

**MEDIA**

**SUSTAINABILITY**

**INDEX**

**2004**



**IREX**

“JOURNALISTS ARE PESSIMISTIC BECAUSE EVEN THOUGH WE HAVE GOOD LEGISLATION, IT IS NOT APPLIED IN PRACTICE AND THE COURTS ARE NOT TRUSTWORTHY,” SAID TAMAR KINTSURASHVILI.



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The changes made possible by Georgia's Rose Revolution began to unfold during 2004, a year of highly charged politics and significant opportunity for progress, including in media reform. After the November 2003 resignation of President Eduard Shevardnadze, Mikheil Saakashvili was elected in January 2004 with 96 percent of the votes; parliamentary elections followed in March. The head of the autonomous region of Adjara, Aslan Abashidze, refused to recognize the new government and imposed a state of emergency, but political pressure and economic sanctions from Tbilisi as well as mass protests forced him to flee to Russia in May. Central government rule was restored, and elections of the Adjara Supreme Council took place in June.

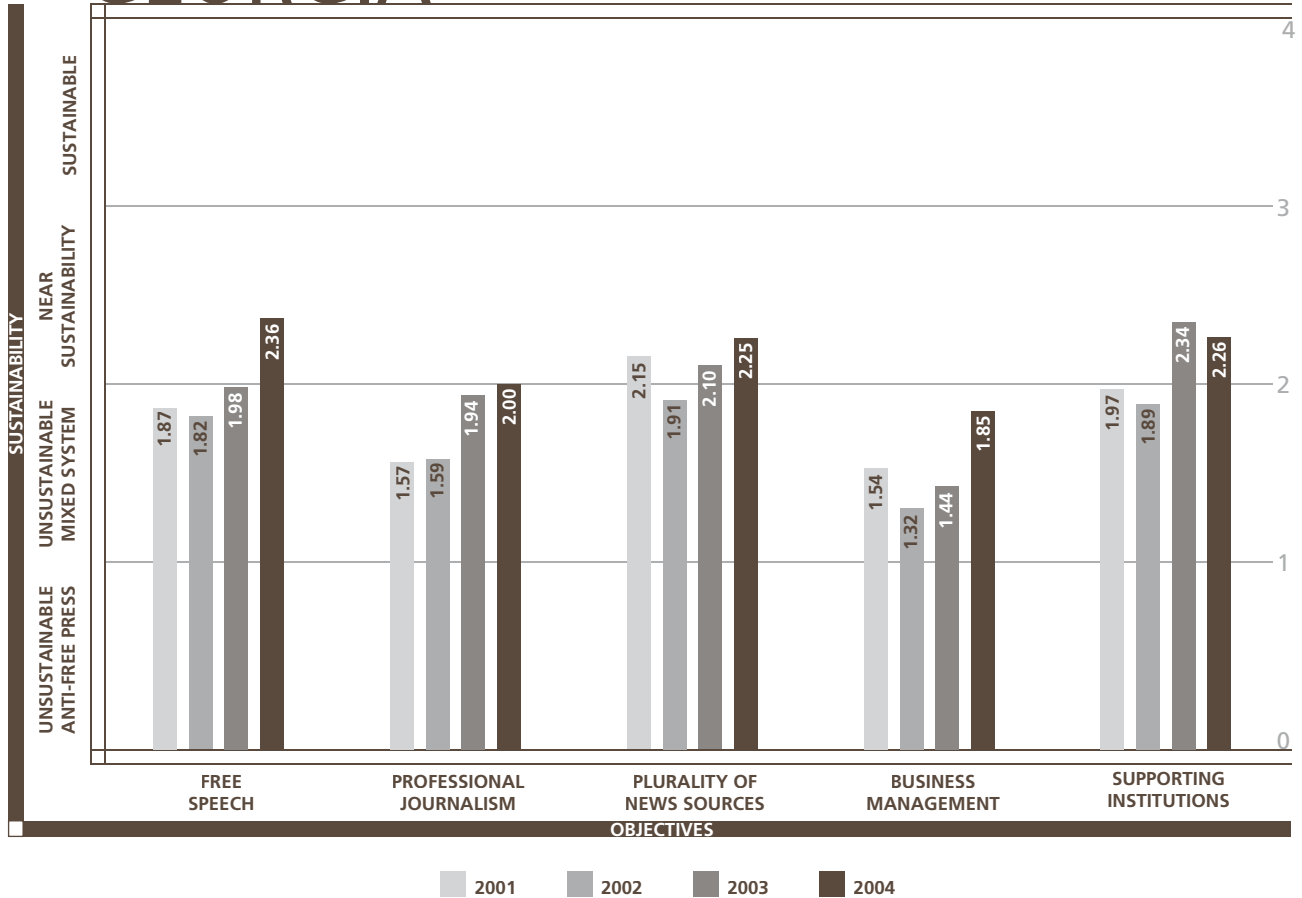
The new government inherited a country torn apart by the ethnic conflict and an impoverished population beleaguered by the rampant corruption. It had to act fast to meet the electorate's high expectations, and fighting corruption became a top priority. Important reforms were initiated, especially in the law-enforcement agencies, the education sector, and the economy. The corrupted traffic police were replaced by a trained patrol force, a draft higher-education law and tax code were submitted to the parliament, privatization of major state enterprises was begun, and the fight against smuggling was intensified.

The Georgian media had played an important role in the Rose Revolution, especially the live coverage of the demonstrations broadcast by the independent television company Rustavi 2. After the revolution, however, the Georgian media largely abandoned their critical approach in the coverage of government activities. Media owners in many cases were allies of those who had come to power, and media professionals appeared to be allowing the new authorities some grace period to present their agenda. Where the previous periods had challenged the media with imperfect legislation and even worse enforcement of free-speech rights, self-censorship became the main plague for Georgian media during 2004.



