

MEDIA SUSTAINABILITY INDEX

2006/2007

**The Development
of Sustainable
Independent Media
in Europe and Eurasia**



MEDIA SUSTAINABILITY INDEX 2006/2007

The Development of Sustainable Independent Media in Europe and Eurasia
www.irex.org/msi

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Printer: Kirby Lithographic Company, Inc.

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Acknowledgment: This publication was made possible through support provided by the United States Agency for International Development (USAID) under Cooperative Agreement No. DGS-A-00-99-00015-00.

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ISSN 1546-0878

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The print media, which have remained more critical, are largely disliked by the authorities. High-ranking officials have made many public remarks on the mediocrity of the print media in Georgia. It is expected that the government will further tighten its grasp on electronic media in preparation for 2008 parliamentary and presidential elections.



GEORGIA

In 2006, relations between Georgia and Russia deteriorated drastically, with Russia starting to object openly to Georgia's aspirations to NATO membership. This had consequences for a wide range of sectors in Georgia. In the spring, imports of Georgian wine and mineral waters to Russia were banned on the grounds of their contended noncompliance with safety standards. Although evaluated as not dramatic for Georgia's economy at the macro level, the ban did do damage at a local level. The Russian Federation responded to the arrest of four Russian military officers on espionage charges in September with the evacuation of its embassy staff from Tbilisi and suspension of air, railway, and land traffic with Georgia. Anti-Georgian xenophobia took off in Russia, with police harassment of ethnic Georgians and the Russian Federal Migration Service tracking down and deporting allegedly illegal immigrants with Georgian citizenship.

Economic sanctions imposed by Russia affected the operations of Georgian media as well, which depended on the Russian market for newsprint and other printing materials. Prices have increased approximately one-third on these supplies.

Despite growing tensions, Russia continued to transport weaponry from its Batumi and Akhalkalaki military bases. According to a March 31, 2006, Georgian-Russian agreement, all the weaponry should be removed from Georgia before December 31, 2007.

Domestic politics in Georgia provided a number of puzzles for media to solve.

Businessman Kibar Khalvashi hastily sold his 78 percent of shares in Rustavi2 television station to the previously unknown company Geotrans. The transaction suspiciously coincided in time with the shift in the balance of power in Georgian politics. In mid-November, the president of Georgia reassigned the Minister of Defense, Irakli Okruashvili, to the Ministry of Economy, from which the latter soon quit. In 2004, Khalvashi—who is thought to be a close friend of Okruashvili—purchased shares of Rustavi2, which had played an important role in ensuring the success of the 2003 Rose Revolution.

In November, three Georgian television companies—Rustavi2, Mze, and Pirveli Stereo—decided to join into one holding company. Earlier, Rustavi2 bought 78 percent of the shares of Mze. Koba Davarashvili, director general of Rustavi2, does not exclude the possibility of Geotrans's selling part of the shares to attract additional funding. Georgian Industrial Group (GIG), which owns 22 percent of shares of Rustavi2 and Mze and 65 percent of shares of Pirveli Stereo, is thought to become the holding's future major shareholder. GIG holding has business interests in cement production, coal mining, electricity export and import, and generation, aviation, import of medical agricultural equipment, and medical appliances. The companies aim to complete the merger by 2007.

GEORGIA AT A GLANCE

GENERAL

- > **Population:** 4,661,473 (July 2006 est.)
- > **Capital city:** Tbilisi
- > **Ethnic groups (% of population):** Georgian 83.8%, Azeri 6.5%, Armenian 5.7%, Russian 1.5%, other 2.5% (2002 census)
- > **Religions (% of population):** Orthodox Christian 83.9%, Armenian-Gregorian 3.9%, Catholic 0.8%, Muslim 9.9%, other 0.8%, none 0.7% (2002 census)
- > **Languages (% of population):** Georgian 71% (official), Russian 9%, Armenian 7%, Azeri 6%, other 7% (Note: Abkhaz is the official language in Abkhazia.)
- > **GNI (2006-Atlas):** 6.938 billion (World Bank Development Indicators, 2007)
- > **GNI per capita (2006-PPP):** \$3,690 (World Bank Development Indicators, 2007)
- > **Literacy rate (% of population):** 99%
- > **President or top authority:** President Mikheil Saakashvili

Kviris Palitra (weekly, Tbilisi): approximate weekly circulation: 50,000–60,000 (Information provided by the newspaper.)

Rezonansi (daily, Tbilisi): approximate daily circulation: 5,000–7,000; Tuesday insert Mтели Kvira (whole week): approximate circulation: 6,000; Sunday insert Basta (entertainment): approximate circulation: 4,000 (Information provided by the newspaper.)

24 Saati (daily, Tbilisi): approximate daily circulation: 4,700–4,800 on Mondays; 4,000–4,200 on Tuesdays, Wednesdays, and Thursdays; 5,500 on Saturday (Information provided by the newspaper.)

> Broadcast ratings (top three ranked stations):

TV MR GE, Licensee of AGB Nielsen Media Research, December 2006

Tbilisi share of television audience:

- Rustavi 2: 5.51%
- Imedi: 4.12%
- Public Broadcaster of Georgia: 1.06%

Region's share of television audience:

- Imedi: 5.97%
- Rustavi 2: 5.15%
- Public Broadcaster of Georgia: 0.93%

Tbilisi and Regions share of television audience:

- Rustavi 2: 5.38%
- Imedi: 4.77%
- Public Broadcaster of Georgia: 1.02%

MEDIA-SPECIFIC

> Number of active print outlets, radio stations, television stations:

- 82 licenses awarded (GNCC)
 - 68 for general broadcasting (39 television, 25 radio, 2 radio and television, 2 unidentified)
 - 14 for specialized broadcasting (5 television, 8 radio, 1 television and radio)

According to the electronic portal, Media.ge, 120 newspapers are published in Georgia.

