

# ALBANIA

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## 1 INTRODUCTION

After thirteen years of struggle for democracy and its consolidation, Albanian media has found itself in a situation when there is freedom of the press, but no free press.<sup>1</sup> The activity of media businesses can hardly be called transparent, and there is little or no state control. In addition, there are problems with legislation, its implementation, the obtaining of data on the media and their transparency and reliability. Market analysis is by no means a familiar practice in Albania, and media businesses operate in the mist, with no data on their efficiency, apart from gut feelings. This paper aims to provide 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 LEGISLATION

Since the early nineties, after the fall of communism, Albanian media, like the rest of society, have been faced with a freedom never experienced before, and with equally unfamiliar problems. The advent of a new political system brought about the emergence of new media and, consequently, the need to regulate this chaotic situation.

### 2.1 PRESS LAW

The Parliament elected in 1992 adopted the Law on the Press. The initiative to draft such a law came from the Government, and owing to the previous legislative vacuum in this sector, all eyes were turned towards other countries' experience. In this context the Friedrich Ebert Stiftung Foundation took the initiative in presenting the Government with examples of such a law as implemented by three German states, with one of these being eventually chosen. The Albanian law was modeled after the German state of Westphalia law and there was little effort to adjust it to the Albanian context. The input of the persons most affected by this law, namely the media community, was not considered an option at all while drafting the law. As a result, the media community soon faced what they considered to be repressive legislation. This law was annulled entirely by another legislature in 1997, and a new law came into effect. At present the print media is regulated by the Law on the Press<sup>2</sup> which comprises only the following vague and quite general statement: "The press is free. Freedom of the press is protected by law."

The Parliamentary Commission on Media, the journalistic community, legal advisors, and other interested persons have at certain points since 1997 debated the need for a detailed press law and the potential shape and effect it can have on media development, and

thus on the consolidation of democracy. There was a debate on one such bill in 2001, when many media representatives refused to participate, considering that the bill provided an over-regulated media, with considerable potential for restrictions. The bill provided for the establishment of an Order of Journalists that would serve as a regulator of the media community and its activities, a concept which was strongly rejected as it was considered a structure that must be established according to the free will of journalists, and not engineered by the Parliament or legally obliged to report to the Parliament. According to this provision all journalists would be obliged to be members of this Order and to adhere to its regulation.<sup>3</sup>

The trend of *laissez faire* in the field of journalism triumphed over the other interest groups at the time, preferring media self-regulation instead of too much regulation by the Parliament. Thus, with the existing extremely and vague law on press, the print media seems to enjoy a greater freedom than in the early nineties, but at the same time working on grounds that leave ample room for activities that are little, or not at all, controlled and much speculated about. The process of drafting a new law on the press is ongoing.

## 2.2 BROADCAST MEDIA REGULATION

In contrast to the print media, the broadcast media is regulated by a fairly detailed Law on Public and Private Radio and Television. In order to guarantee its own implementation, the law provides for a regulatory body, the National Council of Radio and Television (NCRT), which is supposed to be independent.

The NCRT is elected by the Parliament for a maximum of two five-year terms. Composed of seven members, one of whom is proposed by the President and the other six shared equally between the opposition and the majority,<sup>4</sup> this body acts both as the licensing authority and as the supervisor of legality in private broadcasting. The law provides the NCRT with the authority to transform the general rules provided by the law itself into further specific obligations for broadcasting operators.

### 2.2.1 OWNERSHIP PROVISIONS IN THE LAW

Since the law on broadcast media sets forth criteria for the licensing and activity of radio and TV stations, it also contains a number of provisions regarding media ownership in the field of broadcast media.

First of all, the law states that persons deprived of the capacity to act by a court ruling, political parties and organisations, religious communities and associations, local government authorities or other state authorities cannot obtain a broadcast license. Also excluded from applying for a license are industrial organisations, banks, and credit institutions.<sup>5</sup> According to this law, broadcasters can obtain two kinds of licenses depending on their

coverage: local and national. The criteria to be met for national licenses are stricter than those for local or regional ones.

More specifically, the holder of a local license can be a natural or a legal person, with no limitation imposed on the establishment of a company. The law prohibits the granting of more than two local broadcast licenses for the same territory, be it a radio or a television channel. However, the same broadcaster can obtain both a radio and a TV broadcast license. A natural person may not be the owner of a station that covers an area of more than 200,000 inhabitants. There is no limitation on foreign ownership; the shares of a local medium can be owned one hundred percent by foreign owners, but again, it cannot own more than two local media stations.<sup>6</sup>

On the other hand, the limit on ownership stake in a national radio or TV station is 40 percent; thus a national radio or TV station must have at least three owners, either legal or natural persons. The owners of a national radio or television outlets are forbidden to possess shares in another national radio or television enterprise, in whatever amount. It is forbidden for an owner of shares in a national broadcasting station to obtain a local broadcast license.<sup>7</sup> This is a provision that aims to prevent concentration of national media and monopolies, thus safeguarding media pluralism and diversity, as well as a lucrative media market.

Regarding the owners of national media, there is no limitation at all regarding foreign ownership, apart from those that apply to Albanian owners of national broadcast media, namely the 40-percent limit and the other criteria of ownership.

Apart from the limit on ownership stakes, a national media company must be registered as a joint stock company.<sup>8</sup> No natural person can obtain a national license. The main aim of this limitation on ownership of national broadcast media is that legal persons are supposed to have greater accountability regarding VAT, other taxes, and potential remuneration to third parties, as well as better control of the quality of programming in view of the manner of organisation of the joint stock company.<sup>9</sup>

### 2.2.2 IMPLEMENTATION OF THE LAW

The body that sees to the proper implementation of the law is NCRT, which checks the data provided by the license applicants and supervises the implementation of the above-mentioned rules. It is authorised by law to determine the minimum amount of capital a license holder should possess. So, applicants for a national radio license should possess capital of no less than 20,000,000 leks (approximately EUR 14,814), while applicants for a national TV station should possess no less than 100,000,000 leks (approximately EUR 74,074).<sup>10</sup> The entry barriers for a local broadcast license vary in accordance with the population reached in the area covered.

