

## **An Alternative to the Vicious Circle of the Economic Problem of Albanian Media**

### **IN SEARCH OF AN “EXIT”**

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#### **1 - The emergence of the economic problem in the Albanian media**

The 1994 press debate on the press bill focused on such aspects of the law as “the right to reply,” “judicial penalties for libel and defamation,” “fines or prison terms for violation of journalism ethics,” etc.

Ten years later, the present extensive debate on the press bill has as its most controversial points “competitiveness on the media market,” “dumping prices of newspapers,” “exclusion or not of media owners from public tenders,” and “criteria for distributing government advertisements”.

This is the fundamental difference in the range of problems between the two distinct phases of Albanian media: the first stage consists of institutionalization of press freedom (1992-1997), while the second stage can be counted to start after 1999.

Nothing is the same in Albanian media, at least compared to seven, eight or ten years ago. In the brief period of seven to eight years, the agenda of Albanian media problems and their role and place in Albania’s democratic attempts after 1990 changed dramatically. The problem of freedom of press in its first stage was in its “raw” shape, namely it was a struggle of freedom of expression to take its due place in a society that was not used to it, and facing a state that was somehow hostile to freedom of press.

Currently, we face a completely new situation. If we are to continue the above symmetry, the problem of press freedom today appears in its “net” shape: it appears in the guise of the economic problem of Albanian media. This situation brings into the foreground the problems that have existed before, but have now assumed a completely different place and have new dimensions and causes.

The discussion on media economy is today at the focus of the debate on freedom of expression and freedom of press in Albania. The political debate, the parliamentary initiatives on the problems of press, the television debates, comments, opinions, and media analysis that address the economic aspects of the media sector and the relations between media and authorities, all witness to the relevance of this topic. The Albanian Center for Media Monitoring reaches this conclusion: “The financial situation of both the print and the electronic media displays clear elements of crisis, which stems from the exaggerated figure of media in an economically weak country. The advertising revenue is estimated to be about 15 million USD per year for Albanian media. This figure is far from sufficient for the sustainability of the large number of private media outlets.”<sup>1</sup>

The media system in Albania has a feature that is common and stable to all elements of the system: a plethora of all kinds of media outlets and, in addition, rumors of projects for new newspapers or other media that are not lacking in the community of journalists. No simple accounting could ever explain the sustainability of this extremely high number of media outlets in a country of three million people, one-third of whom live abroad. The advertising market seems to be incomparably weak next to the bloom of the media system. *Monitor*, the most prestigious economic magazine in the country, estimated some months ago that “the advertising market in Albania ranges from 12-15 million Euro per year.” Meanwhile, it is quite clear that the sums invested in the media market presently are perhaps ten times larger.

Even official authorities take note of the profound difference between the market potential for self-sustainability of the media industry and the reality we face. In its 2003 report to the Parliament, the National Council of Radio and Television stated: “The

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<sup>1</sup> ALBANIAN MEDIA MONITORING, 1, 2004, “Media Panorama – 2004.”

Albanian advertising market does not provide the necessary financial support for the survival of the exaggerated number of operators, especially television operators.”<sup>2</sup>

Fatos Lubonja, a well-known publicist, who has dealt with problems of Albanian media, has formulated his own thesis on the “corruptive relations of media – politics – business.” He states: “This kind of business-corruptive-media system, which can be dubbed Pyramid Schemes 2, seems to be drawing to an end. Similarly to the case of destruction of the system of Pyramid Schemes 1, it is precisely the endless multiplication of pyramids that brought their end. These pyramids were mainly erected to serve the business of their owners, but there were so many of them that no politician could satisfy their devouring appetite.”<sup>3</sup>

However, there are exceptions to the rule. The Albanian media system is relatively young: the race is still fresh and the unmerciful logic of natural selection on the market has not yet taken root. On this market there are some media companies that do make profit. This is the message of the publication of the economic balance sheet of Spektër jsc. in *Biznes* newspaper. This company is owned by Koço Kokëdhima and publishes the largest newspapers in the country, such as *Shekulli* and *Sporti Shqiptar*. The newspaper states that Spektër jsc. had 9.8 million Lek (approximately 78,500 Euro) in profit for 2003. This company has often been the target of charges from members of parliament and other publishers, who accuse it of “ruining the Albanian press market by selling newspapers under their cost of production.”

What is the economic structure of the media sector in Albania? What are the methods of financing the media today, and all other ensuing questions? These questions constitute the center of an extensive debate in the country. However, more often than not, the different actors involved in this issue are interested in saying only part of the truth.