# MEDIA SUSTAINABILITY INDEX

## GEORGIA



**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.

The media landscape changed significantly during the year. The Rustavi 2 television station was acquired by a businessman from Adjara and was awarded a national license, while Channel 25 in Batumi was returned to its legitimate owner after the fall of Abashidze's regime. Channel 9, based in Tbilisi, ceased broadcasting because, its owners said, of lack of profits. After a business group allegedly involved in smuggling tobacco products came under investigation, the Tbilisi-based TV Iberia, owned by the group, stopped producing its own programs. Similarly, the newspaper *Akhali Epoqa* and magazine *Omega*, also owned by the group, stopped publishing. The Lomsia television station from Akhaltsikhe lost its broadcast license when it failed to submit a renewal application to the Georgian National Communications Commission (GNCC). The owners of several media outlets took public office, with the owners of TV 202, TV Odishi, and TV Trialeti becoming members of parliament.

Although significant challenges remain, the 2004 Media Sustainability Index (MSI) panel viewed Georgia's media as moving forward in almost all regards during the year. A major law guaranteeing freedom of speech was adopted, and the new tax code exempting print media from almost all levies was approved by the parliament. Additionally, legislative steps were taken to introduce a public broadcaster, and crimes against journalists have drastically declined. The skills of media professionals continued the slow but steady progress recorded during the past four years, due largely to the international and local organizations providing Georgian media with professional training opportunities. Media consumers, meanwhile, had access to a wider spectrum of opinions delivered through a variety of communication channels. There also was continued improvement in media business management. Foreign investments not linked to political agendas began to flow into the Georgian media market. For example, AGB partnered with a Georgian research company to measure television ratings through people-meters. The only area the MSI panel found had not improved during 2004 were the supporting institutions such as business and professional associations, due to the departure of key leaders who took up government posts.

#### OBJECTIVE 1: FREE SPEECH

**Georgia Objective Score: 2.36 / 4.00**

Media legislation improved during 2004, but threats to media freedoms and self-censorship remain problems, according to the MSI panelists.

#### Legal and social norms protect and promote free speech and access to public information.

##### FREE-SPEECH INDICATORS:

- > Legal/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 the offended party 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.

Articles 19 and 24 in the Constitution of Georgia of 1995 and the newly adopted Law on Freedom of Speech and Expression from July 2004 guarantee freedom of speech in Georgia. Both legislative acts meet international standards. The Law on Freedom of Speech and Expression superseded the outdated and ineffective 1991 Law on Press and Other Means of Mass Media and introduced a number of guarantees and innovations. For example, the law decriminalized libel in Georgia, and the burden of proof in defamation court cases shifted to the plaintiff. The law provides a clear definition of a fact vs. a value judgment and clearly states that it is impossible to hold people liable for expressing views and judgments. Journalists were released from liability for stories they produce, while editors and owners will bear the responsibility. Also, it became more difficult for public figures, in comparison with private citizens, to sue a journalist for defamation. The panelists agreed, however, that although the legal framework seems to be in place, implementation remains difficult.

Various nongovernmental organizations (NGOs) in Georgia are positioned to protect the rights of journalists and citizens, but although freedom-of-speech violations still take place, outrage is not as virulent as it was. Panelist Irakli Sharabidze, a senior lawyer for Imedi television, suggested that activism has ebbed. "After the Rose Revolution, the people have become temporarily drained of emotions and have become more tolerant," he said.

The Georgian National Communications Commission (GNCC) created in 2000 is responsible for regulating the broadcast sector and issuing broadcasting licenses. Created by the Law on Telecommunications and Post of 1999, the GNCC technically is an independent body with an independent source of income from licensing and regulation fees. However, as the commission members are appointed by the president of Georgia, political independence is difficult to maintain.

***"There is not so much discrimination among media outlets themselves as among the means of media. When state agencies wish to call a press conference, they would rather concentrate on television stations. It is not important for them whether newspapers and radio stations participate or not," noted Tamar Chikovani.***

A new chairman appointed in June 2004 announced that the GNCC will require all broadcasters to meet the requirements of intellectual property legislation and obtain valid licenses for the products they broadcast. In other action, the GNCC did not renew the license of a regional

television station, Lomsia TV, after it failed to file a timely application requesting an extension. Although the commission had legitimate grounds for revoking the license, panelists noted a double standard: One of the leading television stations, Rustavi 2, which played a significant role in the Rose Revolution, similarly failed to request a license extension yet avoided having its license revoked. The panel members from the broadcasting sector characterized their working relationship with the GNCC and the commission members as generally good. Sharabidze, however, said licensing procedures were a bit vague and questioned the transparency of the evaluation system that uses various sub-commissions to review elements of the application while the entire commission considers the programming proposal.

Another concern regarding licensing was the provision in the draft law on broadcasting under consideration in parliament. According to the draft, a current license would be prolonged automatically for 10 more years provided that a media outlet meets certain legal requirements. After that, for each 10-year period, a competitive renewal process would be announced. Panelists Ramin Meladze, director of Georgian Radio Network (GRN), and Irakli Sharabidze, senior lawyer at TV Imedi, said such a system threatens future potential investments and credit opportunities for broadcasters. They said investors and banks would be unwilling to finance media outlets without guarantees of license renewals after the expiration of 10-year terms and this system therefore would present obstacles to the sustainability of broadcasting businesses.

The new law also would begin transforming the State TV and Radio Corporation into a public broadcaster. The draft allows for up to 30 minutes a day of advertising on the public broadcaster, and panelists expressed concern about the competition with the private broadcasting sector for shares of the advertising market. The public broadcaster specifies it is to be governed by a director and a nine-member board of supervisors, with the president submitting the list of candidates to the parliament for approval. Hence, government influence will be evident, and the board members will most likely be loyal to the authorities.

