news variety they offer is dubious, as one generally sees the same stories on all websites. According to Alexa rankings, the most popular news agencies seem to be Balkanweb, NOA (News of Albania, noa.al), lajmifundit.al, the public ATA, and shqiperia.com.

- ***Distribution/transmission networks***

The distribution of newspapers in the country has been a constant problem dating back to the early 1990s. The newspapers reach only the capital and other important cities or areas that are closer to the capital, while the rural

areas, accounting for almost half of the population, never receive the newspapers.¹⁵

There are several press distribution agencies, but three are the main ones. One of them belongs to the state-owned postal company, while the other two, considered to be more efficient, belong to two significant print media owners, Koco Kokedhima and Irfan Hysenbelliu. The latter's network has the largest nationwide distribution. As a result, "other distribution agencies must cooperate with this distributor, since they share the costs,"¹⁶ which points to the lack of fair competition in this regard and to the unsolved problem of distribution in general. "This is one of the weakest systems of the Albanian media, there are monopoly tendencies and the system has hardly improved over the years."¹⁷

¹⁵ OSCE Consultancy, "Perspectives of business of print media in Albania," by Vibjorn Madsen, April, 2012.

¹⁶ IREX, *Media Sustainability Index 2013*.

¹⁷ FES Albania, "Balkan Media Barometer: Albania 2013."

Media ownership: transparency, main owners and trends

Albanian media landscape is rich in numbers, but the transparency of its dynamics and ownership is low. In this context, shedding light on who owns what in the Albanian media world is an important factor in identifying the reasons and obstacles to its development.

Systematic, public, and reliable data on the ratings and economic situation of media outlets are missing. However, the trends in transactions in media shares through the years suggest that there is a tendency towards the stabilization of media groups.

While this undoubtedly brings with it the risk of media concentration, it is the lack of transparency in media functioning that presents the greatest danger of all, one that seriously affects media content.

- *Transparency of media ownership*

Neither the regulator nor media outlets have taken a pro-active approach to ensuring transparency of media ownership. Moreover, media laws do not contain any provisions concerning ownership or concentration of the

print and online media. However, since all media outlets (much like any other business in the country) are required to register with the National Registration Center and specify the names of their shareholders, ownership data are available online for most of the media outlets, including the print media. Ownership data for online media are much more difficult to obtain, since they are not obliged to register either as a business or as a media outlet.

Broadcast media, on the other hand, have to register with the National Registration Center and with the regulator, Audiovisual Media Authority. The regulatory authority does not have an online register containing ownership data for media outlets, but they can be made available upon official requests for information. Generally, though, through the name of the company or other data, all the formal media owners, apart from online media owners, can be found online at the National Center of Registration. Nonetheless, there are doubts in some cases if the owners presented in paper are in fact the genuine owners. "People are not sure whether the owner of a newspaper or a television station is a politician or a businessman who is known to be associated with the politician or political wing in question."¹⁸

The problems with transparency are not so much related to identifying shareholders, though, as to their source of funding. "From issues of ownership, the need for transparency has been transformed to issues of financing."¹⁹ In the process of granting licenses to broadcast media, the regulator requests proof that the outlet possesses a certain amount of capital, but it does

¹⁸ I. Luarasi, qtd. in IREX MSI 2013.

¹⁹ R. Lani, qtd. In IREX MSI 2012.

not have to verify the origin of this capital. In addition, in the case of operating media outlets, the annual balances they submit to the tax offices are considered confidential, as is the case with any other business. Broadcast media outlets are required to submit annual balances to the regulator, but only a small percentage does. In 2012, only 25 percent of operators submitted their annual balances to the regulators.²⁰ Furthermore, the regulator does not have to disclose balances of broadcast media, but rather present general data on financial aspects of the media market, not nominally for each media outlet.

- ***Media ownership***

Apart from the public broadcaster and public news agency, all other media outlets in the country are privately owned. Some political parties have their newspapers or other publications, while ownership of broadcast media by political parties, banks or economic institutions is not allowed. The history of media landscape development in the last 20 years has been determined by private entrepreneurs and funds. Foreign donors have also contributed to the establishment of media outlets in the early phase of democratization, initially mainly supporting independent media and later local and minority media. However, facing sustainability problems, only a few of those media have survived. More recently, some donors have supported the establishment of websites that feature citizens' reports on corruption or other issues, and news stories from reporters that find it difficult to publish them

²⁰ KKRT Annual Report 2012.

in traditional media.²¹ Despite the novelty and the greater freedom that seems to come with journalists publishing online, the economic challenge remains: once the donation or project is over, the journalists usually have to work voluntarily and so far it seems to have rarely worked.