Far more important than this seems to be the question: what is the influence of this economic dimension on freedom of expression in Albania nowadays, and how does this media structure affect the health of Albanian democracy? Exploring such a complicated topic risks to lead to a dead-end street, where freedom of expression, journalism ethics,

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<sup>2</sup> *The Annual Report of the National Council of Radio and Television, 2003, to the Parliament of Albania.*

<sup>3</sup> *Fatos Lubonja, Korrieri, “Debate on media: development or decline,” 11 July 2004.*

and media business are closely entangled. The disentanglement of this triangle seems to be a difficult trial.

## **2 - All the angles of a problem**

### **a -The economic structure of the Albanian media, its concentration, and the emergence of media groups**

The economic structure of Albanian media today mainly stems from free entrepreneurship, namely private ownership, with the exception of Public Radio and Television and the Albanian Telegraphic Agency, as well as some specialized publications of government bodies, with insignificant weight on the information market in the country. Data on media economy, distribution, cross-ownership, etc., is still quite incomplete in Albania. This is due to two reasons: the low degree of transparency of state bodies and the high scale of informality in the media sector, which, on the other hand, reflects the general level of informality that exists in the Albanian economy.

So far, it has happened only once that a government official, more specifically Fatos Nano, the Prime Minister, made a summary of the media business in Albania. In a report to the Parliament in July 2004, Nano offered the following data: "Currently, there are 126 private subjects that carry out media activity in the form of radio and television stations. There are 22 daily newspapers. Unfortunately, the daily circulation of all newspapers does not exceed the figure of 70-80,000 copies, which ranks Albania in the last place in Europe regarding the number of copies per person."<sup>4</sup>

It is possible to sketch a simplified scheme of the economic structure of the Albanian media by using media owners as the main criterion, and thus assessing the evolution and classification of this sector based on the ownership criterion. In the first years of the democratic struggle in Albania, free press appeared in the shape of party newspapers and government bodies' publications. When drafting the history of press, the first private newspaper is considered to be *Koha Jone*, whose first issue dates back to 11 January, 1992. The newspaper came into being when two local journalists, Nikollë Lesi and Aleksandër Frangaj, privatized the newspaper of the Committee of the Party of Labour of

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<sup>4</sup> Fatos Nano, *Speech to the Parliament of Albania on media problems, July 5, 2004.*

Lezha. Afterwards, a series of other private newspapers emerged, which all had one thing in common: the owners were also editors, causing a superposing of the owner with the journalist. Along this line, other newspapers that illustrate this example were *Dita Informacion*, *Populli Po*, *AKS*, *Sport Ekspres*, etc. An exception in this case is *Gazeta Shqiptare*, which has a different ownership structure. This newspaper is published by an Italian newspaper, based in Bari, Italy, called *La Gazzetta del Mezzogiorno*. To this day, this newspaper marks the only example of foreign ownership in the Albanian press sector.

This situation lasted until 1997, when the change of power in Albania marks the outlining of another phenomenon: involvement of businessmen in the media, hence investment in the media from the new Albanian entrepreneurs, who had established assets by investing in other areas of economy. So, in February 1997 the *Klan* magazine is published, whose co-owner is Marsel Skendo, one of the richest businessmen in the country, also known as the first Albanian millionaire after the 1990s. Koco Kokedhima, another businessman, established *Spekter* jsc. in September 1997. This is a company whose only scope is periodical publications, such as the daily *Shekulli*, which became the largest daily in the country within a year of establishment.

Since that period, many other businessmen or economic groups have entered the market, introducing thus a new “person” in the media: the publisher, whose function is divided by the journalist and the editorial team. From this point on, the owner is somebody who invests in the media and determines the editorial policy, while the editor-in-chief and journalists are employees who do the work in a media outlet.

The change has an immediate effect. Within two years, the media landscape changes. Newspapers that used to be large at the time, such as *Koha Jone*, *Albania*, etc., whose owners are still journalists, go to the lowest ranks of the circulation ranking. Some others, such as *Dita Informacion*, *Populli Po*, etc., shut down, unable to resist the entrance of businessmen in the media market. The new televisions, which emerge after 1997, certainly have powerful businessmen standing behind them, with the exception of some sporadic cases of some passionate person who establishes a radio station with no particular influence.

The new era of the Albanian media, which could also be dubbed as the era of businessmen, developed at a rapid rhythm over the last eight years. In this period, a very large number of entrepreneurs decide to invest in the media. This new era evolved around a new axis: the businessmen or economic groups in the media are at the center of the debate on the media in Albania, rendering the economic problem and its consequences, such as conflict of interest, the business-media-politics relations, competition among the media, etc., the most acute problems that plague the media landscape.

