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GEORGIA

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Georgian viewers were transfixed by a harrowing account of an invasion and siege when they tuned to Imedi television on the night of March 13, 2010. A visibly shaken news anchor told the dismayed audience that the Russian army attacked their country, killed the president, and engaged the population in violent clashes around the capital city. The footage showed explosions, columns of tanks rumbling down the roads and jets dropping bombs. Viewers started frantically making calls and mobile networks soon crashed. The news soon went viral. Theaters, cafés, and gyms emptied before anyone realized that the broadcast was a hoax.

Producers from the pro-government television station staged the dramatization to remind the audience of the potential outcome of the 2008 Georgian-Russian war. A brief disclaimer before the broadcast was missed by many, who experienced chilling flashbacks to 2008. Before long, crowds of angry viewers besieged the head office of Imedi TV, which issued multiple apologies. This bogus sequel of the real war made international headlines. *Time* magazine ranked the mockumentary as the top hoax of all time, eclipsing even Orson Welles' radio adaptation of *The War of the Worlds*.

While an extreme case, Imedi's war report illustrated both the flaws and the power of television in a spectacular show of poor ethics and political bias. Sleek visuals and diversified programming does not compensate for the broadcast media's poor professional standards and political loyalties, panel members said.

Partisanship pervades the news industry. Media elite, especially mainstream television, are busy toeing the government line, while their smaller, opposition-minded cousins relish in highlighting the government's bad practices. Both sides usually include a token dissenting voice in their coverage, but often just to pay lip service to the standards of objectivity and balance. A handful of non-mainstream outlets consistently offer professional, balanced, and in-depth reporting, but these are accessible only to avid and educated news consumers.

Logrolling between political groups and media has a distortive effect on both the editorial independence and financial viability of the media. News business is largely shaped by mechanisms outside pure market forces and the industry has yet to produce a model that is both financially robust and quality-oriented.

After a period of perceived absence, media support to Georgia was revived in 2010. The U.S. and European Union funneled hefty sums into media development projects meant to boost professional and financial strength of Georgian news outlets. Georgia also has a number of professional media associations, including a new trade union, but weaning these groups off donor funding and creating self-sustainable institutions remains a challenge.

Georgia's score inched up slightly this year. Modest gains in Objective 2 (professional journalism) and Objective 3 (plurality of news) were slightly offset by a small setback in Objective 4 (business management).

GEORGIA AT A GLANCE

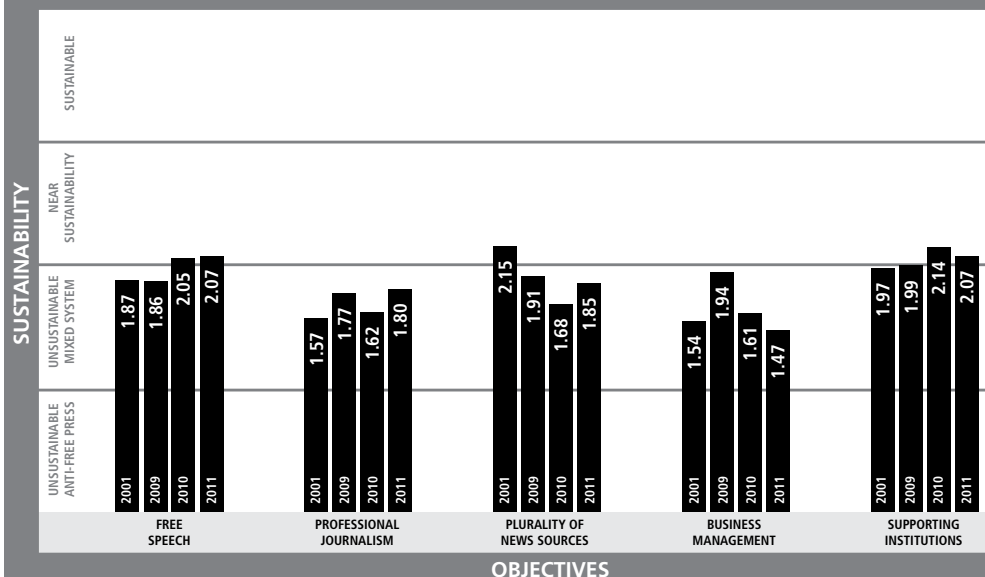
GENERAL

- > **Population:** 4,600,825 (July 2009 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% (*CIA World Factbook*)
- > **Religion (% of population):** Orthodox Christian 83.9%, Muslim 9.9%, Armenian-Gregorian 3.9%, Catholic 0.8%, other 0.8%, none 0.7% (*CIA World Factbook*)
- > **Languages (% of population):** Georgian 71% (official), Russian 9%, Armenian 7%, Azeri 6%, other 7% (*CIA World Factbook*)
- > **GNI (2009-Atlas):** \$11.09 billion (World Bank Development Indicators, 2010)
- > **GNI per capita (2009-PPP):** \$4,700 (World Bank Development Indicators, 2010)
- > **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 print outlets, radio stations, television stations:** Print: 73 newspapers, 87 magazines (yellowpages.ge); Broadcast: 47 television broadcasting licenses, 5 special television broadcasting licenses, 4 cable broadcasting licenses, 28 radio broadcasting licenses, 7 special radio broadcasting licenses (Georgian National Communications Commission)
- > **Newspaper circulation statistics (total circulation and largest paper):** *Rezonansi* (5,000–7,000 daily), *24 Saati* (average 4,200 weekly), *Kviris Palitra* (45,000–50,000 weekly) (individual newspaper claims)
- > **Broadcast ratings:** Highest rated television outlets in Tbilisi are Rustavi2, 5.04%; Imedi, 3.86%; Channel 1, 1.03% (TV MR GE, Licensee of AGB Nielsen Media Research)
- > **Annual advertising revenue in the media sector:** For television, approximately \$35 million; unknown for print and radio (TV MR GE, Licensee of AGB Nielsen Media Research)
- > **News agencies:** Black Sea Press, Novosti Gruzia, Sarke, Interpressnews, Iprinda, Itar Tass, Kavkazpress, Media News, Prime News, Prime News Business, Pirveli, Georgian Business Consulting News, Georgian Hot News (www.yellowpages.ge)
- > **Internet usage:** 1.3 million (*CIA World Factbook*)

