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# GEORGIA

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Georgian media suffered through a tempestuous year in 2008, marked by armed conflict with Russia and homegrown political turmoil. The health of press freedom deteriorated amid the continued political brushfire, a holdover from the past year's unrest. Mirroring the polarized political scene, news media have essentially split into two opposing camps, leaving little room for neutrality and balance in the news. Media- and human-rights watchdogs observed decline in press freedom: in its annual survey of global press freedom, Freedom House ranked Georgia on par with Colombia and behind countries like Nigeria.

Media were caught in the middle of the bitter fight for the presidential office early in 2008. Media were then pushed around by both sides of the political divide, and accusations of bias dogged major news companies throughout the year. Followers of presidential runner-up Levan Gachechiladze, who claims that his electoral victory had been stolen from him, lambasted the largest television companies for backing incumbent Mikheil Saakashvili. The ruling establishment, in turn, moved to tighten the screws on opposition-minded news outlets. The pressure has manifested itself in verbal attacks, picketing, harassment, and discriminatory enforcement of media regulations.

The media careened wildly off the rails during the Russian invasion of Georgia. As tensions over breakaway South Ossetia swiftly snowballed into war in August, Georgian media struggled to rationalize the developments. Facing an onslaught of propaganda, spin, and censorship, reporters were often making choices between professional ethics and patriotic feelings.

Georgian Public Broadcasting (GPB) has been at the center of the ongoing political struggle for media supremacy. The government and the opposition spent the better part of the year jockeying for control over the public television station, as well as for Imedi TV, a private television station that used to be critical of the authorities.

The lack of transparency and diversity in media ownership also cast a pall on development of free media. The news industry still relies on occasional financial buttressing from political patrons and other noncommercial sources. The plunging economic conditions in the second half of 2008 left smaller media companies gasping for cash.

The overall country score slipped by 0.18 point since last year, which is part of a continuing trend since two years ago when Georgia's score was a high of 2.40. Notably, this is the first time that Georgia's overall score has fallen below a 2.00—"near sustainability" according to the MSI scoring definitions—since 2003 when the score was a 1.96. Furthermore, no individual objective score exceeded a 2.00. All objective scores dropped except Objective 4, Business Management, which showed a modicum of improvement. Of particular note were the scores for Objectives 1 and 2, Freedom of Speech and Professional Journalism, which received the lowest scores and dropped about a third of a point compared with last year.

# GEORGIA AT A GLANCE

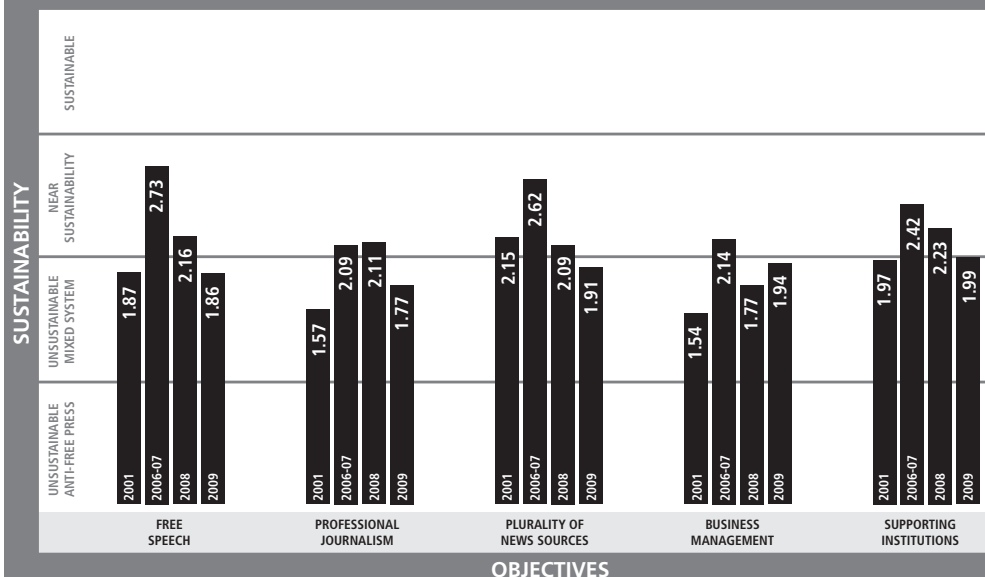
## GENERAL

- > **Population:** 4,630,841 (July 2008 est., *CIA World Factbook*)
- > **Capital city:** Tbilisi
- > **Ethnic groups (% of population):** Georgian 83.8%, Azeri 6.5%, Armenian 5.7%, Russian 1.5%, other 2.5% (2002 census, *CIA World Factbook*)
- > **Religions (% of population):** Orthodox Christian 83.9%, Muslim 9.9%, Armenian-Gregorian 3.9%, Catholic 0.8%, other 0.8%, none 0.7% (2002 census, *CIA World Factbook*)
- > **Languages (% of population):** Georgian 71% (official), Russian 9%, Armenian 7%, Azeri 6%, other 7%
- > **GNI (2007-Atlas):** \$9.337 billion (World Bank Development Indicators, 2008)
- > **GNI per capita (2007-PPP):** \$4,770 (World Bank Development Indicators, 2008)
- > **Literacy rate:** 100% (male 100%, female 100%) (2004 est., *CIA World Factbook*)
- > **President or top authority:** President Mikheil Saakashvili (since January 25, 2004)

