

# *The Albanian Film Industry After the Fall of the Communist System and the Challenges it Faces in the International Market*

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## **Abstract**

*With the major paradigm shift of Albanian society at the debut of 90-ies, the film makers were undoubtedly the first to seriously think and invest in changing the system of the operation of the cinematographic activity and culture in Albania. “Convinced that even some of the major relying principles of the operation of this activity have fallen short, both as an instrument and institution in assisting the political education of the masses, they started the switch to the new system and philosophy, whereby the individual, competition of values, the market of ideas and products, European integration and the product commercialization constituted its mainstays”<sup>1</sup>.*

“Thus, in 1993, the process of drafting the Law “ On the Cinematography” started, which was adopted in the Parliament and was decreed by the President of the Republic by mid – 1996. This Law prescribed the political, economic and commercial reform of the structure and functions of cinematographic activity, which has been realized through the former Kinostudio “ Shqiperia e Re “( Albfim Studio )”<sup>2</sup>. Regarded and admitted by all that the reform provided in this

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<sup>1</sup> Ermir Nika: The Transition of Albanian Art and Culture Facing the Future Challenges, Polis / No. 18, 2019.f. 142.

<sup>2</sup> Ermir Nika: The Transition of Albanian Art and Culture Facing the Future Challenges, Polis / No. 18, 2019.f. 142.

<sup>\*</sup> Ministry of Culture: National Strategy for Art and Culture 2007 - 2013.

Law and the actions for its enforcement present the best pattern for the restructure of cultural activities and institutions at home, albeit the high enthusiasm and dynamics of its implementation, it turned out to be a fragmented and ununified process, both in terms of time and its process.

Based on the data available to the National Center of Cinematography and the Statistics Sector in the Ministry of Culture, it results that, hence, April 1997 marks the founding of the National Cinematographic Center ( NCC), as the institution responsible for the administration of public policies and funding, supportive of the independent cinematographic production, completed in 2005 even with the function of administering the cinematographic production prior to 90ies.

The NCC has scored admirable results in recycling the new cinematographic production in the reformed system, not only in maintaining the continuity of the film culture, not only in international promotion of the artistic product, but also with the growth of the total budget allocated to domestic films, thanks to steadily getting foreign co-producers, whose participation on one hand helped to recover the weak state budget, but on the other hand, it introduced a qualitative gigantic stride forward, in terms of the technic services and an unprecedented dimension of the international product distribution.

Apart from innumerable direct participations by our film makers and their movies to the international film festivals and the numerous prizes awarded even in Cannes, Venice, Thesalonikki, Kairo, and elsewhere, only in 2007, the NCC has also conducted several state promotion events of Albanian movies abroad, as in Prague, London, Athens, Paris and Rome.

Although the most recent accomplishments of Albanian cinema are strengthening the film making culture in Albania, still the Albanian film is suffering from fixed artistic forms and schematism, on the account of an alleged modernization of expressive means. The producers attach little attention to scripts and its cultivation.

Whereas in USA, the production cost for the script accounts for 10 % of the film budget and in Europe 2 %, in Albania this amounts only to almost 0,5 %.

While most of the budgets allocated to the overall NCC activity for the season 2006 - 2007 amounted only to 142.000.000 leke, the approved budget for project financing in 2007 is only 72.000.000 leke. The opposite has occurred in regard to long films with an amount of around 3.5 milion Euro being allocated to this sort of film making in 2007. Let us underscore that this relationship, whereby for each financial unit from Albanian public funding there are about two units allocated by foreign funding sources indicates on one hand the success of the integration of our own producers into the international co-production market, placing Albania first in the region, but on the other hand, it marks a much higher effectiveness in terms of public funding use.

The above overview clearly indicates that while the number of ready made projects and those in process, the capitals ensured by alternative sources of financing are considerable and successful, the NCC budget available to their support is extremely low, endangering in this way not only their fulfillment, but also the loss of developing pace of Albanian cinematography, the loss of co-producers and large financial amounts already ensured through the foreign financial sources.

Meanwhile, due to the inaccurate prediction of developments, the terms of the said law, but also due to the lack of attention and interest on the part of responsible institutions, not only are we far away from having the same pace, but the distribution structure and the network of auditoriums for film projection is being seriously damaged, reducing drastically the number and quality of cinema services at home. This is the reason that Albania is still among the few European countries not still member of one of the most power centers of supporting the cinematographic activity, i.e. “Euroimazh.”