MEDIA SUSTAINABILITY INDEX: GEORGIA



Scores for all years may be found online at http://www.irex.org/system/files/EE_msiscorers.xls

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: 2.07

Although the score for Objective 1 is almost identical to last year's score, some indicators did receive different assessments by the panelists. Indicator 2 (media licensing) and indicator 4 (attacks on journalists) both improved. Indicator 3 (market entry), indicator 8 (media use of local and international news sources), and indicator 9 (free entry into the journalism profession) all received lower scores. Indicators 6 (libel laws) and 9 received the highest scores, each exceeding the objective score by about half a point, while indicator 5 (law guarantees editorial independence for public media) and indicator 7 (access to information) both lagged by half a point.

Previously Georgian media laws were widely regarded as good on paper, but poor in practice. The recent media debates, however, have identified several legal blind spots that contribute to a lack of transparency in media ownership: one of the biggest failures in the media sphere. Television, the nation's single-most influential medium, is at the center of these debates.¹

The transparency challenge is three-dimensional and touches on issues of ownership, financing and access to public information. Ownership of the largest news networks is open to speculation. Anyone trying to parse through the complex ownership structures to track down the true owners of the largest private television networks would hit a dead end. Rustavi2, the nation's most prominent broadcaster, provides is a case-in-point. The television is majority owned by an obscure company Degson Limited, based in the British Virgin Islands, well beyond Georgian jurisdiction.

The broadcasters are financially accountable to the government but their accounting records are not publically accessible. There are many suspicions of untoward financial arrangements and competitors and media critics assume that the government-friendly networks, such as Rustavi2, get rewards for toeing the party line.

Access to public information is also central to the national media discourse. The panel, as well as many journalists and non-governmental organizations, identify poor access to official documents as the biggest impediment to quality reporting.² The panel found that the situation worsened

¹ Caucasus Resource Research Centers. (July, 2010). "Pre-Election Media Monitoring in Georgia." Retrieved from http://undp.org.ge/files/24_975_639258_MM-CRRC-report-201007.pdf

² Tarkhishvili, N. "What Was the Access to Public Information in 2010," Radio Free Europe/Radio Liberty, January 20, 2010. Retrieved from <http://www.radiotavisupleba.ge/content/article/2253451.html>

Gela Mtvlishvili, head of Kekheti Information Center, said that journalists often are not familiar with their rights or the legal avenues to challenge a refusal or delayed release of public information.

in 2010, either due to a growing media appetite for public information or a stronger system of stonewalling.

Journalists continue to battle government bureaucracy, sometimes in courts, to gain access to public information. Slow processing of public information requests is a stalling tactic employed by many government officials who wait until the information requested is no longer newsworthy. "I cannot think of a single case when public officials did not make the full use of the 10-day period [the maximum timeframe to respond to Freedom of Information requests]," said Ia Mamaladze, chairwoman of Georgian Regional Media Association.

A 2010 study³ by the Transparency International probed the scale and the scope of the problem. To test the transparency

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 or registration of media protects a public interest and is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against media professionals, citizen reporters, and media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > The law protects the editorial independence of state or public media.
- > Libel is a civil law issue, public officials are held to higher standards, offended party must prove falsity and malice.
- > Public information is easily available; right of access to information is equally enforced for all media, journalists, and citizens.
- > Media outlets' access to and use of local and international news and news sources is not restricted by law.
- > Entry into the journalism profession is free and government imposes no licensing, restrictions, or special rights for journalists.

³ Transparency International Georgia. *Access to Information in Georgia: Results of FOI Tests for Public Agencies*. June 22, 2010. Retrieved from <http://www.transparency.ge/en/post/press-release/access-information-georgia-results-foi-tests-public-agencies>

Nino Jangirashvili, owner of a small television business in Tbilisi, said that the regulatory body selectively enforces the laws and regulations. According to her, the GNCC tends to display lenience toward pro-governmental broadcasters, while it is far more stringent with companies hostile to the ruling establishment.

of public institutions, the group sent Freedom of Information requests to 10 key public agencies, including the Parliament, Finance Ministry, Defense Ministry, and the Supreme Court. In 78.8 percent of cases, requests were met fully or in part, while the refusal rate ran at 21.2 percent. The parliament was particularly responsive to the requests, while the *Siloviki* (law-and-order, military and security agencies) lagged behind. The report found that in terms of response time by requesting organization, the agencies did not discriminate against the news media in particular.

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Public information has also become an expensive commodity that smaller, regional news outlets can ill afford. "We were doing an investigation on land seizures by public officials and had to request 480 files from the public registry," Mamaladze said. "We have got a bill of GEL 4,800 (\$2,818), which is well beyond what we can afford."

