MONEY AND BANKING IN ALBANIA, FROM ANTIQUITY TO MODERN TIMES
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Dear Professor Picard,
Dear academics, professors and researchers,
Dear guests,

It is a special pleasure for me to welcome you to the First Conference of the Museum of the Bank of Albania. This is a special event, which brings together academics, researchers, and experts of central bank and currency museums, to establish a new bridge of communication and cooperation that will help us to take further our work at the Museum.

In our short experience in museum management, we have learned that it is very essential to cooperate with other institutions responsible for the administration of cultural heritage, as well as with scientists and experts that study and preserve them, and tell their history.

Also, with the support from the Ministry of Culture, Centre for Albanian Studies and Institute of Archaeology, we have today the Museum of the Bank of Albania, whose collection displays unique and impressive items.

The systematic work of our distinguished archaeologists and of the dedicated central bank employees over the years has helped in materialising the efforts for presenting the history of the Albanian currency, from the axes of the Hoard of Torovica, to the first coins struck in Dyrrhachium, to those in circulation throughout various historic periods, up to modern days.

Through over 30 exhibits and 5 educational rooms in the Museum, we show interactively the ancient history of our currency. The permanent exhibition in the lower floor displays collections from monetary systems that have existed in our territories over the past two thousand years. They are part of the numismatic collection of the Bank of Albania and the Albanian Institute of Archaeology. We have selected and studied them meticulously in a close and long process of cooperation with

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archaeologists, numismatists, historians and ethnologists in Albania. I take this opportunity to thank them for their valuable contribution.

Our Museum, however, is not just a money museum. It is also the museum of the central bank, which considers financial education as an essential objective. The public needs to be informed in order to be able to make judicious and sound financial decisions, which, in turn, contribute to financial stability. That is why we have dedicated the upper floor of the Museum to financial information and education. Through a number of activities, educational publications, lectures, films, and applications, irrespective of their age, visitors learn about financial products and system.

The history of money originates long ago and its developments are closely related to the people that have produced it. Its role is not limited to the economic functions; it is also a historic evidence of the minting or issuing country. It speaks about periods of economic crisis or downturns, of peace and prosperity, of successes and injustices.

In this context, we decided to dedicate the First Conference of the Museum of the Bank of Albania to two main topics, which we think are the gist of its exhibitions and educational activities.

1. Findings, researches and discussions in the area of monetary production and circulation, the history of the economy and banking activity in Albania and Albanian historic territories, which contribute to accurate interpretation and updating of information transmitted to the visitors through Museum collections.
2. The educational role of central bank museums in getting to know the history of money, and banking activities and enhancing financial literacy through exhibitions, education and innovation. For this purpose, we aim, therefore, to bring together foreign central bank experts to share their perspective on the management of central bank museums, collections and educational activities.

This conference certainly underlines the commitment of the Bank of Albania to earnestly engage in both research and educational activities. We are very interested in enhancing cooperation with researchers, academia, peer museums, and specialised institutions in economic, historic and cultural heritage research.

Such cooperation is an excellent opportunity to Bank of Albania employees, who may benefit from valuable skills and expertise for our Museum. It would also contribute to new networking and collaboration in research activities.

In light of promoting and furthering cooperation, we are committed to turning our Conference of the Museum of the Bank of Albania into an annual event. Also, in 2017, the Museum of the Bank of Albania will organise a cycle of lectures dubbed as ‘Nights of the Museum’, which will address a variety of topics, such as numismatics, banking history, economic and financial education, philately, art and architecture. These projects aim at developing another aspect of our work at the Museum, which would focus on social developments vis-à-vis museum objects.

The first conference of the Museum of the Bank of Albania coincides with the 25th anniversary of the establishment of the modern central bank of the Republic of Albania and a two-tier banking system.
In these 25 years, the Bank of Albania has served to the country’s economic and financial development, supporting successfully the development of an efficient and stable financial system. It will continue to remain an institution with ambitious objectives in the field of European integration and approximation with the European Central Bank. Today, it is undertaking a new challenge: opening to the public, not only to communicate clearly its primary objectives, but also to contribute to helping the public learn about the history of money, art and tradition that it represents.

We will work hard, so that all the interested persons, whether in Albania or abroad, will be able to learn about the history of banking, money and people that have dedicated their life and work to it. I am certain that very soon the Museum of the Bank of Albania will be a place to visit the exhibition, and exchange opinions and ideas about banking and money.

Concluding, I would like to thank you for your participation and contribution to the conference and wish success in these two days of the conference.

Thank You!
THE BEGINNING OF COINAGE IN ILLYRIA AND THE TRADE BETWEEN ILLYRIANS AND GREEKS

Prof. Olivier Picard*

The beginning of coinage in South Illyria is a truly important question as far as the building of the social organization of the forebears of modern Albania is concerned. I would like to thank warmly the Bank of Albania for inviting me to take part in this very interesting conference. I recall with emotion my first visit to Albania, back in 1985. I had the pleasure to meet Ms Shpresa Gjongecaj, who already was the curator of the Archeological Institute of Tirana’s numismatic collection, and with whom I had started a relation which is still ongoing.

Money was introduced in Albania by the Greeks – the Corinthians precisely. But it has to be put forward that if the Illyrians had borrowed from the Greeks, they did not do it randomly. They chose what they considered useful or pleasant, and they neglected the rest which wasn’t fine for them. We don’t know much about the Illyrians, but we know that they were a warlike aristocracy, proud of their horses. They enjoyed Greek wine a lot.

It is interesting to compare the behaviour of the Illyrians with the one of other european aristocracies which would make war using horses, practice the banquet a la grecque – during which they would drink a lot of wine, like the Thracians at the north of the Agean sea (approximately nowadays’ Bulgaria), or the Gauls. All these nations had Greek settlements on their coasts, they would all buy Greek wine, which they traded mainly for slaves. They all adopted the money but none adopted the writing. There was no communication between these people, their political organizations were deeply different, so no common decision has ever been made. Yet, their trade and cultural exchanges, their military relationships had a similar evolution. This is amazing! Why? I will now focus on how the different exchanges between Illyrians and Greeks have evolved.

The first period was the foundation of Dyrrachium in 627 B.C., and the foundation, 25 years later, of Apollonia by sailors from Corinth and Corcyre. Corinthians had settled in Sicily – in Syracuse since 733, and in Corcyre since 730. They were looking – on the coast of Albania, north of the Karaburun Peninsula, which is a very dangerous passage – for ports as close as possible to Italy.

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in order to put in on the way to Sicily. They found it in Dyrrachium, a remarkable bay, and in Apollonia, a safe and remote port up the river. But they also wanted to trade with locals, and to seek for metals in the countries around the Adriatic Sea. Corinthians would intervene in the mines of Damation – north of Kosovo. Illyrians from the area – the Taulanti – let the Greeks settle: they were few, they didn’t need to occupy much land, and could make use of them. Illyrians were not sailors then: this would change later. The sea was dangerous, the work was hard. To sail, knowledge is required, which the Greeks had but not the Illyrians. As shown by discoveries made during archeological excavations, the Greeks bought the wine to the Illyrians, and the vases which they would use during banquets. They would probably buy slaves and wood. This trade was so important that a magistrate – chosen every year in Dyrrachium – was in charge of trade agreements and exchanges. For centuries, this kind of trade would not use any currency.

The first currency appeared in Asia Minor around 620 BC. A huge difference with gold and silver which were used before is that coins had a standard weight and were minted with the seal of the master of metal. These coins would not be weighed anymore, but they were counted (like our banknotes) to pay the tribute (the tax) to Croesus, then to Persians. Money was then printed by Greek cities such as Miletus, but did not come to Greece before 550-540 BC. The first moneys were staters of Aegina, which the Greeks would call “turtles”. Corinth printed its first coins around 530 – 525 BC. They were called “foals”, because of the brand which represented Pegasus, the winged horse, which according to customs, had been created in Corinth by goddess Athena (Fig. 1).

They were used for trade with Sicily. Sailors from Dyrrachium and Apollonia might have used “foals” throughout their trips, but it was not the currency of the city. It is meaningful to notice that no Pegasus coin has been found in Albania until nowadays, and it is likely that such thing will never occur.

During the IV th and the V th centuries BC, currency was not used neither by Illyrians nor by the Greek cities in Albania. For the Greeks, as far as currency was concerned, a law had to be voted by the city. Greek currency is both a valuable item (chrêma) and a legal object (nomos). If people are not forced by the city law to use the city’s currency, there is no currency at all. This is what happened in Dyrrachium and Apollonia until the beginning of the IV th century, while Corinth had been using currency for 150 years. The reason seems simple: if illyrian cities had decided not to print coins, it was because it was not necessary for the trade with Illyrians. The oldest coin treasure found in Albania – which is from the end of the Vth century – was found far from the coast. It was found in Hllim in 1991, in the eastern mountains, and it belonged to Illyrians who were in touch with Macedonians? It contained a lot of Aegina turtles (Fig.2). Ms Gjongecaj made a remarkable publication about it. I think it had been won during a battle between an Illyrian King against the Greeks and Macedons during the Peloponnesian war. No Aegina turtle coins was found in Albania.
Until the beginning of the IV th century, Dyrrachium and Apollonia did not use currency yet. This observation is not contradicted by two exceptions. A foal from 480 bears as a symbol a sledgehammer behind the head of Athena. The sledgehammer is the symbol of Dyrrachum which had been founded, as it was said, by Heracles. This coin had been minted in Corinth. It was at the time of the Persian invasion, when Dyrrachium helped Corinth to build the fleet to fight the Persians and gave Corinth the metal-silver, which Corinth would transform into money by stating on the coins that it came from Dyrrachium. The sum was not huge: only one copy with the sledgehammer is known. Other staters, more recent, had behind the winged horse the letter "E", which was the initial of Dyrrachium’s former name, Epidamnos. The city was torn apart by a civil war, and the side of the aristocrats, which was backed by Corinth, had possibly these cions printed to pay the soldiers. They were not really coins from Dyrrachium, but coins from Corinth, used by people from Dyrrachium in a civil war. Here again, sums are really low: only two punches are known.

The first real coin was minted by Dyrrachium from roughly around 375 BC (Fig. 3). The brands used the old image of the cow breastfeeding its calf, which Minoans had used a lot and which the city of Corcyra had taken up when it wanted to break every link with the monetary system of Corinth with which it was on really bad terms. These staters from Corcyra were heavier than the coins from Corinth: 10.65g against 8.6 for the Pegasus staters. They have a floral pattern on the reverse. Unlike the Corinthian staters, those from Corcyra circulated in Illyria and many are found in hoards. So Dyrrachium chose a type of currency that was well known in the country. But it minted its name on the back, with the sledgehammer of Heracles which identified Dyrrachium. It is likely that most users did not make any difference between the staters of Corcyra and the ones of Dyrrachium, but changers and bankers could make it. Dyrrachium would mint this money regularly for roughly a century. In her study about the coinage of the city, A. Meta identifies three successive groups thanks
to technical observations. The city regularly improved the organization of monetary production. In the third group, it introduced a symbol (lizard, bird, or letter) which helps to identify the person in charge of the issuing. A lot of false coins were made in the workshop, and this system of control helped for the anti-counterfeiting fight. For nowadays’ numismatist, this system provides very precise information regarding the number of issuings, and so about chronology.

Why did Dyrrachium decide to print money around 375 BC? The historian Diodore of Sicily provides us with a very interesting piece of information. He reports that some Illyrians had decided to attack the Molossians – the people living north of Epirus – and that during this war they were backed by Dionysius – the ruler of Syracuse – who sent them 2000 warriors and 500 “complete Greek armours”. These armours were the ones of “hoplites” – heavy infantrymen. Without a doubt, the warriors sent from Sicily were hoplites who perceived a daily amount, paid in cash. Dionysius did not make this gift only to be nice to Illyrians. He needed soldiers in Sicily, and he thought he could hire some in Illyria. In other words, these were the years when Illyrian infantry went through changes and adopted the tactics and the weaponry of Greek infantrymen. So it is no wonder that during the same years Dyrrachium and Apollonia – for less important sums – should have started to print money. These money were geared towards relations with Illyrians, especially in the military domain. Dyrrachium would bring a brilliant proof of this later.

When a city adopts a coinage, with its brands, its weights, its system of control – what we call a series – it is generally kept for a while, and it takes some serious reasons for the series to be replaced. Usually, when a coinage is given up by a city, coins are kept away from circulation and are never printed again by the city. I said before that Dyrrachium had minted suckling cows staters for a century, until around 280-270 BC. Yet, a strange phenomenon occurred, which seems to go against what I have just said. Around 340 BC, new “foals” appeared – staters with Corinthian weight with Pegasus featured on the obverse and a head of Athena on the reverse. Around Athena, the caption DYRRAXION can be seen, as well as Heracles’ sledgehammer. So it is absolutely certain that these coins belonged to Dyrrachium. We don’t know for how long they have been printed, but we will see that it didn’t last after 308 BC.

In other words, it is certain that the breastfeeding cow staters had started before the Corinthian staters of 340-308, and that they were continued after, since we shall see that they were printed until around 280. The simultaneous use of two different monetary series by Dyrrachium and Apollonia is an exceptional phenomenon. Still, I know at least another example of this. In Macedonia, at the end of the IVth century, both 17 g. Tetradrachms with the head of Heracles and Zeus upon his throne and 14.5 g. Tetradrachms with the head of Zeus on the face and a Macedonian rider on the back were in circulation. It was said that both had the same value, which I consider impossible. In fact, the circulation map and the treasure map is different in both cases, which shows that these two Macedonian coinages did not have the same use.

It is all the same in Dyrrachium. The English numismatist C. Kraay showed that the Pegasus staters had been printed by Corinth and its colonies to help the Corinthian general Timoleon, who was trying to recapture Greek Sicily from Carthage and to repopulate Sicilian towns. No Corinthian
branded staters were found in Albania, and no suckling cow staters were found in Sicily. The two
coinages didn’t have the same value, and never were in circulation at the same time. Nothing
shows that Dyrrachium stopped printing breastfeeding cow staters while printing foals. I think that
both coinages were printed in parallel for years. The city needed two different currencies because
the first was used for maritime exchanges towards Sicily, and the other was used for onshore trade,
in Illyrian country.

The last suckling cow staters put foreward the very curious example of a very original kind of
monetary collaboration between the city and an Illyrian king (Fig. 5). The obverse of the first coin
shows the usual suckling cow on the obverse, and on the reverse a floral pattern, with the three
letters DYR – which are the beginning of the city’s name – and the sledgehammer of Heracles. On
the obverse, above the cow, the monogram MYNIS indicates the monetary authority for the issuing
– like on the ten previous ones. Apparently, there is nothing extraordinary in that. Starting from
the fourth the issue, the monogram is replaced by the jawbone of a boar. Similarly, from this coin
onwards, the sledgehammer of Heracles dissapears and the letters DYR on both sides appeaar
with the name and the title MONOYNIOY BAΣΙΛΕΩΣ [coin of King Monunius]. A bronze coin from
Apollonia shows that the jawbone of boar is a currency type of Monunius, and if we look closer,
we see that the monogram MOYNIS can be read MONOYNIOS. So, Monunius appears in a first
time as the monetary authority for the issuing, who engraved the monogram of his name, as if he
were a citizen of Dyrrachium. But this could be identified only by those that had such information.
Later, using the symbol of the boar jawbone in the bronze coins of Apollonia, he appears clearly
as the monetary authority beacuse his name and the title are featured on the reverse. He tries to
stand as equal to Dyrrachium: he is a king who mints money like the city of Dyrrachium. In the end,
the name of the city dissappears, lost behind its own symbol, a sledgehammer. But, a majority of
people did not read the caption and only saw the image of the suckling cow, which reffered to
the city, which mattered the most for them, because they trusted the coin of the city. Nethertheless,
Monunius was the only Illyrian leader in such a position.

Monunius is a famous illyrian name, but this Momunius is not known through litterary testimonies.
Monetary treasures show that he ruled in the begining of the third century, before 280. He might
have been the leader of Taulantins, the illyrian people living around Durrës, but this is only a
hypothesis, since his kingdom went beyond the territory of Taulantins. One thing is certain: at
the time of Monunius, the title of Basileus (king) was taken by generals who were fighting over
the Emire of Alexander, and by a certain number of princes from different tribes who considered
themselves as their equals. Monunius and his counsellors were very aware of the history of their
time. By having this title featured on their coins, Monunius proclaimed: “As Basielus, I match
Ptolemy, Antigone and the great chiefs of my time”.

Fig. 5. Monounios, the Illyrian King
We can notice that this Illyrian leader indicated his name in Greek, with the word Basileus. As a consequence, we don’t know his title in Illyrian, which is unfortunate. But, maybe to preserve their own civilization, Illyrians had refused writing, and since money was an item of Greek tradition, they used Greek upon it.

It is harder to determine which power Monunius had upon Dyrrachium. Some historians suppose that he had conquered the city. I am not sure of this. He mainly needed money to pay his troops. But his troops wanted a strong currency, easily exchanged everywhere; to do so only Dyrrachium could provide him with skillful masters. The true question is rather: who gave the silver? If it was Dyrrachium, which is quite possible, it proves that Monunius had a great authority upon the city.

These issuings by Monunius are the last suckling cow staters. The series was stopped at that time, in both Dyrrachium and Apollonia, which shows that the rule of Monunius generated a deep crisis in the two cities. Rather quickly in Dyrrachium, a little later in Apollonia, staters were replaced by lighter coins, which in later times were called drachms. They were worth a third of a stater (and not a quarter). But, these were two different coinages, since the control system was different. It is interesting to notice that both cities kept the image of the cow suckling calf for the obverse, and the floral pattern on the reverse. Everywhere else in the Greek world, monetary types were replaced by the face of the city’s main god. Dyrrachium and Apollonia used the head of Zeus and Apollo on their bronze coins. Why not on their drachms?

The answer to this question provides us a better understanding of what really were these breastfeeding cows drachms. It appears that Illyrians did not make a huge difference between Apollonia and Dyrrachium; for them, both cities were “the Greek”. Of course, both cities bore the abbreviated name of the city (APO or DYR), but the users would identify it by the type. Very often, the letters could hardly be read on the coins, and most Illyrians could not read at all. For them, what mattered was that they used the money of their Greeks, and they did not want to distinguish between the two cities. The suckling cow was clearly a coin for the Illyrians.

Despite the reuse of the same type, it certainly was a new coinage. Staters have never been found mixed with drachms in the same treasure. Above all, the system of control was not the same, which meant that the staters were not a legal currency anymore. Apollonia would take back the control system coined by Dyrrachium, which was complex. On the obverse, a monetary authority could be recognized with his name – Meniskos for instance – in the nominative case. Another name, in the genitive case, was on the back. The role of each of these moneymakers has been widely discussed. Many moneymakers from the back could work with the same from the face. In this case, slight technical differences between their productions are visible. Furthermore, the number of moneymakers from the back working with the moneymaker from the face rises according to the
amount of the minted money. When important, it was planned to spread the sum of the weight of silver between different technicians to avoid robbery. The moneymaker from the obverse is, therefore, the citizen in charge of the money.

We have spoken about an allegiance currency. The sistem would continue perfectly well for more than two centuries, apparently without difficulties. We do not know if the two cities had formally signed a treaty. It is Dyrrachium who created the staters coinage, then the drachms coinage, and it is this city which printed the largest number of coins roughly thrice as much as Apollonia. In fact, each city managed totally independently its monetary production. Punches were not exchanged between workshops, and no moneymaker from any city has ever worked from another one. The only duty for each city was to remain faithfull to the brand, and to the quality of coins. In case of counterfeits, it was easy to know from which city the responsible came from. Still, a treasury of false drachms was found in Apollonia, in which copper had been used instead of silver. The coins had apparently been printed in Apollonia, but the counterfeiter had written DYR and not APO to make people believe that they came from the other city.

On the contrary, each city minted a totally different copper coinage, with its own brands, mainly a head of Zeus with a tripod in Dyrrachium, and the head of Apollo with a crossroads milestone in Apollonia. But the copper money which had started to be used in the begining of the third century was a coinage of little value, very useful for everyday life purchases. The most common coins were worth 1/12 of drachm, half what was needed to feed a slave in Athens every day. Dyrrachium and Apollonia remained totally independant as far as this kind of money was concerned.

Concluding, I would like to stress the importance of coins regarding the history of ancient Albania. These are beautiful objects, and the very huge collection of the archeological institute is – for these coins – the largest in the world. But above all, they provide us with a lot of information. Illyrians had refused writing, because it did not belong to their tradition. What mattered for them was to maintain their traditions, their cults, and to be the best at war. Writing appeared to them as an invention carried by Greek smugglers. So Illyrians had no historians. Greek historians did not mention Illyria a lot, except when a great city like Corinth, or the Kingdom of Macedon had to deal with Greek history. Money is the most important historical document from this period.

Money was alerady an industrially produced item – the first case ever. Each die has a slightly different engraving, and one die for the obverse was estimated to mint from 15,000 to 25,000 coins. Numismatists do not build their logic upon the number of remaining coins, but upon the number of identified punches. It can be asserted that, for Dyrrachium and Apollonia, every issuing is known, and probably between 50% and 70% of the dies which were used as well. So we know when the city has minted money, and also when it did not. We know where the money was minted, and when. Very often we also know where the money was found, up to where it has travelled, with traders or with warriors. Since the money is an item of the city, it tells us a lot of things regarding political relations of the city at a certain moment – for instance the association with Corinth in Sicily. And above all, money is the best document about relations between Illyrians and Greeks: no historian has mentionned the relation between king Monunius and the city of Dyrrachium. We have been able to discover their alliance and an important part of their history thanks to these beautiful coins.
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SESSION I:

ANCIENT CIVILISATION AND MONEY AS A MEANS OF EXCHANGE, AT THE FOCUS OF THE ALBANIAN AND INTERNATIONAL ARCHAEOLOGICAL DISCOVERIES

Session Chair: Prof. Olivier Picard, former Director of the French Archaeological School at Athens, Professor at the Sorbonne University, Member of the Académie des Inscriptions et Belles Lettres (Institute of France)
The introduction of coinage in south-west Asia Minor in the second half of the 7th c. BC, was a gradual development, which evolved out of the barter economy. In this paper we are going to describe the stages of the evolution of the ancient economy that led people to devise the object we name coin, or currency, and its use by the Greeks.

THE PRE-METAL PERIOD – BARTER ECONOMY

The first preoccupation of humans was to find a safe place to live and produce, which allowed them to survive. The first societies, consisting of hunters and raisers of wild agricultural products, and later of cultivators, were based on the sufficiency of food and its consumption. With the evolution and amelioration of the human condition, man realized that the division of work results in greater productivity, and this enabled him to acquire a surplus of goods that he could exchange and obtain commodities he did not possess and he needed. This how trade begun. Different social groups exchanged agriculture and stock-raising products. For every transaction the traders calculated and agreed on the value of the products to be exchanged. Obviously the price of commodities fluctuated in relation to offer and demand. This procedure is called barter economy.

But barter economy had a lot of disadvantages: most of products are perishable; the production of goods is not stable, due to climate and weather conditions, and doesn’t always coincide with the requirement of exchangeable products at any particular moment, which means that traders have to own “useful”, desirable, products for exchange; the value of the products has to be equivalent to the exchangeable product, and - most important - the two parts have to agree to a common value/price of exchangeable products and determine this value for each transaction.

At a certain stage, during the prehistoric times, various communities used a wide range of objects or commodities, other than coins, as currency. This use exists up to the modern era. Examples are cowrie shells in China, Africa, Arabia, Indonesia and Australia, dried fish in medieval Iceland,
salt in Scandinavia and in Ethiopia etc. In Homeric Greece, cattle were one of the recognized products as a standard measure of value, and at the same time were used to calculate wealth. Homer (Iliad, IX 154) calls the wealthy man πολυβουτής (rich in oxen), while Hesiod (Works and Days 451) calls the poor landless man άβοτης (without oxen).

THE PRE-MONETARY PERIOD – WEIGHED METALS

In the closing years of the 3rd millennium BC, the inhabitants of Mesopotamia, followed by other Eastern Mediterranean people, began to use ingots, pieces of metal of irregular weight and shape, as a medium of payment between agriculture and stock-raising products, instead of livestock, animal hides, shells, weighed grain, and so on. Hoards of ingots and metal utensils are discovered in different places as in Tell-el-Amarna (Egypt), a deposit dating from the 14th c. BC. These pieces of metal had an intrinsic value, which means that each product of the barter economy had an inherent accepted value which corresponded to a specific weight of metal. In consequence those pieces of metal were accepted as a currency, and could be used to evaluate wealth. For instance Homer relates that the bronze weapons and armoury of Diomedes were worth nine oxen and the gold ones of Glaukos one hundred (Iliad, VI 230-236).

In this way the commercial evaluation of objects and commodities was based on a weight of metal, though obviously the actual value at any given time varied according to the law of supply and demand, a statement already expressed by ancient authors, such as Xenophon (430-354 BC) in the books Resources (4) and Economics (I, 10).

There are inscriptions recording transactions and even laws with fines expressed in weighed metal, for example the Codex of the king of Akkad Hammurabi (1792-1750 BC), one of the earliest written law codes with 282 articles. Many of the punishments imposed were fines in weighed metal, sicles or minas², units of weight in use in Mesopotamia, by the Egyptians, the Chaldeans, the Phoenicians and the Jews. These units of weight were to become later the nominal value of a coin, for example the Persian sigloi and the Phoenician shekels.

Metals, as a handier medium for exchange, prevailed in transactions because they are: of consistent quality, imperishable, recyclable, can be subdivided without altering their structure, easy to carry, and can be stored and hoarded permanently with no maintenance cost. Furthermore, metals are not dependent on the production of goods, which fluctuates because of weather conditions, and the necessary coincidence in time of the need for products for exchange (that is, the goods available for sale must be simultaneously useful and desirable for all transacting parties).

THE PRE-MONETARY PERIOD – UTENSIL COINS

In the 2nd millennium and more frequently in the 1st, the weighed metal began to be moulded into particular shapes. The Greeks were the first to give the metal different non-utilitarian shapes, each piece having a standard weight. During the Mycenaean period, from the 16th to the 12th c. BC, bronze was molded into ingots having a standard weight, about 27 kilos, the talents. Talents had the shape of a cow’s hide, reflecting the fact that at this time a person’s wealth was judged by the number of cattle he owned. The word capital, κεφαλαιο (kephalai), which means ‘head’, in this case the head of an

² Codex of Hammurabi, §198 and 199: “If [someone] put out the eye of a freed man, he shall pay one mina of silver. If [someone] put out the eye of a man’s slave, he shall pay one-half of his value.”
Evidence of transactions taking place beyond the borders of Mycenae in the form of talents and subdivisions, half and quarter-talents, is attested through archaeological finds in various parts of the Mediterranean: in Cyprus, on the Southern coasts of Asia Minor², in Crete, at Kyme, etc. From the 12th c. to mid-7th c. B.C., date of the conception of the coin, iron spits, armour, metal vases, such as lebetes, tripods etc., were in use in Greece. These objects represented offerings to the great sanctuaries of Greece such as Olympia, Delphi and Dodona. Bronze tools were also used in Far East, for example bronze spades in China from the 7th c. BC. In fact in this agricultural society and economy, spades represented wealth, as the tools to cultivate the earth – the number of spades that someone used to cultivate his property, reflected its size and therefore his fortune, as in Homeric Greece the oxen. So it is not surprising that these societies gave their money the shape of this utilitarian tool.

Bronze obeloi (βελοί, spits) were in widespread use in the Peloponnese⁴. These utensils gave their name to the later coin denomination obol. Plutarch in the life of Lysander gives us the explanation of this etymology, that one can hold in the hand (δράττω – dratto = grasp) six obeloi (βελός – 6 βολός), hence also the name drachma, the main denomination of Greek currency.

THE CONCEPTION OF COINS AND THEIR SPREAD AND USE IN THE ANCIENT WORLD

Coins were conceived in the second half of the 7th century BC in western Asia Minor. Ancient sources do not say who introduced coinage and when exactly this took place.

The coin is a flan of metal stamped with a mark or marks and issued by a government authority which guarantees, controls and certifies the stable, predetermined weight and purity of the metal: it therefore has an intrinsic value. Every coinage has unique iconographic types, which identify the issuing authority. The Greek word nomisma incorporates the word nomos (law), indicating that coins are recognized as a product of social convention with a standard universally accepted value. They have also a defined exchange value so that they can be used as currency.

Money is a medium that facilitates the management of the economy of a household and, by extension, of a state. It is a conventional unit of measurement, commonly accepted by the majority, that defines the value of exchangeable products and places on land property and goods a determined value. So wealth began to be estimated in terms of this readily usable medium. For example inscriptions at Delphi evaluate the treasures of the sanctuary’s ‘monies’ (χρήματα – chremata) in staters, drachmas and obols, nominal values of the coins. Consequently, money is a general equivalent, a legitimate criterion of evaluation and payment, which not only facilitates trade but also shapes society. In fact money functions as a factor of social bonding, by developing a close relationship with the authorities, because societies were articulated and ranked according to the accumulation of wealth.

This transactional tool was very quickly adopted by cities, tribes, kingdoms and leagues of the Greek peoples. Political regimes were structured on the basis of money. This fact is reflected in the dependence of the right to hold office on the economic standing of a member of the community.

³ For example, the shipwreck at Halicarnassus (the present Bodrum in Turkey) contained 354 talents (ca 10 tons) and other objects: Egyptian jewellery, ivory, amber, ostrich eggs, faience and ivory vessels, Cypriot ceramics, European weapons etc. The archaeologists assume, because of the contents of the cargo, that the trader was a Cypriot.


Even in Athens in the 5th century BC, with its ‘pure’ democracy, some elected archons, such as the strategoi (generals), had to own land and belong to the class of pentakosiomedimnoi. The medimnos was a unit of measurement of volume of dry goods (mainly grain) and corresponded, according to regions and periods, to 52-59 kilos.

The use of coinage became widespread among the Greek populations soon after its conception. This period coincides with a new political/social structure which is encountered only in the Hellenic world during the Archaic period. It is identified with the processes of forming the Greek polis of the 8th century BC, which in its beginnings was administered by kings, oligarchs, aristocrats or tyrants, and with the expansion of the Hellenic world. In this period, a rapid population increase is observed in Greece, with the economy centred – as always – on land ownership, resulting in the division of labour, growth in productivity and the development of trade, which was facilitated by the founding of emporia – trading stations, and then of colonies throughout the Mediterranean and the Black Sea. In that period we observe a growth of handicrafts and consequently of trade, such as the production of the pottery of Corinth, many of its vases having been discovered in Etruria, and of Attic pottery found all over the Mediterranean and the Black Sea.

But we have to note that trade was not the only reason that led to the use of the coin, since before its appearance commercial transactions were carried out, as we saw, by barter or the use of weighed metals. However, already in antiquity as in Aristotle (Politics I, 1258a), economists considered trading transactions the principal reason for the conception of the coin. This conception coincides basically with the crisis of the aristocratic societies in the late 7th/early 6th century BC, the establishing of tyrannies [a ‘moment’ in the history of the Hellenic world as Thucydides remarks (1.13.1)] and the beginnings of the democratic city-states with their radical changes in the structure of society. The head of a “house” of the Homeric epics was replaced in the 8th century by nobles, aristocrats and kings.

So, it is by no means fortuitous that the first coins were put into circulation by oligarchs or tyrants, as in Athens by the Peisistratids (561/545-510 BC). Indeed, in Athens the legislative and economic reforms, initially of Solon (the period before Athens issued coins in her own name) and subsequently of Kleisthenes (the period in which Athenian coinage was in circulation), created favourable conditions for laying the foundations of the ‘pure’ democratic system of governance, based on the value of the Athenian citizens’ property.

In this way, in many cities coinage contributed to the Hellenic world’s exodus from the crisis that was bedeviling the societies of the time. The division of the citizens into rival factions had even threatened the dissolution of cities. The adoption of coinage contributed to normalizing the social relations of the inhabitants, to restoring order – thanks to the efforts of the lawgivers, such as Periander in Corinth, Solon in Athens and Charondas in Sicily – and to counterbalancing the social differences resulting from inequalities between citizens in the ownership and distribution of money. The new city-states were governed by laws that ensured their functioning, according to which each citizen held a specific place and had both rights and obligations. The citizen, now possessor or owner of his land and its products, which he himself sold in the marketplaces (agoras), was obliged to offset this by paying monetary dues to the city, in order to ensure its good functioning, while he himself also had to purchase his expensive weaponry, in order to defend his city and, by extension, his property, in his capacity as a hoplite.

Aristotle places emphasis on the political and military advantages of using coinage, apart from the new method of handling commercial transactions (Politics VI). The coin aided the smooth
functioning of the issuing authority and the provision of services relating to civic life: the collection of
taxes and rents, the fixing of fines and penalties, the purchasing by the city of essential commodities
(usually grain), loans, salaries of public functionaries, payment of mercenaries, carrying out public
works and so on.

Without doubt, however, the spread of the use of coinage in the ancient Hellenic world operated
as the driving force of the economy, giving new impetus to its basic sectors (agriculture, stock-
raising and manufacturing) and not least to trade. Confidence in the coin enabled people to
produce more than they needed because they were able to dispose of their surplus through selling
it in the marketplaces. They were able, moreover, to make long-term forecasts and to accumulate
wealth and property, which they were able to invest and/or bequeath to their descendants. Thus,
a new social class came into being, alongside that of the aristocrats who traditionally possessed
land property, from which they drew their political power. This new class of affluent individuals
possessed mainly moveable property and was made up of manufacturers, artisans, tradesmen and
merchants, as well as – already from the late 5th century BC – bankers. Through leitourgies (civic
benefactions) and other means, this new urban class, essentially a ‘bourgeoisie’, was able to claim
and to hold political offices, which until the end of the 6th century BC were the sole preserve of the
aristocrats. In this way coinage secured a role of social commitment, emphasizing the ranking of
society in economic classes, which also played a definitive role in the functioning of the city-state.
It was no longer the central authority which collected, redistributed and sold the goods produced,
as was the case in Mesopotamia and Egypt. In those societies, a very small percentage of the
population were landowners, or held metal and products that they could manage themselves.
Commodities were collected by the high priest, the king, the satrap or the Pharaoh, who considered
themselves the owners of all production. They redistributed the commodities, retaining a portion for
tax purposes, which they appropriated for themselves: they could then put the surplus into trade for
their own profit. In such societies coinage had no place.