An editorialist of the *Shekulli* newspaper states desperately in a call for professional awareness and the missing courage of Albanian journalists: “As a conclusion, the role of publishers is so great and unrivalled that it is becoming part of our culture to accept this role; to accept that all mass media operators are supported by entrepreneurs and hence they must control everything (this is so true that in the process of writing this article “against publishers,” I do not have even the slightest guarantee that this piece will eventually be published.) In all this discussion, the large community of journalists has been ignored in the most offensive manner. The journalists themselves have agreed to be ignored and offended.”<sup>5</sup>

From the viewpoint of evolution of the economic structure of the Albanian media, it can be said that the problem of concentration has not appeared yet, considering that there are continuous new entries in the media market and that none of the media outlets have shut down. In economic terms, this would translate as insignificant cost of market entry, hence it is more preferable to start new media outlets than buy existing ones.

On the other hand, from the management point of view, we can notice the emergence of media groups, meaning that there is a closed circle of media production or media kinds within a single company. For example, *Spekter* jsc, publishes the daily *Shekulli*, *Sporti Shqiptar*, and *Biznesi*, and the magazine *Spekter*, and owns the news agency *ALNA* and the advertising agency *IMAZH*. 2K Grup, owned by Kokëdhima or his family, also own the national *RADIO + 2* and the regional *A1Tv*, which is preparing to broadcast full time.

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<sup>5</sup> Mustafa Nano, *Shekuli*, 4.09.2004 “Mass media and the power of publishers.”

The Klan group, more specifically the companies Media 6 and Media 5, own the national television *Klan*, *Radio Energy*, daily newspaper *Korrieri*, the weekly magazine *Klan*, and finally the digital pay-per-view satellite television *SAT +*.

The Top-Channel group owns the regional, but highly popular *Top-Channel* television, the national *Top Albania Radio*, the record company *Top Records*, the advertising agency *VGA Studio*, and finally the digital terrestrial television *Digitalb*.

The Panorama Group owns the newspaper *Panorama*, the daily with the second largest circulation. This group has also announced plans to start a magazine and a television station. The group Media Union owns the weekly economic magazine *Monitor* and two monthly publications – *Shqip*, targeted at Albanian emigrants, and *Automoto*, specializing in cars.

Audiovisual media in particular are the passion of the new Albanian media entrepreneurs. This media sector was regulated in 1998, when the regulatory authority, the National Council of Radio and Television, was established. Ever since, this sector has been particularly dynamic.

Albanian legislation has some limitations with regard to ownership. For example, a single person cannot own more than 40 percent of shares. Also, persons who own shares in a national television cannot own shares in a national radio. There are other additional limitations, which aim to hinder concentration in this delicate sector. However, these limitations are not wholly functional yet for two reasons: the relevant persons do not abide by the law, or they abide by the law in a fictitious way. The real owners have distributed their shares among brothers, wives, or trusted employees, while in reality they control everything. This is easily seen when checking the blood relations of the shareholders in most radio and television stations.

An essential development in the area of radio and television stations has been the introduction of the broadcasting rights law on audiovisual media in November 2003. This law has led to the interruption of broadcasting of programs without copyrights and has been a significant incentive for competition in this area: now it is not sufficient to steal programs and broadcast them; you have to produce programs or buy them.

Pay-per-view television appeared last year, after the introduction of the law on broadcasting rights. This kind of television is still taking its first steps and is considered to be “experimental” by the authorities. The Top-Channel group has started the pay-per-view digital terrestrial television *Digitalb*, which broadcasts soccer matches of the European championship or the latest movies. The Klan group has acted similarly, starting the pay-per-view satellite television *SAT +*, which has similar broadcasting programs. However, the problem of copyrights is still unclear with regard to pay-per-view television. In this context, enforcement of the law on broadcasting rights is weakened. Regarding broadcasting rights, the new situation seems to be the following: instead of freedom for everybody to steal foreign programs, now only two or three companies can steal, and moreover sell the stolen programs to people.

It seems that pay-per-view television will be the next economic battle in Albanian media. Media entrepreneurs consider this as the only way to adjust the economic balance of television stations on an extremely small advertising market. Offering a personalized viewing package is one of the most widespread forms in USA and Europe. However, this development has posed a new problem for the Albanian legislator.