Journalism practitioners and observers traced the problem to the very laws that had long been praised as comparable to access to information laws in developed countries. Civil groups and the government began parallel campaigns to change the media laws "to help fill in the gaps in the legislation," said Ia Antadze, journalist and director of Civic Development Institute. A media advocacy group, operating under the financial auspices of Open Society Georgia Foundation, drafted a package of amendments⁴ to the law on broadcasting that calls for the full disclosure of media owners, financial flows, and easier access to public

⁴Draft Law on Amendments and Additions to the Georgian General Administrative Code. Retrieved January 3, 2011 from http://transparency.ge/sites/default/files/post_attachments/GPA%20legislative%20initiatives_geo.pdf

information. The largest minority party, the Christian Democrats, later introduced the draft to parliament.

The parliamentary majority, the National Movement for Victorious Georgia, came up with a milder counterproposal. Unlike the civil initiative, which calls for an outright ban of offshore ownership of broadcasting business, the establishment's proposal set a 10 percent cap on offshore stakes. The two drafts also fundamentally differ in the absence of financial transparency and access to public information clauses in the government version.

After heated discussions the ruling officials and media forged a key compromise as the ruling party agreed to prohibit ownership by offshore companies. The amendment to the Law on Broadcasting passed the first reading in Parliament on December 7, but the hearings rolled over into 2011.

The move was met with cautious optimism by media observers. Khatia Jinjikhadze, manager of the media development program of the Open Society Georgian Foundation, hailed the change as a major success of a grassroots initiative, while skeptics fear that the ban will do little to demystify broadcast media ownership as home-based straw men can effectively replace offshore media barons. This could be the case with Real TV, an aggressively pro-government channel in Tbilisi. Little is known about the company's owner, a certain Ia Paitchadze. News reports maintain that she is but a figurehead, while in fact high-profile police officials run the control room.

Some panelists believe the main challenge facing the broadcast media is not the laws themselves but rather the lack of enforcement. Television and radio companies must obtain licenses from the government to use the airwaves, which is public property per Georgian law. The licensing body, the Georgian National Communications Commission (GNCC) also acts a policing agency, ensuring that broadcast content is in line with laws and regulations.

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The alleged political bias is evidenced in disciplinary and licensing decisions. "Rustavi2 also often got sanctions from the commission, but nevertheless it was granted new frequencies in the regions, while Maestro faced problems," Jangirashvili said. Last year, Maestro TV accused GNCC of dragging its heels in the issuance of a satellite license to this small, opposition-minded broadcaster.

The GNCC is not dependent on the state for funding and the bulk of its income comes from license fees. But the executive branch of the government holds sway over GNCC as the president nominates three of five commissioners who manage the agency. All would-be commissioners are required to obtain the approval of parliament, which is dominated by President Mikheil Saakashvili's United Movement Party. The president selects the commission chairman from the five commissioners.

Jangirashvili says that the GNCC chairman, Irakli Chikovani, has business interests in the very industry he is tasked to regulate. A former shareowner of Rustavi2, he also held a stake in Media House, one of the main players in the television advertisement market.⁵

Print and Internet outlets enjoy a far lighter regulatory burden than the broadcast media. Bloggers do not need to register with the government while newspapers with a circulation larger than 500 copies need to register their business, said Mtvlishvili.

Print media continue to enjoy an exemption from the value-added tax. The original draft of the 2010 tax code threatened to scrap this vital benefit, but after print media protested strongly the financial officials revised the code to extend the exemption and blamed the omission on technical error.

Legal and physical attacks against journalists are infrequent, with 2010 experiencing even fewer instances of violence and harassment against journalists. "If we step back and look at the regional picture, I would say that we have a positive trend in this regard," said Jinjikhadze. But several attacks on journalists did gain public attention. Police allegedly assaulted reporters from Trialeti TV when they tried to cover the removal of a Joseph Stalin statue in the Soviet dictator's hometown, Gori. Investigative reporter Vakhtang Komakhidze sought asylum abroad after intimidation by officials for his documentary on the 2008 war.

Libel is a civil case and the burden of proof lies with the prosecution. Media law has yet to address responsibility for libelous content posted on websites.

Tamar Kordzaia, of Georgian Young Lawyers' Association, said that Georgian laws do not offer absolute protection of the confidentiality of journalism sources. On one hand, the law requires a reporter to protect confidential sources, but on the other hand a court may request a journalist to reveal a confidential source in a closed hearing. The latter

⁵Mgeladze, G. "Advertisement beyond Law," in *Liberali*, October 30, 2010. Retrieved from <http://www.liberali.ge/node/3450>

is permitted only in extreme cases, she said, and so far has never been employed.

Flouting copyright law is still commonplace. Jangirashvili said that many television channels air pirated films but the GNCC does little to admonish government-leaning channels for violating copyright. "Should I do the same, I am sure that the commission will knock on my door the next day," she said. Executive Secretary of the Journalists Trade Union Beka Oniani said that new movies appear on Georgian TV before they hit movie theaters. Using unauthorized media software is a common occurrence, panelists said.

No special government authorization is needed to enter the field of journalism but some panelists complain that the authorities show favoritism toward loyal reporters through privileged access to key events and sources.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Georgia Objective Score: 1.80

The improvement in score for objective 2 is mostly the result of panelists providing better assessments for indicator 3 (self-censorship) and indicator 7 (modern facilities and equipment). Indicator 7's score exceeded the objective score by more than half a point, the only indicator to score notably different from the objective score.