It is not surprising, then, that in many societies of the ancient world the use of money was not
introduced, or was introduced very late, or used only occasionally, as in the kingdom of Egypt.
Despite the extreme richness of the country, it never issued coins except for the restricted issue of the
Pharaoh Nectanebo, who did so to pay Greek mercenaries during his unsuccessful revolt against
the Persian yoke in the 4th century BC. On the contrary, the large-scale use of coins in the Greek
world is a direct result and reflection of the social/political changes that took place from the 8th
to the 7th c. BC.

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6 A host of documents has been discovered all over the Hellenic world, which provides us with archives of payments and
loans, such as the inscriptions with annual analytical accounts of the costs of building the Erechtheion on the Acropolis
of Athens. Cf. IGI 13 476 of the year 408/7 BC.
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SOME ASPECTS OF PRE-MONETARY EXCHANGE IN ALBANIAN PREHISTORY

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Pre-monetary exchange in the Albanian prehistory is a complex topic, not only owing to the long time span consisting in several millennia, until the emergence of the first elements of monetary exchange in the territory, but also due to the rich variety of objects or materials exchanged, or the forms of exchange that are specific to each period. Through this short contribution we aim to discuss some aspects of exchange in the Albanian prehistory, with special emphasis on some materials foreign to the territory or often specified in the literature as “exotic”. These objects, which have been a topic of research in the recent years, offer new and more convincing evidence about exchanges or the different exchange networks in which the territory of Albania has been involved. In the international archaeological literature, pre-monetary exchange has been widely discussed in the last decades, increasingly enhancing the theoretic and methodological research framework, with a strong influence from economic theories as well, and particularly from social and economic anthropology researches.1 These developments, which have been applied mostly to prehistoric periods, originate in the 1960s/1970s and are related to the fundamental changes in the archaeological thinking, during this time.2 Regarding trade exchanges or the barter economy, emphasis has been increasingly placed on defining the mechanisms through which the objects moved as well as the social aspects of the exchange or the social groups participating in it. To better understanding these exchange aspects, their research – as well as the archaeological science in general – starting from this period assumes a multidisciplinary character. Archaeological data started to be combined more and more with the research on ethnographic cases, or with epigraphic data from the Near East civilisations for the late prehistory. Also, various chemical, geochemical, petrographic etc. analyses for the identifications of the raw material used and their origin areas gave new dimensions to the prehistoric exchange research. In particular the latter have lacked from the researches on trade and cultural exchanges during the prehistory of Albania, which have remained more distanced from the aforementioned theoretical and methodological developments. That is why in recent years the first few steps have been taken to identify and research

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2 Liverani 2015, p. 21; Dillian – White 2008, p. 3.
the raw materials as well as the objects and materials alien to the territory, by considering them as an important basis of information for a future and deeper analysis on imports and exchanges during prehistory.

Since the earliest stone ages, hunter-gatherer groups were in perennial movement to procure food and materials for tools. In the Mediterranean Basin, some materials have been found to have come from significantly afar, since the Middle Palaeolithic period. Usually raw flint travelled up to 20-30 km and in more rare cases up to 100-200 km. These movements intensified in the Upper Palaeolithic Period in which we observe the introduction of other materials like shells and ivory used mainly for manufacturing ornaments, or obsidian used for manufacturing of tools. To understand better these flint movements in the Albanian territories since the earliest prehistoric periods, a systematic research has been undertaken lately on the raw materials gathered in the allochthonous river deposits that aim to create a complete database on which to base future interpretations. From preliminary observations, South-Western Albania seems to have been the main source for this material, apparently diffused both in the country and abroad, along the Ionian and Adriatic coastline, and maybe in the Balkans hinterland as well. These movements of raw flint, and particularly the “honey-coloured” type of flint, have been identified from non-systematic macroscopic observations of the Early Epigravettian period of the Upper Palaeolithic, or around 18000 years ago. Evidence of this flint lately discovered in the Blazi Cave in the Mat area seem to have been brought from the lower course of the Vjosa River in Southern Albania, a distance of at least 150 km from the original region (Fig. 1). The same pattern has been identified in the Neziri Cave, very near Blazi, during the subsequent Mesolithic period. Here, besides the far away imported flint model similar to Blazi, the presence of a marine shell has been also identified. However, beyond the identification of the movements of these materials during these periods, which suggest the existence of social networks that enabled interaction mechanisms with remote areas, the nature of such mechanisms remains unclear, especially when referring to exchanges between different geographical communities.

During the subsequent stone periods as well as during the Neolithic period, society is reshaped and is now characterized by stable settlements, creating thus the premises for depositing surpluses, as well as for possible exchanges between these communities depending on their needs. Ceramics is an item that is frequently exchanged during this period and is broadly treated in literature. We will focus particularly on some new data related to exchanges in this period. An important development in this regard is the recent discovery of a special-purpose workshop for the production of polished stone tools in the village of Kallamas, along the northern shores of the Great Prespa Lake. The number of tools found, the residues of the work and flawed and discarded products suggest that the production of tools was aimed at distributing them to a wider area, beyond the needs of this community.

Of particular interest regarding exchanges during the Albanian prehistory, and probably since the Neolithic period, is the latest research on a foreign material for the territory, such as obsidian.

3 Kuhn 2011, p. 100.
5 Perhoć – Ruka in the press.
7 Hauck et al. 2016, p. 4, 6-7.
8 Hauck et al. in the press.
9 Korfu – Andrea 1974, p. 73; Prendi 1976, p. 31; Prendi 1979, p. 133.
R. Ruka and M. Galaty have been the initiators of the first X-ray fluorescence analysis (pXRF) to determine the place of origin of the obsidian objects from Albania. Obsidian is a type of volcanic glass, and has been one of the most prestigious materials in prehistory for the production of tools, offering important evidence for contacts with the far away world since the Upper Palaeolithic Period or around 11000 years BC. Its sources are limited in the world, and the same is true in the Central Mediterranean, Aegean and Anatolia; thus, material analyses provide accurate data on the determination of its origins. Despite the very limited number of obsidian objects from the Albanian prehistory and oftentimes vague contexts, systematic analyses of the material showed that the earliest imports are from the Late Neolithic period and that they also continue during the Bronze period. Although this material [obsidian] seems to account for a very modest share in the exchanges of these periods, perhaps more as a prestige element, it still provides valuable information. The obsidian from Melos Island in southern Cyclades Islands in Greece dominates these imports and is almost uniformly distributed in Southern Albania – up to Bisher i Pallës north of Durres. These data integrate our territory with the distribution network of this specific material from the Aegean towards the Balkans, representing, with some sporadic exception, the northern limit of its presence. In only one case from northern Vlora Bay we find the presence of obsidian from Lipari Island, north of Sicily, evidence of maritime contacts between the two Southern Adriatic coastal settlements.

With the beginning of the metal era, exchanges and movements gained new impetus, particularly starting from the end of the third millennium when the technology of bronze production from

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11 Ruka – Galaty in the press.
14 For more relevant references see Ruka – Galaty in the press.
copper and tin took full shape in Central Europe.\textsuperscript{15} The need to secure raw materials or metals that do not have a uniform geographical distribution, connected different societies leading to the stabilisation of exchange routes and distant, both maritime and overland, contacts. Consequently, we concentrate on some new data on exchanges in the Albanian territories during the second half of the second millennium BC, which, in general terms, corresponds to the Late Bronze period in our traditional chronology. On a wider framework, this constitutes one of the most relevant periods of late prehistory, during which the distribution of raw materials and various objects in different archaeological contexts has verified the existence of complex exchange routes along Eastern and Central Mediterranean, as well as between them and Central and Northern Europe.\textsuperscript{16} The intensive exchanges of this period between powers of an almost equal development and political organisation to the Near East, Egypt, Cyprus, and Mycenaean Greece in the Aegean, apart from archaeological data, has been verified by various epigraphic sources in these regions, which have confirmed the complexity of trade networks and exchange mechanisms. In them, we find different patterns, from the reciprocal exchange of “gifts” as the main mechanism in the barter economy, to formal alliances and contracts through an intermediary or courier, to dynasty intermarriages. On the other hand, there were also private enterprises by traders/craftsmen, soldiers/mercenaries, etc.\textsuperscript{17} The discovery of several shipwrecks along the Asia Minor coast, such as Gelidon and Uluburun, offer a clearer view on the transportation of raw material and various goods during the 14-15 centuries BC, between the Near East and the Mycenaean civilisation in the Aegean. Studies have also shown the dominant role of the Mycenaean centres in the Aegean, in controlling the trade routes that connected the Aegean with the “barbaric” communities further north, in the Balkans, the Apennine Peninsula, Northern Adriatic and Central Europe, highlighting the integration mechanisms of these communities in the trade exchanges with the Aegean world.\textsuperscript{18}

The data on the inclusion of the Albanian territory in these complex routes of cultural communication and trade exchange come mainly from the funeral contexts of the 16th-11th century BC. It is often difficult to differentiate between northern and southern cultural influences, reflected in the various categories of funeral paraphernalia.\textsuperscript{19} Weaponry and ceramics are the two most studied categories in terms of exchanges during this period and the Mycenaean items found in the richest contexts of this period were part of the exchanges with the Aegean world.\textsuperscript{20} However, in the absence of chemical analyses for both these categories of objects, the difference between imports and local imitations often remains unclear, rendering it difficult to evaluate their role in exchanges.

Thus, we will focus particularly on some luxurious ornaments of this period made of foreign materials, such as carnelian and amber found in forms of beads and some gold ornaments, which offer stronger data regarding exchanges (Fig. 2-4). The presence of these objects in the more prominent tombs, often accompanied by the aforementioned Mycenaean imported weapons and ceramics, suggests that these exchange objects carried on social value or served to affirm the privileged status of the local elites. Consequently, they shed light on the nature of the exchanges by suggesting the exchange in the forms of “gifts” or even marriages between elites as important exchange mechanisms.

\textsuperscript{15}Kristiansen 2016, p. 157-158; Kristiansen – Suchowska-Ducke 2015; Vandkilde et al. 2015.
\textsuperscript{17}Doğan – Michailidou 2008, p. 30-45; Kristiansen 2016, p. 160-161, 164-165; Eder – Pruzsinszky 2015, p. 11.
\textsuperscript{18}Kristiansen 2016, p. 160-161, 163-180, with the relevant references; see also Galaty et al 2014.
\textsuperscript{19}Bejko 2002, Kurt 2013, p. 79.
Carnelian and amber beads from late Albanian prehistory, found in the form necklaces and exclusively in funeral contexts, have been subject of systematic research during later years by R. Kurti. The earliest presence of these two materials in Albania dates in the Late Bronze period, or during the 14th-13th century BC. Carnelian is a type of semi-precious stone. It is a glassy, rusty brown volcanic rock, and its sources are limited to Egypt, Mesopotamia and India. However, the presence of carnelian beads in the Albanian territory during this period is an important evidence of the trade exchanges with the Aegean world, since the Mycenaean palaces had the control of the import trade of many exotic materials from the Near East and their subsequent distribution in the northern periphery, including the Albanian territories. The most comprehensive circulation of exotic materials in the Mycenaean world, including carnelian, belongs to most important period of the development of this civilisation, during the Late Helladic III A-B period according to the Aegean chronology or during the 14th-13th century BC. Under this influence, carnelian beads would be

21 Kurti 2013, Kurti in the press.
22 Brunet 2009, p. 59; Lera et al. 2015, p. 140; Eder 2015, p. 222, Fig. 1.
23 Kurti in the press, see also Eder 2015, p. 224, Matarese et al 2015, p. 144.
distributed further north, in Continental Greece up to the medium valley of the Haliacmon River, as well as in Southern Italy and Sicily24. As shown in the graphic above (Fig. 2a), the most important presence of carnelian beads from the Albanian prehistory, belongs precisely to this period. It is also notable that, during the Late Bronze, they have a limited distribution in our territory, and around 600 come from just South-Eastern Albania (Fig. 2b), mostly to the Kolonja area, where 450 pieces were found in different tombs in the tumular cemetery of Rehova (16 tombs). Statistical analyses of carnelian beads from Mycenae and its periphery25 suggest that their concentration in Rehova and Kolonja constitutes a very significant data, without excluding the possibility of direct exchanges with the Mycenaean centres. Another relevant fact is the presence of strands of finer beads – like those shaped like melon, vertical kanelyra, almond, or hexagonal – which usually are placed in the centre of the necklaces with simpler beads around them (Fig. 2c-e). The second type or almond-shaped beads are produced from very high quality carnelian and, judging by the crafting technique, it has been proposed that they may have been produced in the East and have reached the Aegean in the forms of beads (Fig. 2c, e)26. Judging by their quantity but also by the more limited distribution of this type in the northern periphery of the Mycenaean world as well as Southern Italy27, they seem to have had a higher exchange value, thus including another data in favour of direct contacts with the Mycenaean centres. Also, the presence of copper mines in Rehova of Kolonja constituted a strong reason to attract Mycenaeans in this part of today South-Eastern Albania.

Amber beads constitute another important group about the exchanges during the Albanian prehistory.28 Amber is an organic material, or fossilized resin, formed in the earliest geological strata29. Although there are amber sources in several parts of the world, chemical researches have verified that the dominant part of the amber used in the Mediterranean and countries near Albania originated in the coasts of the Baltic Sea30. Although in Northern and Central Europe amber has been used since early prehistoric periods, its circulation as an element for exchanges in the Mediterranean dates in the second millennium. Since the beginning of the Mycenaean civilisation, around 17th-16th century BC, it constitutes an important tool of exchange in the trade routes that connected the Aegean with the Northern Adriatic, and farther up in Europe.31 Despite the aesthetic value as a luxury ornament and the prestige of a material with “exotic” and distant origin, the consideration of amber as a material with magical and curative properties mentioned also by several ancient authors may have also contributed to the economic value of this material during prehistory. In the Albanian territories during the second half of the 2nd millennium BC amber remained a rare luxury ornament and a token or prestige. Overall, only 66 beads have been found in richest funeral contexts of this period, but unlike carnelian these are distributed from the North-Eastern border to the south of Albania, with a very limited number in each tomb (Fig. 3a-b). As in other countries of the Balkans, amber almost disappears during the first phase of iron and reappears again in considerable quantities only at the end of prehistory or in the 7th-5th century BC, when it constituted an important exchange element particularly in Northern Albania (Fig. 3b).32 Although some foreign authors have considered the territory of Albania as a transit point in the amber trade from the north towards the Aegean, the quantity of amber beads from Albania

26 Matarese et al. 2015, f. 140.
27 Matarese et al. 2015, f. 131, Fig. 14.
28 Kurti 2013.
29 Palavestra-Krstić 2006, f. 10-17.
30 Palavestra-Krstić 2006, f. 32-34.
32 Kurti 2013, f. 81-82, Fig. 3.
during 14th-12th century BC is too small to support this idea. Even if it is very possible that part of the amber has come in Albania in the second half of the 2nd millennium BC as a consequence of exchanges with Central Balkans or the Dalmatian coast, based on a detailed analysis of the contexts where the amber beads have been found it has been proposed that a recirculation of this material by the Mycenaean centres, or a reverse entry direction of the material in Albania, hence entry from the south should not be excluded. If not for all the territory, at least for South-Eastern Albania the data are in favour of this position. In addition to the close accompaniment in tombs with other object categories of Mycenaean origin from South-East Albania up to the region of Mat, another argument is the finding of amber beads in the tombs of Rehova in Kolonja, as central elements on the carnelian necklaces analysed above, a combination that is found not only in Mycenaean Greece but also in its peripheral areas and Southern Italy.

Another group of imported prestigious ornaments and important evidence for exchanges in the Late Bronze are those of gold, which were mainly part of the head adornment and in the Albanian literature are considered generally as Mycenaean imports (Fig. 4). We mention here four pairs of applications of thin gold sheets, probably applied to a vellum or leather diadem, dated in the

33 Kurti 2013, p. 78-81; Kurti in the press.
34 Kurti in the press, note No. 55.
14th–13th century BC (Fig. 4c-d). Similarly to the carnelian beads, these have been found only in South-Eastern Albania, in four funeral contexts in the Kolonja area (Fig. 4a). The import of Kolonja’s blinkers by the Mycenaean centres or by the northern periphery does not seem impossible if we keep in mind the rich tradition of gold sheets ornament crafting with printing technique or repoussé since the earliest Mycenaean period. The nearest “butterfly-shaped” applications parallel from Albania come from a tholos tomb in Kapakli, Thessaly. However, the lack of identical parallels does not exclude another known mechanism of exchange during the 2nd millennium BC that of itinerant craftsmen, which brought with them the materials and the technique, and adapted their products according to the local preferences.

Another category of gold categories from this period are the pairs of thin wire spirals, more often double wire, also called in the Albanian literature as “temples” ornaments because of the position they were worn, on both upper sides of the head (Fig. 4b1-5). With this category is related the earliest appearance of this material in Albania, such as the case of the spirals from tomb 7 of tumulus 36 See the aforementioned note and Kurti (in the press).

37 Kurti (in the press) with the relevant references.
1 of Pazhok in Central Albania, which are accompanied with two of the earliest Mycenaean imports, a Sandars A type sword and a Vaphio type cup, dated in Late Helladic II A, or around 16th century BC. Although this category has a wider distribution, from the Mat area to the south of Albania, it would remain a rare prestige ornaments category during the Late Bronze. Like amber, the import routes for this category which also had a large distribution from Northern Europe to the Aegean remains debatable in this complex period of exchange routes. Double wire spirals have an earlier origin and tradition in Northern and Central Europe, from where it is thought that during the second half of the millennium until its end they spread up to Southern Italy and the Aegean. Their often accompaniment in tombs with other Mycenaean imports also constitutes an important argument to think of them as imports from the same origin. But on the other side, the possibility that the local elites received these prestige imports from both directions, south and north, is not excluded. In addition to the decorative function as part of the head ornaments as well as prestige symbols, the literature has also discussed the possibility of the use of spiral pairs as monetary units expressed in gold metal that served as a reference value in the pre-monetary exchange. Their light transport, material resistance, simple morphology that allowed easy recognition, long-time unchanging and wide-ranging circulation, as well as the large number of them found in the warehouses in Central Europe, are considered by B. Hänsel as elements in favour of their use as pre-monetary exchange means.

Archaeological data often offer us only some aspects of exchange, and sometimes only one side of it. In an effort to understand what the communities of the Albanian territory have offered in exchange, literature rightly suggests that the copper sources from the Kolonja area, as well as from Mirdita and Puka should have been an economic resource for this communities and an export material. But the exploitation of these mines in prehistory has not been confirmed yet and researches in this direction are only in their beginnings. Meanwhile, the rich corpus of metallic objects during the late prehistory from this area, as well as many local variants or types, constitutes an important data in favour of their exploitation in prehistory. Also, the discovery of metal tool crafting moulds from the Late Bronze settlements of Maliq and Sovjan in South-Eastern Albania constitutes another important data in favour of this view. But, if the raw material exports seem promising, no copper ingots have been found in the Albanian territory, which during the 2nd millennium BC have a wider distribution in the Mediterranean as a copper transportation and measure unit. Thus, the only archaeologically documented form in Albanian is proposed as a possible form of accumulation of bronze for its trading for reclining, are the bronze axes deposits from the North-Western area. The most important amongst them remains the hoard discovered in Torovica village, Lezha, which contains around 124 axes and dates on the border between the Late Bronze and Early Iron. The fact that often these axes are unfinished or in most cases are not functional is used as an argument in their interpretation as a value unit or as ingots for the trading of the metal. The hoards phenomenon, both those of a single category of objects and those of various objects, constitutes a phenomenon encountered throughout Europe during the Bronze period but also later. However, it must be highlighted that today in international literature there is a polarized debate between the use of hoards as accumulation forms for trading purposes or their use for ritual purposes.

38 Bodinaku 1995, f. 259-261, Fig. 1: 1, Fig. 2: 1.
39 Kurti in the press.
41 Hänsel 2009, f. 23.
43 Burguni 2013, f. 14; Lera 2003, f. 34-35.
44 Sabatini 2016.
45 Prendi 1984; Gori 2006.
46 For a synthesis see Dietrich 2014.
Safer data have recently been offered lately for the exportation from Albania in the Late Bronze period of another raw material, the Selenica bitumen.Geochemical analyses of the bitumen with which containers from archaeological sites of Late Bronze were dyed, like Monopoli and Torre Santa Sabina in the Puglia area, Southern Italy, verified that despite the existence of a local source of material, it was imported from the Selenica source in South-Western Albania. Although archaeologically until today there is little evidence of the use of bitumen in the Albanian territory during prehistory and particularly during Late Bronze, it seems to have been used as trade exchange material between the two coasts since the second half of the 2nd millennium BC, and this is the first known case on the earliest trade of this material in the Adriatic. This case shows once again the importance of chemical analyses for the archaeological interpretation and particularly regarding the trade exchanges, hence we hope that these analyses will increase in the future to offer us an even more clear picture on barter exchange forms during the Albanian prehistory.

48 For a more systematic analysis see Morris 2014 f. 477.
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HOARDS OF ANTIQUE COINS FOUND IN ALBANIA, AN IMPORTANT SOURCE OF INFORMATION ON THE POLITICAL AND ECONOMIC LIFE OF ILLYRIANS IN THE V-I CENTURY BC

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Every day a great number of coins are found in archaeological excavations in urban centres. Some of them have been lost by careless handling; these are usually bronze coins, which did not have a great value. Others, silver or golden ones, have been hidden by the owners to keep them safe. Numismatics label this group of coins as “hoards”. These hoards, which could not be recovered by their owner before their death, have reached us – some 20 or 25 centuries after being hidden – and we have altogether 42 hoards belonging to the V-I century BC. (Fig. 1)

Hoards found in Albania are composed mainly by either silver or bronze coins; there are also hoards of mixed silver and bronze coins. Statistically, we find that 22 hoards are composed by silver coins, 13 by bronze coins, six are mixed and only one hoard, about which we have few data, is composed by one gold and 21 silver coins.

In fact, the hoard isolates the coin, removes it from circulation, and in a certain way diminishes the coins that should be in circulation, unlike coins found on archaeological sites, which are dynamic coins that served for everyday transactions, as an instrument of exchange in everyday life.

Hoards found in Albania offer some very beautiful and valuable coins. They provide very important data on the ancient history of the Illyrians, thus corroborating in many cases the sources from ancient authors as well. In a way, they reflect the life of the person that gathered such wealth, travelled with it and that, due to a sudden death perhaps, he was not able to use it. The owners had gathered their wealth as war spoils or trade profit domestically and abroad. They may have even accumulated this wealth over the years, but, in all cases, they hid it because of the insecure situations due to the wars in the territory they inhabited.

The distribution of coins across the entire Illyrian territory shows that in the III century BC the monetary economy dominated almost the entire country and particularly the territory between the Karaburun Peninsula and the city of Shkodra. In this area, the intensity of coin findings is higher and the inhabitants of this territory accepted and used mostly coin issued in Apollonia and Dyrrachium.

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even though some Illyrian cities minted their own coins mainly limited to the internal market. On the other hand, the distribution of hoards outlines a very interesting map of the political and monetary geography of Southern Illyria and Epirus during the VI century BC. The areas of their locations are roughly the same as the areas of circulation of the coins, resulting from the excavations.
Based on the content of the hoards, we observe that:

1. The hoards found in the Albanian territories consist in Aegina stater, of the turtle type, issued for the first time in the Hellenic world by this city in the years 550-525 BC, hence, after Lydia in Asia Minor, which played a very important role in the monetary circulation in antiquity. These are the earliest coins found in the Albanian territories, in total 388 pieces. This hoard constitutes the northernmost location of Aegina coins. A contemporary coin with those of Aegina, it is the coin issued in ancient Thera (nowadays Santorini) that is also part of the hoard of Hollm. (Fig. 2)

Part of our hoards are the famous tetradrachmas of Athens, also known as “the owls of Athens”, found in the hoard of Hije e Korbit, where the earliest issues of this city are found, from the V century BC.

Macedonia, represented by its kings, has also an important place, particularly in the Hoard of Hije e Korbit and that of Durres. Tetradrachmas and drachmas of Philip II, Philip III and Alexander the Great, issued after his death, and especially the tetradrachmas followed by the drachmas of Antigonus Gonatas, are found in the hoard of Hije e Korbit. This hoard features issues by more than 20 mints of Asia Minor, which gives it the value of an historical document for studying the monetary policy of Macedonia, after the death of Alexander the Great. (Fig. 3)

“Corinth’s Pegasuses” and its colonies constitute part of the hoards of Butrint, Kreshpan, Phoinike, Antigonea and Dërmish. These coins, despite the stylistic changes during time, had a great influence on the monetary activity in Illyria.

Other renowned coins from the Hellenic world, like coins of Corcyra, Istaia, Chalcis, Sicyon, Thasos are also featured in the hoards.

We are talking then about the most representative coins of the Hellenic world, which played a very important role in the international arena, related not only to the minting city fame, but also the value of these coins.

The finding of the most important coins of the Hellenic-Macedonian world in archaeological excavations does not necessarily relate to the time of their mint and their circulation in the Illyrian
territories. Given their role in international monetary circulation, they have circulated for a time that spans beyond their time of mint.

Among the hoards found in Albania during V-I century BC, coins minted in the country and particularly silver drachmas from the two great cities, Dyrrhachium and Apollonia, have a central place in monetary circulation and in relations with the Illyrian cities as well as with Corcyra, Corinth and the Hellenic world in general.

2. Most of the hoards found in our territories are war spoils. These hoards are characterized by the presence of valuable coins that have been used to pay soldiers or mercenaries. In most cases this wealth may have been rewarded or paid for their participation in the wars of Rome in Illyria, Epirus, or part of the goods pillaged during the campaigns as well. May have been the proceeds of a native that has carried out his military activity outside the Illyrian or Epirote territory and the money discovered were gains from a military career that a person had outside the Illyrian territories, where great battles took place.

In Illyria and Epirus war hoards are often found, particularly in areas involved in the major political-military events. Such is the case of the punitive campaign of 168 BC undertaken by the consul Paulus Aemilius in Epirus that destroyed 70 Epirote cities and enslaved 150,000 people. Precisely at this time, the hoards of Antigonea, Dërmish, or Senica were hidden.

The hoards found in Jubica, Koblik, Lezha and Renc are related to the events of the third Illyrian-Roman war, under King Gent. The hoards consist entirely in drachmas from Dyrrachium and Apollonia with the exemption of the hoard of Renc that has small amounts of coins of King Gent and King Balaj.

One of the most important moments of the Illyrian history is the period of the civil war for power between Caesar and Pompey that began in Italy, and then moved in Southern Illyria and part of the war events took place in the regions between Apollonia and Dyrrachium. Hoards found in this area constitute the third group and consist in drachmas from Dyrrachium and Apollonia together with denarii of the Roman Republic.

The long presence of Pompey and Caesar in the territory of Dyrrachium, Apollonia and beyond created a difficult economic situation but also an uncertainty for the entire region affected by this war. According to Caesar, who had the full support of the Apollonians, we learn that at the end of the war he had to go to Apollonia and leave the wounded, pay the soldiers, establish garrisons etc. This account from Caesar allows us to think that a considerable amount of Roman coins were left in Apollonia as payments for the soldiers. We are inclined to think that the hoard of Apollonia – consisting in 1875 Roman denarii – is part of this payment, especially given that most of the coins are from the 48-45 BC period, i.e. the time of Caesar’s rule (Fig 4). So, at the time of Caesar, we have a large inflow of Roman denarii, which was caused by his need to support the war effort and maintain his army. The mint of Apollonia as well turned to his service at that time.

Drachmas from Dyrrachium and Apollonia are also found in the hoards discovered in Romania and Bulgaria from the 120-80/70 BC period since Illyrians, according to ancient authors, were engaged in the wars between Romans and Thracians and this silver drachmas were used by the Romans alongside the Roman denarii to cover the expenses of war including mercenary payments, not only in the Illyrian territory but also outside it.
3. The hoards shed also light on the monetary reforms carried out by the two great cities of Apollonia and Dyrrachium after the middle of the 1 century BC.

The five hoards found in Apollonia and the hoard of Cakran are evidence of a monetary reform undertaken by Apollonia by the end of the 1 century BC, as consequence of the great political and economic changes in Southern Illyrian at the time. The economic and political crisis experienced by the two important cities of Illyria, Dyrrachium and Apollonia, during the civil war between Caesar and Pompey, the ever-increasing inflows of the Roman denarius, as well as bronze coins, from Rome and the markets of Illyria, brought about the need for a reform of the monetary system to withstand a possible crisis. Apollonia had more favourable conditions than Dyrrachium, because it had very good relations with the Roman authorities. The purpose of the reform was to approximate its system to the Roman monetary system (Dinarius, As, Dupondius). So, this reform affected silver and bronze coins, which represented the main types of Apollonia’s coins that circulated largely in the main Illyrian markets and had a large impact on the domestic monetary circulation.

In the framework of this reform the coins that had been in circulation since the beginning of the III century BC were withdrawn from the market through depreciation and substitution with new issues that featured the same symbol on the obverse and reverse as the previous ones, but differed in weight, diameter, as well as the addition of the name of the magistrate, adapting them to the Roman monetary system. The hoard of Dimal has given us a key to understand how this reform was implemented.
The withdrawal from circulation and hiding of 5 hoards of bronze found in Apollonia with around 1354 coins, as well as the hoard of Cakran with 2352 pieces was a radical measure for the owners of these hoards. They hid them in the ground with the hope that maybe one day these coins would be revalued. Of course, for us, these hoards are very precious since they give us data on the monetary policy used in Apollonia one of the most important cities in Illyria in the III century BC. The study of the seals of the coins minted in Apollonia and in Dyrrachium, supported by the hoard of Ulešan consisting in 2600 coins from this city, has enabled us to know the intensity of the minting and their role in the domestic monetary circulation.

4. Besides the main aspect of the role of the coins to facilitate exchanges within city that minted them but also outside it, the hoards shed light on the important political figures and their role. (Fig. 5)

The presence in the hoards of Kreshpan of the staters of the Illyrian King Monun, with 45 pieces (before this hoard only 3 pieces from this King were known), alongside the staters of Dyrrachium and Corcyra, allowed us to complete the data from the ancient authors on this king, to identify this king amongst three kings mentioned in the sources of the ancient authors (Dardan, Illyrian, Thracian: Trogi Pompeii 24), to have an acceptable chronology for the ruling period of this king, to highlight his important role in the Illyrian kingdom as well as his relations with Dyrrachium, in whose mint he minted his coins. The minting of a coin from him, with the same symbols as the staters of Dyrrachium, which was also the largest trade centre in all Illyrian and Epirus, as well as the most powerful colony on the Adriatic coast, may be explained with both political and economic reasons. This choice from the king facilitated significantly the monetary exchanges throughout the entire kingdom, because typologically and metrologically it was very known and accepted in the

Fig. 5 - Hoard of Kreshpan
markets of the time. The staters of Monun do not differ from the stylistic point of view from the last staters of Dyrrachium, but he adds on the obverse of the coin the jaw of a boar as the emblem of his kingdom. Apparently, the King and city of Dyrrachium had a monetary alliance, favourable to both parties. Monun’s successor, King Mytil, minted a bronze coin similar to the coins of Dyrrachium.

That said, the small number of moulds used shows that the minting of the royal coins did not last long and was not in large quantities.

Thorough research of the hoards of V-I century BC has enabled us to:

- know the history of the coin and its evolution in antiquity not only in the Illyrian-Epirote territories but also beyond, in particular historical periods;
- avoid in some cases the confusion between official coins and counterfeits, by identifying very precisely the monetary mints where they were minted;
- distinguish the differences between the area where the coin has circulated, the role it played in both the internal and external markets.

Hoards found in Albania apart from completing the research in the numismatic field have also shed new light in other important fields like onomastics, mythology, culture, and art.
CIRCULATION OF ROMAN IMPERIAL COINS IN ALBANIA (14 B.C – END OF V CENTURY A.D.)

Dr. Albana Meta*

This article aims to present the characteristics of the Roman coinage circulation in the territory of Albania. The material consists of coins found in archaeological excavations, casual findings, donations and acquisitions. The quantity of the coins taken into consideration is around 4000, of which 4 are gold, 252 silver, 32 subaerate and 3712 bronze coins. This material includes a large amount of unpublished coins, of the Tirana Numismatic Cabinet, coins published during the last years coming from the excavations in Phoinike (21 pieces), Butrint, Diaporit, Vrina Plain (about 420 identified coins from the three sites), Durrës (the excavations at Lulishte 1 Maji)¹, as well as Roman coins preserved in the Museum of Shkodra, published in 2003², (about 118 identified pieces, mainly from the IVth and Vth centuries. A considerable amount of coins, around 1050 pieces come from the excavations and superficial findings from Byllis, and other surrounding sites of this city. This material is still unpublished. The following data considers only the identifiable coins, around 2731 pieces. 1/3 of the total is unidentifiable. The large amount of unidentifiable coins is due to the fact that they date mainly to the IV-VI century, are very small denominations and are minted in large quantities. They are mainly nummi, which due to their small size and poor minting, are easily damaged from the corrosion, making them thus illegible. This phenomenon is clearly visible in the publication of Butrint, Diaporit and Vrina Plain’s coins, where most of the findings belong to these centuries and are unidentifiable³. Also, the coins from Byllis that we have considered show that from the total amount, only 191 coins are clearly identifiable, 10 of which are silver, 3 subaerate, and 178 are bronze.

The material considered for this publication excludes the coins from the Durrës hoard which is the biggest hoard belonging to the imperial period, found in Albania. Found in 1941, it contains more than 3500 denarii and quinarii, which, according to the publication of H. Ceka, belong to all the Emperors, from Neron to Lucius Verus⁴. The coins of the hoard are not included here because the

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¹ Frashëri 2015.
³ Moorhead, Gjonjecaj, Abdy 2007, p. 78.
hoard needs to be revised and republished, since some coins are left out of Ceka’s publication. Also, the progress made in the study of the imperial coins has provided more accurate data, which makes it necessary to review and date the material on the basis of an updated bibliography. However, it is worth mentioning that the period during 167-175 A.D. covered by the coins of the hoard is related to the war between Rome and the northern tribes: the Marcomanni, the Quadi and the Sarmatians. Its burial in Durrës is related to the fact that the Roman legions landed at the port of the city and from there travelled by land to the territories of these northern tribes. So, more than showing the coins that circulated in this part of the Illyrian territory, the hoard is a proof that the Roman armies landed in this territory, and it demonstrates the considerable expenditures of the Roman army for the northern campaigns.