## MEDIA-SPECIFIC

- > **Number of active print outlets, radio stations, television stations:** Print: 89 newspapers (61 regional, 28 Tbilisi-based); Radio: 28 (9 regional, 19 Tbilisi-based); Television Stations: 40 (31 regional, 9 Tbilisi-based) (Open Society - Georgia Foundation, Media and Civil Society Program)
- > **Newspaper circulation statistics:** *Rezonansi* (30,000 weekly circulation; daily circulation varies from 4,500 to 5,000), *24 Saati* (25,000 weekly circulation; daily circulation varies from 4,200 to 5,800) The *Kviris Palitra* Director General office refused to provide circulation information over the phone. (Sources: individual newspaper claims)
- > **Broadcast ratings:** highest rated television outlets in Tbilisi: Rustavi 2 – 6.3%, Imedi – 2.2%, Channel 1 – 0.9% (TV MR GE, Licensee of AGB Nielsen Media Research)
- > **News agencies:** AP Bureau, Reuters Bureau, Agence France Presse (representatives), Bloomberg (local representative), Black Sea Press, Novosti Gruzia, Sarke, Interpressnews, Iprinda, Itar Tass, Kavkazpress, Media News, Prime News, Prime News Business (business news), Pirveli, GBC News (Georgian Business Consulting, Business News-Analytical Agency), GHN (Georgian Hot News) (Source: [www.yellowpages.ge](http://www.yellowpages.ge))
- > **Annual advertising revenue in media sector:** For television, approximately \$35 million (unknown for print and radio) (TV MR GE, Licensee of AGB Nielsen Media Research)
- > **Internet usage:** 360,000 (2007 est., *CIA World Factbook*)

## MEDIA SUSTAINABILITY INDEX: GEORGIA



Annual scores for 2002 through 2005 are available online at [http://www.irex.org/programs/MSI\\_EUR/archive.asp](http://www.irex.org/programs/MSI_EUR/archive.asp)

### 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.

## OBJECTIVE 1: FREEDOM OF SPEECH

### Georgia Objective Score: 1.86

The free-speech score has plummeted 0.87 point in the two years since 2006-2007, when it reached a high of 2.73. Most indicators received scores near or below the overall objective score. Indicator 8 (media access to and use of international news sources) was in this category despite being a strong performer in the past; it suffered a serious setback due to voluntary and involuntary measures taken by the media and the government to control information during the conflict with Russia. Only Indicators 6 and 9 (libel laws and access to the journalism profession, respectively) received scores noticeably higher than the overall score.

Panelists almost unanimously praised freedom of speech laws as generally liberal and progressive, but most agreed that the laws are good only on paper. The panel said that the government practices discriminatory implementation of the laws through regulatory agencies and docile courts. The work of the Georgian National Communication Commission (GNCC) was also assessed as poor.

In 2008, several amendments were introduced in the Law on Broadcasting. A March 2008 amendment to the law obliged GPB to spend "not less than 25 percent" of its programming budget on preparing minority-language programs and news related to the twin secessionist republics of Abkhazia and South Ossetia. Further, Article 55 was added to the law on October 31, which requires GPB to allocate airtime to weekly political debate shows inviting political entities to participate on a nondiscriminatory basis. Tamar Kordzaia, a lawyer with the Georgian Young Lawyers Association, expressed the opinion that this should be regulated by the Broadcaster's Code of Conduct, not the Law on Broadcasting.

A majority of the panelists concluded that in the sphere of media licensing, the rule of law is often compromised by selective enforcement. Citing a row over a small opposition-backed television studio, most of the panelists said that broadcast licensing decisions are politically driven. Until recently, GNCC has been denying Maestro television studio a permit to air political programming. Entertainment had been Maestro's programming staple until it launched critical political shows last year. GNCC found Maestro to be in breach of its license, because it did not cover programs of a political nature. GNCC's subsequent reluctance to issue a broader license to Maestro turned into an eight-month-long dispute between the chief broadcast licensing authority and the television company. On September 30, 2008, the Tbilisi District Court upheld the decision of GNCC citing a stipulation in the law that imposes a year-long ban on issuance of a modified

license to a company that had received an official warning for violating the terms of its license.

GNCC, however, awarded the license on December 2 after the speaker of the parliament and several high-profile lawmakers weighed in on the matter. Some participants believe that the government caved in to the pressure from opposition parties and journalists. "If Maestro is legally entitled to the modified license, why couldn't it get it through legal means? Why did it become necessary to make a political decision?" asked Zviad Koridze, journalist and media analyst.

Radio Hereti has been waging its own battle with GNCC. This small regional radio disputes a GEL 5,000 fine that was imposed last year by the GNCC for Hereti's alleged failure to present timely proof of its license fee payment. Denying the allegation, Radio Hereti construed the fine as a retribution for its critical coverage of Mikheil Saakashvili's 2008 presidential campaign. After its appeal to rescind the fine was turned down by both the Tbilisi District Court and the Court of Appeals, Radio Hereti said it would seek justice in the Supreme Court.

For two years, GNCC has not awarded a broadcasting license to two community radios that operate with support of the European Commission and other donors. The community radios, a joint project of BBC World Service Trust and a local association, Studio Re, provide news and information in the Azeri and Armenian languages, as well as in Russian and Georgian, for ethnic minorities living in the Kvemo Kartli and Javakheti regions. According to Mamuka Kuparadze, of Studio Re, GNCC in its most recent vaguely worded written response said that public opinion should be surveyed before a decision is made about announcing a contest for broadcast frequencies. In the meantime, the radios go on air via loudspeakers.

Panelists said that GNCC's powers are too broad, allowing the regulator to exercise control over broadcast editorial content. GNCC issues content-based permits (a political programming permit, an entertainment programming permit, etc.), rather than a general broadcast license that would allow television and radio companies to choose programming to their own liking. As exemplified by the case of Maestro, this has become an editorial control tool for the authorities, Koridze said. To avoid this, panelists said, GNCC must restrict its role to dealing with technical aspects of broadcasting, such as regulating frequencies, rather than regulating content via licensing.