The ownership patterns in mainstream Albanian media are inextricably linked to private ownership. Nonetheless, it is difficult to identify the most popular and important media according to the audience shares or circulation figures, simply because there are not public and verified studies on audience shares and on print media circulations or sales.

- ***Main media owners***

Since public and verified studies on the audience shares and on print media circulation or sales are absent, it is difficult to determine who the top media owners are using these criteria. Nevertheless, since this is an important factor influencing the situation of the media in Albania, the following section describes the most important owners in terms of the number of media outlets they own, their profile, and their relation to other businesses. Given the above mentioned lack of accurate and systematic audience and circulation data, our assessment is based on the common perception of each media's influence and significance against the general background.

²¹ Such websites include: Gazeta Idea, started by a team of journalists, Historia Ime, a website devoted to LGBT community, Une Flas, another news website started by journalists, etc. Another news portal is Investigim, started by a group of journalists that cover crime reporting and justice, as part of an-USAID project.

- *Koco Kokedhima, his media outlets and businesses*²²

Koco Kokedhima has been an important and long-standing media owner and businessman in the Albanian landscape. He founded the daily newspaper *Shekulli*, perceived as one of the most popular daily newspapers for a long time, and gradually expanded his media outlets while also closing down a few existing ones along the way. By July 2012, he owned 99% of Shekulli Media Group, which published daily newspaper *Shekulli* and daily *Sporti Shqiptar*. Kokedhima also used to own Botime Periodike Spekter, which published the monthly magazine *Spekter* and online newspaper Biznes. His shares were transferred to Vladimir Kokedhima in 2008. However, since 2012, Botime Periodike Spekter has been suspended due to debts and its media outlets have also closed down. ALNA is another company that Kokedhima owned and that for a brief time served as a news agency, but it has not been active for a long time and is currently suspended.

After suspension of Shekulli Media Group, another company was created, UNIPRESS, which now publishes the same daily newspapers that Shekulli Media Group used to own: *Shekulli* and *Sporti Shqiptar*. It also owns Botimet Max, a publishing house. Koco Kokedhima owns 100% of shares in this company. Apart from this, Kokedhima is also known as the owner of national +2Radio. He has always owned shares indirectly, first through his relatives and now through people that serve as administrators of the company or as members of the Supervisory Board.

²² All data on media shares are taken from National Center of Registration, unless otherwise noted.

Koco Kokedhima also used to own TV A1, a local television station. Although he did not appear as an official auctioneer of TV A1, the links and advertisements on their web pages and in broadcasts were mainly for other companies Kokedhima owned.²³ “In addition, the same inner circle of general administrators seems to rotate between TV A1 and Spekter jsc.”²⁴

Media operations are not the only activities on which Kokedhima’s business focuses. Other companies he owns deal with construction, advertising or graphic work, Internet services, oil refining, etc.²⁵ His name is also related to a series of companies that are currently suspended or bankrupt. In 2013, he became an MP for the Socialist Party, currently in power, after a long period of speculations about his affiliation with the current leader of this party.

- *Irfan Hysenbelliu, his media outlets and businesses*

Another prominent player in the print media market is Panorama Group, the publisher of the dailies *Panorama* and *Panorama Sport*, as well as *Psikologjia* magazine. These daily newspapers have been among the most

²³ AMI, Media Ownership report, 2007.

²⁴ Ibid.

²⁵ He also owns total or part of shares, or indirect shares, in companies such as Abissnet (Internet services,) ALPO CENTER (trade, hotel, and broadcasting in Southern Albania,) Asfaltim Rruga (road building), Boja Tirana (paint materials,) Inerte Co (construction materials,) Interchange Antel (telecom and Internet appliances,) Mercury Construction (building public works,) Platea (newspaper selling points,) Qynet (Internet and ITC,) Sirius (construction,) etc.

successful and have been considered the ones with the highest circulation. Although the ownership structure of the group has changed several times, it is strictly linked to Irfan Hysenbelliu, the founding shareholder. At the moment, he owns 100% of the shares of Panorama Group. He also owns the most used print media distribution network.