The appearance in the projection market of the network of Millennium cinemas marks undoubtedly a momentum of enthusiasm; however, it is not sufficient and almost monopolistic. Distortion in favor of other economically profit-making events from inherited halls, lack of facilitation fiscal policies in this field have produced the rapid collapse of some other private and alternative enterprises, at some major country's cities.

On the other hand, the boom of televizive operators into the market, product trading for family consumption formats, the unlimited piracy of domestic and foreign movie production and the major electronic consumption of film works have struck sharply the culture of movie - viewing at large cinema screen; it has equally demotivated the world of free enterprise in this area. Besides, there is no initiative in the field of public cultural education over the necessity of a selective knowledge and consumption of the cinematographic product.

The newly- signed Memorandum between the NCC and the National Council of Radio&Television and the setting up of the Albanian Copyright Office are only the first steps towards disciplining and gradual eliminating this badly enrooted phenomenon. Linking this initiative with other interested entities is expected to produce the proper spirit and network for a better organization and results.

“While the said law does not provide for any significant change or reform concerning the functions of the *National Film Archives( NFA)*, the period in – between was not associated with substantial changes of this institution, apart from the continued funding, conservation and maintenance. Even some initiatives on fund digitalization or involvement of Archives into commercial operations now are either blocked, solid or frozen, pending the drafting and adoption of sub-legal and administrative acts. The low investment level for the NFA, the non-permission of utilisation of the revenues for technological renewal and enrichment of archive funds have overshadowed considerably the activity and factorization of this

Archive into the country's cinematographic activity"<sup>3</sup>.

The stored distribution fund of domestic movies and those imported prior to 1997 is in almost an obsolete state. Recycling this fund, even in electronic format has no economic viability, it does not guarantee any quality of the recycled product on the account of the fund's physical state, it cannot be distributed on the same ground and it would sound absurd, at least for the domestic production as long as there are found valid and well-preserved copies in the Archives. Following the amendments of the year 2005 to the Law "On the Cinematography", the NCC is ordered to administer this fund, while the disciplined access to the commercial copy of the fund turns out to be confusing, full of obstacles and improbabilities, chiefly on the part of Archives.

Under the said Law, the former Film Studio "Shqipëria e Re" (Alba Film Studio), the physical capital and its cinematographic services would be transformed into a joint stock company, whereby the state would control originally 51 % of the shares and under the 2005 amendments, 100 % of the package. While NCC had already dynamized its own activity for the period 1996 -2005, no other by-law or other initiative was unveiled for transforming the administration form of this capital and its revitalization. Meanwhile, in an unlawful and abusive way, the state political authorities started the process of fragmenting the physical capital in parts, changing the administrators of these parts, the transformation of the constructions, services and the physical inventory, architecture and their functions in favour of private entities, as TV operators, schools, manufacturing and trading companies, permitting in this way the total amortization and afterwards the disappearance of cinematographic means and services to the extent that today it maybe openly said that this institution, this public capital, apart from the inherited name has not any other sign of its cinematographic affiliation.

On the other hand, due to the major amortization, to the high costs involved for the renewal of the technology of cinematographic services, the limited dimension of domestic cinematographic production and market, there is and there can be found no motif or investor, both private and state – owned to restore the remaining capital to its original state and functions.

Cinematographic education has left no heritage, structure or sustainable programs. Apart from a limited number of movie – makers trained in some schools of the former eastern countries and some of them in western schools, we can mention for the past only some provisional and short-term postuniversity courses. The establishment of the Public Film School attached to the Academy of Fine Arts and the Private School "Marubi" attached to "Alba Film Studio", although praiseworthy initiatives have not as yet put into the market of cinematographic production the first contingents of their graduates; the latter would on one hand

<sup>3</sup> Ermir Nika: The Transition of Albanian Art and Culture Facing the Future Challenges, Polis / No. 18, 2019.f. 144.

redimension the relationship among ages, experiences and new aesthetic flows in the Albanian movie and on the other hand this would be a direct reference to the success and development of these schools in the future. There is evidence on a considerable number of Albanian students already privately trained or underway at foreign cinematographic schools. Depending on these developments, NCC has adopted administrative policies and structures and specific programs designed to attract, test and promote the aspiring film producers.

Currently, we have a fragmentation, a lack of legal and structural synchronization of private and public cinematographic institutions and entities.