In cases of changes in data on ownership structure provided by the applicants or licensees, NCRT should be notified 15 days in advance. NCRT can oppose the change in case it violates the law. In other words, in the case of a merger of two broadcasting companies or a broadcasting company with another media enterprise, the approval of the NCRT is required. It may be recalled that according to the law, one person may not hold more than 40 percent of the total capital of a national broadcaster (before or after the merger) nor may the same person be given a license for more than two local transmission areas. Therefore in giving its approval, NCRT should take account of these rules and prevent any occurrence of violation.<sup>11</sup>

NCRT also establishes the annual fees to be paid by the broadcasting operators. In general it can be said that the floors imposed on the initial capital of applicants for broadcast licenses plus the taxes and annual fees paid to NCRT and other hindrances constitute relatively high entry barriers for the development of new media. However, as noted in the description of the media landscape, this has not been a hindrance in this regard quite the opposite. As a report put it: "The NCRT has the power to grant broadcast licenses, but seemingly does not have the ability to reject an application."<sup>12</sup>

This is also one of the reasons why the work of the NCRT has, on occasion progressed slowly. In fact, the NCRT commenced its real work in 2000 after the passing of certain amendments to the then broadcasting law. Ever since then the organisation has not had a smooth relation with part of the media companies and especially with the opposition which has continuously boycotted it, referring to its alleged relations with government, hence its lack of independence.

One of the most contested actions of the NCRT was the first wave of license granting in the autumn of 2000 when many of the broadcasting stations and the opposition charged the NCRT with being biased in its decision to grant national licenses to media close to the ruling Socialist Party. Another difficult moment was the rejection of its annual report in the Parliament in February 2002, at a time when a second rejection would have led to a re-organisation of the NCRT. Favouritism towards media friendly to (or clients of) particular clans of the Government has been a frequent charge against this body by the opposition. However, the NCRT has played a certain role in stabilising the broadcast media market in Albania within the legal framework established by the Albanian parliament. At present it is being quite successful in managing to control particular aspects of the broadcasting activity, such as the fight against piracy, a relatively new NCRT responsibility elaborated in the law that came into effect in October 2003.

## 2.3 OTHER RELEVANT REGULATION

### 2.3.1 COMMERCIAL LAW

The activity of media companies is also regulated by the Law on Commercial Companies, applicable to media companies the same as to all other registered companies. More specifically, the organisational structure of a joint stock company is supposed to provide a relatively stricter system of checks on its welfare and representation of the interests of all sides. So, the General Assembly appoints two-thirds of the Steering Committee, while the employees of the company appoint one-third. The Steering Committee, in turn, appoints the directors of the association.<sup>13</sup> However, so far there has been no evidence of these controlling mechanisms in the Albanian media companies; they are more of a ghost mechanism.

According to the same Law on Commercial Companies, the responsibility of the members corresponds to the contribution of their initial capital in both joint stock companies and limited liability ones. However, the minimal capital requested by law for joint stock companies is 2,000,000 leks (approximately EUR 1,481),<sup>14</sup> while the minimal amount of capital for limited liability companies is 100,000 leks (approximately EUR 74).<sup>15</sup> As demonstrated above, the NCRT may impose different minimum amounts of capital.

Independently of the manner of organisation or registration of a company, all media companies are forced by law to register their ownership changes in the commercial register,<sup>16</sup> in addition to the obligation of the private broadcast media to report the changes to the NCRT.

### 2.3.2 COMPETITION LAW

Another law related to media regulation is the Law on Competition<sup>17</sup> (in force from 1995 until December 2003) which states the conditions that companies have to respect during their activity, in order to set the ground for fair competition and the maintenance of a lucrative market. According to this law, the concentration of the market is prohibited, and it is defined as occurring when one company by itself, or merged companies, has/have more than a 40 percent share of the market.<sup>18</sup> The Law on Competition elaborates the technical procedures governing the merger. The property of the constituent companies can be transferred to an existing company or to a new one. Even though a merger can be concluded between companies of different organisational structures, it is worth noticing that national broadcasters should remain joint stock companies. When a new company is established, its establishment occurs in accordance with the rules that are relevant to the form of the company established. The merger enters into effect on the date of registration in the commercial register. When the surviving company is one of constituent (merged) companies, the merger enters into effect on the date of the last meeting of the respective

shareholder assemblies approving the merger, unless otherwise provided by the merger agreement.<sup>19</sup>

In addition to the prohibition of market concentration, the law prohibits the lowering of prices if the aim is the elimination of competition. It also forbids the damaging of reputation among businesses, that is false statements *vis-à-vis* business colleagues in order to ruin their business. Convincing the employees to breach their contract with a competitor and hiring those employees in order to gain a competitive edge is also forbidden.<sup>20</sup>

These are only some of the articles that this law contains, but of particular relevance to media company operations, since there has been constant breach of these articles, or allegations that such illegal actions took place, including the application of dumping prices, continuous slandering of other media, and an extremely mobile labour market, which is also facilitated by the lack of working contracts for most media employees.

