

# GEORGIA

## INTRODUCTION

Slightly larger than the state of West Virginia, the former Soviet republic of Georgia is home to approximately five million people. Still divided as a result of armed ethnic conflicts in the early 1990s, the country remains extremely vulnerable to geopolitical events. Georgia has been enjoying financial and moral Western support since its very first days of independence. In the past decade, Russia's position as the regional power has substantially weakened in the South Caucasus region. However, through various political and economic means, Russia still exercises significant influence over the state of affairs in Georgia.

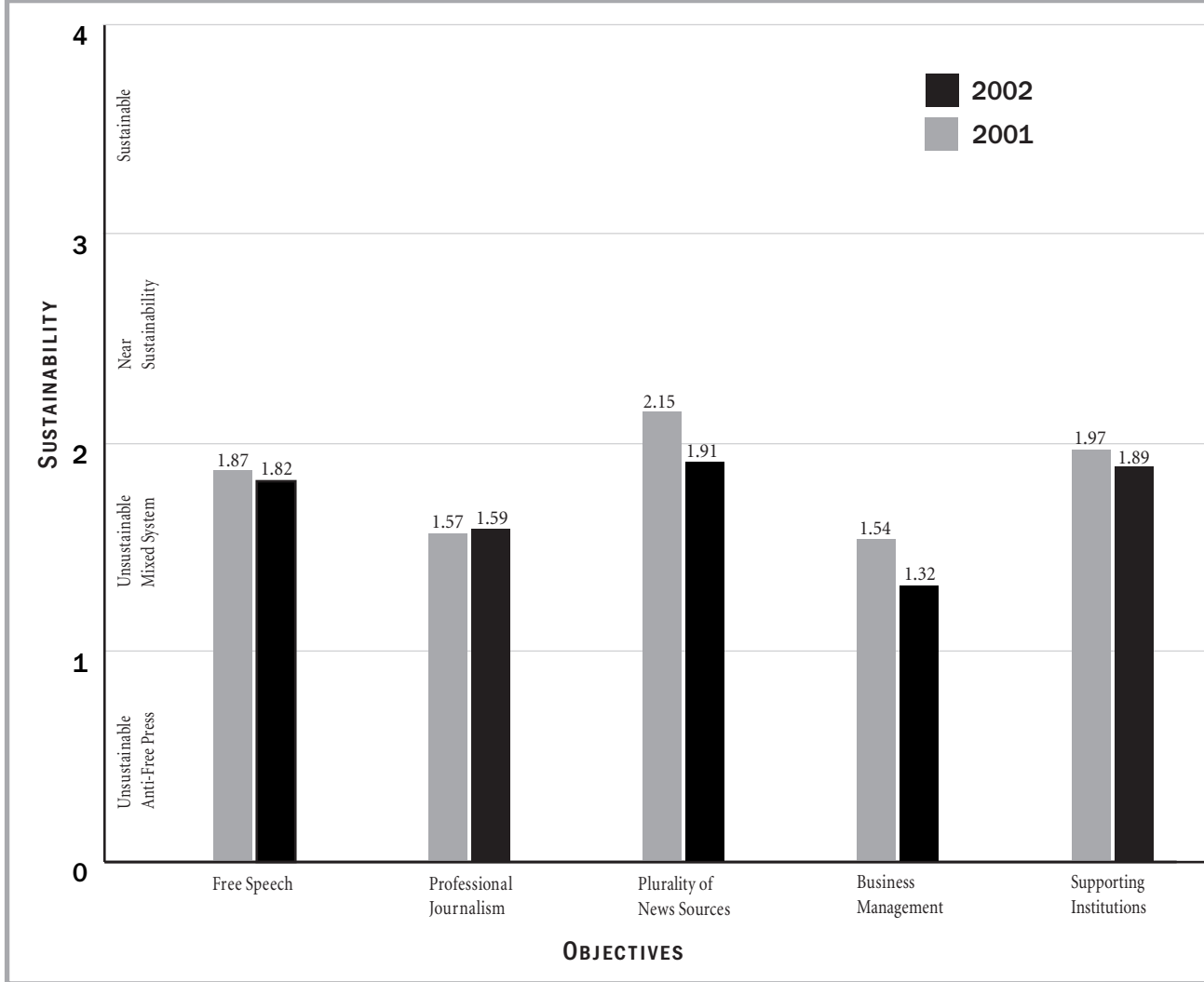
Relations between Russia and Georgia, never exceptionally neighborly, have worsened during the past year. Georgia has been concerned about Russia's inflammatory role in regional ethnic conflicts. The Russian authorities have not addressed the fate of thousands of internally displaced persons (IDPs). Furthermore, Georgia has continued to resist Russia's request to prolong the mandate allowing several Russian military bases to be stationed in Georgia. Disputes over the alleged training grounds of Chechen militants in the mountains of Georgia led to the bombing of Georgian villages by Russian aircraft. Russia expressed outrage at the deployment of American military instructors to help Georgia train its troops for anti-terrorist operations. Meanwhile, Georgia's energy sector has continued to depend heavily on gas and electricity imports from Russia.

