

# MAPPING DIGITAL MEDIA: **GEORGIA**



# Mapping Digital Media: Georgia

**A REPORT BY THE OPEN SOCIETY FOUNDATIONS**

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# Mapping Digital Media

The values that underpin good journalism, the need of citizens for reliable and abundant information, and the importance of such information for a healthy society and a robust democracy: these are perennial, and provide compass-bearings for anyone trying to make sense of current changes across the media landscape.

The standards in the profession are in the process of being set. Most of the effects on journalism imposed by new technology are shaped in the most developed societies, but these changes are equally influencing the media in less developed societies.

The **Mapping Digital Media** project, which examines the changes in-depth, aims to build bridges between researchers and policymakers, activists, academics and standard-setters across the world. It also builds policy capacity in countries where this is less developed, encouraging stakeholders to participate in and influence change. At the same time, this research creates a knowledge base, laying foundations for advocacy work, building capacity and enhancing debate.

The Media Program of the Open Society Foundations has seen how changes and continuity affect the media in different places, redefining the way they can operate sustainably while staying true to values of pluralism and diversity, transparency and accountability, editorial independence, freedom of expression and information, public service, and high professional standards.

The Mapping Digital Media project assesses, in the light of these values, the global opportunities and risks that are created for media by the following developments:

- the switch-over from analog broadcasting to digital broadcasting;
- growth of new media platforms as sources of news;
- convergence of traditional broadcasting with telecommunications.

Covering 60 countries, the project examines how these changes affect the core democratic service that any media system should provide—news about political, economic and social affairs.

The **Mapping Digital Media** reports are produced by local researchers and partner organizations in each country. Cumulatively, these reports will provide a much-needed resource on the democratic role of digital media.

In addition to the country reports, the Open Society Media Program has commissioned research papers on a range of topics related to digital media. These papers are published as the **MDM Reference Series**.

# Mapping Digital Media: Georgia

## Executive Summary

Digitization in Georgia has two speeds: there are plentiful examples of the swift adoption and innovative use of digital media, but just as abundant is the evidence of procrastination and reluctance to embrace new opportunities. It also presents two faces: a free and dynamic online environment and a heavily government-controlled offline world. These contradictions have a direct impact on the overall news offer and on media consumption patterns.

According to the International Telecommunication Union's Geneva 2006 agreement (GE06), the Georgian government has to complete digital switch-over by June 2015, and there will be 175 frequencies distributed in 10 broadcasting zones. However, just three years before the deadline there is no evidence that there are any documents mapping this transition. The Ministry of Economy and Sustainable Development is responsible for developing a strategy for switch-over, but no draft has emerged.

Civil society groups note that the ministry keeps postponing its own deadlines and has been a markedly reluctant participant in digitization-related forums organized by non-governmental organizations (NGOs). As 2012 is an election year—the voters will elect a new Parliament in October—significant progress in drafting the legislative framework is not likely before the end of the year.

The delay is a source of apprehension for Georgia's sizeable television industry: in a country of 4million people, there are more than 50 television channels, most of them regional. There is no clarity in the management of digital multiplexes, nor any indication as to how, if at all, must-carry rules will be applied. Smaller broadcasters also have concerns regarding the potential costs of the transition.

Moreover, the broadcasting regulator's politicized decision-making practice in the analog era encourages expectations that digital spectrum allocation will not favor independent market players. The Georgian National Communications Commission (GNCC) has been a frequent target of criticism by civil society for the lack of transparency and failure to ensure that the public interest is served. The procedure for selecting members also undermines the GNCC's credibility: candidates are selected by the president and approved by Parliament, without any involvement of civil society.

The purpose and advantages of the digital transition are not explained to the general public, and nothing is known about the government's plans to ensure affordability and access—or if there are such plans at all. In a country with a gross national income per head of only US\$4,700 (2009), the affordability of digital equipment is a particular concern.

Ownership of television sets in Georgian households has remained high in recent years (93 percent in 2010), and radio ownership steadily low (3.9 percent in 2010), but ownership of personal computers has grown rapidly. Between 2005 and 2010, the number of PCs in households more than doubled, reaching 17 percent of the total; internet penetration also grew, and currently nearly 100 percent of all connections are broadband. But Georgia still lags behind other countries in the region: according to International Telecommunication Union (ITU) data, 6 percent of the population had an internet subscription in 2010.

Television in its traditional formats continues to be the main source of news: in 2009, 88 percent of survey respondents said it was their first choice. The television market leaders have not changed since 2005: the leading trio still consists of two popular private channels, Rustavi 2 and Imedi TV, and the Georgian Public Broadcaster (GPB). The two private channels are now openly pro-government, while the GPB, which has the lowest audience share of the three, is also perceived as a government mouthpiece despite the transition to public broadcasting that started in 2005.

Since then, the GPB's board of governors has undergone several reforms aimed at strengthening its independence. However, the number of independent voices on the board remains low and the safeguards against politicized editorial decisions are weak. Only 25 percent (2009) of the population trust GPB's news broadcasts, and it is a frequent target of popular criticism. In Georgia, the role of public service media is well understood, particularly by civil society: the slogan "We fund you and you must serve our interests!" was a feature of the anti-government protests in 2007–2009.

The television market, dominated by the above-mentioned trio, has seen the biggest influx of new entrants in recent years, although they contribute little to the diversity of news offer as their main focus is entertainment. For example, one such new player is Global Media Group (GMG), which launched six entertainment channels in 2011. Most of the new entrants have government affiliations, with the notable exception of TV9, a company owned by the family of the billionaire businessman Bidzina Ivanishvili, who entered the political scene as the leader of the opposition party The Georgian Dream, set to be a big player in this year's elections.

Several new names have emerged on the internet, too. The respected regional newspaper *Batumelebi* has launched [Netgazeti.ge](http://Netgazeti.ge), an online edition aimed at the nationwide audience, which is becoming a leading voice among online outlets. And the media holding Palitra Media, a pioneer of newsroom convergence, has launched two new outlets, an internet television channel, Palitra TV, and a news site, [Ambebi.ge](http://Ambebi.ge).

Digital news platforms contribute to the overall diversity of topics and opinions in news coverage and provide Georgia's budding investigative journalism with useful tools and dissemination platforms. They have done little, however, to improve the content, which remains politicized, owner-dominated, and heavily reliant on



press releases and news agency reports. Moreover, the imperative of speed encourages outlets to compromise on fact-checking, analysis, and quality. Digital tools have also made copyright violations easier: many online media post images and videos copied from other outlets without crediting them. The absence of a recognized self-regulatory mechanism in Georgia makes the struggle against intellectual property theft a challenging task.

The comparatively low internet penetration means that even those online outlets that stand out in terms of quality, such as Netgazeti.ge and the website of Monitori investigative television studio, Monitori.ge, are not yet able to reach wide audiences or make a notable impact. But this is likely to change due to the growing internet penetration and the increasing number of people who go online in search of news (45 percent in 2011).

The wired—mainly urban—part of Georgian society has embraced digital tools and uses them in both consumption and production. The most popular type of user-generated content (UGC) is video-sharing. Having emerged from a past of predominantly pirated content, the most popular video-sharing websites now offer a variety of services, including live-streaming of television channels and video on demand. The popularity of video-sharing is confirmed by the prominence of the global video warehouse YouTube among top internet sites.

The use of social networks has rocketed in recent years: in the space of one year (2009–2010) the number of Facebook users among the wired grew from 6 percent to 31 percent. Since Russian remains a widely used second language, Russia-based social networks are popular too; however, the numbers are steadily declining in favor of global networks. Social networks are not yet routinely used for news consumption, although Facebook is slowly emerging as a new platform for general news, in other words, news that users are not specifically looking for.

The skillful use of Facebook as a tool for civic activism is a distinct development. Georgia has a long history of using digital tools for mobilization. Before social networks arrived on the scene, the veteran discussion forum Forum.ge was a place where people gathered, shared ideas, and mobilized around pressing causes, such as the Russian military presence in the country. Recently, Facebook has taken over as the key platform for mobilizations: it has hosted environmental campaigns, and was crucial in organizing a silent protest against police brutality in May 2011. Having originated on Facebook, this spilled into the unwired parts of society, bringing several thousand people to the streets of Tbilisi.

The only law that mentions the internet specifically is the Law on Freedom of Opinion and Expression, which states that the term “media” refers to “print and electronic means of mass communication including the internet.” No other document has provisions for internet content, making it the freest platform for public debate and, more important, an environment less susceptible to government pressure, something traditional media outlets are very familiar with.

The government mostly uses market mechanisms and regulation against outlets and journalists perceived as unfriendly. State advertising is distributed among pro-government media (in 2008, more than 80 percent

of state television ads appeared on the pro-government Rustavi 2), and there are reports of government and municipal officials applying pressure on private advertisers to stay clear of independent media too. The government routinely sponsors television programs, specifying that the funds are meant for “objective coverage of current affairs.” Selective tax inspections are another pressure tool, and psychological or physical pressure on individual journalists is also occasionally applied.

The most widely applied tool of interference is through ownership, particularly in the television market, which until very recently had a non-transparent ownership structure. Several television companies have changed owners in recent years, and people with government connections have dominated in those deals. Kibar Khalvashi, a close friend of a former prosecutor-general, bought shares in Rustavi 2; David Bezhuashvili, a prominent donor to Mikheil Saakashvili’s election campaign, bought shares in two channels, Mze and Stereo; and Imedi came into the possession of Joseph Kay, under whose control the channel changed its editorial policy to become openly pro-government.

The law makes the dominance of pro-government businesses relatively easy; while it does not allow one entity to hold more than one radio and one television license in a given service area, it does not prohibit owners from acquiring shares in different companies that hold such licenses.

Recently, government interference in the television market has become harder to exercise. As a result of a successful lobbying campaign by civil society groups, amendments to the Law on Broadcasting were passed in April 2011, requiring broadcast media to reveal information about their true owners and banning ownership by offshore companies. The deadline for broadcasters to disclose information about their owners was January 2012; all have complied.

This report finds that the momentous change in ownership transparency regulation and the dynamic and free online environment are the most notable success stories since 2005. Yet these achievements are overshadowed by the lack of independence of the broadcasting regulator and the public broadcaster, as well as the slow pace of digital transition.

In order to promote positive change, three kinds of reform need to be undertaken. First, the process of drafting the legal framework for digital switch-over must be made transparent and show results in the near future if the country is to be ready for the transition before the switch-off date in 2015. The public interest provisions, must-carry rules, and transparent spectrum allocation and gatekeeping should be given priority.

Second, with public awareness of the purpose and implications of switch-over virtually non-existent, an information campaign and public debate need to start without delay.

Finally, the independence of two key institutions, the GNCC and the GPB, needs to be strengthened. In both cases, this can be done by adopting clearer regulatory safeguards against government interference, enforcing transparency, and ensuring civil society participation in selection procedures.

## Context

The years since 2005 have seen a continuation of key democratic reforms in Georgia that started after the Rose Revolution, when widespread protests over the disputed 2003 parliamentary elections led to a change of power and a shift toward pro-Western policy. However, Mikheil Saakashvili, one of the leaders of the Rose Revolution who was elected president in January 2004, has been increasingly criticized for employing the very authoritarian governing practices he once opposed. His critics point to a violent crackdown on street protests in 2007 and 2011, when the government used police to disperse opposition protesters, detaining scores of people, including in 2011 a number of journalists. A tense relationship with neighboring Russia has been another trait of Mr Saakashvili's administration; the simmering tensions erupted into a military conflict in August 2008 over the breakaway region of South Ossetia.

The democratic reforms contributed to the economic growth of the country pushing GDP per head up: the figure in 2008 was almost double that of 2005. It declined somewhat following the global financial crisis and the armed conflict with Russia, but started picking up in 2010 and 2011.

The country's main economic activities are agriculture, mining, and a small industrial sector. The tourism industry is playing an increasingly important role in contributing to economic growth. Georgia exports mainly to its neighboring countries Turkey and Azerbaijan, as well as to Ukraine. Ferrous metals, automobiles (through reselling rather than production), ferrous scrap, gold, and copper are the main products exported. Another contribution to Georgia's economy comes from its geographically advantageous position, serving as a transit state for the pipeline carrying oil from Azerbaijan to the Turkish port of Ceyhan. Another pipeline carries Azerbaijani natural gas to Georgia and Turkey, which lessens their dependence on Russian gas supplies. In addition, Georgia receives some gas in exchange for the transit of Russian gas to Armenia. The main foreign investors in Georgia in recent years have been the United States, the Netherlands, and Russia.

The crisis of 2008 was accompanied by growing unemployment, which remains the main popular concern,<sup>1</sup> although statistics show that the unemployment rate started decreasing in 2010.

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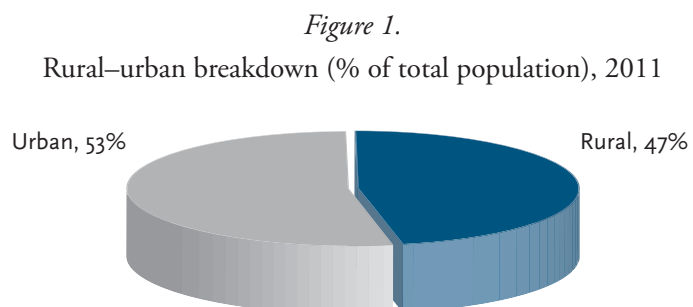
1. "Public attitudes towards elections in Georgia: Results of a July 2010 survey carried out for NDI by CRRC," April 2010, at [http://www.ndi.org/files/Public\\_Atitudes\\_Georgia\\_July\\_2010.pdf](http://www.ndi.org/files/Public_Atitudes_Georgia_July_2010.pdf) (accessed 10 April 2012).