The Law on Competition also contained an amendment that expressly stated in one paragraph: “In the field of independent print media it is forbidden to lower the price of newspapers and magazines below the cost of their production.”<sup>21</sup> This particular paragraph was added upon the initiative of a group of MPs, in order to prevent a phenomenon that, time after time, various voices from within the media community have warned on, selling print items at prices lower than their production cost in order to get a larger share of the market. Recently this problem has become more important, with the ever expanding market for daily papers and the excruciating battle between print and broadcast media. It must be noted that this amendment exempts party newspapers and magazines from price control, and, as such, it is of particular relevance to the preservation of print media economic independence, or at least an attempt to control the fair practice of media companies within the framework of the Law on Competition.

### 2.3.3 IMPLEMENTATION OF THE LAW

The supervisory body that implements the Law on Competition is the Directorate of Economic Competition (DEC.) Duties of DEC include the following: promotion of economic competition, approval or disapproval of the filed applications, monitoring of breaches, channeling of undue profit to the state treasury through special decisions, market analysis, publication of information, etc.<sup>22</sup> However, the work of the DEC in Albania is almost unknown and it has always kept a low profile, not only regarding the media sector. More specifically, the only media-related act in these years was the investigation into the pricing of some daily newspapers and its relation to their cost of production, and this investigation was undertaken at the request of one publisher, rather than started by the DEC itself.

#### 2.3.4 NEW COMPETITION LAW

The above competition law was in force until 1 December 2003, when a new Law on the Protection of Competition came into effect. The new law does not set any limit related to market domination. It only describes it as a position of “one or more enterprises, which allows them to act in the framework of demand and offer independently of other participants in the market, such as competitors, clients, or consumers.”<sup>23</sup> However, regarding concentration or merger of companies, it sets the obligation of asking for approval of the Authority on Competition, whenever their annual revenue exceeds certain limits.<sup>24</sup> The DEC, now defunct controller of competition, has been replaced by the Authority on Competition, which comprises the Commission and the Secretariat. This body, elected by the Parliament, has to control concentration of ownership, since its duties include the naming of a company and of its activity, control of annual revenue in the domestic market, the respective market share of the company, and the expansion of capital through the acquisition of new companies or merger with other companies. In the future this section could become instrumental in supervising compliance with fair competition rules in the media field and beyond, and perhaps increasing the transparency of ownership as well.

### 3 STATE SUBSIDIES

The Albanian law does not expressly provide any subsidies to media companies in order to protect media pluralism or safeguard independence. However, forms assisting the media exist although not clearly categorised as such. A possible way of subsidising the media in Albania is leasing state-owned facilities to the media outlets. These facilities provide spacious premises at prices as low as EUR 3 per m<sup>2</sup> per month, whereas the rent for private facilities is approximately EUR 10 per m<sup>2</sup> for locations in downtown Tirana, from where the overwhelming majority of journalists choose to follow the events to cover. However, there is no special law on the rental of these state facilities, and this legal vacuum could turn into a form of financial leverage by the Government towards the media and their editorial policy.

A far more important issue and of particular consequence to the development of an independent media, or lack thereof, is the allocation of state advertising. In view of the structure and development of the Albanian economy, state advertising accounts for a disproportionately large share of total advertising in the print media. “A study of advertising trends in five major dailies, conducted by a journalists’ association in September 2001, found that the five newspapers sold 42 percent of their total advertising space to state agencies and corporations.”<sup>25</sup> Hence, state advertising would be instrumental to the sur-



vival of independent media, and the way these ads are allocated should serve as an indicator of state interest in aiding the development of independent media.

However, this has not been the case in Albania. Most of the ads and notifications that fall into the state advertising category are considered public spending and as such are subject to the public procurement laws. However, there are no regulatory bodies to supervise the implementation of these laws, nor the consequent fair distribution of state advertising among the media. The situation is made worse by the legal pitfalls: both the Public Procurement Law and the Law on Expropriation provide that the notifications be published in two national newspapers with large circulations, or in one national and one local newspaper, without defining, though, what “large circulation” means.<sup>26</sup> The situation becomes even more complicated when considering that there are no surveys or data on the circulation of publications in Albania, in the absence of a detailed law on the press and given the printing houses’ obligation to keep these figures secret. In this way, there is considerable potential for abuse in allocating these ads as a reward for changes in editorial policy, or even using them as a financial threat depending on the editorial policy orientation.

### 3.1 STATE ADVERTISING DISTRIBUTION

The above potential has been used several times before now. For example, an illustrative case is that of *Shekulli* which is considered to be the top selling daily in the market. This paper received a significant amount of state advertising until September 2001, which is the time when the paper changed its editorial policy to a critical attitude towards the then-Prime Minister, Meta. While *Shekulli* was the second top daily that received most state advertising until late September, by mid November other three large circulation dailies carried around four pages of state advertising compared to 1.8 for *Shekulli*.<sup>27</sup>

Another government subsidy representing the carrot-and-stick method was the one granted to *Korrieri* in October 2001. Of ten million leks (approximately EUR 7,407) allocated to *Korrieri*, six million were earmarked for publication of “government propaganda materials,” and four for the publication of a supplement on the occasion of Independence Day.<sup>28</sup> This decision of the Council of Ministers was considered an arbitrary and biased one by the rest of the press, because it excluded from financial subsidies papers like *Tema*, which held a consistently critical stance on the Meta government, quite the opposite of *Korrieri*.

## 4 (LACK OF) JOURNALIST STATUS

In view of the above-mentioned facts it becomes imperative to know the structure of ownership in the Albanian media, considering that the owners are the determining factor

in shaping editorial policy. This is even more so in the absence of laws or regulations protecting editors and journalists and safeguarding free expression. As a matter of fact, it is almost unthinkable for journalists to oppose the editorial policy of the media, considering that most of them do not have work contracts and that the journalists' labour market is an extremely mobile one in Albania. For example, in the annual "Monitoring Albanian Media Landscape" survey done by the Albanian Media Institute in 2003, of the 18 daily newspapers asked how many of their employees had work contracts, four refused to respond, while the other papers' total was 135 out of a total working staff of 289, thus 46 percent.<sup>29</sup>

Independence of editorial policy is protected by the broadcasting law, phrased in a very loose manner, with no specific conditions and provisions for this cornerstone of independent media and freedom of expression: "Editorial independence is guaranteed by law."<sup>30</sup> This paragraph attempts to address all the points a law of this kind must comprise in order to be complete, but it fails to address the real problems of identifying and protecting editorial independence, which is, in itself, a difficult concept to grasp and treat. As a matter of fact, the NCRT has not so far ventured on any such undertaking.

