

Media companies funding in Algeria -Between public support and advertising incomes-

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Summary:

The continuity of the activity of media companies is attributed to the possession of a solid financial base. Media companies often suffer from financial difficulties in the light of their high expenses. For this, it becomes necessary to provide financial liquidity.

Our study of the various bases of public support provided by the State to media companies demonstrated that it is deficient, particularly its insurmountable imposed conditions. On the other hand, concerning the advertisement services, this study revealed that the advertising market in Algeria was marred by a legal vacuum that lasted for decades.

Keywords:

Media, Journalism, Advertising, Public Support.

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تمويل المؤسسات الإعلامية في الجزائر - بين الدعم العمومي والمداخل الإشهارية -

الملخص:

يرتبط استمرارية نشاط المؤسسات الإعلامية بضرورة تَوْفُر قاعدة مالية متينة تسمح بذلك، حيث غالبا ما تعاني المؤسسات الإعلامية من صعوبات مالية في ظل ارتفاع نفقاتها، لذلك أضحى من الضروري توفير سيولة مالية متنوّعة من حيث المصدر بشكل يسمح للمؤسسات الإعلامية بمزاولة نشاطها بصورة متواترة.

تبيّن من خلال البحث في إطار هذه الدراسة في مختلف أسس الدعم العمومي المُقدم من طرف الدولة للمؤسسات الإعلامية أنه يشوبه قصور، لاسيما من حيث الشروط التعجيزية المفروضة، ومن جهة أخرى وبخصوص الخدمات الإشهارية، فقد تبيّن أنّ سوق الإشهار في الجزائر يشوبه فراغ قانوني ممتد منذ عقود من الزمن.

الكلمات المفتاحية: الإعلام، الصحافة، الإشهار، الدعم العمومي.

Financement des entreprises de médias en Algérie -Entre les aides publiques et les revenus publicitaires

Résumé :

La continuité de l'activité des entreprises de médias est essentiellement liée à la disposition d'une assise financière solide et durable. Néanmoins; plusieurs entreprises médiatiques se heurtent à des difficultés financières notamment en raison de la hausse des dépenses et des coûts, par conséquent; il est primordial d'assurer une liquidité financière afin de garantir la continuité de l'activité de ces entreprises.

Cette étude menée sur les différentes bases financières des sociétés de médias, notamment les aides publiques à la presse (Subventions) ainsi que les revenus issus de la publicité; nous a démontré les carences relatives aux aides publiques au profit de ces sociétés, notamment les conditions imposées afin d'en bénéficier de ces aides, d'une autre part; le marché de la publicité en Algérie est l'objet d'un vide juridique depuis des décennies.

Mots clés :

Média, Presse, Publicité, Aides publiques à la presse.

Introduction

Ensuring the continuity of the activity of media companies is the most significant condition of the embodiment of an effective free media practice. In this, its continuity is linked to several principal elements mainly the state's contribution and aid for the media companies. This is involved under the principle of equality and to providing technical and professional materials to maintain that. Likewise, it requires maintaining different activities related to the media practice- that are considered inseparable from it and a resource for funding and managing it as for advertising market.

The continuity of the activities of the media companies is attributed to the necessity of its incomes, especially in the light of the increasing expenditures of the production and the scientific and technical developments in all domains mainly the media practice¹. More precisely, we mention the written press, through the development of the printers, or the audio-visual media through the technical development in the domain of satellite broadcasting via modern communication techniques and the satellites. We add here the electronic media which is witnessing the evolution of the international information network, i.e. the internet². This impelled the need for ensuring a supportive environment and financial liquidity to face these evolutions, especially during the growing expenditures, to help the media companies to carry on their activities.

Ensuring the continuity of the media companies' activity and their diversity is a sign of democratic rule in any state. For this, the state impells to guarantee that through granting support for the media companies financially or by ensuring encouraging conditions for media practice. Moreover, media companies rely on their services as a source for their sustainable and considerate incomes. In this sense, they rely on advertising services as the most significant financial source that ensures the continuity of their activity. This impells us to ask the following problematic in this study: **Are public support and advertising incomes sufficient sources to ensure the continuity of the activity of media companies in Algeria?**

• **Objectives and importance of the study:** This study aims at highlighting the legal system of public support in its various forms directed to media companies in Algeria. It also sheds light on the general framework of the advertising market in Algeria and the extent to which is subject to legal provisions- legislative or regulatory- that regulate and direct it according to objective criteria in order to ensure the financial liquidity of media companies.

¹- Fenni Achour, Economics of Audio-visual Media, Arab States Broadcasting Union, Tunis, 2012, pp. 75-78.

²- SECK-SARR Sokhna Fatou, Online Press in Francophone Africa, L'Harmattan, Paris, 2017, p 25.