In addition to the preservation state that directly affects the identification of the coins the data on monetary circulation is also conditioned by the nature of the archaeological settlements and the extent of their excavation. Thus, some of the archaeological sites of the imperial period may be partially or slightly excavated, a factor that influences the final outcome of the coins’ distribution. It should also be noted that a considerable part of the coins from the Numismatic Cabinet in Tirana are donated or purchased which fragments furthermore the data on the circulation since it is impossible to know where they were found. The following data are listed chronologically, from the beginning of the empire in 14 B.C. until 476 A.D. grouping the periods not only according to the characteristics of the empire’s development, but also on the basis of the monetary reforms undertaken.

Graph 1 shows the amount of findings per emperor from 14 B.C. until 235 A.D. when the rule of the Severus Dynasty ends.

For the period 14 B.C. when the Empire was established until 96 A.D., 234 coins are identified. Octavian Augustus is the most represented emperor, with 86 coins, of which only 4 are silver. This considerable amount of coins is related to the fact that Apollonia minted provincial coins during his rule. 21 of the Augustan coins are provincial coins of Apollonia. Following, the most represented emperors of the Julio-Claudian dynasty are Claudius and Nero, with respectively 29 and 30 pieces found. The small amount of Galba, Otho and Vitellius emperors’ findings are related to
the short time of their rule, just a few months each. Vespasian and Domitian are also represented with 27 and 26 coins: it is to be noted the increase of the number of denarii for each of them, respectively 11 and 7 pieces.

During the II century B.C. [96-192] the amount of coins for each emperor clearly increases, as shown in Graph 1, providing 372 coins. The largest quantity of coins for this period belongs to Hadrian, 84 coins, of which 27 are found in Durrës, all in bronze. It should be noted that in this period, the city’s amphitheatre started to be constructed. Also, emperors Trajan (75 coins, of which 17 are denarii), Antonin Pius (80 coins of which 9 denarii) and Marcus Aurelius (60 coins, 3 denarii) are adequately represented.

For the period 193-235 A.D., when the Severus dynasty ruled, 169 coins are found, of which 11 in silver. With the exception of Elagabalus, whose rule is represented by only 10 coins (only 1 gold), this period is characterised by a uniformity of findings, which vary from 39 to 41 coins for each emperor.

Starting from the period after the year 235, throughout the third century, the number of coins found increased considerably, 581 coins. Graph 2 shows the amount of the coins found for each emperor.

As the chart clearly shows, the most represented emperors are Gordian III (238-244 A.D.) with 70 coins, of which 20 in silver, Philip I (244-249 A.D.) with 50 coins (7 in silver), Gallienus (253-268 A.D.) who has the largest number of coins for this period: 118, of which 4 in silver. Then follows Claudius II with 58 coins, all in bronze, Aurelius with 83 (only 3 gold) and Probus with 95 (7 gold). The increased amount of coins, mostly in bronze, is mainly related to the continuous political as well as the monetary crises of the empire, which are clearly manifested in the devaluation of the denarius, the continuous monetary reforms and the numerous military campaigns that require a large amount of coins to finance them. During this period there are a considerable number of emperors who often rule for only a few months. This explains the small quantity of coins found for the majority of them. The emperors represented by a considerable number of findings are those who have ruled longer during the third century.

7 Hekster 2008, p. 3-30.
8 Ibid., p. 56.
Starting from 284, Diocletianus established the foundations for the division of Roman Empire. The establishment of the tetrarchy [285-324] implies an Emperor and one Caesar for each subdivision (east and west), which is reflected in a large number of rulers. Constantine I in 324 interrupted this system. The IV-V century is characterised by a significant number of coins minted, most of which are nummi, which are produced in very large quantities and because of their small size travelled easily carried and were as easily lost. The huge presence of nummi is noted in all the archaeological sites dated to these centuries in the territory of Albania. Thus, the excavations at Butrint, Diaporit and Vrina show that the period prior to the year 300 is represented by about 61 identified coins (imperial and provincial), while for the period 300-498, 328 coins have been identified. The report of the monetary findings from the Butrint Forum is also significant, 18 coins date up to 260 AD and 33 from this year to 498. From the coins found in Byllis and its surroundings that we have taken into consideration, about 90% of the unidentifiable coins are nummi and most of the identified coins from the end of the IVth to the Vth century, are also nummi.

Graph 3 shows the amount of coins found for these centuries. The total of the identified findings is 858 coins. The largest number of findings per emperor throughout the imperial period in the Albanian territory belongs to the Emperor Constantine I, 186 coins. The imperial findings cover the entire imperial period, including a coin of Emperor Basiliscus (475-476).

Graph 3. Amount of coins found per emperor for the IVth and Vth centuries

**Augustae and Coins**

Among the total number of the imperial coins, 174 are minted in the name of the Imperial women or dedicated to them. Of them, one is a gold coin (Faustina I), 29 are silver coins and 1 is a subaerate. Graph 4 shows that the largest number of the coins found, belong to Julia Domna (wife of Septilius Severus), then those of Julia Mamaea (mother of Severus Alexander), Faustina I (wife of Antoninus Pius), Faustina II (wife of Marcus Aurelius), Salonina (wife of Gallienus) dhe Lucilla (wife of Lucius Verus). The other Augustae are represented by a smaller quantity of coins. The largest quantity of Augustae coins relate to the ruling of the Antonine and the Severus dynasties, which coincide with the data provided above about the coins of the emperors from these dynasties, who are also very well presented. We also emphasize that this is the period of the flourishing of the empire.

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9. For Roman tetrarchy see Rees 2004, p. 2-13, 93-111
Roman Provincial coins

Many of the coins found in Albania are Roman Provincial.12 It is to be noticed that in the totality of the provincial coins dating from Augustus to the rule of Elagabalus in 222, the coins produced by the local mints of Apollonia, Phoinike and Butrint are the most represented. The main role in the provincial coinage minting in our territory is played by Apollonia with a monetary activity from Augustus to Elagabalus, with some interruptions during the rule of some emperors.13 The total number of coins minted in Apollonia that has been identified in the material taken into consideration is 145 pieces. The best represented emperors are Geta (33 coins), and Caracalla (28 coins). The coins minted in Apollonia are found mainly in Apollonia or in its hinterland, such as Byllis and Dimale, but those minted in the name of the Emperors Septimius Severus, Caracalla and Geta are found in Carnuntum, in today’s Austria. This is explained with the movement of the legions from Apollonia toward other regions of the empire, and in this case the Illyrian legions must have moved toward Pannonia and the Danube during the campaigns against

Marcomanni organized by Marcus Aurelius and Lucius Verus in 168-172.14 Some 27 pieces are minted in Phoinike15 and 15 in Butrint16. Their circulation in the minting city itself as well as in its hinterland is to be noticed again here. The Provincial coins found in the Albanian territory come as well from other mints such as Nicopolis, Macedonia, Hadrianopolis, Edessa and from Carthago Nova (1 coin of Augustus), but they are found in small quantities. Provincial coins show that local mints provided a considerable quantity of coins to fulfill the needs for coins during this period. Of course, an important part of these needs were completed by the coins issued at Rome and in other mints of the Empire.

From 222 to 260, the Viminacium mint takes the place of the local Illyrian mints in the provisions with provincial coins, with 39 identified coins. Hadrianopolis (Thrace) and Pella also are represented by 2 and 1 coin each in this period. Four coins belonging to the end of the IIIrd century - beginning of IVth century are minted in Lyon, Ticinum and Egypt. During the IVth century the most represented mints are Thessaloniki, with 26 coins, and Siscia (Croatia) with 28 coins. The Nicomedia mint is represented with 10 coins, Constantinople, whose coins become more represented from the middle of the IVth century, has with eight coins in the total of the Provincial findings, while the mints of Antioch and Sirmium are represented with five coins each. At the end of the IVth century, the coins of the Cyzicus mint are more present (6 coins). Other less represented mints are Londinium, Serdica, Heraclea, Alexandria, and Aquileia. It has to be mentioned that the data on the provincial mints provided here are very fragmented because of the fact that most of the coins are small denominations, often poorly preserved, which makes the identification of the mint very difficult.

**DISTRIBUTION OF THE COINS IN THE TERRITORY**

The coins considered for this study are found across the entire territory of Albania, from north to south. The largest quantity comes from the important archaeological cities and sites where excavations have taken place. Apollonia is the city with the largest number of findings, in particular for the period 27 BC - 235 AD (197 coins), which coincides with the period when the city minted its provincial coinage. In the north, Shkodra and Lezha with their surroundings are the main centres with the highest concentration of the coins. A larger number of coins have though been found in the south, in particular in the hinterlands of Apollonia, phenomenon which is also noted during the Hellenistic period. First, this is explained by the large number of settlements in this region. Second, the passage of the Via Egnatia through these territories had created a high intensity of ancient centres and stations and hence of the findings. Some locations of the findings are often not related either to any city or to any ancient settlement. They seem to be sporadic finding spots in the territory, which may be related to the passage of the armies.

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14 On campaigns in these territories, see footnote 3 above.
15 Gjongecaj 2007, p. 171 catalogues 17 of these, while an updated catalogue of the whole material is provided in Gjongecaj 2011, p. 118-119.
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The minting of the first coin is in archaeology the most significant symbolic evidence of the beginnings of the civilized world. From a historical stratigraphic point of view, it marks the turn from human existence in the form of prehistoric settlements, to the establishment of the urban environment. The world of barter exchange evolved in the conventional exchange of goods through the currency. Currency - coupled with the subsequent institutions of its activity, such as money depositing, borrowing and lending, and the creation of proper banks, is what distinguishes the prehistoric antiquity against from the ancient archaic world – that is, the civilization through urban environments.¹

No doubt, the underground of nowadays Durrës – that is, Epidam as the nucleus of the city and beyond that, the great Dyrrah surrounding it (Photo 1) – was one of the first cities of monetary civilization and banking development, not only in the Illyrian territories but also in the Mediterranean. According to the written sources and archaeological discoveries, administrators and merchants of the Hellenic imperial civilisation from Corcyra and Corinth came in 627 BC and established near Epidam, an earlier settlement of the Illyrian tribe of Taulantii, founded there a new city² in accordance with their administrative and linguistic imperial model for the unification of the urban Mediterranean communication. The incoming Hellenic inhabitants together with the Illyrian local inhabitants - in agreement with the aristocracy of the city (the Epidamii) - built a so-called Emporion - a port for trading goods, which brought great wealth to the city during the VI-V century BC. This was aided by the geographical position of Epidam/Dyrrah between the Italian and the Balkan peninsulas, as the starting point of Via Egnatia, which, as a continuation of Via Appia, connected the Adriatic Sea to Propontis (Byzantium) and the Aegean Sea. In fact, in the second half of the

¹ A full historical picture about currency and banks in Albania is taken from the monograph by the scholar Kristo Frashëri, Currency, Lending and Banks in Albania during the centuries (Tirana 2011).

² Thucydides I, 24 –30 (The Peloponnesian War).
VI century BC, Epidam was one of the richest cities that built a treasure temple (thesauros) of the city in Olympia. These were small temple buildings (naiskoi), dedicated and consecrated to the gods. Inside them, in this period, there was no gold or other provoking possessions, but dedication items (benedictions) such as statues, precious sculptured portraits, pillaged ornaments or weaponry and exposed armour accessories that gave to the visitor in the Sanctuary the idea of the power of that particular city compared to that of other cities. On the basis of the discovered architectural terracotta, the Epidam’s Treasure (temple) in Olympia was dated by archaeologists in the third quarter of the VI century BC, before 530 BC. From the II century AD, thus around 700 years later, we have a description from Pausanias (around 115-180 AD) on the temple treasure of the Epidamii and several groups with statues inside it.

Like elsewhere, in Epidam/Dyrrah as well the first coins came from the centres of the Hellenic empire. They brought along the concepts of setting up the temple institution with the functions of depositing citizens’ wealth and crediting. Between foreigners coming from the sea or “via Egnatia” and the inhabitants of the ancient city Epidam/Dyrrah there have been continuous relations. In addition to archaeological discoveries, this is also mentioned by Claudius Aelianus (around 170-222 AD): at the time of the Hellenic Colony the Epidamii gave every foreigner the right to reside in the city. In this great and vibrant harbour of seafarers and merchants – the most important transit centre between Italy and the Balkans – there were many inhabitants from the entire Mediterranean area residing near the Illyrians and the colonists from Corinth and Corcyra.

It has already been determined that since the VI-V century BC in the city-states of Hellas, alongside temples as religious banks and the private ones, with the initiative of merchants’ groups administrative (public) banking functions were also set up, with both credit and lending at interest. There is no reason why Illyrian city-states such as Epidam/Dyrrah or Apollonia should have followed another route. It is also known that in the Mediterranean trading ports and docks, which were minting coins themselves, there were in the Hellenistic period both public (city) and private banks. The latter were developed from the money exchange activity of merchants and businessmen who needed the local currency for their business.

Parallel to those, in trading centres like Epidam/Dyrrah, temple banks played an important role as well, for depositing and safeguarding precious items and large amounts of money, which were considered there as out of touch. These banks were not active in the commercial business. They were used by private banks engaged in commerce to deposit large amounts of money earned. The function of the temple as a bank does not stem from a primary interest in being a capital venture but corresponds to the concept of all that a Sanctuary owns and has undertaken to safeguard may not be touched. Temples sustained themselves from the money deposited there, but denied themselves the income from interest.

Ancient written sources mention the existence of several temples in the city of Epidam/Dyrrah, but they have not been localized. Archaeologists still know very little today on banks and archaic and ancient temples in Dyrrah. So far, only some suburban temples have been found. Reportedly,
a great number of dedication (votive) figures have been found in them. Only for a particular suburban temple on Daute Hill, a large amount of bronze coins is mentioned. In 2010, within the city of Durrës were found some architectural terracotta of a temple and several votive figures of the archaic period (VI century BC). (Photo 2)

The number of private banks in Dyrrah peaked during the Roman period. Such small banks were established in the surroundings of the city. Evidence for such a small private “bank” is a unique archaeological finding in the Roman Necropolis of Dyrrah, which until now, according to my knowledge, unfortunately has not been published. According to a report on the website of the Römisch-Germanischen-Zentralmuseum in Mainz, Germany, in the Roman Necropolis of Durrës in the foundation of a woman’s grave from II century BC, a fully preserved glass urn was found a few years ago. The fluid-filled urn had inside some tablets cut from ivory elephant tusks. These tablets were waxed and through a needle, notes were scratched on them. After the restoration, it was possible to read part of the contents of what was written on those tablets. They had served as pages of a lending notebook, recording debts owed by different debtors, their name, the loan expiration date (month and day) and the amount of the loan in silver coins. Such an archaeological object has not been encountered to date anywhere else in Europe.

The history of the metal coin in Epidamnus/Dyrrach shows its earliest use in Illyria. When did this particular type, which were minted by both colonies, Dyrrah and Apollonia, as well as by the Illyrian King Monun. All of these coins show on the obverse and reverse the same symbols - a cow looking back at the suckling calf, and on the reverse a square with stylized ornaments of plants and stars (the so-called “Garden of Alcinous”) - which differ from each other only by the Ethnikon.

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14 KOP for Corcyra, ΔYP for Dyrrah, ΑΠΟΛ for Apollonia and ΜΩΝΟΥΝΙΩ for King Monun.
It can be therefore concluded that all coins minted in Dyrrach up to the middle of the I century BC carry the Ethnikon “ΔΥΡΑ”. Some known coins that are still a puzzle feature on obverse the head of Athena and on reverse a Pegasus, as well as an epsilon Ethnikon. At least one of these coins may be attributed with a high certainty – as the site of its minting – to Epidam, with minting date of 435 BC - thus shortly before the battle in Leucimne and the capitulation of the Epidam before Corcyra.15

How were the coins in Dyrrach used? Of particular documentary interest are the data on the use of the currency by Dyrrah’s population in the spectacular archaeological discovery conducted in 2010 in the so-called “Lulishtja 1 Maj” in Durrës. In its underground an urban part of the district of the Illyrian craftsmen from the 3 century BC to the 4 century AD was discovered. In an area of 3,000 m² of archaeological excavation through the ancient streets of the Dyrrah’s Craftsmen District, were collected and documented a total of 920 coins (averagely 1 coin per 3 m²). Of them, 231 readable coins were selected and displayed on the pages of the book “Illyrisches Dyrrah” [The Illyrian Dyrrah] published last year.16

If we take a look at the layout of the Dyrrah’s Craftsmen District (Photo 3, 4, 5, 6), we note that the ground floors of their homes on both sides of the street consist of family workshops and private shops (tabernae) where they sold their products near the street. In this part of the district were found bakeries, workshops for the production of small bottles of perfume or liquid medicines, for felt dyeing, and inns and restaurants.

The coins, of bronze and silver, are of the most varied types. The earliest belong to the V century BC. From the period IV century to the middle of the I century BC were found a great amount of coins from the range minted in Dyrrah, predominantly of two types, “Heracles Head/His Weapons” and “Zeus Head/The Gallows”17 (Photo 7). Amongst them there are also silver coins. Of particular attention is a small silver Illyrian-Hellenic coin of the “Hermes Head/Protome of Pegasus” type18 (Photo 8).

The main part of the coins come from Roman times, at the same time from the horizons of burnt materials and fillings of the 2 century to the 4 century BC, in tabernae and workshops, from the surface of street cobbled stones and the filling layers with tile ballast on them, as well as from filling the channels of the streets and those open between houses (Photo 9).

The oldest minting of Roman times is a sestertius of Augustus from the years 28 to 15 BC.19 The majority of the readable Roman period coins date from the end of the I century to the end of the II century AD. The majority of these coins were found alone and therefore are considered as coins lost by citizens in ancient times. Only in a glass workshop was discovered a walled hoard, of 64 Roman coins, dating back in a range from 97 AD to the time of rule of Marcus Aurelius (161-180 AD).20 All these exemplars are coins lost by residents and passers-by on the streets, channels and shops of the antique district.

16 Gj. Frashëri ibidem, pp. 386-392, 516-541, table LXXXIII–XCVIII.
17 Ibidem, table LXXXIII, no. 6-38.
19 Ibidem, table LXXXIII, no. 62.
20 Ibidem, table LXXXIX-XCIII, no. 107-162.
The results of this excavation significantly complement the picture of the use of coins by the citizens of Epidam/Dyrrah for a period of more than a thousand years. There we learned something more - how the Illyrians of this famous antique city worked and earned the money in the workshops and the family shops, how everything was sold and bought in coins, how citizens moved around the city with coins in their pockets, how some of them fell out of pockets and how some were hidden in the walls of the house. Surely, those that earned more, or wanted to invest, turned to the city banks to deposit or borrow money.

Photo 5: Durrës, archaeological excavations in “Luliski 1 Maj”, Roman streets with channels, shops and workshops (Photos (From the book by Gj. Frashëri, “Illyrisches Dyrrah (Illyrian Dyrrah)”, pp. 183, fig. 156).


**Photo 8:** Illyrian-Hellenic silver coin of the type “Hermes Head/Protome of Pegasus” (From the book by Gj. Frashëri, “Illyrisches Dyrrah (Illyrian Dyrah)”, table LXXXIII, fig. 3.)
Photo 9: Durrës, archaeological excavations in “Lulsihtja 1 Maj”, coins from the Roman period (From the book by Gj. Frasheiri, “Illyrisches Dyrak (Illyrian Dyrak)”, pp. 628).
SESSION II:

FEATURES OF MONEY AND ECONOMIC DEVELOPMENT DURING THE MIDDLE AGES

Session Chair: Associated Academic Shaban Sinani, Albanian Academy of Science
Money as Regulator of Relationships in the City of Shkodra during XIV-XV Century

Prof. Dr. Pëllumb Xhufi

Around the half of the XIV century, a new development is noted in the Medieval Albanian society with regard to the institution of the law. Until then, it had been represented by the decrees, orders or privileges that Byzantine, Bulgarian, Angevin or Serb kings and emperors, granted in different times to urban communities, feudal or local leaders or to ecclesiastical institutions. But, deep in the remote highlands, the common law continued to regulate legal relationships of their inhabitants. We find such evidence in several acts of 1272 by King Charles I of Anjou recognising the right to self-governance of the Albanian communities in these territories in accordance with “their good habits and customs” (bonos usus et consuetudines). Relations between these two legal forms must not be considered necessarily contradictory: there were reciprocal infiltrations and influences.

Beginning from the middle of the XIV century, we learn that some of the most developed Albanian cities, such as Dur雷斯, Shkodra, Drisht, Ulgird, Tivari, which had transformed in the meantime into autonomous communes, were governed by their own laws, collected and arranged in the form of

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1 In the agreement between the Albanian leaders with King Charles I Anjou, in 1272, the latter commits to recognise to the former “all the privileges of the previous Byzantine Emperors” (eisque antiquorum imperatorum Romanie privilegia omnia… confirmat), see: L. Thalloczy-C. Jirešek-M. Šufflay, Acta et Diplomata res Albaniae mediae aetatis illustrantia (hereinafter: Acta Albaniae), I. Band, Vindobonae, 1916, no. 268, 269, 300. In the privileges of the Serb King Stefan Dushan on the City of Krupa, 1343, are also mentioned the Byzantine Emperors and the Bulgarian Kings, that previous to Dushan, had accorded similar privileges and rights to this city and its inhabitants. See: L. Thalloczy-C. Jirešek, “Zwei Urkunden aus Nordalbanien”, in: Illyrisch-Albanische Forschungen, I. Band, München und Leipzig, 1916, p. 149. See also the privileges of the Byzantine Emperor Andronicus II Palaeologus for Kanina, 1307, in: J. P. Alexander, “A Chrysobull of the Emperor Andronicus II Palaeologus in favor of the See of Kanina in Albania”, in: Byzantion, American series, 15 (1940-1941).
2 “bonos eorum usus et libertates et bonas franchias, quibus nunc usi sunt confirmat”, Acta Albaniae, I, no. 269.
This may be considered a decisive moment in the affirmation of the positive written law, to the detriment of the common law. What had happened a century before in other advanced countries, such as Venice, when, as R. Cessi says, “it moved from the practice of consuetudo, to the positive written law and the development of a legal order no longer trusted to the thinking of interpreters, the counsel of trustworthy men (probi homines) or the decrees of the Doge, but was now regulated by a legislative system collected in a corpus of justice, such as statutes”.5

This historical change is remarkably immortalised in the opening phrase of the Drisht Statutes, of the XV century: “Nihil præstansius in hoc evo mortalibus quam regi lege” (Nothing is more useful for human evolution than to be ruled by law).6

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4 The first notice on the Ulqinj statutes (statutis Dulcinii) comes from 1376 (Acta Albaniae, II, 336). The statutes of Durres are first mentioned, vaguely, in 1379, in the occasion of an agreement between this city and Ragusa (Acta Albaniae, II, 359). In 1398 the Senate of Venice ordered the Venetian governor of Durres, that if the inhabitants of this city so desired, they may be governed by Venetian statutes and ordinances; otherwise, he had to send to Venice for review the 35 chapters of the city statutes, found in the Franciscan monastery which they claimed to be respected by the Venetian governors (Acta Albaniae, II, 610). Tivar’s “statutes and ordinances (staturorum et ordinacionum Antibari) are mention in a document dated 26 January, 1392 (Acta Albaniae, II, 475). For more information, see: M. Šufflay, Cities and castles of Albania mainly during the Medieval Age, prep. L. Maltezi, Tirana, Onufri, 2009, pg. 102, 103, 141-148; L. Nadin, Statuti di Scutari della prima metà del secolo XIV con le addizioni fino al 1469, Roma, Viella, 2002; Statuta et Ordinationes Capituli Ecclesiae Cathedralis Drivastiensis, pub. M. Ahmed E. Jala, Tirana, Ombra GVG, 2009; A. Pertusi, “Per la storia di Dulcigno nei secoli XIV-XV e dei suoi statuti cittadini”, Studi Veneziani, 15 (1973) 213-271; S. Marković, “Lo statuto di Antivari (sec. XVI)”, Studi Veneziani, 54 (2007) 239-277.
6 Statuta et Ordinationes Capituli Ecclesiae Cathedralis Drivastiensis, pg. 142.
First published in 1927 by Milan Shuflaj and Viktor Novak, then in 2009 by M. Ahmeti and E. Lala, the Drisht Statutes are the first statutes of a Medieval Albanian city known in full. But, in the case of the Drisht Statutes, we are talking about a corpus of rules and dispositions that centre around the ecclesiastical organisation, the relations and functioning of ecclesiastic institutions and structures in a city like Drisht, where church, religion and clergy had the final consent for every public activity, both religious and secular. In this sense, one of the greatest scientific and cultural events for Albanology was the discovery and publication, in 2002, of the Medieval Statutes of Shkodra. Unlike the Drisht Statutes, the content of Shkodra Statutes is strictly secular. As clearly stated in Chapter 155 of the Statutes, the issues of the church and the religious relationships were competence of the canonical law. But, the division between the church and the state was not the only modern legal principle reflected in the Shkodra Statutes. 280 chapters include those that affirm the principle of the choice of the people for the communal institutions and the judicial college, affirm the right of asylum for those persecuted by the feudal powers, defend life, wealth and dignity of women, children, elderly, immigrants and unprotected classes in general. In modern terms, the Shkodra Statutes also contain a special package of provisions for the protection of freedom and individual rights, within the framework of an articulate system of laws and constitutional norms that confirm the autonomy, if not the independence, of the city of Shkodra during the XIV-XV centuries.

If the Shkodra Statutes mark the passage from the common law to the positive one, or put more schematically from “barbarism” to “civilisation”, it would be interesting to evidence the novelties that these Statutes introduce in relation with the Kanun of the Mountains, which represents an earlier, if you want primitive, social and institutional stage of the Albanian society. We will limit our analysis to the phenomenon, which rightly or wrongly, is considered specific to the Albanians. We are talking about the revenge and more precisely its harsher version, the blood feud. In contrast to the thinking, judging from the reality of our days, the institution of blood feud was diffused in the Medieval Age across all the Albanian territories, both North and South. New documents from the Venice Archives of the XV-XVII century evidence the presence of the kanun norms of blood feud in Himara and Labëria, in the softer and more civilized Çamëria, even among the most far away settlements of the Medieval Albanian diaspora, such as Mani in the Peloponnesus. The blood feud, however, is not a phenomenon specific to the Albanians. On the contrary, it has its roots in an ancient legal institution, the so-called lex talionis, used by several populations, like Sumerians, Akkadians, Hebrews, Romans, Germans, Celts, Slavs and Arabs. Until few centuries ago, blood

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7 Statuta et Ordinationes Capituli Ecclesiae Cathedralis Drivastiensis, pp. 13, 14.
9 L. Nadin, Statuti di Scutari, pg. 129.
10 From the first chapter the aforementioned Statutes sanction the right of the escaped serfs to find shelter in the city where they could live undisturbed by feudal lords and when they had to obey only the self-governing bodies of the city: “se alcun vorà venir à star in citade nostra, cioè homo de lo re voy homo de alcun zentil, che non sia tenudo a servir a nessuno, solamente al nostro Comune”, L. Nadin, Statuti di Scutari, pg. 91.
feud was still surviving amongst the Native American tribes as well.13 At the heart of the law in question were the right and the obligation to cause to the other person the same damage suffered from him. This principle is expressed in the known expression from the Old Testament, the Book of Leviticus: “fracture for fracture, eye for eye, tooth for tooth”. This principle is reflected in the cruel code of blood feud, incarnated by the old principle of the Albanian kanun law, “blood washes blood”.

The Shkodra city indicate that the institution of blood feud existed in that city too, the biggest and most open to the Venetian-Dalmatian culture. Naturally, it had been brought there by highlander groups that had moved to the city, who, like today, would come to the city in search of a better life. Of course, along with their families, the newcomers also brought to Shkodra their history, lifestyle and behaviour codes, where blood feud had an important role. But, what is clear from the chapters of the Shkodra Statutes is the care with which their drafters have tried to contain the blood feud spiral from the very beginning. This, on one hand, was intended to be achieved by defining extremely heavy punishments for particular typologies of breaches, such as those related to the violation of honour or insults to the dignity of the person. It is exactly these violations, which provoked fatal conflicts, which ended in murders that triggered the inevitable mechanism of blood feud. “Violated honour,” says the Kanun of the Mountains, “is not recompensed with anything, but only by shed blood.”14 “That whose honour has been taken away, is considered dead by the Kanun.”15 Hence, the Shkodra Statutes try to de-emphasize and neutralize this degenerative kanun norm, by treating attacks to the honour and the dignity of the person as a contravention, in fact a heavy contravention, but still one that had to be settled only by money, not by taking a life. This happens, e.g., in Chapter 92 of the Statutes, which addresses the emblematic case of insulting someone by calling him a “traitor”. To be noted, according to the Albanian mentality of the time, “traitor” was at most one who broke his word and didn’t comply with his commitments sanctioned not by notarial acts, but by the specific unwritten norm of “besa”. Just as an illustration, we may recall that in 1456 an Albanian emigrant, crying “traitor” (traitor di merda), attacked and fatally wounded a local merchant who, apparently, had broken his word with him.16 No need to remark that the cry “traitor” from an Albanian announced a fatal attack on the unfortunate word-breaker. Thus, given the explosive nature and the consequences of such an insult, the Shkodra Statutes defined an extraordinary monetary penalty for the perpetrator by 500 perpers.17 Just as a comparison, let’s note that far lighter punishments, from 2 to 30 perpers, were defined if you insulted or even physically assaulted public functionaries during the exercise of their duties.18 The aforementioned case shows that for the culture and mentality of the Albanians, betrayal a.k.a. word-breaking, represented the most hated crime category, since it identified an adversary that deserved to die. The Shkodra Statutes absorbed this popular mentality when they considered the highest form, i.e. treason against the homeland. In fact, Chapter 228 punished such a crime with beheading and the confiscation of all their proprieties.19 This is the only case of capital punishment we see in the Shkodra Statutes.

Another grave offence, apart the word “traitor” that could lead to the murder of the author by the offended, and that exactly for this reason was heavily punished in the Shkodra Statutes, was the act of emasculation by cutting a man’s beard. On the scale of crimes, the emasculation act

14 Father Sh. Gjeçovi, The Kanun of Lek Dukagjin, Shkodra, 1933, Chapter 598.
15 Father Sh. Gjeçovi, The Kanun of Lek Dukagjin, Shkodra, 1933, Chapter 600.
17 L. Nadin, Statuti di Scutari, Chapter LXXXXII, pg. 113.
18 L. Nadin, Statuti di Scutari, Chapter CCXXVIII, CCXXX, pg. 147, 148.
19 L. Nadin, Statuti di Scutari, Chapter CCXVIII, pg. 147.
through beard cutting was second by importance after the insult with the word “traitor”, and was punished with the still quite high fine of 50 perpers, to be paid also in the case when one insulted or touched a married woman [Chapters 239 and 201 of the Statutes]. This case also deserves to be illustrated with an example from history. In 1412, when he defeated the despot of Ioannina, Carlo Tocco, the ruler of Lower Albania, sebastocrator Gjon Zenebishi did not want to execute prisoners of war or mutilate them physically, as his opponent had done previously. Killing and mutilating prisoners was not honourable and there has never been any evidence showing it was the case by Albanian warriors. However, Gjon Zenebishi reserved to his prisoners a punishment more worthwhile than execution: before letting them free, he shamed them by having their beards cut.

With the two aforementioned cases, the insult with the word “traitor” and the humiliation through beard cutting, we have highlighted the two violations that were considered the most severe and that, as a consequence, were penalised more severely by the Shkodra Statutes. This were the two breaches that were most likely to degenerate in murder, being cause for triggering the unstoppable blood feud mechanism in an urban society, such as Shkodra, which distinctively differentiated itself culturally from the “barbarian” society of the highlands. In this context, the too high monetary penalty for the aforementioned acts, insult and emasculation, can be understood only as a preventive measure to prevent them from the beginning to slip towards murder and further on towards an unstoppable cycle of blood feud.

Of course, murders could not always be prevented. They were inevitable in a city with strong cultural, social and religious contrasts, such as Shkodra in the XIV-XV century. But even when a murder happened, the drafters tried to stop the spiral of blood feud that could result from the “First murder”, moving away from the kanun norm “blood washes blood”, and introducing the legal norm of settling the murder with a payment. In fact, Chapter 224 of the Statutes defines that the person committing the murder must close himself at home until he makes the blood payment (stea in casa sua e paghi la vrasda). The payment for blood was defined here with the Slavic word vrasda, used in the same meaning as in the Budva statutes, which came after Shkodra Statutes, and in the Ragusa statutes, which came before them. The latter, dated 1308, talked about “the old custom of vrasda” (antiqua consuetudo vrasde). These elements are in favour of the supposition of Shufflay, according to whom, the settlement of blood through payment, as defined in the Shkodra Statute as well, represents an influence of the Slavic law reflected in the acts of the Nemanjić kings. In fact, the settlement of the murder through the payment of the vrasda, as we find in the statutes of Ragusa, Budva and Shkodra, is also defined in the Code of Laws of Stefan Dushan, written down in 1349. Article 94 of the Code of Stefan Dushan establishes that: “When a lord kills a serf in the city, county or village, he shall pay 1000 perpers. But when a serf kills a lord, both his hands shall be cut off and he shall pay 300 perpers”. It should be noted, that the Serbian Code of Stefan Dushan envisages corporal punishment as well, which otherwise is found neither in the common law, nor in the positive law embodied by the Shkodra Statutes, or the Albanian traditions.

20 L. Nadin, Statuti di Scutari, pg. 141; 149.
22 L. Nadin, Statuti di Scutari, pg. 146.
23 M. Šufflay, Cities and castles of Albania mainly during the Medieval Age, pg. 145.
Meanwhile, it is interesting to note that the Kanun of the Mountains as well recognized both the pardon of blood and the discontinuation of the blood feud through indemnification. Its Chapters 892 and 969 to 972 recognize reconciliation and discontinuation of blood against a price paid by the murderer in cash and in kind. It talks about 6 bags with aspras, 100 sheeps and half an ox.\textsuperscript{26}

In the relevant Chapter of the Shkodra Statutes, while it sanctions the settlement of blood with money, it does not define how much this amount would be. Apparently, its definition is left to the negotiations between the parties in the conflict. But, to have an idea about how much the life of a man was worthy, we have an example from the year 1632 from the Southern extremity of the Albanian territories. In the case of the murder of a Christian Albanian from the village of Agia by another Christian Albanian from the city of Parga, the relatives of the victim insisted that the murderer should pay “the blood payment”. It should be noted that unlike the Northern territories, when the blood payment is expressed with the Slavic term vrasda, in the Venetian documents that refer to the Southern Albanian territories, for similar cases the Italian term pagamento del sangue, is used which surely is a translation of the Albanian term pagesë e gjakut – the blood payment. In our case, the amount asked by the relative of the victim was no less than 1000 real (the real was a Spanish silver coin).\textsuperscript{27} This amount corresponded, more or less, to 1000 perpers, which the Code of Stefan Dushan, contemporary with the Shkodra Statutes, provided for the settlement of the same crime.