> Newspaper circulation statistics (total circulation and circulation of largest paper):

> News agencies

AP Bureau, Reuters Bureau, Black Sea Press, Novosti Gruzia, Sarke, Interpressnews, Infozavri, Iprinda, Kavkazpress, Media News, Prime News, Prime News Business (business news), GBC News (economy, business), GHN (Georgian Hot News), France Press (local representative) (www.yellowpages.ge)

> Annual advertising revenue in media sector:

According to TV, television advertising market reached approximately \$13 million in 2006. Estimations for 2007 are \$16–17 million. (MR GE, Licensee of AGB Nielsen Media Research)

> Number of Internet users: 175,600 (2005) CIA World Factbook

Unsustainable, Anti-Free Press (0-1):

Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2):

Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

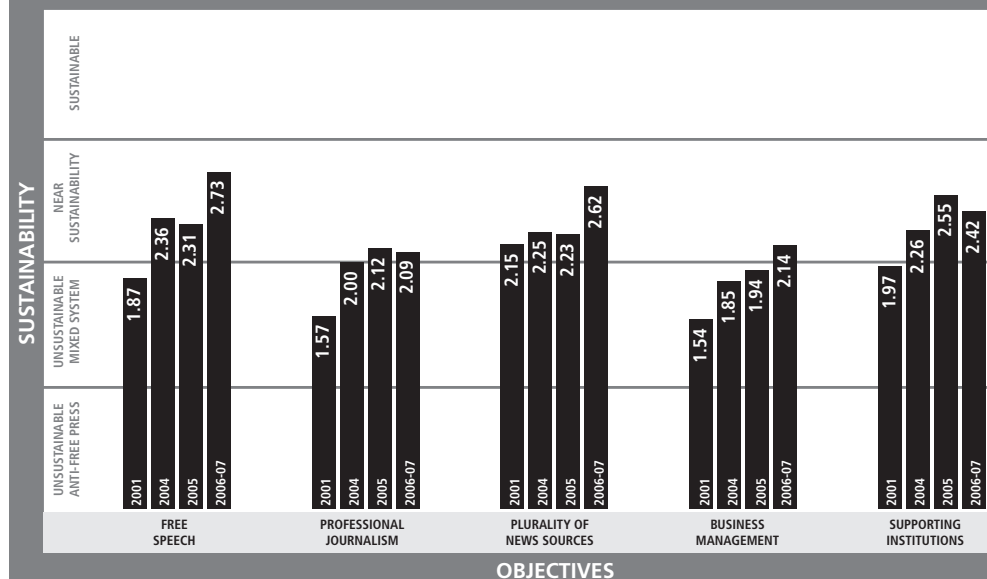
Near Sustainability (2-3):

Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3-4):

Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

MEDIA SUSTAINABILITY INDEX: GEORGIA



Rustavi2 lost most of its long-standing journalists. Popular anchor and producer Eka Kheriaia resigned on air while moderating a talk show regarding a high-profile murder case, citing “unacceptable demands” put forth by “some governmental officials.” Some human-rights groups and opposition believe certain high-ranking government officials are implicated in this murder. Kheriaia had worked at Rustavi2 for seven years. Soon after, the director general, Nick Tabatadze, was fired. The reason was provided neither to the general public, nor to the journalists of Rustavi2, some of whom first went on strike and then quit. Tabatadze had been with the company for 11 years. Davarashvili, who previously headed the advertising company Sarke and was thought to be a close friend of an influential member of the governing party, replaced Tabatadze.

In the beginning of the year, Public Broadcaster of Georgia was similarly left without key staff. The director general of Channel II of the Public Broadcaster was sacked. The deputy director general, the general producer of the public radio, the head of the financial department, and the entire legal department quit.

In 2006, the first Western investments were made in Georgian media, in both broadcast and print. Badri Patarkatsishvili sold a significant part of his shares in Imedi Media Holding to Rupert Murdoch’s News Corporation. Details of the deal remain confidential. The newspaper *24 Hours* traded 34 percent of its shares to a group of Slovak and German publishers in exchange for second-hand printing presses.

The exemption from profit and property taxes that the print media enjoyed since 2005 expired at the end of 2006 and was not renewed. However, the exemption from the value-added tax (VAT) remains in place.

The Georgian National Communications Commission started a public review of draft Broadcasters’ Code of Conduct. The Georgian Law on Broadcasting of 2004 calls for adoption of such a code.

In October, municipal elections were held. Voter turnout was low. The ruling party—National Movement—won with almost 78 percent of votes throughout Georgia.

The panel believes the government has gained full control over the major television stations, except one—TV Imedi. Unfortunately, Imedi cannot serve as an example of a nonpartisan media outlet. The print media, which have remained more critical, are largely disliked by the authorities. High-ranking officials have made many public remarks on the mediocrity of the print media in Georgia. It is expected that the government will further tighten its grasp on electronic media in preparation for 2008 parliamentary and presidential

elections. Left without donor support, regional media are struggling. Some newspapers, which offered quality content, are no longer able to come out regularly. Talk-show studios at many regional television stations are empty. The overall Media Sustainability Index (MSI) improved marginally to 2.4 in 2006, from 2.23 in 2005. The improving MSI objectives concerned free speech, plurality of news sources, and business management. As self-confidence in government grew, sensitivity toward media criticism decreased. More television channels started to offer discussion programs and debates in 2006, and media managers gained more experience and skills throughout the year.

OBJECTIVE 1: FREE SPEECH

Georgia Objective Score: 2.73/4.00

The legislative framework for the media did not change in 2006, and panelists unanimously evaluated it as enabling and progressive in general. However, they still registered a few complaints. One of them is related to the coverage of elections.