Moreover, this study purposes also to highlight the extent of an existing direct link and a relationship of influence, influence and correlation between public support, advertising incomes, and the continuity of the activity of media companies. It depicts the extent to which these companies are affected in case of deficiency in public support and the adjustment of the advertising market.

• **Research Methodology:** To answer the problematic of the study and the hypotheses put forward, this requires the use of a set of approaches, particularly the descriptive and analytical approach. The latter relies on the collection, organization and analysis of various information related to the subject of the study. More, this study will rely on the deductive approach by studying the problem holistically; it based on the axioms that any media company needs financial liquidity to ensure the continuity of its activity. Further, we move to subdivisions by inferring the various imbalances that hinder the activity of media companies and lead to their financial insolvency.

As a step to answer our problematic, we divided our study into two main parts. In part one, we tend to discuss the state's contribution at ensuring the continuity of the media practice through its public financial support and public structure devoted for this sake. In part two, we aim at discussing the subject matter of advertising by discerning the juridical system related to it and studying its market state and the extent to which it provides the needs of media companies by financing their activity as a step to guarantee the continuity of their practice.

Chapter I: The state's contribution in enhancing the continuity of the media companies' activity

The Algerian state supported the media companies as a step to help them ensure the continuity of their practice. This is considered as an embodiment of the freedom of the press practice based on the media pluralism and the continuity basis in services. This contribution is maintained through the financial support granted by the state for the media companies. This is involved under the ratified laws of the media or in accordance to the media policies of the state (**Section I**). Besides, this contribution allows an ideal environment for the media companies to exercise their activities, such as putting special structures for the improvement of the media practice (**Section II**).

Section I: Public financial support for the media sector in Algeria

The state's public support for the media sector is considered the most significant guarantee for the continuity of the activity of the media companies, particularly, the new ones facing financial problems. This support is maintained through direct financial support or indirectly through tax exemption³ or moral

³- RASMUS Kleis Nielsen, ALESSIO Cornia, KALOGEROPOULOS Antonis, Challenges and prospects for media and news journalism in the era of mobile and social digital media development, Council of Europe Report DGI (2016) 18, Elaborated by the Reuters Institute for

support. In fact, the financial support is guaranteed in accordance to the financial laws that ensure the foundation of support fund for this sector. In Algeria, the first realization of these support funds started during the period of the media pluralism through the annulled Media Act of 1990. It contained the supplementary Finance Act of 1990 in article 75. It states the opening of a special allocation account for the Treasury entitled “Written and Audio-visual Press Promotion Fund”. Moreover, a package of subsidies was provided for the period between April 15th, 1990 and December 31th, 1992. More to the point, we note that these subsidies have been extended and covered through the Supplementary Finance Act of 1992.

Besides, another fund emerged through the Finance Act 1998 in article 91 entitled ”Written Press Support Fund”. Nevertheless, the latter did not witness actual implementation and effectiveness; it remained devoid of its content. This made public financial support for the media sector declined at that time until the issuance of the Organic Media Act 2012.

The Organic Media Act 2012 ordained provisions for supporting and promoting the press in contrast to the previous media laws. Article 127 recognized that the State granted subsidies for the promotion of freedom of expression. In accordance with article 128, the State also contributes at raising the professional level of journalists through training. This works in favour of the ultimate legal embodiment of public support. This was effectively highlighted by the Finance Act 2012 Article 85. It introduced an amendment to the Written Press Support Fund under the Finance Act 1998 retitled “Fund for Supporting Written, Audio-visual and Electronic Press Bodies and Activities for Training and Improving the Level of Journalists and those Involved in the Communication Professions”. This fund purposes to finance training activities, level improvement and promoting journalism, particularly specialized, local and regional ones. It supports its deployment in remote areas and the audio-visual and electronic media as well. Further, the Audio-visual Activity Act of 2014 reinforced the legal embodiment of public support through article 94. The latter claims that the State grants subsidies for the promotion and rehabilitation of audio-visual activity and by emphasizing the state's support for training.

The implementation of the subsidies under “the Written, Audio-visual and Electronic Press Support Fund and training and improvement activities for journalists and those involved in the communication profession” is subject to a terms book. Executive Decree No. 12-411 was issued to adjust the ways the allocation account of this fund proceeds. It was entitled to a terms book in this respect. In addition, a decision dated 13 August 2014 set out the composition and functioning of the Committee on allocation account subsidies related to the Fund. By extrapolating the various terms of use, we found them various and

Journalism Studies for the Steering Committee on Media and the Information Society of the Council of Europe, October 2016, p 34 – 35.

complicated. Concerning the submission of media organizations to Algerian law, we note that most media organizations in Algeria -audio-visual and electronic media- are subject to foreign law supplying content to the Algerian public. Accordingly, they cannot benefit from public financial support, although its activity is bounded to Algeria in terms of content. More to the point, its human resources are mostly Algerian. Therefore, the exemption of these media companies from the subsidies and funding leads to the exclusion of their journalists from the publicly supported training as well. This requires the amendment of the conditions to support these companies for they are constituted from Algerians. This remains temporary until the amendment of the status of all active media organizations and subjecting them only to the Algerian law.

