

MEDIA

SUSTAINABILITY

INDEX

2005



IREX

IN 2005, AUTHORITIES INTENSIFIED THEIR CRITICISM OF THE QUALITY OF GEORGIAN JOURNALISM. MANY INFLUENTIAL MEMBERS OF GOVERNMENT AND PARLIAMENT ON NUMEROUS OCCASIONS LABELED JOURNALISTS AS UNSKILLED AND UNETHICAL. FOR THEIR PART, MANY MEDIA OUTLETS, PREVIOUSLY WILLING TO GIVE THE NEW POST-ROSE REVOLUTION GOVERNMENT A GRACE PERIOD, BECAME MORE AND MORE CRITICAL OF ITS ACTIVITIES.



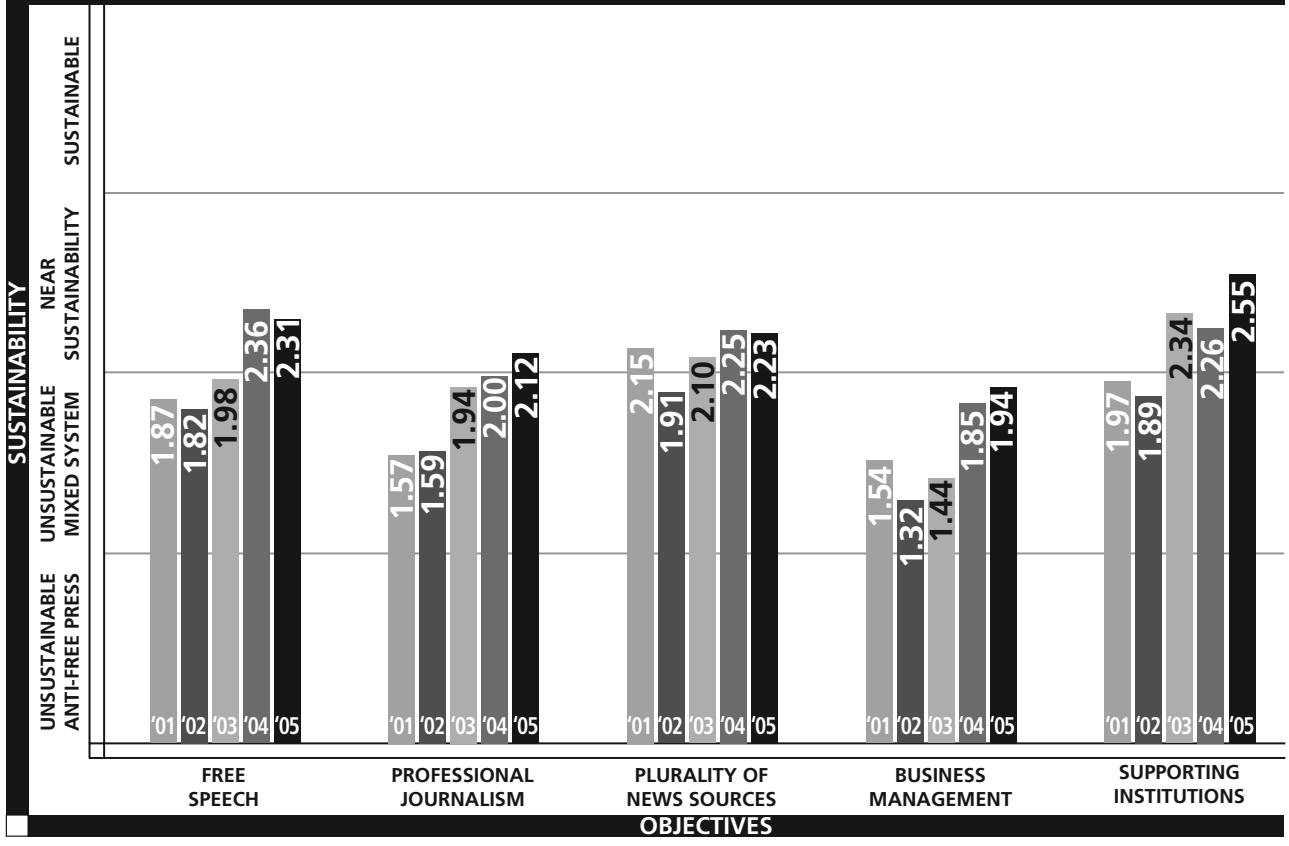
Significant events punctuated 2005 in Georgia. In February, Prime Minister Zurab Zhvania was found dead in a Tbilisi apartment, allegedly poisoned by gas leaking from the faulty heater. Russian military troops finally withdrew from two Soviet-era military bases in Batumi and Akhaltsikhe. And Azerbaijani oil started to flow through one of the world's largest pipelines—the Baku-Tbilisi-Ceyhan pipeline, expected to bring an estimated \$50 million annually to Georgia's state budget.

Similarly, significant legislative changes altered conditions for the media sector during 2005. In January, the president signed the Law on Broadcasting that was adopted by parliament. The law transforms the State TV and Radio Broadcasting station into a public entity, regulates both public and private broadcasters, and introduces the concept of the community broadcaster. The active involvement of an industry association in drafting the law produced provisions better attuned to the interests of the commercial broadcast sector, such as provisions regulating the terms of license validity, television tower ownership, and advertising at public television.

In April 2005, parliament approved the nine-member Public Service Broadcaster Board of Trustees. In August 2005, the general director was appointed after a selection process that was competitive but also criticized by some observers as not transparent and clearly political. The general director was first approved as a board member, and then the board nominated her as its head.

As a temporary measure through 2005, under the new broadcasting law, the Public Broadcaster is funded directly from the state budget (at approximately \$9.4 million). Starting in 2006 and continuing until the government determines an alternative funding mechanism, the public station will still be funded out of the state budget, but the funding will be no less than 0.15 percent of Georgia's gross domestic product (GDP). The Georgian Young Lawyers Association (GYLA), which monitored how State TV and Radio Broadcasting spent public funds, demanded that the prosecutor's

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.

office investigate the allegedly illegal activities of its chairman. The newly appointed general director of the public broadcaster demanded a financial audit shortly after taking over.