The reforms have improved the economic situation, significantly decreased low-level corruption, and sped up the development of e-government; nevertheless, human rights, press freedom, and freedom of expression remained problematic throughout the years examined in this study. The government has used excessive force against protesters, and arbitrary detentions are still commonplace. International media freedom NGOs note that nationwide broadcasters serve the government's interests and receive privileges, including state advertising, leaving the few critical outlets at a disadvantage.

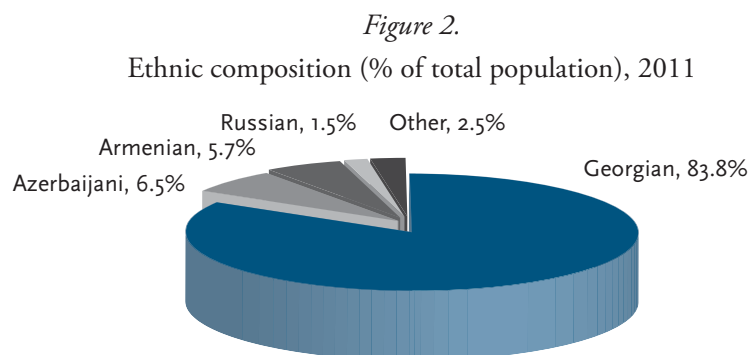
# Social Indicators

Population (number of inhabitants): 4.46 million (1 January 2011)

Number of households: 997,002 (2008)



Source: National Statistics Office of Georgia (NSOG)

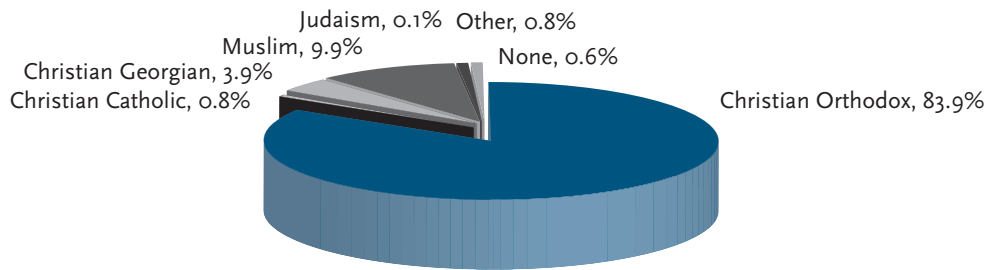


Note: The category “Other” includes Ossetians, Abkhaz, Greeks, Kists, Ukrainians, Jews

Source: NSOG

Figure 3.

Religious composition (% of total population), 2011

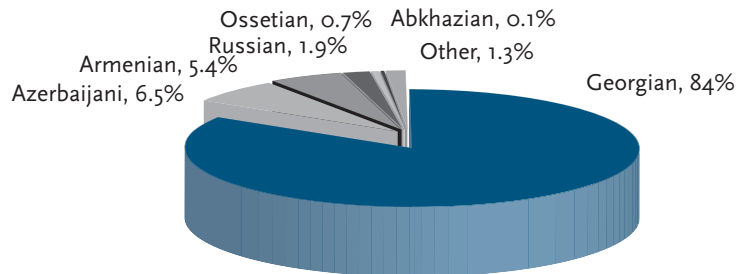


Note: For the category “Other” the data does not specify the religions

Source: NSOG

Figure 4.

Linguistic composition (% of total population), 2011



Note: The state language in the country is Georgian. In the disputed territory of the self-declared Republic of Abkhazia, the official language is Abkhazian

Source: NSOG

# Economic Indicators

*Table 1.*  
Economic indicators

	2005	2006	2007	2008	2009	2010	2011f	2012f
GDP (current prices), in US\$ billion	6.41	7.76	10.22	12.87	10.73	10.89	11.73	12.69
GDP (current prices), per head in US\$	1,483	1,764	2,326	2,937	2,448	2,482	2,671	2,887
Gross National Income (GNI), per head, current \$	3,650	4,130	4,700	4,840	4,720	4,990	n/a	n/a
Unemployment (% of total labor force)	13.8	13.6	13.3	16.5	16.9	16.3	n/a	n/a
Inflation (average annual rate in % against previous year)	8.3	9.2	9.2	10.0	1.7	4.9	5.0	5.0

*Notes:* f: forecast; n/a: not available

*Sources:* International Monetary Fund (IMF); NSOG

# 1. Media Consumption: The Digital Factor

## 1.1 Digital Take-up

### 1.1.1 Digital Equipment

There is little public awareness of the digital switch-over, which has to be completed by June 2015, and very few signs of the government doing its homework for it (see section 5), but meanwhile households are making steady progress toward being more connected and acquiring access to digital media. The ITU data show that the number of internet subscriptions rose particularly sharply in 2008: the figure was more than triple the previous year. The increase in computer ownership has also been steep: from 6 percent to nearly 17 percent in the years 2005–2010.

The number of television sets in households in Georgia is very high: almost every household is equipped with a set, while the number of radio sets is gradually decreasing. The official data on equipment ownership provided by the National Statistics Office of Georgia (NSOG) suggest a dip in television ownership in 2007 and 2008 followed by an increase. However, the data for these two years are likely to be misleading as this period coincides with the government's social assistance program for those below the poverty threshold. Underprivileged families were identified during those years based on, among other data, face-to-face interviews. Zaza Chelidze, director of the NSOG, agrees that the data on the numbers of television sets in households in 2007 and 2008 are not accurate, since households tended to withhold information from the interviewers, and “the interviewers are allowed to report only the numbers collected from the households, rather than their [own] observations.”<sup>2</sup>

The numbers for 2009 and 2010 are closer to reality. Television is not only the most widely owned equipment, but also the most frequently used device for accessing news (see section 1.1.2). In the surveyed years, PCs

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2. Interview with Zaza Chelidze, director of NSOG, Tbilisi, 18 June 2011.



have overtaken radio sets as the second most widely owned type of equipment.<sup>3</sup> However, these figures do not fully reflect the facts, since official statistics do not take into account radios in cars and no reliable data are available from other sources.

*Table 2.*  
Households owning equipment, 2005–2010

	2005		2006		2007		2008		2009		2010	
	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH
TV	1,046	90.0	1,031	88.7	798	68.7	672	57.8	988	85.0	1,087	93.5
Radio set	181	15.6	152	13.1	47	4.1	17	1.5	53	4.6	45	3.9
PC	69	6.0	101	8.7	146	12.6	179	15.4	146	12.6	196	16.9

*Notes:* HH: households; THH: total number of households in the country; PC: personal computer; TV: television; n/a: not available

*Sources:* International Telecommunication Union (ITU); NSOG

### 1.1.2 Platforms

Neither the NSOG nor the Georgian National Communications Commission (GNCC), the national regulatory authority for electronic communications and broadcasting, owns comprehensive up-to-date data on the different platforms for television reception in Georgia and the present study has relied on data from Médiamétrie/Eurodata TV Worldwide. The terrestrial signal covers 95 percent of the territory, making the reception of signals virtually universal. Most rural areas depend solely on terrestrial signal, which means they can choose only between three nationwide channels. Terrestrial broadcasting in Georgia is still entirely analog. Even though the switch-off date is only three years away, currently there is no policy or legal regulation for digital switch-over (see section 5).

Cable company services are used by half of all television households, but the subscribers live, predominantly, in the capital of Tbilisi and several larger cities. Their numbers are steadily going up, from 39 percent of television households in 2005 to 49 percent five years later. According to the GNCC, there are 117 cable television companies registered with the regulator, whose monthly prices per package range between US\$5 and US\$50, with the smallest amount charged mostly in the regions and smaller communities and the highest charged in urban areas, where a larger selection of channels and services is offered. An average package contains 30 channels.

3. H. Gutbrod and K. Turmanidze, “Georgia Comprehensive Media Research: Summary Findings August–November 2009,” Caucasus Research Resource Center (CRRC), at [http://www.epfound.ge/files/geo\\_media\\_research\\_report\\_en\\_1.pdf](http://www.epfound.ge/files/geo_media_research_report_en_1.pdf) (accessed 10 April 2011) (hereafter Gutbrod and Turmanidze, “Georgia Comprehensive Media Research: Summary Findings”).

Satellite dishes on the houses in smaller towns of Georgia are becoming a common sight: according to Médiamétrie, 10 percent of television households in 2010 had access to satellite. IPTV was introduced in the country only in 2010 by Silknet and is now being offered by two other companies, Caucasus and Akhali Kselebi. Silknet gained popularity and brand recognition by the spring of 2011, when the numbers of subscribers was around 7,500. According to the data of the GNCC, at the time of reporting the number had reached over 12,000 subscribers.

Table 3.

Platforms for TV reception and digital take-up, 2005–2011

	2005		2006		2007		2008		2009		2010		2011	
	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH
Terrestrial reception	501	100	501	100	500	100	500	100	463	92.8	452	89.8	431	86.6
– of which digital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cable reception	200	39.9	200	39.9	234	46.9	278	55.6	250	50.4	248	49.4	216	43.4
– of which digital	0	0	0	0	0	0	0	0	0	0	0	0	24	4.9
Satellite reception	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	36	7.1	50	10.0	42	8.4
– of which digital	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	36	7.1	50	10.0	42	8.4
IPTV	0	0	0	0	0	0	0	0	0	0	1	0.2	7	1.5
Total	701	139.9	701	139.9	734	146.9	778	155.6	749	150.3	751	149.2	696	139.9
– of which digital	0	0	0	0	0	0	0	0	36	7.1	51	10.2	49	14.8

Notes: The main form of TV reception includes several platforms; HH: households; TVHH: total number of TV households in the country; n/a: not available

Source: Médiamétrie/Eurodata TV Worldwide

Internet penetration has grown in recent years, albeit rather modestly, reaching 5.09 percent of the total population in 2010 or 220,000 people, and nearly all of the connections were broadband.<sup>4</sup> Mobile telephony grew considerably faster: in 2009, 66.5 percent of the population had a cell phone and 13 percent of those were 3G. Not much activity has been recorded of using this platform for news distribution (see section 4).

4. The Georgian National Communications Commission's (GNCC) annual report for 2011 gives an internet penetration figure that differs considerably from the ITU measurements. According to the GNCC, the penetration rate of broadband internet is 23 percent (287,144 subscribers, which is about 6 percent of the total population). The discrepancy is due to a different calculation formula: the GNCC figure is based on the number of subscribers divided by the number of households, rather than on the number of subscriptions per 100 inhabitants. The report also states that, in 2010, 18 percent (800,000) of the population were using mobile internet, and the number had increased to 1.2 million users by the end of 2011. Report in Georgian at [http://www.gncc.ge/files/3100\\_2949\\_720521\\_Annual%20Report%202011%20Final.pdf](http://www.gncc.ge/files/3100_2949_720521_Annual%20Report%202011%20Final.pdf) (accessed 5 June 2012).

Table 4.

Internet penetration rate (total internet subscriptions as % of total population)  
and mobile penetration rate (total active SIM cards as % of total population), 2005–2010

	2005	2006	2007	2008	2009	2010
Internet	3.9	3.6	1.0	2.9	4.0	5.8
– of which broadband	1.2	16.0	53.2	96.5	84.9	99.0
Mobile telephony	26.3	38.6	59.6	63.3	65.1	73.0
– of which 3G				n/a		

Note: n/a: not available

Source: ITU

## 1.2 Media Preferences

### 1.2.1 Main Shifts in News Consumption

Television is the most preferred source of information and a type of media amply represented on the market: there are 51 private television broadcasters<sup>5</sup> in this country of 4 million, although only two of the private channels broadcast nationwide. In 2009, some 88 percent of the population named it as their primary source of news about Georgia.<sup>6</sup> According to the media consumption studies by the Caucasus Research Resource Center (CRRC) in 2009 and 2011, television news consumption in the last five years has remained stable. The steady popularity is confirmed by the AGB Nielsen studies of television consumption, which measures average rating per minute (AMR):<sup>7</sup> television viewership in Tbilisi has not undergone major changes since 2005.

Two other types of traditional media, radio and newspapers, are the principal sources of information for only a few, but they remain relevant. According to a CRRC study, radio, while being the least preferred source of news (named as the main source by 1 percent), is nonetheless listened to daily by 33 percent of the population.<sup>8</sup> Only 2 percent named newspapers and magazines as their main news source in 2009 and 2011. While television ratings are regularly measured by several independent companies, there are no reliable data on the overall radio listenership in Georgia.

The same is the case with print media: trustworthy data on newspaper circulation are hard to obtain as there is no agency that audits the circulation or does regular newspaper market studies, and sales figures from distributors are not available either. The absence of data gives grounds for suspicion that newspapers

5. GNCC; statistics at [http://www.gncc.ge/index.php?lang\\_id=ENG&sec\\_id=50623](http://www.gncc.ge/index.php?lang_id=ENG&sec_id=50623) (accessed 5 June 2012).

6. Gutbrod and Turmanidze, “Georgia Comprehensive Media Research: Summary Findings.”

7. AMR or Average Minute Rating represents the average number of viewers per minute during the surveyed time, of a particular television channel.