Besides, benefitting from the financial public support is conditioned to the acquisition of the media of an initial capital. It can even be considered of a higher value; we add to this the necessity for the activity to achieve continuity for a certain period of time. This can be seen as a conflict between the situation of the media organization seeking support and the objectives of subsidy and funding. The latter should cover the financial difficulties of media organizations. Henceforth, an important capital of the media organization and the frequency (continuity) of its activity make these subsidies inclined to support the media organization and not media organizations in financial crises. For this, it is necessary to dismiss certain conditions and direct these subsidies to media organizations that are in real financial difficulties or have ceased to operate for some time for this issue. This embodies the real meaning of public financial support for media organizations. Further, many countries apply it like France⁴.

Section II: The Public Structures devoted for supporting the media practice and ensuring its continuity

The state's contribution to ensuring the continuity of the activity of media organizations and supporting and promoting the media sector extends to harnessing a set of structures. The latter tend to enable media organizations to operate. These structures are institutional mechanisms that purpose to support media agencies and facilitate their activities in a way that ensures their continuity.

⁴ For more details on press subsidies in France, see: BLANC Sabine et. al, Press Subsidies, Owni edition, Paris, 2010, p 04. And see: CARDOSO Aldo, The governance of public aid to the press, Report to the Minister of the Budget, Public Accounts and State Reform and the Minister of Culture and Communication (France), 08 September 2010, available on the website: http://la-rem.eu/wp-content/uploads/2013/12/rapport_cardoso_gouvernance_aides_presse.pdf. And see: Report of the Court of Auditors (France), Aids to the written press: necessary choices, February 2018, available on the website: www.ccomptes.fr/sites/default/files/2018-01/12-aides-presse-ecrite-Tome-2.pdf

This is highlighted by the establishment of the Press House, the International Press Center and the National Center for Documentation, Images and Information.

Subsection 1: The establishment of the Press House

The availability of workspaces would ensure the continuity of the activity of media organizations. In this respect, the Algerian state sought to put several resources at their disposal, particularly the real estate facilities. On this basis, the Press House was established in 1990, serving as a public institution of an industrial and commercial nature with moral character and financial independence. It is placed under the guardianship of the Minister in Charge of Communication. It is established in Algiers. Its main functions are to manage the operation and exploitation of professional shops on the basis of leases with the media services.

Besides, the Press House corporation leases stores to serve as headquarters for media organizations. It also ensures that the exploitation of these workspaces respects the lease contract. The foundation extended its headquarters alongside Algiers and reached Oran and Constantine. This enables media organizations to rent their headquarters in these areas. Moreover, several branches will be established at other areas.

Further, we assert that the return paid by media organizations for renting headquarters at the Press House -in its various branches- is low and supported by the state. From 1990 to 2010, the price per square meter was only about 80 DA per month. Currently, the price ranges from about 200 DA per square meter. Regardless of the costs of consumed water, gas and electricity that the occupants have not paid in nearly 20 years, many of these media organizations were in good financial condition. Likewise, many of them did not even pay their rent debts or delayed them⁵. On this, the State's consideration of the circumstances of the media companies and its provision of real estate facilities is an effective public contribution to ensuring the continuity of the activity of media companies.

Subsection 2: The establishment of the International Press Center

Covering various activities and events is one of the most important tasks of the mass media as it constitutes a source of their activity. This impells the State to monitor facilities to allow media organizations, national or international, and their different employees to follow up and cover various events and demonstrations. This constitutes a support for media activity and protects the principle of freedom of media practice. To attain this, Algeria established of the International Press Center (IPC) in 2002.

⁵- Dawdi, Amina, "The minister of Communication: the State will continue supporting the newspapers with heavy debts" Ennahar Online, April, 24th 2020. Available at: <https://urlz.fr/lcJV>, Viewed on July 25th 2022 at 11:29 AM.

The International Press Center is a public institution of an industrial and commercial nature with moral character and financial independence. It is placed under the guardianship of the minister in Charge of Communication. It is headquartered in Algiers. The Center's mission is to contribute to the success of media coverage of national and international events and demonstrations hosted by Algeria. It also collects and provides all data relevant to national and international media. In addition, it establishes a data bank and creates a cultural background and puts it at the disposal of the Center's visitors. It provides the logistical organization necessary for the media coverage of the demonstrations hosted by Algeria. It maintains the technical equipment for audio-visual broadcasting. More, it facilitates exchanges and meetings between media professionals.