Georgia's internal politics were no less worrisome over the past year. Rampant corruption has become a heavy burden for Georgian democracy. The governing elite, which lost in recent local elections, launched a blunt campaign against political opponents before parliamentary elections.

Many of the above events have had a negative impact on media development. The low purchasing power of the population, the burdensome tax regime, and the underdeveloped advertising market and inefficient distribution system are all factors that have discouraged circulation growth. There are other discouraging trends. For example, only

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## GEORGIA—MEDIA SUSTAINABILITY INDEX



### OBJECTIVE SCORING

The averages of all the indicators are averaged to obtain a single, overall score for each objective. Objective scores are averaged to provide an overall score for the country. IREX interprets the overall scores as follows:

**3 and above:** Sustainable and free independent media

**2-3:** Independent media approaching sustainability

**1-2:** Significant progress remains to be made; society or government is not fully supportive

**0-1:** Country meets few indicators; government and society actively oppose change

### INDICATOR SCORING

Each indicator is scored using the following system:

**0** = Country does not meet indicator; government or social forces may actively oppose its implementation

**1** = Country minimally meets aspects of the indicator; forces may not actively oppose its implementation, but business environment may not support it and government or profession do not fully and actively support change

**2** = Country has begun to meet many aspects of the indicator, but progress may be too recent to judge or still dependent on current government or political forces

**3** = Country meets most aspects of the indicator; implementation of the indicator has occurred over several years and/or through changes in government, indicating likely sustainability

**4** = Country meets the aspects of the indicator; implementation has remained intact over multiple changes in government, economic fluctuations, changes in public opinion, and/or changing social conventions

an estimated 5 percent of the population can afford to buy newspapers weekly. Although the supply of electricity has improved in the capital, Georgia’s regions still suffer from power shortages. The press distribution system is state-owned, and the private distribution systems are struggling to survive. Also, the major national television channel still has not transformed into a public broadcasting station. Therefore, the state of Georgian media raises more questions than hopes.

Free media are still considered one of the best achievements of the nascent Georgian democracy. However, Georgian journalists have more obstacles to overcome than they did a few years ago. Journalists have to be more vigilant about improving their professionalism, and they must be aware that legal guarantees work better in theory than in practice. Many media outlets are over-dependent on benefactors’ support, and corruption continues to spread through the media sector.

Despite all the shortcomings described above, the media sector is slowly but surely moving forward by fits and starts. The number of ethical and qualified professionals in the media field is increasing. The Caucasus School of Journalism and Media Management graduated its first class. And the Rustavi 2 media group launched a serious daily named *24 Hours*.

## OBJECTIVE 1: FREE SPEECH

**Georgia Objective Score: 1.82/4.0**—The Media Sustainability Index (MSI) panel agreed that constitutional provisions along with the Law on Press and Mass Media guarantee freedom of speech. However, these laws are not fully enforced. Economic and political pressures often circumscribe press freedoms. It should be noted, however, that this situation has slightly improved in the past few years. Furthermore, Georgian society highly values the freedom of speech and vigorously defends it in cases when such freedoms are abused.

For more than two years now, the Georgian National Communications Commission has been in charge of controlling broadcast licenses. The Commission is free from political influence, and the broadcast industry is generally satisfied with the work of the regulatory body. The Commission has dealt with a number of confusing issues regarding the broadcast industry. Several years ago, the former broadcast regulatory organization awarded many broadcast licenses. However, the licensing process was highly corrupt, and

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.

many of the frequencies overlapped. Up to 20 television licenses were issued in Tbilisi alone, and there was no outlined procedure on how to revoke the licenses. As a result, the Commission temporarily halted the licensing process. So, for two years new licenses were not issued, and previously awarded licenses were not revoked. The Commission has since developed new regulations and will soon resume the licensing process. It is important to note that the political forces behind the stations that originally won bids for licenses were very diverse. As a result, a broad spectrum of opinions was represented in broadcast media.