Georgian print and broadcast outlets are registered in the same way as other legal business entities. Market entry and tax structures are similar to those for other businesses. The print media receive tax breaks through an exemption from 20 percent of the value-added tax (VAT) on printing and distribution. The new Tax Code of Georgia, going into effect in 2005, releases print media from paying any taxes other than income and social taxes, and this significant benefit is expected to bolster development of the sector. The broadcast media lack any tax benefits. Panelists mentioned that broadcasters must pay full tax rates but, unlike other businesses in Georgia, also face licensing and annual regulation fees to the commission. The licensing fee is determined by the GNCC on a case-by-case basis, taking into account specifics of the permit awarded, such as the capacity of the frequency, while the annual regulation fee amounts to 1 percent of a broadcasting company's annual income.

David Kikalishvili, anchor at the television company Rustavi 2 in Tbilisi, noted that the government does not welcome foreign investment in the media industry. Although there are no legislative restrictions in this regard, informal pressure is exerted to prevent foreign investment.



In 2004, many violations of journalists' rights took place in Georgia. However, in comparison with previous years, instances of physical attacks and intimidation sharply declined. Several such cases were reported, nonetheless. Investigative journalist Vakhtang Komakhidze from Rustavi 2 was severely beaten in the Ajaran Autonomous Republic before the collapse of Abashidze's regime there. During the parliamentary elections, journalist Marine Chikhladze from the regional newspaper *Guria News* was beaten by activists of the National Movement in Chokhtauri, and in Lanchkuti, Guria, during the pre-election period, journalist Lado Menabde was threatened and then beaten for writing a story about an MP. This case was not investigated, and no one was prosecuted or punished. Also in Guria, the regional office of the state prosecutor tried to force journalists from *Guria News* to name protestors who were demanding the resignation of the governor during a demonstration. In the Kakheti region, Zurab Kachlishvili, the editor of the Telavi-based newspaper *Obiektivi*, was beaten while writing about the alleged misappropriation of funds from the regional budget. Journalists from the Gurjaani-based newspaper *Spektri* were harassed by local authorities while investigating corruption in the local schools. In August, the transmitter of the Poti-based Ninth Wave TV was vandalized and damaged in an incident the media reported as an attempt to stifle the independent television company.

Courts also acted as instruments of pressure on media. Disciplinary proceedings were initiated by the Liberty Institute, a human-rights organization, against a judge from the Gori regional court who ordered a journalist from the newspaper *Trialeti* to pay damages and apologize for printing a photo of a public figure taken in a public place. According to Georgian legislation, one does not have to ask permission to publish such a photo and an apology is not outlined as a penalty by Georgian law. The same judge refused to satisfy the claim of a regional journalist from *Khalkhis Gazeti*, who was denied public information under a provision no longer in effect. Overall, panelists said, the judicial system in Georgia lacks independence, and the skills of judges and lawyers are not well developed, especially in the regions.

The law does not provide for preferential tax treatment of state-owned media, and, with the expected adoption of the new broadcasting law, state-owned broadcast media will cease to exist. The state TV and Radio Corporation in Tbilisi will be transformed into a public broadcaster, and the state-funded Ajaran TV will be privatized. The government supports only two newspapers, both minority—the Armenian-

language *Vrastan* and the Azeri *Gurjistan*. Some newspapers remain funded by the budget of the Ajaran Autonomous Republic.

Panelists did not note discrimination between state-owned and private media. According to Tamar Chikovani, head of the Radio Free Europe/Radio Liberty Tbilisi bureau, "There is not so much discrimination among media outlets themselves as among the means of media. When state agencies wish to call a press conference, they would rather concentrate on television stations. It is not important for them whether newspapers and radio stations participate or not."

The 2004 adoption of the Law on Freedom of Speech and Expression gave Georgia international standard defamation provisions, with the most

***"After the Rose Revolution, the people have become temporarily drained of emotions and have become more tolerant," remarked Irakli Sharabidze.***

significant element being the abolishment of criminal liability for defamatory statements. Panelists said an awareness campaign for lawyers, judges, media professionals, NGOs, and other stakeholders now was needed to ensure enforcement.

Georgia maintains a nearly complete set of laws governing access to public information. The freedom of information section of the General administrative code of 1999 is rather progressive and guarantees access to information that is not a state secret. The code specifies that the information shall be made available immediately, if possible, or within a maximum of 10 days if the material must be obtained from another location. However, panelists were in agreement that implementation remains problematic and said it is almost impossible to obtain information at any state agency, especially the law-enforcement agencies.

Journalists, too, are not energetic in challenging refusals. Some are not aware of their rights, and others lack the confidence to file suits to gain access, although human-rights organizations such as the Georgian Young Lawyers Association and the Liberty Institute will provide legal aid in such cases. Journalists also say they often need the information immediately and that challenging the government in court simply does not make sense to them because the material will have lost its importance by the time the case is decided. Panelists said judges and the officials responsible for releasing

information need comprehensive training. They said state agencies should have information organized and available for distribution, and should maintain a website offering data likely to be requested.

The government does not restrict access to international news and news sources. However, the Internet is not readily available in all regions, and many regional media outlets cannot pay for access. Lack of access is partly due to Georgia's difficult landscape, with the cost of establishing Internet connections especially high in mountainous regions.

Anyone can become a journalist in Georgia, and no special licenses are needed to enter the profession. Journalists generally do need accreditation to attend official events. According to the law, government agency meetings are public and can be closed only in certain cases prescribed by law. However, journalists generally are barred from sessions of the central government of Georgia, relegated instead to a special section of the State Chancellery building, where they must wait for interviews until after the session. Regional journalists continue to find it difficult to obtain access or accreditation for specific events.