Besides, the International Press Center is qualified to achieve all operations that would improve its activities in the light of the media and communication technology development. Moreover, it tends to ensure trainings for the Center's users and improve their level and renew their background. It concludes agreements and contracts with national or foreign dealers to promote media activity. It organizes and contributes to the organization of conferences, meetings and national and international demonstrations under its scope and activity. Further, we claim that most of the services provided by the Center are free or low cost, particularly, the coverage of the Center's activities and events held in Algeria.

The International Press Center (IPC) promotes media relations by providing special platforms and spaces for journalists to cover national demonstrations through the necessary supply. We illustrate with the coverage of elections as well as international events such as forums, festivals and sports events. In this, the Center puts at the disposal of national and international press officials facilities for work during these demonstrations. It also puts at their disposal all facilities and equipment for transmission and reception, in addition to the preparation and distribution of badges for journalists. Likewise, it provides permanent meeting spaces for journalists and event actors with the ideal conditions for organizing discussions.

Indeed, the International Press Center contributes to the provision of information through the operation of new electronic databases addressing a particular issue or covering a demonstration. For example, in the context of the "COVID-19", the Center allocated a government information website on the pandemic⁶. It is important to note that even the headquarters of the Center is located at the capital, the organization of various regional and international demonstrations requires that the Center must have branches and allocate private

⁶- See: www.covid19.cipalgerie.com

properties. This is for the purpose of covering demonstrations in any region at the national level. To illustrate with, some Wilayas such as Constantine disposes a branch of the Center that covered the "Constantine, Capital of Arab Culture 2015" demonstration in addition to the 19th edition of the 2022 Mediterranean Games in Oran. This demonstrates the promotion of media practice and media activity in general in Algeria.

Subsection 3: The establishment of the National Center for the Documents, Journalism, Images and the Press.

Media production, written or audio-visual, is considered as a heritage linked to media practice. It should be protected and preserved over time so that it can be revealed, re-viewed and displayed in any period of time. For this, Algeria established a specialized Center dating back to 1984 named: the National Center for Documents, Press and Media. Its organic law was amended in 2015 by executive decree No. 15-95 as it was renamed: the National Center for Documentation, Press, Image and Media.

The National Center for Documents, Press, Image and Information is a public institution of an industrial and commercial nature with legal character and financial independence. It is placed under the tutelage of the Minister in charge of Communication and headquartered in Algiers. In fact, the main task of the Center is to collect, process, preserve and communicate the whole written, photographic and audio-visual heritage pertaining to the communication sector. It also aims to publish and distribute documentary products, texts and images as well.

The Center collects the written, photographic and audio-visual heritage of public or private communication companies. It produces documentary files related to national sectors and public interest issues. It also works at developing a data bank for the press and images dealing with the political, social and economic domains of the country. Moreover, it implements a plan for the preservation and digitalization of written, photographic and audio-visual heritage.

The Center is a supportive body for the media practice, through its profitable commercial activities - especially printing and technical binding services, and accessing the written and audio-visual documents as well as the establishment of commercial branches such as an electronic newspaper- or through organizing different events allowing the media to view its documents background before concluding agreements with it. We assert that the Center has documents stock reaching 4443 books and 889 newspapers and deposits about 4443 books and 889 newspapers. It also deposits 6500 newspapers volumes monthly and 149 volumes of official newspapers dating to the independence each trimester available on CDs. Likewise, the number of images is about two million

negative slides and 15000 positive slides, in addition to 798 audio-visual recordings, approximately⁷.

The huge amount of documents stock pertaining to the Center contributes to enhancing the information stock offered and derived from the media on the one hand, and to encouraging media companies, especially private ones, to deposit the stock of their media production with the Center on the other hand. It is important to note that the general conditions book containing the aftermath of the public service of the Center recognized the possibility of concluding agreements for the preservation of works and documents produced and distributed by media companies of the private sector. Further, the Center's services are considered the actual embodiment and support of media practice in Algeria and to ensure the continuity and maintenance of media production.

Chapter II: The state's contribution in enhancing the continuity of the media companies' activity

The appearance of advertising generally dates back to about 3000 years BC, where scientists found many models inscribed in the city of Pompeii near Naples, Italy. More, other models were found in ancient Egypt dating back to about 1000 years BC; it was an announcement of providing grants to those who arrest escaped slaves. More, models were found with the Arabs in the pre-Islamic era in the market of "Okad" in Saudi Arabia. Likewise, advertising was known among other civilizations as the Assyrians, Romans, Babylonians, and Phoenicians, through the traditional pillars available at the time⁸.

There is no conventional definition of advertising because of its complex legal nature. In regard to the legal definition, in addition to the absence of a comprehensive definition in Algerian media laws, Law No. 04-02- defining the rules applicable to commercial practices- provides a definition. In article III of the Code defines it as any advertisement promotion- directly or indirectly- the sale of goods or services regardless of the exploited place or means of communication. Accordingly, for the media are the most prominent means of communication, they constitute the essence of advertising services. This is the same definition that the judiciary established asserting that media advertising is the advertisement of goods or services for the aim of attracting the public for purely commercial purposes through the mass media⁹.