The Parliamentary Commission on Media has been considering a bill on digital television or pay-per-view television for some months now. Musa Ulqini, head of the commission, “soothes” broadcasters in this area and conveys the following perspective on the problem: “Even though the broadcasters have not yet received legal rights for digital broadcasting, they have the right to continue broadcasting, until the Parliamentary Media Commission can draft a bill that will be acceptable to domestic and foreign actors.”<sup>6</sup>

The media groups that have invested in pay-per-view television are exerting tremendous pressure to speed up legal regulation of the situation, which would guarantee the investments made so far. However, the problem is still unsolved, due to the intermingling of interests of many actors in this business and the short experience in this area for Albanian legislators. What is the difference between pay-per-view and free broadcasting? Is every sold broadcasting card a normal product which is to be taxed? What should be the quotas of Albanian or foreign programs? These are just a few

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<sup>6</sup> *BIZNES newspaper*, 10.11.2005.

questions that the new law on digital broadcasting should address. Pay-per-view television is an unfinished story.

### **b - Competition and informality in Albanian media**

The question of the degree of competitiveness in the Albanian media industry arises. The problem is quite acute and becomes more severe when posing other questions: why is there such heavy investment in this sector and why are there so many operators on such a small market and small economy, which produces a modest advertising market? Where does this money come from? These questions were answered by Prime Minister Nano in his report on the media sector to the Parliament: “When looking at the annual balances of FM radio stations, only *Top Albania Radio* had suffered losses. Likewise, half of the licensed television stations have suffered losses. It is interesting to note that according to official facts, only 45 percent of income comes from advertisements, five percent from sponsoring and almost 50 percent from “other sources.”<sup>7</sup>

According to the Prime Minister and the assumed authority of the official data, the degree of informality in Albanian media is truly high. As a result, it becomes extremely difficult to have optimal conditions for competition, when it is a given fact that the formality of the economy is one of the main preconditions for effective economic competition.

“There is no fair competition in the media.” This is the scream of publishers against the new Albanian media entrepreneurs. The main cause is that newspapers are sold under their cost of production. First, Nikollë Lesi, owner of the well-known newspaper in the first phase of transition, *Koha Jone*, has demanded that two amendments be included in the new press bill. These amendments prohibit selling newspapers under their cost of production, determining a floor price for all daily newspapers. The Lesi – Brace amendments have encountered strong opposition and so far they have not passed in the parliament.

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<sup>7</sup> Fatos Nano, *Speech to the Parliament of Albania on media problems, July 5, 2004.*

## **Income generated from government advertisements**

The government and all its public agencies are one of the main advertisers in the country. Government advertisements are one of the main sources of income for Albanian media, as well as a powerful tool for the government to “select” the media that will receive government advertisements, in accordance with their pro-government editorial policy, or to punish the media that oppose the government. There is no clear, decentralized system of distribution of government ads and notifications of public bodies. There are no clear legal regulations on the allocation of government advertising, which leads to creation of policies for distributing funds that seem appropriate to the government, local authorities, and directors of public enterprises.

The Prime Minister Nano’s reports summarized data on funds for government ads, the manner of their distribution, and above all the aim of this system: “I deem it appropriate to shift your attention to the direct contribution of the government and its structures to the aid of free media through sponsoring. Had we taken the advice of international agencies dealing with freedom of expression, today the media market would be short of more than one million USD per year, which is provided by government advertising and other notifications.”<sup>8</sup>

Those media outlets that have a right-wing or center-right wing editorial policy, such as the newspapers *Tema* and *55*, and the television *Shijak TV*, etc., are clearly excluded from government advertising distributed according to this system. These media outlets have complained continuously about not receiving advertisements from state agencies and public enterprises. No mechanism or rule has been found to fairly distribute government advertising, in spite of all proposals made so far.

Anyway, if we go back to the Prime Minister’s statement, we can see that it is a contradictory one. Who is responsible for the high degree of informality in the Albanian media, for the possible penetration of crime and laundered money in the sector, who will fix the situation, and why nothing is being done about it? Lubonja analyzes Nano’s report to the Parliament along these lines: “The Prime Minister was examining important

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<sup>8</sup> *Fatos Nano, Speech to the Parliament of Albania on media problems, July 5, 2004.*

problems: all that media superstructure that serves the structure of illegal economy and is supported by unknown sources, but, paradoxically, who is directly or indirectly responsible for the situation? It is precisely Nano, his government, and his friends.”<sup>9</sup>