In 2011, together with another businessman, Artan Santo, he became involved in banking. They established Focus Group, which bought the media outlets previously owned by Italian Edisud Group. The media outlets they bought in 2011 include daily newspaper *Gazeta Shqiptare* and the online news agency BalkanWeb. Edisud Group also owned Edisud Radio TV, including Radio Rash and News 24 TV, which in 2011 were also acquired by Focus Group.

Hysenbelliu had ventured into many businesses before turning to media outlets, including trade, construction, two of the major beer companies in the country, telecommunications, etc²⁶.

- *Top Media*

One of the most important groups is Top Media, comprising Top Albania Radio, the first private radio station to receive a national license, Top Channel TV, a national TV station and Top Gold Radio. The group also owns Top Records, VGA Studio, an advertising agency,

²⁶ Hysenbelliu owns total or part of shares, or indirect shares, in companies such as Albecorp (food and beverages trading,) Birra Tirana & Birra Korca, (beer trading and production,) Egnatia Group (industrial activities,) Pegasos (trading,) W. ELEKTRIK (trading in electrical materials,) ALBANIA AUSTRIA BIZNES CO. (trading,) etc.

and Saras publishing house. Another important company connected with Top Media is DigitAlb the first digital terrestrial and satellite multiplex and reportedly the most successful one. Partial owner of this company is Union Group, who is also owner of shares in the Union Bank and Western Union. Digitalb also owns the daily newspaper *Shqip*, part of the same group.

Top Media group was founded by Dritan Hoxha. Although formally the shareholders of the related companies have been either family members or close friends of Hoxha, he was known as the real owner of these media outlets. After his death in 2008 his wife and friends continued the work, establishing other media outlets and companies.

Before venturing into the media field, Hoxha made his way through the coffee trade, establishing almost a monopoly over it in the country at the time.²⁷ Apart from the coffee trade, the family also owns other businesses involving trade in food and beverages.²⁸

- *Media Vizion*

Another important media group is Media Vizion, owned by the three Dulaku brothers. They own Vizion Plus TV, one of the main TV stations in the country. Until 2012, they had shared ownership of the station with a German media group. For a few years, Genc Dulaku shared the company Albania Vizion with Ylli Rakipi, who was the original publisher of the daily newspaper *Albania* that was shut down some years ago. On another important note,

²⁷ SEENPM Media ownership 2004.

²⁸ Hoxha Family owns Valtelina and Vini & Food companies.

this family also owns Tring digital multiplex, although the wives of the three brothers appear as shareholders.

This family also has many other business interests, possessing a range of companies that focus on construction, construction materials, graphic design, internet services, telecoms, food trade, sport equipment trade, real estate, gas trade, etc.²⁹

- *Aleksander Frangaj & Klan Group*

The group as a whole has seen some changes in ownership compared to when it started, but the person that has resisted all changes and is currently the most prominent figure is Aleksander Frangaj. He was an equal-share partner in Koha company, the owner of the best selling newspaper until the late 1990s.³⁰ Frangaj sold his part in Koha to his partner Nikolle Lesi in order to join the Klan group.

This group owns national commercial TV Klan. At the moment, TV Klan company owns this station, with the shareholders being Aleksander Frangaj (40 percent), Alba Gina (40 percent), and Ervin Gjikola (20 percent); the latter two had not previously appeared on the media scene. It should also be mentioned that some time ago Aleksander Frangaj returned to his first media outlet, the daily *Koha Jone*, where he owned 90 % of the shares. The remaining

²⁹ Dulaku family members own total or part of shares, or indirect shares, in companies such as ABC Construction, Alba-Beton, Alissa, Arameras, BIC, Concord Investment, Condor, Di Vincenzo Estero, Euro Aditiv, (construction,) Glob, Iliria, ETC, D&L (real estate,) Inter-gas (gas trade,) Conad, Food Trade, Albasport (trade,) and Alb Sat and Sat Com (telecoms.)

³⁰ SEENPM Media ownership 2004.

10 percent was owned by the well known journalist Blendi Fevziu.³¹ However, as of October 2013, the newspaper went back to his former partner Nikolle Lesi.

TV Klan company and Frangaj also own Media 66 company, engaged in TV productions. Radio Klan is another media outlet linked to the same group, although the shares are owned by an unknown person, in order to respect legal ownership limits. For the same reason, Frangaj does not appear as a shareholder in local ABC news TV, although he is widely linked to this station and he has not made secret of the relations between the two stations which sometimes share journalists' reports. Much like in other media groups, there is a visible rotation of key persons serving as general administrators, board members, or shareholders.