The year also saw the first implementation of the tax code, which reduced the number of taxes from 22 to seven, when it was approved by parliament in late December 2004. Some tax rates were reduced as well, including the social tax from 33 percent to 20 percent, the income tax from 20 percent to 12 percent, and the value-added tax (VAT) from 20 percent to 18 percent. The profit tax remained at 20 percent. The new tax code exempted print media from all taxes, except the income and social tax, through 2007.

Also, just before the start of 2005, the president signed a new law on higher education that laid the groundwork for reforming teaching at higher-education institutions, including journalism schools.

In the media industry, TV Mze has changed its ownership structure. David Bezhuashvili, who built his business on cement production and co-owned the television station, became the sole owner of Mze by acquiring the stock of his former partners. As a result, the station underwent major strategic and personnel changes, positioning itself as a sports and entertainment channel. The channel eventually restored suspended news programs but stopped offering the popular talk show "Archevanis Zgvarze" (At the Edge of the Choice), the anchor of which was criticized by the authorities for allowing independent forensic experts to express doubts about the official version of the prime minister's death and for covering civil unrest in central Tbilisi following the arrest of the two famous sportsmen on extortion charges.

In 2005, authorities intensified their criticism of the quality of Georgian journalism. Many influential members of government and parliament on numerous occasions labeled journalists as unskilled and unethical. For their part, many media outlets, previously willing to give the new post-Rose Revolution government a grace period, became more and more critical of its activities, with TV 202 taking the lead. In May, TV 202 aired an investigative piece about Zurab Zhvania's death, produced by Studio Reporter, casting doubt on the official version of the circumstances of death provided to the public.

Shalva Ramishvili, a popular anchor and cofounder of TV 202, was arrested in August. Along with David Kokhreidze, the director, he was accused of extortion. He was alleged to have blackmailed the MP Koba Bekauri to extort \$100,000 in exchange for not broadcasting an investigative story, also shot by the

Studio Reporter, featuring Bekauri's allegedly illegal activities. Ramishvili was filmed while accepting a part of this money via a hidden camera placed with the MP by the police. Ramishvili pledged his innocence. On August 29, Ramishvili was sentenced to three months pre-trial detention by the Tbilisi City Court. The documentary was finally aired in September by two channels: first by TV 202 and the next day by the public broadcaster.

According to the Media Sustainability Index (MSI) assessment for 2005, the professionalism of journalists as well as the business-management skills of media owners improved from the previous year, largely thanks to the training provided to them by the various international organizations. Regardless, the quality of the journalism available to audiences has deteriorated, with journalists finding it increasingly difficult to overcome barriers to the public information put up by administrative authorities. Ever increasing self-censorship does not permit media to offer their audiences a full and undistorted picture of current social, political, and economic processes as well as to serve as a forum for debating public concerns. Investigative reporting is rarely practiced, and the share of entertainment content in the media keeps growing. The chilling effect of recent cases of journalists being physically and otherwise intimidated, with almost no offenders identified and prosecuted, is becoming more and more visible. Even advertising companies fall victim to self-censorship, endangering the sustainability of advertising market and making expensive audience research obsolete.

The overall MSI index improved marginally to 2.23 in 2005, from 2.14 in 2004. The improving MSI objectives related to journalistic professionalism, business management of media, and the supporting institutions for the media sector. Although Georgia enjoys quite liberal legislation that regulates media as compared with the other post-Soviet countries, implementation of these laws remains a problem. Corrupt and incompetent judges as well as prosecutors and investigators, which operate under enormous administrative pressure, often leave the media without the legal means for their defense.

OBJECTIVE 1: FREE SPEECH

Georgia Objective Score: 2.31 / 4.00

Panelists concluded that although there was continued improvement in media legislation during 2005, media freedom decreased as compared with the year 2004, and self-censorship still remained a problem, often taking the form of hidden censorship. The new law

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.

on broadcasting, which took force in January 2005, along with the previously adopted legislation, provided further legislative guarantees for freedom of speech in Georgia. The problem, however, continued to lie in the implementation of the laws by the executive and judicial branches. The lack of real independence, some corruption, and poor skills in the judiciary often led to incompetent decisions that distorted free-speech principles, the MSI panelists concluded.

The new law allowed broadcasting licenses to be prolonged automatically for one 10-year period after the expiration of the current permit, provided all legal and technical rules are satisfied. After the 10-year extension, the license must be opened to bidding again. Previously, the license was renewed every 10 years if no violations were reported. Some panelists voiced concern that the Georgian National Communications Commission (GNCC) made decisions on awarding or suspending licenses that appeared to have been influenced by the government, a process that was becoming more politicized.

Georgian print and broadcast media outlets are registered the same as other legal business entities. Market entry and tax structures are similar to those for other businesses. The print media are exempt through the end of 2007 from all taxes except for income tax payable by employees and the social tax. Panelists from the broadcasting industry mentioned that broadcast media have to pay full tax rates and, unlike other businesses in Georgia, also 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 a license awarded, frequency, etc., and is payable during the 10-year license validity period. The annual regulation fee comprises 1 percent of a broadcasting company's annual income.