A number of local and international human-rights and media watchdogs that are active in the country have observed a decline in press freedom. In 2008, Reporters without Borders downgraded Georgia's ranking by 57 points on its annual freedom of the press chart. Panel participants noted some level

of civic fatigue caused by the chronic domestic turmoil, which has allowed government officials to get away with attacks on the media freedom and face little resistance from the nascent civil society. Khatuna Maisashvili, editor of the monthly magazine *Sitkva*, believes that hefty sums spent on civil-rights advocacy have gone to waste, as there has been little consolidated public effort to confront attacks on civil liberties.

Most of the panel discussion hinged on the embattled Imedi television company that was forced off the air at gunpoint by riot police in 2007. Amid the crackdown on an anti-government rally, police occupied the company's studios and physically abused its employees. Admitting that police overstepped their bounds, the government promised an investigation into the raid, but to this day nobody has been held responsible for the attack.

In response to a prosecutorial request, GNCC pulled Imedi's license for three months, holding the television company responsible for fomenting unrest. Most of the channel's key news anchors and show hosts have since found a good home for themselves at GPB. Imedi did not reopen until September 2008.

In the wake of the riots of November 2007, President Saakashvili called snap presidential elections. Media mogul and Imedi owner Badri Patarkatsishvili ran against incumbent Saakashvili in the poll held on January 5, 2008. Patarkatsishvili's sudden death in February set the stage for an ongoing battle for Imedi between the late financier's family and his business associate Joseph Kay.

A distant relative of Patarkatsishvili, Kay took over Imedi by purchasing a controlling interest in the television's parent company, JMG. Calling Kay a front man for the administration, Patarkatsishvili's widow accused the government of expropriating the company from her family. The opposition parties also cried foul at what they call efforts to muzzle the country's only critical news network with nationwide reach. Before fleeing the country, former owner of JMG, Gogi Jaoshvili, told a news conference on December 10, 2008, that he had surrendered his shares to Kay in the face of physical and psychological pressure from government officials. Patarkatsishvili's widow hopes to reclaim Imedi shares through legal action.

The tax environment neither discriminates against nor favors the news industry, save for a concession for the print media. Pursuant to Point 1 (u), Article 230, Chapter 33 of the Tax Law, print media are subject to a VAT exemption. Regional media representatives said they would like to see more tax breaks to keep their shoestring operations afloat.

Journalists faced intimidation and harassment during the elections and conflict with Russia. Regional media representatives said they and their colleagues received harassing phone calls from local officials. Panelists also noted an assault on Eliso Chapidze, the duty editor of Tbilisi-based daily *Rezonansi*. Chapidze was physically abused at a precinct polling station in the town of Signaghi on the day of the parliamentary vote, May 21, 2008, by a group of men who were harassing voters at the polling station. Panelist Ekaterine Pirtskhalava, news executive at Radio Green Wave, mentioned the alleged beating of regional reporter Saba Tsitsikashvili by the governor of Shida Kartli, a region that bore the brunt of the Russian invasion. In an article published on the news website media.ge, Tsitsikashvili claimed that the attack was retribution for his criticism of the governor's handling of the crisis. In neither case have any offenders been prosecuted.

Government officials do not enjoy preferential legal treatment in their dealings with the media. However, the airtime of the largest television channels is readily available for the ruling party officials, but to a far lesser degree for government critics, some panelists said.

Libel is regulated by civil law, in particular the Law on the Freedom of Speech and Expression. Paragraph 3 of Article 17 of the law gives the offending party an option to make restitution to the claimant through "correction by retraction" of the libelous matter, but the court may impose further compensation of actual or moral damages if the retraction or denial is found insufficient to make up for the damage claimed by the offended party. In a dispute related to allegedly defamatory matter, the plaintiff must prove the

#### 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.

charges, and the owner of the media outlet concerned shall be the only respondent.

Panelists said that the law guarantees media's access to public information, but Levan Alpaidze, commercial director at Imedia TV, and Ramaz Samkharadze, director of Radio Hereti, said that state institutions create serious red tape to hinder release of public information, especially concerning law enforcement and state spending records. Samkharadze said that as a rule the Kakheti region governor's office is reluctant to respond quickly and properly to his radio station's requests to release information related to public spending. "We had to place repeated requests to receive information on the cost of renovating the governor's office," Samkharadze said. He said that such information often comes later than is stipulated by law.

The conflict with Russia led to government measures (as well as self-censorship, described below) that impacted media's ability to access and make use of international news sources. In particular, the government blocked access to Russian Internet sites and cable channels. Panelists returned much lower scores for this indicator than in the previous year due not only to the fact that the measure was taken, but also because of the ease with which the government was able to effect this.

Panelists noted no restrictions on entry into the journalism profession.

## OBJECTIVE 2: PROFESSIONAL JOURNALISM

### Georgia Objective Score: 1.77

Tightened political control in tandem with lax editorial commitment to established journalism standards hindered delivery of objective and well-sourced information. As a result, this objective experienced a 0.34 decrease from the previous year. Several indicators showed notable declines, and almost all scored relatively closely to the objective score. Only Indicator 7 (technical facilities) maintained its score from last year and scored notably higher than the overall objective score.

Although reporters do make efforts to present stories from a variety of angles and viewpoints, neither news executives nor society at large have fully embraced the need for objectivity and pursuance of facts, panel participants said. Pirtskhalava said, and others agreed, that coverage of key events has been perfunctory and lacking due depth and critical analysis.

With a few exceptions, media lean toward "Gonzo" journalism because it is perceived to be the most saleable

genre. News executives believe that the western journalism values of balance and ethics have not fully gained currency with Georgian audiences. "Publishers believe that content that is not aggressively critical doesn't sell well," said Lana Ghvinjilia, manager of the Open Society Georgia Foundation's Civil Society and Media Support Program. The media scene is therefore replete with sensationalist headlines and "gung-ho" journalism pieces.