8. Gutbrod and Turmanidze, “Georgia Comprehensive Media Research: Summary Findings.”

habitually inflate their circulation numbers to attract advertisers. Roughly 86 percent of Georgians claim they read newspapers at least once a week and 80 percent say they read a news magazine at least once a month.<sup>9</sup> The average circulation for Tbilisi dailies is about 5,000–7,000, according to the information provided by the publishers.

The regional newspapers sell even fewer copies, only about 2,000–3,000. The majority is supported by donors or receives funding from their owners (the issues of ownership and politicization of the advertising market are examined in detail in section 6.2). The heavily politicized newspaper market, dominated by periodicals with minuscule circulations, has not seen any major changes in recent years: no influential new entrants have emerged and newspaper reading habits have also remained unchanged. People tend to turn to tabloid newspapers, as well as to weekly analytical, rather than daily newspapers.

Meanwhile, reliance on the internet for information is steadily growing: in 2011, some 5 percent of the people surveyed mentioned it as a primary source of news compared with 3 percent in 2009. Eleven percent said it was their second news source, compared with 6 percent in 2009.<sup>10</sup> There are no reliable data on the internet news audience and no comparative studies on audience migration, but statistics on the most popular websites suggest that the internet has seen considerably bigger changes in consumption patterns in recent years than have traditional outlets. For example, the traffic figures of the hugely popular Georgian video-sharing and television-streaming website Myvideo.ge show that an increasing number of people consume television online. Myvideo.ge streams all major Georgian channels and also archives them, so that the programs are available, for free, for 10 days after the broadcast. George Garsevanishvili, a co-founder of Myvideo.ge, says that television companies ask them to live-stream programs on their website, because they generate a lot of visits, allowing the visitors to view content and share on social networking sites or elsewhere. Broadcasters save their own resources by outsourcing live stream to Myvideo, and also take advantage of the uninterrupted live stream (commercials are kept in the stream). Mr Garsevanishvili adds that the site is a video-sharing website, but sometimes nearly half of the traffic comes from people who watch television.<sup>11</sup> Myvideo.ge also charges visitors from outside the country for watching live stream or the archives; the monthly fee is equivalent to about US\$13 and the annual one, to US\$125.

Georgian newspapers and radio stations have yet to explore online tools and interactive means of distribution. For the majority of newspapers the internet still serves mainly as an additional source of distribution for print content, rather than a fast and rich medium in itself. For example, media holding Palitra Media's Ambebi.ge (news website) and Internpressnews.ge (news agency), as well as Palitratv.ge (online television) hold leading positions in the rankings of the local web metrics provider Top.ge mostly because of the extensive means of distribution: unlike some other major media outlets, they spread updates on Facebook, the website, Twitter, and via RSS feed. Among the radio broadcasters the Georgia office of Radio Free Europe/Radio Liberty

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9. Gutbrod and Turmanidze, "Georgia Comprehensive Media Research: Summary Findings."

10. Gutbrod and Turmanidze, "Georgia Comprehensive Media Research: Summary Findings."

11. Interview with George Garsevanishvili, Myvideo co-founder, 23 March 2011, Tbilisi, Georgia.

(RFE/RL) has attracted new audiences after renewing the previously static website two years ago and adding blogs written by prominent experts in a variety of fields (see section 3.1.3).

The biggest shift in the examined period relates to the increase of internet penetration and the development of Web 2.0 tools, namely, the increased interactivity of online media, new media content distribution means, and television viewing platforms. Albeit growing, the internet is still available only to a few, and for the majority of the population the main source of information remains television.

### 1.2.2 Availability of a Diverse Range of News Sources

Although there are dozens of television channels in Georgia and an absolute majority of the population uses television as the main source of information, the high numbers do not imply trust and diversity. According to the CRRC media research of 2011, most of the people surveyed think that the majority of Georgian television journalists serve the interests of the government (37 percent) or media owners (32 percent), rather than the interests of the audience (26 percent). People also think that journalists provide information about current events of the world better (43 percent) than news about Georgia (37 percent), while the coverage of the events in a particular city or region is the poorest (22 percent).<sup>12</sup> News coverage on television has a political bias of one sort or another: depending on the outlet's affiliation, experts used in the news reports or invited to political talk-shows are affiliated with either the government or the non-parliamentary opposition. The political agenda of a particular broadcaster is usually reflected in the news selection, coverage, and framing, leading to less reliable and less diverse content.

Partisanship is also true for newspapers, most of which support the opposition, and this has not changed over the last five years. There is ample favorable coverage of opposition parties and politicians, while the government is usually featured in a negative or extremely critical context. The media expert, researcher, and journalist Zviad Koridze notes:

Even though new papers have appeared, they were not able to create any significant difference. I could say the same about *Liberali* and *Tabula* [weekly magazines], which are both donation and grant-supported and not meant for any wider audience. Online media outlets have brought in some diversity, but, still, because of their political orientation—whether stated or not—they cannot provide news that would satisfy the readers, enabling them to go online, read and know all the important news of the day.<sup>13</sup>

The magazines mentioned here, *Liberali* and *Tabula*, contribute to diversity online by providing extensive analysis of current affairs, including opinions, in blogs by civil society activists. Both report on two sensitive issues, xenophobia and Lesbian, gay, bisexual, and transgender (LGBT) rights. Netgazeti.ge, a small online publication, has gained popularity for its fast and balanced coverage of news; some news stories are exclusively

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12. Gutbrod and Turmanidze, "Georgia Comprehensive Media Research: Summary Findings."

13. Interview with Zviad Koridze, Chair of Ethics Charter of Georgia at the time of the interview, Tbilisi, 14 April 2011.

covered by this website. Palitra TV, an online television site, has emerged as an alternative to the politically biased broadcasters and offers professional coverage of important current affairs.

The emergence of online media publications, as well as the transformation of some other traditional media's websites into more interactive spaces with blogs, comments, etc., has somewhat added to the diversity of news. However, these benefits are currently available only to the wired few: internet penetration remains low, particularly outside the biggest cities.

## 1.3. News Providers

### 1.3.1 Leading Sources of News

#### Print

In Georgia, no data are publicly available for newspaper rankings. The data that provide a rare glimpse of the most popular news providers among the print media were provided by the Institute for Polling and Marketing (IPM), in research conducted in 2006–2007.<sup>14</sup> These data showed that a little more than a quarter of the population read the weekly generalist newspaper *Kviris Palitra*, while some 12 percent read the weekly tabloid *Asaval-dasavali*.

*Sitkva da Sakme*, a classifieds newspaper, holds the third place with 8.1 percent, the sensationalist *Alia* follows it with 7.7 percent, while 42.1 percent of the people surveyed say that they do not read any newspapers. Slightly more, 46.1 percent, do not read any magazines and those who do prefer tabloid publications: *Sarke* leads the magazine market with 31.3 percent readership. (The reports for 2009, based on 2,500 face-to-face interviews, give the same picture as in 2006–2007.)

#### Television

As noted above (section 1.2), the Georgian audience relies heavily on television news, especially on the channels that broadcast nationwide. In recent years, three nationwide television channels, the privately owned Rustavi 2 and Imedi, and the Georgian Public Broadcaster's (GPB's) Channel 1, held the largest share of the Georgian television market.

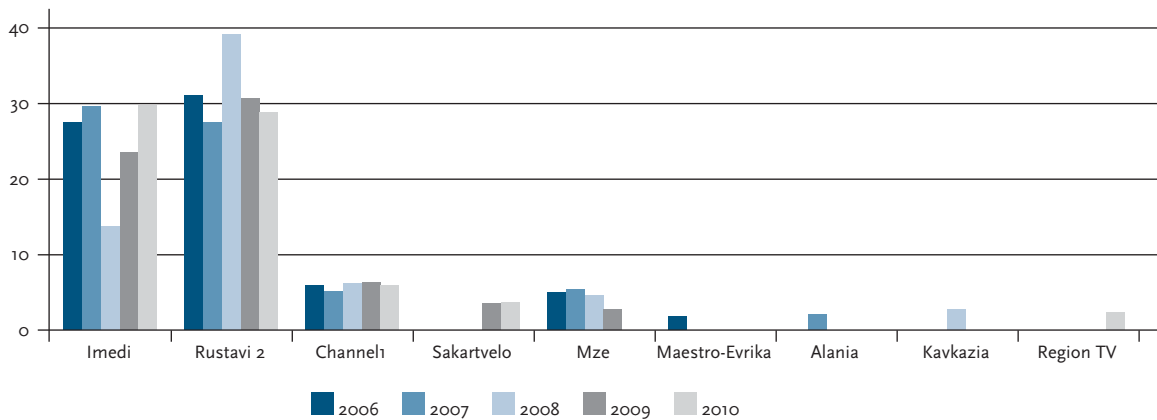
The picture did not change much during the surveyed period and the key players remained the same. The biggest private television channel Rustavi 2 has a reputation of being the most professional news producer and a producer of the highest-quality entertainment programs. Rustavi 2 gained popularity in the 1990s and was seen as a watchdog, and it was systematically subjected to government pressure; throughout the 1990s and the first decade of the 21<sup>st</sup> century it received significant financial and moral support from international donors such as the Open Society Foundation and the United States government.

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14. Surveys for IPM printed media ratings are conducted using the Computer-Assisted Telephone Interviewing (CATI) method; the 2006–2007 ratings are not available online and were obtained from the IPM electronically on 16 December 2010.

Figure 5.

Top five television stations by audience share, 2006–2010



Source: AGB Nielsen

In the run-up to the Rose Revolution of 2003, Rustavi 2 served as a platform for the then oppositional National Movement, helped mobilize people for protests, and eventually helped bring to power the new democratic government led by Mikheil Saakashvili, which remains in power to this day. Rustavi 2 started referring to itself as the winners’ television channel; it remained uncritically supportive of the new government and never regained the watchdog role it had been praised for before.

Now Rustavi 2 serves largely as a mouthpiece of the government, but nevertheless remains highly popular and runs acclaimed non-political talk-shows and entertainment shows. According to the 2009 study by CRCC,<sup>15</sup> 51 percent of the viewers believe Rustavi 2 reflects the interests of the government. However, they continue watching it because of the high-quality products offered by the channel’s news broadcasts. The audience believes that when something happens Rustavi 2 reporters are there first, and it is called “the only channel worth watching in Georgia.”<sup>16</sup>

Imedi TV, the second most popular national private channel, has gone through a major ownership change and consequently, a change of programming (see section 6). The political bias of the previous and current owners differed, so the change mainly impacted news programs, moving from mildly pro-opposition to pro-governmental. Policy changes had no effect on the ratings and popularity, though it was, and still is, largely driven by a single product: five years ago it was “*Droeba*,” a weekly current affairs program, covering social issues and topics that appealed to a wider public, and now Imedi attracts large audiences because of the sitcom “*Shua Kalakshi*,” a Georgian equivalent of “*Friends*.”

15. Gutbrod and Turmanidze, “Georgia Comprehensive Media Research: Summary Findings.”

16. Gutbrod and Turmanidze, “Georgia Comprehensive Media Research: Summary Findings.”

The GPB, the successor of the state television, has never recovered from its image of being the government's vassal (see section 2). According to a recent study by the CRRC,<sup>17</sup> only 25 percent trust the news broadcast by the GPB, compared with 43 percent for both Rustavi 2 and Imedi. The GPB lags behind the commercial channels in terms of audience share too. A telephone survey conducted by the Information Call Service 09 in 2010 for the GPB showed that the audience share in the capital of Tbilisi was 7 percent.<sup>18</sup> According to the same survey, Rustavi 2 and Imedi had a 24 percent and 23 percent share, respectively. And 38 percent of the respondents said their decision as to what channel to watch depended on what kind of a program was aired on a particular channel at any given time.

A formerly popular channel, Mze, which owed its popularity to its political talk-shows and a relatively fair coverage of news, disappeared from the media scene in 2008. According to Mr Koridze, this significantly diminished the diversity of opinions and voices in the broadcast media.<sup>19</sup>

The rest of the channels on the list are not significant players and their ratings are largely accidental and related to the limited variety of channels to choose from. These channels are not important news providers, except for Maestro-Evrika (now Maestro TV), which has an openly anti-government bias and has recently started gaining popularity for its political talk-shows.

## Radio

No data on radio rankings are publicly available. This dearth of information, in addition to the incomplete statistics on radio ownership (see section 1.1.), makes it impossible to produce a comprehensive analysis of radio consumption.

## Online

The leader among online publications is Ambebi.ge, a product of Palitra Media, which provides readers with up-to-date political, economic, and current affairs, as well as entertainment news and commentaries. It ranks eighth in Top.ge's list of most popular local web resources (see Table 5). The most popular local web resource, the video-sharing website Myvideo.ge (about 100,000 unique visitors a month), also offers news services. It introduced live streaming of Georgian television channels and video on demand, which permits people to catch up on the previous 10 days of television shows (see section 1.3.1).

Georgian newspapers do not have dynamic multimedia websites that are kept up-to-date, and pure-play (online only) publications rank higher on Top.ge than their print counterparts.

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17. Gutbrod and Turmanidze, "Georgia Comprehensive Media Research: Summary Findings."