What we may say from the review of the historical documentation is that the decriminalisation of the acts of insult and murder by converting them into monetary fines failed to be fully affirmed, and blood feuds continued to strongly impact the reality of the Albanian society. Indeed, it seems that the Ottoman occupation, with the strong impact against the Northern developed cities, created an reversal process to the barbaric tradition. In fact, the occupation of Shkodra and the region around it in 1479, on one hand brought an influx of the highlands population towards the cities still free, and on the other hand caused the old population to decrease rapidly. We know that from the 64 old noble families of Tivar only 12 had remained in 1553.\textsuperscript{28} Exactly in this year, the representatives of the city begged the Senate of Venice to abrogate the statutory norm that sanctioned “blood payment” (vrasda).\textsuperscript{29} Apparently, in the new conditions, when the social structure of the city had visibly tilted toward the newcomers from the nearby highlands, they were more likely to adhere to the old kanun norm of settling a murder by killing, than to pay amounts that they didn’t have. Under their pressure, the authorities of Tivar called for the abrogation of the relevant article, implying that the parties involved in the conflict would continue to settle their differences in the traditional way, i.e. through blood feud.

We believe that a similar negative tendency may be noted in the Kanun of the Mountains as well, where under the conditions dictated by the Ottoman rule, the blood feud tradition begins to prevail on the “urban” practice of settling blood through remuneration. In fact, in the beginning of the XX century, Franc Nopcsa found that in practice blood pardon through payment happened rarely, and in some regions from the Albanian North it was even considered shameful. On the other hand, it is the same Kanun of the Mountains in its latest version, as collected and arranged by Shijfiën Gjërci, that talks about a tightening of the norms regulating blood feud compared with its earlier

\textsuperscript{26} Father St. Gjërci, The Kanun of Lek Dukagjin, Shkodra, Chapters 892 and 969-972.

\textsuperscript{27} ASV, Dispacci Corfù, b. 17 (1630-1632): report from Andrea Vendramin, Proveditore-Capitano of Corfu, 6 qershor 1632.

\textsuperscript{28} M. Šufflay, Cities and castles of Albania, pg. 80.

\textsuperscript{29} M. Šufflay, The Serbs and the Albanians, Prishtina, Rilindja, 1968, pg. 59.
version. Chapter 898 of the Kanun of Gjeçovi in fact says that according to the old Kanun of the Mountains, only the murderer and no one else, neither his brothers or grandchildren nor his cousins were subject to the blood feud. But, it further says the latter Kanun decides to include in the blood feud all the male line of the murderer, even the children in the cradle. 30

30 “Në kanû të vetër të Maleve të Shqypnis vetëm dorërasë bijte në gjak, ase aj, i cillë tëhqiqë, shkripte e shprraze pushken a çdo armë kundra nierit... Shpjia e të vimrit nuk muje me ridyke ad me vla tjetëkend prej vijazëns, nipash a kushrjsh të gjaksanit, pas gjuhët dorërasit... Kanuja e voshinë pershin mashtullimin e shpës se dorërasit më për femërte dhëp, kushrinën e nipat e nipat, edhe pse të đangë, po për 24 orë, në vallë të gjakut, e mbas 24 orësh do të quqe dorzonë shpjia e të vimrit”. See: Father Sh. Gjeçovi, The Kanun of Lek Dukagjin, Chapters 898-900.
SILVER COINAGE IN THE CITY OF SHKODRA AND THEIR ARCHAEOLOGIC CONTEXT OF XV CENTURY

Prof. Dr. Gëzim Hoxha*

The initial archeologic found in the first courtyard of “Rozafa” castle in the city of Shkodra, in 1985-1986, (Sec. A), a complex of dwellings of XV century. Amid the rich findings discovered in these dwelling premises, such as fragments of ceramic or glass dishes, metal or bone objects, four silver coins were found as well. They were glued to each other due to humidity and oxidation. Following the physical and chemical cleaning, it became evident that the coins belonged to the mint of the city at the time of the Venetian occupation in the XV century.

Fig. 1. Excavation in Sector A, in “Rozafa” Castle of Shkodra (1985-1986)

The four silver coins are of equal diameter, 20 mm, and equal weight, which due to the oxidation level, varies from 1 to 1.05 gr. The observe and reverse sides of these coins are almost equal, with insignificant differences, mainly arising from the preservation level (Fig. 2ad).

In the central medallion of the obverse, surrounded by two small pearls ellipsoids, is presented the figure of the city patron – Saint Stephan. The Saint is standing into a three-quarter view, facing right, with the head slightly turned in front. He is wearing a long mantel to the end of the feet.

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† Hoxha, Lahi 1986, pp.266-268

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The lower part of the mantel, below knees, contains chequered field with inward lines with rhomb patterns. The head of the Saint features the zucchetto “of senior ecclesiastical officials” circled by a small pearls nimbus. The Saint holds in his right hand a censer, hanged in its three laces. In the right hand, close to the chest appears the Gospel.

Outside the central medallion of the obverse, clockwise, the legend of Venetian alphabet is written:

\[ S : STABARVS : SOVTARAVSI \]

The legend is circled by a larger outer circle of pearls, which occupies the entire obverse side of the coin. In the space between the two ellipses of pearls of the central medallion, in both sides of the Saint, we see the two-letter acronym of the coin \[ B - C \].

The reverse of the coin shows in a schematic way the Lion of Saint Mark, consisting of characteristic wings placed within a pearls circle. The head of the lion is circled by a nimbus of pearls. In front of the lion’s feet are featured three other pearls.

Outside the central medallion of the reverse side, a Maltese cross is placed above the head of the lion. In a string from the cross, clockwise, the legend is written:

\[ AV : MARVS : VENETIARVM : 70 : \]

An outer pearls circle surrounds the legend and the whole coin’s reverse side. The acronym, in the face, observed in three of four discovered coins, (Fig. 2a-c), shows that it is minted at Shkodra mint when the city was ruled by the Venetian count and captain Bertuci Civran (1437-1439)\(^3\).

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2 The term “skull-cap” corresponds to the religious dress in Italian known with the name “il zucchetto”.

3 Lazari, 1851, 60; Stockert 1910, 93-95; Cor. Num. It. VI, 1922, 671; Rey 1928, 49 ; Castellani 1932, 218-219.
Meanwhile, we cannot be certain about the fourth coin (Fig. 2d), which does not contain an acronym on the face. The legend on the obverse: \textit{S: STATINS: SAVIERINOS}; the legend on the reverse: \textit{D: S: SARAS: CAVAS: T: A: R: T: R: A: N: I:}. This coin mostly resembles with the coins minted by the count and captain Benedetto Contarini (1408-1410).\

Vincenzo Lazari in 1851 was the first one questioning the presence of a mint in Shkodra. At that time, he was confident that the Venetian coins containing the name of Shkodra, were minted in Kotor. But, about four decades later, the well-known researcher of Venetian coins, Nicolo Papadopoli-Aldobrandini mentioned documents of the Venetian Senate, which certify the presence of a mint in Shkodra. Twelve years later, the Austrian numismatist Karl Stockert published the two Venetian above-mentioned documents and noted that the coins of Shkodra, were not minted in Kotor, instead the mint of Shkodra was the parent mint to that of Kotor. Already the counts and captains of Shkodra in this period are known and have stamped their acronyms on the coins’ obverse. The following table (Fig. 3b) shows these acronyms and their names, accordingly.

The acronym \textit{ZC}, at the bottom of the legend on the reverse, states one of the issues of these coins of XV century, minted at Kotor and in Shkodra, which are symbols of special issues of this local mints, governed by the own statutes of these cities and far away from the direct observance of the main governing corps of the state of Venice. In addition to the above-mentioned acronym, 40 types of acronyms of different issues are noted on the reverse of mints of Venetian Shkodra (Fig. 3c), used during 1408 - 1453. The inscription on coins, the significance, the listing and the right time of these acronyms use on the reverse side of these local coins are subject of a more detailed observation. Nevertheless, we are confident in affirming an intensive monetary activity, as in a span of 45 years, we note in every year a new issue from the Shkodra mint.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{fig3.png}
\caption{Venetian coins of Shkodra, acronyms of both observe and reverse}
\end{figure}

\begin{footnotesize}
\begin{enumerate}
\item Compare: Stockert 1910, 91, nr.58; Cor. Num. It. VI, 1922, 551, No. 6; see also fig. 3, 1 from lanza collection.
\item Lazari 1851, 59
\item Papadopoli-Aldobrandini 1898, 237
\item Stockert 1910, 89-90
\item Stockert 1910, 91; Cor. Num. It. VI, 1922, 681
\item Papadopoli-Aldobrandini 1898, 297
\item These acronyms are taken from the legends on the reverse side of coins issued by: Stockert 1910, 91-100; Cor. Num. It. VI, 1922, 551-567, 671.
\end{enumerate}
\end{footnotesize}
Referring to the weight of 1-1.05 gram and a Decree issued by the Venetian Senate on 9 July 1429, the four coin samples are “grossetti” – grosso equal to 4 solde, different from grosh of 8 solds, named “grossoni”, weighting 1.619 gram.

The tradition of such monetary mints in Shkodra is known since the rule of the city by Rasha, and in particular under the rule by the feudal family of Balsha. The King of Rasha Stefan Urosh has imitated or more exactly has counterfeited, the very successful coin – the Venetian grosso. Such a fact is also fixed in the masterpiece “Divine Comedy” by Dante Alighieri. In the XIX song of Paradise, verses 140-141, Stephan Urosh of Rasha is mentioned among others for misdeeds, who: “che male ha visto il conio di Vinegia”.

Absolutely, the tradition of mints in Shkodra continued in the period of the Venetian rule in the XVth century, as clearly showed by the four samples found during the excavations in 1985 in the castle of Shkodra (Fig. 2).

As mentioned above, the presence of these mints in medieval Shkodra is noted since the middle or end of XIXth century. Researchers of the beginning of XXth century, such as the Consul of Austria-Hungary in Ottoman Empire in Shkodra, Albania Theodor Ippen or the historians Konstantin Jireček and Milan Šufflaj consider the mint of Shkodra and mention the legend found on both obverse and reserve of these local mints, without entering into their details. The later historians, to the nowadays one, Oliver Jens Schmitt, have repeated this information, without any novelty on these mints and their role in the trade of the city. Meanwhile the detailed article by the numismatist Karl Stockert and the publication by Corpus Numorum Italicorum, vol. VI, 1922, provide detailed information, still unexploited by historians. The French archaeologist, Leon Rey, provides rather interesting information. In 1928, he wrote he had seen in the archaeological collection of Franciscan and Jesuits Orders in Shkodra the Venetian coins containing the above-stated legends on the obverse and reverse, with and without acronyms, minted at the city mint under the rule of Venetian counts or captains of Shkodra, as:


11 Papadopoli-Aldobrandini, 1898, 250, 415
12 Ippen 1901, 189-196
13 Alighieri, Div. Com. Parad. XIX, 143-144
14 Papadopoli-Aldobrandini, 1898, 237
15 Lazari, 1851, 58-60
16 Papadopoli-Aldobrandini, 1898, 237, 297
17 Ippen 1901, 189-196
18 Jireček, 1916, 109
19 Šufflaj 1924, 67-68
20 Schmitt 2007, 146-147
21 Stockert 1909, 221-228, Stockert, 1910, 67-128
22 Cor. Num. It. VI, 1922, 551-567, 671
23 Rey 1928, 49
24 Tafilica 2013, 61-81. We not that the issue where this article is published does not meet the technical conditions. Thus, there are a lot incorrectnesses and lack of letters in reading teh legends.
It must be noted that such local coins at the time of the Venetian rule, in particular at the Albanian seaside, are still hidden at the funds of our either local or central museums. But, they are neither exposed nor exposed in the museums’ displays.

An online research, shows that the Venetian coins, mints of Shkodra city of XV century, are nowadays present in the coins trading and auction houses of in Lanz, Munich (Numismatik Lanz München – Handels- und Auktionshaus), (Fig.3a) where are presented the monetary mints of Venetian counts and captains of Shkodra: 1. Benedeto Contarini (1408-1410) 2. Zouane Boldu (1433-1435), 3. Bertuci Civran (1437-1439), 4. Paolo Morosini (1439-1440), 5. Francesco Querini (1442-1444), and 6. Nicolo Diedo (1451-1453)25, providing almost a complete coins repertoire of religious colleges in Shkodra described by Leon Rey in 192826.

In the archaeological context, the four coins of Shkodra are of a high interest, as they add evidence to the history of the city. The burned and destroyed complex of the XV century houses has remained intact since the second siege of Shkodra in 1478-1479. The excavations have brought to light unquestionable traces burned under the massive fire, destroyed walls and roofs hit by huge bombshells (above 400 kg.), rich inventory of housing objects, fallen on the floors of the houses, etc. (Fig. 1 and 4a-b ).

This archaeological situation affirms the substantial truthfulness of the work “De obsidione Scodrensi” of the humanist Marin Barleti27 from Shkodra. Hence, we can say that excavation in this site was another kind of reading, not through the alphabet letters, but through the shovel and trowel of the archaeologist. It may be mentioned that the real verification of measures and weights of the bombshells from the ottoman cannons28, described by Barleti result as completely precise.

The four coins found on the floor of the house, below the ruined roof, are accompanied by fragments of well-known Venetian majolica and glass houseware. The rich archaeological material found on the floor shows that it is a house of the high society of the city (Fig. 5). This argument is strengthened by the fact that, under the floor, there is a water cistern, masterly built by gauged stone walls and plastered with high quality hydroisolating mortar. The covering of the cistern is of high quality, with a bricked archway serving, at the same time, to sustain the floor of the house29 (Fig. 4b).

25 Num. Lanz München, Auktion 115 (27 Mai 2003), Lot. 147-156
26 Rey 1928, 48-49
27 Barleti, 2012
28 Hoxha, Lahi 1986, 267
29 Hoxha, Lahi 1986, 266
These objects discovered and documented through systematic archaeological excavations, the four silver coins samples, minted in Shkodra during the Venetian rule time, are a meaningful and considerably significant testimony to the glorious history of this city, at one of the most prominent moments of the resistance in the second siege by Ottomans, in 1478-1479.

Although they are small objects, diameter 20 mm and weight 1 gr, they have the power of a strong convincing argument. Their imposing effect, especially to the archaeologist, is equal to the effect of the later world-wide known works, which evoke these significant historical events, : the painting of 1585 “The Siege of Scutari” by the painter Paolo Veronese, on the ceiling of the Doge’s Palace in Venice.

Thus, the context of our four discovered coins testifies to the second siege of Shkodra by Ottomans in 1478-1479, the final act of a tragedy, that would change the landscape not only to Albania, but to the whole Balkans and to a part of the continent for almost 600 years.

We would like to conveniently conclude this paper with a passage from the realist panegyric of humanist Marin Barleti, providing an the description for Shkodra as; “… the most eminent city and the epicentre of the region of Albania, the watchman, the eye, the strength and guardian of the entire kingdom; the door to the Ionian and Adriatic seas, the shield of Italy and all the Christians.”

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The aim of this paper is to understand the regional economic development in Albanian territories under the Ottoman Empire through the exploration of consistencies and differences in the dynamic economic development of South-Western Balkans, compared with the two large Mediterranean economies with which the Albanian regional market interacted. The comparative study of the Ottoman Empire developments and of the Republic of Venice shows that the Albanian territories, albeit politically part of the Ottoman Empire, from the economic perspective, consisted in an economic sub-system with its own peculiarities. This position was dictated by the geographical position as an intermediate area in the trade exchanges between the Eastern Mediterranean and the Adriatic, by the different starting point of the economic development compared to the whole Ottoman Empire and Venice, as well as by the more intensive utilisation of local economic resources compared with the previous period and the forthcoming one (respectively 15th and 19th centuries as time limits).

The dynamics of this economic development show that the economy of South-Western Balkans, broadly corresponding to the Albanian territories, at the start of the period under review, that is the sixteenth century up to the half of the seventeenth century, is less developed than the economies of the Ottoman Empire and Venice, notwithstanding the stable development throughout this period. In the middle of the seventeenth century, while the Republic of Venice experienced a rapid decadence, and the entire Ottoman Empire started the same downturn in the second half of the seventeenth century, the Albanian economy, by contrast, not only continued its development, but also experienced faster economic development compared with the previous period, peaking this development for the Ottoman period at the end of the eighteenth century and at the beginning of nineteenth century, in the period of political autonomy of Shkodra and Ioannina pashalics. The fall of these political autonomies marks the beginning of the accelerated economic decadence of the Albanian territories, after three centuries of steady development. This moment is the starting point of our analysis.

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Fernand Braudel in his study on the Mediterranean in the sixteenth century showed masterfully the unity of the Mediterranean world of this century, beyond the political, religious and cultural boundaries, and promoted the use of quantitative methods in historical research. From 1300 till the middle of the sixteenth century, the Italian economy, whose part was also the Venice economy, was a leader in Europe. Production per capita was high. Between 1300 and 1570 it amounted at around 1600 international dollars 1990 PPP. The period from the second half of the sixteenth century till 1880 saw the economic decadence in Italy. In a broader European setting, the centre composed of France and Germany experienced a rather slow progress, whereas the North, that is the Netherlands and England developed while the Mediterranean countries, Spain and Northern Italy, fell behind. At the start of the seventeenth century, central and northern Italy continued to be one of the most developed areas of Western Europe with a high standard of living for the time. But, at around year 1680, Italy had become a backward country facing economic depression. In Venice, the textile production, once the main driver of the economy, fell from 29 thousand items in 1602, to only two thousand items at the end of the century. A similar tragic decadence was experienced in Como as well, from 8 thousand items to 400 ones in 1650. In Milan, at the beginning of the seventeenth century there were around 70 companies processing and producing woollen textiles, about 15 thousand items a year. In 1640, the number of companies fell at only 15 and the average annual production at only 3 thousand items. In 1709, only one company operated with around 100 items. The same dramatic situation was in Cremona, Monza, Pavia, and even in Genoa, which stands outside the economic system of the Adriatic and Padan Plain. In Sicily and Naples, the situation was even more tragic. This decadence affected other sectors such as banking, and sea transport and exports completely collapsed. Different answers have been given to the question how can such a tragic collapse of the Italian economy be explained during the seventeenth century.

The latest calculations show that Italian population during 1600 was estimated at about 12 million. At the end of the seventeenth century it increased by only one million. Between the year 1620 and 1700 the amount of silver in the Genoese lira reduced by 30%, of Milano by 20% and of Venice by 15%. By the end of the seventeenth century, Italy imported industrial production broadly from England, France and the Netherlands. On the contrary, it had been transformed from a developed country which imported raw material and exported industrial production and services, to a backward country.

One of the indicators that sheds light on the economic trend of a given country is the level of urbanisation of a society. For many cities, the number of population at the beginning of the fourteenth century was exceeded only in the nineteenth century. Milano had 150 thousand habitants in 1300, 124 thousand in 1800, and 196 thousand in 1861; Florence had 110 thousand in 1300, 81 thousand in 1800, and 114 thousand in 1861.

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4 "How can this tragic collapse of the Italian economy during the seventeenth century be explained? The fundamental reason why Italian goods and services were supplanted by those offered by foreigners was always the same: English, French and Dutch services and goods were offered at lower prices. But why than this disparity in prices?" C. Cipolla, The Economic Decline of Empires, pp. 200-203.
From the viewpoint of Venetian historians, the expansion of the Ottoman Empire had positive and negative effects during the fifteenth century. It weakened Venetian rivals in the Eastern Mediterranean and enabled Venice to expand its colonial empire. Ottomans did not stop trading with the Venetians. F. Thiriet goes further by revising the old point of view on the effects of the establishment of the Ottoman Empire. He presents the whole fifteenth century, even after the occupation of Constantinople and Morea by Ottomans, as a period of high prosperity for the Venetian colonies. Profits of Venetian merchants were not affected by the expansion of the Ottoman Empire, except in the Black Sea, which even previously was an exclusive Genoese domain. After the peace of 1479, a new balance was established between both parties. Albeit more favourable to Ottomans, “les intérêts économiques venitiens ne paraissent pas, en dernière analyse, souffrir sensiblement.”

Luzatto highlights that the expansion in Northern Italy was not a waste of energy. During the 16th-17th centuries it adapted and re-adapted against Ottoman pressure, against Portuguese competitiveness, against inflation dynamics and the increasing difficulties of facing the giant modern states, such as France and Spain. Braudel also compares its growth to the other important centres, distinguishing three periods: 1450-1500, 1500-1550, and 1550-1600.

While in the sixteenth century Venetian decadence was relative, in the seventeenth century was the typical case of power in economic decadence. C. Cipolla, in his effort to explain the overall decadence of Italy, organised a conference on this topic in 1957. Statistical data show economic growth in the years 1580-1590, in customs revenues and imports of unprocessed silk from Syria, oil from Crete and Apulia and different goods from Dalmatia. Spices came from India through Levant, Venetian industries were expanding, in particular production of woollen textiles for eastern markets, which peaked in 1602. Construction of ships in Venice boomed in 1560s, but it fell rapidly in 1570s and the Senate was obliged to allow and to encourage the purchasing of ships built in other countries. During the first decade of the seventeenth century, Venice was hit by a series of crisis, transforming it from a competitive economic power among the world markets to an industrial and trading regional centre. At the same time, France, England and the Netherlands overpassed Venetian in the trade with the Ottoman Empire becoming the largest importers of Ottoman cotton.

A similar dynamic affects the Ottoman Empire some time later. Overall, at the start of the new era, the fates of Venice and the Ottoman Empire were closely related in geographical, political and
In reality, there are rather few studies and efforts of Albanian historians in regard to the economic history of Albanian territories in the medieval and in the Ottoman period. The research done during 1945-1990 on the agrarian history such as those by Selami Pulaha, Péparime Huta, Petrika Thëngjilli, even though not providing a clear view, are rather rich in details and constitute valuable resources that may help today to have a general idea on the economic development trends. On the other hand, the studies of Zija Shkodra dealing with the history of craftsman-industrial development are well detailed and overpass the ideological restrictions of that period, providing a clearer view between the analysis and the synthesis.23

The case of the rise and fall of Voskopoja, which has been studied more broadly, cannot be considered separately of the economic history of Albanian territories. In the eighteenth century, a

16 The memorandum he compiled in 1630 on the situation and development of the Ottoman state is praised both in Turkey and among the Western researchers. Hence, Hammer called Koci Bej the “Musliman Montesquieu”. Published by F. Babinger, Die Geschichtsschreiber der Osmanen und ihre Werke (1927), 184-5.
17 Lûtfi Paşa Asafrname, ch. 4. The treaty of Lutfi pasha written after he was no longer a prime minister in 1541 is a summary of rules on how to be a good Prime Minister.
19 See also: Branislav Djuradjev, Turško vlast u Crnoj Gori u XVI i XVII veku. Prilog jednom nerešenom pitanju iz naše istorije (Sarajevo, 1953); Hazim Šabanović, Bosanski pašalik. Postanak i upravna podjela (Sarajevo, 1959); Nicora Beldiceanu, Recherche sur la ville ottomane au XVIe siècle. Etude et actes (Paris, 1973); Bistra A. Cvetkova, Les institutions ottomanes en Europe (Eiesbaden, 1978); Nikolai Todorov, Balkanskiot grad, XVII-XVIII vek (Sofia, 1972 = The Balkan City, 1400-1900, Seattle and London, 1983); Olga Zirojević, Turško vojno uredjenje u Srbiji (14591683) (Belgrade, 1974); Aleksandar Strainovski, Gradovite na Makedoniia od kraiot na XIV do XVII vek. Demografski proučuvanja (Skopje, 1981); Vasiles Demetrides, Topografia ter Thessalonikis kata ten epoche ter Tournokratias 14301912 (Thessaloniki, 1983).
20 The most important research of this period in the agrarian aspect is the work done by S. Pulaha, Pronësia feudale në tokat shqiptare (shek. XV-XVII), Albanian Academy of Sciences, Tirana, 1988.
22 Petrika Thëngjilli, Renta feudale dhe evolutimi i saj në viset shqiptare (XVIII-XIX), Universitet i Tiranes, Tirane, 1990.
regional economy had been established, due to the economic evolution starting from the beginning of the sixteenth century or from establishment of the Veneto-Ottoman stable peace. This peace, which was in place for a century and half till the middle of the seventeenth century, placed the Albanian economic region at the junction, in between the two giant economies of that period. In short, we can mention a number of indicators that point out exactly what Henri Pirenne has emphasized almost a century ago: commerce is contagious, and being neighbours with more developed countries was and advantage regarding the economic aspect.24

While the Albanian economy grew rapidly pace amid this economic collaboration and political peace between Venice and the Ottoman Empire, the fall of these economies in the middle of the seventeenth century, which coincides with the deterioration of political peace between them, would continue to positively affect the Albanian economy.

Two aspects ought to be considered in this regard. First, the withdrawal of Venice from trading with Istanbul and Asia Minor, reduced indeed the volume of its trade, but, on the other hand, transformed it from a Mediterranean trading power into an Adriatic and Ionian trading power and as such it brought it closer to Albanian markets. In Albania, although Venetians did not find Ottoman productions of the same quality as in Istanbul, they found similar productions at favourable prices and lower transportation cost.25 This increase of the Albanian market significance is corroborated by the opening of consulates at the Albanian port cities aiming to facilitate the trading between the two Adriatic coasts, in the middle of the seventeenth century.26

Equally important is the fact that economic interests in Albania were at the focus of other European powers, in particular of France and the Netherlands, that had considered the possibility to open consulates in Durrës since in 1640. Then Ulqin was also part of French economic interest, while in Shkodra the Venetians had a consulate under the authority of the consulate of Durrës27.

Part of this process was the increased presence of Albanian merchants in Venice assuming increasing importance throughout the period under review. In the seventeenth century the traders colony from the Ottoman Empire was accommodated in what was called “fondaco dei turchi”, similar to the model of “fondaco dei tedeschi”. It completely changed the interaction between the Venetians and Ottomans. The rules adopted in 1621 recognised the status of the institution as the fondaco the Turks and distinguished clearly two categories, on one hand the “Bosnians and Albanians” and on the other hand the “Asians”, that is the Anatolians.28

Secondly, the weakening of the central Ottoman power and the economic decadence of the Ottoman state, not only reduced the trading competitiveness from Eastern Mediterranean areas in the trade with Venice, but it made possible the decline of fiscal contribution of Albanian territories to the political centre, that is Istanbul. Thus, the emergence and continuous strengthening of local

25 An important contribution on these relationships is provided by Alvin Saraçi, Il commercio adriatico di Scutari con la Repubblica di Venezia nei secoli XVII-XVIII, doctoral thesis at the University of Ca’Foscari, Venice and in the Institute of History, GSA, in Tirana, 2016.
elites was a result of the possession and use of local taxes that previously were directly delivered to the Ottoman capital city. These taxes provided the designing and implementation of large projects in infrastructure, such as stone bridges on the main rivers of Albania and in the main road junctions. Also, other investments were made contributing to the social and religious life, such as public baths, inns, and mosques.

Assoc. Prof. Dr. Dritan Egro*

This presentation provides the data and the analysis of two earlier documents (end of XVIIIth century – beginning of the XIX century). The first document belongs to the Russian archives. It is a known document, but not properly assessed; whereas the second document is part of the Ottoman archives and is completely unknown. The first one belongs to Mahmut Paşa Bushatliu, while the second one to Ali Paşa of Tepelenë.

The Russian Consul in Ragusa (Dubrovnik), A. Palladoklis, on 30 April 1787, informed the Foreign Affairs Council of Russia, that,

“... the hotheaded* Mahmut Paşa [Bushatliu] minted money in his name, ...”.

Still, it is unknown if the money issued by Kara Mahmuti was a coin or banknote. Given that we do not have any copy of this money, we do not know if it was really minted or it is only a piece of information regarding such an action. In case it was minted, then the question arises: what was its graphic appearance; what was the internal visual structure? According to the Turkish state-formation tradition, the issued currency should contain the name of the new ruler, the title that the ruler intended to use and other personal identification names. Thus, if we had these currency items even though only graphically, it would have helped us considerably to learn more about the fact how Mahmut Paşa of Shkodra identified himself and to what extent he defined the level of his political dependence on Istanbul.

Nevertheless, these historical data suffice to open a qualitative new discussion on the emancipation level of Shkodra Pashalic from the Ottoman Empire; It also may serve as a data to initiate a

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3 The epithet used here ‘reçenij’, is the Russian translation of the epithet by which Mahmut Pasha was widely known: Kara (persistent/hot-headed/insanely insistent).
completely new historical assessment of Kara Mahmut Paşa Bushatliu, not only in the Albanian’s history, also in the history of Balkans and beyond, in that of the Ottoman Empire.

We must say from the beginning that minting by Mahmut Paşa Bushatliu was not a measure of financial character; it was a purely political action, for the following two reasons:

First, in the Turkish state-formation tradition, in accordance with the steps taken by peripheral political formations to break away from the center, minting was the most important sign expressing the political courage and the economic power of the local ruler to declare his autonomy from the center, on which he had been politically dependent till that moment.4

In 1572, Sultan Selim II, as a sign of bringing Wallachia and Moldavia under full Ottoman suzerainty, requested their princes to mint the Ottoman currency.5 The Ottoman coin issued in these territories bore the name of the Islam calif/the Ottoman Sultan, then the name of the local ruler and his title. This historical fact clearly testifies that minting by a state structure within that of the Ottoman Empire shows its political submission to Istanbul. On the other hand, the information on minting, in case of Bushatliu, without the permission of Istanbul, to be exclusively identified by his name, without any space for the name of the Ottoman Sultan on it, is a dimension of the political rebellion against the Ottoman Empire. In such case the punishment was death.

Second, a very important fact to be considered is the historical moment when the Albanian Paşa of Shkodra decided to commit this step: year 1787. The Agreement between the Russian Empress Catherina II (1762-1796) and the Austrian Emperor Joseph II (1780-1790), during his visit in Russia, projected the political redesigning of the Balkans without the Ottoman state. According to this Agreement, Russia would realize its control over Crimea, over the territories along the Black Sea up to the Dnjester river and over the Caucasus. The Habsburg Empire would incorporate a part of Serbia, Bosnia, Herzegovina, Istria and Dalmatia. Venice would be compensated with Peloponnese, Crete and Cyprus. The remaining Ottoman territories in Balkans were to be divided into two independent states. The first would include the independent state of Moldavia and Wallachia, inhabited by the Dacians (Rumanian) under the rule of a Russian prince; while the second, would be a Greek-Byzantine empire, including Bulgaria, Macedonia and Greece, whose throne was foreseen to be unrelated to Russia.6

While this plan for the division of Ottoman Empire territories was under discussion, the French Consul in Ioannina, François Pouqueville, tells that the Austrian Emperor Jozeph II, directed his eyes on Mahmut Paşa of Shkodra. The latter was cited to have said to the Austrian delegates to believe that “He had no difficulty in becoming a Christian, on the condition the Albania princedom be promised to him”.7

Exactly in the same document (April 1787), in which the Russian Consul in Dubrovnik Palladoklis, informed that Kara Mahmut of Shkodra was issuing his currency, also adding that the Albanian Paşa of Shkodra “has declared himself as successor of Skanderbeg and openly declares to imitate him in everything”.8

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5 Agents of Empire, by Noel Malcom review – a dazzling history of the 16th-century Mediterranean: an Albanian family in the of 16th-century, Dudaj, Tirana 2016, p. 307
7 Selected sources about the History of Albania, vol. II (1962), pg. 275
8 S. Naçi, Pashalic of Shkodra (1757-1796), f. 174-5, 186; E. Spencer, Travels in European Turkey, vol. II, London 1851, pg. 111
According to the Ottoman historian, Cevdet Paşa, in May 1787, the Ottoman agents of Mahmut Paşa informed Istanbul that he had gathered the army to attack the city of Edirne. This information triggered the second severe reaction of Istanbul: The Sublime Porte condemned Mahmut Paşa to death again.9

On the other hand, the other Albanian rebel, also a rival to the Bushatli, Ali Paşa of Tepelena, used this convenient moment to seize Ioannina, in a first step to transform it in the center of his Pashalic. The second document, found in the Ottoman archives, informs that the Paşa of Ioannina also took steps to issue his currency. On 4 February 1810, the Ottoman Prime Minister confirms having received information on the issue of a banknote by Ali Paşa of Tepelena.10 The term kaime, used in this document, refers to banknote, in the Ottoman terminology of finances.

My honorable Vizier,

The banknote of Ali Paşa of Tepelena and the accompanying document containing all the relevant thoughts are made known to me: also, I have read attentively the official document of the chief of the mint. Whatever the truth may be, it should be referred and reported to me.

This document informs that Ali Paşa of Tepelena has completed the technical process of designing the banknote, but that was all. This document does not provide any data on the graphical appearance. Thus, everything remains within the framework of Ali Paşa of Tepelena political project to break away from the Ottoman Empire.11 In addition, Ali Paşa of Tepelena started to appoint counts and barons. The French Consul in his court, F. Pouqueville, tells that: “The most obsequious ones have been long calling Ali the King”.12

It was year 1810. The Treaty of Tilsit (1807) between Russia and France re-introduced the division of Ottoman territories in Europe. Napoleon had agreed to award to Russia: Bessarabia, Moldavia, Wallachia and Northern Bulgaria. France would take Albania, Thessaly and the territories in the Gulf of Thessaloniki. Austro-Hungary was to take a part of Bosnia and Serbia. Napoleon reacted severely against when Czar Alexander requested to take Istanbul as well. Thanks to these new international conjectures, the Albanian provinces took courageous steps, which were unacceptable to Istanbul.