Thus, while *Alba Film Studio*, a joint stock company under the administration of a board composed of the Ministry of Economy and the Ministry of Culture conducts the function of administering the lease of parts of the building of the former Film Studio and self – financed by a small part of these revenues, it does not have legal, financial, or human capacities to make even the maintenance and conservation of the situation at hand.

It employs a total number of 10 persons.

Being properly defined by law and already in full legal, sub - legal and structural capacity and function, the *National Center of Cinematography (NCC)*, a budgetary institution responsible to the Minister and not to the Ministry of Culture receives its budget by the Assembly of Albania, it is administered by the Chairman and appointed by the Prime Minister; the major decision – maker is the Council of Approval of the projects, elected by the film -producing associations. NCC drafts and executes the state policies in the cinematographic area, including the education, production, integration, promotion and the distribution of the new products and the cinematographic activity as a whole; it distributes and handles the public support funding for their activities by private entities, it oversees and licenses the domestic and foreign film production and distribution entities all over the country's territory; it ensures the archiving of the new cinematographic products, as part of cultural heritage; further, it administers the state – owned cinematographic production prior to 90ies. Hence, it may be clearly seen that NCC remains the only single house for today's and future film makers. Despite achievements, NCC has not still succeeded in accomplishing its own functions. While it needs a re-accomodation of relationships, relations with the entities, partners, clients, financing, revenues and others concerned, it has to provide even its own residence, which is yet undefined. Currently, it is located and sheltered in a part of *Alba Film Studio*. Although it is also taskew by law, among others, to administer the cinematographic production prior to the 90ies, it does not possess and it cannot obtain them from the Central State Film Archive, the only source of getting this capital; while it is the legal caretaker for the depositing of the new production in favour of cultural heritage, it cannot practically control it, since it is the Archive that makes such a depositing.

NCC is a well-performed example of political commitment of the current government for a small and inexpensive administration, while performing simple but qualitative services. The relationship between the administrative expenditures with those of the direct financing of the production projects is 5 to 95 per cent, the overall number of employees 10, with 5 Board members.

Therefore, NCC is practically and legally the most important political institution of this area, legally defined and publically financed, it is the most significant gate opened to the interest on the part of film entities and individuals, it is the most successful of its kind.

There is no doubt that the institution expressing at best the philosophy of the time and being the key to the partial reform success in cinematography is the individual, its own initiative, classification of values through competition, motivation through the mechanism of property and ownership, promotion and economic advantage and others, in what is already defined and embodied as the producer and distributor.

While it is the juridical persons or those who assume the juridical and economic accountability for the production, promotion and distribution of the film works that enjoy the right to gain, in compliance with the pre-described rules, a partial financial support by public funding; while they contribute to maintaining and promoting the domestic cinematographic culture and its integration to Europe, they obtain a considerable part of revenues from the product turn – over; while they deposit a copy of first quality in favour of the national cinematographic heritage to the Central State Film Archives, they have the economic ownership over the work. Their recent years records, exceeding at times even the most enthusiastic predictions, have equally brought to evidence the problems to be rectified. Distribution is not still able to finance production, whereas the banks consider film financing as a risky investment. The Strategy pursues the following goals:

1. Focusing not in gaining sponsorship for film production but on building up the basic infrastructure.
2. Stimulating the producing institution and the private distribution, which remain the exemplary model and achievement, the underlying foundation for the reform intensification in the cinematographic field.

The Central State Film Archive faces the market pressure for a profit-making commercial fund utilisation; this pressure has not seldom and abusively victimized this fund; therefore, the Archive continues to have and perform only the function of maintaining and conserving the fund.

3. Reconception of Archive's functions, or the reconception of the fund utilisation under the new conditions would be the focus of its own reform.

The film-making associations, their copyright protection fora, the National Council of Radio-Television, the State Office of the Copyright and the tax authorities, albeit the considerable legal space available, they should reformulate their policies, not only and merely in the spirit of trade unionism or bureaucracy, but also with direct contributions, expertise and policy – making into the relevant field. The full support for the network coordination of interested institutions and entities and a larger dynamism on the part of the Copyright State Office, accompanying its activity also with legal and sub -legal additions by other subjects and institutions of this field would provide the required spirit, in a unified system and philosophy, without affecting but stimulating the creative and productive individual's initiatives, in the conditions of a society based on free market principles development and the public subsidies for values, as classified through their competition.

4. The piracy of imported domestic and foreign film products remains the major cause for the damages inflicted in the said domain and the combat for its eradication, and the priority challenge for the society and state.

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