The Prime Minister has his own version explaining why the fuss over press freedom has become a tool of blackmail for publishers to carry out their illegal interests and investments. He lists in his report some legal problems that Albanian publishers face in their enterprises other than media outlets: “It is not rare that media have been used to cover or justify informal and illegal actions of their owners, such as illegal construction. Every visit paid by the Construction Police or other legal state agencies has been muffled by the so-called defenders of media freedom.”<sup>10</sup>

One of the most flagrant forms of media informality in Albania is the lack of working contracts and social security for journalists. It is a fact that the overwhelming part of journalists work without contracts and are paid just a minimal percentage of social security. Again, the Prime Minister reports the most accurate data any senior Albanian official has ever given on this problem: “According to the data that the relevant state institutions possess, most journalists and media employees work without contracts. Even the few that work legally are paid social security based on a ridiculously low wage.”<sup>11</sup>

It is clear that since media owners do not abide by the Albanian laws and have illegal properties, journalists who work for these owners enjoy extremely limited freedom to report the truth. At the same time, considering that work contracts and social security payments are not respected, journalists are extremely exposed to being sacked and to having their rights violated. Finally, being unable to tell the truth about their owners and working without contracts themselves, journalists have lost an important part of the professional morale to report the truth about the government and to implement the professional code of ethics.

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<sup>9</sup> *Fatos Lubonja, Korrieri, July 7, 2004*

<sup>10</sup> *Fatos Nano, Speech to the Parliament of Albania on media problems, July 5, 2004.*

<sup>11</sup> *Fatos Nano, Speech to the Parliament of Albania on media problems, July 5, 2004.*

### **c - Relations between media and authorities and their implications on media pluralism and freedom of expression**

In order to deride the bourgeois and imperialist world in the 80s, the then-Party of Labour-owned newspaper *Zeri i Popullit* regularly published a section called “In their own words,” where excerpts from Western press were published, featuring problems that plagued the West, such as unemployment, drugs, corruption, poverty, etc. This section was clearly an absurd one. The same metaphor seems to apply to the situation of the Albanian press and Nano’s reporting on it to the Parliament.

What is the level of freedom of press, pluralism of ideas, implementation of standards of professional ethics in the media system, which receives half of its financing from informal or unknown sources? What could be the degree of courage that publishers have to criticize the government when they have their own legal problems with the government? It is clear that such a high informality level in the Albanian media reflects in a great part the laundering of money earned in an illegal or criminal manner by the new Albanian entrepreneurs. These entrepreneurs cannot stop launching new media to launder their money, as well as their public image. It is also clear that entrepreneurs who have such considerable problems with the law and their properties are easy targets of blackmail from the police. Also, all the media that employ journalists without contracts constitute an easy target for the fines of the State Labour Inspectorate.

All this data on informal or dark financing of the media is no longer an estimate. This is official data and the stance of the government, as articulated by Prime Minister Nano. Unfortunately, all the data reported by Nano refers to the main media outlets, which account for an overwhelming part of circulation or audience. In this context, the editorial policy of these media outlets is pre-determined: they must be with the government. The part of Albanian press more sensitive to this statement is the one that has applied a clear editorial policy against the socialist government all these years. Mero Baze, editor-in-chief of *Tema*, a daily newspaper, explains his difficulties in maintaining a newspaper that the government has not ranked on its list of the “stick and carrot” policy: “I could write a whole book on the sacrifices I have made to guarantee the financial survival of a newspaper that applies an editorial policy that unmistakably opposes the government. Even more so when considering that 90 percent of Albanian media have an open pro-

government editorial policy or pledges their support to some lobby in power, against the backdrop of endless rivalry among groups of the party in power all these years.”<sup>12</sup>

Pluralism of ideas and proportionality of space given by media to political alternatives of the left and right wings have faced a serious threat all these years. Nearly 95 percent of the daily circulation of newspapers belongs to those newspapers that have an openly pro-government stance at worst, or refine their political opinion closer to the left center, at best. Newspapers such as *Tema* and *55*, with an editorial policy close to the opposition or the right center, have an insignificant percentage in the total daily circulation. The same is true of television stations, where *Shijak TV* is an exception, since it supports the opposition.

It is clear that the government, more than any of the other actors, is interested in preserving this status quo, considering that the media system is ruled by informality, competition is lacking, press freedom depreciates, along with freedom of speech and the profession of journalist. Lubonja succinctly describes the situation as “an equilibrium of two evils”: “What was so evident in Nano’s speech, which started by boasting that media were free under his rule and finished by qualifying these ‘free’ establishments as part of the structures that feed on illegal economy? Is or is not Nano the Prime Minister of this country? It is evident that Nano is much aware of the situation, and his message to the Parliament is equally evident: will you shut up now or should I say the things I have not said yet?”<sup>13</sup>

Of course, it cannot be said that government control is pervasive. The dynamics of the frequent internal conflicts within the ruling majority, namely the struggle and rivalry for power among the lobbies in power, often creates spaces of freedom, which highlight the conflict between the government and the media. It must be said that these spaces open and close in an inexplicable way; they open with great fuss and fade away very quietly.