That was not the case with the Albanian Governor of Egypt, Mehmet Ali Paşa. Although he tried to break away from the Ottoman state, by even threatening the existence of the Empire itself, there are no data to show that he has attempted to issue his own currency. The trading relations between Egypt and the center of the Empire seem to have contributed in this regard. The depreciation of the Ottoman currency was more convenient to Egypt rather than to issue a new currency, hence finding

9 Tarih-i Cevdet, vol. IV, Istanbul 1303, f. 98; G. L. Arsh, Albania i Epir v konce XVIII – načalje XIX v., f. 91
10 BOA, Hatt-i Hümayun, no. 25628 (29 Z 1224 / 04. 02. 1810).
11 It is interesting that in the fund of objects transferred to the Ottoman Empire Treasury after the execution of Ali Paşa, unlike all the funds of similar authorities in the center of the Empire, that mostly owned books of Muslim religion nature, among the books that Ali Pasha had in his library, the book on the state and military organization were dominant, that obviously makes one think on the political projects that the Albanian pasha had had in his head for a long time in that period: T. Antun, “18. Yüzyıl Başlarından Yönetici Elitin Saltanatın Mégwesti Arayışına Katılımı”, Toplum ve Bilim (Osmanlı: Muktedirler ve Madurlar), (Kır 1999-2000), f. 311-2
12 F. Pouqueville, Ali Tepelena (Histoire de la régénération de la Grèce ), translated and accompanied with a study by Ardian Klosi, K&B, Tirana 2009, pg. 299
this financial policy more adequate. Egypt provided additional income due to the depreciated money. Nevertheless, Mehmet Ali brought the European financial experts in Egypt before the Ottoman State. Only in 1834, 10 years ahead of Istanbul, he decided on minting his currency composed of two metals. Nevertheless, it is interesting that until the brink of World War I, all the coins issued in Egypt continued to keep the names of the Ottoman sultans. Thus, different from Mehmet Ali of Egypt, the Albanian pashas, of Shkodra and Ioannina projected the mint of paper money as their most important steps towards the final breakaway from Istanbul.

The Ottoman Empire itself, due to the Treasury crisis, issued its first paper money in 1845. While Istanbul took such a measure as a purely financial need, Ali Paşa of Tepelena prepared his paper money 30 years ahead of the Empire’s paper money, the first one being known as such in the Ottoman history; however, it served as a purely political measure aiming at the separation from the Ottoman Empire and the establishment of a dynastic state in the lands of South Albania.

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The emergence of pashalics may be considered as a redefinition of the economic and political position of the provincial elite within the Ottoman existing system. In this framework, the rise of pashalics of Shkodra and Ioannina, embodied in the personalities of Bushatlliu and Ali Pasha of Tepelena families, marked the concluding phase of a process directly related with two factors:

1. The weakening of Ottoman central authority in the Albanian territories.
2. Talented individuals, that by taking advantage from the weakening of the Ottoman central authority and the considerable need of the Ottoman state for cash, used the situation to strengthen their authority, to the extent to challenge the central authority of Sultan, requesting separation from him. In other words, the weakening of Ottoman sultan’s power was a precondition for the efforts for separation of the Albanian pashalics.

Any further effort of the Albanian pashas, implying separation from the Ottoman Empire, to the Sublime Porte implied the end of its rule in Balkans, caused by the local Muslim elite and a dominant Muslim population with which the Ottoman state shared the same religion. The issue if the head of pashalics in Balkans and other territories of the Empire had tried to separate from the Ottoman Empire, directly relates to the fact if they succeeded to challenge the authority of the Sublime Porte and what steps they committed to de jure and de facto accomplish the complete separation process from Istanbul.

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13 Ş. Pamuk, Osmanlı İmparatorluğu’nda Paranın Tarihi, Tarih Vakfı Yurt Yayınları, İstanbul 1999, pg. 193-194
14 Ş. Pamuk, Osmanlı İmparatorluğu’nda Paranın Tarihi, pg. 194
15 Ş. Pamuk, Osmanlı İmparatorluğu’nda Paranın Tarihi, pg. 194
16 In terms of this fact, and more broadly, on the economic and political circumstances that drove to the issue of the first Ottoman paper money, see: R. H. Davison, “The First Experiment with Paper Money”, Social and Economic History of Turkey (1071-1920), Hacettepe Üniversitesi, Ankara 1980, f. 243-251
17 E. Eldem, “18. Yüzyıl ve Değişim”, Cogita (Osmanlılar özel sayısı), sayı 19 (yaz 1999), pg. 198
18 M. Öz, Osmanlı’da “Çözülme” ve Gelenekçi Yorumcular, Değah Yayınları, İstanbul 1997; III. Selim’e Sunulan Islahat Lâhiyaları, hazırlayan Engin Çağrıman, Kitabevi, İstanbul 2010
19 D. Urquhart, The Sultan Mahmoud and Mehmet Ali Pasha, London 1835, pg. 16-17
20 XVIII. Yüzyıl Gün İ. Molla Mustafa’nnın Mecmuası, yayına hazırlayan Kerima Filan, Connectum, Sarajevo 2011, f. 178, 185-6; F. Pouqueville, Histoire de la régénération de la Grèce, tome I, Paris 1824, pg. 143

MONEY AND BANKING IN ALBANIA, FROM ANTIQUITY TO MODERN TIMES - I° Conference of the Museum of the Bank of Albania
The Ottoman Prime Minister confirms receipt of information on a new banknote introduced by Ali Pasha Tepelena, 4 February 810 (BOA, Hatt-ı Hümayun, 25628)
SESSION III:
POSTER PRESENTATIONS
THE VOSKOPOJA GUILD OF TAILORS’ CREDIT-LENDING OPERATIONS AND RISK MANAGEMENT (1716-1727)

Assoc. Prof. Dr. Konstantinos Giakoumis,
Assoc. Prof. Dr. Juna Miluka*

ABSTRACT

In this paper, we extracted a number of lending transactions dated 1716-1727 from the guild of the tailors of Voskopoja (Gk. Moschopolis), recorded in their register, kept at the Central Archives of the State, Tirana (AQSH, F. 141, D. 2). This manuscript records a number of acts pertaining directly or indirectly to the guild of tailors of Voskopoja (Moschopolis) (ff. 1r-45v) from 10.06.1714 to 15.03.1749 and, possibly, the guild of grocers from 1750 to 1791. The register is a very important source of social, economic, cultural and pedagogical information primarily for the local society of Voskopoja. The source reflects the guild’s relation with the local churches, its corporate social responsibility roles of supporting the Fund for the Poor and the Fund for Schooling, its role in youth vocational training and its contribution to local socio-religious events. Our focus in this paper was the aforementioned lending transactions, which shed light on patterns of lending, risk management scheme, interest rate changes and their potential linkages with the rapidly growing local economy.

This paper is a tribute to the late economic historian Zija Shkodra, who was the first to look into archives to reconstruct the operations of guilds during the Ottoman Empire. The register at hand contains a wealth of information vis-à-vis the functions and operations of the guild of tailors. In its pages, spanning a period of eleven years (1716-1727), as many as one hundred eighty-three credit-lending acts were recorded along with relevant accounting symbols (e.g. the strikethrough denoting the repayment of a loan) or notes related to the repayment of their annual interests when the credit was lent for another year. The statistical elaboration of these acts in conjunction with other evidence, such as lists of journeymen acquiring tailor-master certification and of cap-makers acquiring a second master certification, shed light into the local economic developments of the time, the contribution of the guild of tailors thereof and their risk management mechanisms.

The mutual help social function of the guild of tailors of Voskopoja, as elsewhere, was expressed in credit-borrowing. The typical formulation of credit transactions is as follows: “1726. + Vrousias Katesia

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received 1000, i.e. one thousand kuruş from the [fund] of the guild of tailors, [the annual interest rate is] eleven and a half for [every] ten [kuruş]. I should repay them without opposition. Guarantor is Kostis Katesias.” The existence of a guarantor is not typical (Table 1) and even more unusual are notes of full repayment by the guarantor: “+ 1727 He [Vrousias Katesia] has to give 150 aspres for the interest; Kostis gave these for Vrousias and he [also] gave 1050 aspres and [the credit] was entirely repaid.”

The acts and details thereof are presented in Table 1 and Graphs 1-2, below:

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<tr>
<th>Credit #</th>
<th>Date</th>
<th>Borrower</th>
<th>Quantity (in Aspres)</th>
<th>Annual Interest Rate</th>
<th>Guarantor</th>
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<td>Michos Domo</td>
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<td>Toti Tsope</td>
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<tr>
<td>4</td>
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<td>6</td>
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<td>Tima Tourita</td>
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1st Conference of the Museum of the Bank of Albania - Money and Banking in Albania, From Antiquity to Modern Times
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<td>133</td>
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**Graph 1: Interest rate flows in years**

**Graph 2: Comparative Chart of Credit-Lending Volumes in kuruş**
(Elbasan data after Shkodra 1973, 139)
DISCUSSION AND CONCLUSIONS

The classes of credit, ranging from 300 to 6000 kuruş seems indicates that the ratio difference between the poorest and the richest does not exceed 1 to 7. Average: 1474 kuruş; Median and Mode: 1000 kuruş; Range: 5,700 kuruş.

Interest rates from 1716-1727 appear to be volatile (Graph 1). In 1716 the annual interest is 20%, while in 1718 it dropped to 10%. In 1720 the annual interest rate increased to 15% and it remained stable until in the middle of year 1726. On the second half of the year 1726 there is an unexplained change of the interest which continued until 1727 where data again shows a decrease of annual interest rate by 10%. The interest rates by the credit service may be set in order to recover the costs and to discount the risk for exercising this activity [Mert 2013]. The guild of tailors had the tendency to lower the interest from 1716 to 1727. In this period, the number of guilds increased, which may have made the market more competitive, and influenced the decrease of the interest rates. It is interesting to note that in 1792 the Orthodox community of Thessaloniki got credit at rates ranging from 12% to 15% [Hekimoglou 1993, 119].

It can be seen that the amount of money borrowed from 1716 until 1726 increased considerably (Graph 2) followed by a decrease in the interest rate, which is evidence of consistent economic growth. This is corroborated by the comparison of the volumes of capital available for credit to the tailors of Voskopojë to the volume of capital available for credit for the silversmiths of Elbasan (Shkodra 1973, 139; cf. Graph 2). It should be noted, however, that if the growth of money supply in the market was due to inflationary tendencies, it would call for higher interest rates to control it [Thoma 1994]. Therefore, either the growth in money supply came as a result of economic growth and activity, as is probably the case here, or in absence of a central bank mechanism there were no inflation controls. The comparison of the credit sums with the price of basic commodities in Berat (Shkodra 1973, 106) indicates the value of credit for the median and mode value of credit-lending operations of Voskopojë’s guild of tailors. Considering that in 1753 the cost of repair of the church of the monastery of Saint Vasileios at Shen Vasil, Himara, as well as the construction of the monastery’s walls and a cistern amounted to slightly more than 10,000 kuruş [Agathangelos 1910-1914, 4], the median credit value of 1,000 kuruş would have been significant, as also indicated by the quantity of commodities one could buy with this sum in Berat in 1736.

There is evidence that points to the use of financial services for credit in the Guilds of Tailors as an advanced method to determine the acceptable level of risk, as well as how to manage it [Cizakca 1996]. In the manuscript, it is shown that only the most experienced masters were given credit only upon apprenticeship and certification. One would anticipate credit to be given to young masters in order to help them develop their own businesses, an operation that would involve significant risk. Yet, the data at hand mention only two cases of your masters, Vretos Kokta, son of Giannos and Georgios Toupou (Table 1, Nos. 87 and 97), both of whom capmakers, who got tested and certified as master tailors in 20.05.1721 (ff. 23v and 30r respectively) and received credit five years after their certification, i.e. in 1726 (ff. 17v and 17r respectively).

On the other hand, there is ample evidence that, similarly to the guild of Ioannina (Papageorgiou 1986, 112-3; cf. Shkodra 1973, 107, 125, 128), there was a practice with the guild of tailors of Voskopojë that the master would bequest the craft’s tools and perhaps a modest sum to assist the young masters in their first professional steps. There is a correspondence between the tailors who received credit more than once and their graduated journeymen. Kostis Katesias is the best
example, as he received credit four times, in 1716, 1718, 1721 and 1726. Once in 1726, Tzotze, his former journeyman, was in need to get credit (1000 kuruş), his teacher and master-tailor accepted to stand as guarantor (f. 19r). Another master-tailor, Fr. Thanasis Kanatis, thrice a recipient of credit (1718, 1720 and 1726), had three journeymen, Giankos Nitza, Kostis Kopasia, son of Timas and Totos Pompis, son of Georgis, tested and certified in 1725 (ff. 24r and 24v respectively); it is therefore likely that their master’s 1726 credit might be linked with assistance to his journeymen. Similar are the cases of two other journeymen, Niskos Mitre, son of Zachos and Timzos Kiospira, son of Gianos, who got tested and certified in 1725 (f. 24r), after studying by Timzo Mazia, the former; and Timasis, the latter. The first of these masters got a total of four credits, two of which a year after the graduation of his journeyman; the latter got credit only once, together with his son, in 1726 (Table 1, No. 118 and f. 24r). We are therefore to conclude that credit was given for the development of new business, whether by experienced masters, or by new masters, more often than not through their former masters. In other cases, for taking a loan there was the requirement of a guarantor. Analysing Table 1, we observe that the majority of guarantors were previously or subsequently recipients of credit, which indicates some task of guarantor profiling for risk assessment purposes.

These techniques may have been used to control, prevent, or forecast whether clients might default (Merton and Bodie 1992). Loans were given only to qualified clients, as a measure of increasing the possibility of repay. Another method that they used in order to manage the risk was by charging different interest to certain clients. There is evidence that different clients were charged different interest rates (Table 1), which may be due either that they were new clients as in 1718, where the interest rate was 10%, but a new client like Sinas Gkioni was charged 20%, or that clients may have defaulted and thus charged a higher interest rate. In this same year two clients Georgios Perchatouris and Nikolas Tzaprasi were charged 20%, when the prevailing interest rate was 10%. These two clients had borrowed back in 1716. In addition, there is also evidence that in 1720, when the prevailing interest rate was 15%, some clients who were new entries were charged a lower interest rate of 10%. All these clients were priests; their clerical status may have been perceived as extra guarantee to the lenders, or because they were priests they had preferential treatment and thus lower interest rates. The same is seen in 1726, where nine new borrowers were offered an interest rate of 10%, when the prevailing interest rate was 15%. The list included priests, or people who had guarantors such as Timitzos nephew of Trousani (Table 1). The above instruments may show that the Guild of Tailors had the capabilities to manage the credit risk.

There is evidence that there are some borrowers who have shown credibility due to repeated borrowings of large amounts. For instance, Kostis Katesias, Nikolas Tzaprasi, Papa Theodoros Kirtzi etc, who had credibility. There are also cases when a person didn’t have a guarantor, in the first time of taking a loan, while in the second time they were presented with a guarantor. For example, Timzos Mazia in 1716 borrowed money for the first time without having a guarantor, while in 1718 he appears in a transaction with a guarantor. This may indicate that control mechanisms used the previous documents and registers in order to check the credibility and the ability of the clients to return the money back. Control mechanisms also evaluated the amount of money in total during a calendar year and also the amount of money from the past years which appeared to be not returned. All these methods were helpful for controlling the performance of credit activity.

The Guild of Tailors governed their activity by following strict framework of business mechanism. They used inside information for evaluating the current performance and taking decisions for the future. The key profit driver for them was interest rates so it was the only variable through which
they made assumptions for increasing profits. In the manuscript, this is shown by their analysis of the interest rates of the year before and also the amount of money borrowed, after which they decided on the interest rate for the next year.

In this paper, we extracted a number of lending transactions dated 1716-1727 from the guild of the tailors of Voskopoja (Gk. Moschopolis), recorded in their register, kept at the Central Archives of the State, Tirana (AQSH, F. 141, D. 2). This manuscript records a number of acts pertaining directly or indirectly to the guild of tailors of Voskopoja (Moschopolis) (ff. 1r-45v) from 10.06.1714 to 15.03.1749 and, possibly, the guild of grocers from 1750 to 1791. The register is a very important source of social, economic, cultural and pedagogical information primarily for the local society of Voskopoja. The source reflects the guild’s relation with the local churches, its corporate social responsibility roles of supporting the Fund for the Poor and the Fund for Schooling, its role in youth vocational training and its contribution to local socio-religious events. Our focus in this paper was the aforementioned lending transactions, which shed light on patterns of lending, risk management scheme, interest rate changes and their potential linkages with the rapidly growing local economy.

* The authors would like to thank students Denisa Cela and Enkelejda Krasniqi for their assistance in research. An initial form of this paper was presented at the 1st Conference of the Museum of the Bank of Albania “Money and banking in Albania, from Antiquity to Modern Times,” Tirana 14-15.06.2017.
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Prenuptial Contracts of Myzeqe and Their Financial Dimension**

Sokol Çunga

The Codex of St. Kosmas, General Description.

From the well-known collection “The Collection of Codices”1, housed at the Central State Archive, it is usual for the general public to remember and mention the Purple Codex of Berat or the Codex Aureus Anthimi, which are also part of the World Heritage Register of UNESCO. The other manuscripts of this collection are almost overshadowed by the pompousness of imperial purple or astonishment by the myth. One of the less known treasures is the manuscript of the same collection, named by the researchers as the “Codex of the Monastery of St. Kosmas”, “Codex of Fier” or, for the CSA (Central State Archive), the storage unit no. 100 of the fond “The Collection of Codices”2.

This manuscript has 96 folia written on both sides. It contains 317 prenuptial contracts, signed between families that are residents of Myzeqe, whose spiritual center was the Monastery of St Kosmas in Kolkondas, between April 30, 1819 and October 19, 1843. The contracts are written in Greek, with the papers’ size: 225 x 155 mm. The previous owner’s name is written on the manuscript’s lid. “This register of the prenuptial contracts belongs to the Holy of Berat, Ioasaph”.3 According to the tradition, the manuscript was preserved at the Monastery of St. Kosmas in Kolkondas (Fier, Albania), while the note of the register indicates that it was a property of the Metropoly of Berat, who administered the monastery since the year of its foundation4. The manuscript was discovered in 1951 and was preserved at the monastery until 1957, when it was sent to the Metropoly of Berat. The Albanian researcher Llambirini Mitrushi studied the manuscript in 1962, after the invitation of the Metropolitan of Berat, Cyril, and published two papers about

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1 CSA, Fund “The Collection of Codices”.
2 SCA, Fund “The Collection of Codices” Folder 100.
3 On the same folio, written in pencil, but by someone else: Codex: Fr 100”, from the hand of Dhimitër Beduli, who paginated the folios. See also: Mitrushi, Ll.: Codex... p. 179.
4 Алексуш, Α.: Σύνδομος Ιστορική... p. 80.
The manuscript remained at the Metropoly at least until 1966, when the article was published. Since then the location of the manuscript is unknown, until it arrived at the State Central Archive. The codex was donated to the Central State Archive by Dhimitër Beduli, in the beginning of the ‘80s.

This codex, the only one of its kind in Albania, is a primary source for the history, anthropology, law, economics, anthroponomy, geography and ethnography of Myzeqe in the first half of the XIX century.

**PRENUPTIAL CONTRACTS IN THE CODEX OF ST. KOSMAS AS AN ECONOMIC RELATIONSHIP BETWEEN THE FAMILIES OF THE NEWLY-WED.**

The aforementioned register, that contains the prenuptial contracts of Myzeqe’s residents, immediately brings to our attention the institution of dowry, and prenuptial gift, financial relations that were usual between Romans and, later between the Christians of the Byzantine Empire, also traditionally applied during the Ottoman Empire (from the Christian Orthodox communities). According to the Roman law, dowry is “increasing the husband’s wealth from his wife, aiming to relief the burden of marriage”

6. Prenuptial gift is firstly promised or appointed by the fiancé or the spouse, mainly as a support for the marriage’s expenses, and as a recognition of the dowry, and secondly according to Byzantine Law, to ensure marital gain for the benefit of the woman in case of her husband’s death.

7. For the Christians, former Byzantine citizens, who become Ottoman citizens, these realities remain legitimate until the creation of national states and independence from the Ottoman Empire. Certainly, at different periods and places (within the territories of the above mentioned empires), the reality may change or fluctuate; however, the general rule remains the one we just quoted.

In the case of the contracts from the register of St. Kosmas, the acts tell about the prenuptial gift, but now of dowry. This is evidenced in all the acts of the codex, where the groom family specifies: “I give her a prenuptial gift …”, followed by the amount of money and clothes that are gifted to the future bride. As we learn from other sources, the phenomenon of “purchasing” the bride existed elsewhere in the Balkans, both in Bulgaria and in Western Macedonia (the name applies to the Byzantine geographical unit), but also between the Roma communities. Meanwhile, this practice exists in official form in Islamic Law and was widely practised by the Muslims. It is not surprising that this is borrowed from the Muslims by the Orthodox Christians during the centuries-old coexistence inside the Ottoman Empire.

The acts of the codex represent a completely similar structure with few exceptions. In their full form, the structure of the acts follows this order: 1) the name of the father or of the representative of the groom; 2) the name of the groom; 3) the number of the groom’s marriage; 4) the name of the
father or bride’s representative; 5) the name of the bride; 6) the number of bride’s marriage; 7) the amount of prenuptial gift; 8) clothes gifted by the groom; 9) clothes and other gifts brought by the bride (at this point the gifts brought by the groom and bride are written in two columns, the groom’s on the left, the bride’s on the right); 10) the names of the signatories (representatives, matchmakers, who sign below the respective columns); 11) the place (village) of origin of the signing parties.

**COINS AND THEIR VALUE IN THE CODEX OF ST. KOSMAS**

There are three coins mentioned in the Codex of St. Kosmas: asper, grosh, and para. The asper (akçe) was the “national” currency of the Ottoman state.\(^{11}\) It is a silver coin minted for the first time by Orhan I, in 1328 and it was named akçe orakçe-i osmanî, in honour of the founder of the Ottoman state. During the period of Selim I (1520) it was simply called akçe, from the Greeks aspro (ασπρό, as used in the Codex of St. Kosmas) and from the Europeans it was called asper.\(^{12}\) Ongoing depreciation of asper led to the disappearance of the currency, although for the last time the coin was minted in 1819.\(^{13}\) In the middle of the 18th century, asper was replaced by grosh, which was minted during the period of Suleiman II (1687-1691) as an imitation of foreign currencies circulating in the Ottoman state.\(^{14}\) Whereas para was a silver coin that was first minted in the middle of the 17th century, in order to face consecutive depreciations of asper.\(^{15}\) Since the first decades of the 18th century until the period of monetary reforms of 1839-1861, the exchange rate between grosh, para and asper was 1: 40 : 120.\(^{16}\)

The most common amount given as a prenuptial gift is 125 grosh (found in 161 acts), followed by the sum of 83 grosh (found in 49 acts). These two sums are the lowest and the most common used among acts, and appear to be what Codex mentions as “customary” of the province, a phrase that is found in 33 acts, where money is not mentioned. The highest and lowest sums are mentioned in 15 acts, where prenuptial gifts reach the sum of 300 grosh (7 acts), and 500 grosh (8 acts), the highest encountered in this manuscript. Other sums (between 125 and 300 grosh) are found in 156 acts. It is created, thus, a division into three classes, low, medium and high of prenuptial gifts.

Ottoman currencies had different values in different areas of the Empire.\(^{17}\) It would have been of much interest if we could accurately determine the value of the prenuptial gifts referred to in the acts of St. Kosmas Codex. Unfortunately, the Codex itself does not provide us any information. To create a general idea about the value of the Codex gifts, we will take into consideration another source, of almost the same period with our source. It is the registry of the Monastery of Kamena and St. Basil, which contains a chronicle of the time. On folio18r the registry informs us that: “In 1839, on December 6th, Çelo Picari with Kurvelesh and the [inhabitants of] Vlora River [region] destroyed the Delvina fiefs […] and during that same year, an unprecedented event happened, the corn price grew to 80 grosh per tagar (40 oka). […] In Vlora, Berat and Korça, it grew from 120

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\(^{11}\) Λιάτα, Ευτυχία Δ.: Φλόρια δεκατέσσερα, p. 83.
\(^{12}\) Λιάτα, Ευτυχία Δ.: ibid, p. 95.
\(^{13}\) Λιάτα, Ευτυχία Δ.: ibid, p. 97.
\(^{14}\) Λιάτα, Ευτυχία Δ.: ibid, p. 105.
\(^{15}\) Λιάτα, Ευτυχία Δ.: ibid, p. 101.
\(^{16}\) Λιάτα, Ευτυχία Δ.: ibid, p. 103.
\(^{17}\) Λιάτα, Ευτυχία Δ.: ibid, sq. p-114.
to 150 grosh per tagar.” 18 By taking in consideration the price of corn in the above mentioned areas by the chronicle, Delvina, Vlora, Berat and Korça, even though they are referred to a period of famine, we see that the prenuptial gifts of year 1839 in the Codex, which range between 200 and 300 grosh, do not constitute any large monetary value. The largest sum of 330 grosh is equal to 2-3 tagar of corn, or 80-120 oka. The comparison of the above mentioned corn prices with the highest valued gift of 500 grosh (February, 1840) shows that among the residents of Myzeqe the prenuptial gifts did not reach high amounts of monetary values. These comparative elements provide evidence for the low economic level of the area, as well as for the low expenses that the residents spent on gifts for their marriages.

18 Register from the collection of Archimandrite Agathangelos, Abbot of the Gracious Monastery of Kamena. Register compiled of paper folios, dating in the 19th century, found at the Spriomilos archive, folder “Different to be sorted, 1910-194”. It is preserved at the Association of History and Ethnology of Greece (Ιστορική και Εθνολογική Εταιρία της Ελλάδος). The manuscript is being prepared for publication by Prof. Assoc. Dr. Konstandinos Giakoumis, whom I thank for making the quoted fragment available to me.
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Μομφερράτος Α. Γ.: Πραγματεία = Αντώνιος Γ. Μομφερράτος: Πραγματεία περί προγαμπαίας δωρεάς: κατά το ρωμαϊκόν και ιδίως κατά το βυζαντινόν δίκαιον, Έν Αθήναις, 1884.

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CSA, Fund “The Collection of Codices”, Folder 100, f.: 1v-2.

The Monastery of St. Kosmas, after restoration and reconstruction.

The map of St. Kosmas Monastery, Kolkondas, Fier.
Coins and banknotes are useful instruments that help historians in their research efforts. In addition to serving as a means of exchange, they document various aspects of the national history and culture and of international politics. While many of us handle coins and banknotes on a daily basis, only a few know their symbolism and history of creation.

From this perspective, coins and banknotes are a good starting point for those who have a keen interest in learning about the history of a country. This fact is also shown by the issue of the banknotes of the Autonomous Region of Korçë, which are also known as the first Albanian banknotes.

While 100 years ago, on 1 March 1917, they were issued to serve only as a means of exchange, now they bear witness to major events of the national history, such as the declaration and activity of the Autonomous Region of Korçë.

In fact, the banknotes of the Autonomous Region of Korçë issued in 1917-18, albeit in circulation for a short time, best reflect the historical, political, economic and numismatic context of those troubled years for our country. The content of these banknotes preserves the marks of this region’s activity, showing the serious efforts of the Albanian patriots for a self-governed Albania, the successes and the failures, the degree of interdependence, as well as its political, cultural and religious implications.

In this framework, this paper aims to present an overview of the activity of the Autonomous Region of Korçë, focusing on its financial aspect, in particular on the banknotes put in circulation during 1917 and 1918.

Also, through the use of earlier documents and of others discovered later, this paper, among others, aims to promote further research on the political, economic and financial developments in Albania during the First World War period.

* Elsa Zhulali, Bank of Albania.

1 A detailed description of the economic and financial context, through the memories of the Head of the Finance Directorate, Mr Nikolla Zoi and the Secretary General of the Governmental Council of the Autonomous Region of Korça, Mr Petri Harizi, is given in Appendix I.

1st Conference of the Museum of the Bank of Albania - MONEY AND BANKING IN ALBANIA, FROM ANTIQUITY TO MODERN TIMES
A BRIEF OVERVIEW

In the First World War period, Albania became a theatre of fierce fighting between the two antagonist blocks: the Central Powers and the Allies. During this period, important patriotic and political movements took place in the Albanian lands, most notably the national movement in Korça region.

At the beginning of 1916, the distinguished patriot, Themistokli Gërmenji, with other patriots, such as Sali Butka and others, organised an armed movement in the Korça region against the Greek invaders. When the French troops of the “Eastern Army”, fighting against the troops of Central Block entered Korça in October 1916, they were faced with an armed movement.

The French military authorities of Korça “were interested in a peaceful situation in the rear detachments of their army, whereas the Albanians wanted to boot the Greek invaders out and ensure a core of the Albanian state”\(^2\). In this landscape, the French side concluded that the Albanian political and armed resistance could be avoided only if the Greek forces left Korça and only if the Albanian national demands were met.

The representatives of Korça national movement together with the representative of the French military authorities, Colonel Descoins, compiled a protocol\(^3\), according to which Korça, Bilishti, Kolonja, Opari and Gora, formed an independent region. The Albanian Governmental Council would be responsible for the administration of this region. The Council consisted of 14 members, seven Christian and seven Muslim representatives. The region would be under the protection of French military authority. The Albanian language would be the official language for demands, complains, and contracts, whereas the correspondence with the French authorities would be in French. The region would adopt the flag of Scanderbeg, together with the French three-coloured strip. The gendarmerie would be in charge for maintaining the public order across the region.

The signing of this protocol “would satisfy both the military interests of the French and the political interests of the Albanians”\(^4\). Thus, on 10 December 1916, the head of the Governmental Council

\(^3\) Central State Archive, File 14, year 1916.
Themistokli Gërmenji, and Colonel Descoins signed the Protocol, “which constitutes the only one political act signed during the First World War on parity basis between the Albanian National Movement and an occupying force”.

After the signature of the protocol, The Council together with French authorities, went out to the balcony of the Prefecture building, with Themistokli Gërmenji holding the Albanian Flag, as the people cheered “Long live Albania!”, “Long live the flag!”.

In a short period, the Autonomous Region of Korça attained the features of a proper state. It was a defined territory-administrative unit, had an internal self-governing body represented by the Albanian Council and the French authorities, a gendarmerie and a court. Also, it had three symbols of a state, the flag, the stamp and its currency, which, albeit its short life, remains a direct evidence of that period, a chronicle of human history written on cloth, metal or paper.

Through many sources, in particular the memories of two eye witnesses, former senior authorities of the region, Mr Nikollaq Zoi, Head of the Finance Directorate and Mr Petro Harizi, Secretary General of the Governmental Council of the Autonomous Region of Korça, respectively, are revealed interesting new details, such as the implementation of the decision on the issue of the Albanian banknotes, to be put in circulation across the Autonomous Region of Korça.

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5 Ibid., p. 100
BANKNOTES OF THE AUTONOMOUS REGION OF KORÇA: 1917-1918

During the First World War, the Albanian territories turned into a battle ground. The warring foreign powers, which were present across all the regions of Albania, had also established branches of banks, to provide money for their armies.

Thus, following the marching of the Austro-Hungarian armies in January 1916, in lower northern regions of Albania, three important Austro-Hungarian bank branches were opened in Shkodra, namely Wiener Bank Verein, Pester Bank and Ungarische Bank. But their activity was limited, as they neither issued banknotes and coins, nor granted credits. They only carried out financial operations for the invading administration. Also, Banca Commerciale Italiana of Milan established a branch in Vlora but did not carry out any important financial activity.7

“During the First World War, in Albania, the only proper financial activity to note was the initiative of the Albanian administration of the Autonomous Region of Korça8, to issue the Albanian banknote to satisfy the need for cash. The currency was called Frangë, named after the French franc.

In the absence of a bank, the Governmental Council, charged the Finance Directorate with the task of issuing the banknotes. Therefore, on 1 March 1917, the Office put in circulation the first issue of Albanian banknotes, in two denominations, half Frangë and one Frangë, in three series: A, B and C. The banknotes issue amounted to 50,000 frangs.9

ISSUE OF 1917

A Series, “Shqipëria Vetëveritare” in two denominations: 1/2 Frangë and 1 Frangë, 1 March 1917

7 Kristo Frashëri, “Monedha, krediti dhe banka në Shqipëri gjatë shekujve” [Eng: The currency, credit and banks in Albania over the centuries], p. 104, Tiranë, 2011.
8 Ibid.
9 All data on the number of copies, denominations and other characteristics of local banknotes of the Autonomous Region of Korça are based on the book by Petro Hariziti, “A chronographic history of Korça 1912-1919”, Boston, Mass, 1919.
The A Series features the text “Shqipëri Vetqeveritare” (Eng: Self-governing Albania), together with the double-headed eagle. It also features decorations and the nominal value written in Albanian 1 Frangë, and in French “Un franc”. The Chairman of the Council, Vasil Singjelo and the Head of the Finance Directorate signed these banknotes. On the reverse, on the upper right, the banknotes feature the round stamp with the eagle placed in the middle, ant the text: “Zyra e Financës Korçë” [Eng.: Finance Directorate, Korça] around it. Of this denomination, 10,000 thousand were printed.

B Series, “Shqipëri vetëqeveritare” (Eng: Self-governing Albania) in two denominations: 1/2 Frangë and 1 Frangë, 25 March 1917

B Series has the same legend with the first series. Twenty thousand banknotes for this issue were put in circulation. Also, this C Series contained the signature by the Head of the Finance Directorate. The signature of the Head of the Governmental Council has changed, and is now signed by Qani Dishnica. To transmit a rather democratic spirit of government, the Head of the Council was appointed by rotation, first on a monthly basis and then on a six-month basis. The monthly salary for the Head of the Council was 100 frangs, while the other members of the Council were not paid at all. Also, unlike the A Series, the B Series, on the reverse of the banknote, in both denominations, on the upper right corner, featured the round stamp with the eagle in the middle, with the text: “Direksia e Financës Korçë” [Eng. Finance (Directorate) Office, Korça] around it.

C Series, “Republika Shqiptare” (Eng: Albanian Republic) in two denominations; 1/2 Frangë and 1 Frangë, 10 October 1917
C Series was issued on 10 October 1917, in two denominations. This series was different from the two first series due to the change of the region’s status. The banknotes did not contain the legend “Shqipërië Vetqeveritare” [Eng.: Self-governmental Albania], but “Republika Shqiptare”, [Eng.: “Albanian Republic”]. The reasons for the change of the region’s status relate to the opinions existing among the Albanian democratic circles, which thought that “the republican regime was more advanced than the monarchic one”10. Also, Nikollaq Zoi, in his memories, states that according to Colonel Decoins, “from every point of view the most liberal form in the world would best suit Korça, with added prestige, albeit not having a chairperson”11.