The other paragraph of the same article in this law also guarantees what can be considered a sort of equal employment opportunity policy: "Employment, promotion, duties and rights of public and private radio and television are not determined by sex, origin, political conviction, religion, or membership in trade unions."<sup>31</sup> Again, this attempt to protect these two essential ingredients of independent media has many pitfalls when viewed from the legal angle, with no sanctions imposed in case of breach, and with no clear method of defining these concepts or proving their violation. However, the regulatory authority has never attempted to implement this article, and neither have journalists, one reason being the extremely disorganised situation in which they find themselves *vis-à-vis* their employers. Associations of journalists are almost nonexistent, and all attempts to create a trade union have failed.

## 5 MEDIA LANDSCAPE AND OWNERSHIP

### 5.1 A CHANGING LANDSCAPE

The landscape of the media in Albania has changed dramatically since the early nineties, and has continued to present a dynamic picture even during the second half of the decade. As a matter of fact, after thirteen years of developing private, allegedly independent, media in the country, the number of media outlets has been increasing rather than leveling off, and announcements of new media outlets may be just around the corner.

At the moment, 98 newspapers and 70 magazines are published in Albania, including general and specialised publications.<sup>32</sup> The list of individuals/companies licensed to broadcast is also extensive: 54 radio stations and 79 TV stations.<sup>33</sup> The NCRT has recently revoked the licenses of 8 TV stations and 13 radio stations, mainly for failure to submit the required documentation for the renewal of licenses. However, the NCRT has not taken any measures to interrupt the broadcasting activity of any of these.

Print and electronic media have followed different paths of development, but their common denominator is their youth. Unlike the media in other countries, the Albanian media did not experience privatisation. *Zeri i Popullit* was the most important paper under the communist regime, owned by the only party existing at that time, and reaching up to 120,000 copies. Other publications were owned by mass organisations, such as trade unions, youth organisations, or the writers' and artists' league, academic institutions etc., and their circulation ranged from 30,000 to 55,000 copies for the most important ones. All the publications were owned by the state, or institutions or organisations under strict state control and supervision. The concept of private property was totally unknown, and any discussion on its introduction in society was inconceivable.

Of the old communist papers, only *Zeri i Popullit* of the Socialist Party, survived, and it still remains the party's property. Another one is *Sporti Shqiptar*, a sports daily, which was closed for some time and then sold to a now powerful media group, Spekter joint stock company. Other publications that have survived the transition period are the professional state-owned ones, none of them a daily. Such publications include papers and magazines targeted at army officials, teachers, scientific researchers, etc, which continue to remain the property of particular ministries and the Academy, hence under government ownership.

Regarding broadcast media, the only existing broadcast media until 1995 was the state-owned radio and television, now transformed into a public service radio and television, but still receiving an overwhelming proportion of support from the state budget. Thus, unlike in other fields in the country, privatisation was not an issue at all in the media field. This is also the reason why you cannot find any employee who also owns shares acquired after the demise of communism.

## 5.2 THE CASE OF MEDIA BLOOM

The overwhelming majority of Albanian media outlets emerged during the 1990s, with *Rilindja Demokratike*, the daily of the Democratic Party, the first opposition party, leading the way in 1991. For economic reasons, newspapers and magazines were the first in the country to experience a boom. The broadcast media started to emerge in the second half of the 1990s. The first private TV station started to broadcast in 1995, and the first radio

station two years later. Ever since, the media landscape has been a fertile one, with a continuously increasing number of media outlets, especially broadcast media.

However, more is not always better. This is especially true in the case of print media. Although the number of dailies has gone from 2 in 1991 to 19 in 2003, the circulation of all 19 dailies together does not exceed that of the first opposition paper in 1991. Of course, people do not long for information in quite the same way as they did in 1991 after surviving almost 50 years of darkness. Also, a wide spectrum of broadcast media is available, and it is indisputable now everywhere that it has the upper hand over the press. At present, the overall circulation of the 19 dailies is believed not to exceed 60,000 copies.<sup>34</sup> Having 19 dailies in a country with no more than three million inhabitants is simply beyond rational accounting.<sup>35</sup>

This is even more so when one considers that the press in Albania is plagued by a malfunctioning distribution system and infrastructure, or rather lack of it. The newspapers are distributed in cities only, and the system is far from perfect: the citizens of Saranda, for example, the southernmost city, receive their paper no earlier than 1 p.m. Also, since some 60 percent of the population lives in the countryside, it can be concluded that less than half the population can buy newspapers in the area where they live.<sup>36</sup> The subscription system, on the other hand, is extremely weak and rarely applied. Given that the average monthly income of a teacher is around 10,000 leks (approximately EUR 75), a teacher would have to allocate 13 percent of his/hers salary for buying a newspaper,<sup>37</sup> which makes the paper rather expensive.

Considering all these facts, and the emergence and consolidation of broadcast media, the failure of some dailies would have been a logical conclusion, but this has not been the case. The number of dailies hit 19 in September 2003, and this amidst constant debate on their financial sources, since in a genuine market economy having all these papers in business would be highly improbable. The most common structural feature is the one-man publisher in most cases. Excluding the three party dailies, which are owned 100 percent by the respective parties, only eleven of them are owned by companies, whereas eight are owned by one person alone, or one-person companies.