Regional broadcasters want the following provision, which they regard as unjustified interference in their entrepreneurial activity, removed from the Law on Broadcasting: “Holders of general broadcasting licenses, also holders of other types of licenses, which broadcast pre-election advertising, are obliged, during election campaign, taking place in their coverage area, to broadcast

LEGAL AND SOCIAL NORMS PROTECT AND PROMOTE FREE SPEECH AND ACCESS TO PUBLIC INFORMATION.

FREE-SPEECH INDICATORS:

- > Legal and social protections of free speech exist and are enforced.
- > Licensing of broadcast media is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > State or public media do not receive preferential legal treatment, and law guarantees editorial independence.
- > Libel is a civil law issue; public officials are held to higher standards, and offended parties must prove falsity and malice.
- > Public information is easily accessible; right of access to information is equally enforced for all media and journalists.
- > Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
- > Entry into the journalism profession is free, and government imposes no licensing, restrictions, or special rights for journalists.

“Eight million USD is not much money as some politicians like to present it, when you have to keep two TV and two radio channels operating, with equipment obsolete and money coming in quarterly installments,” Kveselava said, speaking of public broadcasting.

pre-election advertisement, provided to them by all qualified election subjects, at no cost and non-discriminatorily, but not more than 90 seconds in 3 hours” (Chapter VIII, Article 66, Pre-election advertising).

The draft Code of Conduct takes this provision even further. It not only obliges private broadcasters to allocate free airtime for pre-election advertising to all qualified candidates during an election campaign (Chapter 9, Advertising in Broadcast Media, Article 126, Pre-election advertising and political debates, Point 1), but it also requests that they cover the platforms of each qualified election subject in all news programs, broadcast in the hours following the presentation, in the major news program among others (Chapter 9, Advertising in Broadcast Media, Article 126, Coverage of Political Parties, Point 3). Regional broadcasters believe that these requirements should not be part of the Code.

Both print and broadcast media find the below provisions of the Georgian Election Code as unduly burdening:

Election Code of Georgia of 2003, Chapter VIII, on transparency of preparation and conduct of elections, Article 73, on election campaign, Point 14, states the following for both public and private television companies, beginning from the 50th day prior to election day and until the approval of the final election results by the Election Commission: “If allocating airtime for election campaigning and political advertising...must announce publicly and submit to the CEC the following information: the start and end date and frequency of the allocated airtime; duration and timetable of the allocated daily airtime; and the airtime tariff.”

Similar requirement applies to print media, stipulated in Point 15 (a) of the same provision. The day after the expiration of the term of election registration of parties and election blocks, newspapers, other than the newspapers of political parties, shall abide by the following terms: “If allocating newspaper space for election campaigning and political advertising, the newspaper must publish in its newspaper and also provide to the CEC the following information: the start and end date and frequency of allocated newspaper

space; the size of space allocated in one newspaper issue; if providing newspaper space free of charge, how much of the total allocated space is being provided free of charge and the space tariff.”

Point 15 (b) of the same provision restricts the newspaper in allocating newspaper space to one election subject in one newspaper issue or over a period of one week to one-third of the newspaper space. The Georgian Regional Media Association believes this requirement deprives the newspapers of legitimate income in case there are only a few election subjects willing to advertise in it.

Another concern expressed by the media relates to changes in the Georgian Tax Code. The exemption on profit gained from advertising, and property possessed by publishers and used for publishing purposes, which the print media enjoyed since 2005, expired and has not been renewed. However, the VAT exemption remained in place. Paata Veshapidze, managing editor of *24 Hours* newspaper, believes that this decision will not have a significant economic impact on the majority of newspapers—only the largest publishing companies, which own printing presses and other significant assets, will feel the burden. However, panelists’ opinions were split on this subject. Veshapidze was not too worried; he represents one of the largest companies, which had half a million GEL in profit in 2006 and newly acquired printing presses. He sees this as a problem, which the press can turn into a promising opportunity. A new tax regime will force newspapers to finally move away from double accounting—make the remuneration system transparent, conclude contracts with their employees, and pay all due taxes. If more is expended in remuneration, there is less profit; hence, less payment is due on the profit tax. A media company has a choice: either hide the real amount of remuneration and related taxes and have no contracts with employers and pay more in profit tax, or pay decent salaries with all due taxes, have employment contracts in order, and pay less in profit tax. Veshapidze believes the new obligations will be even less burdensome if the government exempts businesses, including media businesses, from the profit tax on the profit reinvested in the company’s development, which the government intends to do in the near future.

Ia Mamaladze, chairman of the Georgian Regional Media Association and publisher of the regional newspaper *Guria News*, argued that the abolishment of tax breaks resulted in printing and distribution services becoming more expensive and less affordable to smaller newspapers. Veshapidze disagreed, believing that printing services became more expensive as a result of increased prices on newsprint and printing supplies.

Opinions of the panel were split when evaluating the activities of the Georgian National Communications Commission (GNCC). Ramaz Gamezardashvili, a member of the Georgian Association of Regional Television Broadcasters Steering Committee and owner of TV Imervizia broadcasting in Chiatura and Sachkhere, said that GNCC closely follows legislation, is consistent, does not cause problems to broadcasters, and is more or less independent. Veshapidze and Zviad Koridze, chief producer of Sunday evening program "P.S." on Rustavi2, disagreed on the topic of independence, with Koridze pointing out that in the past three years, the GNCC has awarded only a few frequencies and only to those groups that have proved their political loyalty to the ruling party.

The media are not discriminated against in market entry and tax structure but are treated similarly to other industries. However, as discussed above, the print media still enjoy some privileges, such as VAT exemption. Until the end of 2006, kiosks, which sell only press, were exempted from the obligation to have a cash register.