Coverage of the Russian invasion was marked by the flare-up of patriotic tenor in the mainstream Georgian media that often stretched ethical and professional constraints. According to Ghvinjilia, news companies cranked out a series of reports from the frontlines but failed to raise critical questions and maintain balance mostly due to poor professionalism. Other panelists added that political convictions also dimmed the judgment of reporters and editors alike. Letting their emotions get in the way of professional ethics, many reporters and editors produced extremely opinionated stories larded with snide remarks about the separatists and the Russians alike, panelists said.

Panelists directed much of their criticism at Rustavi2, the nation's top television channel, which is widely viewed as pro-government. Discussion revolved around a senior Rustavi 2 reporter, whose war diaries were laced with caustic, if offensive, language. Rusudan Vashakidze, a producer at Rustavi2, defended her colleague, saying that this style is his personal trademark, that the reporter had to work in extremely challenging circumstances, and that the dizzying pace of developments and risks faced by the war-zone correspondents left little time for critical analysis.

## 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.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).

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Pirtskhalava said, and other panelists agreed, that at the height of the confrontation the Georgian government hijacked the news-breaking role from the news media. Government officials took turns breaking news, and the media did little to second-guess the credibility of the official statements.

Several efforts to introduce cross-media ethical standards have largely fallen flat. However, after three years in the making, the GNCC produced what appears to be the final draft of the code of conduct for broadcast media. GPB, key private television companies, local NGOs, and international organizations worked on the draft that was posted on GNCC's website on November 21, 2008.

Containing both mandatory and discretionary clauses, the code-of-conduct project attempts to set ethical and legal boundaries for the broadcast media to ensure responsible delivery of information and entertainment. It contains a set of guidelines for newsgathering and reporting practices such as door-stepping, use of anonymous sources, and signposting challenging content. The draft outlines standard procedures for media self-regulation and public accountability.

Before the code of conduct becomes effective, the Ministry of Justice will review it to ensure consistency with the law.

In a separate initiative, a group of regional media came up with a proposal to introduce a nationwide Journalism Charter, a set of professional rules of thumb and self-imposed ethical limitations meant to ensure conformity with international journalism standards and values. The proponents of the project say that the law does not and cannot entirely regulate ethical and professional dimensions of media activity, and therefore journalists themselves should fill this void.

The authors of the project have invited individual journalists, rather than media companies, to become signatories to the Charter. Ia Antadze, a prominent journalist spearheading the effort, suggested creation of a rotating supervisory council that would oversee adherence to the guiding principles of the Charter by its signees. The Charter will have its own logo, and the work of those journalists who comply with the Charter's requirements will carry this logo as a stamp of quality. Koridze noted that regional media have keenly embraced the idea, but Tbilisi-based journalists have proved harder to engage.

Kutaisi-based newspaper *P.S.* has also drawn up its own code of ethics with the help of the Open Society Institute and Media Development Foundation. The code was presented on December 20, 2008. Editorial staff of the newspaper say that they will oversee adherence to the code by the newspaper's reporters.

Since elections in 2008, the Media Council has become moribund. Davit Paichadze, media analyst and member of the council, said signatories displayed little interest in self-regulation and none have filed any complaint to the council.

The highly politicized media environment and the government's interference in editorial content led to proliferation of top-down self-censorship in the media. Political agendas permeate the media, turning them into tools in partisan political toolkits. Generally media provide a diverse range of political views, but the largest outlets remain under the influence of their owners and political patrons and therefore news-slanting is common.

Growing dependency on advertising also poses new challenges to the editorial independence of regional newspapers. Several news outlets found themselves hostage of much-wanted advertisement revenues. Ia Bobokhidze said her struggling *Akhali Gazeti* newspaper experiences direct pressure from advertisers, who expect favorable coverage in exchange for placing ads. "There are companies that, just like some politicians, feel that they become owners of a newspaper if they purchase ad space," she said.

News media tread cautiously on the most sensitive issues, such as the war with Russia and religion. Alpaidze said that mainstream media are averse to present opinions that buck the official line on the war. Nino Jangirashvili, director of independent television company Kavkasia, said she practiced self-censorship during the conflict with Russia, lest they broadcast sensitive information or invite the government's anger.

Criticism of the Orthodox Church is largely taboo in the media. Jangirashvili said her television shies away from airing stories critical of religion, as even mildly critical reports spark an angry outcry from the audience. Despite pressure from conservative groups, the regional newspaper *Akhali Gazeti* pursued a story on a long-running dispute between the Catholic and Orthodox Churches over a cathedral building. Both claim ownership of the building, and *Akhali Gazeti* was pressured to side with the dominant Orthodox Church.

Panelists agreed that key events and issues are normally covered in the media but noted instances of selective coverage. While reporting extensively on the coverage of the Russian-Georgian conflict in the world's leading news outlets, Georgian television eschewed negative international press.

The panel said the coverage of internally displaced persons (IDPs) has been riddled with deficiencies, with political statements often given priority over human-interest angles. Television crews tend to shadow government officials visiting IDP communities, rather than pursuing refugee stories on their own.

Most of the panelists agreed that media barely scratch the surface of social woes faced by the country. Reporters tend to follow socially themed stories when they are tied to some government or development organization project, rather than address such issues on their own. Samkharadze said, however, that the local authorities increasingly take measures to tackle problems raised in civic journalism pieces often aired on his Hereti Radio. Yet generally such reporting is still not very popular.