The most illustrative case of this sporadic conflict between the government and media is that of the daily newspaper *Shekulli*. The frequent conflicts of this newspaper with the socialist governments are notable. In 1998 *Shekulli* found itself at conflict with then-

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<sup>12</sup> *Mero Baze, editorial in TEMA newspaper, February 16, 2005*

<sup>13</sup> *Fatos Lubonja, Korrieri, “Debate on the media: development or decline,” July 11, 2004*

Prime Minister Nano and supported his rival, ex-President Mejdani. The government issued a statement according to which Kokedhima's company was a pyramid scheme and imposed a financial audit on the company, along with the other pyramid schemes. However, Nano soon was no longer Prime Minister and none of this happened. In 2001, *Shekulli* made a public pronouncement against then-Prime Minister Ilir Meta, favoring the chairman of the Socialist Party, Nano, in the conflict that took place within the party at the time. Prime Minister Meta revoked some public tenders that Kokedhima's company had won and imposed some large fines on the company.

Kokëdhima claims that his company is again a target of the government's attacks in 2005, due to *Shekulli's* criticism against Nano in the recent months. Kokedhima refers especially to the Brace-Lesi amendments to the new press bill. These amendments, if passed, will force *Shekulli's* publisher to raise the price of the paper. According to Kokedhima: "The bill under discussion aims to pressure us because of our critical stance vis-à-vis the Prime Minister's abuses. The attitude and initiative of this new press bill is motivated by political interests of the government and Prime Minister. Unable to control the media outlets that our group owns, the Prime Minister is finding new ways and tools in order to damage, weaken, and eventually shut down those media outlets that he cannot control."<sup>14</sup>

Another form of conflict of the authorities with the media are lawsuits against some well-known personalities in Albanian media, such as the publicists Fatos Lubonja and Mero Baze. Filing lawsuits against famous journalists is considered as the second phase of annihilating freedom of press, after the first phase, in which the government has secured control of the media thanks to the "stick and carrot" mechanism. In an open petition to the press and international organizations in the summer of 2004, a group of well-known journalists describes the situation in the following way: "The present threat against press freedom has appeared in the guise of a series of lawsuits against journalists, made by persons in power or private entrepreneurs, who clearly seem to have direct or indirect relations with people in power. These are two exemplary court cases that threaten

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<sup>14</sup> *Interview with the publisher of Spekter jsc, Koço Kokëdhima, SHEKULLI 20/02/2005*

freedom of press and other journalists due to the message that these cases and the defendants Fatos Lubonja and Mero Baze convey to everybody.”<sup>15</sup>

### **3 – Vicious circle: Press helps democracy or democracy helps press?**

The nature of free press in a democratic society is such that the press is a watchdog of democracy. Put another way, the press is the fourth power, which checks the functioning of the other three powers. All these statements have become clichés in a way that they are referred to as rhetoric of democracy.

On the other hand, the only authority that is in charge of guaranteeing the normal and healthy functioning of the media industry is the public authority, hence the government. The ensuing question is: what is the solution when the state is only interested in silencing or rendering the truth in the media relative and in rendering press freedom dysfunctional on one hand, and on the other hand, the media industry and its bosses are interested in taking advantage of public finance, smuggling, informal economy or organized crime?

This is a vicious circle, as are theoretically all debates on issues of democracy in Albania. This paradox has become part of the public debate in Albania when it comes to media, their relations with politics, the implications of the economic problem in the media, etc. This is how Sokol Balla, editorialist at *Klan* magazine, describes the situation: “This debate is perhaps the only case in the history of logic where both arguments are valid.”<sup>16</sup>

At first sight, it seems true that all sides are right, starting from Prime Minister Nano when describing himself and his government as victims of a blackmailing media. It is time that we distinguish, in accordance with EU standards, between business and free speech, as well as distinguish between the media businesses, which are often not clean ones, unfortunately.”<sup>17</sup>

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<sup>15</sup> *Petition on the courts against journalists by a group of journalists and media directors, Koha Jone, July 29, 2003*

<sup>16</sup> *Sokol Balla, Klan, January 29, 2004, p. 17*

<sup>17</sup> *Fatos Nano, Speech to the Parliament of Albania on media problems, July 5, 2004.*

Similarly, all those who talk about the establishment and consolidation of a “stick-and-carrot” system between the media bosses and authorities in Albania are also right. Perhaps the most flagrant case in this regard is that of ex-Prime Minister Ilir Meta, who allocated a subsidy of 600,000 USD to the main newspapers in the country with a completely unclear legal justification in 1999 and 2001.