Khatuna Kveselava, director of the news, social, and political programs department at the Public Broadcaster of Georgia, and Tinatin Izoria, producer general of Public Radio, said that politicians generally do not interfere in the Public Broadcaster's work. In 2006, some MPs tried to influence staffing decisions, if unsuccessfully.

The Public Broadcaster is funded at 0.15 percent of GDP from the state budget. Parliament, when planning the state budget, relies on the approved GDP from the past year, not on the projected GDP for the next year. For example, the state obligation to the Public Broadcaster in the 2007 budget was calculated according to the GDP of 2005. Because of this, the Public Broadcaster is not fully benefiting from the GDP growth, which initially was the main idea behind this scheme. The difference in this case amounts to GEL 1.5 million. The Public Broadcaster's budget in 2006 was GEL 16.5 million, with income from economic activities nearly GEL 2 million. Economic activities include income from limited advertising, rent, and sale of property.

"Eight million USD is not much money as some politicians like to present it, when you have to keep two TV and two radio channels operating, with equipment obsolete and money coming in quarterly installments," Kveselava said, speaking of public broadcasting.

The employment contracts state that the Public Broadcaster is obliged to ensure editorial independence for its journalists and that the journalists are obliged to adhere to professional standards established by the Public Broadcaster. In 2006, the Public Broadcaster adopted an internal Code of Conduct. An independent group does monitor its content, and the Public

Accreditation is needed to have access to certain events and public institutions. Some panelists think that the government uses this opportunity to its advantage. Although entry into the profession is free and unhindered, some influential members of the government take the liberty of publicly labeling some journalists as "professionally incapable" and putting pressure on their employers to fire them.

Broadcaster organizes trainings in ethics for its journalists and presents monitoring reports to them.

Some media outlets still remain state-owned in Adjara Autonomous Republic. In October, the spokesperson of the head of the Adjara Autonomous Republic was appointed as a chief of the Adjaran State TV, the fate of which remains unclear. The Law on Broadcasting was amended to postpone a decision about its future status. The option of turning it into a regional branch of the Public Broadcaster is not under consideration at this stage. The newspaper *Adjara* is funded from the state budget as well.

Access to public information remains a problem across the country for both public and private media entities. Panelists attributed this to different reasons. Press centers at public organizations block easy access to information instead of insuring it. Panelists evaluated those press centers as especially unfriendly; the centers are headed by their former colleagues—journalists. Even when there is no malice, uneducated state bureaucrats are not able to handle information requests, and there is no culture of public servants being forthcoming. After some were reprimanded for assisting reporters, they have sealed themselves out from media altogether, fearing that otherwise they may lose their jobs. Not all public organizations have websites; those that have them do not update them in a timely manner. Panelists agreed that it is not a priority of the government to make public information transparent.

Journalists, for their part, do not know which procedures they should follow when requesting information. And sometimes they ask for commentary, naively believing that they are requesting information.

Some thought that the number of crimes against journalists has decreased, but only in Tbilisi. The opposite is true for the regions. If in Tbilisi offenders fear publicity, what happens

in the regions does not always resonate. Gamezardashvili proposes another explanation: journalists in the regions now try to avoid confrontation with the authorities and are less willing to tackle controversial issues.

In 2006, local officials applied both direct and indirect pressure on journalists in the regions. The examples point to the nature of this pressure. Ilya Chachibaia, a reporter for *Gia Boklomi* newspaper, said he was locked in a room by the head of security of the president's envoy to the Samegrelo-Zemo Svaneti region and was asked to name information sources. Roman Kevkhoishvili, a journalist for TV Tanamgzavri; Gela Mtvlishvili, editor of *Imedi* newspaper; and Zviad Ruadze, a reporter for *24 Hours* newspaper, were physically abused by the head of Vakiri Municipality and his supporters. Later three offenders were detained. Nato Gogelia, a reporter for *Guria News* newspaper in Ozurgeti, was trying to find out why the roof of the newly renovated movie theater was leaking. She was cynically offered payment by the assistant of the president's envoy to the Guria region for her silence. She also received several threats over the phone. The head of Georgia's Patrol Police attacked Public Broadcaster cameraman Lasha Shengelia, who was filming the site of a crime. The offender resigned, and the Public Broadcaster did not file charges against him. Zviad Ruadze, who published an investigative piece about a local health clinic in the *Spektri* newspaper in Gurjaani, was verbally abused and threatened.

Sometimes the offenders are prosecuted, but not always.

In October, Ramaz Samkharadze, director of Radio Hereti in Lagodekhi, was verbally and physically abused by the former MP David Kapanadze, who did not like a piece the radio had broadcast on the eve of municipal elections. The investigation has restarted only after the Public Defender's office addressed the head of the prosecutor general's General Inspection.

Accreditation is needed to have access to certain events and public institutions. Some panelists think that the government uses this opportunity to its advantage. Although entry into the profession is free and unhindered, some influential members of the government take the liberty of publicly labeling some journalists as "professionally incapable" and putting pressure on their employers to fire them.

In December 2005, Akaki Bobokhidze, the president's envoy to the Imereti region, had broken the nose of Irakli Imnaishvili, a former journalist for TV Mze, shortly after live debates between them broadcast by Kutaisi TV's "Rioni." Subsequently, Imnaishvili had to stay in bed with a brain concussion. Bobokhidze had resigned from his post but soon was appointed chairman of the National Guard. In October, the president reappointed Bobokhidze as his envoy to the Imereti region. In 2005, the prosecutor general's office

initiated criminal charges against Bobokhidze, which later were reduced to a misdemeanor assault.