Except for the inscription, the symbols and decorations are the same as in the first two issues, but are now signed by Vasil Kondi, the chairmain-in-office of the Governmental Council and by the Head of the Finance Directorate, Nikollaq Zoi. Of these series, 20,000 banknotes were put in circulation. As Nikollaq Zoi said, the frangë of Korça put in circulation was continuously equalled to the budget income of the region and could not be used outside the territory of the Autonomous region. The legend and value of these banknotes are written in both Albanian and French. On the reverse, on the upper right corner, they show a round stamp with the eagle in the middle, and the text: “Direksia e Financës Korçë” (Eng.: Finance [Directorate] Office, Korça) around it.

Although the banknotes were printed in the Printing House of Arqimidh Vangjeli, the Head of the Finance Directorate himself, Nikollaq Zoi, “put the numbers one by one, while the Secretary put the stamp on the reverse, in bundling them by hundred bills with a paper strap, whose sides could be stuck like the postage stamps”12. The metal and automated stamp was specifically ordered for that purpose in Thessaloniki. The Korça frangë was not covered by gold reserves, but by revenues collected from direct and indirect taxes, postal stamps, professional craftsmen licences, etc. The design of the banknotes was prepared by a French soldier, named Davier. According to “Adriatiku” newspaper of 9 February 2017, a golden watch was given as a present to the French soldier that prepared the banknotes printing plates.

All the above banknotes’ denominations were legal tender only within the Region of Korça until 1 January 1918.

**BANKNOTES OF 1918**

The banknotes of 1918 differ from those of 1917 in terms of the legend. The new banknotes do not feature any more either “Shqipërië Vetqeveritare” [Eng. Self-governmental Albania], or “Republika Shqiptare” [Eng. Albanian Republic], but simply “Korça”. That was due to the abrogation in 16 February 1918 by the French military authorities of the Protocol of 10 December 1916, which recognised the autonomy to the region of Korça. Upon the abrogation of the Protocol, the administration of the region was transferred to the French military authorities represented by the commander of the Maliq Group, General Salle. Now the Governmental Council was named the Council of Elders (Counsel des notables), and was reduced to 12 members, 6 Muslims and 6 Christians. The council was vested with only advisory powers and was called only upon the approval by the French delegate, Frevier.

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12 Ibid., p. 105.
Based on a new law by the new Council, new banknotes were issued amounting to 44,000 francs, divided as follows: 30,000 1 Frangë banknotes, divided further into three series: A Series 15,000 units, B Series 10,000 units and C Series 5,000 units. 29,000 half Frangë banknotes were, divided into three series: A Series and B from 10,000 units each and C Series 9,000 units.

The obverse of the banknotes shows the signature of Nikollaq Zoi, and that of the French delegate, Frevier, instead of the Head of the Albanian Governmental Council, that was previously on the banknote.

Also, on the reverse of the banknote in both denominations, on the upper right section, the banknote has a round stamp with the eagle in the middle, and te text: “Direksia e Financës Korçë” [Eng. Finance Directorate, Korça] around it.

The issue of 1918 reflects a completely new theme and has particular numismatics and symbolic values.

A Series, in two denominations, ½ Franc and 1 Franc, issued on 1 November 1918.

B Series, in two denominations, ½ Franc and 1 Franc, issued on 1 December 1918.
The reverse of banknotes, instead of the double-headed eagle features a Church (Saint George’s)\(^{13}\) and a Mosque.

In terms of symbolic use, this issue is special because religious elements were introduced for the first time in the history of Albanian banknote and coin designs, for both circulation and commemorative ones. Hence, the following question arises: What were the reasons urging the Governmental Council to determine this symbolic? What was the message to convey, while the Korça region had lost its autonomy? Unfortunately, no official document is discovered so far to shed light on the reasons for selecting the symbolic in the various issues of the Autonomous Region of Korça’s banknotes. For that reason, we may answer to these questions only through some hypotheses, by analysing some rather interesting data.

Nikollaq Zoi and Petro Harizi, both former senior officials of the Region, admit that the issue of 1918 represents the Saint George’s Church and a Mosque. These two religious objects are important elements that show, in symbolic way, the harmony and mutual respect between the two communities, as part of a peaceful co-governing, since the establishment till the dissolution of the Albanian Governmental Council of the Autonomous Region of Korça.

Also, the symbolic of this issue clearly shows that albeit the Council had lost its governing functions of a year earlier, it had not lost its Albanian character, staying clear of any religious division. In this view, the issue of 1918 is valuable, as it conveys an important and representative message of our country, even in present days, i.e. the need of peaceful religious harmony, an ever-present challenge in nowadays global world.

In the meantime, from the numismatics point of view, C Series of this issue bears special values for two reasons:

First, the observe of these banknotes, in both denominations, Half and One Franc, contains the stamped date 10.12.1918, which coincides with the two-year anniversary of the Autonomous

\(^{13}\) Petro Harizi, “Historia Kronografike e Korçës (Eng. Chronograph of Korça), 1912–1919”, Boston, Mass. 1919
Region of Korça. As mentioned above, albeit in the absence of official documents that evidence the reason of selecting the symbolic, the stamping of this distinguished historical date, either intentionally or no, provides rather particular numismatic value, turning the C Series, the first series, in the history of Albanian banknotes put in circulation, both legal tender and commemorative ones. Hence, putting in circulation this series marks the start of the Albanian banknotes, both circulation and commemorative ones.

Second, it is a known fact already, particularly among collectors, that the rarity and quality are two main criteria that determine the numismatic value of a banknote or coin. In this regard, C Series with two denominations, issue of 1918, is rarer compared to the two other issues of 1917 and 1918. That is because of the limited quantity put in circulation from this series, at 9000 francs for the denomination ½ Frangë, and 5000 francs for the denomination One Frangë. The rarerness provides higher numismatic values to this series. For this reason, every collector or individual is very fortunate to have it part of their collection.

The issue of these banknotes was accompanied by a modest regulation\(^{14}\) setting out the procedures on the exchange, and destruction and the permissible quantity of banknotes per capita. Also, some sanctions were also compiled in case of counterfeiting.

The damaged banknotes could be replaced with new ones only upon approval by the Head of the Finance Directorate, who determined the degree of the damage. The completely damaged banknotes were burned by the Head of the Finance Directorate himself in the presence of two members of the Council. The Governmental Council determined the permissible quantity of banknotes, whereby none, except of the Council and military offices, could hold more than 50 francs. Severe sanctions were laid down regarding the counterfeiting of the banknotes, consisting in mandatory work from 6 months to 2 years, or a fee ranging from 100 to 500 Frangs.

Although short lived, the Autonomous Region of Korça advanced the economic development and provided many rights to the people. Among others, it issued the first Albanian banknotes, which show the efforts of the Albanian patriots for establishing a new political, economic and financial equilibrium. Above all, the banknotes of the Autonomous Region of Korça mark the efforts for the establishment of the Albanian state identity, as the primary identity above the religious one. This feature of unity and harmony, which has survived in our modern history, was carefully and mindfully selected by the founders of the Region as a symbol in the banknotes issue of 1918. It evidences the foresightfulness of the highest decision-making levels, and reflects a deep and clear knowledge of the Albanian society structure.

In this 100 Anniversary of the issue of the banknotes of the Autonomous Region of Korça, we may surely affirm that they are not only the precious roots of the Albanian state formation, but also an incentive for further research on the political, economic and financial developments in Albania during the First World War period.

APPENDIX I

The overall financial and economic context in the memories of Nikolla Zoi, Head of the Finance Directorate and Petro Harizi, Secretary General of the Governmental Council of the Autonomous Region of Korça.

The Autonomous Region of Korça, albeit having a short life, undertook rather important initiatives that drove to some political, economic and financial achievements.

The Governmental council paid particular importance to the overall activity of the region, in particular to the budget, leaving its administration in the hands of the Head of the Finance Directorate, Nikolla Zoi.

The documents of that time, such as the book “Një faqe në historie (Eng: A page in history)” by Nikolla Zoi, or the book “Historia Kronografike e Korçës (Eng: Chronographic History of Korça), 1912-1919” by Petro Harizi, Secretary General of the Governmental Council of the Autonomous Region of Korça, both eye witnesses that period, provide a complete picture of the financial activity of the Autonomous Region of Korça. Their works may be rightly considered as the most important legacy of that period.

According to these documents, the Finance Directorate carried out the most important governing services, from which were dependent “customs, forests, finances of municipality and postage, granary and coal, issue of banknotes and of tax postage stamps.15

Robert Vaucher, a distinguished French-Swiss photo reporter, who used to work for one of the most European prestigious magazines during the First World War “L’lllustration”, affirmed that “The Republic of Korça, is, maybe, the only one state in Europe to balance its budget and had no deficit”16. In fact, this affirmation is certified also by the positive balance sheets of the budgets of 1917 and 1918, which was approved by the Governmental Council, upon the proposal of the Head of the Finance Directorate. The first budget of the Governmental Council, for the first six months of 1917, from 1 January to 30 June 1917 was compiled by the Finance Directorate in collaboration with Lieutenant Bargéton. It amounted to 106,000 gold francs17.

The budget 1 January 30 – June 1917

<table>
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<tr>
<th>Income</th>
<th>Francs</th>
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<tr>
<td>The tenth, only for January 1917</td>
<td>35.000</td>
</tr>
<tr>
<td>Payments on income and market profits</td>
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<tr>
<td>Paid fines</td>
<td>12.000</td>
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<tr>
<td>Postage</td>
<td>6.000</td>
</tr>
<tr>
<td>Customs and peasant tax</td>
<td>18.000</td>
</tr>
<tr>
<td>Amount</td>
<td>106.000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure</th>
<th></th>
</tr>
</thead>
<tbody>
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<td>Governmental Council</td>
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<tr>
<td>Governmental House rent</td>
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</tr>
<tr>
<td>Finance</td>
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<td>Postage</td>
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<td>Courts</td>
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<tr>
<td>Peasants</td>
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<td>Amount</td>
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<tr>
<td>Police and mobile gendarmerie</td>
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<tr>
<td>Balance</td>
<td>22.000</td>
</tr>
<tr>
<td>Amount</td>
<td>106.000</td>
</tr>
</tbody>
</table>

15 Nikolla Zoi, “Një faqe në historie” (Eng: A page in history), fq. 114, Tirane, 2001
16 Ibid.

MONEY AND BANKING IN ALBANIA, FROM ANTIQUITY TO MODERN TIMES - I" Conference of the Museum of the Bank of Albania
While, the budget of the second semester of 1917 from July to 31 December 1917, was set at 623,000 gold francs

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Francs</th>
<th>Income</th>
<th>Francs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Council</td>
<td>5,460</td>
<td>The tenth</td>
<td>500,000</td>
</tr>
<tr>
<td>Government House</td>
<td>4,140</td>
<td>Postage</td>
<td>3,000</td>
</tr>
<tr>
<td>Finance</td>
<td>8,580</td>
<td>Fimbres taske</td>
<td>8,000</td>
</tr>
<tr>
<td>Postage</td>
<td>5,580</td>
<td>Oktrove*</td>
<td>20,000</td>
</tr>
<tr>
<td>Courts</td>
<td>14,160</td>
<td>Customs</td>
<td>20,000</td>
</tr>
<tr>
<td>Religion (Muslim and Christian)</td>
<td>8,760</td>
<td>Fishing</td>
<td>2,000</td>
</tr>
<tr>
<td>Peasants</td>
<td>24,456</td>
<td>Coal Qymyr i gurte</td>
<td>1,000</td>
</tr>
<tr>
<td>Peasants of Bilisht</td>
<td>2,200</td>
<td>Xhelesi</td>
<td>60,000</td>
</tr>
<tr>
<td>Police and Gendarmerie</td>
<td>243,330</td>
<td>Forests</td>
<td>3,000</td>
</tr>
<tr>
<td>Forestry service</td>
<td>2,340</td>
<td>Trash tax</td>
<td>5,000</td>
</tr>
<tr>
<td>Education</td>
<td>41,400</td>
<td>Unregulated income</td>
<td>1,000</td>
</tr>
<tr>
<td>Available to the Governmental Council</td>
<td>9,594</td>
<td>Amount</td>
<td>623,000</td>
</tr>
<tr>
<td>Amount</td>
<td>370,000</td>
<td>Spent</td>
<td>370,000</td>
</tr>
<tr>
<td>Balance</td>
<td>253,000</td>
<td>Balance</td>
<td>253,000</td>
</tr>
<tr>
<td></td>
<td>623,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
* Type of tax. At the end of February, the Customs duty was decided to be called Oktrove. Till May 1918 a customs duty of 15% was to be paid on anything entering Korça, except for cereals and animals. Food products, diary, conserves, lamps, leather, tobacco was paid per okë. Manufactured products, iron, dies, furniture, were paid according to the bill. The tax ranged from 5-8-10-12-15-25 to 50%. For alcoholic drinks such as raki, cogniac, rum etc, the tax was 40%, while no tax was paid for beer and wine. In the middle of 1918, the tax on alcoholic drinks rose at 100%, while for cinchona, vermouth and beer 40%. No payment was placed on wine. Related to raki from villages, the tax was 5 frangs per okë, while for the raki produced in the city 21 frangs and half per okë. For cigarettes, it was 25%. See Petro Harizi, "Historia Kronografike e Korçës (Eng: Chronographic history of Korça), 1912-1919", Boston, Mass. 1919.

The third budget, from January 1 to 31 December 1918, was decided at the amount 1,757,500 gold francs.

<table>
<thead>
<tr>
<th>Income</th>
<th>1,757,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure</td>
<td>1,683,892</td>
</tr>
<tr>
<td>Balance</td>
<td>73,607</td>
</tr>
</tbody>
</table>

It is worthy to highlight that while compiling the budget for 1918, like in civilised cities, it was decided the grant of public assistance (Assitance Publique) (of an amount 114,354.40 francs), aiming at:

"helping the poor people with cash, clothes or offering a job; to pay the burial expenses to poor families; helping the families of the killed gendarmes, the old people; taking the necessary measures to secure the health the Korça region".

Nikollaq Zoi, affirms that a regular account on income and expenditure was kept, with a special attention. This attention was reflected in the handling of emergencies or differently called “extraordinary expenditures”. After the moving of French troops, these expenses served to buy cars, medicines, military clothes, telephones, etc".
The Governmental Council of Korça determined the prices of products, as follows:

Wheat 0.65
Barley 0.55
Maize 0.55
Legume 0.70

Oat ** Old weight unit about one kilogram and a quarter to one kilogram and half (by different regions). Fjalori i shqipes së sotme”, Akademia e Shkencave, Instituti i Gjyhesise dhe i Letersise.

All these products were also sold in a hidden way, at higher prices, as follows

Every citizen had the right to receive for day 350 derhem18 wheat, while surpluses were transferred to the Council. The latter allocated the surpluses to the people in need19.

Petro Harizi, in his book “Historia kronografike e Korçës (Eng: Chronography of Korça), 1912-1919, provides a detailed description of the economic situation of the region, showing it at as rather ruined. In his memories, he points out that the main branch of economy, agriculture, had a rather low production where “cereal, furthermore wheat and maize produced in 1916, not only were insufficient, but were hidden because of the tenths20 by the owners. On the other hand, these products flew out of the borders of Korça district, as the Greek authorities of that period, do not only took the necessary measures to provide food for the people according to the weather, with bread, but they could not and did not want to stop the flowing of wheat and maize”21. Also, he points out that “the cash of public Korça were almost taken by Greeks” 22 Thus, the economic situation was rather heavy, where poverty and diseases were dominant and broadly spread. Only after a request addressed to the Military Commandant of the Region, Colonel Descoin, under the auspices of the Policy Prefect, Themistokli Gërmenji, a commercial association was established with a capital of almost 300,000 francs, which was engaged to provide cereals for bread from Thessaloniki to the citizens of the autonomous region, who were from time messing bread.

To help the people of the autonomous region of Korça, the authorities of French army open work place in constrictions of roads, Korça-Ersekë-Saranda-Vlora, Korça-Voskopoja, Korça-Svesda-Porgorie-Pogradec, Korça-Maliq-Pogradec and Korça-Follorina. Around 8000 peasants were employed and paid in cash, with a daily salary of 10 francs. In addition to the daily salary, the workers were provided a çyrek23 and to those working far from the residence villages were provided a shelter in the form of tents.

This is an overall depiction of the economic situation and financial activity of the Autonomous Region of Korça reflected in the memories of the high-level officials of the Governmental Council.

20 The person who bought the right to the state to take for himself the tenth of peasants, the persons who collected the tenths to the peasants. For more see “Fjalorin e shqipes së sotme”, Akademia e Shkencave, Instituti i Gjyhesise dhe i Letersise, Tirane, 2001.
22 Ibid.
23 A whole wheat bread of sweet daugh. For more see “Fjalorin e shqipes së sotme”, published by Accademy of Sciences, Institute of language and Literature.
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After breaking off relations with the Soviet Union, the economic situation in Albania was getting worse. Albania had been heavily dependent on aid and trade with the Soviet Union and its allies, with a significant impact on the country’s economy. As the political divergences between the two countries intensified, the Soviet Union stepped up economic pressure on Albania by delaying and cutting systematically economic aid. The coercive measures by the Soviet Union put Albania in an uncertain situation and jeopardized its economic development. Against this backdrop, it became necessary for Albania to find another substitute and prevent major delays in its industrialization process.

The void created in Albania as the result of the fall-out with the Soviet Union was filled by Communist China of Mao Zedong. Economic issues have been and will continue to be a priority of relations between two states. Economic interest is and remains the fundamental interest of one particular relationship. If political, diplomatic, cultural and other ties are not translated into investment and concrete aid in the economy, in principle, they will not be sustainable. Meanwhile, a determining factor for the level of economic relations were the political relations between the two communist parties and their respective governments, so the economic ties between the two countries were mostly dependent on the “temperature” of political relations.

This paper addresses issues related to loans benefited by Albania under the protocols between the two governments, since the establishment of diplomatic relations from 1954 until 1975, the last year in terms of loans. This paper does not include monetary values that Albania benefited from China, entirely in the form of aid.

The first economic agreement in the aspect of loans between the People’s Republic of Albania (PRA) and the People’s Republic of China (PRC) was “on the allocation of a loan that the PRC granted...”

* Etleva Goxhaj- PhD Candidate

3 Ibid, 174.
to the PRA amounting to 50,000,000 rubles at 0.5% interest per year signed in Tirana, on 3 December 1954. The agreement was intended to assist Albania’s economic development. The parties agreed that the Albanian government would repay the loan and the relevant interest rates, in equal annual instalments, starting from 1970 until 1980. For the accounts on loans under this agreement, the People’s Bank of China and the State Bank of Albania opened special accounts.

The second loan that the PRC government accorded to the PRA government during 1954-1960 was signed in Beijing on 16 January 1959 at the request of the Albanian government. The total amount of this loan was 55,000,000 rubles, at 1% interest per year. It was a long-term loan and would be allocated entirely for the industrialisation of the country. The PRA government would repay the loan and the relevant interest, in equal annual instalments, from 1981-1990. Loan interest rates were calculated on the amount of credit used, starting from the day of use.

Regarding non-commercial payments on the agreements between PRA and PRC, the lek/yuan exchange rate was set at 100 lek for 1.67 yuan and 100 yuan for 6000 lek according to the agreement on non-commercial deliveries signed in Tirana. PRA payments in the PRC were carried out in special accounts without interest and without commission in yuan at the People’s Bank of China on behalf on the State Bank of Albania and vice versa. The total amount accumulated from the respective banks at the end of each year was calculated in rubles. Thus, 100 lek was 10 rubles and 100 yuan was 600 rubles. The ruble was divided by a 8.6 coefficient.

**LOANS OBTAINED DURING 1961-1971**

Meetings between Chinese and Albanian officials intensified in January 1961. Spiro Koleka, chairman of the Albanian government’s economic delegation was promised by the Chinese Prime Minister Zhou Enlai, in a meeting on 17 January 1961, that China would fill up, at any cost, the void left by the Soviets in Albania. The meeting consisted of three elements, of which two pertained to trade, one for trade in 1961 and the other for trade and cooperation during 1961-1965.

During 1961, the high-level state meeting proved to be fruitful. On 2 February 1961, the agreement on “the allocation of the sum of 112,500,000 rubles” was signed between the two governments in Beijing. The agreement consisted in granting a loan to the PRA from PRC. This loan would be used by the PRA government from 1961-1965 to develop manufacturing power, to purchase equipment in China for mining, industry, agriculture and transportation. The loan would be repaid by PRA the PRA during 1971-1980 with 1% interest per year through delivery of goods.

The relationship between the two governments continued on positive terms even in 1962. The construction of civil works and infrastructure in Albania was the most important action by the Albanian politics. Faced with increasing difficulties, it was unthinkable for the Albania’s communist leadership not to ask China for credit and aid. Economic support became necessary in order for Albania not to lose the fragile stability that the communist government of Albania was barely managing to keep.

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5 Gjon Boriçi, Albanian-Chinese Relations during the Cold War 1956-1978, Tirana: Mirgeeralb, 2016, p.111
6 AMPJ, 1961, link 8, folder 26/1 Bilateral agreements fund.
Thus, the state policy for the country’s industrialization would continue during 1962. In this context, an agreement between the governments of the PRA and the PRC PRC on “granting a loan to PRRA” was signed in Beijing on 13 January 1962. Pursuant to this agreement, the PRC would grant PRRA a loan amounting to 30,000,000 rubles to use during 1962. The PRA would use this loan to buy goods in the PRC. It had a list with 157 items. The loan would be repaid in five years, during the period 1962-1967. The annual loan interest rate was 1% and it would be paid in annual instalments amounting to 1/5 of the total amount.

Following the lending, there was an agreement between the Albanian government and the Government of China on “granting loans in free currency”, in Beijing on 13 January 1962. The loan amounted to a free currency value of 1,146,911 sterlings, 15 shillings and 3 pence and would be used to purchase 12,500 ton cargo ship. The loan would be repaid in 10 years at 1% interest per year from, 1971 to 1980, and instalments amounting to 1/10 of the total loan amount. Each sterling would contain 2.48 grams of pure gold. If the content of pure gold was altered, the sterling (pound) would have to be recalculated in another foreign currency, convertible on par with the initial gold content.

The chairman of the State Council of the People’s Republic of China and the Deputy Chairman of the Central Committee of the Chinese Communist Party, Zhou Enlai, paid a visit to Albania at the invitation of Mehmet Shehu, the Premier of the Council of Ministers of the People’s Republic of Albania, in the first ever visit at this level. In the framework of strengthening the relation between the PRA and the PRC, the visit of Zhou Enlai in Albania was a major historical event. The delegation arrived in Albania on 31 December 1963 and left on 9 January 1964. During the days in Albania, the Chinese delegation held talks with party and state leaders. The Sino-Albanian declaration was signed on 8 January. This visit of the Chinese prime minister would pave the way for signing of many agreements. A protocol was signed in the field of lending, between the government of PRA and PRC on “granting an interest-free loan the amounting to 6,500,000 rubles”, signed in Beijing on 10 June 1964. The Albanian government would use this loan to buy items in the PRC for off-site building materials. The loan would be repaid from 1971 to 1980, each year paying 1/10 of the total amount of the loan.

On 27-30 March 1965, the Chairman of State Council of the PRC, Zhou Enlai returns for a second time to Albania on a friendly visit. During this encounter, Albania demanded economic aid, which Zhou Enlai assessed realistically. The “lobbing” for lending would remain at the focus throughout the Sino-Albanian economic cooperation. Thus, in Beijing on 8 June 1965, an agreement was signed between the Government of the PRA and government of the PRC on “granting a loan to the Albanian government”. The agreement was a product of the financial support China provided for Albania. Pursuant to this agreement, the PRC would grant to the PRA a loan amounting to 170,000,000 rubles during 1966-1970. It was a long-term and interest-free
loan. From the afore-mentioned loan, Albania would benefit the total of 75,000,000 rubles for the building of complete works, 4,000,000 rubles for off-site building materials, 88,000,000 rubles for delivering special machinery and equipment. The repayment of the loan would be completed within 10 years from 1982 to 1991, annually at 1/10 of the loan amount.

Zhou Enlai would return to Albania in May 1966, the third time in nearly two and a half years, and the last by a high state representative of China in Albania.

After Zhou Enlai’s visit, Enver Hoxha would declare “Our relations with the PR of China are an enlightened example of the justice and force of Marxist-Leninist principles. The close revolutionary friendship and all-encompassing relations between Albania and China recently has seen notable development and has been fruitful.”

In the framework of this visit, Chinese specialists in various fields came to Albania to help Albania’s economic growth. After the Soviet specialists left, the oil sector remained in difficult conditions. It was necessary to revitalize this sector so the Albanian government sought to bring a group of competent Chinese oil specialists from China in Albania for consultation and sharing know-how on technical problems of research, production and processing, etc.

In regard with this demand of the Albanian government for the oil sector, on 20 October 1966, in Beijing an agreement was signed between the governments of the PRA and the PRC “on granting a loan in the oil industry.” Pursuant to this agreement, during 1968-1970, the PRC would give to the PRA a long-term interest-free loan of 14,300,000 rubles. Also, for the account of this loan, the PRC would give the PRA oil equipment and machinery. The PRA would repay the loan during 10 years, from 1982 until 1991, each year at 1/10 of the loan amount.

Year 1968 will mark an important event for Albania in the international arena. On 13 September, the People’s Assembly of Albania unanimously approved the de jure withdrawal of Albania from the Warsaw Pact. Albania’s withdrawal from the Warsaw Pact was one of the most important international acts by the Albanian politics and diplomacy during the Cold War. This political step brought Albania out of the Blocks, but the ideological, Marxist-Leninist orientation of Albania remained again a determining factor guiding its internal and external politics. Albania came even closer to Beijing.

In this situation, an agreement was signed between the governments of the PRA and the PRC “on granting a loan to Albania,” in Beijing, 20 November 1968. The PRC granted the PRA a long-term interest-free loan at 1,056,300,000 yuan, for the Albanian government to use during 1969-1975. In this agreement, the parties agreed that the PRC on the account of the loan would give to the PRA for complete works, special equipment, various materials and a ship. From the afore-mentioned loan, the total amount of works would amount to 870,000,000 yuan, for off-site material 40,000,000 yuan, and 146,300,000 yuan for general materials. It would be repaid in 10 years, from 1985 to 1994, at 1/10 of the loan amount.

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15 CSA, Fund 14, AP / OU 1966 file 1/1, pg. 27 Report on Albania’s international situation and foreign policy.
16 AMFA, 1966, file 5, pg. 65
17 AMFA, 1966, 6, file 89. Bilateral Agreement Fund.
18 The newspaper “Luftëtari”, Sunday, 15 September 1968, pg. 1. At this time the events had evolved rapidly. On 22 August 1968, Soviet troops committed aggression against Czechoslovakia and invaded it. The Albanian government reacted fiercely against this interference.
The agreement between the governments of the PRA and the PRC “on China granting a long-term interest-free loan”20, signed in Beijing on 16 October 1970, was the loan with the highest value ever granted by the Chinese government to the Albanian government. The government of the PRC granted to the PRA government a long-term interest-free loan. The loan amount was 1,880,000,000 yuan, which would be used for the supply of general materials amounting to 1.250 million yuan. The amount of 630,000,000 yuan would be used to supply completed works, of which 280,000,000 would be used for the supply of 15 new complete works, while the amount of 350,000,000 yuan would be used for expanding the capacities of existing complete works. The total amount of this loan would include the free currency of 14,000 dollars, which would be lent to Albania to use during 1974-1975. Albania would repay the loan during 15 years, from 1986 until 2000, annually at 1/15 of the loan amount.

THE DOWNTREND IN THE CREDIT CURVE

In 1972, the Chinese foreign policy saw a significant development. On 21 February 1972, the US president, Richard Nixon arrived in Beijing21, causing discontent in Tirana. Enver Hoxha made some very harsh comments on this occasion, addressed to the Chinese leadership. On the other hand, the Chinese disagreed with Tirana’s position22. To test the situation in Beijing, a high-level delegation was sent from Albania to sign the loan agreement on agriculture. On 11 April 1972, an agreement was signed between the governments of the PRA and the PRC, “on granting a loan of 70,000,000 yuan renminbi for agricultural machinery23. Through this agreement, the PRC gave to the PRA during 1972-1975 a loan for it to be supplied with agricultural machinery, seeds and equipment. The PRA would repay the loan by delivery of goods. The loan would be repaid during 15 years starting from 1986 until 2000, annually at 1/15 of the loan amount.

The Sino-Albanian clashes in the ideological and foreign policy aspects had undoubtedly an economic cost for Albania24. By the end of 1974, the Albanian government sought to increase the Chinese aid for the draft plan for the period 1975-1980. In July 1975, the Chinese significantly lowered lending for the Albanian economy. Thus, the agreement between the government of the PRA and government of the PRC “on granting a long-term interest-free loan to Albania, amounted to 500,000,000 yuan Renminbi.25. This value was much smaller compared to the amount requested by the Albanian government. The amount of 320,000,000 of the total value of this loan was for purchasing general material for 11 complete works. The loan would be paid by the PRA by delivery of goods for 10 years starting from 1991 until 2000, annually at 1/10 of the loan amount. This is the last loan that the communist government of Tirana obtained from the government of China.

Based on the signed agreements, we can conclude that the economic aid in lending granted by the PRC government for the PRA government consisted in several important aspects. Loans were dedicated, that is their destination was determined in the protocol. Some of them consisted of:

- Investments for the construction of major industrial works in the oil, mining and energy sectors;
- Investments in agricultural machinery, seeds and equipment;

22 History of the Albanian People IV, Tirana: Toena, 2008, pg. 304
23 AMPJ, 1972, link 6, folder 120.
24 History of the Albanian People IV, p. 304.
25 AMPJ, 1975, link 3, folder 135.
- Financing of food and industrial goods for the consumption needs of citizens;
- Fulfilment of transport, telecommunication, technology requirements, etc.

The predominant feature of the economic relations between the PRC and the PRA was the willingness of the Chinese to help with the Albanian projects in order for Albania to have a certain role in the international relations. This joint Sino-Albanian effort was in favour of both countries. The more Albanian economy strengthened, the more its stability grew, and the greater the role of Tirana in the United Nations, and as a result, chances that Albania’s voice in this organization would be supported in terms of China’s rights to become a member of UN, would grow as well.

The majority of loans were granted for industrialization purposes, and special attention was paid to the heavy and processing industries, as the main feature of the economic developments in the countries of the Eastern Europe, circumventing the light and food processing industries, which directly contribute to the well-being of the population. This orientation influenced the unilateral and forced development of the Albanian economy. However, road networks infrastructure did not obtain any kind of aid. Short distance destinations were hours apart. In short, the defect lied at the basis, in the communist strategy of the economy.

However, the impact of Chinese aid and loans for the Albanian economy was vital at a very delicate moment for the performance of the weak Albanian economy in the early 1960s. Although an unequal cooperation, it was not accompanied by political conditions that affected Albania’s national interests during those years.
SESSION IV:

THE ALBANIAN STATE, ESTABLISHMENT AND CONSOLIDATION OF THE BANKING SYSTEM (1912-1992)

Session Chair: Prof. Dr. Nevila Nika
The European University of Tirana
SUMMARY

The declaration of independence and the foundation of the Albanian state established the institutions and their organisation amid a new and different political, legal and administrative reality. In addition to the centralised secular systems, the Provisional Government of Vlora also focused on the establishment of central economic institutions. Here we can highlight the efforts for the creation of the Albanian National Bank. Despite the Albanian proponents for the establishment of a bank with Albanian capital, the Provisional Government of Vlora, under the influence of the Austro-Italian policy, decided to create a national bank with foreign capital. The foundation of the Albanian National Bank was based on the agreement of 4 October 1913, between the Provisional Government of Vlora and the representatives of Wiener Bank Verein and Banca Commerciale d’Italia. The fact that Austria-Hungary and Italy were the creators, founders and administrators of the National Bank alienated the other Great Powers. The debate reached the International Commission of Control in Vlora and other international chancelleries.

The paper aims to answer several questions: Was the concessionary agreement for the creation of the Albanian National Bank valid? Did the other Great Powers recognise the creation of the central bank? Should the Albanian National Bank be considered a joint Austro-Italian investment or should it be considered as an investment from all six Great Powers? Did the Albanian National Bank conduct any genuine financial activity, or did it remain hostage of the rivalry between the Great Powers?

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The declaration of independence and the foundation of the Albanian state established the institutions and their organisation on a new and different political, legal and administrative reality. In addition to the materialisation of centralised secular systems in justice, state administration and education, the Provisional Government of Vlora also focused on the establishment of fundamental economic...
institutions in order to shape the financial policy of the Albanian state. These efforts mark the start of a long de-ottomanisation process and state formation that would continue for many years.

**ECONOMIC POLICY OF THE PROVISIONAL GOVERNMENT OF VLORA VIS-À-VIS THE AUSTRO-ITALIAN PARITY**

The Provisional Government of Vlora, based on the support that the Adriatic Powers, Austria-Hungary and Italy, for the creation of Albania and their role in the Conference of Ambassadors in London in addition to the organisation of the Albanian state, deemed that economic reforms at home should take place in collaboration with Austro-Hungarian and Italian specialists. At the end of July 1913, while the International Commission for Control had not been yet constituted, Ismail Qemal Vlora, in the capacity of the Head of the Provisional Government, presented the Austro-Hungarian and Italian consuls in Vlora a request to suggest their governments to send 16 advisers and specialists for organising various aspects of the Albanian economy.

Meanwhile, bound also by the rather weak finances, the Provisional Government decided to implement an economic policy through concessions, to be given mainly to foreign companies. Thus, a concession was envisaged for the telegraphic cable between Shëngjin and Bari, the construction of the railway Vlora-Durrës-Shkodra, construction of tramways and of ports. Through this policy, the aim was not only to recover the Albanian economy, but also to secure the support of the Great Powers for the newly created state and the Albanian Government.