⁷- See: The Documentary credit of the National Centre of documents, journalism, picture and the Press in: www.cndpi.dz/cndpii/index.php/ar/2014-11-11-01-00-32

⁸- VATIN Jean-Claude, Egypt's Pictures: from the fresco to the comic strip, CEDEJ, Cairo, 1992, p p 146 – 161. And see: BELKHAMSA Sarah, History of advertising media, Fine-Arts institute, Tunis, 2012, p p 6–7.

⁹- ARCELIN-LECUYER Linda, Advertisement Right, Rennes University Press, Rennes, 2011, p p 16-17.

For more definitions, see: BORIES J, BONASSIES F, Practical Dictionary of the Press of printing and the library, Tome 2, General Printing and Library of Jurisprudence, Paris, 1847, p p 183 – 186.

Besides, advertising revenues constitute a large percentage of the financial base of media companies. For this, the availability of advertising offers ensures the continuity of the activity of the mass media. Their absence leads to financial difficulties that would force the media company to stop its activity. Hence, in regard to the equality principle, a special legal system for advertising¹⁰ should be established to control it. This would ensure the equality of all media companies with regard to advertising services to contribute to the stability of their financial bases (**Section I**). Nevertheless, the state of advertising, which is affected by economic or political persecutions away from the legal status, may create difficulties to the media companies and involve them into financial insolvency (**Section II**).

Section I: The development of the legal system of the advertising market in Algeria

The advertising market in Algeria dates back to the colonial era through the French Advertising Agency "**Havas**"¹¹. The latter was nationalized after independence through the establishment of the National Agency for Publishing and Publicity (NAPP) in 1967 in Algiers. It was granted the full monopoly of the public advertising market. Thus, the agency carries out all advertisement operations for the benefit of public institutions. This makes it only an intermediary between the advertiser (public institution) and the pillar of advertising (foreign public or private mass media) in the light of a lack of national private media.

The pluralism period pursued by Algeria after the events of October 1988 was a sign of the abolition of the monopoly exercised by socialist economic public institutions. In this respect, Decree No. 88-201 was issued and led to the retreat from the monopoly of advertising exercised by the National Agency for Publishing and Advertising as embodied in the Constitution of 1989. This led to the emergence of many private advertising agencies that provide various services starting from the production of the advertisement into its presentation to various media outlets. They serve as intermediary offices between advertisers and the advertising pillar. Besides, some foreign advertising agencies were attracted such as the Lebanese agency "Drive" and the French agency "Publicis"¹². However, by

¹⁰- The establishment of legal provisions for advertising dates back to the Babylonian civilization through the laws of Hammurabi to protect customers from misleading advertisement of goods. However, in the contemporary legal system the State of France is the first to provide for legal provisions for advertising and for the same purpose, that is, to protect customers, through the Law of 01 August 1905 on evasion and fraud in goods and services. See: ARCELIN-LECUYER Linda, Op.cit., p 14 – 15.

¹¹- We note that the first publicity known in Algeria in its modern concept dated to 1830 in a newspaper belonging to the French colonialist entitled "The Missionary"; it dealt with how to subscribe to the newspaper.

¹²- BELIMANE Yamina, The Right of commercial advertising, doctorate dissemination in Business Law, Faculty of Law, Université des Frères Mentouri – Constantine 1, 2011, p 66.

the issuance of the Media Law of 1990, the advertising sector witnessed a legal vacuum, due to the referral of article 100 regulating the advertising market into its standing law that was not promulgated. This led this sector into a legal vacuum.

Moreover, this legal vacuum led to the return of the State's monopoly of the advertising market and the implementation of the previous legal texts recognized therein. This monopoly was embodied through the leaflets and instructions taken by the executive branch in this direction. In this, the Prime Minister Belaid Abdel Salam issued a government circular No. 526 dated August 19, 1992. It asserts that all public institutions ought to deal with the National Agency for Publishing and Advertising and cancel all contracts that bind them to private advertising agencies concerning advertisement. This in fact was confirmed by the Finance Law of 1993. Article 116 claimed that for a transitional period of three years in the waiting of the preparation of a new draft of the Advertising Law. More, a new Executive Decree No. 93-194 was issued specifying the modalities for the application of this article. Indeed, article VII clearly states that public advertising entrusts its management only to the National Agency for Publishing and Advertising, the National Television Institution and the National Broadcasting Institution. This was followed by the issuance of a Government Instruction No. 38 of November 29, 1994 by the Prime Minister "Mekdad Seifi". It asserts this monopoly until the promulgation of the Advertising Law. Nevertheless, it was not issued within the specified deadline; this prompted the Government to issue another Ministerial Instruction No. 41 of 13 July 1996 from Prime Minister Ahmed Ouyahia. It purposed to extend the monopoly indefinitely.