Broadcasting companies headquartered in Tbilisi offer competitive salaries, but pay levels remain very low in the regional news outlets. Regional journalists complained about the drain of well-educated reporters from the regions. "Regional labor markets don't offer competitive salaries," Bobokhidze said. Media professionals therefore tend to seek greener pastures in Tbilisi. However, salaries seem to be sufficient to discourage media graft. As a rule, salaries are much higher in broadcasting (especially television) than in print media.

Panelists believe that entertainment does not eclipse news and information programming. The panel focused on the quality rather than quantity of news and political shows. Pirtskhalava said that televised political debates are not very informative and are presented as a "sport," where two sides engage in a petty exchange, rather than meaningful discussion.

The technical capacities of media companies vary across media types and locations. Leading Tbilisi-based television channels are equipped with state-of-the-art gear, but regional newspapers and broadcasters are looking for donor funding to cope with equipment and facility wear and tear.

An increase in specialized journalism occurred in 2008. Some media analysts ascribe this to rapid economic growth that screeched to a halt in August. The major private television companies—Rustavi2, Mze, and Imedi—offer business and health programming. Radio stations also provide routine business broadcasts. Radio Fortuna and Radio Imereti offer business shows—*Business Courier* and *Economics*, respectively. Koridze said these programs enjoy limited popularity and their sustainability relies on private sponsors.

*Rezonansi* daily newspaper launched a new pull-out section devoted to state spending. Key television channels produced documentary series, but panelists believe that science-related programming is not popular. Investigative journalism has been barely visible throughout the year. Panelists said that the poor investigative skills of reporters and growing fear of retribution put a damper on development of this genre.

## OBJECTIVE 3: PLURALITY OF NEWS

### Georgia Objective Score: 1.91

Diversity of news sources and views has deteriorated somewhat throughout the year due to both homegrown political strife and challenges to national security. Several panel participants said that formerly opposition-friendly Imedi TV turned into a government mouthpiece, a label already widely applied to Georgia's three remaining major television channels—Rustavi-2, Mze, and Georgian Public Television. As a result, the score for this objective fell a bit from 2.09 last year to 1.91 this year. All indicators either fell noticeably or remained static. Further, all received scores relatively close to the overall objective score, except for Indicators 3 and 6 (state media reflect the views of the political spectrum and transparency of ownership, respectively); these two received scores more than a half-point lower.

Media generally still provide an outlet for alternative views, but the content of mainstream television has become increasingly homogenous. Some panelists said that no matter which channel you switch to you would get the same news in the same order.

The government-imposed international news brownout left Georgians without full access to foreign information sources during the Russian invasion. On August 8, the Georgian government cut most access to Russian television channels transmitted through cable services and websites in an effort to stonewall the Kremlin's propaganda. Georgian Internet users promptly found their way to the websites parked on

## 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.



the .ru domain via proxy servers. The ban was eased on September 9. The ban on Russian channels persists on cable television, but the channels have been available via satellite all the while.

Internet subscribers also suffered from bitter corporate rivalry between two major telecommunications companies. The owner of Tbilisi's telecommunications grid, United Telecom Georgia (UTG), disconnected subscribers to the Caucasus Online Internet service, citing the company's \$3 million backlog in payments for using UTG's infrastructure. Caucasus Online denied UTG's allegations and accused UTG of attempting to elbow its key competitor out of Georgia's small Internet service market of an estimated 360,000 users. As it is asserting itself on the market, UTG is prompting Internet users to switch to its own cheaper Internet service.

UTG launched a special advertising campaign, stating that it fell prey to false accusations and prompting users who suffered to switch to UTG services. Several television programs pitted the CEOs of these companies against one another, but media coverage was fairly balanced. Both companies are big advertisers, but panelists did not notice a decrease or increase in advertising due to their confrontation.

Television remains the most popular medium, panelists said, but there is also a lively and increasingly competitive radio market. Featuring music, news, and analytical shows, radio stations rarely turn a profit. The nation's two quality newspapers, *24 Saati* and *Rezonansi*, are complete opposites, with the former being loyal to the authorities while the latter is a vocal government critic. There is also whole panoply of tabloids and niche periodicals, but few can be described as reliable news sources and sound businesses.

The national printed press is available in the major cities and regional centers, but several mountainous areas remain impervious to both national and local media, leaving the communities little or no access to news. "In the Imereti highlands—Tkibuli, Sachkhere, Chiatura—there is a total information vacuum," Bobokhidze said. Local newspapers do not distribute to these areas because it is not cost-effective.

Throughout 2008, the government worked to cement a greater hold over the mainstream media, effectively securing fawning coverage and marginalizing alternative views, some panelists said. Several participants criticized the authorities for installing government loyalists as managers at main news networks.

During the election seasons in early winter and spring 2008, Public Television came under strong pressure from the opposition parties, which accused the company of toeing the government line. The OSCE's Office for Democratic

Institutions and Human Rights election monitoring mission report noted that campaign coverage by television stations overall "lacked balance both in terms of time allocation and tone," but added that GPB's coverage was in fact the most balanced of all. GPB made efforts to dole out airtime more or less equally and provide a multitude of views.

Staging rallies in front of the head office of GPB, and on one occasion even barging in to the company's headquarters, opposition leaders demanded access to live airtime, as well as dismissal of the news directors and the company board.

The tug of war for the control of GPB resulted in changes in both management and the format of the company. After many bouts of bitter political bickering, the ruling clique and the coalition of opposition parties reached a grudging compromise in February 2008. According to the deal, both sides nominated members of the company's board on a near-parity basis.

GPB's new board and news team overhauled the channel's programming, which was widely perceived as jejune, irrelevant, and biased. The renewed GPB brought back the old name of Channel 1, acquired a new logo, and from the beginning of December 2008 started a new program schedule offering several lively entertainment and educational programs with an emphasis on history and culture. GPB increasingly provides a forum for different ideas; however, the makeover has not fully assuaged the accusations of bias, and discussions continue about the role of public television.