The economic policy pursued by the Government of Vlora was outlined under the influence of Austria-Hungary and Italy, which were considered by Ismail Qemali as “protector” powers. Throughout 1913, the Adriatic Powers remained the two most interested and active countries to secure concessions and dominate the Albanian economy. They conducted the economic policy in Albania on a parity basis, conditioned by the Secret Agreement signed in Rome, on 8 May 1913. This policy placed Ismail Qemali and his government in front of an extraordinary pressure and revealed the weaknesses and dependence on the Adriatic Powers.

On such parity basis, Austria-Hungary and Italy would send specialists for the reorganisation of the Albanian economy. After a series of discussions that intensified during September and

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1. The International Commission for Control was created in accordance with Article 4 of the Decision of the Conference of Ambassadors in London for Albania, on 29 July 1913. According to this Article, the ICC was a collegial body composed by six representatives of the Great Powers and one Albanian representative. It had the right to control the civic and financial administration of the Albanian state.


5. For the content of the Secret Agreement between Austria-Hungary and Italy, signed in Rome, on 8 May 1913, see: Arben Puto, The Albanian issue in international acts of the imperialistic period (Historical documents overview), Volume II (1912-1918), Tirana: “8 November”, 1987, pg. 255-258.
the beginning of October 1913, Vienna and Rome agreed to rigorously implement the equal participation principle and contribution to the economy in Albania. Austro-Hungarian specialists were to be sent in the sectors of post, customs, forestry, husbandry, organisation of village communes and public accounting, whereas Italian specialists were to be sent in the sectors of telegraphy, customs, forestry, agriculture, justice, ports and mines. Meanwhile, they requested an engagement in principle from the Albanian Government for their specialists be put in writing as soon as possible, through an exchange of notes of the latter with the Austro-Hungarian and Italian consular representatives in Vlora, certainly before the International Commission for Control became operational.

AUSTRIAN-ITALIAN PARITY AND THE ESTABLISHMENT OF THE ALBANIAN NATIONAL BANK

The establishment of the Albanian National Bank fell also under the economic parity between Austria-Hungary and Italy. Since May 1913, the parties had discussed about the establishment of an Austro-Hungarian and Italian financial consortium with equal contributions and capital to finance all enterprises in Albania; in concrete terms, it meant the establishment of banks, construction of roads, railways, etc.

Related to the establishment of the central financial institution, among the Albanian economic and political circles emerged the idea for the establishment of the national bank with Albanian capital, which was believed to exist both in Albania and abroad. But, the Provisional Government of Vlora, as we analysed above, under the strong influence of the policy of Austria-Hungary and Italy, began opted for the national bank with foreign capital, respectively half Austro-Hungarian and half Italian. The establishment of the National Bank, as the two Adriatic Powers had decided, was realised before the International Commission of Control arrived in Vlora. It was established based on the concessional agreement of 4 October 1913, between the Provisional Government of Vlora and the representatives of Wiener Bank Verein and Banca Commerciale d’Italia. The concession was given in line with the Decision of the Provisional Government, of 2 October 1913 for a 60-years period. The contract gained full legal value after the ratification from the Austrian-Italian group and the publication of the concession, on 3 December 1913, on newspaper “Përlindja e Shqypnies”, the official journal of the Provisional Government of Vlora.

According to the agreement, the bank capital amounted at 10.000.000 coronas, converted into 10.500.000 liras to be paid only as requested by the bank. This capital would be in gold coins and could be increased by decision of the General Assembly of Shareholders (Article 2). The central seat of the bank would be in the capital of Albania and, in accordance with the needs, branches and subsidiaries could be established both domestically and abroad (Article 3). According to Article 4, the highest steering institution of the Albanian National Bank was the Administrative Council, composed of an equal number of representatives from both financial groups and by “Albanian elements”. But, the application of this Article regarding “the Albanian

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6 HHSt.A.P.A in AIH, Vj. 23-28-2893, Telegram of count Berchold for count Ambrosy in Rome and Consul Lejhanec in Vlora, Vienna, 13 October 1913
9 The first meeting of the International Commission for Control was on 16 October 1913 in Vlora.
elements” was significantly restricted by the provisions in paragraphs 2 and 4. These paragraphs stipulated that the first Administrative Council would be created only by the two founding Austrian-Italian groups, whereas appointments and renovations of Albanian administrators would be done by the General Assembly of Shareholders, in accordance with a list decided in an agreement between the Albanian Government and the administrative council of the bank. Thus, the Albanian Government was allowed only to have an equal decision-making power with the foreigners, without being able to put in the list its own candidates, unless it agreed in advance with the Austrian-Italian representatives of the two financial groups.

The Administrative Council supervised one committee, composed by two or four members from the Austro-Hungarian and Italian financial groups. No Albanian representative was part of this committee. The management and activity of the Bank were conducted according to the laws of the Albanian state (Article 5). The Albanian Government had the right to appoint one High Commissioner, but only after a preliminary agreement with the Administrative Council, to control the issue of banknotes and monitor the implementation of the provisions of the statutes and regulations referring to the procedures for their issue. But, the High Commissioner had not the right to interfere in the management and administration of the bank activities (Article 6).

The bank issued coins, took care of their circulation, purchased precious metals and was the only financial agent of the Government in Albania or abroad (Article 7). Notwithstanding the intervention of the Head of the Provisional Government of Vlora to strengthen the Albanian element within the Bank, Article 11 defined that the Austrian-Italian had “the right of preference for all the concessions to be granted by the state, as well as for all the constructions and all the supplies for the reserves of the state”. Thus, it had a factual monopoly on all financial and industrial enterprises in Albania. The Head of the Provisional Government of Vlora intervened in the content of Article 21 as well, managing to ensure the right of contestation. According to this amendment, in case of possible contestation between the Albanian Government and the bank on the clauses of the concession or legal procedures, related with the implementation of the statutes and for reasons of social works, the agreement was subject to the Federal Court of Lausanne, without the possibility of appeal or recursion.11

The National Bank did not conduct any financial activity per se. Its only operation was conducted on 6 October 1913, meaning two days after the signing of the concessional agreement. It was a deposit of 545,283 grosh (around 4,000 sterlings) by the Provisional Government of Vlora to the “Syndicate of the National Bank - Treasury Office”. From the total amount, 257,000 grosh were withdrawn by the bank in three instalments, the rest, 288,000 grosh, remained deposited at the Treasury. According to Haxhi Shkoza, financial inspector in the Court of King Zog I, this amount had not been changed till June 1914.12 Further documentation is lacking, which makes it impossible to determine the fate of the deposited amount.

The National Albanian Bank and the Great Powers, debates in the International Commission of Control and international chancelleries

The fact that Austria-Hungary and Italy were the sole creators, financiers and administrators of the National Bank sparked debates among Albanian political and economic circles and triggered jealousy amidst the other Great Powers. A strong current of opposition grew led by Faik Konica,

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11 British documents on Albania and Albanians..., Vol. I, prep. V. Duka, pp. 414-423. Concession of 4 October, in which are evidenced the additions and changes from the chairman of the Temporary Government of Vlora.

Esat Pasha Toptani, Dervish Biçaku, etc. The Provisional Government of Vlora was accused that it had “usurped in a criminal way the right of granting concessions”\textsuperscript{13}, had damaged the economic and political independence of the country and had fully submitted to the Austro-Hungarian and Italian policy.

When the International Commission of Control started its work in Vlora, the debate extended also among the Great Powers, firstly in relation with the validity of the concessionary act and then with the assessment of the contract establishing the bank.\textsuperscript{14} In their discussion the French, Russian and British members of the International Commission of Control defended the view that the Provisional Government of Vlora had violated the decision of the Conference of the Ambassadors, according to which Albania was to be governed uniquely by the six Great Powers. It didn’t have the right to grant final concessions for long periods of time that would impact the economic future of the entire Albania, under the reasoning that the authority of this Government did not cover the entire territory of the Albanian state. This right belonged to the International Commission of Control, which being the only official administrative body, after analysing the advantages of the concession, could decide to grant it or not. On this criterion, the concession of the National Bank was assessed by the representatives of the Entente as unilateral and too expensive for the weak Albanian finances.\textsuperscript{15}

The question of the creation of the Albanian National Bank, apart from the International Commission of Control, was discussed by the relevant international chancelleries as well. The Great Powers, besides Austria-Hungary and Italy, while recognising the creation of the institution, required the “internationalisation” of the Albanian National Bank, which ought to have been a common and equal investment by all the Great Powers and not just two of them.\textsuperscript{16} The Austro-Hungarian “stubbornness” continued until February 1914, when it accepted the temporary internationalisation of the bank, on “condition that in the State Bank there was assured a special position for Austria-Hungary and Italy, because of their much greater interest in Albania, due to their geographical position”.\textsuperscript{17}

Meanwhile, discussions were held regarding the steering and managing team of the bank. They were not anymore only Austro-Hungarians and Italians, as it was provisioned in the concessionary agreement of October 1913, but positions were distributed amongst all the Great Powers. A position that was argued over at length was that of the Governor of the Bank. The Entente Powers were in unison in favour of a British Governor, while Austria-Hungary insisted that the position should

\textsuperscript{13} British documents on Albania and Albanians..., Vol. I, prep. V. Duka, pp. 471-473, General Consul Lamb for the British Secretary of Foreign Affairs, E. Grey, Vlora, 29 November 1912


\textsuperscript{15} Ibidem.


\textsuperscript{17} Ibidem, pg. 172, Note of the Austrian-Hungarian Government for its French homologue, February 1914.
be held by an Austrian or a Hungarian.\textsuperscript{18} Prolonged debates, without reaching an agreement continued until July 1914. With the outbreak of World War I, the issue of the Albanian National Bank remained hostage of the rivalry between the Great Powers.

\textsuperscript{18} Ibidem, pp. 222-225, British Secretary for Foreign Affairs E. Grey for the ambassador in Saint Petersburg, G. Buchanan, London, 4 March 1914; ibidem, pg. 484, British ambassador in Rome, R. Rodd for the Secretary for Foreign Affairs, E. Grey, Rome, 9 June 1914.
The declaration of independence on 28 November 1912 marks the beginning of a new era for our nation, the era of Albanian state, a long and difficult journey in many aspects. Demarcation of territorial borders and their recognition - would be both a delicate process, as Albania did not have an authoritarian negotiating voice in the international arena, and a difficult one, due to the clash of multiple economic-political interests of the Great Powers, and conflicting interests of our Balkan neighbours, coupled with internal instability. Numerous problems, such as the deep economic, social and cultural backwardness, were ominously testing the existence of the Albanian state, from its very beginning. As the head of the first government after the declaration of independence, Ismail Qemali stated it clearly that unless the economy improves, the country would never be able to have a domestic political stability.

The country had inherited a rudimentary financial system from the Ottoman Empire, but some of the fiscal laws would continue to exist with few variations even during Zog’s governance. Although a necessity for economic development, the lending system was almost non-existent. Against this backdrop, Ismail Qemali considered the project for establishing an Albanian bank. Given the domestic capital shortfall, he embraced the Italian-Austro-Hungarian idea for the establishment of a foreign-capital bank of issue.

Ever since its creation, Albania had been an arena of competition between Italy and Austria. In particular, Italy seems preoccupied with the Austrian business activities in the country. From the correspondence of the time, there is a persistent interest by the Italian politics for promoting Italian private investments - competing with the Austrian ones. The antagonism of Austria and Italy in the

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1 It is worth mentioning the legal provisions on the road tax inherited from the Ottoman Empire, which continued to function with little variation even during Zog’s kingdom. See Hashi Shkoza, “Finances of Albania (1839–1934)”, Academy of Sciences of Albania, Tirana 2016.
3 On 14 November 2013, the consul of Shkodra, Galli sent a letter to the main chambers of commerce and to the main trade Museums of Italy in order to encourage potential Italian investors to visit Albania, as the large Austrian commercial activity is very intensive in comparison to the Italian one.
political sphere was often mimicked in joint economic initiatives, whose common strategic goal was not to allow other rival powers enter into the Albanian economic scene. One such joint Italo-Austrian initiative, within the framework of formal agreements of economic cooperation in Albania, is the attempt to establish the National Bank of Albania. This idea of the Albanian Bank would be part of the trade agreement between Austria and Italy for Albania, which certainly coincided with Ismail Qemali’s interests and politics for the modernization of the state.

The Italian diplomatic correspondence of that period, during July-October 1913, shows interesting details about the Italian-Austrian trade agreements in relation to Albania. A document dated 12.07.1913, among other issues, sheds light on the fact that the newly formed state was at risk of sparking rows between Austria and Italy (literally: ....è destinato a rappresentare fra l’Italia e l’Austria quel che i Ducati rappresentarono già fra la Prussia e l’Austria*), and therefore it was necessary to draft a joint agreement, to strike a balance between the interests of both countries. In the context of political developments, the influence would be mainly in economic terms and carried out by the Italo-Austrian bank, whose establishment needed to be accelerated, given that other powers were not in favour of a privileged position of Austria and Italy in Albania4.

A study of A. Roselli on the financial relations between Italy and Albania in the fascist period, among other things, mentions the pressure exerted on the Albanian government to agree on establishing an issuing bank by the Wienerbank-Verein and Banca Commerciale Italiana; this was a precondition for starting work on the demarcation of the south-eastern borders of Albania by a commission of the Six Powers, set up by the Conference of Ambassadors. A part of this territory would serve as a guarantee for the foreign capital, which caused dissatisfaction in the country5.

On 30 October 1913, a report on the economic agreement between Austria and Italy on Albania, compiled for the Italian Minister of Foreign Affairs by his cabinet, among others, stated: ... the observations and suggestions of his Excellency Nitti6 regarding the agreement, should be taken into account during discussions with the government of Vienna ... ... the existence of the Italo-Austrian Bank as an institution built with rights and obligations will serve as an institution through which both governments will administer their economic rights towards the Albanian state and will guarantee the effective (explicit) application of these rights7...

The official agreement on the establishment of what is considered to be the first Albanian bank was signed on 4 October 1913, by Ismail Qemali and representatives of Wiener Bank Verein (headquartered in Vienna) and of Banca Commerciale Italiana (headquartered in Milan). Ismail Qemali described it as a second victory after independence, but the bank did not operate longer than a few months, although the concession agreement was signed for a 60-year period and could be extended for another 30 years. The country would be involved in a period of instability, in which consecutive governments would also take the responsibility to issue banknotes.

Austrian capital would play a primary role with Prince Wied’s coming to power, who in his letter of accepting the crown mentions the fact of granting a loan of 75 million francs. Due to the destabilizing events in the country, this loan was not fully executed, only 10 million francs were lent, in the form of advances.

4 ASD, Serie Politica 1891-1916 Albania, Pacco N.675, Pos.844.
6 Nitti, Francesco Saverino; Minister of Agriculture, Industry and Trade in Giolitti government (March 1911-March 1914).
7 ASD, Serie Politica 1891-1916 Albania, Pacco N.675, Pos.844.
With the onset of the First World War and the Balkan Wars, Albania would experience a series of troublesome events. Throughout this period, Italy and Austria identified potential oil-producing areas in Albania, thus awakening the interest of the British industrial sector. As a matter of fact, there is a direct link between Albania’s accession to the League of Nations on 17 December 1920, and the concession granted to British society Anglo-Persian Oil Company by the Albanian government in 1921 to start drilling on the territories which were previously identified by Italians and Austrians.8

The provisions of the Versailles Peace Treaty shifted the balances of influence in the Danubian areas, which had previously been under the influence of the Hapsburgs. Likewise, the decisions of Versailles treaty sparked dissatisfaction and political protests in the Balkans, as the delimitation of national borders in a region marked by overlapping of populations, cultures and religions would be way too far from a peaceful process. Against the backdrop of dissatisfaction, a number of political orientations with notable nationalistic elements emerged. One example is the establishment of the Serbian nationalist party of Nikola Pasić, which managed to win the majority of votes in the first elections of the newly formed state of Yugoslavia.

Issues with the border with Yugoslavia brought together the Albanian interests with the Italian ones. At the Conference of Ambassadors in Paris on 9 November 1921, the protocol signed by Britain, France, Italy and Japan was adopted and it charged the international commission (which consisted of Britain, France and England) with the delimitation of the borders. The Conference acknowledged a special position for Italy on this issue. Since any change in the Albanian borders would jeopardize its strategic security, the League of Nations approved an authorization for Italy to protect the Albanian borders9. The Italian government, under the pressure of the Italian elite in the industrial and financial sector, had negotiated entering the war on the Allies side provided that, in case of victory, it would be granted a protectorate status over Albania. Recognition of colonial compensation as well as of areas of economic influence had special attention from the prominent figures of the Italian industrial and financial sector, who had their own investment strategies as industries had significant needs for safe imports of kerosene and coal, at low cost.10 Shifts in political balances were followed by changes in the competition for the Italian economic penetration in Albania, mainly British efforts.

Meanwhile, sensitive developments were taking place in the international arena. As a result of Germany’s inability to pay the obligations agreed upon by the Treaty of Versailles, in 1923, France and Belgium invaded the Ruhr valley, the main German production centre of coal, iron and steel. While Europe was experiencing a sensitive political and especially financial situation (which was overcome thanks to the Dawes plan11), in June 1922, the government of Albania headed by Xhafer Ypi (Zogu was at the time the Minister of Internal Affairs), requested technical assistance from the League of Nations to identify the means that would encourage the attraction of foreign investments.
capital for the development of the country. Prior to determining the group of experts, the Financial Committee decided to send Professor Albert Calmès to Albania, an expert in the financial, fiscal and economic fields. Calmès arrived in Albania in July and presented the summary report at the eighth session of the Committee in September 1922. Calmès' report, notes that despite the chaos caused by war, as a result of the Albanian policy to keep gold coins in circulation and the fact that Albanians had preserved gold and silver stocks in various forms, Albania remained financially sound, in contrast to the miserable economic situation. Another positive interesting fact in the report was the situation of the foreign debt and the controlled level of public loans.

In his report's conclusions, Calmès recommends the establishment of a bank of issue that would inspire the trust of Albanians and encourage them to bring out their stores of treasure which were hidden away and invest them in form of shares and deposits. The bank would be the 'prime mover' in the as yet non-existent credit system in the country. He proposes the bank should be a private institution, in which the state would not interfere. In order to guarantee its independence, a portion of its founding capital, perhaps half would be underwritten by foreign shareholders either by countries that do not have any political influence on Albania or from several countries, which would cancel out attempts of predominance. Calmès believed that an international solution, where interests of each state would not prevail over others, would be the best solution for Albania. The bank should be built according to the principle of the gold exchange standard, supporting banknotes with a share of gold (30-40%) and the rest with foreign capital. Meanwhile, apart from the Italians and the British, the French and the Americans were also showing interest in Albania. However, Italy continued to maintain its dominant position, given that its vital security interests in the region were confirmed by the Conference of Ambassadors. The Albanian government was being flooded by requests for concessions by foreign firms. British, Italian and French companies were interested in the exploitation of oil, the Germans for the forests, the Swiss and the English for the leasing of state land. Jan Hunger, a financial advisor appointed by the League of Nations to assist the Albanian government in financial affairs, noted that these requests were not supported by adequate capital, while Zog, in order to keep his power, needed money constantly.

At the beginning of September 1923, under the chairmanship of the Director of the National Bank of Belgium, Albert-Edouard Janssen, the League of Nations' Financial Committee set about drawing up a legal framework for the constitution of an Albanian bank of issue to be put before the Albanian Parliament for approval, but that was never carried out. According to this plan, the task of supervision would be assigned to a commissioner to be appointed by the Albanian government, who would participate in the Bank's administration through a consultative vote. The headquarters of the board of directors as well as the Secretary-General would be in Albania. Any changes to the bank's charter would be approved in advance by the Minister of Finance. According to the National League's initial plans, the nucleus would consist of British, French and Italian capital, via participation with 25% in the capital of the future bank.

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13 Despite the fact that Albania did not have banknotes, it was estimated that the metal reserves were about 50-100 million gold francs, excluding jewellery.

14 Albania’s public debt consisted of two short-term loans, 1,500,000 francs by 5%, for 2-3 years issued in 1920 signed between Albania and USA, and the second 710,000 francs 6%, in 1922 to be paid within that year.

Hunger had discussed before about this with Marcus Wallenberg of Stockholm Enskilda Bank. Given that, according to him, to issue paper money in a country where this was done for the first time carried high risk and, that the population had been using coins for a long time and would be sceptical to use banknotes, caution would demand a reserve, in case the paper money depreciated in value. Because of this, the establishment of a bank with both issuing and commercial functions seemed to be the most accurate solution. Wallenberg’s efforts weren’t successful in convincing the French, Belgian, Swedish, British and Italian financial groups to invest in this project.

In February 1924, the Albanian finances were even worse. The contract with Hunger was terminated, as a result of lack of funds.

On 27 March 1924, Janssen, the chairman of the Financial Committee of the League of Nations, wrote a letter to Mario Alberti (Italian representative in the Committee), announcing that the League of Nations was withdrawing from the establishment of the Albanian bank, leaving some guidelines to be followed in keeping with the will of the Albanian government. In such way, the Italian finances play now a first-rate role in the establishment of the Albanian Bank. In the course of these developments, Bonaldo Stringher, Director of the Bank of Italy, invites Giorgio Manzi-Fé of the Banca Italo-Britannica to take part in the establishment of the Albanian National Bank. British authorities showed no sign of enthusiasm about this proposal and opted to stay neutral.

In June 1924, the country entered a new phase of political turmoil. Revolts led by Noli, overturned Zog’s government, who fled and sought refuge in Yugoslavia. At this moment, due to its domestic policy developments, Italy was neutral. Mussolini responded neither to Zog’s requests for financial aid nor to Noli’s request for support. The British company British Anglo-Persian Oil Company, in exchange for the promise of concessions, granted Zog a loan of 50 million dinars, of which half to be paid immediately and half on ratification by the parliament. Zog managed to regain power in December 1924. Albania was declared a republic in January 1925 with Zog as its President. In continuous need for funding, Zog began negotiations with Britain and Italy. Italy at the time, had implemented the strategy for economic penetration in the Balkans, where Albania was of particular interest.

Italy’s position toward Albania was summed up in a memo dated 25 January 1925 prepared by Contarini (Secretary-General) and approved by Mussolini entitled “Issues to be clarified between Albanian and Italian governments”. Italy requested Zog, among other things, to finalize the previously mentioned trade agreement, as well as the entry into force of conventions ratified by Albania to grant Italy concessions in the oil fields, public works, forestry and, most importantly, the establishment of the Bank of Albania. Zog meanwhile had promised the Anglo-Persian Oil company, to grant the concession for oil exploration, which was eventually recognised in February 1925. On 25 February 1925, Eyres received two representatives from a London firm Gottlieb and Godwin of C.E. Tidswell, who wanted to negotiate with the Albanian government for the creation of the new bank, initially through the establishment of Albanian Development Cooperation, with a capital of 150,000 sterlings of which 10-15% would be recognized as shares of the Albanian government, as well as a 2 million sterlings loan for public works, provided that the contracts were accorded only to British firms. This new bank would be entirely under British authority. The British authorities maintained a reserved position to this offer, due to their unreliability of the firm as well.

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17 Pg. 34.
as the fact they did not want to clash with the Italian party. In the end, after the withdrawal of the British party and the consensus of the League of Nations, it was provided for the Italian capital to establish the first Albanian Bank, which with Alberti’s arrival in Tirana on 24 February, was finalized by signing the agreement on 15 March 1925.
I. The history the Albanian gold reserves looted at the Banca Nazionale di Roma (September 1943) by a special SS mission has been extensively researched by the Albanian historiography, including monographic studies. Such studies were also undertaken due to the decision of the United Kingdom not to return the relevant share of this wealth until 1998, considering it as the shilling for the offence, now proven not to be the case, which penalised Albania for laying mines damaging British warships in their passage in the Corfu Channel during World War II. Unlike the history of the gold, two other issues, though an integral part of it, have been either underestimated or not mentioned at all:

1. Together with the gold in ingots and coins held at the Banca Nazionale di Roma as guarantee for the reserves in banknotes of the Albanian state, assessed internationally as a devise in deflation against gold, freely exchangeable in European monetary markets, the SS also confiscated the entire reserve in banknotes, at the moment of the confiscation assessed only by weight: 12 tons. With the banknote reserves, they also took the printing plates, which were also stored at the same bank. According to the data reported on the day of the mission, the nominal value of the Albanian gold was assessed at 7,657,756.9 Albanian frangs, and the banknote reserve at 120,513,902 frangs. These data, which were not contested in any latter assessment, show that the value of the confiscated banknotes amounted to at least 16 times greater than that in gold.

How and why were the Albanian gold and the banknote reserves of the Albanian treasury stored in the Banca Nazionale di Roma? In 1922, when the Albanian parliament raised the issue of the legal regulation of the monetary system, including the establishment of a national currency and a
state central bank that would carry out the functions of a neutral institution in the relations of the
government with the economic development, the legislative process failed. Three years later, in
1925, the government reached an agreement with the Italian financial group led by Mario Alberti.
The agreement provided for the creation of the National Bank of Albania; its right to issue the
banknote of the Albanian state (the frang); its right to acquire monetary gold in order to create a
state treasury; the right to mint new coins of gold or other rare metals, as well as the obligation to
re-insure it by depositing in Italy one third of the reserves of gold and banknotes that were to be
put in circulation.

2. The second issue is related with the position held by the advisor of the Banca Nazionale
d’Albania – the economist and writer Mitrush Kuteli, during the September 1943 - April 1944
period – not to allow the reprinting of the Albanian frang after the end of the 12 tons amount that
had already been spent for the payment of officers and soldier of the Nazi armies and corps
positioned in Albania and the neighbouring Balkan countries. Mitrush Kuteli firmly opposed the
Nazi military and civilian authorities and was strongly against the re-printing of the Albanian frang,
considering it as an inevitable damage to its value and, with it, to the agreement known with the
formula relative neutrality and relative independence. Only after the war did we learn how Mitrush
Kuteli survived the life threats from the Nazi authorities; even then it was not done to acknowledge
him any merits. Kuteli would keep the same protective position towards the national currency in
1946 as well, when the government of Albania accepted the Yugoslavian proposal for the customs
union and currency parity. It has been persistently affirmed that the currency parity fortunately
remained only a project; but, the investigative file on the former-advisor of Governor Melis, Mitrush
Kuteli, proves the opposite: the Albanian frang entered into circulation surcharged in parallel by
the Ministry of Finance of Albania and the Ministry of Finance of Yugoslavia:

![Albanian frang, original issue, as it circulated before and during the War](image1)
![Albanian frang, surcharged to authorise its circulation by the Ministry of Finance of Yugoslavia (1946)](image2)
![Albanian frang, surcharged to authorise its circulation by the Ministry of Finance of Albania (1946)](image3)
There are many other issues interlaced with this matter, which are not part of the fundamental interest of this study. We may briefly mention an important fact that, from the confiscation (September 1943) to the restitution (July 1998), the value of the returnable Albanian gold was determined and accepted to the detriment of its owner’s interest, ignoring the qualitative and quantitative difference in assessment between weighted gold and numismatic gold. The accompanying report of the SS commando notes that the confiscated gold consisted of: 49 unpacked bars, 29 packed bars and 23 bags of gold coins.4

II. In our review, we will rely on some sources that are either unknown or simply ignored by research:

1. Diario di Banca Nazionale, a manuscript of more than 700 pages, kept in Italian during World War II, including the Nazi period, in which Pashku, as Mitrush Kuteli is regularly identified, appears as a key figure. His professional and intellectual authority prompted him to advocate the protection of the Albanian frang. This manuscript preserved at the Central State Archive (CSA), is still unpublished and not integrated in historiographical researches, and often is mistaken for the journal and notes of Mitrush Kuteli, preserved in the archives of the family, which have already been published.5

2. Documents from the German high command, telegrams, orders, reports of the Nazi military command and memories of the Reich Legate in Tirana, Herman Neubacher.6 These documents are kept at the CSA and the Armed Forces Central Archive of Albania. Just a month ago, a selection was published in Albanian translated by the specialists of this archive. In their entirety, sources related with the gold and the Albanian frang account for more than one third of the volume.

3. The investigative and judicial files against the defendant Dhimitër Pasko, which is shared by several archives: secret service, investigation, prosecution and courts. We focused mainly on the records of Kuteli’s interrogation by investigators of the Supreme Military (May 1947 - May 1948). These sources are also confirmed by the already published manuscripts by the family of Kuteli in scientific journals.7

4. The secret journal of Enver Hoxha on international affairs, printed in 13 volumes, which were available only to a very limited number of persons and which today serve as an archival source, to the extent that they have been preserved. For the matter under consideration, volume XII of this journal it is of primary interest, with over 1100 pages, kept at the Central Archive of the PLA; - since around two decades ago it has been incorporated into the CSA. At least three documents are found in this journal that prove that the British government in 1979 tried a soft resolution of the issue of the Albanian gold, sending to Tirana, without diplomatic negotiations, a chèque au porteur that, as the denomination itself indicates, did not have a bearer’s name. The verification of the State Bank showed it was guaranteed and could be unconditionally exchanged for up to 8 million sterlings. This amount represents precisely our gold robbed by the Nazi German forces and blocked by the British government, E. Hoxha writes in his secret journal.8

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4 Ibidem, pg. 79.
5 Mitrush Kuteli (Dr. Pasko), The journal of the economist, from the fight to save the gold of the Bank to some reports and memories, publishing house Mitrush Kuteli, Tirana 2012.
7 See also: Dhimitër Pasko, Legacy, published in Hylli i Dritës, no. 3-4, 1994; idem, My work in the fields of currency and the Bank, short memories, in Hylli i Dritës, no. 3-4, 1994. Testament, botuar në Hylli i Dritës, nr. 3-4, 1994; idem, Punë ime ne fushën e monedhës dhe të Bankës, kujtime të shkurtra, në Hylli i Dritës, nr. 3-4, 1994.
The cheque bore the personal signature of Margaret Thatcher, at that time head of the conservative party, Prime Minister to be of the United Kingdom. Apparently, The Iron Lady wanted to start her near investiture with a matter resolved in advance, surpassing the barrier of the shilling for the offence and hoping to re-establish quickly diplomatic relations. Addressed to the Party of Labour of Albania, the cheque, however, was refused as unacceptable, with the argument that in Albania it is not the Party that deals with these matters, the government deals with them instead.9 Despite this formulation, the real reason for the refusal of the cheque was the prejudice that the British government did not intend in fact to facilitate the normalisation of diplomatic relations, but to test the economic situation of Albania after the interruption of the cooperation with China. We have paid attention to these facts because Thatcher’s cheque reconfirmed after 30 years the real equivalence of the Albanian gold, an issue that, in 1998, was eventually resolved with a decision of the then government for around USD 1.3 million.10

Returning to the two fundamental questions we have put forward in this study, in our review, we may not circumvent a hypothesis that has been carefully arranged during the last two decades, according to which the Albanian bank reserves in gold and banknotes were not robbed, but were taken into custody by the invading army.11 The very destiny of the banknote reserves proves that the objective was not and could not be to keep them in custody, but to own and use them for the needs of the war. The German authorities themselves use the term confiscation. Following, we quote some of the orders by these authorities on the administration of the Albanian bank reserves, confiscated in September 1943:

9 Ibidem, This must be said to the representatives of the British Bank, 23 April 1979, Tirana 1985, pp. 473-477.
10 Decision No. 414, dated 09.07.1998, On receiving the part of the Albanian gold pillaged by the Germans during World War II.
1. Reich’s plenipotentiary representative for the South-East H. Neubacher asked the General Consul Schlip in Tirana to, for the need of the troops, require in the form of a loan an amount equal to the salary of the soldier for two decades\textsuperscript{12} (encrypted telegram no. 1461, 19 September 1943);

2. General Consul in Tirana Captain Lange requires the Reich Ministry of Foreign Affairs a partial distribution of Albanian frangs to the troops concentrated in Montenegro\textsuperscript{13} (encrypted telegram no. 86, 15 October 1943);

3. The head of the Reich delegation for talks with the Albanian government on an economic-financial agreement, on 28 November 1943, two months after the confiscation, reports with concern to the Ministry of Foreign Affairs that printing the banknotes is technically infeasible, because it needs at least two months and until new banknotes are printed they would have to wait for four months\textsuperscript{14};

4. The diplomatic representation in Rome informs the Reich that: The Albanian printing plates for banknote are packed in nine boxes and sent to Berlin\textsuperscript{15} (encrypted telegram no. 780, dated 15 December 1943). The same telegram reports in detail the reserve of special paper that may be used for the issue of the Albanian banknotes by their denomination;

5. Ambassador Neubacher writes to the Ministry of Foreign Affairs: The Albanian government, in order to finance our armed forces, must accept to print another 100 million frangs for the next quarter\textsuperscript{16} (encrypted telegram no. 339, dated 16 February 1944);

6. Ambassador Neubacher reports to the Secretary of State: Out of the banknotes transported with my encouragement from Rome to Albania, there are no more reserves available to cover the coming weeks. During my last stay in Tirana … it was decided to immediately start printing banknotes in Belgrade\textsuperscript{17} (12 March 1944). The same report mentions the fear of the Albanian government, because of the example of the neighbouring Greece (I barely managed to get a consent in principle), where the drachma had undergone a devastating deflation. In the agreement reached between the government of Albania and the Reich on 6 April 1944, known as the secret protocol, signed by Vehbi Frashëri and its German homologue Weihl, the Albanian frang, its banknote reserves, their overall value, the value of hundreds of millions of additional frangs printed for the needs of the war, do not exist.