News quality runs the full gamut from poor to mediocre to excellent, but overall quality does not yet meet professional standards. Hearsay tends to substitute for hard facts and journalists often cross the line from reporting to

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 and retain qualified personnel within the media profession.
- > Entertainment programming does not eclipse news and information programming.
- > Facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exist (investigative, economics/business, local, political).

The panelists noted a palpable improvement in the public television's reporting and attributed this to the inclusion of independent media experts on the board starting early last year.

editorializing. Bias, censorship, opinionated reporting, hate speech, and a general lack of balance are common across broadcast, print, and online media, the panel concluded, but added that some of the practices are more prevalent than others.

News, both print and broadcast, often lack such basic elements as the "Five W's," said Nino Khurtsidze, associate country director of Eurasia Partnership Foundation. Television channels with national reach are most watched and therefore drew most of the panel's criticism. In a single news segment the host's introduction, pre-recorded components, live updates by the reporter on the scene, and interviewers' comments tend to repackage the same information instead of advancing the story. "Instead of adding informational value or including alternative takes, they keep saying the same thing over and over again," said Khurtsidze.

The big two, Rustavi 2 and Imedi, offer effusive praise of government achievements, while Kavkasia and Maestro dedicate significant airtime to carping on the failures. Both groups often include the opposite point of view to a modest degree and reporters, conscious of their companies' editorial policies, practice self-censorship. Since pay levels are low and employment opportunities scarce, journalists adopt a conformist position rather than risk losing their jobs, said Natia Kuprashvili, chairwoman of the Georgian Association of Regional Television Broadcasters. She added that these risks are often exaggerated, but journalists prefer not to take any chances.

Journalists do produce well-rounded, well-sourced programs, but these are the exception. The panelists noted a palpable improvement in the public television's reporting and attributed this to the inclusion of independent media experts on the board starting early last year.

The pro-government channels sometimes adopt a "see no evil, hear no evil, speak no evil" attitude towards events that are potentially damaging to the government. Kuprashvili said that bias appears in the way government and opposition media broadcast content is selected, sequenced and delivered.

Panelists believe that, political pressures aside, reporters, editors, and media managers have not embraced the core

values of journalism ethics. Some panel members blamed the lack of an established free market, where poor quality would result in unsustainable ratings and sales. The fact that government-backed Imedi got off with a few apologies after the hoax war newscast scandal proves that forces beyond market demand are at play.

Generally there is little audience demand for improved news reporting, Kuprashvili said. Media literacy is low so many media consumers often do not question the quality of the information they are receiving, said Jinjkhadze.

A new independent ethics watchdog oversees compliance to the Georgian Charter of Journalism Ethics. The Charter council reviews and rules on complaints about deviations from ethical norms, but even some of its 180 signatories take issue with their non-binding verdicts. The GNCC-drafted ethical guidelines for broadcasters did little to improve matters. The most common violations include hate speech, bias, and opinionated reporting. Accepting gifts in exchange for favorable coverage is not seen as a major problem in Georgia, but corporate sponsorships billed as advertising are becoming a bigger issue and further compromise ethics. Khurtsidze said that only organic, internally developed self-regulatory mechanisms could be productive.

Advertising bias has blurred the division between news and advertising and misleads viewers. For instance, Rustavi2 reported in a prime time news show that most available meat products are poor quality and only a handful of meat producers offer high-quality sausages. The story did not mention names of any companies, except the one that the reporter identified as a quality sausage producer. The reporter and producer of the show later admitted that this company sponsored the story.⁶

Niche reporting is rife with embedded marketing for which reporters are unapologetic. Investigative journalism does not appear on national airwaves. Only smaller television studios offer some independently produced investigative content. A weekly show broadcast by Maestro often airs investigative reports produced by Monitor, FM Studio, and the now-defunct Reporter that cover issues such as education, land privatization, and the economy. Print publications do not have the resources and the skills necessary to conduct investigative reporting independently and they rely instead on international organizations for funding.

Citing intimidation by authorities, investigative reporter Vakhtang Komakhidze sought and received political asylum in Switzerland. Komakhidze, who ran an investigative film production studio named Reporter, claimed he came under

⁶Chitanava, Eka. "For Sale!" in *Liberalli*, March 11, 2010. Retrieved from <http://liberali.ge/node/1346>

serious pressure after he had travelled to breakaway South Ossetia to shoot a documentary on Georgia-Russia war. Another such studio, The Monitor, continues to produce investigative reports that are sometimes reprinted and aired, but never appear in the mainstream press.

There is a growing penchant for “if it bleeds, it leads” rule on television. Crime reporting takes top billing in the daily newscasts and television channels routinely air police footage of suspect arrests and confessions. Panelists took issue with this practice. Rustavi2 and Imedi air *The Oprah Winfrey Show* and *Got Talent*-style programming and Public TV broadcasts often include cloying videos depicting the bright side of life in Georgia.

Most of some 500⁷ officially registered newspapers are cheap tabloids splashed with sensationalist headlines and photos. Well-written articles often share the page with flagrant pieces of yellow journalism. Journalist and media analyst Zviad Koridze said that the newsrooms across the country still rely on sensationalism and concocted stories to boost sales.

Kuprashvili and other panelists agreed that bloggers are not significant players in the Georgian media scene. Good quality news blogging can be found on the website of the Georgian service of the Radio Free Europe/Radio Liberty and the online version of *Liberari* magazine. Blogging, however, has a limited news dimension. The number of blogs registered on Open Society Georgia Foundation’s “Blogroll” reached 800, but not many are devoted to news, said Jinjikhadze.