The media sector operates with the same conditions for market entry as other industries in Georgia. In general, there are neither special exemptions nor restrictions for media. Media even enjoy slightly better tax treatment from the government. For example, printing is exempt from value-added tax (VAT). On the other hand, flaws in the tax law negatively affect media development.

This issue regarding crimes against journalists provoked disagreement among the panelists. Some believe that journalists are treated like any other citizen of Georgia, meaning they are not well protected by the state. Other panel members felt that journalists are

protected better than the citizens. Some panelists believe that journalists protect themselves by leveraging their social status and personal contacts in order to get by.

Crimes against journalists are not as common in Georgia as they used to be, even though a journalist from Rustavi 2 was murdered and the Odishi television station was raided by police in the past year. In fact, the media environment has been improving since 1996. Before 1996, journalists were frequently subject to physical intimidation. Currently, journalists often receive verbal threats, but these threats rarely translate into concrete actions. It is now more common for those upset by media coverage to seek revenge by blackmailing the journalists held responsible.

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There are no public media in Georgia that operate independently of government influence. State media outlets enjoy special treatment, as they are given exclusive access to information and exclusive rights to state advertising. State media are heavily influenced by the government. The management is appointed by the government, and editorial policy is therefore subjective. In addition to the direct funding state media receive from the government, they also enjoy indirect subsidies like rent-free office space. Even though laws do not permit the local government to directly finance local television stations, this situation can often occur in the regions. Local administrations directly award contracts to broadcasters based on political affiliation, regardless of whether the station has the proper license. Some local governments account for state media reporters' expenses in their official budgets.

Some panelists consider the accreditation process for media representatives to attend government meetings to be discriminatory. It is especially difficult for journalists from the regions to gain access to government information.

Georgian law distinguishes between two types of libel. Under the civil code, the defendant must prove the truth of the allegedly libelous information. Under the criminal code, the plaintiff must prove the falsity of criminal charges. Although lawsuits are rarely filed under the criminal code, one recent example is a case against the newspaper *New 7 Days*. The plaintiffs were high-ranking officials from the Ministry of Interior of the Abkhaz Republic. The court found no evidence incriminating the journalists, and the case was closed. In most cases, public officials sue the journalists for damage to their honor and dignity. Such cases are considered under the civil code, and the journalists must prove that the information they broadcast or published was truthful. So far, no financial sanctions have been imposed on media, with "60 Minutes" of Rustavi 2 the lone exception.

The General Administrative Code represents a step forward for freedom of information legislation in Georgia. In the code, the government legally recognizes its responsibilities to provide public information. Non-governmental organizations (NGOs) and journalists are using this pioneering legislation to hold the government accountable for sharing key information such as budgets. While influential media obtain the information more easily, regional newspapers find existing bureaucratic barriers rather difficult to overcome. According to the law, state agencies should appoint spokespeople responsible for efficiently handling public information requests. In practice, it is very difficult to obtain public information without approval from the head of the agency. If journalists pursue the information, they will often be able to obtain it, but the process is time-consuming. Access to information depends too much on the personal connections and professional status of the journalist. In general, reporters rely on second-hand versions of public information.

Government does not restrict access to international news and news sources or the re-printing and re-transmission of such information. Up to 20 percent of the population has access to some kind of foreign news source. Media management, however, cannot always secure Internet access for its employees due to financial and technical constraints.

Entry into the journalism profession is open, and the government does not control journalism education. Journalists do need special accreditation to cover parliamentary sessions and government meetings. Sometimes access to specific events is limited, although more influential media gain access more easily.

## OBJECTIVE 2: PROFESSIONAL JOURNALISM

**Georgia Objective Score: 1.59/4.0**—Because media outlets are in the hands of opposing political forces, some plurality of opinion does exist. Unfortunately, sloppy reporting is the rule rather than the exception. Many journalists do not verify information or cross-check sources. The boundaries between fact and opinion are blurred. Journalists do not always pursue both sides of the story. There are, however, several media outlets that follow the basic rules of good reporting.