18. The data were provided for this study by the call center and are not publicly available.

19. Interview with Zviad Koridze, Chair of Ethics Charter of Georgia, Tbilisi, 14 April 2011.



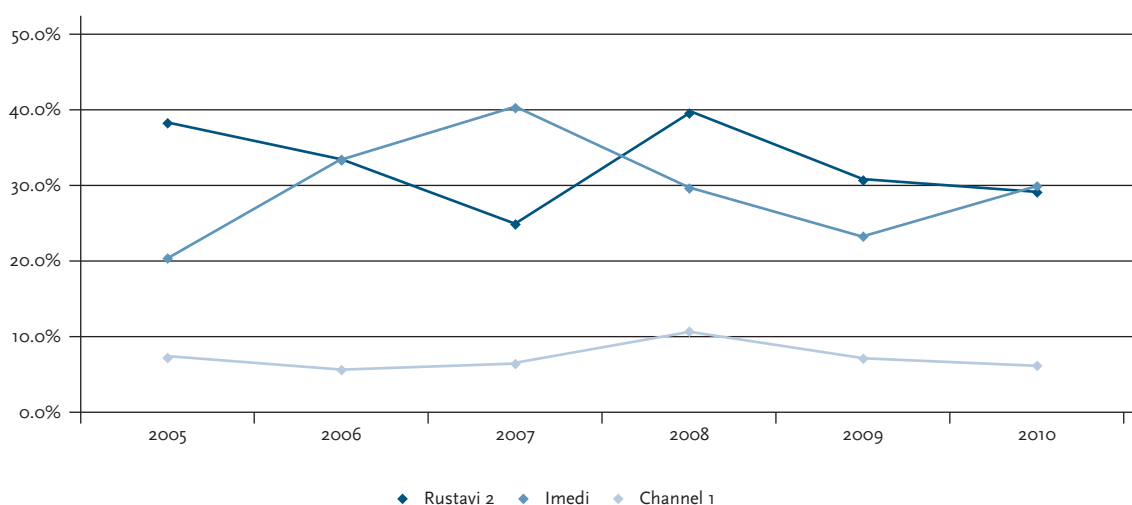
### 1.3.2 Television News Programs

As noted, digital switch-over has not happened in Georgia and the television transmission is still analog (except for satellite and IPTV), so there have been no audience changes connected to digitization of broadcasting. Even though the internet is being increasingly used as a source of information and also as a platform for accessing television content, the numbers of television newscast viewers have not changed greatly in the surveyed period.

Among primetime newscasts, “*Kurieri*” (The Courier), at 9 p.m. on Rustavi 2, and “*Qronika*” (The Chronicle), at 8 p.m. on Imedi, maintain—despite their political bias—the leading positions, and enjoy the biggest share of the television audience. The rankings clearly show the dominance of these newscasts, especially compared with “*Moambe*” (The Messenger), at 8 p.m. on the GPB, which comes third. The rest of the news bulletins broadcast at different times of the day together manage to reach a maximum of 8 percent of the audience share.

The rating fluctuations of the main news programs between 2005 and 2010 (see Figure 6) reflect the events of two politically tumultuous years: the loss of audience share by the pro-government Rustavi 2 was related to the government’s crackdown on the opposition demonstrators in 2007, while in the case of Imedi the decline was related to the sudden change of ownership, which led to a transformation of its editorial policy from being critical to being in favor of the government (ownership changes are discussed in detail in section 6). The Russian–Georgian military conflict in 2008 boosted the ratings of Rustavi 2 and Channel 1, as media consumers were looking for up-to-date information on the conflict. Rustavi 2 had (and still has) the reputation of the fastest news provider (see section 1.3.1), so it enjoyed the biggest upsurge. As the conflict ended, the audience’s interest started to dwindle.

Figure 6.  
Most popular nationwide news programs by audience share, 2005–2010



Source: AGB Nielsen

### 1.3.3 Impact of Digital Media on Good-quality News

Although digitization has brought new players into the market which contribute to a diversity of topics and views, and has created a multitude of platforms for media content dissemination, the overall quality of news has not improved. Media rely heavily on publicity materials and news agency reports and often carry political bias, a perennial problem in Georgian journalism. Online resources tend to attract audiences with sensationalist commentaries rather than high-quality analysis. (The low quality of news offer is discussed in detail in section 4.)

## 1.4 Assessments

Households in Georgia are becoming increasingly wired: broadband internet penetration is growing along with computer ownership, and with them, news consumption online is growing too, most notably, television consumption.

Television sets still remain the most widely available equipment in the country; television is also the main source of information. This trend has not changed during the surveyed period. Most of the viewership is generated by two privately owned pro-government national television channels, Rustavi 2 and Imedi, followed by the GPB.

Although there are no consistent and reliable data available in the country about newspaper readership and radio listenership, the studies conducted by the CRRC indicate that only a few consider radio and newspapers as their primary sources of information. Among those who mention newspapers as the source of information, the majority reads either weekly newspapers or analysis and sensationalist tabloids.

IPTV is on the rise, being offered by three major companies in different regions of Georgia, where satellite dishes on the balconies are also becoming a common sight. Disparity exists between city-dwellers and those living in rural areas: the former have access to dozens of cable and terrestrial channels, while the latter can only choose between three nationwide terrestrial channels.

Internet penetration is growing, along with fixed broadband connections. This has pushed traditional media to consider the internet as a new means of reaching out to their audiences. However, most newspaper sites offer limited interactivity, and television stations mostly outsource live streaming to the popular video-sharing website Myvide.ge, using their own websites for promotion rather than news. New online media publications are continuously emerging, taking small steps toward a greater diversity of news. However, it does not always translate into better news quality and the outlets carrying more sensationalist information rank higher than good-quality news producers.

Cell phone usage has grown enormously as well, although there are no data about the usage habits of cell phone owners. Despite the ubiquity of these devices, cell phones are yet to be explored by media organizations: currently they are not using this method as a distribution platform.

## 2. Digital Media and Public or State-administered Broadcasters

### 2.1 Public Service and State Institutions

#### 2.1.1 Overview of Public Service Media; News and Current Affairs Output

According to Article 15 of the Law on Broadcasting, the GPB “is a legal entity of public law, independent of the state and accountable to the public, established under Georgian legislation, on the basis of public financing, for television or radio broadcasting. The Public Broadcaster is not subordinate to any state authority.”<sup>20</sup> The GPB was created on the basis of the State Television and Radio Corporation, which was operating as the main state channel from 1956 until 2005, when the First Channel of the State Television was transformed into the GPB. State Television was funded from the state budget and served as a mouthpiece for the government. The main goal for establishing the GPB was to start the process of transforming state television into a public service, not just in name but in spirit, with the main emphasis on balanced news and diverse programs matching the public interest.

The GPB is managed by the director-general elected by the board of governors, a body established as part of the transformation. The board, consisting of 15 members (in the initial version of the law there were five), is elected by Parliament. According to the law, the candidates can be nominated by any natural person, including self-nomination, or an NGO, and the president then shortlists the candidates making sure there are three candidates for each vacant seat. The only criterion for the applicant to be nominated is that he or she has to possess “wide public trust, a higher education and at least five years’ work experience.”<sup>21</sup> The law calls for Parliament to hold public hearings before voting, but they did not take place and NGOs had no influence over the selection process. At the outset, a board member’s term was two, four, and six years, based on a lottery. The reason for that was the principle of rotation: instead of a complete renewal of the board, the composition was changed gradually, thus preserving institutional memory.

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20. Law on Broadcasting of 23 December, 2004, Art. 15, in English at [www.gncc.ge/files/7050\\_3380\\_492233\\_mauwyebloba-eng.pdf](http://www.gncc.ge/files/7050_3380_492233_mauwyebloba-eng.pdf) (accessed 12 April 2012).

21. Law on Broadcasting, Art. 25, in English at [www.gncc.ge/files/7050\\_3380\\_492233\\_mauwyebloba-eng.pdf](http://www.gncc.ge/files/7050_3380_492233_mauwyebloba-eng.pdf) (accessed 12 April 2012).

The initial management of the GPB was persistently criticized by the political opposition for what it saw as pro-government bias. The opposition demanded the resignation of the director-general, Tamar Kintsurashvili. In 2008, Georgian ruling and opposition parties reached a mutual agreement to nominate and vote for a new board of governors. This deal was designed to overcome the crisis following the 5 January 2008 presidential elections. The opposition parties alleged that the elections were unfair, demanded that the results should be annulled and fresh elections announced. Nine political parties and thousands of their supporters started to protest in front of the Parliament and GPB buildings, demanding fair elections and free and fair media.

The anger of the protesters was directed, in particular, at Mr Kintsurashvili, who was seen as a political appointee. He eventually resigned. The ruling and opposition political parties agreed to increase the board from five to nine members, where five members out of nine would be nominated by the ruling party and four by the opposition. Again, there was no role for civil society. According to the agreement, the chair was to be selected from the opposition candidates.

In 2009, President Saakashvili declared the need to depoliticize the GPB and suggested increasing numbers on the board once again to 15 members including one representative of civil society. He also noted that the members of the council should be elected from political parties on the basis of parity: there were seven pro-government governors on the board and the president suggested adding exactly the same number of the governors from the opposition. The board needed to have an odd number of members, so one seat was allocated to someone from civil society. Media Club, a media freedom NGO, and other civil society actors and media activists started lobbying their candidates and campaigned for more NGO seats on the board.

In 2009, Parliament elected not one but three nominees proposed by civil society, a step welcomed by media organizations as one that promotes a further departure from political influence over the GPB's management. However, the current composition still does not fully ensure the GPB's independence. Currently, there is only one independent voice on the GPB's board. Two independent governors left the board to avoid conflicts of interest and, in 2012, were replaced by more government-friendly board members.

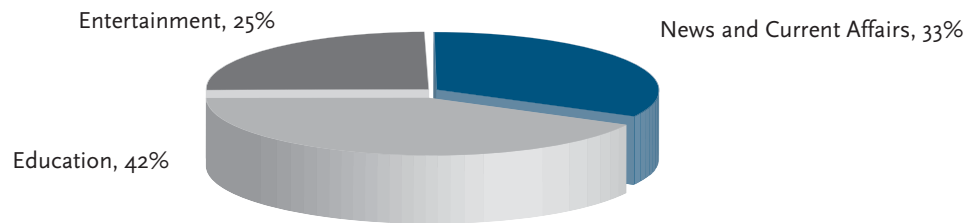
In 2010, the GPB operated three television channels: First Channel, Second Channel (a Georgian equivalent of BBC Parliament), and the Russian-language channel PIK, which has outsourced its management to a private company, K1. First Channel and PIK have generalist content including news, education programs, and entertainment. They are aimed at different target audiences: PIK provides services to the Russian-speaking audience in Georgia and abroad, while First Channel aims at the Georgian-speakers. The GPB also has two radio stations, Radio One and Radio Two. Radio One has generalist content while Radio Two is more entertainment-oriented. According to the program priorities adopted by the board of governors in 2011, current affairs and education programs form the lion's share of First Channel's programming (see Figure 7).<sup>22</sup> Second Channel is entirely dedicated to political affairs.

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22. "Program Priorities of the Georgian Public Broadcaster 2011–2012," approved by the Board of Governors on 18 July 2011, at <http://www.gpb.ge/ProgramPriorities.aspx?LangID=> (accessed 5 June 2012).

Figure 7.

First Channel's structure of programming (%), 2011



Source: Program Priorities of the Georgian Public Broadcaster 2011–2012, GPB

The audience share of the GPB has been consistently low. According to AGB Nielsen, in 2010, the share nationwide was 2 percent.<sup>23</sup> According to the CRRC data, in 2009, 18 percent of the population in Tbilisi and 30 percent of those living outside the capital regularly watched the GPB, but the news programs of this channel are trusted by a only a small proportion of viewers (see section 1.3).

The administration of the Autonomous Republic of Adjara, in south-western Georgia, operates its own broadcaster, Adjara Television, whose market share nationwide is 1.8 percent. Adjara Television still has the status of a state television company. It receives around 5 million Georgian Lari (GEL) (about US\$3 million) from the region's administration annually and is accountable to the local administration. The editorial staff members have the status of public officials.<sup>24</sup> By law, all state television and radio companies have to be transformed into public service broadcasters and the government was supposed to decide on the status of Adjara Television by 31 December 2007. However, to date no proposal on the reorganization of the television station has been drafted. Consequently, Adjara Television currently finds itself in contradiction with the law. "Adjara Television is not defined as a local public broadcaster, it does not hold a license, neither is it privatized," said Kakhi Kurashvili, head of the Legal Department of the GNCC.<sup>25</sup>

No systematic qualitative or quantitative content analyses of news offer on the public television are available, but there are individual studies that provide an insight into it. The Organization for Security and Cooperation in Europe (OSCE) conducted monitoring of news programs during the elections, focussing in particular on the fairness and objectivity of news programs.<sup>26</sup> According to the International Election Observation Mission (IEOM), the GPB provided citizens with the most neutral and balanced coverage of the election

23. Interview with Levan Gakheladze, Chair of the board of governors of the GPB, Tbilisi, 5 April 2011.

24. "Region Where State Media Still Exist," Media.ge, 1 June 2009, English version at <http://www.media.ge/en/node/25740> (accessed 6 September 2011).

25. "TV and Radio Department of Adjara is utterly beyond regulation of Broadcasting Legislation," representative of GNCC, 3 December 2008, English version at [www.media.ge/ka/node/35048](http://www.media.ge/ka/node/35048) (accessed 5 June 2012).