**OBJECTIVE 2: PROFESSIONAL JOURNALISM**

**Georgia Objective Score: 2.00 / 4.00**

MSI panelists concluded that the quality of journalism improved in Georgia during 2004, and journalists now acknowledge the importance of professional standards. However, they still lack relevant skills, the code of ethics adopted in 2003 is still not adhered to, and the media council, which could enforce the code, has not yet been established.

According to recent monitoring of the USAID (US Agency for International Development)-assisted media initiated by IREX and conducted by the Georgian

Opinion Research Business International (GORBI) in October 2004, slightly less than one-third of news stories in 15 monitored newspapers

***“The standards won’t be applied until a self-regulating institution is established,” said Tamar Kintsurashvili.***

presented no viewpoints on an issue at all, 60 percent represented one viewpoint only, and 10 percent showed two viewpoints. Less than 1 percent presented three or more viewpoints. Half the news stories at the

**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).

four monitored radio stations presented one viewpoint only, while another 45 percent showed no viewpoint at all, and only 5 percent presented two viewpoints. Half the news stories offered by the 16 monitored television stations presented one viewpoint, about a quarter presented two viewpoints, 11 percent had three or more viewpoints, and 17 percent included no viewpoints at all. MSI panelists differed on the merit of a hard rule requiring that all sides in a debate aired in the media be allowed to express their views. Some argued that when one party is clearly conveying chauvinistic ideas, media outlets are not obliged to include them in the discourse.

The panelists noted a slight improvement in journalists' work with sources. Georgian journalists are gradually abandoning the common practice of presenting their personal viewpoints under the guise of anonymous sources. David Kikalishvili from Rustavi 2 TV attributed this improvement to the influence of the market and the audience: "The wide variety of television channels provides a wide variety of information. The audience has a lot to choose from. They don't watch television that lies. They switch to the other channel instead. These market demands, along with the fear of prosecution for lies, forces journalists to verify sources."

In May 2003, media organizations, journalists, and NGOs signed a Code of Ethics. The Liberty Institute, with financial assistance from the Council of Europe



and the European Union, facilitated the process and advocated creation of a Media Council to enforce the code. Two issues outlined in the code raised controversy: The majority of journalists and media outlets did not recognize the need for checking information with at least two independent sources; thus, as a compromise, the code requested that information be cross-checked with an independent source. Also, the provision making a distinction between editorial content and “paid” articles faced fierce resistance. Panelists agreed that much work remains to make application of these standards a common practice, including the need for a Media Council to enforce the code. “The standards won’t be applied until a self-regulating institution is established,” said Tamar Kintsurashvili from the Liberty Institute. In addition, Kikalishvili said, for the standards to be put into practice, there should be public demand for them.

In reviewing ethical lapses by journalists during 2004, panelists mentioned a case in which a Georgian university professor learned about the murder of her grandson from a television news program. The wife of a person who was kidnapped learned about the incident from a reporter at the leading television channel, which showed her shock on its news program. Some newspapers do not make any effort to shield the identities of victims of rape. In addition, panelists said, some journalists, predominantly those employed in the “yellow” press, still write made-to-order articles for payment.

The panel attributed the continuing self-censorship in part to a media that is more tolerant of the new government in the immediate postrevolution period and willing to allow the administration time to achieve results. Panelists also said self-censorship persists because journalists remain fearful about losing their jobs and unsure that they can find new ones if fired. “Journalists are pessimistic because even though we have good legislation, it is not applied in practice and the courts are not trustworthy,” said Kintsurashvili. Journalists do not know or exercise their labor-law rights. For example, they rarely have employment contracts. There are no professional unions or journalists associations, and although the panelists saw this as a shortcoming, they also said that such institutions had discredited themselves during Soviet times. Finally, journalists simply may lack the professional skills and rigor to pursue significant and complex stories, even if their employers do not discourage them.

During 2004, the Georgian government attempted to bar media from covering issues related to state security.

When a state of emergency was declared in the Samachablo region of Ossetia following a government crackdown on smuggling, media outlets experienced significant if indirect pressure from the authorities. The names and the number of Georgian soldiers who died in a battle with Ossetian armed forces were withheld.

A newspaper that did publish the names had to withstand harsh criticism from the government. When the ombudsman tried to direct the authorities’ attention to the problems at the Georgian/Russian border during a live interview by the main state television channel, the transmission was temporarily suspended.

Rustavi 2, which initially agreed to provide the ombudsman with access, later denied the coverage.

A survey of media salary rates conducted by IREX in July 2004 showed a significant variance between those for print and broadcast media. For example, the monthly salary of a newspaper reporter in Tbilisi ranges from \$30 to \$300. The monthly earnings of radio reporters range from \$50 to \$250, and a television reporter earns between \$300 and \$600. In the regions, salaries are much lower. Overall, low wages open the door for corruption and an outflow of professionals from journalism, especially print and regional outlets, to other businesses.

The 2004 GORBI poll showed that people would like to have access to a wider variety of media because newspapers do not provide them with enough interesting articles on diverse issues, and broadcast media do not offer enough high-quality entertainment programs. The survey showed that television and radio stations, in contrast with the newspapers, devoted most of their broadcast time to news. Panelists also agreed that there is enough news and information programming available, and that such programs are definitely not eclipsed by entertainment. The panelists noted, however, that there is growing public demand for entertainment content, such as news of show

***“The wide variety of television channels provides a wide variety of information. The audience has a lot to choose from. They don’t watch television that lies. They switch to the other channel instead. These market demands, along with the fear of prosecution for lies, forces journalists to verify sources,” explained David Kikalishvili.***

business and sports celebrities, horoscopes, comics, and fashion. “We try to include more entertainment in our newspaper, because our survey showed public demand for it,” said Nato Gubeladze, editor-in-chief of the newspaper *P.S.* in Kutaisi.