Although the legal provisions and mechanisms are in place, they are not being used effectively; the court system is not fully independent and is slow in processing cases.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Georgia Objective Score: 2.09/4.00

When commenting on the level of professionalism in the media, panelists noted that journalists' qualifications are generally very low in Georgia. According to Veshapidze, even top journalists would not score above average, if judged against Western standards.

Media outlets have become actors in the political process. In the political standoff between the government and the opposition, TV Imedi is criticized for siding with the opposition, while Rustavi2 is denounced for pursuing the official line of the president's administration.

The divide has affected journalists' daily work. It is difficult for journalists to provide balanced account of events when one or the other faction regularly refuses to comment or participate in the debates. For instance, some government representatives will not talk to TV Imedi, and some opposition parties have at times boycotted Rustavi2.

Givi Ordenidze, of the Open Society Georgia Foundation (OSGF), thinks that the national television companies try

JOURNALISM MEETS PROFESSIONAL STANDARDS OF QUALITY.

PROFESSIONAL JOURNALISM INDICATORS:

- > Reporting is fair, objective, and well sourced.
- > Journalists follow recognized and accepted ethical standards.
- > Journalists and editors do not practice self-censorship.
- > Journalists cover key events and issues.
- > Pay levels for journalists and other media professionals are sufficiently high to discourage corruption.
- > Entertainment programming does not eclipse news and information programming.
- > Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).

to follow professional standards, while the vast majority of newspapers do not attempt to follow such standards. Ordenidze said that the Public Broadcaster deserves praise for striving to be balanced and keep standards of quality high, even if it does not always manage to achieve this goal. Veshapidze thinks that the Public Broadcaster today provides the public with the most balanced information. However, the Public Broadcaster does not have modern equipment, and the visual side of its programs is lacking. Maia Mikashvidze, dean of the Caucasus School of Journalism and Media Management (CSJMM) at the Georgian Institute of Public Administration (GIPA) suggested distinguishing content from packaging when assessing the Public Broadcaster.

Why is the quality of journalism so low? Among reasons that panelists mentioned are lack of education and a low level of civic culture. Newspapers cannot get qualified personnel for GEL 150–200. Quality is not something that managers expect or demand from these low-paid reporters. Reporters of regional television stations earn more—up to GEL 400. Reporters in some national newspapers can make as much as GEL 800. But even this is not enough of an attraction for the best professionals. In addition, in the majority of cases, journalists do not have contracts and have no benefits, such as vacation.

Corruption is not as much of an issue as it was under Shevardnadze's government. Journalists generally do not accept bribes and favors for writing or not writing articles. However, corruption, if taken in its broader sense, still plagues Georgian media. Media outlets are loyal to their major advertisers. Veshapidze suggested distinguishing regional media from Tbilisi media in this discussion.

The debate around quality of journalism naturally overflowed into the debate on media-assistance programs. Veshapidze thinks that the quality of journalism in the regions has improved largely thanks to donor assistance rendered to local media outlets. Regional reporters received a good education through training. Now they double-check sources, and their articles are less opinionated.

However, decreased donor assistance to regional media resulted in their lessening their watchdog functions and becoming more dependent on local authorities. When the central media are not able to penetrate regions, local media remain the only mechanism of control over local government, Izoria said. Gamzerdashvili noted that media professionalism grows only in regions that remain in the donors' area of interest, such as Ninotsminda, Akhaltsikhe, and Marneuli, while in the rest of Georgia, regional television stations are struggling. Talk-show studios given to them by donors in previous years are idle. Two regional television companies, Trialeti TV in Gori and Channel 25 in Batumi, which were

Decreased donor assistance to regional media resulted in their lessening their watchdog functions and becoming more dependent on local authorities. When the central media are not able to penetrate regions, local media remain the only mechanism of control over local government, Izoria said. Gamzerdashvili noted that media professionalism grows only in regions that remain in the donors' area of interest.

often used to exemplify the achievements of regional media, are facing serious financial, legal, and institutional problems. The answer to the question posed by Mikashvidze—whether it can be assumed that the growth in professionalism witnessed in the regions is sustainable and irreversible—is “no.” However, Koridze argued that those regional journalists, who now know what good journalism is about, will not retreat and abandon their professional stance.

But, some asked, is it not the time for them to become self-sustainable? Does donor assistance cause more harm than good by making them lazy and damaging the market and competition? Koridze argued that some media became accountable to donors and stopped being accountable to their audience; he favors loans over grants. Kveselava thinks donors should invest more in individual journalists than in media outlets. Ordenidze believes donors should focus efforts on helping media to improve management practices. Veshapidze believes donors should cooperate on investment-heavy projects, which can benefit many media outlets simultaneously. One such area could be creation of a nationwide newspaper distribution system.

The panel finally agreed that the issue is difficult and that there are no clear answers. Donors are different, and so are the recipients. Some approaches were more efficient than others, and some media outlets made better use of resources available to them.

In general, there is no demand in society for ethical and professional journalism. The media community itself has shown little interest in institutionalized self-regulation. Some newspapers even denounced self-regulation as an instrument of censorship. Very few media outlets have their own internal Codes of Practice. “Unfortunately, a professional standard in media is considered a limitation and not a necessary element of professionalism,” said Kveselava.

“Some journalists are so used to receiving directions from authorities that they start their morning with phone calls to them and are not able to make any decision independently,” Koridze Janikashvili said.