In 2005, the rights of journalists were violated on many occasions. There was pressure on owners and publishers of media outlets, who often had to refrain from critical stories to stay in business. There was intimidation of journalists, particularly through restrictions on access to certain types of information. There was limited editorial independence, with owners and publishers often interfering with content and using employment contracts that left journalists fearful of losing their jobs if they did not conform to employers' political and business agendas. The MSI panelists listed many cases of violations, especially in the regions. Targets included the editor of the regional newspaper *Imedi*, Gela Mtvlishvili, who while investigating violations by local police was severely beaten in June and several weeks later had a hand grenade thrown into his house. Several cases were reported in Gori, where journalist Saba Tsitsikashvili, working for newspapers *Akhali Versia* and *Trialeti*, was beaten several times while writing about corruption and smuggling in the region. In neither case was the perpetrator identified. In July 2005, while covering protests in the capital, journalists Irakli Gedenidze from the newspaper *Alia*, Zviad Nikoleishvili from the news agency Interpressnews, and Nato Makhviladze from the television company Mze were physically abused by police. Police also forbade journalist Nino Giorgobiani of the public broadcaster from filming the protest. The panelists unanimously agreed that the situation had worsened since the previous year. "The occurrence of crimes against journalists is frequent, but such crimes are rarely prosecuted," said Lasha Tugushi, the editor of the central newspaper *Rezonansi*.

In January 2005, state television and radio were transformed into public broadcasters. In April 2005, the Board of Trustees was approved by the parliament, and in August 2005 the general director was appointed, amid some concern about the transparency and politicization of the process. The public broadcaster

currently receives 17 million GEL (approximately \$9.4 million) directly from the state budget, but that is considered temporary. Starting in 2006 and until the government devises an alternative funding mechanism, the broadcaster will still be funded from the state budget, but the funding will be no less than 0.15 percent of Georgia's GDP. There remain a few newspapers sponsored by the government, primarily in the Adjara Autonomous Republic, where a state-funded television channel also remains. The government of Georgia will determine a plan for the reorganization of Adjara TV within one year following the adoption of the law on broadcasting.

The broadcasting law does not provide for preferential treatment of public or government-owned media, nor does it interfere with editorial independence. However, the majority of panelists believe that in practice the public broadcaster is broadly controlled by the government and enjoys easier access to information. MSI panelists said that the government also pays more attention to television stations than to radio stations or newspapers. The political and business interests of owners, meanwhile, have a profound impact on the editorial policies of private media outlets. Employees with short-term contracts or none at all are vulnerable to influence.

Libel is a civil law issue, and Georgia has progressive laws on defamation. No cases of clearly erroneous court decisions holding journalists liable for defamation were reported during 2005.

Freedom of public information is stipulated by Chapter III of the general administrative code, but many problems remain with implementation. The panelists recalled instances when public information was not made available. According to Tamar Chikovani of the Radio Free Europe/Radio Liberty Tbilisi Bureau: "It is very difficult, almost impossible, to obtain information from the law-enforcement agencies (Ministries of Interior, Defense, State Prosecutor's Office) as well as from many other public bodies." In some cases, especially at regional administrative agencies, the officials simply do not know the requirements of the administrative code. For instance, in one case, according to the "Review of Implementation of the General Administrative Code of Georgia," published in 2005 by the United Nations Association of Georgia, the head of the police in the Ninotsminda region replied to a request by saying that "all the information in police is secret (and) only the Minister of Interior and other high officials have access to it." On the other hand, the journalists are not very active in protecting their right to access to information by applying to the courts.

Access to international news and news sources is not restricted by the government. The Internet is readily available in the capital but not in all regions, and many regional media outlets cannot pay for access. Lack of access is partly due to the difficult landscape of Georgia and the high cost of establishing Internet connections, especially 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 outlined by law. The sessions of the government of Georgia are usually closed to journalists.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Georgia Objective Score: 2.12 / 4.00

MSI panelists report that although the professional skills of Georgian journalists have improved, the overall quality of journalism in Georgia took a turn for the worse during 2005. They attributed this decline to multiple factors, including more attempts by government officials and media owners to censor content, difficulties that journalists face when trying to obtain public information and cross-check facts, and lack of professional motivation. According to Tamar

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).

Chikovani, the main issue now is not how objective the coverage provided by media outlets is, but how the topics that get covered are selected.

According to recent monitoring of US Agency for International Development (USAID)–assisted media, initiated by IREX and conducted by the Georgian Opinion Research Business International (GORBI) in September 2005, the number of news stories that presented two viewpoints in 17 monitored newspapers decreased from 10 percent to 5.4 percent compared with the October 2004 data. The research showed a slight decrease in the number of the news stories that presented two viewpoints at the six monitored radio stations (only 4 percent compared with 5 percent in 2004) and a tremendous increase in the number of television stories that presented two viewpoints broadcast by 23 monitored stations, from 24 percent to 52 percent.

“Censorship took such a large scale, that it might turn into the internal policy of the media organizations,” said Malkhaz Ramishvili from the newspaper Akhali Versia in Tbilisi.

Panelists agreed that journalists currently seek comments from multiple and diverse sources more than ever but often face resistance from government officials or their

press secretaries, particularly outside the capital. Nevertheless, panelists attributed the lack of balance in media coverage not only to the officials’ reluctance to share information, but also to the way journalists frame their pieces, especially on television channels. They said packages are often built so that one side’s views get a dominant position while comments from the opposing side are short or positioned in the middle of the coverage, so they are not remembered by a viewer.

In June 2005, nine national and 11 regional media organizations, individual journalists, and three nongovernmental organizations (NGOs) established the Media Council. The Council is a media self-regulatory body serving in an arbitration capacity and as the main watchdog and enforcer of a journalistic code of ethics. The founders signed a communiqué stating that the Council shall ensure the implementation of media professional standards, react to violations, review public concerns and complaints, protect freedom-of-expression principles and editorial independence, and promote journalistic solidarity.

Most panelists agreed on the necessity for such an institution. However, according to some panelists, the Council lacks legitimacy, since it had not resulted from

consensus achieved within the industry. In addition, the Council has no institutional capacity yet to implement the goals stated in its mission. At the same time, four newspapers established a Press Council, modeled after similar institutions common worldwide. The two major objectives of the Press Council are to serve as an arbiter between a newsroom and an audience, and to raise journalists’ professional standards through educational activities.