A number of independent news agencies gather and distribute news. This includes several highly professional operations, such as Prime News, Kavkasia-Press, and the Civil Georgia news site.

Local radio and television stations generate original news programming and mostly do not rely on feeds from the national networks.

Ownership of the leading Georgian broadcasters remains obscure due to complicated corporate ownership structures and chronic changes in majority control. News Corp. has had a vaguely defined role in the embattled Imedi TV company. Last year, Imedi founder Badri Patarkatsishvili gave power of attorney over his shares in the company to News Corp. The media giant pulled out from Imedi in the wake of Patarkatsishvili's death.

When it comes to the media ownership debate, Rustavi-2 television channel stands in a class by itself. The company's majority shareholder is Geomedia Group, incorporated in the Marshall Islands. The identity of the controlling director of the offshore group remains under wraps, but some media allege that it is owned by the president's loyalists. Rustavi-2

founder Erosi Kitsmarishvili, a one-time Saakashvili ally-turned-vocal critic, claims that Saakashvili wrested away control of the Rustavi-2 in order to dominate the media. Geomeia also owns Mze and Stereo I television stations.

Tamar Kordzaia said that current laws cannot effectively prevent monopolization of the news outlets by one corporate owner. Article 60 of the Law on Broadcasting forbids a person or legal entity from owning more than one broadcast license for television and radio in one service area. But Kordzaia says that a single media owner or a corporation can still amass shares of various broadcasting companies through third parties. "Rustavi-2, for instance, already holds one broadcasting license; therefore, by law, Rustavi-2 itself cannot acquire another company with a similar license, but the [corporate or individual] owners of Rustavi-2 can purchase as many broadcasting companies as they will," she said.

Panelists like Pirtskhalava believe that the government's growing monopoly over mainstream media has taken a toll on the quality and variety of the news. Instead of engaging in a competition, national television channels have a gentlemen's agreement to split time slots for newscasts so that the timing of their news programs does not overlap, she said. "Not only do they not compete, they also provide the same information in all but identical order," Pirtskhalava said. "Time and again at news conferences I've heard reporters of competing channels tell each other, 'Are you going to cover this? No? Then I'm not going to cover it, either.'"

Ownership and sources of financing of the Russian-language Alania TV, which caters to the Ossetian minority, also remains shrouded in mystery. Many media observers believe that it is an open secret that the government sponsors the channel with a view to promote reconciliation with breakaway South Ossetia. Koridze noted that while often-critical Maestro television hit a snag over licensing, government-backed Alania had been free to broadcast without a license until 2008, when it finally received one.

Minority-language news programs have a growing presence. Public television offers newscasts in all widely spoken minority languages. Radio Hereti carries news in Russian to serve Kakheti's minority listenership. Radio Hereti also offers a weekly Azeri-language program to deliver news to the region's largest ethnic minority. Other topics of interest to non-mainstream segments of society are rarely covered, except for coverage of issues related to the poor; even then this is mostly covered by the opposition Kavkasia and Maestro. Further, gender issues are covered or discussed rarely; when they are, it is normally at the behest of NGOs.

## OBJECTIVE 4: BUSINESS MANAGEMENT

### Georgia Objective Score: 1.94

Since last year, Georgian media have made little headway toward becoming self-sufficient and profit-generating businesses, panelists said. Profitable media are still a rare commodity. This area did see a modest 0.17 increase, compared with the previous year, owing primarily to ratings and research becoming more entrenched. Therefore, while all other indicators remained relatively static, Indicators 6 and 7 showed noticeable gains. However, no indicator scored significantly better (or worse) than the overall objective score.

Media outlets increasingly draw a line between news and business operations. Previously journalists often operated as "jacks of all trades," combining marketing, distribution, and reporting functions. Several business-promoting NGOs are helping *Akhali Gazeti* to upgrade and streamline its marketing and accounting operations. "Among other things, we will have a modern accounting system that will help us make better marketing decisions," Bobokhidze said. "Previously we could calculate neither precise daily costs nor revenues of our newspaper."

But most regional newspapers can ill afford such improvements without securing external sources of funding. The lack of well-qualified managerial cadres sends the media industry scraping the bottom of the barrel in search of professional media managers. Management, in turn, routinely interferes with editorial content, Pirtskhalava said.

The leading television channels continue to receive financial injections from the government or private owners, while

### 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.

donor funding still helps cash-strapped regional media get through each day. Alpaidze said that even Imedi TV, seemingly a well-oiled business operation, received occasional financial infusions from its late owner, media tycoon Patarkatsishvili. Sources of funding of independent media companies are not transparent, leaving the door open to charges of corruption and clientelism. Koridze believes that pro-government television networks are indirectly underwritten by the state.

GPB receives commercial income, but the bulk of its funding comes from the state budget. The two public television channels asked for additional state funding after deciding to turn the lackluster 2nd Channel into a C-SPAN look-alike, featuring nonstop public-affairs programming. 2nd Channel will carry live broadcasts of parliamentary sessions, government meetings, and other proceedings and will host political debates. According to a recent account on media.ge, on December 30, the Georgian parliament approved the new state budget with GEL 500,000 allocated for Channel 1, exceeding the previous year's funding by GEL 597,600. As media.ge states: "According to Levan Gakheladze, chairman of the GPB Board of Trustees, the allocated amount is sufficient to make Channel 1 and both radio stations function, but not enough for the reorganization of 2nd Channel." An additional GEL 7 million is needed to fully transform 2nd Channel.