Panelists expressed satisfaction with the state of technical facilities and equipment available to media outlets in Georgia. “The media are adequately equipped, especially print media, thanks largely to donor assistance. You cannot even compare the quality of contemporary newspapers with the ones published, for instance, three years ago,” said Paata Veshapidze, the managing editor of *24 Hours*.

Niche reporting in Georgia remains a challenge. “There is a big problem, especially in the regions, with the shortage of human and financial resources and the lack of education. It would be good to have donors

hold one-month seminars on niche reporting,” said Gubeladze. Panelists noted that many organizations offer such seminars, although on a short-term basis, and said they were very useful. They mentioned a recently completed

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training for journalists regarding military issues as one good example. But there is a need for more training, panelists agreed. Ia Mamaladze, publisher of the *Guria News* in Chokhatauri, noted that there is now an abundance of thematic publications targeting women, men, automobiles, fans, health issues, and so on. However, the quality of most of these publications is rather low.

Although a range of professional development opportunities are available, editors often do not allow their reporters to attend the trainings. Maia Mikashavidze, Dean of the Caucasus School of Journalism and Media Management, proposed that media-support organizations adjust their programs to better fit the schedules of journalists—for example, shorter morning sessions over a longer period—and other panelists recommended attention to more precise presentations of the purpose of each event and who should participate.

### OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Georgia Objective Score: 2.25 / 4.00

There are no political or legislative restrictions on access to either local or global media. Some larger private media outlets such as Imedi TV, Radio Imedi, and Radio Fortuna cover almost all of Georgia. Rustavi 2 TV covers large parts of the country through local partners that re-transmit its programs. Smaller television and radio stations cover either Tbilisi or selected parts of Georgia. A few newspapers, such as the weekly *Kviris Palitra*, are distributed throughout the country, while most newspapers are sold either in Tbilisi or in other major cities and the villages surrounding them.

According to the October 2004 IREX-supported survey conducted by GORBI in seven cities, including Tbilisi, only 1 percent of those surveyed had no access to television. According to the same poll, 20 percent could access the Internet, although only 4 percent rated their accessibility as high. Two out of five respondents rated the availability of print media as high, and almost half of those surveyed described it as fair. Radio is inaccessible to one-fifth of the respondents.

**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.

Although the MSI panel's evaluation of this objective showed improvement during 2004, media access remains worrisome in some regions. Panelist Irakli Machitadze, director of Radio Dzveli Kalaki in Kutaisi, said the Internet and cable television are subject to financial and technical constraints. Despite improvement in power supplies, the regions still experience electricity shortages. Regarding print-media availability, "the major problem is the lack of an efficient distribution system," said Nato Gubeladze, the editor-in-chief of *P.S.* newspaper.

Panelists agreed that the press in Georgia is generally affordable. "The fact that newspapers are sold out and there is a wide variety means that there is demand," said David Kikalishvili from Rustavi 2 TV. According to the panelists, local print media are more popular in the regions than national media and more affordable. The weekly newspaper, *Guria News*, from the Guria region, went from one edition a week to two without decreasing its daily circulation. The newspaper *P.S.* has as many as 200 subscribers in one village of the Imereti region alone. According to Gubeladze, *P.S.* is planning to further increase its circulation.

There are about 20 news agencies in Georgia, and most panelists considered the services they offer to be satisfactory and affordable. "I am especially satisfied with Inter Press," said Gubeladze. "They kept on providing us with the information even when we did not have money to pay for their services." Mamaladze disagreed with the other panelists, noting that the information provided by the local agencies, although affordable, is often outdated and neglects a range of important issues.

The recent in-depth GORBI survey of 18 television stations and five radio stations showed that all the broadcasters, except one radio station, produced their own news. However, the panelists noted that there is little difference among the programs in terms of content and presentation. The panelists also said that the level of objectivity is low, with editorial independence undercut by the need of most media outlets to find support from some business interest group and the continued interwoven relationship between commerce and politics in Georgia. Media professionals at outlets aligned with the government often face dilemmas when trying to report objectively, and tension between owners and editorial teams is not uncommon.

Panelists concluded that despite the improved transparency of media ownership, information gaps still remain, especially in the regions. Information about ownership is clear and accessible via registration papers that can be requested from the courts. However, the

credibility of this information is questioned. According to Kikalishvili, "It's not clear who stands behind the ownership. In the regions the situation is even gloomier." The panelists agreed that many Georgian media outlets, especially in the capital, are backed by business conglomerates and, in lieu of being profitable, serve as shields for their benefactors. However, Sharabidze said increased interest in attaining business sustainability could be detected among media companies.

***"The major problem is the lack of an efficient distribution system," said Nato Gubeladze.***

State Channel One produces programs in minority languages, and a number of independent media also broadcast minority programming. With support from IREX, television stations Borjomi in Borjomi and Imperia in Akhaltsikhe produce a news program called "Paralleli" that airs in Georgian and Armenian languages. Trialeti TV in Gori produces a daily news program, "Anarekli," in both Georgian and Ossetian languages. The Sagaredjo TV Company Tvali has devised a project on ethnic minorities that includes legal advice in the Azeri language as well as a discussion club. Radio Green Wave has produced radio lessons in Georgian for Armenian minorities and news in Armenian.