26. International Election Observation Mission (IEOM), "Georgia—Parliamentary Elections, 21 May 2008," 2008, at <http://www.osce.org/odihr/elections/georgia/32017> (accessed 18 April 2011) (hereafter IEOM, "Georgia").

campaign for the 2008 parliamentary elections: “Public TV offered the electorate a valuable opportunity to compare parties and candidates. However, the campaign coverage in the news of most other broadcasters monitored lacked balance, with the UNM (United National Movement) and the authorities receiving the most coverage.”<sup>27</sup>

Nevertheless, despite the equal distribution of airtime for the ruling party and the opposition on the GPB, “the ruling party was given overwhelmingly positive coverage; the coverage of the main opposition bloc was mainly neutral.”<sup>28</sup>

Besides election monitoring, there has been sporadic discussion when media critics wrote articles and blogs on the GPB programs, mostly in response to concrete cases of violations of human rights or low ethical standards while covering minorities and children.

There is no research covering the news and current affairs output of Adjara Television.

### **2.1.2 Digitization and Services**

In recent years, the biggest changes affecting the GPB’s services were mainly driven by political considerations rather than by public interest or digitization.

Besides pressure from the political opposition and large popular protests, changes in the GPB were driven by pressure from the international community, particularly the EU and the United States. In 2009, the GPB transformed its Second Channel into a political channel that broadcasts parliamentary and committee hearings live. The same year, during the protests demanding free and fair media, the management of the GPB signed a memorandum with the parliamentary and non-parliamentary opposition parties involved in the protests. According to the memorandum, all signatories, regardless of whether a political party has seats in Parliament, were given an equal opportunity to use primetime airtime for briefings or any other forms of communication with the public. There were no restrictions or requirements regarding the content of these broadcasts. The memorandum is still in force. The parties use the existing programs “*Briefing Time*” and “*Free Tribune*” to brief the audience about their views, positions, and actions regarding political issues. The Second Channel has scarce resources and politicians present the program themselves. The static structure and the talking head style of presentation prevent these programs from catching the audience’s attention.

The services that the GPB offers to ethnic minorities have also undergone changes in recent years, although they have not been prompted by digitization. These changes follow the international commitment of Georgia to facilitate the integration process of ethnic minorities. The EU’s European Neighborhood Policy (ENP) Action Plan for Georgia (2004), calls (in chapter 4.1.1) on Georgia to “ensure respect for rights of persons belonging to national minorities; sign and ratify the European Charter for Regional and Minority Languages,”

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27. IEOM, “Georgia.”

28. IEOM, “Georgia.”

and “develop and implement a civic integration strategy and ensure its implementation, including creation of appropriate monitoring instruments.”<sup>29</sup>

Currently, the GPB broadcasts news programs in the languages of five ethnic minorities living in Georgia: Azeri, Armenian, Russian, Abkhazian, and Ossetian. In addition, news in the Kurdish language is provided on Radio One. In 2003–2009 news programs for minorities in their own languages were offered once a week, but since 2009, the GPB produces national news (12 minutes) and local news (three minutes) daily for all minorities living in Georgia, and distributes them via private regional or local channels that provide services in the areas densely populated by a particular minority. The minorities can access these news programs every day at 8 p.m.

Another recent change, not related to digitization, was to create a Russian-language television channel, PIK, mentioned above, aimed at the Russian-language audience in Georgia and abroad. The rationale behind it was to provide alternative information about Georgia to that coming from the Russian channels. In 2010, the management of GPB outsourced the management of the channel to an independent company K1. One of the founders of the company was Robert Parsons, former BBC Moscow Correspondent, international affairs editor at France 24 TV and the director of the Georgian Service of RFE/RL. His international reputation served as a safeguard of the channel’s editorial independence. However, in 2011 Mr Parsons resigned, citing his commitments to France 24 TV. In January 2012 Alania won an online tender for the management rights of PIK. The company was the only one to tender. The director of the company is Aleko Parulava, a journalist famous for working for the state television channel.

Independent media experts see the channel as a project of the government, aimed at distributing its point of view versus that of the Russian government.<sup>30</sup> There are several reasons for skepticism about the channel’s objectivity: first, the channel is funded directly from the President’s Fund (money that the president can spend at his own discretion, without asking permission of Parliament); second, the channel’s new management represents government-friendly media outlets;<sup>31</sup> and third, the very first show after relaunching the channel on 25 January 2011 was a talk-show with the president. His supporters were seated with him while the journalists representing independent media had to share another studio and their opportunities to make comments and ask questions were very limited. Most of the critical questions were left unanswered. Data are scarce: there are no systematic studies of the channel’s content.

There have been some recent changes directly related to digitization. Both the GPB and the state television in Adjara have launched websites, albeit with limited variety of content and only a few interactive tools. The

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29. Open Society Georgia Foundation, “European Neighbourhood Policy: Implementation of the objectives of the EU–Georgia Action Plan,” 2010, at [http://www.europarl.europa.eu/meetdocs/2009\\_2014/documents/dsca/dv/dsca20100323\\_08/dsca20100323\\_08en.pdf](http://www.europarl.europa.eu/meetdocs/2009_2014/documents/dsca/dv/dsca20100323_08/dsca20100323_08en.pdf) (accessed 21 April 2012).

30. L. Chaxunashvili, deputy head of IREX, “PIK: Reorganization in 7 Days,” at <http://liberali.ge/blog/lika-chakhunashvili/pirveli-kavkasiuri-reorganizatsia-7-dgheshi> (accessed 6 September 2011).

31. “Russian-language PIK TV’s New Managing Firm,” *Civil Georgia*, Tbilisi, 13 January 2012, at <http://civil.ge/eng/article.php?id=24351> (accessed 24 May 2012).

websites of the GPB's First Channel, 1TV.ge, and Second Channel, 2tv.ge, have a basic layout, do not feature news stories, and are mainly used as an archive for the broadcast stories. Out of three websites only 1TV.ge has a forum, but the activity of the visitors is very low: the highest number of comments so far was 77 posts on the topic of Georgian football.

First Channel has a Facebook fan page with 15,975 "likes" (June 2012) maintained by the channel. The website of PIK, Pik.tv, is better at using the opportunities offered by Web 2.0. In addition to a Facebook page with 1,865 members it also has a YouTube channel with has 700 subscribers.<sup>32</sup> The number of comments on the materials published on 1TV.ge rarely exceeds 10. Second Channel and Adjara Television do not use any of the social networks. The website of Adjara Television, Adjaratv.ge, also has a forum and RSS news feeds links, but neither of them is actually running.

All in all, the online presence of the public and state channels remains very low and the interactive features are underdeveloped and so have not yet had a tangible effect on their interaction with the audiences.

### 2.1.3 Government Support

As the basic documents regarding the transition are still missing, it is too early to talk about any kind of financial or investment incentives, legal advantages, or privileged access to digital spectrum. Broadcasters cannot start planning any changes and the public remains completely unaware of the process.

NGOs, including the Georgian Association of Regional Broadcasters (GARB), have expressed concern about the slow process of developing the strategy for the switch-over process. The GARB has prepared and submitted to the Ministry of Economy, the GNCC, and other interested organizations a model of the switch to digital broadcasting. However, the document has not yet been considered or discussed publicly by these organizations.

Several recommendations of the Council of Europe's Committee of Ministers to Member States touch upon promoting the democratic and social contribution of digital broadcasting.<sup>33</sup> The Committee encourages the government of Georgia to support the process of switch-over from analog to digital broadcasting. The Committee has outlined a specific role of public service broadcasting as that of a provider of a wide range of programs and services to all sections of the population.<sup>34</sup> It recommends to the member states the following:

- To guarantee that public service broadcasting, as an essential factor for the cohesion of democratic societies, is maintained in the new digital environment by ensuring universal access by individuals to the programs of public service broadcasters and giving it *inter alia* a central role in the transition to terrestrial digital broadcasting;

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32. The YouTube channel of PIK is <http://www.youtube.com/kanalpik>.

33. Recommendation (Rec) (2003) 9 of the Committee of Ministers to Member States on Measures to Promote the Democratic and Social Contribution of Digital Broadcasting, adopted by the Committee of Ministers on 28 May 2003 at the 840th meeting of the Ministers' Deputies, at [http://www.ebu.ch/CMSimages/en/leg\\_ref\\_coe\\_r2003\\_9\\_digital\\_broadcasting\\_280503\\_tcm6-5032.pdf](http://www.ebu.ch/CMSimages/en/leg_ref_coe_r2003_9_digital_broadcasting_280503_tcm6-5032.pdf) (accessed 18 April 2011) (hereafter Recommendation (Rec) (2003) 9 of the Committee of Ministers).

34. Recommendation (Rec) (2003) 9 of the Committee of Ministers.



- To reaffirm the remit of public service broadcasting, adapting if necessary its means to the new digital environment, with respect for the relevant basic principles set out in previous Council of Europe texts, while establishing the financial, technical, and other conditions that will enable it to fulfill that remit as well as possible.<sup>35</sup>

Georgia, a member of the Council of Europe, currently finds itself at odds with this recommendation.

#### 2.1.4 Public Service Media and Digital Switch-over

As the government has yet to produce framework documents for the transition to digital broadcasting and the GPB's internet presence is embryonic, it is too early to analyze the impact of digitization on the GPB's audience reach and influence. However, the GPB is keen to be the leader of the digital transition and its management is lobbying for faster progress. Levan Gakheladze, the chair of the board of trustees, says there are many pressing questions that require a speedy answer:

State-level support for the digitization of the GPB does not exist yet, because there is no vision of the whole process of digitization in the country. Yet nobody knows who will be the owner of a multiplex. It is expensive and there is no sense for TV stations to buy it separately. It is worth joining resources and efforts. So, who will buy it and who will own it? How will the GNCC distribute the frequencies? How will access of the citizens be ensured?<sup>36</sup>

## 2.2 Public Service Provision

### 2.2.1 Perception of Public Service Media

There are no opinion polls on the public perception of public service media in Georgia. However, recent political protests showed that the Georgian public sees the GPB as a media outlet that is legally obliged to serve public interests and demands that this obligation is fulfilled. In 2007–2009, the GPB was a frequent target for political opposition and their supporters. Citizens believe that they have no means to influence private television stations, but they have a power over the GPB: “We fund you; therefore you must serve our interests and provide us with fair, balanced, and independent information!” This statement emerged during the protests. It is difficult to establish who first used the phrase, but currently it is being used on virtually every occasion when civil society groups or political opposition parties are addressing the GPB.

The demands for the protection of public interest were particularly vocal during the presidential and parliamentary election campaigns in 2008, when political opposition parties and their supporters organized “a corridor of shame” for the GPB journalists (with two lines of people forming a tunnel through which

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35. Recommendation (Rec) (2003) 9 of the Committee of Ministers.

36. Interview with Levan Gakheladze, Chair of the board of governors of the GPB, Tbilisi, 5 April 2011.

the journalists had to pass in order to enter the building), and opposition leaders went on hunger strikes in front of the Parliament and the GPB offices, demanding free and fair elections and a free and professional media. The protesters accused the three nationwide channels of bias toward the ruling party. Members of the opposition parties tried to prevent journalists from entering the building, shouted, whistled, and put Post-it notes on journalists' clothes during live stand-ups.

The president has made the GPB one of his priorities. He spoke about the need to reform the media environment in his address to Parliament on 20 July 2009, when he stressed the need to develop more open and unbiased media in Georgia. The main emphasis was made on reforming and in particular depoliticizing the GPB by increasing the number of civil society representatives on the board of governors. The president also noted that the Second Channel is to be transformed into a free forum for political and public debate: "any political or public entity, including the least significant, will share its opinion with the general public, and an open discussion will be held."<sup>37</sup> These, and other, remarks seem to indicate that politicians see public broadcasting as a guardian of public interest. However, in practice, while being the most neutral and unbiased news provider among the broadcast media, the GPB is still not free from government interference and self-censorship, therefore its own perception of its role is not fully in line with the principles of public interest.

The case in point is that the GPB is unwilling to air investigative stories. The GPB does investigative reporting only of safe subjects that are not critical of the government. The independent investigative studio Monitori, funded by the European Commission, the US Embassy, the Eurasia Foundation, IREX Georgia, and other international donors offered its documentaries to the GPB for free and suggested that the GPB management should select the stories it wanted. The GPB refused, saying it could not trust the quality of products by an independent studio, even if it enjoyed the trust of international organizations.

In 2009, human rights NGOs protested against the pressure from the Orthodox Church on the GPB and management for airing the entertainment show "*The Great Ten*," which aimed to compile the list of the 10 greatest Georgians of all time through polling. The Church opposed any discussions about Georgian kings and writers who were later canonized, because, in its view, saints cannot be put "in a rank order."<sup>38</sup> According to the Law on Broadcasting, the GPB is independent of any political, economic, or religious pressure, but nevertheless the board of governors decided to alter the format of the show, so that the greatest Georgians were placed in alphabetical order, rather than by their ranking.<sup>39</sup>

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37. Address to the Parliament of Georgia by Mikheil Saakashvili, President of Georgia, 20 July 2009, at <http://www.president.gov.ge/?l=E&cm=0&sm=3&st=0&id=2988> (accessed 7 September 2011).

38. "Public TV Changes Show Format to Allay Controversy," *Civil Georgia*, Tbilisi, 23 January, 2009, at <http://www.civil.ge/eng/article.php?id=20307&search=Public%20TV%20changes%20show%20format%20to%20Allay%20Controversy%20Civil%20Georgia> (accessed 10 March 2012) (hereafter "Public TV Changes Show Format").