When asked to name the most common ethical lapses, MSI panelists mentioned daily television series that feature the work of the Georgian police patrol. During the series, the audience is exposed to the faces and bodies of the dead and injured as well as to those of crime suspects, underage suspects among them. Georgian media often violate presumption of innocence by labeling detainees as guilty. In addition, the names of violence victims and their family members are usually disclosed. There are also cases of ethnic discrimination when covering conflict zones: Journalists shape an enemy image by referring to armed groups not as criminal groups, but as Ossetian or Abkhaz. Also, the use of hidden cameras is not based on absolute necessity, but used when journalists are reluctant to properly research the topic or if it is difficult to obtain the needed information right away, panelists said.

If panelists in 2004 complained about continuing self-censorship, the concern in 2005 focused on growing censorship from the government officials who exercise pressure on media owners and journalists. “Censorship took such a large scale, that it might turn into the internal policy of the media organizations,” said Malkhaz Ramishvili from the newspaper *Akhali Versia* in Tbilisi. One panelist recalled a case when the head of a television channel received fax messages listing which local and international news should be included in the news program and in which order. Newspapers covered a complaint from Irakli Mamaladze, formerly a Rustavi 2 reporter, who claimed that the Head of the Press Center at the Ministry of Interior, displeased with his coverage of crime and police, threatened him with a gun and got him fired from the television company. The case is now being investigated by the Public Defender’s Office. Nino Zuriashvili, a reporter for the show “60 Minutes,” complained during a meeting with representatives of the diplomatic community that Rustavi 2, which subcontracted “60 Minutes” to produce investigative stories, has not broadcasted them for 11 months. Zuriashvili described several cases when reporters of “60 Minutes” were denied public information and even received “friendly advice” from the security authorities to refrain from covering certain issues.

The results of interviews with 50 media managers and 182 journalists, conducted as part of the recent research by BCG Research at the request of IREX in July through August 2005, confirmed the growing pressure on journalists after the Rose Revolution. Thirty-six percent of interviewed journalists recalled the occasions of pressure from the government, and almost half of the respondents stated that they knew of government pressure on other journalists. The research disclosed cases of direct pressure on the media owners, blocking of unfavorable coverage, “friendly advice,” verbal and physical insults, and threats to harm journalists’ relatives and friends.

There are cases when journalists have the opportunity to cover important events but are asked not to shoot certain scenes or make certain comments, and they passively obey. When during military training near Uplistsikhe village in Shida Kartli a wrongly directed missile damaged several houses, all the television journalists on site, who were supposed to cover the training, received phone calls from their management in Tbilisi, saying that the footage is no longer needed. According to Tamar Chikovani, only the journalist from Radio Liberty had the freedom and courage to cover the military lapses.

Panelists attributed passivity and the lack of self-motivation and professional ambitions among television journalists to the fact that television stations, while not being sustainable businesses, still offer higher salaries, much higher than the market would support, to their staff. This makes journalists highly dependant on the goodwill of ownership and the ownership—on the goodwill of the government. Spoiled by high wages, television journalists are afraid to lose their jobs.

A study by BCG Research shows an increase in salaries at 31 of the 50 media outlets interviewed from the previous years. Out of those 31, 18 were television stations, eight were newspapers, and five were radio stations. The research also showed that the salary rates of about 60 percent of the interviewed journalists do not exceed 200 GEL (about \$110).

High-ranking public officials, including the president, often address the population on live television. News programs at various television channels, private ones among them, are too frequently interrupted by the live coverage of the press conferences and other official meetings. Panelists also noted the recent trend of entertainment programs that prevail over news and other type of serious programming. When news programs, due to their poor quality (resulting mainly from censorship) get low ratings, television channels air reality shows and entertainment talk shows that are

in demand from audiences in order to maintain the channels’ popularity. Panel participants expressed worry about the lack of cultural, educational, and analytical programs.

Thanks to the financial support from the donors and NGOs focusing on media development in Georgia, the state of the technical facilities and equipment available to

the media (especially print) is generally satisfactory. “In Georgia, several national television channels are well equipped. Although regional broadcasters are now able to generate more income through better, profit-oriented management and more advertising, their finances are only enough to purchase basic equipment,” said Tristan Tsutskiridze, director of the Borjomi television company and chairman of the Georgian Association of Regional Television Broadcasters (GARTB).

Niche reporting still remains undeveloped in Georgian media, though investigative journalism becomes more popular against the background of the current political environment. According to the report by BCG Research, 27 managers out of 50 interviewed said that they have journalists who cover investigative issues only. Thirteen journalists from nine media companies work specifically on healthcare, but only eight media outlets indicated having journalists who cover gender issues, and only three radio stations cover minority issues. In general, due to the lack of qualifications, financial constraints (mostly in regions) and limited human resources, journalists do not specialize in one area. Panelists emphasized the role of NGOs and international organizations in financing the programs devoted to the social issues. For example, with support from Save the Children, TV Imedi was able to produce programs for children and a program on gender issues with support from UNDP. According

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to Irakli Sharabidze, a senior lawyer for TV Imedi, even when media are willing and able to produce niche programs, there is no demand for them among the audience. Therefore, they get low ratings and eventually stop airing.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Georgia Objective Score: 2.23 / 4.00

The availability of information from multiple sources was essentially static from 2004 to 2005. There continued to be no political or legislative restrictions on access to international media. The study conducted by BCG Research showed slight improvement in distribution of the national newspapers to the regions (better transportation and new private distributors), but the panelists noted that due to fiscal constraints, regional media (print as well as broadcast) are able to cover mostly only local areas and even those not fully. The quality of information and cost of services provided by the independent news agencies appeared to be a common concern.

Imedi TV, Rustavi 2, Pirveli Stereo TV, and radio stations Imedi and Fortuna remain the only private broadcast media that cover almost all of Georgia. By the end

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.

of 2005, radio station Mtsvane Talga was to join this group. A rather scant advertising market in the regions does not allow local broadcasters to generate income sufficient for covering both operating costs and major equipment upgrades. They were unable to invest in improving broadcasting quality and broadening coverage areas. Regional television stations cover up to three neighboring regions at best.