Table 1 PRINT MEDIA MARKET\*

PUBLISHING GROUP	MARKET SHARE
SPEKTER	21%
KLAN	16%
KOHA	11%
PARTY PAPERS	16%
OTHER	36%

Source: The Commercial Register

Note: \*This table includes all the daily newspapers, and the two main news weekly magazines, leaving out the specialised magazines. The main publishing groups are counted.

Table 2 OWNERSHIP OF THE MAIN RADIO AND TV STATIONS<sup>38</sup>

MEDIA OUTLET	OWNERSHIP	COVERAGE AREA	STARTING YEAR
TV KLAN	MEDIA 6 JSC.	NATIONWIDE	1998
TVA	ARBERIA JSC.	NATIONWIDE	1996
TOP CHANNEL	TOP CHANNEL LTD.	REGIONAL	2001
TOP ALBANIA RADIO	TOP ALBANIA JSC.	NATIONWIDE	1998
+2 RADIO	RADIO +2 JSC.	NATIONWIDE	1998
VIZION +	MEDIAVIZION JSC	REGIONAL	1999
TV NEWS 24	EDISUD RADIO-TV LTD.	REGIONAL	2002
RADIO RASH	EDISUD RADIO-TV LTD.	REGIONAL	2000
SHIJAK TV	MEDIA + JSC.	REGIONAL	1995
RADIO TIRANA	PUBLIC BROADCASTER	NATIONWIDE	1938
TVSH	PUBLIC BROADCASTER	NATIONWIDE	1961

Source: NCRT, Department of Jurisdiction and Licences.

## 5.3 MAIN MEDIA OWNERSHIP GROUPS

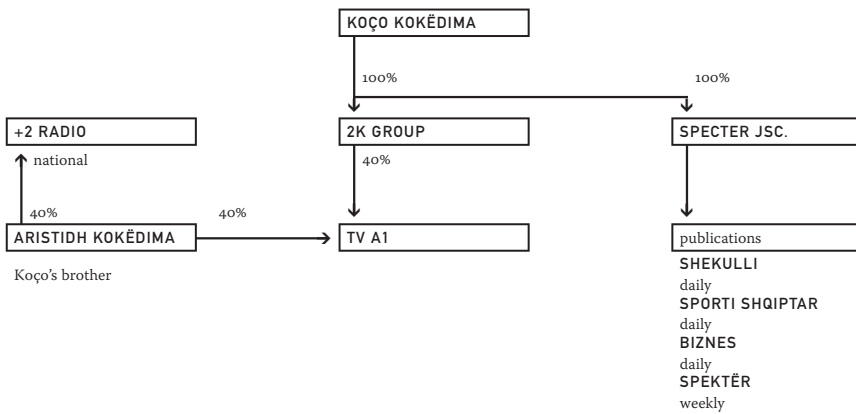
### 5.3.1 SPEKTER GROUP

Among daily newspaper companies the most prominent group is Spekter jsc., owned 100 percent by Koco Kokedhima.<sup>39</sup> This company owns the dailies *Shekulli* (considered to be the one with the largest circulation by the journalists' community), *Sporti Shqiptar* and *Biznes* (specialising in sports and the economy respectively), as well as the weekly magazine *Spekter* which is considered to be the second biggest in the market of its genre.

Apart from this, Kokedhima directly and indirectly owns shares in a national radio station, a television station, and an advertising agency. This television station (*TV Balkan*) has started to broadcast only recently as *TVA1* although it received its license some years ago, meaning that it violated the broadcasting law which states that the media should start

broadcasting within a year of receiving the license. Its 40 percent owner is K group JSC., which is owned by Kokedhima; a 20 percent owner is Isuf Ferra, and another 40 percent owner Aristidh Kokedhima, Koco Kokedhima's brother. Aristidh Kokedhima also owns 40 percent of +2 Radio, a national radio, while Jonaq Jorgji and Myftar Troka own the remaining 60 percent.<sup>40</sup> 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.

Chart 1 KOKEDHIMA MEDIA GROUP OWNERSHIP



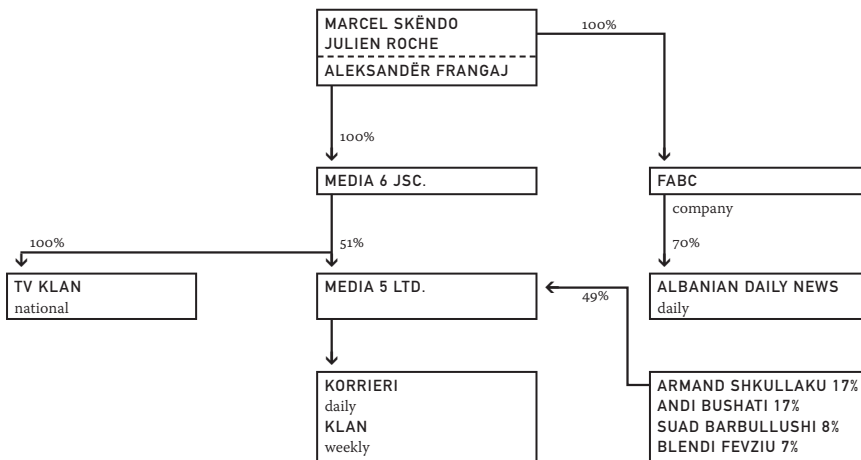
### 5.3.2 KLAN GROUP

Another important group is what can be defined as the Klan group, named after the national TV station and the magazine this group owns. More specifically, it is the Media 6 JSC., which owns the national television, and it is made up of Julien Roche, a French citizen, Marsel Skendo, and Aleksander Frangaj. The first two are businessmen who own other companies. Frangaj was an equal-share partner in the Koha company, which owned the best selling newspaper until the late 1990s. Frangaj sold his part of the company to his partner in order to join the Klan group. There is a discrepancy of data in this case: according to one source, the three partners own equal shares in their company,<sup>41</sup> and according to another, Frangaj owns 50 percent of the shares, and the other two the rest.<sup>42</sup> The second source is most reliable, as it is specialised in the area and is more regularly updated than the first. If we assume that the data from this source are correct, the company has

breached the law, since a natural or legal person cannot own more than 40 percent of the shares in a national electronic media.