39. "Public TV Changes Show Format."

## 2.2.2 Public Service Provision in Commercial Media

There are no specific legal obligations for commercial media to produce and/or disseminate public service content. However, the GPB buys the airtime on regional commercial television stations for GEL 1,500 (US\$887) per month for dissemination of the news programs prepared by the GPB in five languages of ethnic minorities living in Georgia.

## 2.3 Assessments

There is a high awareness of the public service obligations of public broadcasters in Georgian society in general, among civil society, and also among some members of the political elite. Public criticism of public service broadcasting for failing to be fully in line with public interest provisions has, in recent years, become more vocal. The GPB was often the main target during the mass protests of recent years: citizens demanded fair reporting and editorial independence. First steps toward greater independence were made by extending the governing body and diversifying its composition.

The audience numbers of the GPB have been consistently low: it holds third place in terms of popularity, but the audience share is in single digits, compared with the double-digit leaders, the private channels Rustavi 2 and Imedi.

Broadcast media in Georgia, including the GPB and the unreformed state television Adjara Television, have not fully embraced the opportunities offered by the internet, particularly the tools for reaching out to existing audiences and finding new ones. Their websites lack news and interactivity.

The government has been markedly slow in its preparation for the transition to digital broadcasting, so it is too early to look into gains and losses caused by it in audience terms or analyze government support for the transition.

## 3. Digital Media and Society

### 3.1 User-Generated Content (UGC)

#### 3.1.1 UGC Overview

Finding a single set of reliable data on the UGC resources that Georgian internet users prefer, and in what numbers they are drawn to them, is a challenging task. Dependable data on top 10 web resources in Georgia are available through the international traffic meter Alexa.com, but it only provides a list of websites without user numbers. The user numbers can be found on the local meter Top.ge. However, the list does not reflect true user preferences, because it only tracks those Georgian websites that are registered with this ranking system, leaving out big international players. A combination of data from both meters allows an insight into the main players and trends.

According to the data of Alexa.com of August 2011, Facebook is the most popular web resource in the country, followed by Google.ge, YouTube, and Odnoklassniki.ru (a Russian social networking site). The last three positions on the top 10 list are taken by the veteran Georgian discussion forum Forum.ge, Yahoo.com, and Yandex.ru. Alexa's list heavily features social networks and search engines. The latter represent a common trend in the countries of the former Soviet Union: the Russian-language versions of the global search giants, such as Yahoo.ru, and the Russian search engines, such as Yandex.ru and Mail.ru, play a pivotal role in creating online communities. These sites combine the search function with a wide array of other services, including news, email, social networks, and blogs, thus serving as a hub for internet users. The list also shows the high popularity of and the close competition between two giants of social networking, Odnoklassniki.ru and the global Facebook (social networks are examined in detail in section 3.1.2).

Video-sharing occupies a prominent place among UGC resources in Georgia. The most popular local website is Myvideo.ge, which initially allowed uploading and sharing videos, and later introduced live streaming of television channels and video on demand (see section 1). In 2010, live streaming became a paid service for those accessing it from abroad. Most of the uploaded videos are either clips from various television shows or newscasts, or copied videos from other video-sharing websites. Myvideo.ge users can also create their own basic channels free, similar to YouTube, but a customized version is available for a fee. Another paid service, introduced in late 2010, is online cinema, which allows registered users to watch, legally, movies of mainly local production for a fee that is lower than the average price of a cinema ticket. In a country where copyright

infringement is an endemic problem and where three out of the 10 most popular websites carry illegal video and audio content (Myhit.ge, Allmovies.ge, and Avoe.ge), the service offered by Myvideo.ge marks a significant shift from the dominance of pirated content, typical in the first two decades after the break-up of the Soviet Union.

*Table 5.*  
Top 10 local websites, August 2011

	Website	Average unique visitors per day	Description
1	Myvideo.ge	93,043	Video-sharing and TV-streaming
2	Adjarabet.com	34,261	Online betting website
3	Myhit.ge	28,697	Instant movies
4	Myauto.ge	36,256	Car sales website
5	Allmovies.ge	29,717	Online movie collection
6	Saitebi.ge	26,861	Thematic catalog of links to other sites
7	Top.ge	28,575	Georgian web ranking site
8	Ambebi.ge	25,607	News website
9	Avoe.ge	28,806	Instant movies
10	Forum.ge	20,319	Discussion forum

*Source:* Top.ge (accessed 22 August 2011)

The popularity of video-sharing in Georgia is confirmed by the prominence of the global video warehouse YouTube.com on the list of the top 10 video-sharing sites. Data on the exact numbers of YouTube users are not available, but Alexa.com ranking places it in third place. YouTube features a lot of content in the Georgian language, but here too the exact share is not obtainable.

One of the oldest local websites that has been one of the most important sources of UGC since 2001 is Forum.ge, which attracts on average 20,000 unique visitors a day. According to Alexa.com, the visitors spend roughly 23 minutes on the website. Several years before digital mobilization became a widely used tool, Forum.ge was a key virtual place for mobilizing people for political activism (digital mobilizations are discussed in detail in section 3.2). In terms of information sharing Forum.ge was recently overtaken by Facebook, but it remains a place to go for prompt news updates, topic-specific questions, and practical tips.

### 3.1.2 Social Networks

In Georgia, where Russian remains a widely used second language, global and Russia-based social networking giants compete for users. Facebook comes first in Georgia, according to the Alexa.com list, and the Russian Odnoklassniki.ru (“classmates” in Russian) is the second most popular network.

The absence of reliable internet usage and consumer surveys in the country prevents deeper analysis of the profile and dynamics of different social network users or their behavior online. However, the very slim data that are available suggest that Facebook is currently on the rise while Odnoklassniki is experiencing a decline. According to the surveys of ACT (a marketing and research company), 91 percent of the surveyed internet users were members of this network in 2009, while in 2010 the number dropped to 57 percent; at the same time the number of Facebook users increased quite significantly (from 6 percent to 31 percent).<sup>40</sup>

Nodar Davituri, the founder of the Social Media Development Center, believes that a possible reason for the decrease is the extensive commercialization of Odnoklassniki in the past few years, which is “forcing users to pay for basic services, such as ranking others’ photos, opening an account: something typical users find disagreeable since they were in the habit of using the network for finding dates.”<sup>41</sup>

Twitter in Georgia has a much smaller user base than Facebook. The list by Alexa.com does not feature it among the top 10, although recently Twitter has been on and off the list. In Georgia, it has not been used either for mobilizations or for social activism.

### 3.1.3 News in Social Media

The absence of consumer surveys on internet use in the country does not allow for an in-depth analysis of the patterns of social network usage and their role in news distribution. However, several generalizations can be made based on the CRRC studies and on expert interviews for this study. According to the CRRC data collected in March–April 2011, 70 percent of people name social networking websites as their top activity while browsing the internet.<sup>42</sup>

But a growing share of internet users (45 percent compared with 34 percent in 2009) say they search for news online. Local experts believe that many users still find news on Forum.ge. Facebook has emerged as a new platform for following general news, in other words, the news that users are not looking for specifically.<sup>43</sup> A comment by a reader on the *Liberalli* magazine Facebook profile illustrates the trend: a user describes the social network as a space that acquaints her “with selected, most interesting news from TV and print media, new musical videos from YouTube, interesting ideas, people who share my opinion, and is a nice space to spend time in.”<sup>44</sup> For breaking news most people continue to use Forum.ge, says Mr Davituri.<sup>45</sup>

Georgian blogs generally are personal and do not carry news content, but there are exceptions. Dodka.ge, a blog run by a young woman called Dodie Kharkheli, started as a personal blog dedicated to Dodie’s personal

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40. ACT, electronic bulletin, 9 April 2012, at <http://act-gr.com/geo/index/news/677> (accessed 11 April 2012).

41. Interview with Nodar Davituri, blogger, social media trainer, and new media expert, Tbilisi, 9 January 2011.

42. The CRRC online database, at <http://crrc.ge/oda> (accessed 5 June 2012).

43. Interview with Ketevan Beraia, reporter of the GPB, Tbilisi, 9 December 2010.

44. “How Facebook Changed Your Life?” *Liberalli*, 15 October 2010, comment by barbarez, at <http://liberali.ge/node/3188> (accessed 5 June 2012).

45. Interview with Nodar Davituri, blogger, social media trainer, and new media expert, Tbilisi, 9 January 2011.

life. During the Georgia–Russia crisis in August 2008 she was posting text messages about the developments on the outskirts of Gori, a town by the border with South Ossetia, sent by her husband, a member of the military reserve force who was stationed in a town close to the war zone. Although the updates based on messages from the war zone soon ended, the blog gained popularity and attracted a wider audience.

Another exception, which stimulates more news consumption and creates debate, is the blogging platform on the website of RFE/RL. The authors, experienced and eminent journalists, columnists, and critics, blog on a diverse range of topics, including politics, social issues, movies, music, technology, lifestyle, and literature. One of the nine bloggers, Ia Antadze, who focusses on political and social issues, receives hundreds, sometimes thousands, of comments on her posts, while the posts by other bloggers, on average, attract 20–60 comments. Ms Antadze eagerly gives feedback to her readers, inviting long debates over complex issues.

## 3.2 Digital Activism

### 3.2.1 Digital Platforms and Civil Society Activism

The most famous blogger on the RFE/RL website also serves as an example of digital mobilization or, more specifically, digital fundraising. Ms Antadze has raised funds for a family with a small child who became homeless after a fire destroyed the temporary shelter they were living in. The shelter was provided for the family by the NGO Every Child. The campaign Ms Antadze initiated via her blog resulted in the family finding a new dwelling.

We collected a lot of clothes, food, toys for the little girl; the lists of collected things were constantly being added to the blog and all the money contributions were going into the bank account that was set up in that person's name. With the help of the local government and our readers, ordinary citizens, within a month of losing the shelter we managed to buy this family a two-story house in the village.<sup>46</sup>

Ms Antadze also used her Facebook account to promote the fundraising campaign and the social network became an additional tool for mobilizing individual donors.

The case of helping one family in need did not prompt headlines in the mainstream media, but a little more media attention was paid to another Facebook campaign, Save Mziuri, a protest against building a highway connecting two parts of the capital city, which would run through a city park. In September 2009, a team of volunteers started online protests and launched a group, Save Mziuri, that later moved offline, demanding justification for and transparency of the highway construction project.<sup>47</sup> The activists claimed the highway project was a shortsighted decision that would harm the greenery of the public park and increase pollution,

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46. Interview by email with Ia Antadze, 14 December 2010; the blog post with updates and comments is at <http://www.radiotavisupleba.ge/content/blog/2141443.html> (accessed 10 March 2012).

47. See Facebook Group address at <https://www.facebook.com/groups/139220631740/> (accessed 9 April 2012).

while not helping to decrease the traffic. The campaign was not successful and the highway was built. Several publications on the topic expressing the opinions of the protesters appeared in different media, such as Netgazeti.ge and the think-tank portal Azrebi.ge.<sup>48</sup>

### **No to Russian military**

Forum.ge tried mobilizing people around ideas years before Facebook or blogs became common, with some degree of success. For example, the movement supported by many against the Russian military presence was initiated back in 2004 on Forum.ge where a group of users addressed the Russian ambassador demanding the withdrawal of the Russian Peace Troops from the territory of Georgia. The group of around 200 protesters set up a small camp in front of the embassy for about 10 days, singing Georgian songs and Russian pacifist rock songs, and projecting photos and films on the walls of the embassy, featuring the symbols and images of peace. The protests attracted media attention, including Russian and international media. The protests did not succeed: the troops remained in Georgia. The same group was behind a human chain spreading across the country to express national solidarity after the Georgia–Russia war of August 2008.

A more recent example dates from May 2011, when Facebook was used to mobilize protesters against police brutality; the protest was called in response to the violent dispersal of an opposition demonstration. The opposition protest against the politics of the current government had been taking place in front of the Parliament building and was brutally dispersed by the police on 25 May, the night before the Independence Day parade.

The parade was held the next morning on the same spot where, just a few hours previously, the police had used excessive force (water-cannons, teargas, rubber bullets, beatings) to disperse demonstrators. The images of the Independence Day celebrations that followed shortly after the dispersal outraged many people, who expressed their reaction via Facebook, starting an impromptu campaign that culminated in the decision to hold a peaceful protest on 27 May on the city's main street, Rustaveli Avenue. This spontaneous effort brought at least 3,000 people onto the street.

Digital tools are being used in the “Stop Destroying Gudiashvili” campaign, a protest against the Tbilisi city government's plan to rebuild one of the city's old squares Gudiashvili Square. The plan would strip the surrounding buildings of their distinctive wooden balconies. The campaign started in late December 2011 and continues at the time of reporting: people convene in the square every week, holding impromptu exhibitions, film screenings, concerts, and other events. The weekly calls for mobilization and dissemination of related information go through the Facebook page and the blog. In March 2012, in response to the campaign, the city authorities postponed the renovation and decided to reconsider the project. The protests were covered by the pro-government national television channels only in the context of this postponement. However, Palitra outlets have been reporting about them from the beginning.

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48. D. Gogishvili, “Suspicious Highway,” Netgazeti.ge, 10 February 2010, at [http://netgazeti.ge/GE/38/blogs/?f\\_blogentry\\_id=19](http://netgazeti.ge/GE/38/blogs/?f_blogentry_id=19); D. Gogishvili, “A New Road Project,” Azrebi.ge, 3 February 2010, at <http://azrebi.ge/index.php?m=734&newsid=93> (both accessed 9 April 2012).