Frangaj also owns shares in Portat e Fatit company, a TV lottery company, along with previous partners that co-founded TV Klan and other persons. More importantly, he, along with his brother and associates, has owned or owns other companies, such as Zoom Entertainment, Zoom Events, Promo, and ProImage. These companies, engaged in events organization, advertising and TV production, have recently been revealed to have been awarded the bulk of state advertising in the last years, taking advantage of the support the media of this group have given to the previous government.

³¹ AMI, Media ownership 2007.

Main trends and dynamics in media ownership

- *Links with politics*

While the allegations of media owners' affiliations to particular parties or politicians have been a constant feature of public debate, only a few media owners have publicly engaged in politics or admitted such affiliations. One of the most prominent examples is perhaps that of Nikolle Lesi. Together with Aleksander Frangaj, the owner of Klan group, he started Koha Jone, one of the best-selling newspapers in the 1990s, and later also established another newspaper and a TV station. Afterwards he entered politics, establishing his own party and holding government posts, only to buy back the original newspaper from his former partner and owner of TV Klan in October 2013. Similarly, Mero Baze, the owner of Gazeta Tema, one of the most read online newspapers, has, as a journalist, openly supported the main right-wing party, even running for parliament for this party.

The above cases are examples of journalists founding their own media outlets and eventually entering politics.

There have also been a few cases when politicians have entered the media market by directly buying the shares of media companies. For example, at one point in 2004, the main shareholders in a local TV station were the Minister of Agriculture, the Mayor of Durrës, and their family and friends.³² However, direct ownership of shares by politicians is rather rare.

What is becoming more common instead is media owners entering politics. The Parliament elected in June 2013 includes two MPs that are also media owners and businessmen. One of them is Astrit Veliaj, who owns UFO TV, a local TV station, in addition to other businesses. The other one is Koco Kokedhima, one of the most prominent media owners and businessmen in the country. The history of his media ownership has been marked by constant allegations of his links, particularly with Edi Rama, former Minister of Culture, former Mayor of Tirana and current Prime Minister and head of the Socialist Party in power. The daily *Shekulli*, owned by Kokedhima, has been one of the most popular newspapers in the country in the late 1990s, and generally considered to provide favorable coverage for Rama, especially during his early years as Mayor of Tirana. At the same time, Kokedhima has been often accused by the then opposition parties and other persons that the favors in his media were returned through the tenders awarded to the construction firms he owned.³³ At the moment, he is an MP for Rama's party and still retains his shares in the print publications, as there are no limitations or particular criteria related to political activity regarding print media.

³² SEENPM/PI, "Media ownership and its impact on media independence and pluralism,"2005.

³³ *Ibid.*

- *Business and media*

While some media owners have openly expressed or advocated their political interests and beliefs, the majority have assumed a more neutral position, at least publicly. The main idea put forward by these owners is that their only interest is in cultivating their business and contributing to the development of free and independent media. The bulk of this group of media owners has no previous journalism background or interest and has bought or founded media after succeeding in other businesses. The main media groups, such as Top Media, Media Vizion, Panorama Group, but also the majority of individual media owners fall into this category. Although they have no clear links with political parties, the business practices of some media owners have at times come under scrutiny, alleging that their media have been used to gain favors from politicians to aid other businesses they own.

This group of media owners has not actively engaged in public political life as protagonists, but the editorial line of their media outlets has certainly leaned towards one party or the other. In addition, it should be underlined that the most prevailing type of media ownership is the one involving persons who have significant previous businesses and investment experience. It is almost impossible to find a media owner that lives off the media business alone. Accordingly, their media may find it easier to achieve objectivity in reporting on political events and actors than when it comes to reporting on other companies and businesses of the owner. In view of underdeveloped professional self-regulation and the lack of mechanisms that separate content from advertising and other influences, this trend comes as no surprise.