The Media 6 JSC. also owns 51 percent of Media 5 LTD., which publishes *Korrieri*, one of the top selling newspapers, and *Klan*, probably the most reputable general weekly magazine on the market. The remaining 49 percent of this company is distributed as follows: two prominent journalists, one currently the director of *Klan* magazine and the other of the news department at *TV Klan*, own 17 percent each; another seven percent owner is the director of *Korrieri*, a well-known journalist, and the remaining eight percent owner is a designer. This is one of the rare cases in Albanian media where the owners of shares are employees.

Chart 2 KLAN MEDIA GROUP OWNERSHIP



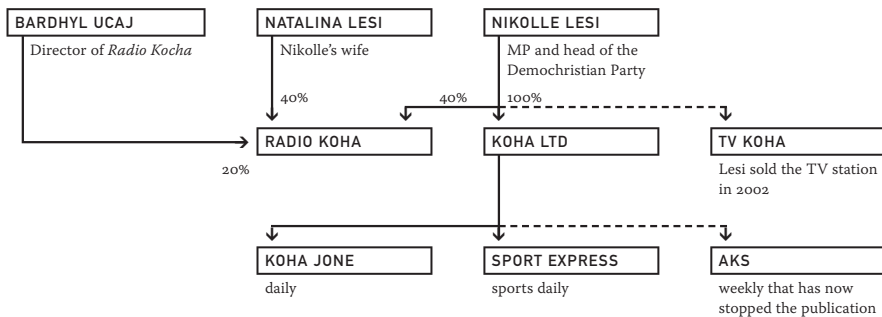
Apart from the TV, paper, and magazine, this group also owned *Radio Klan* which closed down a few years ago. As is often the case with these large media groups, the owners' business dates back to a time before the establishment of the media outlets. So, the cooperation between Roche and Skendo dates back to the time of the establishment of the first private Albanian airline company, *Ada Air*, in which they had equal shares and which closed in 1998. Other businesses include the FABC company which is again a joint and equal-proportioned cooperation between the two. This firm, apart from trade and other activities, owns 70 percent of the shares in a company called Independent Albanian Economic Tribune, which publishes a daily, *Albanian Daily News*. This is the only paper in English, targeted at foreigners only, and the most expensive one in the market. The paper

was also the first among the dailies to build a website, with bilingual information.<sup>43</sup> FABC also owns 30 percent of Adaelekt and 40 percent of Adagips, companies involved in publishing and trade. Another two companies equally owned by Roche and Skendo are Alba-com and Maro, companies dealing with trade and communication appliances. Although it cannot be said with certainty that all of their activity has been extremely successful business ventures, the Fasada company has certainly been a success. It is one of the first post-production studios, and Skendo and Roche own 51 percent of the shares, whereas the rest is shared between two professionals that work in this studio, meaning that the pattern of ownership is the same as with the publications above.

### 5.3.3 KOHA GROUP

Another group to consider is Koha, very much connected with the name and personality of Nikolle Lesi, its owner. The publishing group Koha owns the daily *Koha Jone* and the sports daily *Sport Ekspres* with shares 100 percent owned by Lesi.<sup>44</sup> 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 actual director. Lesi also used to own *TV Koha* which he sold in late 2002. The Koha group also published a weekly magazine, *AKS*, which was considered to be a quality literary and cultural magazine.

Chart 3 KOHA MEDIA GROUP OWNERSHIP



Unlike the previous groups, the Koha group did not own any business prior to the establishment of media groups. In fact, the *Koha Jone* (established 1991) became the best selling newspaper after people started to lose interest in the other papers and in public TV, which were controlled by the Government of that time. In the period of its glory, this paper boasted some of the top investigative journalists and columnists. Lesi himself has been a member



of the Parliament for two terms now, and until recently elected with the support of the Socialist Party. Although officially an independent candidate until the last elections, at present he is head of the Demochristian Party. Lesi is also a member of the Parliamentary Commission on Media. However, it is hard to determine his affiliation, since his paper's editorial policy seems to switch in accordance with the relations he has with other politicians.

#### 5.4 FOREIGN MEDIA OWNERSHIP

Another group that certainly deserves mentioning is the Edisud JSC., owning a daily, *Gazeta Shqiptare*, *Radio Rash*, *TV News 24*, and *Balkanweb*, an online news agency. The broadcast media are registered under the company Edisud Radio-TV LTD., which is 100 percent owned by Edisud.<sup>45</sup> This company has an all-Italian ownership. The first product that came on to the Albanian market was a daily paper, often criticised by media experts as a sensational one, but it was quite successful. This paper was published before WWII in Albania, banned after the war, and resumed in 1993, to be later followed by other media outlets. The last one to emerge was the TV station, a news channel, the only one in the Albanian market. However, it seems that with the implementation of the piracy law, TV stations that cannot afford to buy programs have switched to this more economic way of living, although its sustainability is yet to be tested.

The only other media outlet owned by foreigners (excluding Roche's shares mentioned above) is the TV station, *Telenorba Shqiptare*, which is 40 percent owned by an Italian company, another 15 percent by two Italian persons, and the last 45 percent by Albanian persons.<sup>46</sup> These are the only cases of foreign ownership in the Albanian media; otherwise, the concept of a foreign group controlling important media is only present in the case of Edisud JSC.