### 3.2.2 The Importance of Digital Mobilizations

This last example of mobilization via Facebook also serves as an example of online activism reaching out to mainstream offline audiences. Although many participants of the protest were active Facebook users, there were also “unconnected” people among the protesters, those who had heard about the demonstration by word of mouth. Another example of an online initiative turning into a mass action was the human chain in 2008, initiated by the Re-Action team on Forum.ge and joined by thousands all over the country by word of mouth.

Not all campaigns that originate on the internet are equally successful in spilling offline and not all are reflected in the mainstream media. Nevertheless, online platforms serve as an important source of information for those actively involved in civic activism and as such play a key role in mobilizations. The active civic core gets organized online and then takes the issue further, to the unwired parts of the population. Notably, in Georgia, digital mobilizations predate the boom of social networks: Forum.ge served as a platform for civic activism years before Facebook took off in Georgia.

### 3.3 Assessments

The lack of research in the field makes it hard to say with certainty and confidence that digitization has added diversity to the news availability and offer. What is clear, though, is that digitization has created new public spaces and forums. Currently, they are mostly limited to the urban population, because of the uneven internet penetration in the country. The discussion forum that used to be the foremost virtual discussion space and one of the first user-generated websites, Forum.ge, still retains its popularity, but it is now being overtaken by Facebook as a space for public discussions. The popularity of Facebook is on the rise and there are reasons to suggest it is being increasingly used as a means for distributing and consuming news, but the trend is in need of research.

The Georgian blogosphere serves more as a platform for personal journals rather than a news carrier, except for a few cases, such as the RFE/RL and blogging platforms of other established media. While not contributing directly to the news offer, most popular independent bloggers encourage discussions on pressing political topics; they tend to engage in a dialogue with their readers on current affairs and their coverage by mainstream media. The issues raised in the blogosphere tend not to reach mainstream national television channels, instead remaining in the domain of Facebook and other social network users.

Digitization has also added to the ways of consuming television: the popularity of video-sharing among Georgian internet users has made Myvideo.ge, the website offering live streaming and video on demand, into a successful and money-generating resource. Digitization has also created new means for digital mobilization, especially through Facebook pages, and less so through Twitter.

## 4. Digital Media and Journalism

### 4.1 Impact on Journalists and Newsrooms

#### 4.1.1 Journalists

Most of the journalists and editors of mainstream broadcast media, print, regional, or online media interviewed for this study agree that the development and spread of digital technologies has made many of the aspects of their work easier and faster, especially when it comes to general information-gathering, collecting background information, communicating with sources, finding story ideas, and bringing in news that is not covered in other media. At the same time the interviewees point out that the internet has led to information overload and, in the words of a television journalist, “a lot of noise, rather than facts.”<sup>49</sup>

Broadcasters also remark that the new technology has enabled them to significantly cut the costs of reporting by transferring files via FTP (File Transfer Protocol) servers rather than satellite. Nino Japiashvili, who has for many years worked for Rustavi 2 and recently became the editor of the monthly *Tskheli Shokoladi*, has spent a lot of time reporting for television from distant locations: “It was really expensive to feed the stories via satellite, digitizing the newsroom made it more efficient, now reporting is much cheaper—the reporter and the cameraman shoot a story, edit it on their laptop right on the spot and transfer it via the internet for the studio to download and use it.”<sup>50</sup>

A typical daily routine for a Georgian journalist now contains, among other activities, checking and sending emails, reading newswire online, scanning for new topics on discussion forums, social networks, governmental or non-governmental local and international websites, and blogs, depending on their area of interest. For example, Nico Nergadze, the author of a weekly youth program on RFE/RL, regularly reads several blogs, websites, and forums about entertainment, technology, and music, and looks at the discussions on Facebook.<sup>51</sup>

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49. Interview with Lasha Kveseladze, reporter of the weekly analytical program “P.S.” on Rustavi 2, Tbilisi, 6 December 2010.

50. Interview with Nino Japiashvili, former Rustavi 2 journalist and web editor of *Liberali* magazine, Tbilisi, 22 December 2010.

51. Interview with Nico Nergadze, blogger, author of a youth program, and a morning show presenter, RFE/RL, Tbilisi, 8 December 2010.

The journalists interviewed for this study say that online sources have made their daily work easier. “We used to have only 09 before,<sup>52</sup> now there is Google, the websites of all the ministries and government agencies. Some good, some bad, but at least it enables [us] to get news, background and contact information quickly,” says Lasha Kveseladze, a reporter for the weekly analytical program on Rustavi 2.<sup>53</sup> Younger journalists are particularly keen on using social networks, email, and instant messaging in their work and their editors see it as a challenge created by digital technologies, since reporters are spending more time online and learning less from people in their real-life environments.

Due to the ease of online information gathering, there is less legwork involved in reporting and it can be harmful, points out Eter Turadze, editor of the Batumi-based newspaper *Batumelebi*, the biggest weekly in the Autonomous Republic of Adjara: “Journalists spend too much time on social networks; this is becoming an addiction and they are losing connection with the reality around them. I urge them to get off Facebook and go out in the street to meet people and talk to them.”<sup>54</sup>

Lasha Kveseladze, a Rustavi 2 reporter, shares this opinion. Being a mid-career television reporter, he prefers to meet his interviewees in person, rather than collect information via email, although he uses the internet a lot for background information: “Getting online and checking the news, discussion forums and several other websites on a daily basis is a usual start [of the day] for me obviously, but I still try not to depend on online communication, be it via Facebook or emails; whenever I can meet in person with my respondents I prefer to do so, because I do not learn as much through emails and chats as I do from face-to-face interviews.”<sup>55</sup>

Still, the diversity of sources available via the internet helps journalists to find experts in different fields. The surveyed media professionals see forums and social networks as particularly useful for that: they point out that finding experts who had not been previously used by all the other news media was much harder in the analog era.<sup>56</sup> Thanks to the digital communication and online networks, journalists bring a larger number of voices, opinions, and expertise to the media.

However, the new and diverse voices rarely make it to the daily news menu offered by the mainstream media. Daily news reports rely heavily on news agencies and press releases. Original reporting and special reports usually appear in weekly news programs and provide more in-depth, lengthy coverage of a particular topic. Weekly analysis is where the diversity of topics and voices becomes more evident. “For my special reports I usually find topics on Forum.ge or from personal, human sources; or maybe some other story that I had read online will inspire me to explore the topic deeper. Blogs—I read them for fun,” says reporter Ketevan Beraia.<sup>57</sup>

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52. 09 is a telephone information service, similar to Yellow Pages.

53. Interview with Lasha Kveseladze, reporter of the weekly analytical program “P.S.” on Rustavi 2, Tbilisi, 6 December 2010.

54. Interview via Skype from Batumi with EterTuradze, Editor-in-Chief of the regional newspaper *Batumelebi*, 19 December 2010.

55. Interview with Lasha Kveseladze, reporter of the weekly analytical program “P.S.” on Rustavi 2, Tbilisi, 6 December 2010.

56. Interview with Ketevan Beraia, reporter for the GPB, Tbilisi, 9 December, 2010.

57. Interview with Ketevan Beraia, reporter for the GPB, Tbilisi, 9 December 2010.

The reliance on news agency reports, press releases, and distribution of aggregated news is mainly related to the race for speed. The internet helps gather information faster, but it also demands instant delivery and sometimes the quality of reporting is sacrificed for the sake of quantity and speed.<sup>58</sup> The “temptation to post news online as fast as possible is too high sometimes, and often this information lacks sourcing, depth and quality,” says Nino Japiashvili.<sup>59</sup>

The recent IREX Media Sustainability Index report highlights the poor quality of news: “news quality [in Georgia] runs the full gamut from poor to mediocre to excellent, but the overall quality does not yet meet professional standards. Hearsay tends to substitute for hard facts and journalists often cross the line between reporting to editorializing.”<sup>60</sup> However, it also mentions that journalists, compared with 2010, have become less self-censoring and their professional skills have improved due to the growth of professional new technologies.

The range of skills today’s reporter needs to have in order to report for multimedia audiences is another challenge brought about by the development of digital technologies. All the journalists interviewed for this study agree that reporters today need to embrace new technologies to speed up their reporting or add value to it and help their media outlets deliver news on multiple platforms. However, in many cases media outlets do not have enough financial or human resources to retrain their journalists or purchase enough equipment, let alone increase the salaries of reporters for their extra work.

Journalists working for larger media are a little better off during the changes in the newsrooms. An example is Palitra Media, a private media holding, which publishes several commercial newspapers and websites, and runs the news agency Interpressnews, as well as an FM radio station and an online television channel. Palitra Media is one of the pioneers of newsroom convergence: it has about a dozen staff reporters, who started out as news agency reporters, did broadcast media training when they had to start reporting for Radio Palitra and recently added filming and video-editing skills to their pool of knowledge, since they also need to report for the online television channel Palitra TV. Dachi Grdzlishvili, director of Palitra TV, is happy with the enthusiasm of his staff and the quality of reports.<sup>61</sup> One of the tools of motivation Palitra Media uses is an honorarium for original reporting initiated by the staff and freelance reporters, a practice that has increased the interest of reporters in producing more original content across all platforms.<sup>62</sup>

Media professionals point out that the changes in the work process are intuitive, not based on knowledge of how exactly the workflow or even the information flow should be managed, so that everything goes smoothly and does not require more time and stress than necessary. However, numerous training programs funded by

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58. Interview via Skype from Batumi with Eter Turadze, Editor-in-Chief of the regional newspaper *Batumelebi*, 19 December 2010.

59. Interview with Nino Japiashvili, then web editor of *Liberalli* magazine, Tbilisi, 22 December 2010.

60. IREX Media Sustainability Index, 2011, the Georgia Chapter, pp. 147–148, at [http://www.irex.org/sites/default/files/EE\\_MSI\\_2011\\_Georgia.pdf](http://www.irex.org/sites/default/files/EE_MSI_2011_Georgia.pdf) (accessed 20 October 2010).

61. Interview with Dachi Grdzlishvili, Palitra TV director, Tbilisi, 13 January 2011.

62. Interview with Dachi Grdzlishvili, Palitra TV director, Tbilisi, 13 January 2011.

media donor organizations or offered by educational organizations help media outlets to organize the work process and experiment more effectively, especially in terms of content presentation.<sup>63</sup>

The journalists and editors interviewed for this study agree that the effect of digitization has been largely beneficial.

#### 4.1.2 Ethics

There is no functional or widely recognized self-regulatory mechanism for journalists in Georgia, except for the Charter of Ethics for Georgian Journalists,<sup>64</sup> which was formed in 2009 by a group of high-profile journalists—some television, but mostly print media—and media experts working for media freedom NGOs. Although the charter had 138 signatories, a significant number for the country, there are very few television journalists among them. This fact is of particular significance, since it is the television journalists of the pro-governmental channels who are most frequently criticized by civil society organizations and groups for their biased coverage and misrepresentation of facts.

There is also the Code of Conduct for Broadcasters, adopted by the GNCC in 2009 and legally binding on all broadcasters, which required broadcasters to create mechanisms of self-regulation and of appeal and response to appeals from the audience or others (self-regulation is discussed in detail in section 7.2.4).<sup>65</sup> Television companies have adhered to this requirement, but the mechanisms are mostly mere formalities and there have been no major cases of them being put into action.

Digitization and the ascent of web tools and social networks have exacerbated unethical behavior among Georgian journalists, which has been a persistent problem since the fall of the Soviet Union. “Ethics in general is a big problem for Georgian journalists, the standards are ignored and one sees violations all the time,” says Eter Turadze, former Chair of the Ethics Charter of Georgia and the editor of *Batumelebi*. “One of the biggest issues is copyright infringement: many newspapers, online publications take illustrations from other websites or images found via Google search and publish them without going through the proper copyright procedures.”<sup>66</sup>

Mr Koridze, former Chair of the Charter, says this practice is commonplace: “Recently I saw a photo published on the Kakheti Information Center website shot by their journalist and accompanying their story, which was later published on the front page of one of the national newspapers without any credit to the original source. Similar cases are very common in Georgian media and that is because we do not have any legal precedents that would help decrease plagiarism and intellectual property theft.”<sup>67</sup>

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63. Interview with Nino Japiashvili, web editor of *Liberali* magazine, Tbilisi, 22 December 2010.

64. See the organization’s website (in Georgian) at <http://qartia.org.ge> (accessed 12 April 2012).

65. See announcement by the GNCC and attached Code, at [http://www.gncc.ge/index.php?lang\\_id=ENG&sec\\_id=7200&info\\_id=7176](http://www.gncc.ge/index.php?lang_id=ENG&sec_id=7200&info_id=7176) (accessed 19 November 2011).

66. Interview via Skype from Batumi with Eter Turadze, Editor-in-Chief of the regional newspaper *Batumelebi*, 19 December 2010.

67. Interview with Zviad Koridze, Chair of Ethics Charter of Georgia at the time of interview, Tbilisi, 14 April 2011; interview with Dachi Grdzelishvili, Palitra TV director, Tbilisi, 13 January 2011.