OBJECTIVE 3: PLURALITY OF NEWS

Georgia Objective Score: 1.85

Improvements in scores for a few indicators accounted for most of the improvement in the score of this objective: these are indicator 1 (plurality of news sources and viewpoints), indicator 2 (citizen access to media), and indicator 3 (state media are nonpartisan). On the other hand, indicator 5 (private media produce their own news) received a lower score this year. Most of the indicators scored close to the objective score. However, indicators 2 and 4 (news agencies) scored about two-thirds of a point higher, while indicator 6 (transparency of ownership) fell short of the objective score by nearly a point.

Political bias often comes not in the form of the Western-style, value-based leanings, but rather outright propaganda and counter-propaganda. Although media

⁷European Journalism Center. Media Landscape: Georgia. November 5, 2010. Retrieved from http://www.ejc.net/media_landscape/article/georgia/

Although media overall provide a multitude of political viewpoints, a discerning media consumer must watch various channels and check online content and foreign news to get the full picture, the panel concluded, adding that this is the prerogative of an urban, educated, and avid news consumer.

overall provide a multitude of political viewpoints, a discerning media consumer must watch various channels and check online content and foreign news to get the full picture, the panel concluded, adding that this is the prerogative of an urban, educated, and avid news consumer.

Liberali, a weekly magazine with socially liberal leanings and perhaps the most professional news publication in the country, now faces fierce competition from its ideological counterweight, the right-libertarian magazine, *Tabula*. Essentially catering to white-collar readership, *Tabula* is openly pro-government. Both magazines outshine anything that goes to print in Georgia since most other newspapers and magazines practice yellow journalism.

Rustavi, Imedi and, to less degree, public television offer an almost identical repertoire of news. Some stories are covered

MULTIPLE NEWS SOURCES PROVIDE CITIZENS WITH RELIABLE, OBJECTIVE NEWS.

PLURALITY OF NEWS SOURCES INDICATORS:

- > Plurality of public and private news sources (e.g., print, broadcast, internet, mobile) exists and offer multiple viewpoints.
- > Citizens’ access to domestic or international media is not restricted by law, economics, or other means.
- > State or public media reflect the views of the political spectrum, are non-partisan, and serve the public interest.
- > Independent news agencies gather and distribute news for media outlets.
- > Private media produce their own news.
- > Transparency of media ownership allows consumers to judge the 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 media provide news coverage and information about local, national, and international issues.

Social media have become ingrained in Georgia. Compared to other social networking sites, Facebook has the greatest news application in Georgia. Media companies set up Facebook pages and users actively share and comment on articles and videos.

from the same angles and appear in the same order in these channels' newscasts, the panel noted. For another side of the story, viewers have to switch to broadcasters such as Maestro and Kavkasia, but the reach of these channels is limited.

A study⁸ by the Caucasus Research and Resource Center offered evidence-based insights into political bias in television. According to the findings, in their coverage of mayoral election campaigns in Tbilisi, Rustavi2, Imedi, and Real TV devoted more airtime to the establishment candidate Gigi Ugulava, than Maestro and Kavkasia. This coverage was mostly positive in tone, while the three channels often resorted to mudslinging when covering Ugulava's opponents. By contrast, Maestro and Kavkasia's coverage of the ruling party candidate was either neutral or negative in tone, the study found.

Georgian media and audiences have access to foreign news sources. Local outlets reprint and rebroadcast international media content, but tend to cherry-pick Georgia-related foreign news reports to fit their agendas. Since the 2008 war, access to mainstream Russian television has been restricted. Reportedly, cable networks are under an informal ban on rebroadcasting Russian state television, but the channels are available through satellite.

The Georgian Public Broadcaster (GPB) said its attempts to broadcast Russian-language news into Russia are blocked by Moscow. Amid the bitter confrontation between Tbilisi and Moscow over the occupation of breakaway Abkhazia and South Ossetia, Georgian public television tried to extend the broadcasts of its Russian-language channel, Perviy Kavkazskiy, to Russia to break the Kremlin's stranglehold on television news. Europe's leading satellite operator, Eutelsat, stopped carrying the Peviy Kavkazskiy signal after receiving a more lucrative offer from Russia, GBP claimed. GPB took Eutelsat to the Paris Court of Commerce, but the Georgian company lost the case.⁹

⁸ http://undp.org.ge/files/24_975_639258_MM-CRRC-report-201007.pdf

⁹ "Georgian Broadcaster Loses Case against Eutelsat," in *Civil.ge*. July 13, 2010. Retrieved from <http://www.civil.ge/eng/article.php?id=22509>

The channel, now called Perviy Informatsionniy Kavkazskiy or PIK, was re-launched in January 2010 through another satellite, also operated by Eutelsat. Its broadcasts reach Russia and the Caucasus, parts of Eastern Europe, Turkey, and Iran.

The cloistered world of media ownership was of major concern for panelists, as described above in Objective 1. Identities of Georgia's key media barons are lost in the byzantine corporate ownership chains and the Georgian population does not have a clear understanding of who sells the news they consume. Simply put, the audiences do not know who the Rupert Murdoch of Georgia is.