For the Azeri- and Ossetian-populated villages, the Lagodekhi radio station Hereti has a Russian

***"It's not clear who stands behind the ownership. In the regions the situation is even gloomier," said David Kikalishvili.***

news program. In Marneuli, the TV Company Kvemo Kartli translates the state television news program, "Moambe," into Azeri three times a week. The Institute for War and Peace Reporting helped to establish a bilingual (Georgian and Armenian) newspaper in the Samtskhe Javakheti region, and 14 Georgian newspapers throughout the country cover minority issues fairly regularly.

With many minority groups living close together in Georgia, most broadcasters and newspapers are aware that they ought to provide specialized programming to reflect issues of concern to ethnic minorities. The 2004 survey of the USAID-assisted media showed that support from donor organizations is crucial in increasing minority programming, and panelists agreed. According to David Kikalishvili, anchor for TV Rustavi 2 in Tbilisi, none of the commercial television stations produce minority programs at their own

initiative. Smaller broadcasters lack funds, while larger ones do not find this content particularly appealing to advertisers. Panelists said the new public-service broadcaster being created should assume responsibility for such programming. No cases of harassment against journalists due to minority coverage were noted, and minority-language media is available freely.

**OBJECTIVE 4: BUSINESS MANAGEMENT**  
**Georgia Objective Score: 1.85 / 4.00**

The recent GORBI survey showed that advertising is an important source of income for media outlets, although the majority also named grants as making a significant contribution.

***“Our income from advertising exceeds our income from sales and subscription,” said Ia Mamaladze.***

All of the radio companies and three-quarters of the 15 print media companies surveyed received aid from donors. Broadcasters also receive revenue

from paid-for programs and renting broadcast time. For print media, income comes from classifieds, paid-for articles, and renting office space. The income of media

outlets increases drastically during election periods, due largely to the abundance of political advertisements and public-service announcements paid for by donors.

During 2004, a year marked by four elections, Internews was the major supplier of PSAs to television stations. Television companies also made a substantial amount of money through sponsored programs, such as those Borjomi TV produced for health spas. Lomsia TV and Imperia TV from Akhaltsikhe and Channel 25 from Batumi offer announcements running on a crawl line at the bottom of the screen. Argo from Zestafoni, the Marneuli branch of Kvemo Kartli TV from Marneuli, and Rioni TV from Kutaisi rent airtime to regional governors for the purposes of relaying public information. Panelists from the broadcast media said they always identify “paid” material to avoid misguiding the audience, especially during election periods. When there is no logo from the broadcast company on the screen, it means that the content being aired is commercial.

Newspapers receive 60 to 80 percent of their income from copy sales and subscriptions. In the regions, *Guria News* represents an exception. It has many classified ads and announcements due to the well-organized and commercially sustainable distribution network built by the newspaper. “Our income from advertising exceeds our income from sales and subscription,” said Mamaladze. All newspapers print paid announcements and run pages that have been sponsored. In Tbilisi, newspapers such as *24 Hours* and *Akhali Versia* rent out whole pages to various government institutions to publish public information.

Panelists explained that renting out equipment is an additional source of income. The largest television stations in Tbilisi are also subsidized by income from their owners’ other business ventures.

There are about 60 advertising agencies in Tbilisi, with approximately 10 industry leaders. Both national and regional media in Georgia have to work with Tbilisi-based advertising agencies. “It is very difficult to find advertising in the regions. Almost all prospective customers are branch offices of Tbilisi-based organizations and businesses, and they are not authorized to engage in negotiations regarding placement of advertising in the regional media,” said Gubeladze. Out of 18 surveyed television stations, only Channel 25 from Batumi appeared to have a contract with an advertising agency. Almost all regional media produce advertisements at the request of local clients who cannot afford the services of the independent production studios.

**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.



Some media outlets conduct their own audience research by publishing questionnaires, conducting focus groups, and doing telephone surveys. Others employ independent research companies. However, during the recent GORBI survey, media managers could hardly recall even approximate numbers and had very little information about their audience demographics. Out of the 18 surveyed stations, five (Kvemo Kartli from Rustavi, Mega TV from Khoni, Marneuli Branch of Kvemo Kartli TV from Marneuli, Edelvaisi from Tskaltubo, and Odishi from Zugdidi) have never carried out audience research.

Meanwhile, Radio Hereti from Lagodekhi, Radio Harmonia from Poti, and Green Wave from Tbilisi have researched their audiences. Out of the 15 newspapers surveyed, only six appeared to have full information on their audiences—*Speqtri* and *Kakhetis Khma* from Gurjaani, *Kho Da Ara* from Lanchkhuti, *Newspaper Batumelebi* from Batumi, *Guria News* from Chokhatauri, and *Khvalindeli Dge* from Tbilisi. Panelists noted increased demand for market research in the sector, although they agreed that the research services are not affordable for most media outlets.

The major organizations producing media research in Georgia are IPM-Media, GORBI, and BCG Research. Subcontracted by IREX in 2003, IPM-Media pioneered a continuous television diary panel in Georgia that succeeded in establishing a nationwide ratings system that is consistent with international standards and raised the confidence of advertisers, leading to more investment in advertising. IREX contracted KPMG to assess the validity of the research and its associated methodology through ongoing audits, the first of which in 2004 confirmed that the system complies with established international standards and is providing accurate and credible information. IPM-Media also started a pilot project in 2004 to survey the readership of the major newspapers.

Panelists expressed lingering concerns about the validity of data produced by research organizations, however. Some firms manipulated data during earlier election periods, and panelists felt it is difficult to trust them now. Kikalishvili noted that to obtain reliable data, media outlets may have to commission research from different companies and arrive at conclusions by comparing and contrasting their reports.