According to the in-depth GORBI survey of 15 newspaper managers conducted in May 2005 and the recent study by BCG Research, there are several newspapers that are distributed nationwide, including *24 Saati*, *Rezonansi*, *Akhali Versia*, and *P.S.* from Kutaisi and *Guria News* from Chokhatauri. Panelists named the weekly *Kviris Palitra* as the publication with the widest distribution area. Other newspapers are usually available only in their own regions, where they still do not cover the whole territory. Panelists attributed this to the underdeveloped distribution system and the fact that newspapers do not have the financial resources needed for establishing a local independent distribution system. "There are 11 districts in the Imereti region and 530 villages. If we could get at least 10 newspapers sold in each village, we would grow our circulation by a minimum of 5,000," said Ia Bobokhidze, editor-in-chief of the newspaper *Akhali Gazeti* in Kutaisi. Another factor is that many Georgians, especially in small villages, cannot afford newspapers.

Panelists agreed that it is too early to judge whether the public broadcaster, formerly the state Channel 1, reflects alternative views and commentary. Panelists expressed doubts that the channel would be completely free from government influence. However, panelists complimented the broadcaster for airing an investigative documentary about the alleged illegal activities of an MP that was at the core of the scandal regarding TV 202 and the arrest of its co-owners.

The newly created public broadcaster has to devote much attention and resources to technical issues. An inventory of its property continues, and it needs to upgrade equipment for program production as well for transmitting throughout Georgia. By 2006, the broadcaster has planned to upgrade the quality of information programs, including news. The Liberty Institute, supported by the Organization for Security and Co-operation in Europe (OSCE), is assisting the public broadcaster to determine the editorial independence guidelines for the producers.

There are about a dozen news agencies in Georgia. Most panelists complained about the high cost and poor quality of services. "Their pieces are full of factual mistakes and misspelled names," said Ia Mamaladze,

publisher of the *Guria News* and chairwoman of the Georgian Regional Media Association (GRMA). “What’s more, information delivered by the agencies often does not provide enough details, and media have to refer to other sources to get the full picture on an issue.”

All independent broadcast media in Georgia produce their own news programs. The new broadcast law and the copyright law prohibit the use of unlicensed programs, and the regulatory authority (GNCC) closely oversees broadcasters regarding piracy. Some stations, especially in the regions, cannot afford expensive productions, and thus a tendency to produce more news and less complex programs has emerged.

According to BCG Research, the majority of the 50 media managers interviewed claimed full access to information regarding media ownership. Forty-five out of 50 managers disclosed the names of the owners, with only five of them refusing to talk about it. Panelists agreed that within media circles, it is well known who owns which outlet, although this information might not be officially declared. Registration papers that list state ownership information can be requested through the courts. The research showed that 97 percent of interviewed journalists (182) stated that they know who owns the outlet they work for, and 75 percent of them said that they learned this from the owners themselves.

In Georgia, where numerous minority groups live in close proximity, media leaders acknowledge the necessity for providing specialized content reflecting the issues of concern to ethnic, religious, and other minorities and producing programs in minority languages. However, most outlets cannot actually produce such programs due to lack of resources or because the programs are not financially profitable. Thus, media are either unwilling to invest money in them or only can when they receive assistance from NGOs specializing in media or minority issues. For example, *24 Saati* has columns on minority and religious issues that are supported by donors including the Eurasia Foundation, the law firm Gabi, and other NGOs. Through support from IREX, Trialeti TV in Gori produced a daily news program “Anarekli” and a program “Advice for Gardeners” in the Ossetian language. However, within two months of the IREX grant’s expiration, the channel ceased production, citing financial problems. Production of the analytical news program “Parallel P.S.” in Armenian and Georgian by Borjomi-based TV Borjomi and Akhaltsikhe-based TV Imperia was stopped due to technical problems, but the management said the hiatus was temporary.

Among the ongoing minority-oriented programs were the public broadcaster’s daily news program produced in Russian, Abkhazian, Ossetian, Armenian, and Azeri

on different nights of the week. Radio Hereti from Lagodekhi broadcasts a news show in Russian. Radio Mtsvane Talga runs a project called Demos in Georgian, Russian, Armenian, and Azeri that consists of radio debates, roundtables, and studio shows devoted to ethnic and religious issues. Zugdidi-based radio Atinati has a Russian daily news program. In Akhaltsikhe, with support from the Institute for War and Peace Reporting, a bilingual Georgian-Armenian newspaper, *Samkhretis Karibche*, is published.

However, coverage devoted to minority groups in non-specialized programs such as regular news programs proved to be rather poor. According to the monitoring of the print and broadcast media coverage of minority groups in the South Caucasus conducted by the Media Diversity Institute, only 7.5 percent of the coverage in five major Georgian newspapers was devoted to minority issues (newspapers were monitored through September 2004), and only 6.1 percent of 12 programs broadcasted by five major television channels in February 2005 had minority coverage. “Although among the three South Caucasus republics, Georgia had the highest share of the coverage devoted to minorities, it is still low on the background of other issues. The quality of minority-language programs and articles is low as well. Some say this is because such programs are not profitable,” said Elena Aladashvili, country coordinator for the Media Diversity Institute.

OBJECTIVE 4: BUSINESS MANAGEMENT
Georgia Objective Score: 1.94 / 4.00

According to one of the panelists, the printing houses in Georgia are mostly in private hands now. They are independent from the state, and their services are generally accessible. However, the quality of printing causes a lot of complaints. “In some cases, it is because of the outdated equipment; in other cases it might be caused by the human factor—the lack of qualified technicians and engineers who can properly exploit and maintain the presses,” said Lasha Tugushi. Some papers strive to establish their own printing facilities. In 2005, newspaper *24 Saati* negotiated to buy a used, although still modern, press from the largest Slovakian publishing house Petite Pres. The paper continues to seek funds to cover transportation and construction expenses for the equipment.