Based on the data from German sources, crosschecked with those of the Diario di Banca Nazionale in Tirana, it is fully evidenced that all the actions to give a formal character to the confiscation of the Albanian gold and frangs, presenting the case as a bilateral will, have been done merely to legitimise the de facto actions carried out a long time ago:

1. These reserves, together with the minting dies and printing plates and the registry of issues were taken from the Banca Nazionale di Roma on 16 September 1943, in a special operation by the German SS, secretly from Albanian authorities;

2. Mehdi Frashëri, to the interlocutor in the talks for taking the gold and the Albanian frangs to the Reichbank, arrived in Tirana on 18 September;

3. According to his memories, Ambassador Hermann Neubacher received an order by the Führer to travel immediately to Tirana to oversee the formation of a new government on 11 September. He travelled several times back and forth from Belgrade to Tirana. For the

\textsuperscript{12} Summary of documents from the German Command Fund, quoted earlier, p. 85.
\textsuperscript{13} Ibidem, pg. 110.
\textsuperscript{14} Ibidem, pg. 146.
\textsuperscript{15} Ibidem, pg. 159-160.
\textsuperscript{16} Ibidem, pg. 185.
\textsuperscript{17} Ibidem, pg. 209.
purpose of this study, it is interesting to create a timeline that shows his talks with the four quarterkings of the Regency with misat of the new government. According to sources from the Nazi authorities in Tirana, these talks were held on 23 September. It is important to specify this timeline because the start of the talks helped understand what relative independence and with relative neutrality meant. These were the component categories for the recognition of the Albanian state by the Reich, an act which, for the historical importance, was written on parchment. The relative independence formula meant that the Reich would not interfere in the internal affairs of Albania, including the removal of the envisaged function of military commander for Albania. But the guarantee for non-interference excluded three issues: handover of the gold reserve for security reasons (the confiscation of the frang was never mentioned), submission of the lists of the Hebrews and the sacred gospels (the two Beratinus codices). Hermann Neubacher called these issues negotiable and provided assurances that no actions would be taken without the consent of the government of Albania. However, as the Reich Legate wrote, the same airplane that brought Mehdi bey Frashëri from Rome to Tirana (16 September 1943) also carried the Albanian banknote reserves from the Bank of Italy. This timeline helps us to understand that, at least in terms of the Albanian gold and frangs, the talks were merely hypocrisy, a manoeuvre to legitimise the actions taken by the German SS earlier. And finally, what was known as the independence of Albania, whose overarching argument was the non-declaration of war and the restoration of the international subjectivity up to the degree of diplomatic representation, was nothing more than a beautiful Albanian dream.

4. The formal agreement (secret protocol) for the forced agreement of the Albanian side for these actions, as it had requested the deposition of the Albanian gold in a bank in Switzerland and this request was insistently refused, was signed in Berlin on 6 April 1944.

These facts thoroughly prove not only that all the actions were accomplished before and their formalisation was done very late, but also that the entire banknote reserves was used in the first quarter of 1944 to pay the invading army and the administration established by it, which means that it had completed at least once the cycle of exchange with goods. This means that if we also add to the fund in banknotes the other 100 millions printed in March-April 1944, turned into goods, the value of the gold compared with the value of the frang was at the 1 to 25. In fact, only the frang was turned into goods, because the gold, at least 45 per cent of it, as accepted until the 1990s was kept intact. We are talking about the Albanian frang, which was one of the strongest currencies in Europe, the only in deflation conditions and appreciated against gold not theoretically, but practically.

18 Ibidem, pg. 93.
20 Ibidem, pg. 16.
21 Telegram of Ambassador Neubacher to the Ministry of Foreign Affairs in Berlin, 8 October 1943, ibidem, p. 105. Mehdi Frashëri has appealed to me for the Reich government to consider two possibilities for Albania’s neutrality. First, that Germany and the Allies recognize Albania’s neutrality, so that it is excluded as a war zone for both sides. I have drawn the attention of Mehdi Frashëri to the impossibility of the realisation of such a beautiful Albanian dream.
22 Ibidem, p. 184. Ambassador Neubacher notifies Berlin on the request of the Albanian government to deposit the Albanian gold in a bank on Switzerland, 16 February 1944.
23 E. Hoxha, in his journal on international affairs, instructed the Albanian diplomacy experts that would negotiate with the British delegation, not to accept more than 45% of the taken amount of gold, turned into a condition for the obligations of Albania regarding the Corfu incident—instead of a quota of 60% which was deserved. See: We could not accept in silence Thatcher’s cheque, Monday, 23 April 1979, in the Journal on international affairs. Volume XII.
We mentioned that the Nazi authorities did not find it easy to obtain the consent in principle of the Albanian government to print another 100 million frangs, which practically meant issuing 500,000 banknotes of 20 frangs. But the most important figure of the resistance against the damage to the national currency during Autumn 1943 - Spring 1944 was Mitrush Kuteli. In his Testament, amongst the very few things that this sub-type strictly spared for words allowed, he writes to his wife: I told you how the Germans wanted to hang me in front of the city hall when they knew I had sabotaged the issue of the new money they wanted. Fate saved me.24 We don’t know how fate helped Kuteli, but we know very well that after September 1944 he was forced to leave Tirana and stay in illegality in Prisca, until he could safely go to a free area like Berat and start again his work as an economist, where the end of WWII finds him.

We are able to learn about the situation faced by Kuteli while he served as an advisor to the Italian Governor Melis, in the National Bank by the following minutes of his interrogation by the Albanian secret service (7 April 1948) and the decision announced by the three hierarchs of the court-martial on 20 May 1948:

*Question:* The work that you have done, was it done to the service of the occupiers?

*Answer:* I have thought as [working] against the occupier, to withhold financial means, remove or slow down those given by the Government, ensure the gold reserve, avoid printing new money, etc.

*Question:* In other words, you paralysed the apparatus of the Nazi-Fascist state?

*Answer:* Yes, I have sabotaged it.25

Mitrush Kuteli experienced the same fate after the end of the war too, when, as we mentioned, he opposed the official policy for pegging the Albanian frang to the Yugoslavian dinar, which during the war suffered the same deflationary shock as the Greek drachma. When he saw that his actions were futile, he resigned from office. He was investigated regarding this too in the first half of 1948, when E. Hoxha was looking for support amongst the anti-Yugoslavian representatives, but, during the interrogation, his contribution is never mentioned. Mitrush Kuteli had the same fate as the Albanian frang, maybe even worse. For the national currency and its double spending during the war and after it almost nothing has been said. Even during talks for reparations and restitutions this issue was not mentioned. When the situation resulted in at least 220 million gold Albanian frangs to be mentioned in talks, in mid-1980s, during three visits of the Bavarian chancellor Strauss, many damages were mentioned, but not the one related to the frang. It was an issue on which there was silence26; the history of literature was also silent on Mitrush Kuteli.27 Even when the only effort was made for a return of the excluded (1968), he remained among the collaborationists: along with Ernest Koliqi and Lumo Skëndo.

24 Dhimitër Pasko, Legacy, published in Hylly i Dritës, no. 3-4, 1994; idem, My work in the fields of currency and the Bank, short memories, in Hylly i Dritës, Testament, botuar në Hylly i Dritës, nr. 3-4, 1994; idem, Puna ime në fushën e monedhës dhe të Bankës, kujtime të shkurtra, në Hylly i Dritës, nr. 3-4, 1994. no. 3-4, 1994.

25 Minutes of the interrogation of the defendant Dhimitër Pasko, in the offices of State Security, February 1948. The file when this record is stored, in which the famous writer is accused for criminal offences against the people and the state, has the number 297.


27 Koço Biliku (ed.in chief), The history of Albanian literature, 1912-1939, volume III, prepared by the Institute of Language and literature, Tirana 1968 (sent for publishing but suspended).
THE ALBANIAN CURRENCY IN CIRCULATION
IN 1945-1991, A TYPICAL REFLECTION OF THE
POLITICS AND IDEOLOGY OF THAT PERIOD -
SIMILARITIES AND DIFFERENCES WITH OTHER
FORMER COMMUNIST EASTERN BLOC

Prof. Dr. Adrian Civici*

When writing or talking about the currency and its relation with history, art, culture, public life, dominant political systems or ideology, we encounter often an evaluation on “money” from Magdi Hanafi, researcher on the history of currency, according to whom “Over the centuries, money, whether metallic coins or paper notes, evidence about everything that has happened, including here events or characters neglected or that have not stimulated the interest of the historians themselves. They play a first rate role in the political, diplomatic, economic and artistic fields.”

In many cases currency is termed as “the best media of the era”, as the most important book where you can “read” and easily understand the political history and the history of ideas, the dominant ideology and propaganda that has accompanied it, the financial and economic history, cultural and religious history, etc. If you do not have the time and the opportunity to read and study the history, the ideas, the utopic ideals and the most important events of a nation, an album or encyclopaedia of its currency is enough to understand the essence of its historical journey and the political, economic and social issues that has accompanied it in different historical periods.

From this point of view, it is interesting to see the reflection in different types of coins or banknotes, of the ideology and historical period of “building socialism and communism”, mainly in the “Eastern bloc” and its satellites, led by the Soviet Union. In this case, the analysis of “the role of the currency in socialism” is not intended to address the specific and limited function of currency in a centralized political-economic system, but to look narrowly only into the two more specific aspects related to it: is it possible to “read” and understand “Eastern Marxist-Leninist” socialism and communism through the images on money? … Is it possible to clearly understand the theoretical, ideological and political messages coming from the ruling power and the communist leaders through these images? Many authors, especially scholars of the history and symbolism featured in the currency, think that the socialist or communist world and reality are clearly reflected in the evolution of the images and symbolic of the currency. They faithfully express the complex history of the former socialist countries, particularly that of the 1945-1991 period. The Albanian banknotes from this period are also very

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interesting to study. With some small details different from the banknotes of the other communist countries, they seem to have followed the same logic and purpose. Actually, in many cases, the graphic design, symbolism or colours are almost identical to banknotes of countries like the Soviet Union, Eastern Germany, Bulgaria, China, etc.


**Building socialism**

In the period after the October Revolution Russia and later the Soviet Union are the most evident representation of the socialist and communist countries and of the system they adopted. Being the ideological and political centre of gravity of the communist “Eastern bloc”, Russia and the USSR are also the most significant examples in the “approach” to the currency. The Soviet spirit and the style of banknotes became the reference point and a guideline for all the other countries that had adopted a similar political model.

The design of the Russian currency, the rouble, in 1880-1914 featured the Tzar, “Mother Russia” with the imperial emblems, dominated by the two-headed eagle and the imperial crown, as shown in the 500 rouble banknote issued in 1910. After the victory in the October Revolution, that saw the Tsarist regime overthrown, the first banknotes issued by the new Russian governments do not have any distinctive feature or message. They simply try to prove that now, along with the “new political and social era”, a new era in the monetary and banking systems has also begun. Russian banknotes of 1919-1922 have now only the stamped emblem of the eagle and the notation by the Bank of Russia and its nominal value, as shown in the 10000 rouble banknote issued in 1919.

During 1919-1991, the currency issued in Soviet Union, as well as in all the other former socialist and communist countries, was a faithful representation of the actual situation in the newly-established communist state, its anxieties and worries, the main messages it wanted to transmit, and the political, ideological and cultural differences with the Western capitalist enemies. Almost every decade, new money was issued that reproduced faithfully the “key words” of the regime, its core messages, its need to highlight the successes, to show the military might and power, the stability of the system and the loyalty towards Marxist-Leninist ideology and the communist leaders, the differences with the bourgeois-capitalist countries.

The tendency to undertake some liberal reforms in the 1960-70s are expressed in the imagery of the currency seeking to liberate and rid them of the traditional conservative communist ideology and replace them with more picturesque
landscapes and images like “the image of the Kremlin”, “Spasskaia tower”, etc. Despite these common nuances and features, during 1931-1991 the portrait of Lenin was always present in every issue of the Soviet currency. The Soviet power felt constantly the need to emphasise the loyalty towards the Marxist-Leninist ideology and its leader, Lenin. The figure of Lenin, however, disappeared from the Russian currency after 1991.

Starting from 1924 until the end of the 1970s, the Russian currency began to reflect faithfully the communist ideology and its dogmas or core principles about building socialism and communism, the dictatorship of the proletariat and class struggle, establishment of collective agriculture cooperatives, the socialist industrialization, the role of the working class and its main ally, the working peasantry, the building and the strength of the red army as a guarantor of the victories of socialism. The typical “socialist characters” and the “guarantors and the protectors of the socialist motherland” such as workers of plants and factories, cooperativists, miners, innovators and volunteer youth, aviators, tankers and soldiers, were prevalent.

Another element in the currency of this period are the images that show the “socialist transformation of the Soviet Union under the leadership of the Bolshevik Party” illustrated in banknotes with images of railways, locomotives and trains; fields full of combine harvesters and tractors, steel plants and factories with high-rising chimneys, military parades showing the modern arms of the red army, war planes flying, etc.

In the issues of 1980-1990 there are elements that try to prove the successes of the Soviet Union in relation with the USA and Western Europe, the intercontinental-range weaponry, the domination of seas and space, state-of-the art technology, etc. After 1991, the Russian currency testified the end of an era - the communist era of the Soviet Union - and the return of the old traditional Russia, removing the figure of Lenin once and for all from the currency.

**Revolutionary heroes**

One of the important elements and distinctive features of banknote illustrations was also the “cult of personality” of the more renowned “socialist leaders” figures. Similarly to Soviet Russia that took the cult of personality with the figures of Lenin and Stalin to an extreme, in many other socialist and communist countries the new currency served entirely to this purpose.

The currency in circulation during 1960-1990, in countries like the German Democratic Republic, Bulgaria, Romania, Yugoslavia, Cuba, Vietnam, and China, featured very often the portraits of the classics of Marxism-Leninism: Marx, Engels, Lenin and Stalin, the founding fathers of communism. They were also superfluous with the portraits of the communist Marxist-Leninist Parties, and the heroes of the revolution, such as Che Guevara, Ho Chi Mihn, Mao Zedong, Josip Broz Tito, Nicolae Ceausescu, and Georgi Dimitrov.
The true heroes - the “new socialist man”

In spite of all the tendencies and the essence of the communist ideology that glorified the spirit of social equality, the “new socialist man”, at the heart of the Marxist-Leninist theory and of the communist system, was reflected extensively in the currency of the time, featuring the heroes of the system, according to the logic of “typical characters in typical settings”. These Stakhanovite heroes were “role models” to be appreciated and followed by the entire society, and were represented by an enthusiastic and untiring industrial or foundry worker, the high-achieving cooperativist holding sheaves of grain in her arms, proud-looking revolutionary youth doing voluntary work in the fields and socialist factories, manly and strong-armed women operating a metal lathe or driving a tractor, etc.

But, despite of the common spirit and content in the currency in circulation in 1945-1990, the categories featured in them varied from one socialist country to another, in accordance with the strategies and historical tradition of development, industrial priorities, dominant economic sector, etc.

For example, in Poland, with a long-standing tradition in naval industry, shipyards and trade, the in its coins and banknotes were depicted shipyards, trade ships, fishermen, cranes that loaded and unloaded ships full with goods, etc.

In Bulgaria, a country were agricultural produce prevailed, the currency illustrated distinguished cooperativists with baskets full of various products, aiming to transmit the message of a happy peasantry and of abundance in socialist Bulgaria. By the same token, the currencies in Romania, Albania, Ukraine, Yugoslavia, China, Vietnam, had similar designs.

At a later stage, during 1960-1980, the former Eastern bloc countries felt continuously the need to manifest their successes in the fields of socialist industrialization,
modernization of the economy and a dignified comparison with the industry and development of Western economies, particularly the USA. The currencies in these years started to show often images of modern plants, oil wells and giant plants of oil and gas production and refining, car factories, etc.

Evoking the glorious past

Although the communist system had its heroes to glorify, in many socialist and communist countries in 1945-1990, banks and political authorities gave a particular place to historical figures who were deemed as “worthy to be remembered” and respected by the communist state. This tendency was particularly relevant in the satellite countries of the former Soviet Union. Hungary commemorated with respect the Hungarian composer Béla Bartók, in its 100 forint 1983 issue banknote, the National Bank of Poland choose to commemorate prominent personalities like the astronomer Copernicus, the renowned composer Chopin, the scientist Marie Curie. Eastern German banknotes of the 1970s featured figures like Johann Wolfgang Goethe, the renowned lawyer with strong communist tendencies Clara Zetkin, Carl Friedrich Gauss or Thomas Muncer; Romania chose Mihai Eminescu, Ion Luca Caragiale, etc; Hungary chose its kings: Robert Karoly, King Matyas, King St. Stephan, etc.; Czechoslovakia chose personalities like Jan Ziska, Ludovit Stur or Klement Gottwald, etc.

Main features and characteristics of the Albanian currency in circulation in 1945-1990

Until 1912, Albania used the Turkish Lira, the currency of the Ottoman Empire. In the first years following the independence, in 1912-1926, a number of foreign currencies circulated in Albania due to the political chaos in the country particularly those of the Latin Monetary Union, i.e. Italian, French, Greek, Swiss and Belgian currencies.

The history of the Albanian currency began with the creation of the National Bank of Albania, on 2 September 1925. The Bank was the issuing institution of the national currency. The Albanian lek was issued for the first time by King Ahmet Zog in 1926. The name of the currency is given in honour of Alexander the Great. Denominations at the time were in gold, silver and bronze. According to the biographers of Mufti Libohova, he was the one who proposed the name “lek” when he served as the Minister of Finance of Albania.

The first images of Albanian currency until 1939 featured the portrait of King Zog, the portrait of Scanderbeg, the two-headed eagle, the Illyrian ship, folk costumes, etc. During the fascist occupation, the Albanian currency was dominated by the portrait of the King of Italy, Vittorio Emanuele. With the end of World War II, all the functions of the National Bank of Albania ceased to exist. The Bank was nationalized and in 1945 the State Bank of Albania was formed. By decree of 7 July 1947, the lek was introduced replacing the frang.
In the period 1944-1990, under the “socialist”, “communist” or “dictatorship of the proletariat” order, Albanian coins and banknotes began to reflect faithfully the “Marxist-Leninist doctrine”, “building socialism”, “new revolutionary man” and “successes of the development and modernization of the country under the leadership of the Party of Labour of Albania”. By following chronologically the Albanian banknotes of this period, it is easy to construct or define the revolutionary spirit of the time, concerns and the main political and ideological messages that the Party sought to spread and glorify.

In the first banknotes issued after 1947 two important symbols dominated and evidenced the legitimacy and the strength of the new People’s Republic emerged from World War II: the figure of the victorious partisan and the emblem of the Republic. By 1950, images that evidenced the beginning of the process of building the socialist economy and the first steps towards the industrialization of the country were added to these symbols. Now, the figure of the “Worker” was at the centre as a symbol of the power of the working class and the dictatorship of the proletariat.

In the period 1950-1980, the Albanian banknotes saw a significant change, moving towards symbols that pertain exclusively to “socialism building”, “modernization of the socialist agriculture”, “the heroes of the socialist work”, “the magnificent works of the 5-year plans”, “self-sufficient economy relying on own resources”, “the defence of the motherland”, “the entire people army”, “the emancipation of the Albanian women and girls”, “fight against bureaucracy”, the close revolutionary alliance between the working class, the working peasantry and the intellectuals”, “the pick and the rifle” as symbols of the building and the protection of the new socialist society,
etc. In this context, some issues, especially those in the framework of the 25th and 30th anniversary of the liberation, there is always the figure of the partisans and the portrait of our national hero, Scanderbeg.

In this period, Albania and the Party continue to stay true to, and to declare publicly and proudly “the loyalty to the teachings of Marxism-Leninism and Stalinism”. Banknotes of this period have many elements similar to banknotes of the Soviet Union during 1940-1970, with very similar symbols and images.

A particular element of Albanian banknotes is that they never featured the figure of Enver Hoxha, the Party’s leader. Unlike in many other communist countries at the time like Yugoslavia, Bulgaria, the Soviet Union, China, Vietnam or Cuba, in Albania although the cult of personality of Enver Hoxha existed, this was never reflected in the images of the banknotes.

Also, in contrast to the somewhat liberal spirit that had emerged in many countries of the former communist bloc, where banknotes were illustrated with renowned personalities of science, art, literature or history, Albania, in its banknotes, did not reflect a similar tendency during the period. Until 1991, Albanian banknotes were dominated by “the heroes of socialism” and “the dictatorship of the proletariat”. Renowned personalities of our history like Ismail Qemali, Fan Noli, Naim Frashter, King Gent, Pjetër Bogdani, etc. started to appear on the Albanian banknotes only after the fall of the dictatorship of the proletariat system and the establishment of democracy, after 1991.

- Two-tier banking system in Albania

In a summary retrospective, the socialist economy collapsed and the financial system in Albania was underdeveloped, similar to the model prevailing across all the countries of the communist bloc. In more concrete terms, at the end of 1990, the banking system in Albanian consisted of only three institutions:

(i) State Bank of Albania, the most important institution, carrying out simultaneously both certain functions of a central bank, and typical operations of a commercial one.
(ii) Savings Bank, the institution that held savings of households, in the form of time deposits. This liquidity, in a later stage, was re-deposited at the State Bank;
(iii) Agrarian Bank, an institution specialised in the direct crediting of [socialist] farms and agricultural cooperatives.

* Gramoz Kolasi, Bank of Albania.

1 On 1 December 1990, upon the decree No. 7493, a fourth bank was established, the Albanian Bank of Commerce, which started to operate in January 1994. “History of the central bank in Albania”, published by the Bank of Albania, 2003.

2 Until July 1998, it was named the Institute of savings and insurance. Then, upon the Law No. 7505, dated 31.07.1991, it was transformed into the Savings Bank (the insurance part was established as a separate institution), a public independent institution in the banking system. “The History of Banks in Albania”, published by the Albanian Association of Banks, November 2012.
The Albanian Bank of Commerce started its activity in January 1991, focusing mainly in the field of foreign trade and foreign exchange. The main purpose of this institution was to manage Albania’s outflow transactions, including bartering the Eastern European economies.

It is interesting to note that in this period the domestic economy faced an extreme disequilibrium. The Gross Domestic Product fell sharply over several years, and inflation, having been hidden for many years, rose speedily, reaching at three-digit levels, consequently equaling all the savings of the population to zero. The external balance sheet precipitated into an unaffordable external debt. Practically, all foreign currency transaction inflows of the country with the world were blocked. This situation certainly had its toll on the public finances. Due to the hidden subsidies to state-owned enterprises and external debt in both financial and trade terms public debt expanded and unemployment increased hastily. Consequently, the overall economic, political and social situation was dramatic and imposed the need for deep changes in these three aspects mentioned above. The effort to build a functional market economy was part of these changes, while the establishment of a two-tier banking system was a crucial element.

In more concrete terms, in mid-1992, the Parliament of the Republic of Albania approved the Law "On the Bank of Albania" and the Law "On the banking system". The State Bank of Albania was transformed into the Bank of Albania and was vested with all the functions of a modern central bank.

The National Bank of Albania merged with the Albanian Bank of Commerce to form the National Commercial Bank of Albania on January 1, 1993. In October 1993, the Bank of Development and Agriculture was transformed into the Agrarian Commercial Bank and all the assets and deposits were transferred to the new bank. At this same time, the first private banks were introduced, the Italian-Albanian Bank and the Arab Albanian Islamic Bank. Officially, all the commercial banks were permitted to conduct their functions as universal banks, accepting deposits and granting loans to both households and enterprises.

At the end of 1993, as the “Annual Report of the Bank of Albania 1994” shows, the Albanian banking system consisted in:

<table>
<thead>
<tr>
<th>Table 1 Banking system in Albania, at end of 1993</th>
</tr>
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<tbody>
<tr>
<td>Banks</td>
</tr>
<tr>
<td>Bank of Albania</td>
</tr>
<tr>
<td>Commercial banks</td>
</tr>
<tr>
<td>National Commercial Bank</td>
</tr>
<tr>
<td>Savings Bank</td>
</tr>
<tr>
<td>Agricultural Commercial Bank</td>
</tr>
<tr>
<td>Italo-Albanian Bank</td>
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<tr>
<td>Arab Albanian Islamic Bank</td>
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<td>Dardania Bank</td>
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</tbody>
</table>

Since then, the banking system in Albania has experienced its own development trajectory amid various difficulties and challenges. From a historical point of view, year 1997 may be seen as one of the most delicate moments for the banking system throughout the last 25 years. The burst of the pyramid schemes’ bubble, accompanied by an overall political, financial and civil anarchy period, undermined the public confidence in the banking system in Albania (see Table 3). Yet,
with the stabilisation of political situation in the second half of 1997, macroeconomic and financial parameters returned to normality. The exchange rate depreciation stopped, savings resumed to be deposited in the banking system and the activity in banking system windows returned totally to normality.

Table 2 Deposits in the banking system, in%*

<table>
<thead>
<tr>
<th>Name</th>
<th>Dec'96</th>
<th>Mar'97</th>
<th>June'97</th>
<th>Sept'97</th>
<th>Dec'97</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency outside banks/total deposits</td>
<td>44.80</td>
<td>56.30</td>
<td>77.10</td>
<td>66.70</td>
<td>57.80</td>
</tr>
<tr>
<td>Total deposits /M3</td>
<td>69.06</td>
<td>63.90</td>
<td>56.46</td>
<td>59.98</td>
<td>63.37</td>
</tr>
<tr>
<td>Deposits in ALL /total deposits</td>
<td>68.23</td>
<td>64.82</td>
<td>62.72</td>
<td>68.55</td>
<td>71.13</td>
</tr>
</tbody>
</table>


A two-year period after 1997 was followed by structural reforms. For a long time, deficiencies in the management of state-owned banks had been identified. Such deficiencies became more obvious after the collapse of the pyramid schemes. The most obvious symptom was the rapid increase in bad loans, which in specific banks, such as in the case of the Agrarian Commercial Bank, reached at 90% of the loan portfolio. In July 1998, the Supervisory Council of the Bank of Albania approved the Decision No. 94, whereby revoking the licence to the Agrarian Commercial Bank, upon the request of its shareholder, the Ministry of Finance. The bank was liquidated transferring part of its good assets to the Savings Bank and to the National Commercial Bank, whereas the bad assets were transferred to the Agency for the Treatment of Loans.

The liquidation of the Agrarian Commercial Bank was followed by a series of new private banks entering the Albanian market. Meanwhile, in July 2000, the Parliament of Albania approved the selling of the NCB, to the International Investors Consortium (60% of shares), International Financial Corporate (20%) and the European Bank for Reconstruction and Development (20%).

From the regulatory and supervisory point of view, in this period conservative policies were adopted, in particular regarding the capitalisation of the activity. Thus, a number of legal acts, including the Law “On the Bank of Albania”, were amended. The Law “On Deposits Insurance” was part of this regulatory and legal revolution. In paradox, in the spring of 2002, while being discussed in the Parliament, the banking system faced another episode of losing the public confidence. For speculative reasons, and due to other reasons of misunderstanding and misinterpreting the law, an outflow of deposits occurred, particularly notable in Vlora and Fieri (two cities experiencing high losses in the period of the pyramid schemes). Nevertheless, the bank run period was short and the deposits quickly returned to the banks. The coming years saw stable growth.

The news about the burst of the global crisis in 2008 was accompanied with outflow symptoms, but at a lower intensity. Somewhat in paradox, the concern originated from Albanian citizens living abroad. The latter, afraid from the daily news with large banks in difficulties, transmitted particular stress to their families regarding the deposits placed in the Albanian banking system. The argument was simple and compelling. “While large bank groups are into an abyss, how is it possible that banks in Albania are safe?” In fact, due to the low level of integration in the global financial market, and other country-specific reasons, the banking system in Albania stood safe, far from the eye of the storm. However, its impacts eventually reached into the Albanian economic
and financial system. Amongst the most notable effects was the increase in non-performing loans (NPLs), jeopardising the stability of the banking system. However, in the last two years, thanks to many efforts by the Bank of Albania and other public and international institutions in the framework of the action to reduce non-performing loans, the NPLs situation has improved significantly.

Now, the structure of the banking system is very different from that in 1992. The system has been subject of a continuous reforming process, characterised by the entrance of new stakeholders, privatisation and consolidation through merger and absorption. Currently, the banking system consists in 16 banks, all private, well supervised, and capable to realise financial intermediation in economy. Table 3 shows the structure of the banking system in Albania at the end of 2016, based on the capital ownership structure for each bank.

Table 3 Banking system in Albania

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<tbody>
<tr>
<td>Number of banks in Albania</td>
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<td>Of which, by capital origin</td>
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<td>European Union</td>
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<td>10</td>
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<td>9</td>
<td>9</td>
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<td>Turkey</td>
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<td>1</td>
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<tr>
<td>Other*</td>
<td>3</td>
<td>3</td>
<td>3</td>
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</tr>
</tbody>
</table>

*Three banks of capital from Switzerland, Saudi Arabia and Kuwait. Their share in the system was very low.

- **Monetary Policy of the Bank of Albania**

In addition to the increasing number of commercial banks operating in the Albanian market, a special development, from the 25th anniversary point of view of a modern banking system, is the evolution of the Bank of Albania in both its institutional and policy making dimensions.

The Law approved in 1992 stipulated that the primary objective of the Bank of Albania was maintaining the domestic and external value of the national currency through the implementation of a suitable monetary policy.

To provide an effective policymaking, the law granted the Bank of Albania considerable institutional independence, and a complete framework of accountability and transparency.

The monetary policy in Albania was formulated and implemented for the first time in the middle of 1992. The Government that was formed after the elections of March 1992 signed a six-month Agreement with the IMF for the stabilisation of the economy, whereby the IMF would financially support the economy. Due to the specifics that characterised that period of time, the decisions of the monetary policy aimed to control the money supply through the use of direct instruments of the monetary control. In more concrete terms, the monetary base was selected as the intermediate objective, while the limit on the loan and the administrative fixing of the interest rate on time deposits in lek placed with state-owned banks would serve as a base instrument for the monetary control.

The first actions were deeply tightening and were aimed at rapidly stopping the extreme monetary expansion haemorrhage. In more concrete terms, it was decided: (i) to increase the interest rate on ALL deposits with state-owned banks at 28%, compared to 2-3% before July 1992, and (ii) to place quantitative limits to all the commercial banks on the outstanding credit.
Regarding the foreign exchange policy, the free floating foreign exchange regime was adopted accompanied with the complete liberalisation of transactions in the current account. The critical situation of foreign currency reserves of Albania did not provide an active role of the Bank of Albania in the foreign exchange market, while the free floating regime was considered as a key element in balancing the overall balance of payments.

In the absence of other alternatives, it was decided to finance the budget deficit with internal sources at 100% with direct credit of the Bank of Albania. In addition to this source, since 1994, the sale of public debt through T-bills started to be used increasingly.

The above-stated framework was implemented without any change for a three-year period. It should be highlighted that its materialisation in practice was challenging. Placed in a historical context, the difficulties related to the non-adequate formation of the staff of the Bank of Albania and the low level of understanding and the reaction of the banking industry, in particular regarding the observation of the limits placed on lending to the economy.

However, referring to statistical data, this framework resulted to be the right therapy for the fast stabilisation of the national economy. In the period 1993-1994 the haemorrhage of currency in circulation stopped. At the end of 1994, broad money increased 41% on annual basis, compared with 74.4% at the end of 1993 and 153% at the end of 1992. This achievement was also reflected in the performance of inflation, which, at the end of 1994, dropped at only 15.8%, or 15 times lower from the inflation rate recorded in 1992.

Macroeconomic and financial stability experienced distinguished achievements over 2005 as well, albeit in the last months of this year the first signs of the pyramidal hysteria that followed in the two next years were noted. Lured by extraordinarily high rates of return on investment Albanians engaged massively in different fraudulent financial schemes. Hence, the effectiveness of monetary policy through the interest rates channel was completely out of play. In 1996 both political and local elections were due, driving to the growth of budget expenditure by 25% compared with 1995. The budget deficit recorded 11.2% of GDP, thus undoing the fiscal efforts that had started at the end of 1995.

Leaving the details of the hysteria of 1997 aside, it should be, however, emphasised that the economy suffered the most from this situation. In a few words, at the end of 1997 the overall production fell sharply, inflation returned to soaring at very high rates, the public lost confidence in the banking system, public finances fell completely apart, and the national currency depreciated sharply.

Under these circumstances, the Bank of Albania reacted firmly by considerably increasing the interest rate at 29%. This movement was assessed as one of the core factors that contributed to stopping the further macroeconomic disproportions.

The recovery of negative effects recorded in 1997, continued rapidly during 1998. Inflation returned to a one-digit level, while economic growth was positive at 8%.

Gradually, approach the period when at the Bank of Albania started the first discussions a about modernising the monetary policy framework formulated and implemented by the Bank of Albania. During 2000, in particular in 2000 H2, the banks’ reaction was not in tune with the continuous
lowering of the administrative percentage by the Bank of Albania. Under these circumstances, a remodelling of the actual operational framework was considered, which implied the monetary control through market instruments.

The rate on one-week repurchase agreements received the attribution of the key rate in the economy. These transactions were to take place in regular weekly auctions conducted by the Bank of Albania. Since that time, the monetary policy framework has been subject to continuous fine tuning, increasingly aligning with the prevalent practices and models in many advanced European economies and beyond.

In recent years, in response to the occasional shocks generated by the global crisis, the Bank of Albania has undertaken a set of accommodative actions, lowering the interest rate to the historical level of 1.25%. From May 2016 until the last meeting of the Supervisory Council of the Bank of Albania, the policy rate has remained unchanged. Meanwhile, the forward guidance on the monetary policy and the modification of the standing facilities corridor are two new elements, which help to reduce uncertainty in the financial markets, and to increase the effectiveness of traditional instruments.

For a long time already, the Bank of Albania has intensified its modelling and forecasting capacities, while the communication of the monetary policy framework and decision-making is considerably approximated to the standards of the European system of central banks.

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Twenty five years in the course of a nation’s history are not many. Nevertheless, if we see other countries, which in their history, face difficulties in establishing and respecting their institutions, then 25 year are not to be neglected. The Bank of Albania, in its modern format, is very similar to its peers in the civilised world. The merit goes to those people who with their desire and devotion have provided and continue to provide to the Bank of Albania every good thing that they own. It is a responsibility of future generations to steer it steadily toward success across the unsailed seas of the future.

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6 17 May 2000, the Supervisory Council with the Decision No. 49, decides to remove the minimum interest on 6-month deposits in ALL for state-owned banks.
19 July 2000, the Supervisory Council with the Decision No. 66, decided to remove the minimum interest on 12-month deposits in ALL for state-owned banks.
6 September 2000, the Supervisory Council with the Decision No. 74, decided to remove the minimum interest on 3-month deposits in ALL for state-owned banks.
7 February 2001, the Supervisory Council of the Bank of Albania, with the Decision No.08, approved the Regulation “On monetary policy indirect instruments of the Bank of Albania” and in concrete terms, the regulations:
a- “On Repo and Reverse repo agreements”;
b- “On overnight loan”;
c- “On Lombard credit”;
d- “On outright transactions”;
e- “On overnight deposit”.

Bank of Albania
Money and banking in Albania, from antiquity to modern times: 1st Conference of the Museum of the Bank of Albania: Tirana, 14-15 June 2017
/ Bank of Albania – Tirana: Bank of Albania, 2018
176 f. ; 230 x 306 mm.
Bibliogr.
ISBN 978-9928-262-09-7

4.Konferenca

336.71(496.5) (091) (062)