In 1999, a preliminary draft of the Advertising Law was prepared; it includes 70 articles distributed over six sections. It was a long-awaited law under the scattered legal texts governing the sector¹³. Moreover, it controls all aspects of advertisement mainly through lifting the monopoly on public advertising. Likewise, the "Advertising Follow-up Authority" is a body that aimed at controlling advertising activities. This draft was presented to Parliament and approved by the First Chamber before it was suspended; thus, it was not issued by the coming of President Abdelaziz Bouteflika (May Allah have mercy on him) to power. This highlights the absence of political willingness to maintain the sector. Here we note the subsequent issuance of a government instruction under No. 007 of March 22, 1999 from Prime Minister Ismail Hamdani repealing previous leaflets and instructions that oblige public institutions to deal with state advertising agencies. This includes the possibility of using private agencies or resorting directly to the pillar of advertising freely. Nevertheless, this instruction extended for five years only because of the return to monopoly again through government instruction No. 005 of August 18, 2004 from Prime Minister Ahmed

¹³- See: Freih Rachid, "Regulatory Laws of the Advertising Market in Algeria", *Ansaneh Journal for Research and Studies*, vol. 07, No. 02, 2016, p 393.

Ouyahia¹⁴. This reveals ultimate tensions on the regulation of the advertising market considering the vitality of the sector and its economic and financial value.

Both issued laws of the Organic Media Law of 2012 and the Audio-visual Activity Law of 2014 did not contain provisions to regulate advertising. They also did not refer to a special law as embodied in the repealed Media Law of 1990. This deepened the legal vacuum in the sector. This actually shows the monopoly orientation of the state for the sector and the unwillingness to liberate it. In this respect, the instruction of Prime Minister Abdelmalek Sellal, of April 18, 2016, asserts the subjection of various public institutions to exclusively deal with the National Agency for Publishing and advertising.

Indeed, the legal vacuum of the advertising market lasted and submitted to the leaflets, government and ministerial instructions approving its monopoly involving the legal texts dated to the unilateralism and socialism period. However, in 2015, there was an attempt to adjust the sector and liberate it again through a preliminary draft of a law on advertising activities. It consists of 101 articles distributed over seven sections. It was supposed to be discussed during the cabinet meeting on March 26, 2015; however, the draft was withdrawn again without revealing the reasons. This confirms once again the absence of political willingness that aspires towards the adjustment of the sector.

The establishment of a special law on advertising contributes to the protection of the sector from being affected - like all sectors - by the repercussions of globalization on the one hand. It also grants various goods and services a global and a regional dimension, not only on a national level. This comes through the access of national institutions in Algeria, especially public ones, to the world through the advertisement of their goods and services via international advertising agencies and the large-scale international advertising pillar on the other hand. Further, the absence of a law regulating and adjusting the advertising market raises several other issues that create ambiguity in the management of the sector. More, it may even be subject to many unethical practices such as the spread of false and misleading advertising. For this, it becomes necessary to monitor a new law that involves the comprehensive regulation of the advertising sector with an effective promulgation. More to the point, this would liberate the sector and support public institutions to resort to private advertising agencies regarding public advertising. The latter constitutes the bulk of the advertising market, which is the constant request of private agencies in light of the National Agency for Publishing and Advertising monopoly of 75% of the total market.

¹⁴- Oussoukin Abdelhafid, Advertising Law, Diwan of University Publications, Algeria, 2019, p 28.

Besides, Minister of Communication asserted that a draft law on advertising was under preparation since the beginning of 2020. Likewise, in May 2020, the General Director of the National Agency for Publishing and Advertising confirmed the establishment of 15 objective criteria for the distribution of public advertising as a transitional stage pending the issuance of the advertising law. This involved taking into account the numbers of withdrawal and sales of newspapers, the commitment to media professionalism, the necessity of the management of media companies by individuals related to media activity. It also stated that the media company should not be subject to judicial prosecutions, particularly corruption and tax evasion. It added the possession of a personal commercial register and a registration number on the tax card. Nevertheless, the promulgation of a standing law remains the most effective solution to adjust the sector.

Moreover, it becomes clear from the above explanation that the legal system of the advertising market in Algeria witnessed several transformations. However, it was unable to provide a comprehensive law regulating advertising activities as all draft laws failed. More, in 2022, government and ministerial leaflets and instructions are the ones in force. Most of them purpose to monopolize public advertising, which constitutes the largest percentage of the total advertising market. This led to an ambiguity in terms of distribution and the ones benefitting from it. Hence, this requires a rapid issuance of the advertising law as a step to remove the ambiguity in the sector.