#### 5.5 OTHER MEDIA

There are other media that deserve mention, although not classified as a group, or at least not apparently so. One of these is *Top Albania Radio*, the first private radio station to receive a national license. It is owned 40 percent by Vjollca Hoxha, 40 percent by Zhuljeta Lamaj, and the remaining 20 percent by Zyhra Hamiti. This is supposed to be the most popular radio station in the country,<sup>47</sup> using state-of-the-art technology, targeted at young people, and heard even beyond the borders, but its owners are virtually unknown. Moreover, they are all women, and that is quite an exception in media ownership structure in the country.

This radio station shares premises with *Top Channel*, owned by Dritan Hoxha, who is also the director of this TV station. This TV station was launched two years ago and has had a significant success. According to the latest research, *Top Channel* ranked third after the national *TV Klan* and the public *TVSH*<sup>48</sup> even though it has only a local license. This TV station has also practiced a form of networking with local TV stations outside Tirana, thus

managing to distribute its programming in cities where it was not allowed to broadcast. This TV station has been one of the most ambitious ones, and it seems that it will soon apply for a national license, in which case it should change its form from the present limited liability company to that of a joint stock company. The owner of this company also owns a graphic and advertising studio, whose quality work is evident in the *Top Channel* programs too. Before venturing into the media field Hoxha made his way through the coffee trade, establishing almost a monopoly over it in the country.<sup>49</sup>

## 5.6 CONTROVERSIAL MEDIA OWNERSHIP ISSUES AND CASES

Unlike in many other countries in the region, foreign ownership is definitely not an issue in Albanian media, but political influence certainly is. The debate on the relation between media owners, politicians and businesses has been attracting increasing attention recently. The potential ramifications of uncontrolled ownership and financing have started to be mentioned by politicians as well as media representatives and owners.

### 5.6.1 POLITICIANS AS SHAREHOLDERS

The sale of *tv Koha* is one recent example of the sale of shares to politicians. Lesi, its formal owner, sold to a group of politicians and businessmen. Agron Duka, businessman-turned-politician, and his brother Armand Duka, own 25 percent each, Ardian Abazi owns ten percent, whereas Lefter Koka, a businessman recently elected Mayor of Durrës, the largest port in the country and an important city, owns 40 percent.<sup>50</sup> At present this TV station has almost stopped broadcasting, owing to the implementation of the piracy law. However, the ads for a new and powerful re-launch run prominently all the time, and this TV station is undergoing reformation. If it resumes broadcasting it would be interesting to follow the development of the TV station and its editorial policy, considering that the main owners are the Minister of Agriculture and the Mayor of an important city, both of them businessmen, thus with a cluster of interests to protect and especially to promote.

### 5.6.2 KEEPING THE PRICE LOW

The issue of protection and promotion of interests concerns all Albanian media, and it has surfaced recently in an investigation on print media practices. On Lesi's request in the Parliament, in October 2003 the DEC started an investigation into allegations that certain papers were sold at prices below their production cost, breaching the Competition Law and the special amendment on the press. Since the law does not bind the papers to submit information to the DEC, the only papers that were willing to cooperate were *Koha Jone*, owned by Lesi, *Panorama*, owned by the Panorama group JSC., and *Zeri i Popullit*, owned by the Socialist Party. *Shekulli*, *Sot*, *Republika*, and *Rilindja Demokratike*, the other dailies

involved in the request for investigation, did not submit any data. Since the last two, along with *Zeri i Popullit* are party papers, they were excluded from the investigation, because they are not subject to the Law on Competition.

More importantly, this episode illustrates one of the methods denounced as politicians' attempts to buy favorable media coverage. As a report states: "Print media are divided and divisive, run either directly by politicians or their friends in business."<sup>51</sup> Since media experts agree that it is impossible to be on the market by charging 20 leks (approximately EUR 0.15), as *Shekulli* does, the owners should reveal their funding sources. In a recent TV show *Kokedhima*, the owner of *Shekulli* attributed the success of his paper to the staff rather than to the cheap price of his paper, but did not really address the pricing question<sup>52</sup>. Although he invited the participants in the show to his media outlets, the paper did not cooperate in the DEC's investigation. Other papers that sell at 20 leks include *Republika*, *RD*, *Sot*, *Ballkan*, and *Panorama*. While the first two are party papers, the other papers are relatively recent ones, owned by persons who have previously established other businesses, such as trade activities.

Another guest in the show featuring *Kokedhima* was the publisher of *Panorama*. A businessman in various trade activities in the early nineties, he also has shares in the main privatised Albanian beer company, *Birra Malto*. During this show he also declared that he and a co-owner of the beer company had started *Panorama* and bought shares in *Dita* respectively, which is sold at 30 leks, while the most expensive paper is 40 leks. Apart from allegations relating to prices, other allegations by media experts include traffic of influence between businessmen and politicians, thus using the paper coverage in exchange for business favours. "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 the free and accurate information,"<sup>53</sup> says Alba Malltezi, once vice-director of *Gazeta Shqiptare*, and presently director at *TV News 24*.