The same is true of the present Mayor of Tirana, Edi Rama, whose predecessor Albert Brojka says: “I have no media to talk to about the current Mayor, because no one would interview me, no one would publish my article. For instance, I went to *TV Klan* and the newspaper *Korrieri*, but thanks to Edi Rama they have privatized a gym; I went to the *Shekulli* newspaper, but they would not publish my piece, since its owner Koço Kokëdhima has rented nearly 2,000 m<sup>2</sup> at the price of USD 1 per m<sup>2</sup>; I also went to *TVA*, but thanks to the Mayor they have rented the DEA hall in the center of Tirana; I went to *Top Channel*, but they have rented many halls of the International Center of Culture right in downtown Tirana at a convenient price of USD 1 per m<sup>2</sup>. Other media owners are also constructors, who await their construction permits from Mayor Rama....”<sup>18</sup>

Fatos Lubonja also summarizes this vicious circle situation, where everybody is right, everybody tells the truth, but only part of the truth: “There is no doubt that there is a great deal of truth in many things that the opposition says about Nano and his relations with the media. The same is true of many of Nano’s statements about the media. The problem, I think, is that these two truths fail to see each other in the dialectics of the whole piece, which needs to change.”<sup>19</sup>

A paradoxical situation emerges in the media debate in Albania, where all sides involved seem to be right. This is precisely the whirlpool that devours most of the solution and the alternatives for the economic problem in the media currently in Albania. This new, complex reality, entirely different compared to a few years ago, is nothing but an illustration of instability and lack of identity of the social actors in Albania, as well as a yet chaotic development of the culture of protection of interests by these actors. There are strong clashes on how different public issues are defended in the public debate in Albania.

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<sup>18</sup> Interview with Albert Brojka, ex –Mayor of Tirana, 1996 – 2000, *TEMA newspaper*, July 23, 2003

<sup>19</sup> Fatos Lubonja, *Korrieri*, “Debate on the media: development or decline,” July 11, 2004

The last case in this regard is that of the Lesi–Braçe amendments to the press bill. Analyzing the elaboration on this debate, *Klan* magazine writes: “The amendments to the new press bill are proposed by an apparently paradoxical duo: Braçe – Lesi, one of whom is a journalist, but member of parliament of the ruling majority, whereas the other is a journalist, but also member of parliament and hostile to the majority. This happens because media and politics are as close as Siamese twins: you can no longer understand who has corrupted or deformed whom.”<sup>20</sup>

On one hand, there are the media and their main actors, namely the owners, who are conditioned by the government or interested in preserving their abusing relations with the authorities. On the other hand, there is the government, which is more interested than ever in preserving the situation as long as possible.

#### **4 - The dilemma: A regulatory state or a guaranteeing one?**

Everyone more or less agrees with the idea that the media’s economic problem is also the fundamental problem of press freedom in Albania presently. Everyone agrees that there are significant problems or mutations with the media–business–politics relations. However, different actors are divided over the solutions to the problem. Even though the different actors involved in the debate have no idea where their debate fits into the topic, or of the inspiration or philosophy of the solutions, two opposing viewpoints emerge in this situation.

The idea of a regulatory state as the solution to the problems of the media business prevails in the present situation, as can be noticed in the spirit of the Lesi-Brace amendments in the new press bill. These amendments intend to pose a floor price for newspapers in order to hinder unfair competition and interventions of a “dumping” nature. Similarly, those parts of the project proposing that publishers should be excluded from competing for public tenders or the idea that government ads and notifications should not be given to newspapers sold under the cost of production belong to the same spirit.