The OSGF supported the Media Council in 2006. It developed institutionally and now has an office, a new chairman, and new board members. However, it needs further donor assistance to keep basic operations going because its founders are reluctant to pay a membership fee. Last year, six complaints were filed to the Media Council, five of which it considered (it rejected one complaint because it concerned a topic not covered by the Council’s mandate). None of the complaints were of groundbreaking significance. Nevertheless, the Council failed the first test in nonpartisanship and independence, according to many. Corporate and political interests mingled during the review process. The Council first found the review of the complaint by Tina Khidasheli, a member of an opposition party, inappropriate on the eve of local elections and then evaluated it as groundless. Khidasheli criticized coverage of a murder case by Rustavi2. She maintained that Rustavi2’s report on the reason why the court hearing was postponed was not accurate. Later the Council decided that Rustavi2 distributed incomplete information and that there was no defamation or purposefully falsified information. The journalists demonstrated low professionalism but not gross violation of standards, according to the Council.

With support from the European Council, the NGO Liberty Institute prepared the first draft of the Broadcasters’ Code of Conduct. The Code defines working principles for the Public Broadcaster and private television and radio broadcasters, and sets standards for broadcast production and professional ethical norms for journalists. The draft was reviewed by the experts from the Council of Europe and by Article 19. The draft Code has received criticism from international and Georgian organizations as being too vague in areas and for mingling guiding principles with rules; the functions of the GNCC and Council of Broadcasters are not clearly distinguished and defined. The Code’s adoption was postponed twice—first to the end of December 2006 and then to the beginning of April 2007.

Are all important events covered in Georgian media? One of the panelists thinks that, in principle, they are: “We cannot say that there are important topics that are not covered at all. They are prioritized in a more subtle way—the topic can be covered on the 6 o’clock news and on the major evening

news, in the beginning of a news program or in the end, in-depth or superficially, etc. I don’t know if journalists receive directions from authorities on what to cover—journalists are aware of the general line their company pursues and try to adjust to it.”

Koridze and Bassa Janikashvili, chairman of Radio Utsnobi’s Steering Committee, disagreed, saying that there are indeed such directions.

“Some journalists are so used to receiving directions from authorities that they start their morning with phone calls to them and are not able to make any decision independently,” Koridze said.

Mamaladze also disagreed, noting that the regions do not receive adequate coverage in the central media. Journalists of national media do not keep in touch with colleagues in the regions and overlook many important developments, he said.

“When journalists were diagnosed with self-censorship in 2004, they believed in it and found in it a comfort from responsibility. When self-censorship is high, there is no responsibility at all, because everything can be blamed on self-censorship,” Koridze said. He attributed the recent increase in entertainment programs to the growing sense of self-censorship. “This is one of the ways self-censorship is demonstrated, and this is a way to avoid responsibility,” he concluded.

The number of entertainment programs has grown in all television channels. Since April 2007, Rustavi2 has begun airing seven new programs, and all of them focus on entertainment.

“Entertainment shows are produced where political programs are not nonpartisan and as such are losing in ratings. Some TV [stations] try to regain ratings and audience through entertainment. They think, why don’t we produce a program which will bring profit and not headache?” added Janikashvili.

There are examples of niche reporting on Georgian television. Specialized business programs are broadcast on Rustavi2 and Mze; *24 Hours* newspaper has a business supplement.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Georgia Objective Score: 2.62/4.00

There is plurality of affordable sources of news and information in Georgia. Access to domestic or international media is not restricted.

According to the 2005 annual report of the GNCC, income for Internet services (including VAT) constituted GEL 19.8 million. In the electronic communications market, Internet service is the fastest-growing segment. In 2000–2005, the composite growth rate of income was 40 percent.

In summer 2006, the Internet provider Caucasus Network purchased two other Internet providers—Georgia Online and Sanet. Today, Caucasus Network serves 90 percent of subscribers in Georgia. Some fear this new near-monopoly.

Formally, the Public Broadcaster allows the views of the entire political spectrum to be heard. According to one of the participants, a trained ear can still catch journalists’ preferences through wording of questions, intonation, and other nuances.

Koridze disagrees, referring to a bolder demonstration of preferences. According to him, one good example is an evening program called “Argumenti.” In the first half, two representatives of the majority are talking, both of them agreeing with each other. Then two representatives of the opposition are talking, both agreeing with each other. In the third section, two experts representing the majority are talking, and they, too, agree with each other. The major principle of the Public Broadcaster—to get all these people together and around one table—is absent.

In public radio, more diversity of opinions is allowed.

Media ownership cannot be characterized as transparent. For example, Rustavi2 employees know very little about the owners of the company, let alone the public. Not all is clear with Imedi Media Holding, either: How many of the

Formally, the Public Broadcaster allows the views of the entire political spectrum to be heard. According to one of the participants, a trained ear can still catch journalists’ preferences through wording of questions, intonation, and other nuances.

shares were sold to News Corporation? Who else, except Patarkatsishvili and Murdoch, owns its shares? Mamaladze noted that information about ownership in the regions is more open.

Koridze thinks that the media, especially electronic, are under the influence of the government and the ruling party. TV Imedi is not influenced by the government now, but this was not the case earlier, when Patarkatsishvili had a better relationship with the government. The government may not interfere, but the owner does interfere in the editorial policy. Kveselava also believes that the interests of owners, financial or political, often influence news content. Media often participate in political processes and are not objective watchdogs, she concludes.

The Public Broadcaster, both television and radio, offers programs for ethnic minorities. The news program “Moabe” airs everyday in one of the minority languages—Russian, Armenian, Azeri, Abkhaz, and Ossetian. From 2007, the Public Broadcaster, with support from USAID through the UN Association of Georgia, will produce a talk show to facilitate civic integration of ethnic minorities. The Public Radio produces programs about and for ethnic minorities. One program is broadcast on Saturdays in Georgian. A news program in Russian, Armenian, Azeri, Abkhaz, and Ossetian also is broadcast every weekday. On Saturday, there is a 20-minute summary review in Russian.