- ***Journalists as owners***

This has probably been the most volatile type of media owner in the country. When the regime changed from a dictatorship to a pluralist democracy, Albania had a highly controlled media landscape, consisting of print media outlets that were owned by the party bodies, professional organizations and trade unions, or state institutions.³⁴ This framework quickly disintegrated after 1990, with a few exceptions. There was no privatization process that could create continuity, enabling journalists to continue working for their media outlets. In the early stages of transition, it was journalists themselves that launched newspapers, but due to economic difficulties their media were soon taken over by businessmen that could afford to fund them. Only a few among the main media outlets are owned by journalists. The most stable owner-journalist has been perhaps Mero Baze, the owner of Gazeta Tema. Aleksander Frangaj, the owner of Klan group, also started with a local newspaper and has maintained his engagement in the media, even though neutrality of his media has been greatly challenged. In addition, in 2011, after the transfer of ownership of a media group from Italian Edisud to local owners, the directors of this media group, Alba Malltezi and Anila Basha, founded their own media outlets, the daily Shqiptarja.com and A1 Report TV.

- ***Foreign media ownership***

Even though Albanian legislation does not discriminate against foreign media owners, treating them equally as

³⁴ Ilda Londo, "Limited assistance for limited impact," 2013.

Albanian ones, foreign ownership has not been widely present in the Albanian media landscape. The exception for a long time has been the consolidated presence of Edisud Group, which owned Gazeta Shqiptare, News 24 TV, Radio Rash, and Balkanweb news agency.³⁵ They first appeared in Albania in 1993 and left only in 2011, selling their media outlets. Other foreign owners, mainly Italians, are present through individuals, rather than big companies. An important foreign owner was Germany WAZ-Mediengruppe, which bought the majority stake from Media Vizion, owning an important TV station, part of digital multiplex, and other broadcasting services. However, in 2012 the company decided to leave Albania and sold back its shares to the previous owners.

In general, the Albanian media market has proved small and of little interest to foreign investors. Recently a new player on the market has been Francesco Bechetti, the owner of Agon Channel, which started broadcasting in 2013. Since the major transnational media companies have not made it to Albania so far, their standards, codes of ethics or other practices have not affected the development of Albanian media landscape. In this respect, it could be said that the influence of foreign ownership has been minimal.

³⁵ SEENPM, Media ownership and its impact on media freedom and independence, 2004.

Main schemes related to structures of media ownership

- *Cross-ownership and consolidation*

Although it is not possible to identify accurately the most popular media, their profit and their audience shares, there is a visible trend of consolidation of ownership, although not to the point of creating a major problem. Consolidation has occurred more in terms of the same group establishing print, electronic, and sometimes online media. This is true for almost all main media groups and owners. For example Top Media owns all or partial shares in companies that operate radio stations, TV stations, multiplex, newspaper, publishing house, etc. The same pattern has applied to Koco Kokedhima, Irfan Hysenbelliu, Aleksander Frangaj, and other media groups and owners. This is also aided by the lack of any detailed regulation on ownership concentration prevention regarding print media. Cross-ownership regulation is laid out in the Law on Audiovisual Media and deals only with radio and TV, while there is no such regulation for the print media realm and hence no limits on their ownership.

In addition, there are also concerns that the existing legal provisions on broadcast media are not always respected and media owners find ways to circumvent these provisions. For example, the owner of local TV and radio stations Ora News wanted to buy yet another local TV station, while the law clearly forbids that. At the moment, this owner owns 100% shares of Channel One TV, while one of his main journalists and members of his family owns 100% shares of the company that owns Ora News radio and TV stations.³⁶ Similarly, Frangaj does not appear as a shareholder of local ABC news TV, although he is widely linked to this station and he has not made secret of the relations between the two stations which sometimes share journalists' reports.

The consolidation of ownership has been a result of the same group establishing different media outlets, while mergers and acquisitions have been more rare. The motives for a few of these transactions have been questionable, though. For example, in 2011, Irfan Hysenbelliu, already owning daily newspapers and monthly magazines, and Artan Santo, involved in banking, established Focus Group which bought the media outlets owned by the Italian Edisud Group. This move was viewed with suspicion at the time since they bought a media group that was quite critical of the government. One of the first moves after this acquisition was the termination of the contract with Anila Basha, the director of the group's daily newspaper, who had previously expressed open support for the leader of the opposition.³⁷ In addition, a few months later "the whole editorial posture of the media group changed

³⁶ National Center of Registration ownership extract.

³⁷ Mapping Digital Media: Albania, 2012.

completely, from favoring the opposition and criticizing the government to the opposite.”³⁸ Such moves indicate the political preferences of media owners, and even though they might not be public, they still have a decisive influence on the editorial staff and policies of each media.