There are 11 distribution companies in Georgia; two are state-owned (Sakpressa and Adjara Press), and the rest are private. Five newspapers of the 15 interviewed by BCG Research stated that they operate

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.

their own distribution systems. Those are Tbilisi-based *Kviris Palitra*, *Trialeti* from Gori, *Guria News* from Chokhatauri, Lanchkhuti-based *Ho da Ara*, and *Speqtri* from Gurjaani. According to BCG Research, the distribution companies divided the market and cover mainly local segments of the Georgian territory. Only state-owned Sakpressa covers the whole country, while the newly established private firm Elva Servi competes for total reach.

The situation with the ownership of Sakpressa was unchanged in 2005. In 2003, the legitimacy of its privatization was questioned in court, and almost two years later the case was still pending in the Tbilisi Appellate Court. However, Sakpressa continued to operate under state ownership and despite complaints remained the only distribution system reaching all regions of the country. MSI panelists noted delays with receiving money for the sold copies from Sakpressa, a high cost for the services and problems with display of various titles at kiosks. Overall the situation with distribution remains chaotic. Newspapers cannot monitor their sales because companies, with the exception of Elva Servi, do not provide data on in-stock and unsold copies.

Media in Georgia generate income from a multitude of sources. The GORBI survey of the USAID-assisted media showed that television channels receive the lion's

share of their income from advertising and commercial announcements. Respondents also named donor support and commercial content as income sources. The study by BCG Research showed that broadcast media also generate income from interactive calls and SMS, although they themselves identify the latter as ads. However, panelists noted that even the income of the major Tbilisi-based television stations that enjoy the largest advertising share is not enough to cover all their expenses and does not free them from dependence on the owners' subsidies. In the regions, until recently, advertising came mainly from commercials and announcements provided by the companies involved in the construction of the gas and oil pipelines that go through Georgian territory. The income of some channels in tourist areas is heavily seasonal.

To generate more money, the channels strive to explore other income sources and try to attract more advertising. The Imedi channel, for example, owns a satellite news-gathering system that transmits a signal receivable in any European country. The television stations participating in the Georgian Association of Regional Television Broadcasters (GARTB) managed to negotiate with the advertising agencies and businesses in order to increase advertising placements at member stations. The association buys licensed programs, and its members have the right to air them, thereby diversifying each channel's programming at a reduced cost. This presumably attracts more viewers and more advertising. An advertising agent employed by the association works with the Tbilisi-based agencies, offering them advertising packages for all member-channels or selected ones at lower prices.

Newspapers receive most of their income from circulation sales and classified ads. Only three out of 17 newspapers interviewed by BCG Research said that their income from advertising generates more than 50 percent of their revenues. According to the management of the *Kviris Palitra* weekly, 90 percent of its income comes from sales. In general, there is no cooperation between print media and advertising agencies. Some of the papers print privately sponsored content, and all of them publish paid announcements. As a result of the competition conducted by the State Agency for Procurement, the daily newspaper *24 Saati* won the exclusive right to publish announcements of state institutions that now occupy a large portion of the paper's space and generate a large amount of the paper's income.

There are about a dozen leading advertising agencies in Georgia. All of them are Tbilisi-based, so regional media have to work within the capital and not locally. According to panelists, the situation with finding

advertising in regions did not change much during 2005. “The advertising market in regions either does not exist at all or is scarce,” said Ia Bobokhidze.

Overall, there is notable growth in the television advertising market in Georgia. According to the AGB Nielsen Media Research Georgia, which entered the market in late fall 2004, the advertising market estimated at \$3.5 million in 2001, reached \$7 million in 2004, and was expected to reach \$9 million by the end of 2005.

However, there are some concerns related to advertising placements. Some companies are pressured, directly or indirectly, to support certain media outlets with their advertising, regardless of whether these outlets reach the audiences the companies target, MSI panelists said. Some businesses even practice self-censorship, much like journalists, and avoid advertising their products and services in media considered critical toward the authorities. State organizations, when deciding where to publish public announcements, do not follow transparent policies.

The major organizations producing media research in Georgia are IPM Media, GORBI, and BCG Research. AGB Nielsen Media Research Georgia—a joint venture of the Italy-based, Kantar Media Research-owned AGB Group and the U.S.-based Nielsen Media Research International, the world’s leaders in providing high-quality television audience measurement services—joined this group, attracted by the success of the diary-based television ratings conducted by the IPM Media through an IREX initiative and financial support. With the establishment of AGB Nielsen Media Research Georgia, starting in January 2005, the delivery of overnight television ratings through people-meter technology was added to the previously used television diaries in Tbilisi. The new technology replaced the diaries all over Georgia in July 2005. The largest share, 60 percent, of the advertising market belongs to television channels, with radios and print media each getting 10 percent and 20 percent going to outdoor advertising, according to BCG Research.

Last spring, KPMG, at request of IREX, assessed the methodology used by AGB Nielsen Media Research Georgia and found it largely compliant with the best international practices. The fact that such an internationally recognized company as AGB Nielsen Media Research operated the audience measurement in Georgia with its methodology certified by an international audit group, attracted international businesses and media sellers and took Georgia’s market to a higher international level. In April, one of the Russia’s largest media sellers, Video International, entered the Georgian media market, signing a contract with the Imedi TV channel.

Twice a year IPM conducts standardized surveys of print media and radio audiences, called the Marketing and Media Index (MMI). MMI is a way of monitoring lifestyle and purchasing patterns of consumers, as

well as brand and media consumption information. The data are used by advertisers and advertising agencies for planning advertising campaigns and monitoring their own and competitors’ companies. By interviewing 1,500 people aged 12 to 65 in Tbilisi, Kutaisi, and Batumi, the organization provides advertisers with the data that help them to better introduce their brands. MMI also helps media to identify their target audience.