Former state newspapers—*Gurjistan* in Azeri and *Vrastan* in Armenian—are still published. TV Parvana in Ninotsminda and ATV 12 in Akhaltsikhe rebroadcast evening news programs of major national channels, with a voice-over in Armenian. Marneuli TV and Channel 12 in Bolnisi rebroadcast evening news programs of national channels with voice-over in Azeri. A weakness of this concerns sustainability. The broadcasts by TV Parvana and ATV 12 in Armenian are among the few minority-initiated private projects. The rest of the projects are initiated and supported by various donors and international NGOs.

Marneuli and Ninotsminda now have the country’s first community radio stations. The radio stations are run by local people with different ethnic, cultural, social, and professional

MULTIPLE NEWS SOURCES PROVIDE CITIZENS WITH RELIABLE AND OBJECTIVE NEWS.

PLURALITY OF NEWS SOURCES INDICATORS:

- > A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- > Citizens’ access to domestic or international media is not restricted.
- > State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for print and broadcast media.
- > Independent broadcast media produce their own news programs.
- > Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

backgrounds, and programs are produced in three languages (Armenian/Azeri, Russian, and Georgian). While their applications for licences have not yet been processed by the GNCC, they broadcast by loudspeaker. This project also is donor-supported, implemented by the BBC World Service Trust in cooperation with Studio Re and IREX Europe with funding from the EU and co-funding from the Global Conflict Prevention Pool and the Open Society Georgia Foundation.

OBJECTIVE 4: BUSINESS MANAGEMENT

Georgia Objective Score: 2.14/4.00

“Unfortunately, the media is still not a business in Georgia. The majority of media does not depend on advertising revenue. Some continue to think that media is for managing people and not for making money,” said Janikashvili.

Radios are becoming more and more popular. Because politicians do not consider radio to be an influential medium, radios more readily provide a venue to alternative opinions. Fierce competition is further fueling the drive—there are 33 radio stations on the airwaves. However, only a few of them are profitable, among them Radio Utsnobi.

Advertising placements are influenced by politics. Business in Georgia directly depends on political conjuncture and is not free in its decisions. For example, Radio Utsnobi has a program called “Free Speech,” moderated on a rotating basis by well-known journalists. Some are viewed as loyal to the government, and some are not. But still the radio station could not find anyone willing to sponsor this program due to its political content and criticisms of the government. As a

INDEPENDENT MEDIA ARE WELL-MANAGED BUSINESSES, ALLOWING EDITORIAL INDEPENDENCE.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets.
- > Independent media do not receive government subsidies.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences.
- > Broadcast ratings and circulation figures are reliably and independently produced.

result, “Free Speech” is the only program on the radio that cannot sustain itself. Gamezardashvili agreed with Janikashvili that no advertiser wants to be affiliated with a program in which the government is criticized.

In the regions, businesses are forced to advertise in media that are formally independent but in reality are “owned” by the local authorities. When they really need to have an impact, they advertise in both media outlets—in a newspaper favored by local government and in a truly popular one.

Although private media do not receive state subsidies directly, some inventive representatives of local authorities have found “a solution” to this “problem.” They have founded “pet” newspapers, to which they award money, set aside in the local budget for publishing public announcements. Independent newspapers, which have a higher circulation and a better distribution record, are not able to beat such competitors. In some regions, employees of public institutions are forced to subscribe to certain newspapers.

According to GNCC’s annual report, in 2005 income in the television and radio industry increased and reached GEL 31.729 million, including VAT. In 2004, income was 25.9 million; in 2000, it was 9.9 million. In five years, income has increased 3.2 times. The share of television broadcasting in the total income of the broadcasting sector in the past five years has increased from 28.2 percent to 64 percent. In this period, income grew annually at a rate of 48.8 percent. In cable television broadcasting, income grew annually at a rate of 10.2 percent; in radio broadcasting, it grew 9.3 percent.

Circulation data on newspapers are not collected in Georgia.

Since January 2005, television ratings have been measured by the TV MR GE, a licensee of AGB Nielsen Media Research, through PeopleMeters. KPMG specialists repeatedly found the methodology and practice as complying with international standards. The television industry uses the data to modify schedules; some programs at national television channels were removed because of a decrease in ratings and replaced by others. Advertisers also buy the data.

Since September 2006, the Institute of Polling and Marketing has measured radio ratings in Tbilisi and several larger cities of Georgia, using CATI technology.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Georgia Objective Score: 2.42/4.00

While Georgia has a decent infrastructure of cable television and a transmitter system, the media face issues. TV Tanamgzavri in Telavi and Channel 25 in Batumi found themselves in a difficult situation when local cable companies refused to carry their content. The cable companies cited economic considerations, but some speculated that political interests were also present in these disputes. The Public Broadcaster complained that some cable operators lower the quality of its signal.

Both public and commercial broadcasters registered grievances against state-owned Teleradiocentri of Georgia, which administers television towers throughout Georgia. The broadcasters think that the company incorrectly interpreted the Law on Broadcasting, which requested Teleradiocentri of Georgia to ensure that all broadcasting license holders and the Public Service Broadcaster have “non-discriminatory, equal, direct access to every free element of technical means and services with cost-oriented and non-discriminatory tariffs” (Chapter XI, Article 76, Transitional and Conclusive Provisions, Point 7). Teleradiocentri of Georgia has established the same fee for placing both weak and strong antennas on its towers. As a result, a national broadcaster pays the same for placing a 1500-WT transmitter with an accompanying large UPS on a tower as a small local broadcaster pays for placing a 50-WT transmitter with a small support infrastructure. The tower fees have become an unbearable burden for local broadcasters. Many local broadcasters have opted to move transmitters and receivers to other, less suitable locations, such as roofs of buildings and other constructions, and the quality of

SUPPORTING INSTITUTIONS FUNCTION IN THE PROFESSIONAL INTERESTS OF INDEPENDENT MEDIA.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of private media owners and provide member services.
- > Professional associations work to protect journalists' rights.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs that provide substantial practical experience exist.
- > Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
- > Sources of newsprint and printing facilities are in private hands, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

According to panelists, press distribution, printing facilities, and advertising agencies work more or less efficiently only in the Tbilisi market. Outside Tbilisi, the situation remains worrisome.

transmission has naturally worsened. In those regions where the landscape does not allow an alternative solution, local broadcasters are forced to pay one-third of their annual income in tower fees. Local broadcasters that do not have much income from advertising, after paying tower fees, have very little available to invest in developing their companies.