**OBJECTIVE 5: SUPPORTING INSTITUTIONS**

**Georgia Objective Score: 2.26 / 4.00**

MSI panelists provided diverse opinions on the role of media associations in Georgia. The major criticism was that there is not enough coordination in the media sector and little shared vision about the role of the associations. “The associations would be better off if they coordinated more with media and gained more support from them,” said David Kikalishvili, the Rustavi 2 anchor.

***“The associations would be better off if they coordinated more with media and gained more support from them,” noted David Kikalishvili.***

The associations strive to collect membership fees and other sources of income. However, because most media outlets are struggling financially, associations still rely heavily on donor support. This year, three major trade associations were housed in a donor-supported Media Center, which provides each association with office space, a shared conference facility, and Internet access.

The Georgian National Association of Broadcasters (GNAB), which was established in September 2002,

**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 private, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.



unites 46 television, radio, and cable broadcasters. GNAB was instrumental in communicating the concerns of the broadcasters regarding the draft law on broadcasting to the parliament and the GNCC. The successful lobbying efforts of the association resulted in insertion of improvements in the draft. "If not for GNAB, the new law on broadcasting would be much worse," said Irakli Machitadze from Radio Dzveli Kalaki.

The National Association of Georgian Newspapers, Free Press, and the Georgian Regional Media Association (GRMA) have been lobbying since 2003 for amendments to the new tax code to ensure benefits for print media. As a result, the new tax code adopted late in 2004 exempted print media from all levies except income and social taxes.

Panelists said that in addition to lobbying, the associations should work to bring economic benefits to members. For example, they said, the members could buy research data, intellectual property rights, and educational services through the association at

discounted prices. Additionally, the association members could gain access to a printing facility, a distribution network, or advertising network agreements.

***"If not for GNAB [Georgian National Association of Broadcasters], the new law on broadcasting would be much worse," declared Irakli Machitadze.***

"Without such economic interests at the core, the associations will remain rather fragile," said Mamaladze, publisher of *Guria News* in Chokhatauri. He added that the GRMA now has information about each regional newspaper, even the smallest ones in the remote rural areas.

There is no national association that specializes in protecting journalists' rights. There are small associations of journalists in the regions, but they are not very effective. According to the panelists, the most efficient groups in this regard are NGOs, especially those supported by foreign donors.

Panelists agreed that neither the state nor the private journalism schools in Georgia provide high-quality education. There are 76 institutions in Georgia accredited to teach journalism. About 600 journalism students study at Ivane Javakhishvili Tbilisi State University, and about 400 study at Georgian Technical University. In total, Georgia currently has more than 2,500 students enrolled in journalism programs throughout the country. However, after graduation

they rarely possess the hands-on skills employers seek because of outdated curricula and teaching methodologies that require radical reforms, the panelists said.

The only alternative is the Caucasus School of Journalism and Media Management, funded by the US Department of State and the Open Society Institute. The school operates in an academic partnership with the International Center for Journalists (ICFJ) and Louisiana State University's Manship School of Mass Communication. It runs graduate degree and certificate programs in journalism and media management, graduating 10 to 15 Georgian students each year who are generally accepted as well-qualified by employers.

According to Irakli Machitadze, director of the radio company Dzveli Kalaki in Kutaisi, short-term trainings now seem to be more effective than several years spent at the university. "When we opened a six-week, part-time, professional course in media management for 15 mid-career professionals, there were 94 applicants willing to take it," said Maia Mikashavidze, dean of the Caucasus School of Journalism and Media Management.

There is a wide variety of short-term training programs available to media. But not all media outlets benefit from these programs since they fail to recognize the value of this education. Tamar Chikovani of Radio Liberty noted that some media owners are not concerned that their employees lack reporting skills and journalists themselves are so overloaded with work that they are not able to allocate time for professional development. Some panelists noted the increased demand for training programs in marketing, advertising, and newspaper design. Panelists agreed that local trainers are in short supply and foreign trainers hired by donor organizations sometimes cannot adjust to local needs.

Panelists agreed that the printing system in Georgia has not changed much since 2003. Most of it still remains outdated, badly managed, and inefficient. There are about 15 private and three state-subsidized printing presses affiliated with universities in Tbilisi, one private printing house in Kutaisi, and one in Batumi. However, according to Nato Gubeladze, the editor-in-chief of *P.S.*, facilities in Tbilisi offer better print quality at lower prices than the presses available locally. According to the GORBI survey, all regional newspapers except for *Newspaper Batumelebi* were printed in Tbilisi in 2004. The majority of the papers use the Godoli printing house. In Tbilisi, at least two newspapers have their own printing facilities—*Rezonansi* and *24 Hours*.

The lack of printing services in western Georgia

prevents local newspapers from increasing their frequency and circulation. Panelists agreed that there is a great need for a modern, affordable, and efficient printing facility in western Georgia. The delivery of many newspaper layouts from the regions to Tbilisi printing houses and the return of the printed product still is done using passenger buses and trains, although use of the Internet is increasing.

There are up to 20 small private distributors that cover Tbilisi or other segments of the country. Of these, Sakpresa, the largest national print distribution system left over from the Soviet era, has the widest reach. In October 2003, Sakpresa was privatized by an individual, but the legitimacy of the process remained in litigation more than a year later.

Newspaper distribution in rural areas remains difficult. "When we are trying to distribute the newspaper

outside Kutaisi, we encounter great problems. No distribution agency covers rural areas in the Imereti region. Thus, we have to find our own means to get the newspaper to our subscribers," said Gubeladze. According to Ia Mamaladze, publisher of the *Guria News*, the distribution system in Tbilisi and the regions remains disorganized. Newspaper companies have no control over their product, and distributors do not register the copies in stock or the unsold copies. As a result, the newspapers find it very difficult to compile sales data.