- ***Transferring companies and shares***

A commonly found pattern in the ownership schemes of media companies is the rotation of the same group of family, relatives, or trusted persons through the positions of general administrator, board members, or shareholders. For example, it is a publicly accepted fact that Kokedhima is the owner of the national +2Radio. Officially, though, he is not an owner, but has always held a stake in the company, first through his relatives and now through people that served as administrators of the company or as members of the Supervisory Board.³⁹ This pattern is also an indication of the allegedly fictive function of supervisory boards’, since the same members are rotated through administration, supervision, and management, independently of the company’s profile.

Similarly, ownership of Top Channel TV is divided among the owner and her four children.⁴⁰ After buying Edisud Group’s media outlets, Focus Group transferred the shares to a new company, Focus Press, 100% owned by Hysenbelliu’s brother, who is also known as the general manager of the media outlets the family owns.⁴¹ In fact,

³⁸ IREX MSI 2012.

³⁹ National Center of Registration ownership extract.

⁴⁰ Ibid.

⁴¹ Ibid.

creating a range of different companies, or shutting down one company and re-establishing it with a different name for the same purpose is another tactic used by some media owners. For example, Koco Kokedhima has transferred the ownership of his daily newspapers from Shekulli Media Group to Unipress, transferring also the names of shareholders.⁴² Aleksander Frangaj has also changed the names of two of the companies that produce TV spots and organize publicity campaigns, rotating also shareholders.⁴³ Rather than arising from concerns for media pluralism, this has more to do with tax laws and the company registration procedures in the country.

- ***Current dynamics in media scene***

The Albanian media landscape has become relatively stable regarding the main media groups that dominate it, such as Top Media, Klan, Vizion, and the media owned by Irfan Hysenbelliu and Koco Kokedhima respectively. All of these groups have invested heavily especially in their broadcast media, in technical equipment and digitalization, but not necessarily in areas contributing to the development of journalism as a profession.⁴⁴

However, there are also the occasional falls and booming investments. At the moment, perhaps the most flamboyant example of investment is that in Agon Channel, owned by Francesco Beccheti, who is an Italian businessman that has invested in Italy and then in Albania in energy and waste management projects. Offering reportedly very

⁴² Ibid.

⁴³ Ibid.

⁴⁴ IREX, *Media Sustainability Index 2010*.

high salaries compared to other televisions, Agon Channel has lured some of the most popular presenters, hosts and journalists, while the mystery of its sources of funding remains, as with the rest of Albanian media. Since the law requires a certain amount as a guarantee deposit, but the owner is not obliged to declare or verify its origin, none of the media owners have been under pressure to increase transparency of their funding sources.

On the other hand, a controversial collapse, but by no means foreign to the Albanian media scene, has been that of Alsat TV. This TV station was bought by Rezart Taci, who also owned various other businesses. He became notorious for the privatization of the Albanian oil company, which at the time sparked controversy, as the opposition claimed that the transparency of the process was low and the company was sold below its worth. Currently, Taci no longer appears as a shareholder of Alsat TV, with its shares now held by his sister and two other persons, at least officially.⁴⁵ Initially, he invested heavily in programming and TV staff, but his business has been faltering in the last years, with financial hardships also reflected in massive television staff lay-offs. As a result, in the last year more than 50 journalists sued him for unlawful termination of contracts or unpaid salaries for months in a row. "Alsat TV's case is not unusual in Albania, where dozens of media outlets are owned by tycoons or MPs who use them to advance their businesses and political careers."⁴⁶

⁴⁵ Ibid.

⁴⁶ Besar Likmeta, "Big advertisers subvert Albanian media freedom," <http://www.balkaninsight.com/en/article/big-advertisers-subvert-albanian-media-freedom>

Media funding

Funding of media operations has been often in the spotlight, by politicians, media itself, or other actors. The truth is that close to nothing has been done all these years to improve transparency of media funding. In addition, supporting bodies and mechanisms that could have a role in this regard, such as the broadcast media regulator and tax offices, have not engaged with this matter.

In cases when matters related to transparency of media finances have become a matter of public debate, the initiative has often been politically motivated, rather than based on public interest.

After 23 years of media market liberalization, Albania still has not managed to create systematic, reliable, and publicly available data on media ratings and shares, advertising market, state subsidies for media outlets or distribution of state advertisements. However, it seems that the advertising market is dominated by big corporations, which directly affect media content. The distribution of state advertising across various media has become an increasing concern as it is feared that its ramifications may affect editorial policies of media outlets. Finally, let us add that the picture of the Albanian media landscape would be

incomplete without taking into account the significant role of other, parallel businesses of media owners which often serve as sources of funding and consequently affect, for better or for worse, the performance of media companies.