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<sup>20</sup> Sokol Balla, *Klan*, January 29, 2004, p. 17

The “interventionists”, or those that support the idea of a regulatory state, go as far as to demand a separation of the media business from other businesses, when it is deemed that the other businesses’ interests strongly affect freedom of press and editorial policy. Regarding plurality and equal access of opposition to the public broadcaster and other private televisions, Preç Zogaj, member of the Parliamentary Commission on Media, proposes that the National Council of Radio and Television assumes more extensive competencies. In brief, his recommendations are: “The current legislation has vague and evasive provisions on equitable media access. I think it is necessary to have an amendment, similar to the provisions of the Electoral Code regarding media conduct in the election campaign. The amendments should not necessarily be identical to the one in the Electoral Code. However, intervention is essential at this point. Monitoring should include programs of a political nature, in addition to news editions, such as debates, interviews, etc, where, I’m afraid, disproportions are still quite sizeable.”<sup>21</sup>

Other actors oppose these regulatory functions of the state, believing that the present situation has resulted from weak implementation of laws; the adding of other laws is viewed rather skeptically. Robert Rakiplari, editor-in-chief of *Shekulli*, thinks that the idea to forbid businessmen to invest in the media is absurd and detrimental to the foundation of free entrepreneurship. “Business cannot be separated from the media, since the law determines that every person has the right to start a newspaper or a television station.”<sup>22</sup>

Another group, closer to liberal ideas in the public debate, is more radical in its solutions to the problems of media ownership in Albania and the business-politics-media relations. This group opposes right from the start the idea of a regulatory state, in favour of free market. Adri Nurellari, director of the Albanian Liberal Institute, says: “The present demands in Albania are for the state to decide on the price of newspapers, the same way that communist planning had placed a price on each product. The price of a product is one of market’s most powerful tools. This could be a flagrant intervention not just against market economy, but also against freedom of press. This law grants the state

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<sup>21</sup> *Prec Zogaj, Speech to the Parliament of Albania in the debate on the Annual Report of the National Council of Radio and Television, Rilindja Demokratike, February 15, 2005.*

<sup>22</sup> *Robert Rakiplari, BIZNESI, July 13, 2004*

very high authority on media, giving it a powerful mechanism to blackmail and manipulate media.”<sup>23</sup>

OSCE has opposed the regulatory provisions of the proposed bill on the press. In a letter to the Chairman of the Parliament of Albania on this debate, the OSCE media representative states: “I am aware that most of the debate is focused on article 10 of the bill, related to determining a minimal price for newspapers and excluding media owners from competing for public tenders. We also notice that the main aim of article 10 is to guarantee media pluralism and diversity. My opinion is that the methods put down in this provision are not adequate for a media law.”<sup>24</sup>

In addition, according to those that oppose the regulatory provisions, instead of solving one problem, we add a new one; instead of rendering high officials more accountable, we give them even more competencies, hence greater opportunity to abuse the press. This is the reasoning of those in favour of a guaranteeing rather than a regulatory state: “Media are being used by the owners in order to exert pressure on the government for purposes of profit. This shows that government representatives are subject to blackmail and pressure, assuming that there is information about their affairs, past, or duties, that could destroy them if rendered public. Dealing with the cost of newspapers or publishers’ businesses, while not addressing the fact that government representatives are subject to blackmail and are more powerful than the law itself, is akin to escaping the core of the problem rather than solving it.”<sup>25</sup>

## 5 - An alternative

A problem cannot be solved unless you assume a particular position. You cannot reach an end of a dilemma unless you have a certain inspiration. The evolution of what we labeled as the “economic problem of Albanian media” will greatly depend on the intervention or lack of intervention in managing the problems that have emerged, and especially on the nature of the intervention. It is clear that many problems encountered

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<sup>23</sup> Adri Nurellari “The new press bill: Institutionalization of the defeat of the state of the right,” *Shekulli*, February 6, 2005

<sup>24</sup> Letter of the OSCE Representative for Media Freedom, Mr. Miklos Haraszti, sent to the Chairman of the Parliament of Albania, Mr. Servet Pëllumbi, on the bill on press.

<sup>25</sup> Adri Nurellari “The new press bill: Institutionalization of the defeat of the state of the right,” *Shekulli*, February 6, 2005

in the media–business–government triangle are in fact a result of macro-deformation of the political system. The bought or sold media, the inflation of titles or circulations, the traffic of influence and interests, are to a certain extent a result of the fundamental shortcoming of our political system: lack of free elections and a legitimate, representative, and accountable government.

Of course, the problem will linger after the political system reassumes its functions. Also, there will still be an open debate on whether to intervene to solve the economic problem of Albanian media, and how to intervene, hence going back to the dilemma of a regulating or a guaranteeing state. If all problems so far have resulted from ineffective state functioning, perhaps it is better to believe that media self-regulation will provide the best mechanism to veer the situation in the right direction. This mechanism should face a state that guarantees fair play on the media market, rather than regulates the media landscape.

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