As was the case last year, many panelists believed that advertisement placement is affected by politics as much as by marketing strategies. Due to the purported roughshod treatment of private business by the government, many companies are wary of association with media companies that have run afoul of the authorities, some panelists said. Representatives of opposition-minded Kavkasia Television and Radio Hereti claimed that businesses were pressured by the authorities to pull commercials from their companies. Beeline, one of Georgia's three mobile-phone operators, walked out on a year-long advertisement deal with Hereti after the local radio got on the government's bad side, Samkharadze claimed.

There has been little progress in narrowing the gap in income levels between central and regional news outlets. The advertising market is concentrated in Tbilisi, where several successful advertising companies are based. Attracting advertising remains a daunting task for the regional media that remain subsistence businesses. Panelists said that advertising agencies cannot be bothered to work with local media, as they view the market size as infinitesimal.

According to the SakPressa press distribution company, the sales of Georgian newspapers and magazines decreased by about 30 percent in the last two months of 2008. It

attributed this to the increase of print media's retail price by 50 percent. However, SakPressa also states that in general, during 2008, print media sales in Georgia increased from 2007. Regional print outlets barely make ends meet and are heavily dependent on noncommercial sources of income. "Newspapers are barely breaking even, so reinvesting in technical upgrades is next to impossible," said Bobokhdze.

Local news companies find financial solace in a host of ongoing socially important campaigns funded by development organizations. Samkharadze said his Radio Hereti relies on grants to supplement the meager pay of its reporters. "Newsmen earn some GEL 300 to GEL 500 [\$188 to \$310 per month] if there is some grant or project; otherwise, it's within the GEL 120-to-GEL 150 range," he said.

Regional advertising sales, never flourishing, saw a slump in the second half of 2008. The triple whammy of the worldwide financial crisis, armed conflict, and reduced competition has had a chilling effect on both investors and advertisers across the nation's border. Bobokhidze said that before the war with Russia broke out, her newspaper had been posting intermittent gains. Now the newspaper is in financial straits as the war and lending crunch have depressed the nascent local advertising market. "Chances that advertisers will extend their contracts are small, as the current environment is not conducive to any business activity," Bobokhidze said. "It feels like we have been pushed several years back."

Government subsidies to commercial media are shrouded in mystery, and one can only speculate. Panelists said that the government is sponsoring the pro-government media, but it is not possible to provide any proof for this claim. It does not happen through advertising or preferential legal treatment. The president's loyalists give money to support the key media. It is an open secret that Georgia's Security Supremo Gela Bezhuashvili is sponsoring Rustavi-2, but there is no way to confirm this. Nonetheless, a "choir of government critics" believes that the government is indirectly and covertly sponsoring Rustavi-2.

Newspaper and magazine circulation numbers are mostly kept under wraps. Several panel participants said that many print outlets and publishing houses do not present tax authorities with real sales rates to avoid paying taxes. At the same time, newspapers claim inflated circulation rates when dealing with advertisers.

Leading television companies have grown conscious of ratings and are trying to tailor their products to the audience's preferences. There is a credible television ratings system in place run by TV MR GE and BCG. The former is the Georgia chapter of TV MR, an official licensee of AGB Nielsen Media Research. Both companies place PeopleMeters, an electronic

television metering device, in randomly selected households to collect data on audience preferences and viewing patterns. The surveys and rating often dictate programming decisions of the television broadcasters.

IPM, a marketing consultancy firm, surveys radio listenership using face-to-face interviews. The company also conducts monthly print-media readership surveys for advertisers. There is still no market research conducted for print media unless they themselves decide to do so.

In June 2008, BCG completed an OSI-funded readership research for *Akhali Gazeti*. BCG conducted face-to-face interviews with 200 readers and identified reading and purchasing patterns of the audience. The survey showed that the in-depth coverage of local issues gives *Akhali Gazeti* a competitive edge over national newspapers. Fifty-seven percent of the newspaper readership is based in Imereti's biggest city of Kutaisi. Bobokhidze described the survey as very useful and said that it will help her better adjust the content to the target audience.

## OBJECTIVE 5: SUPPORTING INSTITUTIONS

### Georgia Objective Score: 1.99

The score for this objective fell by 0.24 this year, mostly due to lower scores for Indicator 7 (apolitical channels of media distribution) and Indicator 3 (the role of NGOs). While most indicators scored relatively close to the overall objective score, Indicator 2 (professional associations) scored more than three-quarters of a point lower.

There are no professional associations representing the interests of media professionals. Several trade associations are active, but their influence is marginal. "Regional media associations that for the most part have been set up with assistance of donors didn't prove viable, as they were not based on initiatives coming from media business," Lana Ghvinjilia commented.

A host of NGOs are active in the media development sphere, but some panelists said that the interest of the nongovernment sector in media issues has dwindled. The Georgia Young Lawyers Association, Liberty Institute, Internews, and HumanRights.ge are among the associations advocating journalists' rights and freedom of speech. Internews Georgia operates a popular media news portal Media.ge.

The Georgian Regional Media Association (GRMA) attempts to coordinate the efforts of individual regional journalism practitioners and news companies to tackle the litany of problems faced by Georgian journalists, such as the lack of

accessibility and transparency of public information, crimes against journalists, and poor professionalism.

With Tbilisi being the only exception, GRMA brings together both individual reporters and news organizations from around the country. GRMA, along with the Center for Social Sciences and Civil Society Institute, is helping to promote the idea of creating a national Journalism Charter described in Objective 2. The idea of the Charter was first floated during the parliamentary elections in May 2008, when a number of regional news outlets agreed to subscribe to several fundamental principles of fairness and balance in election coverage. "The Association proved effective in helping to share information among different newspapers, especially under pressing circumstances," Mamaladze said. Other panelists agreed that during the war when mainstream media failed to provide the complete picture of developments, GRMA served as an effective tool for information exchange.