MSI panelists agreed that media in Georgia acknowledge the necessity for market and audience research; however, they lack funds to buy the existing data or conduct their own quality research. In addition, the panelists said, many are still suspicious of the integrity and research methods of local organizations. Some media outlets do conduct public opinion polls through phone and personal interviews or published questionnaires, gather focus groups, and do surveys. As the report by BCG Research shows, Imedi TV regularly conducts audience research through its own sociological service, at the same time buying data from AGB Nielsen Media Research Georgia and hiring other research companies. The newspaper *Akhali Versia* conducts focus groups; newspaper *24 Saati* and radio Mtsvane Talga regularly research their audiences. Overall, 26 media outlets out of the 50 interviewed stated that they conduct their own research. Of those, 12 were television stations, six were radio stations, and nine were newspapers.

“In some cases, it [the poor quality of printing] is because of the outdated equipment; in other cases it might be caused by the human factor—the lack of qualified technicians and engineers who can properly exploit and maintain the presses,” said Lasha Tugushi.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Georgia Objective Score: 2.55 / 4.00

In May 2005, the Georgian Association of Regional Television Broadcasters (GARTB) joined the Georgian National Association of Broadcasters (GNAB) and the Georgian Regional Media Association (GRMA) to represent the interests of Georgian media industry. Of the five MSI objectives, the largest 2005 gain in Georgia

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.

was recorded for improvements in the media industry's supporting institutions.

Panelists had diverse opinions on the work of media associations in Georgia. Generally, they agreed that for the associations to become truly sustainable, they need to generate more funds on their own. And compared with previous years, the associations have made considerable progress. They finally managed to unite the previously divided media. The members came to understand the necessity of creating associations that act as bodies that represent members' interests and allow for an exchange of information and mutual support. "There is a sense of healthy competition and cooperation established among our members. They exchange ideas, work on projects, and of course argue, but they do it together," said Tinatin Tushishvili, executive director of GNAB. Problematic issues are now openly discussed, and the associations are able to move forward and get involved in projects of common benefit.

All three associations successfully implemented a project involving the joint sale of advertising time and space. The associations established contacts with different NGOs, state institutions, and other associations.

The GNAB underwent structural changes during 2005. The new executive team, consisting of a director and three staff members, including a lawyer,

was appointed. The governing board changed as well, granting more flexibility and democracy to the decision-making process. The number of board members increased to 15.

GNAB's involvement in drafting the new broadcasting law made it more attuned to the interests of the commercial broadcast sector, including license terms, television tower ownership, and the amount of advertising on public television. GNAB provides regular legal consultations to its members. During June through August 2005, in cooperation with GYLA, GNAB organized seminars in Tbilisi and Batumi for its regional members. The seminars were devoted to the association's internal policies and labor-law issues. The association closely works with the GNCC on behalf of private broadcasters and on drafting of the code of conduct for license holders. GNAB also negotiated with the television production Studio Re for the association member stations to broadcast the studio's products free of charge.

In October 2005, GNAB supported one of its members, the Union of Georgian Cable Television Broadcasters, in organizing the fifth International Congress of Tele Radio Broadcasters and Cable Television Operators. It was decided to lobby for amendments to the relevant legislation in the participating countries in order to ensure active legal support for the private telecommunication systems operators. Among other decisions, participants agreed to assign the Union of Georgian Cable Television Broadcasters to select the best cable channel for the dissemination of its programming among the cable networks in Ukraine and Belarus.

The Georgian Regional Media Association is working on several projects, including the distribution of regional print media to subscribers from Tbilisi. In August and October 2005, in cooperation with the Parliamentary Committee on Self-governance and Regional Policy, the association organized meetings in Batumi and Tbilisi to educate its members on the self-governance legislation in pipeline. GRMA staff was assigned to prepare materials on the educational reform under way in Georgia. These materials were published by each member outlet.

After the executive officer of the GARTB attended the television production market on June 21–25 in Budapest and conducted negotiations with a number of production companies willing to sell their products to Georgian regional television companies, the association implemented a project that allowed each member station to broadcast licensed programs at minimal expense.

All these projects are conducted with the financial support of different organizations. Therefore, panelists agreed that to maintain the activities and effectively work for the benefit of their members, the associations need to become profit-generating bodies.

There still are no professional journalism associations protecting journalists' rights in Georgia. "All the protest rallies and statements signed by journalists carried spontaneous character or were implemented upon individual initiative," said Lasha Tugushi. The NGO sector takes on the role of the media defender. However, panelists noted that a lot of activists who had lobbied for journalists' rights before moved to the government sector and now hold official positions.

The Caucasus School of Journalism and Media Management (CSJMM), funded by the U.S. Department of State and the Open Society Institute, remains the leader in providing quality journalism education in Georgia. The school graduates 10 to 15 Georgian students each year. Overall, the process of educational reform features 23 institutions in Georgia that are accredited to teach journalism. However, panelists noted that there is still a lack of hands-on courses in the universities' curricula. Panelists complained about university graduates not having skills that would allow them to integrate into newsrooms right after graduation, and said teaching the methodology and curricula remain outdated. The School of Social

Sciences at the Georgia Technical University opened the fall semester with a new Master's program in Media Management. This program will graduate a group of 12 students in two years.

"There is a sense of healthy competition and cooperation established among our members. They exchange ideas, work on projects, and of course argue, but they do it together," said Tinatin Tushishvili.

Panelists emphasized the change in the attitude of media outlets toward short-term training programs. The lack of interest in, and appreciation and understanding of, such programs turned in 2005 into a greater willingness to enroll in them. All panelists noted the great role that international NGOs play in providing this service for journalists in Georgia. While training programs offered by international NGOs are free to participants, local organizations started to offer longer-term paid training courses to journalists in 2005. For example, CSJMM offered training in media management, photojournalism, health reporting, arts coverage, and communications management. However, financial constraints do not permit the majority of regional media representatives to take advantage of these learning opportunities.