- *Transparency of media market and media finances*

Although the media market has been liberalized for 23 years now, only a limited progress has been made in terms of public, systematic, and reliable data on media market and media finances. Accordingly, the ranking of Albanian media outlets can only be a judgment based on popular perceptions rather than on accurate data or audience measurements.

The first attempts to monitor television audiences were made between 2001 and 2003, with the support of IREX and USAID. These surveys did not cover the whole country or all television stations and were limited in time. Moreover, the results provoked strong reaction from the media that ranked low. This early initiative thus failed to unite all media outlets towards a joint committee that would probe the market continuously based on a common methodology and produce results that would be accepted by all.

This episode also describes the current trends and reactions to media market research in the country. "All mainstream media continue to carry out market research on consumer behavior and audience preferences, but adopting a system that is accepted by all remains a problem."⁴⁷ Unable and unwilling to come together

⁴⁷ IREX, Media Sustainability Index 2012.

and measure their popularity using common tools, the media outlets do their own research, usually by phone polling, and present these data to advertisers. However, this practice creates a highly subjective overview of the market situation and audience measurement. In fact, the managers of print and broadcast media have often challenged the circulation and audience figures, on the grounds that these could not be verified by independent sources. There were also allegations that the reports on circulation were deliberately high, in order to look better in the eyes of advertisers.

Some research companies have recently put forward initiatives to measure the audiences of broadcast media in particular, but also readership habits. However, their scope is still limited, since not all media owners or managers are interested in determining their actual market share, nor do they know how to use the information provided by market research.⁴⁸

- *Transparency of business practices*

Like any other business, all media outlets should submit their annual financial reports to the tax office, but these reports are confidential. Broadcast media should also submit their reports to the regulator, but only a few do. Only 49 of 250 operators had submitted to the regulator annual balances for 2011.⁴⁹ In addition, even when they do, there are allegations of double reports, where the regulator receives the fake one. A former chairwoman of the regulator raised the concern that the TV stations'

⁴⁸ Interview with Thanas Goga, R&T Advertising, May 2013.

⁴⁹ KKRT Annual Report 2012.

financial reports submitted to the regulator and to the tax office were not accurate.⁵⁰ “This trend is confirmed by one of the major media companies, whose officials admitted in an interview that even though they had suffered losses in the last seven years, they had managed to declare a small profit.”⁵¹ In addition, the regulator did not make additional efforts to verify data with the tax office or other authorities.

- *Selective transparency*

In general, attempts to verify information and transparency of media outlets have been targeted selectively at the media that have not been favorable to the government. The tactic of sending tax police authorities to a specific media outlet after unfavorable coverage of the government or prime minister has been used for more than ten years in Albania, sometimes resulting in fines and sometimes not. Perhaps the most clamorous case was that of the fine imposed on Digitalb in 2007, in the amount of € 12 million on grounds of tax evasion. “This fine followed repeated scrutiny of Top Channel television by the tax police during 2007, when the station took a rather critical stance toward the Government.”⁵² The fine has not yet been collected, as the company is still in the appeals process. However, this is one of the examples that show that attempts to increase transparency of media outlets

⁵⁰ Mesila Doda, quoted in I. Tare, “The Explosion of Private Television Channels in Post-Communist Albania,” p.27.

⁵¹ I. Tare, “The Explosion of Private Television Channels in Post-Communist Albania,” p. 28.

⁵² Mapping Digital Media: Albania,” 2012.

have generally been politically motivated. The rest of the time neither the media, nor state authorities have treaded on this supposedly delicate ground.

- ***Media funding during electoral campaigns***

The state seems to be part of the problem when it comes to media transparency. However, the problem is not limited to the state only, but extends to political parties as well. While commercial advertisers dominate the market, in the election years, state and political parties' spending increases in view of electoral campaign advertising. These cases too raise transparency issues related to political parties' sources of finance and their reporting, as transparency watchdogs have been pointing out for years. The advertising expenditures reported by the political parties to the Central Elections Commission rarely match the estimates of organizations monitoring political parties' spending during electoral campaigns⁵³. In addition, the parties submit different formats when reporting to CEC, which makes it difficult to compare spending across parties.