Rustavi2's parent company is hidden away in the Caribbean, while little is known about Imedi's owner Raak Georgia Holding, a self-described affiliate of the United Arab Emirates-based Ras Al Khaimah Investment Authority.¹⁰

Hopes remain that the GPB will inject some balance and quality into Georgian television. But some panelists note that the public has so far failed to take the ownership of public television as the state retains executive control over editorial decisions. Appointments to the board of trustees, the body that governs GPB, are made through political compromise and only three seats are left to non-partisan voices. The presidential appointees dominate the 15-person board. GPB newscasts tend to be similar to the Rustavi2 and Imedi's news reporting, but GPB content is more open to alternative topics, views, and public-service programming.

Mainstream media give a wide berth to controversial social topics such as religion and sexual orientation. Criticism of the dominant Orthodox Christian Church is rare and risky for media outlets. Religious activists broke into premises of Kavkasia TV during the live on-air discussion of a homoerotic book that derided the church. Jangirashvili, who was hosting the talk show called the police for help. Davit Paitchadze, a host at GPB's first channel, also faced pressure from religious conservatives after he hosted a discussion on the church's internal politics.

Media outlets subscribe to editorially independent news agencies, mainly Interpressnews and GHN. In 2010, the Open Society Georgia Foundation organized trainings for news agencies in newsgathering and distribution and helped develop multimedia websites. Despite the availability and quality of news agency content, most national and community media as well as newer online media continue to produce their own content. Mainstream news outlets tend to be Tbilisi-centric, but regional news is covered fairly extensively as well, especially in the breakaway regions of Abkhazia and South Ossetia. The Open Society Georgia

¹⁰ "UAE's RAKIA Denies Owning Imedi TV." February 4, 2010. Retrieved from <http://www.civil.ge/eng/article.php?id=21950>

Foundation also supported news production in minority languages in community news outlets.

There is a shift towards online news platforms, but access to the Internet is uneven across the country. A 2009 media survey by the Caucasus Resource Research Center showed that nineteen percent of Georgians have access to the Internet.¹¹ There are no statistics available for Internet access by region and the major division is between urban and rural populations. Poorer, remote communities have low access to the Internet and printed media and television is often the only medium available to them.

Social media have become ingrained in Georgia. Compared to other social networking sites, Facebook has the greatest news application in Georgia. Media companies set up Facebook pages and users actively share and comment on articles and videos. Georgia's Facebook population is 479,880, a figure significantly higher than in neighboring Armenia and Azerbaijan, according to Socialbakers.com website.¹²

OBJECTIVE 4: BUSINESS MANAGEMENT

Georgia Objective Score: 1.47

Small losses in nearly every indicator contributed to the minor loss in score that Objective 4 experienced this year. All indicators scored very close—within a quarter point—to the objective score.

Government interference, cronyism, and the lack of solid market data continue to distort the media advertising market, panelists said. The lack of transparency in cash flows sparks allegations of uncompetitive moneymaking practices even though accounting practices are generally thought to be sound. Online outlets, while growing, barely earn enough to sustain themselves and often rely on non-commercial sources of revenue such as grants. Most bloggers work on a volunteer basis.

The estimated total net television advertising market is worth about GEL 52.3 million (\$30 million), according to the Georgian chapter of Transparency International. The lion's share of the market is split between the big players Rustavi2 and Imedi.

The advertisement dollars are concentrated in Tbilisi. Local television stations eke out an income primarily through classified advertising rather than corporate commercials and

¹¹ Caucasus Research Resources Centers. "Georgian Media as Business/ Data Snapshots." December 11, 2009. Retrieved December 26, 2010 from <http://crrc-caucasus.blogspot.com/search?q=access+internet>

¹² <http://www.socialbakers.com/facebook-statistics/>

The advertising market is widely believed to be susceptible to political influence. Jangirashvili claimed that perceived or direct pressure from the political elite continues to scare away advertising from her television company.

government advertisements. A study of 23 local television stations showed that 70 percent of these companies' revenues stems from paid personal messages and obituaries, said Kuprashvili.

The advertising market is widely believed to be susceptible to political influence. Jangirashvili claimed that perceived or direct pressure from the political elite continues to scare away advertising from her television company. A private company retracted an advertisement that was ready to be aired after allegedly receiving informal advice to avoid association with Kavkasia, she said. Managers of Maestro TV, another vocal government critic, have voiced similar complaints.

Two marketing and communications companies—Media House and Touch Media—dominate the television advertising market. Both Touch Media and Imedi TV are owned by the Georgian Media Production Group. Giorgi Arveladze, former government minister and a close ally of President Saakashvili is the director of this company. Chairman of the Georgian National Communications Commission Irakli Chikovani held a share in Media House. Because of such links business meets

MEDIA ARE WELL-MANAGED ENTERPRISES, ALLOWING EDITORIAL INDEPENDENCE.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets operate as efficient and self-sustaining enterprises.
- > 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.
- > Government subsidies and advertising are distributed fairly, governed by law, and neither subvert editorial independence nor distort the market.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor the product to the needs and interests of the audience.
- > Broadcast ratings, circulation figures, and internet statistics are reliably and independently produced.

“Under the tax amnesty bill, these companies were required to use the money they owed to improve their business, upgrade equipment, and create programming,” commented Jangirashvili. “So while I was busy paying taxes, lax taxpayers like Rustavi2 and Imedi were purchasing new expensive TV shows and now are flaunting new shiny studios.”

political interests in the advertising industry and little room is left for real market mechanisms, said Koridze.

The government is a major advertiser. Series of promotional clips for government agencies or campaigns generate important revenue for government-leaning television channels that, in turn, offer fawning coverage of government's work, panel members said. Competitors and some media observers suspect that the leading channels also receive financial infusions from their political patrons.