Section II: The Situation of advertising market in Algeria in light of the legal vacuum -Between the rise in the expenditures of media companies and the decline in advertising revenues-

In the light of the legal vacuum, advertising market in Algeria became an obsession for media companies regarding its situation which made it an unstable sector. This led into a decline in advertising revenues in exchange for the high expenses of media companies. In this, the advertising market was negatively influenced by the economic crisis that affected the world and Algeria in particular, and it was politically exploited as a means of pressure on media companies.

Subsection 1: The impact of the economic crisis on the advertising market in Algeria

The availability of financial revenues determines the continuity of the activity of media companies for advertising revenues constitute the largest part of them. It is obvious that no media apparatus can be established and continue its activity without advertising. The latter constitutes approximately an average of 80% of the resources of the media companies¹⁵. However, other incomes cannot

¹⁵- Mohamed Sayed Mohammed, Media Economics: The Press Foundation, Dar al-Fikr al-Arabi, Cairo, 1990, p 222.

cover its expenses. Moreover, the prices of advertising spaces vary according to the withdrawals' number for the written press and the number of audiences of audio-visual and electronic media devices. In fact, these prices differ from a media company and another depending on the periods of time too.

The international economic crisis of 2014 -caused by the decline in oil prices- created financial difficulties in various media companies in Algeria. Similarly, it affected the National Agency for Publishing and Advertising as its revenues fell to almost half of its budget. This deepened the impact on the budget of media companies dependent on public advertising, particularly, the newly established ones and less-spread regional newspapers. The latter almost rely on public advertising to ensure the continuity of their activity. Accordingly, the decline in advertising revenues is one of the most prominent obstacles faced by media companies. This impelled several written newspapers to raise their selling price on the one hand and to increase the prices of advertising services on the other.

Furthermore, the economic crisis led more than 60 newspapers in Algeria to stop publishing since 2014. Likewise, audio-visual devices were affected by this crisis too. Explicitly, several television channels stopped broadcasting, including eight in 2015 alone¹⁶. To illustrate with, the channel "KBC" of "Al Khabar" company disappeared in 2017 after the layoff of all its workers because of the lack in financial resources. In addition, many other broadcasting stations did not resist longer for the high costs of satellite broadcasting that reached thirty thousand dollars (\$ 30.000) per month.

The COVID-19 pandemic, which spanned through the world by the end of 2019, worsened the economic crisis. In this respect, Mr. Mohamed Lakaab, entrusted with a mission at the Presidency of the Republic, asserted on March 11, 2020 that according to expectations, the current economic situation would not allow the recovery of the advertising market, including the financial crisis at some media companies. Accordingly, the "Al Nahar" complex temporarily suspended the publication of its newspaper on April 30, 2020 because of the crisis. It is important to note that "Al Nahar" is among the most income generating newspapers in Algeria; it benefited from public advertising revenues that reached 113 billion cents in just four years. This raises the questioning about the ways those funds were channelled and the reasons that led this companies to fall into a financial crisis. Similarly, during the same period and for the same reasons, the

¹⁶- Eight (08) television channels stopped their activities in 2015 because of the economic crisis that led to the decline in advertising incomes; these are: Kawalis tv– Hogar tv–Djurdjura tv– Setif tv– Sahara tv Showroom tv–Stade news, and Numedia news. The latter stopped broadcasting via satellite "Hotbird" and remained on the satellite "Nilesat" to disappear in turn permanently in september of 2020.

channel "D'zair News" stopped in March 2020 because of its inability to pay the satellite costs.

Henceforth, the above explanation reveals that the link between the economic crisis and the advertising market is firm, e.i., influencing and influenced. This makes media companies directly affected by the decline of the advertising market caused by an economic crisis. Hence, this leads the state -as a step to protect the principle of freedom of media practice - to raise the funds that support the media agencies in order to ensure the continuity of their activity in case of any financial emergency.

Subsection 2: Advertisement as a means of political pressure on media companies

The absence of legal regulation on advertising activities made the latter a means of pressure ,according to political criteria, on media companies whose guidelines differ from the orientations of political power. The distribution of public advertising submitted to subjective criteria through the exploitation of the power of the National Agency for Publishing and Advertising in its distribution. It granted the major part of the advertising market to media companies known for their loyalty. In addition, public advertising is used to finance some media agencies, particularly newly established written newspapers and the small ones that rely entirely on public advertising. This came as a step to establish a policy that supports these small media companies to confront the media companies with a wide impact on the media arena.

The state's control over the public advertisement market and distributing it in accordance with the policy of supporting small media companies to confront large media companies leads the media operations benefitting from public advertising fully submissive. Hence, they serve as media operations defending all public activities. This makes them lacking independence and objectivity. More to the point, and in light of the weakness of media companies in Algeria, their independence is also affected towards the advertising public or private institutions for fear of being deprived of their advertisement. This puts the media operations at a position of subordination to their funders.