Although Georgian media professionals have been engaged in discussions about national ethical standards for years, no such code has been created. Some media outlets operate with their own internal codes. This also means that some media outlets do not permit their reporters to participate in paid trips and study tours.

Corruption is widespread in the media industry, although some media outlets have better reputations than others. Both editors and reporters accept money and gifts in exchange for favorable coverage. There are no official party publications in Georgia. In other words, it is not clear which publication represents which political ideology.

In general, self-censorship is a common practice in Georgian media. One reason for self-censorship is that media outlets try to maintain good relations with

advertisers, who are considered a precious resource. Media outlets cannot afford to oppose their benefactors' political agendas. To avoid such conflict, journalists try to work for media outlets that have political convictions similar to their own. Another cause of self-censorship is the lack of clearly defined responsibilities in the form

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of written contracts. A major flaw of the Georgian labor law is that hiring can be based on oral agreements. This creates a sense of instability and vulnerability in the media industry, as many media employees are afraid of losing their jobs. The panelists identified another cause of self-censorship as “the small-town syndrome.” In this case, regional journalists find it difficult to report objectively because the local people they are reporting on are their relatives, friends, and neighbors.

Georgian editors sometimes prevent reporters from covering certain issues, mostly due to political reasons. In 2002, broadcaster Rustavi 2 created a public uproar by airing information about the movements of Chechen militants in the mountains of Georgia. Although other stations were also aware of the situation, they consciously decided not to broadcast the story. Sometimes the government itself restricts or limits access to certain information. Nevertheless, traditional periodicals are published in minority languages, and journalists do report on events in conflict zones.

The differences in pay vary by media outlet but diverge particularly for media professionals in the capital and the regions. Media outlets offer higher wages in urban areas. However, journalists sell articles to politicians and businessmen more frequently in Tbilisi than in the regions. As a rule, broadcast journalists earn more than their print counterparts. Employees of independent media earn more than state media professionals. Journalists with low wages are often forced to change occupations.

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).

All media lack the technical facilities and equipment at all stages of the production process. The lack of equipment is especially pressing in the regions, where even tape recorders are sometimes considered a luxury.

Niche reporting is in the very early stages of development in Georgia. Reporters and editors rarely possess the knowledge and experience required for issue-specific reporting.

### OBJECTIVE 3: PLURALITY OF NEWS SOURCES

**Georgia Objective Score: 1.91/4.0**—The state television channel has the largest coverage area in Georgia, while major independent television stations cover only the capital. There are smaller independent television and radio stations in almost every region. These stations not only produce and broadcast their own programming, but also re-broadcast programs from the capital-based stations. Between 60 and 75 percent of print media distribution and sales take place in Tbilisi. Circulation of all newspapers does not exceed 100,000 copies daily. Not all of the papers that are printed are actually sold.

A wide variety of media are available in the capital. Local print and broadcast outlets, as well as state television and radio channels, are available in the

regions, although electricity outages limit public access to broadcast media in these areas. Cable networks are more developed in Tbilisi. The Internet is a scarce resource in the regions. It is difficult to say exactly how many have access to Internet in the regions, but probably only the elite. There are Internet cafés in the regions, but Georgians do not go to Internet cafés to receive news. Instead, they go to use e-mail or chat rooms. It is estimated that up to 10 percent of the population has Internet access nationwide. However, less than 1 percent of the population uses the Internet as a source of information in the rural regions.

There are no legislative restrictions on access to domestic and international media, but there are financial and technical constraints, especially in the regions.

Georgia does not have public media yet, as the government closely controls the non-private media outlets. The state media is biased and devotes most of its coverage to the government and the ruling political forces. However, the state media outlets pay more attention to educational and cultural programming than do private media.

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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.

In general, the panelists were satisfied with the work of news agencies in Georgia. However, managers would like to receive better-quality products from local news agencies. Subscriptions to foreign news agencies are expensive, though still affordable for the larger outlets. The local news agencies charge reasonable prices for their services.

All independent television stations produce their own news programs. These programs differ from each other and from the state news programs. However, the ownership of media outlets definitely influences content. The legal ownership of media outlets is often documented. However, the actual identity of the owners is not always known to the public, or even to the media community.

In Georgia, the public perception is that politics is the primary news source. Some believe that there is little market demand for nonpolitical information, while others believe that although such demand exists, the media do not choose to cover those issues. Some

panelists considered the lack of social-issue reporting as one of the greatest flaws of Georgian journalism.