A group of media activists pushed for passage of a law that would require television companies to disclose their income publicly, but the proposal was largely opposed by Georgia's pro-business government. Some officials countered that such a requirement would interfere with the corporate right to commercial secrets.

Print advertising is also heavily influenced by politics, Koridze said. Citing an example, he said that while *Tabula* magazine has abundant advertisements, *Liberali* has had almost no advertisements since it went to print in 2009.

Product placement is swallowing a good deal of the television news slots and the line between news and advertisements becomes blurry. News and talk shows routinely air corporately sponsored content, ranging from shorter plugs to full stories, entirely devoted to promoting a product or a service. The viewers receive no warning of the commercial nature of such content. Studies of the changes in the ration of news content to advertising in print and broadcast media have not been undertaken.

An independent investigative report provided a detailed listing of prices that the main television channels charge for airing branded advertisements as news. *P.S.*, a popular Saturday night show, which offers a round-up of the week's events and international news, allegedly charges \$3,000 for airing branded advertisement packaged as an ordinary news report.

A tax amnesty for delinquent broadcasters came as a lifesaver for debt-saddled regional outlets, but also left a bitter aftertaste among regular taxpayers within the industry. Late in 2009, media associations and advocacy groups pressured tax authorities to write off some GEL 1.8 million (\$1.1 million) that local television companies, including near-bankrupt Channel 25, owed in taxes and late fees. Negotiations went into 2010 and eventually the government responded with a GEL 36 million (\$20.6 million) debt pardon for all television businesses.

Mamaladze complained that the move turned out to be more of a favor to loyal and well-heeled national networks than assistance to floundering freewheeling media outlets. Jangirashvili was particularly outspoken against what she described as unfair and uncompetitive market intervention and the blow to her television company and other broadcast outlets that “conscientiously pay taxes.”

“Under the tax amnesty bill, these companies were required to use the money they owed to improve their business, upgrade equipment, and create programming,” commented Jangirashvili. “So while I was busy paying taxes, lax taxpayers like Rustavi2 and Imedi were purchasing new expensive TV shows and now are flaunting new shiny studios. Had I invested the sums I had paid in taxes in technical upgrades for past two years instead, I may have also created very good television... The tax pardon was the most unfair thing that happened in the television industry recently.”

Transparency International shares this view. The corruption watchdog said that the tax reprieve distorts the market in favor of national channels and an array of local stations that are “officially owned or controlled by individuals closely connected to the local authorities or the ruling National Movement Party.”¹³

People Meters are used to measure television audiences and produce program ratings, but other forms of news media have little reliable and analyzable market data. “Radios do not really know the sizes of their market shares,” said Oniani. “They do not know where the moneymaking opportunities are and they do not use professionally conducted surveys to better cater to the intended audiences.”

Print publications either conceal or claim inflated circulation numbers to attract advertising and sales rarely exceed the breakeven point.

¹³ Huter, Mathias. Tax Amnesty for Georgian TV Channels: a Subsidy for Pro-Government Reporting? Transparency International Georgia, April 8, 2010. Retrieved on December 28, 2010 from <http://www.transparency.ge/en/comment/reply/748>

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Georgia Objective Score: 2.07

The score for this objective remained more or less the same as last year. Indicator 2 (professional associations) and indicator 3 (NGOs) both received somewhat lower scores this year. Most indicators scored close to the objective score, although indicator 6 (access to media equipment and printing) scored about a half-point higher.

Media issues became central to international aid programs in Georgia last year. The trio of main donors in the field—USAID, the European Union, and the Open Society Georgia Foundation—sponsored a host of assistance initiatives ranging from smaller, ancillary projects to large-scale, complex programs.

A significant portion of development efforts are dedicated to building the capacity of media associations to enable them to deliver meaningful services to their constituencies. In 2010 the media made some efforts to tackle common challenges collectively, but limited institutional capacity of trade associations and deep-running divisions within the industry often undermine attempts at unity among the major associations such as the Regional Broadcasters Association, the Regional Press Association, and the Charter of Ethics Association. The Georgian Young Lawyers Association is by far the most active on media issues and has sidestepped much of the infighting that plagues other associations.

SUPPORTING INSTITUTIONS FUNCTION IN THE PROFESSIONAL INTERESTS OF INDEPENDENT MEDIA.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of media owners and managers and provide member services.
- > Professional associations work to protect journalists' rights and promote quality journalism.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs exist providing substantial practical experience.
- > Short-term training and in-service training institutions and programs allow journalists to upgrade skills or acquire new skills.
- > Sources of media equipment, newsprint, and printing facilities are apolitical, not monopolized, and not restricted.
- > Channels of media distribution (e.g., kiosks, transmitters, cable, internet, mobile) are apolitical, not monopolized, and not restricted.
- > Information and communication technology infrastructure sufficiently meets the needs of media and citizens.

"There is a lack of common values. What you get is a gridlock of parochial interests of business owners, individual journalists, and various companies and they are all pulling in opposite directions," commented Koridze.

Professional associations tend to be more active outside the capital, where the news industry is particularly fractious. The largest television networks enjoy such close relationships with the government that they have alternative ways of addressing problems and thus have little interest in collaborating with independent television stations to solve ongoing problems, said Jangirashvili. "Why would they work together with us to try change the laws if they can always find ways around them?" she asked.