Panel Participants

Tristan Tsutskiridze, Director, Borjomi television company, Borjomi; Chairman, Georgian Association of Regional Television Broadcasters (GARTB)

Irakli Sharabidze, Senior Lawyer, TV Imedi, Tbilisi

Tamar Chikovani, Bureau Chief, Radio Free Europe/Radio Liberty, Tbilisi

Ia Mamaladze, Publisher, *Guria News* newspaper, Chokhatauri; Chairwoman, Georgian Regional Media Association (GRMA)

Ia Bobokhidze, Editor-in-Chief, *Akhali Gazeti* newspaper, Kutaisi

Lasha Tugushi, Editor-in-Chief, *Rezonansi* newspaper, Tbilisi

Malkhaz Ramishvili, Publisher, *Akhali Versia* newspaper, Tbilisi

Tinatin Tushishvili, Executive Director, GNAB, Tbilisi

Niko Nergadze, Program Coordinator, Caucasus School of Journalism and Media Management, Tbilisi

Elena Aladashvili, Country Coordinator, Media Diversity Institute, Tbilisi

David Kikalishvili, Anchor, Rustavi 2 television company, Tbilisi

Moderators

Lia Chakhunashvili, Program Director, IREX/Georgia

Devi Sturua, Director of Operations, IREX/Georgia

Ellada Gamreklidze, Project Coordinator, IREX/Georgia

Observer

Keti Bakradze, USAID/Caucasus Office of Democracy and Governance

GEORGIA AT A GLANCE

GENERAL

(source: CIA World Factbook)

■ **Population:** 4,677,401 (July 2005 est.)

■ **Capital city:** Tbilisi

■ **Ethnic groups (% of population):** Georgian 83.8%, Azeri 6.5%, Armenian 5.7%, Russian 1.5%, other 2.5% (2002 census)

■ **Religions (% of population):** Orthodox Christian 83.9%, Armenian-Georgian 3.9%, Catholic 0.8%, Muslim 9.9%, other 0.8%, none 0.7% (2002 census)

■ **Languages (% of population):** Georgian 71% (official), Russian 9%, Armenian 7%, Azeri 6%, other 7% (Note: Abkhaz is the official language in Abkhazia.)

■ **GDP:** \$14.45 billion (2004 est., ppp)

■ **Literacy rate (% of population):** 99%

■ **President or top authority:** President Mikheil Saakashvili

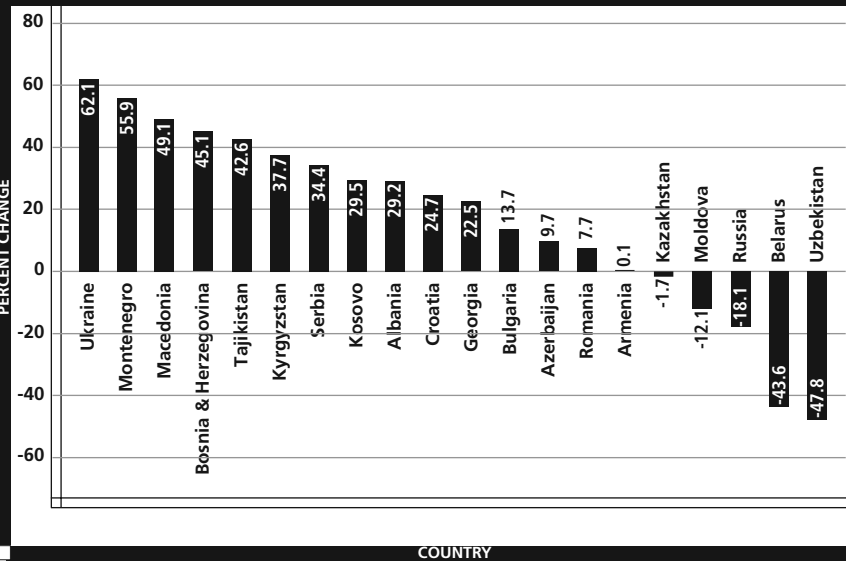
■ **Next scheduled elections:** Presidential 2009, parliamentary 2008

MEDIA-SPECIFIC

■ **Newspaper circulation statistics (total circulation and largest paper):**

- *Kviris Palitra* (weekly, Tbilisi); circulation 75,000 (information provided by the newspaper)

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2005



- *Alia* (three times a week, Tbilisi); circulation 12,000 (information provided by the newspaper)

GORBI Circulation Data, May 2005:

- *Akhali Versia* (three times a week, Tbilisi); circulation 6,000
- *Rezonansi* (daily, Tbilisi); circulation 6,000
- *P.S.* (weekly, Kutaisi); circulation 5,000
- *Guria News* (twice a week, Chokhatauri); circulation 4,500
- *24 Saati* (daily, Tbilisi); circulation 4,500

■ **Broadcast ratings (top three ranked stations):**

AGB Nielsen Media Research Georgia, September 2005

- **Tbilisi:** Rustavi 2 4.79%, Imedi 2.92%, Public Service Broadcaster, Channel 1 0.96%
- **Regions:** Imedi 4.82%, Rustavi 2 3.71%, Public Service Broadcaster, Channel 1 1.16%
- **Tbilisi and Regions:** Rustavi 2 4.41%, Imedi 3.58%, Public Service Broadcaster, Channel 1 1.03%

■ **Number of print outlets, radio stations, television stations:** NA

■ **Annual advertising revenue in media sector:** Television advertising market is expected to reach \$9 million in 2005. AGB Nielsen Media Research Georgia, July 2005 est.

■ **Number of Internet users:** 150,500 (2003) CIA World Factbook

■ **News agencies:** AP Bureau, Reuters Bureau, Black Sea Press, Novosti Gruzia, Sarke, GT News (Media Holding Georgian Times), I-Media, Interpressnews, Infozavri, Iprinda, Kavkazpress, Media News, Prime News, GHN (Georgian Hot News) www.yellowpages.ge

MEDIA SUSTAINABILITY INDEX: GEORGIA