## OBJECTIVE 4: BUSINESS MANAGEMENT

**Georgia Objective Score: 1.32/4.0**—The distribution and printing services generally offer equal services to media outlets. These companies are mostly privately owned and can even be profitable. Media outlets are more or less satisfied with the quality of distribution and printing services, although printing facilities charge a lot because they rely on expensive imported materials. Printing facilities are especially expensive in the regions, so regional newspapers are often printed in the capital.

Major income sources of private media come from ads, sales, subscriptions, and sometimes grants. Media outlets in the capital receive most of their advertising opportunities through advertising agencies. There are no advertising agencies in the regions. Advertising agencies provide only 1 percent of advertising in the regionally based media. Advertisers can influence editorial policies and content. Given the underdeveloped ad market, local media outlets cannot afford conflicts with their advertisers. The Law of Georgia on Advertising passed in February 2002 imposes specific guidelines for advertising in the media, further hindering efforts to draw significant ad revenue from the media sector.

There are many advertising agencies in Tbilisi. While some media managers are satisfied with these agencies, some believe that advertising agencies could be more effective. For example, the agencies should be able to draw more businesses into the advertising market. At the same time, media professionals are not skilled in using advertising opportunities to their advantage. Also, advertising agencies are more interested in the television industry, a more lucrative market.

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In Georgia, newspapers heavily depend on sales and subscriptions. Revenue from advertising is limited and not in line with international standards. Newspapers are expensive. Because the buying power of the Georgian population is extremely low, newspapers cannot derive more revenue by raising newspaper prices further.

There is no transparency regarding government subsidies for independent media. Subsidies are not used to help the development of independent media, but rather to circumscribe it. The state often grants advertisements to selected media without announcing an open tender.

Some media outlets attempt to use existing market research, but most media outlets are inexperienced in the use of such research. Several independent research institutions produce ratings, but broadcast media managers do not fully trust the data. Managers complain that the methodology used by these institutions is not transparent or reliable. Some believe that political actors and media outlets influence the results.

<b>Independent media are well-managed businesses, allowing editorial independence.</b>	
<b>Business Management Indicators</b>	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.

Circulation figures are not available, and the tax codes do not encourage transparent business practices. For example, there are no independent audit bureaus in Georgia to monitor media.

## OBJECTIVE 5: SUPPORTING INSTITUTIONS

**Georgia Objective Score: 1.89/4.0**—There are several associations of publishers and broadcasters registered in Georgia, but they are not active and do not provide real services to their members. Media owners rally to lobby the government only when their corporate interests are endangered. For example, owners lobbied the government for a VAT exemption and more favorable tax rates on advertising. Such cooperation among media is temporary. As soon as the problem is solved, media owners go about their own business.

There are some journalism organizations that support professionalism, but they are not membership-driven and are not capable of seriously benefiting journalists. There are no trade unions to support journalists' rights.

There are several human rights and media-related NGOs who efficiently advocate for freedom of speech in the country. They serve as watchdogs for press freedoms. These NGOs are active in urban and regional centers, and actively cooperate with media outlets. These organizations are closely involved in legislative

reforms. For example, a group of NGOs drafted laws on freedom of the press and freedom of expression that are currently being reviewed by the parliament.

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There are many local journalism schools in Georgia, both state and private, and in urban and regional centers. Although the schools vary in quality, none of them can meet international standards, with the exception of the Caucasus School of Journalism and Media Management. Teaching methods are outdated, and qualified journalism teachers are few, especially in the regions. There are too few practical training programs for young journalists. Georgian students can get university degrees in journalism abroad, but such opportunities are rather limited.

Many short-term journalism training programs are available, but almost all of them are donor-supported. Such programs are often repetitive and reflect the priorities of the international donor organizations rather than the needs of Georgian media professionals.

The sources of newsprint and printing facilities are in private hands and are not influenced by the government or political parties.

Some channels of media distribution like kiosks remain in the hands of the state. At the same time, several alternative channels of media distribution are available. Neither state nor private distribution networks are fully functional. Newspaper distribution networks are more or less developed in the capital and in the regional centers of western Georgia. However, these networks do not cover much of eastern Georgia. Newspaper distribution is quite expensive, as papers must pay up to 25 percent of the newspaper cost to ship their product.

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.



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