Besides, several media companies were affected by the political directive to advertisement such as the newspaper "Algérie News". The latter stopped publishing during the period of the presidential elections of 2014 as it was prohibited from advertising because of its objection to the fourth term at the time. Likewise, in 2016, the same happened for two newspapers active in Oran after 17 years of activity; these are: the "Voice of the West" and "La voix de l'oranais". They were prohibited from public advertising for not supporting the fourth term. In return, public publicity in the same Wilaya was granted to two daily newspapers whose owner is unknown and unavailable in Kiosks at all. More,

there were even some newspapers that were deprived of public advertising since the liberation of the media sector because of their orientation. In addition, the “L’authentique” newspaper was deprived of public advertising since January 2000 which led to its disappearance.

Algeria witnessed a movement of citizens that began on February 22, 2019 with political demands against the candidacy of President Abdelaziz Bouteflika for a fifth term. As the media agencies covered the movement, they were subjected to harassment through depriving them directly of public advertising. In this, the “El Chourouk” newspaper was deprived of public advertising immediately as it reported news about the movement, including the television channel affiliated to the same complex. This constitutes one of the examples of media companies that were subjected to direct political harassment in the exploitation of public advertisement.

Moreover, some argue that the monopoly of public advertising by the National Agency for Publishing and Publicity aimed at protecting from wasting public funds. They view that its liberation may lead some of those in charge of public bodies and institutions resorting to private advertising agencies or media pillars in exchange for a share of the price for them. This would deepen the corruption issue. Others view that the National Agency for Publishing and Advertising monopolizes only public advertising not the private one. Besides, the pillars of advertising are mostly considered private institutions in light of the lack in public media companies. Therefore, the orientation of public advertising to the private media removes from it any suspicion of political orientation. Nevertheless, on the contrary, we point out that despite the fact that public advertising is directed to private media, it is allocated to the “loyal” private media without independent or opposition private one, according to the experiences we have presented above.

Further, from the above explanation, there is ambiguity prevailing in the distribution of advertising in Algeria, especially the public one. The protection of the principle of freedom of practice of the media is combined to the provision of mechanisms that ensure the continuity of the activity of the media operations. Therefore, as advertising is the most prominent of these mechanisms through the financial revenues it produces, it would be benefited from. This can be achieved through removing the existing ambiguity in its distribution and working to achieve transparency in this and by applying the economic logic in the field of advertisement. The latter is based on the benefit of the largely known media companies from growing advertising quotas compared to less famous media companies¹⁷. This comes as an embodiment of the law of supply and demand; and this can be achieved only by eliminating the rampant corruption in the sector and

¹⁷- CHEURFI Achour, *The Algerian Press: Genesis, Conflicts and Challenges*, Casbah edition, Algiers, 2010, p 152 – 153.

then by establishing a comprehensive legal framework adjusting and liberalizing the advertising market. This would be in accordance to the need of advertisers, public or private, to freely resort to advertising agencies they view appropriate without any monopoly from any particular party. This would contribute to the elimination of the political orientation of the sector.

Conclusion

To conclude with, through our research on the issue of financing media companies, this study demonstrated that the continuity of the activity of these companies is mainly related to the availability of financial liquidity, especially in light of the various high expenses associated with media activity, whether written press, audio-visual or electronic media. Moreover, this study ended into the fact that media companies benefit from public support on the one hand, in addition to service incomes on the other hand, such as the financial remuneration related to the provision of various services, particularly advertisement.

This research showed that public support for media companies consists mainly in the allocation of support funds through finance laws. Nevertheless, this support is often linked to difficult and complicated conditions. This creates difficulties in directing it to the entitled media companies that are in real deficit. Moreover, public support provides a wide range of public structures that contribute to providing an appropriate environment for media activity.

On the other hand, the services provided by media companies constitute a funding source for their activities, especially advertising services. The latter constitute the major part of the revenues of the budget of media companies. However, the Algerian advertising market witnesses disorder in terms of regulation in light of the prevailing legal vacuum and the lack of an explicit legislative or regulatory text regulating the advertising sector.

From the above explanation and data, it is necessary to ensure the adjustment of the financing process of public institutions through:

- Establishing a comprehensive legal framework that regulates and liberalizes the advertisement market to allow advertisers, public or private, to freely resort to advertising agencies without monopoly from any particular side. This would contribute to the elimination of the political orientation of the sector.
- Reviewing the conditions that allow media companies to benefit from financial public support through directing the latter to media companies with actual financial or technical difficulties. In addition, it is important to remove the conditions of the possession of a significant capital by the concerned media companies as a necessity to the continuity of their activity, as public financial support purposes to assist insolvent media companies in a state of deficit.