"There is a lack of common values. What you get is a gridlock of parochial interests of business owners, individual journalists, and various companies and they are all pulling in opposite directions," commented Koridze.

Despite such infighting, associations did find some common ground. The Regional Press Association did manage to cement unity among newspapers of divergent political persuasion to fight perceived attempts by the government to monopolize channels of print distribution. The Georgian Regional Broadcasters Association was instrumental in efforts to push tax amnesty through the parliamentary floor. The work of the Association of the Georgian Charter of Journalism Ethics did gain some traction last year as described above in Objective 2. A recently established media trade union is still a work-in-progress and has not had a tangible impact on the industry.

These associations are dependent on donor funding. The visibility of the associations waxes and wanes depending on donor-funded projects and a few events that command broader solidarity. "I keep saying that the poor cannot create a wealthy club," said Mamaladze. "Realistically speaking, I do not have hopes that our association will become financially sustainable anytime soon." Kuprashvili said that almost none of 26 members of her association, the Georgian Association of Regional Television Broadcasters, pay the meager GEL 20 (\$12) membership fee.

Despite a diversity of journalism education programs, panelists say they are somewhat out of touch with market needs. Medea Imerlishvili, news producer at Radio Mtsvane Talgha (Green Wave) said that journalism courses tend to put

“Journalism professors should be writing books to upgrade their qualifications and offer fresh study materials to students,” said Koridze. “Every self-respecting university in the West practices this.”

theory before practice and the graduates often lack basic skills such as interviewing, audiovisual recording, and editing. “We take 20 to 30 students as interns every year,” said Imerlishvili. “GIPA [Georgian Institute of Public Affairs] and Caucasus Media School students tend to be better qualified than others, but even they are out of their depth when it comes to basic practical skills.” Students who study abroad and return to Georgia often fair better while Georgian university journalism graduates face the same unemployment challenges as their classmates across most disciplines.

The lack of quality textbooks in the Georgian language and by Georgian authors is a persistent problem. “Journalism professors should be writing books to upgrade their qualifications and offer fresh study materials to students,” said Koridze. “Every self-respecting university in the West practices this.”

Writing textbooks is an expensive and uncertain enterprise, as far as the donor community is concerned, Jinjikhadze said. Instead, she proposed pooling together the available development resources to provide translations of several Western journalism handbooks that can be used by every journalism school in Georgia. “Our position is that today we do not have a cadre of experienced authors who would produce modern textbooks,” she said. “So we would rather help translate basic textbook in coordination with other organizations and every university.”

The Open Society Georgia Foundation also plans to help train Georgian scholars to publish textbooks, Jinjikhadze said. “We hope that over time we will have a pool of authors versed in textbook writing methods.” She said that it is important that the major development agencies active in Georgia coordinate their efforts in training the teachers and translating books to avoid duplication of efforts. The Eurasia Partnership Foundation has translated a handbook for investigative journalists.

Koridze, who teaches journalism at Tbilisi State University, noted that despite the ongoing Open Society Georgia Foundation-assisted curriculum development efforts there is still a problem with course sequencing. “Students come to a newspaper publishing course without having a command of news writing, reporting, and gathering,” he said.

Apart from formal education, many short-term courses provided by international groups offer journalists, editors and media managers opportunities to fine-tune their skills. Increasingly, the training projects focus on application of new media tools.

Media owner Jangirashvili was somewhat critical of existing short-term educational courses. She said that these courses are often conducted just to “check off the task list” and because of the cut-and-paste nature of some educational activities they do not address the real needs of the media. “For instance, one group organized a five-day training retreat to teach journalists how to interact with the Ministry of Health’s press service,” she said. “What’s the use of such training, if tomorrow the ministry’s press people do not take your calls?”

Imerlishvili said that an Internews in-house, hands-on training proved particularly useful for her radio and added she would want to see more training that strengthen practical, applicable skills.

Panelists said that printing facilities are apolitical and not monopolized, but are concentrated in the capital city. This makes it harder and more expensive to distribute newspaper in the regions, said Koridze. The 2009 row between newspapers and municipal authorities on changes in distribution of print content continued in 2010. Many print outlets remain mistrustful of the Tbilisi city authorities’ designation of one company to set up a network of newspaper kiosks in Tbilisi. “There is a risk of monopolization of the distribution market and then it will be easy to exert control on the print distribution channels,” said Baia Tsanova, who runs Interpressnews agency. Discriminatory access to mobile and Internet service providers for news distribution is not an issue in Georgia; likewise this is not reported to hinder the activities of bloggers and online media outlets who wish to use certain software or online platforms.

List of Panel Participants

Zviad Koridze, freelance journalist, Tbilisi

Nino Zhizhilashvili, dean, Caucasus University's School of Media, Tbilisi

Nino Jangirashvili, director, TV Kavkasia, Tbilisi

Natia Kuprashvili, executive director, Georgian Association of Regional Television Broadcasters, Tbilisi

Beka Oniani, chair, Journalists' Trade Union, Tbilisi

Ia Mamaladze, chair, Georgian Regional Media Association; publisher, *Guria News*, Chokhatauri

Hatia Jinjikhadze, manager, Media Development Program, Open Society-Georgia Foundation, Tbilisi

Nino Khurtsidze, associate country director, Eurasia Partnership Foundation, Tbilisi

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Ia Antadze, director, Civic Development Institute, Tbilisi

Gela Mtvlishvili, director, Kakheti Information Center, Gurjaani

Medea Imerlishvili, head of news service, Radio Mtsvane Talgha, Tbilisi

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