Another problem with advertising expenditures for electoral campaigns is the debt that the political parties accumulate towards the media outlets. In some cases the debt accounts for more than half of the total spending⁵⁴. This raises questions about the real sums the media outlets receive during electoral campaigns and the repercussions of delayed or missed payments. Another suspicious point

⁵³ Peace Institute, "Media Integrity Matters," 2014, Albania country report.

⁵⁴ Ibid.

is the donations made by the media themselves. A few media outlets had declared free advertising time for some of the parties as a donation to the parties' campaigns. While this is legally possible, it raises concrete doubts about the reasons for such donations, especially when knowing that electoral campaigns are considered a good source of advertising revenue.

- ***Sustainability: a permanent question***

In the overall context of considerable informality in the country, with so many question marks over commercial and state advertising against the background of expanding media landscape, doubts remain about how media outlets manage to survive. The lack of transparency of media operations does not allow for an accurate answer in this regard. However, the long-standing perception, often voiced by representatives of the media community, is that other businesses of the media owners are used to support media outlets. "While these businesses were the basis for the considerable investment in the media scene, parallel ownership also makes these outlets vulnerable to economic and political interests."⁵⁵ Albanian media owners are, with extremely few exceptions, people with a significant business background who eventually founded media outlets or whole media groups. The Albanian regulation on broadcast media does not prohibit sponsorship of the media outlets. However, in the financial reports these are just marked as sponsorship or donation, without further details and never prompting the regulator to further investigate the matter.

⁵⁵ Mapping Digital Media: Albania," 2012.

Hence, given minimal transparency, it is difficult to have a clear and accurate picture of the way media operate financially. On the other hand, having in mind other businesses of the media owners and assessing media content in this light, it is easy to see that the media serve as almost free advertising space, rather than as reporters on the matters of public interest. The stories on products or events related to other media owner's businesses are featured in newspapers and on televisions, presented not as advertisements but as news.

In addition, since political support is important for achieving economic success in the country, the relationship between media owners and politics is the other side of the equation. One of the international reports on Albania noted: "Business owners also freely used media outlets to gain favor and promote their interests with both major parties. Many media owners courted government leaders to gain favors or avoid taxes."⁵⁶ In fact, for a long time this has been the most speculated and controversial form of media clientelism in the country. "In reality, in the countries of the Western Balkans the media are sandwiched between politics and business, sometimes because of the pressures they are faced with, but at other times because they voluntarily place themselves in this position. Thus, the media appear to be an extension of politics on the one hand, and an annex of various businesses on the other."⁵⁷

⁵⁶ US State Department Human Rights Report 2012, Albania, <http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm#wrapper>

⁵⁷ R. Lani, "Balkan Media: Lost in Transition?" in *Professional Journalism and Self-Regulation: New Media, Old Dilemmas in South East Europe and Turkey*, UNESCO, Paris, 2011, p. 53, available at <http://unesdoc.unesco.org/images/0019/001908/190810e.pdf>

Conclusions

Formal transparency of ownership of media outlets has improved, but concerns on hidden shares and owners remain, affecting in this way media integrity. Ownership of online media is also little known. The main media groups are relatively consolidated. Recently, there have been some signs of ownership concentration aided, among other things, by limited cross-ownership regulations. Foreign ownership of the media remains limited, even though legislation does not discriminate against it. There are cases when legal regulation has been circumvented to overstep ownership limits, while transfer of shares within the same group and family is another commonly employed tactic.

The ownership pattern that dominates the media landscape is that of media tycoons who have invested in other businesses. Some of them have become active in politics, while other media groups have tried to remain relatively neutral, even though editorial policies of their media clearly favour one political wing over the other. The interaction among the media, politics and other businesses of media owners is a constant source of concern for media content and media independence.

Transparency of media finances and media business practices is very low. After 23 years of market liberalizations, the Albanians still do not have public and verified data showing the circulation, sales, and audiences of the media outlets. Moreover, the information on the size of advertising market is also not publicly available. In this context, the ways in which advertisements are distributed are also not clear, leading to suspicions on clientelism. The sustainability of media outlets in a highly saturated media market has been questionable for years. Yet, the media continue to survive and even new ones emerge, indicating that funds from owners' other businesses are a useful resource in this context. These practices are hardly transparent though. The regulators have not shown willingness to intervene in this area, while interventions from the government have been mainly politically motivated.