According to panelists, press distribution, printing facilities, and advertising agencies work more or less efficiently only in the Tbilisi market. Outside Tbilisi, the situation remains worrisome.

Veshapidze complained that even in Tbilisi press distributors do not work transparently. Publishers are not able to receive accurate numbers on sold and unsold copies and as such are not able to plan and manage circulation. Those publishers who are forced to use a distribution network owned by their competitor sometimes fall victim to unethical business practices.

Delivery of press in the regions is still problematic. None of the current distributors can deliver to all areas. There are some hopes for improvement, as Sakpressa and the postal system's infrastructure have been privatized. But no radical improvements in this area were observed in 2006. Home delivery is still a problem in Tbilisi. Again, distributors can deliver to some central districts of the city, but not in the suburbs.

24 Hours sees the creation of its own distribution network as the only solution at this stage and is discussing the project with its Western investors. 24 Hours now has printing presses, which can ensure higher-quality printing, but it took some time for the company to operate them because no one in Georgia had enough knowledge of modern printing processes. 24 Hours has invited foreign specialists to train Georgian workers and hopes to use the printing presses in the near future.

The panel was unanimous in awarding the quality of journalism education with lower scores. Despite the fact that the programs offered by CSJMM at GIPA are of a high standard, the number of students the school graduates is still relatively small, and this is not able to drastically impact the overall picture.

Kveselava complained that journalism education does not give the students critical-thinking skills, which makes young

Despite the fact that a number of textbooks were translated in recent years, journalism schools still experience a severe lack of instructional materials. TSU made English an obligatory course and teaches it to journalism students for four semesters. Nevertheless, a textbook on news writing in Georgian is still a necessity and has not been developed yet.

journalists vulnerable to manipulation or reduces them to the role of recording equipment. David Paitchadze, chair of the TSU Journalism Subdivision, proposed to separately discuss the state of education in public universities. Journalism is taught in many higher-education institutions, but the major ones are TSU, Technical University, Ilya Chavchavadze University, Tbilisi State Institute of Theatre and Cinema, and Kutaisi and Batumi universities. There are some positive improvements in all of them, but the results of improvements will not be felt for at least five years as changes take hold and students benefit.

All public journalism schools share some problems, one of which is a large number of students. The TSU Journalism Subdivision has 700 students enrolled, either majoring or minoring in journalism, with others taking journalism classes as electives. Providing a practice-oriented education while possessing only a few pieces of equipment is an enormously challenging task. The TSU Journalism Subdivision has only 30 computers available to students and teachers. It has revised its curricula, but it is unable to find qualified teachers. This is not surprising, considering that TSU can offer only small honoraria to invited teachers not possessing scientific degrees. A few of the best practitioners, who agreed to teach to TSU journalism students, do this out of charity rather than for the pay.

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Mikashavidze noted that equipment and finances alone cannot help journalism education. Finding qualified teachers is the biggest challenge.

GIPA/CSJMM now has 50 students enrolled in English- and Georgian-language programs. Twenty-five more will graduate from the English-language program in 2007. The school has 50 computers and nine cameras available to 75 students. GIPA/CSJMM plans to add a master's course in the evening, with mixed Georgian-English instruction.

Both TSU and GIPA/CSJMM plan to make radio labs available for students to practice. GIPA acquired a radio license in 2006. TSU will be broadcasting over the Internet.

Mamaladze says that there is high demand for training in the regions. Every third e-mail that GRMA receives asks for information about training opportunities.

GIPA/CSJMM took this niche, vacated by media developers, and is offering three short-term, fee-based training courses, with duration up to three months, in photojournalism, media management, and communications management. Trainers are GIPA/CSJMM teachers. Many students are willing to participate, but few from the regions can cover living expenses. Most expensive is the course in communications management, which costs USD 400. Others cost between USD 90 and USD 120. The school uses income from the training courses to buy equipment.

Panelists could name only a few NGOs from which media received active and efficient support in 2006. Among those are the Georgian Young Lawyers Association (GYLA), the Association of Young Economists, and Internews Georgia. However, Mamaladze complained that regional branches of the NGOs are not always as responsive as their head offices in Tbilisi. Having closer ties with the local administration, they are not always willing to challenge the administration's approaches and decisions.

There are still no notable associations of journalists focused on protecting journalists' rights.

Both the Association of Georgian Regional Television Broadcasters and the Georgian Regional Media Association continue to serve the interests of their members. Besides reacting to the violation of their rights, they implement a number of activities, aimed at enhancing their business operations and independence. The Georgian Regional Media Association is helping its members to bring their businesses into full compliance with the law and is making computers with Internet connections and a library available to journalists of regional media visiting Tbilisi on reporting assignments. Members of the Association of Georgian Regional Television Broadcasters united forces to enter the national advertising market. They jointly purchase and translate various television programs into Georgian.

Panel Participants

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Ia Mamaladze, Chairman, Georgian Regional Media
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Ramaz Gamezardashvili, Association of Georgian Regional
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Moderators

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Ellada Gamreklidze, independent expert