External funding is the only way a media can survive in this small market; this is a conclusion lately voiced by some experts, and this opinion does not exclude the broadcast media. The latest report by the IREX on media sustainability stresses that the media survived through support from their owners' other successful businesses, rather than through advertising revenues: "The advertising pool of USD 5–8 million just does not go far enough to sustain the 65 television stations, 35 radio stations, and 19 dailies."<sup>54</sup>

Apart from the investigation on dumping prices in print media, there have been other public denouncements of what is referred to as the Berlusconi syndrome. One of the most outspoken persons in this field is analyst Fatos Lubonja who has lately started to point at the media's relations with politics, especially in the case of the *Spekter JSC*.. In an ongoing suit for defamation filed by *Kokedhima* against Lubonja, Lubonja is attempting to

present proof in an attempt to verify Kokedhima's relations with and obligations towards politicians. Lubonja claims that these proofs show that the then-Minister of Culture and present Mayor of Tirana has secured public tenders for Kokedhima's company in a manner that was not in conformity with the legal procedures.<sup>55</sup>

Unfortunately, the influence of the main media groups cannot be translated into their market shares. Research on media, their activity and influence, is totally lacking. There are only sporadic audience surveys, which do not include all of the territory, and there is no data on circulation and readership apart from that which the owners and publishers decide to provide of their own will. In this context it is very difficult to determine in a clear, scientific way which is the most influential or popular medium, and more importantly, what is its profit from its activity.

## 6 CONCLUSIONS

In general, mapping the ownership pattern in the Albanian media landscape is not an easy task in view of the weak infrastructure of the data system in this area and the legal pitfalls that can lead to the disguise of ownership. Overall it can be said that the media owners have a business background and have continued to tend to their businesses; moreover, they have expanded it. Although the media landscape is extremely rich in terms of the number of outlets, almost unnaturally so, it is possible to map the main media groups. Their owners have constantly been in the spotlight, particularly recently, with ongoing mutual accusations of relations with political groups. However, the legal deficiency and the weakness or lack of willingness of regulatory bodies have not enabled a conclusion to be reached regarding these allegations. Consequently transparency about media ownership, activity, and their influence on the public are immediate needs in the development of media pluralism and its independence. As one media analyst put it: "The Albanian press will start to enjoy its freedom when the first paper that is not read, and the first television which is not watched, but are only paid to exist, go out of business. We must strive to achieve that day."<sup>56</sup>

## NOTES

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- 3 Draft Law on Press, 2001.
- 4 Law on Press no. 8239, 1997.
- 5 Law on Private and Public Radio and Television, Article 26, no. 8410, 30 September 1998.
- 6 Law on Private and Public Radio and Television, Article 20, no. 8410, 30 September 1998.
- 7 Law on Private and Public Radio and Television, no. 8794, 10 May 2001. For some changes in the Law on Private and Public Radio and Television no. 8410, 30 September 1998, Article 7.
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- 9 *Guide for Electronic Media*, Institute for Public and Legal Studies, Tirana, January 2000, p. 10.
- 10 NCRT Decision no. 10, 15 May 2000, amended by NCRT Decision no. 52, 16 July 2001. Criteria on Licensing Private Operators for FM Radio and Television Broadcasting.
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- 14 *Guide for Electronic Media*, Institute for Public and Legal Studies, Tirana, January 2000, p. 12.
- 15 Law on Commercial Companies, no. 7638, 04 November 1992, Article 38
- 16 Law no. 7667, 28 January 1993: On Commercial Register, Article 33.
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- 19 Imholz, Kathleen, Elina Koçi & Robert Rittler, *Electronic Media Law in Albania*, January 2001.
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- 22 Law on Competition, no. 8044, 07 December 1995, Article 58.
- 23 Law on the Protection of Competition, no. 9121, 28 July 2003, Article 3.
- 24 Law on the Protection of Competition, no. 9121, 28 July 2003, Article 12.
- 25 *The Cost of Speech*, Human Rights Watch, June 2002, 14/5, p. 47.
- 26 *The Cost of Speech*, Human Rights Watch, June 2002, 14/5, p. 48.
- 27 *The Cost of Speech*, Human Rights Watch, June 2002, 14/5, p. 52.
- 28 *The Cost of Speech*, Human Rights Watch, June 2002, 14/5, p. 53.
- 29 Among the papers that refused to respond were *Shekulli* and *Sporti Shqiptar*, published by the same owner, which are considered to have a quite large staff. Thus the figure is to be taken with reservation, but it still conveys an idea of the situation in the labour market. (*Monitoring Albanian Media Landscape 2002*, Albanian Media Institute, Maluka, 2003.)
- 30 Law on Private and Public Radio and Television, no. 8410, 30 September 1998, Article 5.
- 31 Law on Private and Public Radio and Television, no. 8410, 30 September 1998, Article 5.
- 32 *Monitoring Albanian Media Landscape 2002*, Albanian Media Institute, Maluka, 2003, p. 5.
- 33 NCRT on Licenses, <<http://www.kkrt.gov.al>>, accessed on 30 December 2003.
- 34 The circulation figure is more an estimate rather than an exact number, since nobody knows the real circulation. The newspapers are not required by law to declare it and the only figures available come from the Albanian Media Institute's survey, provided by the editors or publishers themselves, and thus not extremely reliable. Also, some of them refused to supply any figure at all, as was the case with the *Spekter jsc.*, probably the largest one in print media. (*Monitoring Albanian Media Landscape 2002*, Albanian Media Institute, Maluka, 2003.)
- 35 There is a total vacuum of market analysis in Albania, not only in the media field. However, this market is extremely small for 19 dailies.

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- 43 See <<http://www.albaniannews.com>>.
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- 45 NCRT, Department of Jurisdiction and Licenses.
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- 53 Interview with Alba Malltezi, *Indexmedia*, no. 1, 2002, p. 37.
- 54 *Media Sustainability Index 2002*, IREX, <<http://www.irex.org/msi/2002/country/Albania.pdf>>, accessed on 2 February 2004.
- 55 "Lubonja: Edi Rama gave illegal tenders to Koco Kokedhima," in *Tema*, 23 December 2003, p. 10.
- 56 Mero Baze, "The press, after 1997, the only pyramid still in place", in *Indexmedia*, no. 1, 2002, p. 32.