Panelists could recall only one case of newspapers being prevented from distributing in 2004. During the spring, in the breakaway region of Adjara before the overthrow of Aslan Abashidze, "Adjarian authorities barred kiosks and stores from selling some newspapers, including *Guria News*," recalled Mamaladze.

## Panel Participants

**Mamuka Todua**, director, Ninth Wave television company, Poti

**David Kikalishvili**, anchor, Rustavi 2 television company, Tbilisi

**Irakli Sharabidze**, senior lawyer, TV Imedi, Tbilisi

**Irakli Machitadze**, director, Dzveli Kalaki radio company, Kutaisi

**Tamar Chikovani**, head of RFE/RL (Radio Free Europe/ Radio Liberty) Tbilisi Bureau, Tbilisi

**Ramin Meladze**, executive director, Georgian Radio Network, Tbilisi

**Ia Mamaladze**, publisher, *Guria News*, Chokhatauri

**Nato Gubeladze**, editor-in-chief, *P.S.*, Kutaisi

**Paata Veshapidze**, managing editor, *24 Hours*, Tbilisi

**Tamar Tsilosani**, executive director, GNAB, Tbilisi

**Tamar Kintsurashvili**, deputy director, Liberty Institute, Tbilisi

**Maia Mikashavidze**, dean, Caucasus School of Journalism and Media Management, Tbilisi

## Moderators

**Lia Chakhunashvili**, IREX/Georgia

**Devi Sturua**, IREX/Georgia

**Ellada Gamreklidze**, IREX/Georgia

## Observer

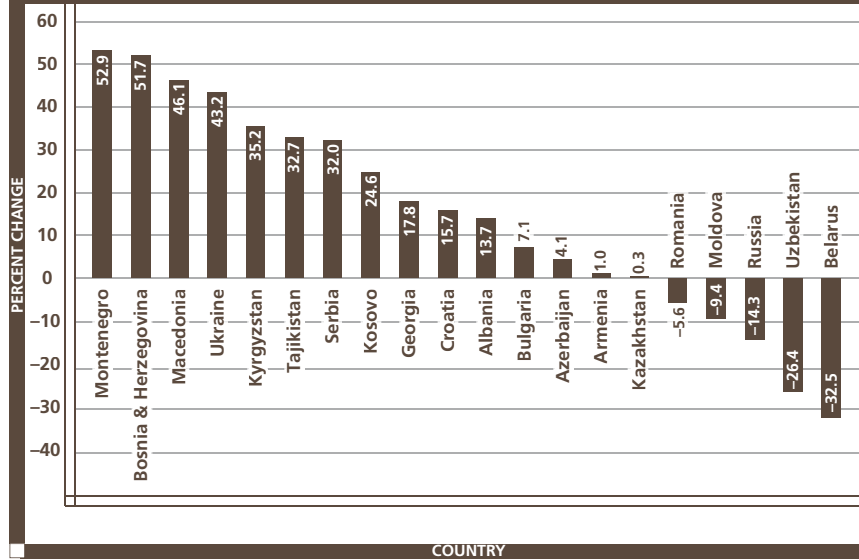
**Keti Bakradze**, USAID/Caucasus Office of Democracy and Governance

# GEORGIA AT A GLANCE

**GENERAL** (data from CIA World Factbook)

- **Population:** 4,693,892 (est. July 2004)
- **Capital city:** Tbilisi
- **Ethnic groups (% of population):** Georgians 70.1%, Armenians 8.1%, Russians 6.3%, Azeris 5.7%, Ossetians 3%, Abkhazs 1.8%, others 5%
- **Religions (% of population):** 75% of the population is Orthodox (65% Georgian Orthodox, 10% Russian Orthodox); Muslim 11%; Armenian Apostolic 8%; unknown 6%
- **Languages (% of population):** The official language is Georgian, though most of the population speaks Russian (or at least understands it).
- **GDP:** US\$12.18 billion (est. 2003)
- **GDP/GNI per capita:** US\$2,500 (est. 2003)
- **Literacy rate (% of population):** 99%
- **President or top authority:** President Mikheil Saakashvili
- **Next scheduled elections:** Presidential 2009, parliamentary 2008

**MSI AVERAGE SCORES—PERCENT CHANGE 2001–2004**



**MEDIA-SPECIFIC**

- **Newspaper circulation statistics (total circulation and largest paper):** Newspapers *Kviris Palitra*, *Qronika*, *Asaval-Dasavali*, and *Alia* have the largest circulation, although exact numbers are not available. GORBI circulation data from October 2004 show *Akhali Versia* (Tbilisi) with 7,000, 24 Saati (Tbilisi) with 4,000, *Rezonansi* (Tbilisi) with 4,000, and *Guria News* (Chokhatauri) at 4,000.
- **Broadcast ratings (top three ranked stations):** Rustavi 2: 7.36%; Imedi: 3.07%; State Channel 1: 2.32% *IPM-Media 2004*

- **Number of print outlets, radio stations, television stations:** NA
- **Annual advertising revenue in media sector:** According to an estimate by IMP-Media, the television advertising market during the period from January 1, 2004, until December 15, 2004, reached US\$10 million. No data are available regarding the size of the advertising market for print media and radio.
- **Number of Internet users:** 150,500 *CIA World Factbook*
- **Names of news agencies:** AP Bureau, Reuters Bureau, BBC World Service, France Press Bureau, Black Sea Press, Novosti Gruzia, Sarke, Sakinformi, GT News (Media Holding Georgian Times), I-Media, Interpress, Infoszavri, Info Georgia, Iprinda, Kavazpress, Kontakti, Media News, Prime News [yellowpages.ge](http://yellowpages.ge)

**MEDIA SUSTAINABILITY INDEX: GEORGIA**