The GRMA is funded by donor organizations. The chairwoman of GRMA, Ia Mamaladze, said that in the future they plan to start charging a small membership fee.

The director of Batumi-based television company Channel 25, Merab Merkviladze, said that similar cooperation does not take place between regional and central broadcasting companies. "Part of the reason is that such information exchange is not technically feasible for the television and radio organizations," he said. According to him, the Georgian Association of Regional Television Broadcasters and Internews are now working on a project that will involve linking major cities by fiber-optic cables to facilitate audiovisual information exchange between broadcasters.

Panelists agreed that journalism education programs offered by the state universities are obsolete and fail to respond

## 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.

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adequately to the needs of the fast-changing industry. The deficit of academic staff with professional backgrounds in journalism was mentioned as one of the key problems, followed by the lack of modern textbooks and equipment. Some instructors use modern English-language textbooks, but students' command of English is generally poor.

Maia Mikashavidze, dean of the Caucasus School of Journalism and Media Management (CSJMM), noted some positive trends. CSJMM broke the mold in Georgia's journalism education by offering intensive hands-on training at the graduate level, and other schools have recently started to follow the suit.

CSJMM is one of two private educational institutions that offer highly professional journalism programs. CSJMM's curriculum is molded after US journalism education programs, and American and European instructors teach at the school along with their Georgian colleagues. Offering instruction both in Georgian and English, the CSJMM has gained South Caucasus-wide notoriety.

Mikashavidze said that despite growing interest in the program, the school tries to keep admission rates in sync with real demand in the labor market. Along with the core master-level studies, CSJMM also offers long-term training courses. "These courses incorporate elements of an academic program and professional trainings," Mikashavidze said. She added that graduate employment rates are encouraging.

A new Caucasus School of Media established in 2006 at the Caucasus University also boasts a Western-educated faculty and innovative curriculum. Its well-structured undergraduate program is aimed at building cross-media competence in students. The school launched a master's degree program in 2008.

State schools are hamstrung by the lack of up-to-date technical facilities and professorial cadres with modern education. Tbilisi State University is cooperating with donor organizations to upgrade its equipment, curricula, and academic staff. Under the Open Society Institute's Academic Fellowship Program, a pool of western-educated media professionals and scholars is teaching at the university's journalism department. The caveat is that the number of returning scholars is limited, and their courses are not organically integrated into the department's curriculum.

Journalism and communications remain to be among the priorities of international fellowship programs available in Georgia. The Presidential Fund also sponsors the studies of Georgian journalism students in Western universities.

Some panelists say that not all journalism professionals share international journalism values and standards. Therefore,

graduates of the best journalism programs often end up working for companies that do not hold such values in high esteem. "One day I may speak to a class about ethics, and next day a journalist [invited as a guest speaker] tells them that objectivity is a 'bluff,'" Koridze said.

Media professionals can avail themselves of a variety of in-service training programs. Organizations involved in media development offer generic skills-building training as well as specialized coaching in several areas such as covering conflict, business, and gender issues. Regional media representatives said that without donor funding their organizations cannot afford to send journalists to paid trainings. Pirtskhalva said that subject-oriented trainings often are not tailored to the needs of media outlets.

Newsprint and the several printing facilities are free of political control, but the poor quality of regional printers is still a turnoff for newspaper publishers. "It is often cheaper and better to print in Tbilisi than in Kutaisi because of the quality issues," Bobokhidze said. Advertisement agencies often look for high-quality printing solutions abroad.

Channels of media distribution are private but by no means immune to political pressure. Print media are mostly distributed through newsstands and kiosks. Only larger institutions tend to subscribe to newspapers and magazines. Citing national security considerations, in August the government instructed cable companies to stop transmitting Russian channels, as their coverage of the war was perceived by the authorities as disruptive. The Internet also faced restrictions on the same grounds.

Newspaper distribution channels are apolitical and free. Print news distribution works effectively in Tbilisi, but many rural areas are underserved. Further, several regional distributors started charging print media a fixed fee in lieu of retaining a percentage from sales. This raised the stakes for regional newspapers that are struggling to cut production costs.

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## List of Panel Participants

**Maia Mikashvidze**, dean, Caucasus School of Journalism and Media Management at the Georgian Institute of Public Affairs, Tbilisi

**Zviad Koridze**, independent journalist and media analyst, Tbilisi

**Tamar Kordzaia**, lawyer, Transparency and Accountability Support Project, Georgian Young Lawyers Association, Tbilisi

**Levan Alpaidze**, commercial director, TV Imedi, Tbilisi

**Rusudan Vashakidze**, producer, Rustavi-2 TV, Tbilisi

**Nino Jangirashvili**, director, TV Kavkasia, Tbilisi

**Merab Merkviladze**, founder and director, Channel 25, Batumi

**Ekaterine Pirtskhalava**, head of the news service and broadcasting director, Radio Green Wave; radio journalism class instructor, Tbilisi State University, Tbilisi

**Ramaz Samkharadze**, director, Radio Hereti, Lagodekhi

**Ia Mamaladze**, chairwoman, Georgian Regional Media Association, Tbilisi

**Avtandil Gvasalia**, executive director, Georgian Association of Regional Television Broadcasters, Tbilisi

**Khatuna Maisashvili**, editor, monthly magazine *Sitkva*; editor, publishing house 7 Dge Ltd, Tbilisi

**Ia Bobokhidze**, editor-in-chief, *Akhali Gazeti*, Kutaisi

**Lana Ghvinjilia**, manager, Civil Society and Media Support Program, Open Society Georgia Foundation, Tbilisi

## Moderator

**Ellada Gamreklidze**, independent expert, Tbilisi

## Author

**Giorgi Lomsadze**, reporter and analyst, EurasiaNet.org

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