Materials from the RFE/RL website regularly end up on other media websites, sometimes including a link to the original source, but without preliminary consent to republish.<sup>68</sup> Palitra TV recently started using watermarks on their videos, after realizing that the videos were re-posted on other websites without credits.<sup>69</sup>

In 2011, some ethical controversy emerged over the use of social networks. The use of Facebook or Twitter by reporters is not regulated and journalists tend to apply different standards to their writing on social networks than they do to their reporting. For example, two journalists of the GPB, who worked for the weekly program “*Spetsialuri reportazhi*” (Special Report), in their comments on a Facebook page posted homophobic comments and comments expressing intolerance of other religions. After publication the host of the program announced he did not want to work with them any more and the journalists left the next day, apparently at their own request. This case caused debates among media professionals, and many agreed that, although the journalists acted wrongly, they did not deserve to be forced to quit the job. Legal experts also pointed out that posting comments did not violate the Code of Conduct of the GPB, since it only regulates the use of hate speech by journalists in their reports and not outside their workspace.<sup>70</sup>

Some outlets follow the same rules for the activities of their journalists online as they do for their reporting. Nino Japiashvili says *Liberali* reporters find stories in their friends’ status messages or posts on social networks, but they usually ask for permission to use the information and attribute it to the author in case of publication.<sup>71</sup> Nico Nergadze, an RFE/RL journalist, says he does not say or post anything on Facebook that he would not say offline in professional or social settings.<sup>72</sup>

## 4.2 Investigative Journalism

### 4.2.1 Opportunities

Investigative journalism requires funding, the willingness of media outlets to serve their watchdog function, and hard work. Because of the lack of the former two, investigations in Georgian media are scarce: a couple of independent television studios and a handful of regional print or online news media carry investigations. According to the survey done by the CRRC in 2009, “one area where survey results from the general population and media professionals coincided” was the desire for more investigative reporting. The respondents were overwhelmingly positive when asked if they would like to see a wide variety of issues investigated by journalists, and the majority were interested in policy issues.<sup>73</sup>

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68. Interview with Nico Nergadze, blogger, author of a youth program and a morning show presenter, RFE/RL, Tbilisi, 8 December 2010.

69. Interview with Dachi Grdzlishvili, Palitra TV director, Tbilisi, 13 January 2011.

70. Netgazeti.ge, “Code of Conduct on Facebook,” 18 March 2011, at <http://netgazeti.ge/GE/50/News/4948/ქვევის-კონტროლი-ფეისბუქზე>.htm (accessed 25 October 2011).

71. Interview with Nino Japiashvili, web editor of *Liberali* magazine, Tbilisi, 22 December 2010.

72. Interview with Nico Nergadze, blogger, author of a youth program and a morning show presenter, RFE/RL, Tbilisi, 8 December 2010.

73. Gutbrod and Turmanidze, “Georgia Comprehensive Media Research: Summary Findings.”

A handful of non-mainstream publications—regional, online—conduct occasional investigations, while others take part in donor-supported investigative journalism programs. In 2011, a five-year project, Investigate.ge, was launched to develop investigative journalism in Georgia, a collaborative effort by the European Journalism Center, the Georgian Institute of Public Affairs, and the Thomson Reuters Foundation. But the project is at an early stage and it is too early to assess its contribution to investigative reporting.

There is no investigative journalism by Georgian television companies with nationwide coverage. Only Maestro TV, a channel with limited coverage, airs a weekly program containing investigative journalism elements, prepared by the non-profit investigative studio Georgian News Service (GNS). This station also aired investigative films by the Monitori studio, which was established by the journalists of the investigative program “60 tsuti” (60 Minutes), who protested against censorship in Rustavi 2 in 2004. It had been the only investigative program aired weekly for three years, but it was taken off the air following the Rose Revolution: the journalists believed that in fact it was “two-step censorship” by the government.<sup>74</sup> Currently, Monitori is the only active investigative television journalism unit.

For those few journalists who do investigations, digital tools have made the work considerably easier. Along with the tools and equipment used by any journalist (camera, digital recorder, and laptop), and social networks and forums, Georgian investigative reporters are frequent visitors to the government websites and electronic databases. As part of e-government projects, the government has improved access to information via the government websites; however, most of these websites contain static, non-interactive official information. In such cases reporters need to use the traditional ways of information gathering rather than electronic resources. For example, one of the most important law enforcement bodies, the Finance Police, does not have a website at all and information about its activities is not easily available.<sup>75</sup>

Investigative journalists find some other government agencies’ websites very useful. “Obtaining the same information in the pre-digital era would require days or weeks of waiting, but now the website allows us to get results in minutes,” says Nino Zuriashvili, head of Monitori.<sup>76</sup> The database of legal acts, legal changes, and amendments is another new tool investigative journalists now frequently use in their work.

#### 4.2.2 Threats

Investigative journalism has not faced any specific threats related to digitization, but censorship on the part of the national channels and the limited content distribution have been major obstacles for investigative journalists in the surveyed period.

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74. Interview with former “60 minutes” journalist Nino Zuriashvili (subsequently head of Monitori), published in *Tskheli Shokoladi* magazine, on 1 May 2008, at <http://www.shokoladi.ge/content/demokratiis-27-cuti> (accessed 12 April 2012).

75. Interview with Nino Zuriashvili, head of Monitori, Tbilisi, 26 December 2010.

76. Interview with Nino Zuriashvili, head of Monitori, Tbilisi, 26 December 2010.

There are no restrictions on access to the internet and no reports that the government monitors email or chat rooms. However, a U.S. government report points out that the recent legislative amendments constitute a direct threat to journalists' work and communication online.

According to November 2010 amendments to the Law on Operative-Investigative Activity, communication companies and telecoms and internet providers are obliged to make available private information for investigations; therefore, law enforcement officials conducting an investigation will have access to private emails, chats, and open and closed conversations on the internet.<sup>77</sup>

Given that phone-tapping is a common practice used by Georgian law enforcement institutions, this amendment increases the likelihood of investigative reporters being monitored by the government and internet tools used against them.

The journalists interviewed for this study name access to information as the main problem they face nowadays. A substantial amount of donor money given to local non-profit organizations is spent on improving data accessibility; however, journalists still struggle to obtain answers to questions which are related to public information. The Institute for the Development of Freedom of Information has started reporting the statistics of replies to their requests from the government agencies on [Opendata.org](http://Opendata.org).<sup>78</sup> For a while, the newspaper *Batumelebi* did the same. The statistics show that most of the government bodies are not willing to cooperate with the public and do not provide complete information in response to the public's requests.

There have been no cases of the government trying to prevent the dissemination of journalists' investigations, but that could be explained by the fact that investigative reporting in Georgia is still embryonic and has very limited audience reach and impact.

### 4.2.3 New Platforms

Most of the blogs in the Georgian blogosphere are personal and have little to do with journalism, except for a few journalists running their media company blogs, or freelancers who occasionally try to explore particular topics in-depth. No investigative journalism is done by new platforms.

### 4.2.4 Dissemination and Impact

Journalists in Georgia often use the internet and social networks for promoting and distributing their work. Monitori posts all of its investigative films on its website, [Monitori.ge](http://Monitori.ge), where the links to the print versions of their investigations published by *Liberalli* magazine are also featured. Some of the films are translated into Russian and English and are available for online viewing. The website is not rich in other content and

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77. U.S. Department of State, "2010 Country Reports on Human Rights Practices," Section 2, at [http://georgia.usembassy.gov/officialreports/hrr2010\\_georgia.html](http://georgia.usembassy.gov/officialreports/hrr2010_georgia.html) (accessed 23 October 2011) (hereafter U.S. Department of State, "2010 Country Reports").

78. See the English version of the website at [http://www.opendata.ge/?cat=statistic\\_of\\_project&topic=33&lang=en](http://www.opendata.ge/?cat=statistic_of_project&topic=33&lang=en) (accessed 23 October 2011).



does not provide any visitor statistics, but it allows users to share information on social networks, bookmark them, or email them to others. This provides additional means of dissemination for the films that are aired on Maestro TV and also screened at the Open Society Georgia Foundation and the Georgian Young Lawyers Association.

Investigative journalism produced by regional newspapers is also disseminated via the internet: there are special sections on the website of the weekly newspaper *P.S.* in the Kutaisi region, the Kakheti Information Center of the Kakheti Region, and *Guria News* of the Guria Region. The investigations of the newspaper *Batumelebi* are published online on Netgazeti.ge. An additional tool for disseminating content is the recently established Regions.ge, a website which aggregates journalistic investigations from regional media and serves as a hub for information published in local newspapers around Georgia.

The comparatively low internet penetration in the country means that digital media cannot reach wide audiences and if online content does not appear offline, and particularly on the national television channels, digital media have very limited impact, with few exceptions. For example, Monitori investigations do not have a large viewership and significant impact: their films are aired on the television channel that broadcasts only in Tbilisi and has low ratings. Mr Zuriashvili notes that the impact they are able to achieve nowadays is minor compared with that of “*60 minutes*,” and one of the reasons for that is that none of the national televisions, including the GPB, wants to air an investigative program.<sup>79</sup>

## 4.3 Social and Cultural Diversity

### 4.3.1 Sensitive Issues

Georgia is populated predominantly by ethnic Georgians and the dominant religion is Orthodox Christianity, but there are also several ethnic and religious minorities (see the Context section). The capital of the country has traditionally perceived itself as a city of tolerance for religious and ethnic minorities: Orthodox and Catholic churches, a synagogue, a mosque, and an Armenian Apostolic Church stand in the Old Town next to each other, and neighbors of many ethnicities live cheek by jowl in the Old Town houses with open inner yards that contribute to forming multicultural mini-communities.

However, the life of minorities living outside the capital is different and integration undertaken during the post-Soviet years, including in the past decade, has been feeble and ineffective. The main minority groups are linguistically and otherwise isolated, study in their own languages, and consume media from outside the country. The same U.S. government report notes that the authorities have made an effort to integrate ethnic-minority communities through Georgian-language instruction, education, involvement in political dialogue, and improved access to information.<sup>80</sup> Students are able to take university entrance exams in

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79. Interview with Nino Zuriashvili, head of Monitori, Tbilisi, 26 December 2010.

80. U.S. Department of State, “2010 Country Reports.”

minority languages, as well as take advantage of the government-sponsored support program, which offers a year-long intensive Georgian language course. However, “the challenge persisted of integrating these persons while allowing them to be educated in their mother tongue.”

Georgian is the state language and the public service employees are required to speak Georgian, so some minority members with less exposure to the Georgian language feel excluded from participating in the government. The report mentions in particular the inhabitants of the municipalities of Akhalkalaki and Ninotsminda who are predominantly ethnic Armenian: they complain about the government’s unwillingness to give a provincial-language status to the Armenian language, since very few people there speak Georgian or are able to conduct daily affairs in Georgian.<sup>81</sup>

Minority groups in tight communities in southern Georgia communicate with each other in their native languages or in Russian, consume more news from Russia, Azerbaijan or Armenia than Georgia, and look for career opportunities in these countries rather than in Georgia.<sup>82</sup>

The Abkhaz and Ossetian minorities that mostly populate the breakaway regions of Abkhazia and Ossetia are usually featured in the public discourse either in relation to Russia or specifically to the military conflict with Russia. The U.S. report also notes that Roma appear to suffer from widespread societal prejudice and marginalization. Roma is one of the smallest minorities in Georgia, totaling less than 1,000 people.

Issues of religious freedom also became sensitive in the past several years with the appearance of the Union of Orthodox Parents and the People’s Orthodox Christian Movement, two radical groups that use violent actions against practices, freedoms, and traditions they consider harmful and detrimental to Christianity, and to the country’s traditions and culture. They have become infamous for their physical assault on the organizers of a Halloween party in 2008 in the old part of Tbilisi, as well as for protesting against discussing sexual or religious rights at public gatherings. On 7 May 2010 during a live discussion on the Kavkasia television program “*A Barrier*,” the leaders of the two fundamentalist Georgian Orthodox groups and their supporters got into a fistfight with their opponents who were protecting the freedom of expression, even if that right is used to promote views against the Orthodox Church. The government generally respects religious freedom, yet it has a concordat with the Georgian Orthodox Church (signed in 2002) and does not have one with any other religious group.

Although there is no law criminalizing homosexuality, social prejudices against LGBT people are strong, especially among the Georgian Orthodox fundamentalist movements that strongly denounce homosexuality. To cite just a couple of examples, Paata Sabelashvili, president of an LGBT organization, the Inclusive Foundation, has experienced verbal abuse from police officers; a candidate in the 2010 municipal elections

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81. U.S. Department of State, “2010 Country Reports,” Section 6.

82. “Ethnic Minorities: Integration and Preservation of Diversity,” RFE/RL commentary on the Ombudsman’s Report 2009, at <http://www.radiotavisupleba.ge/content/article/2015603.html> (accessed 12 April 2012).

used anti-gay slogans in his campaign. Lado Sadgobelashvili used the phrase “the days of homosexuals in Georgia are counted,” among others.<sup>83</sup> The Young Lawyers’ Association, a local NGO, filed a lawsuit against him demanding the suspension of his candidacy, because the posters and posts on his Facebook page carried anti-homosexual messages and, according to the claimants, were promoting hatred. The Tbilisi City Court ruled against these claims, but the candidate withdrew from the campaign.

### 4.3.2 Coverage of Sensitive Issues

The Georgian Law on Broadcasting obliges the GPB to “broadcast a relevant proportion of programs prepared by minority groups, in their language,” although the law does not define what “relevant proportion” means.<sup>84</sup> The GPB is the only national television channel legally required to provide content for ethnic minorities. It runs several programs about minorities, such as the weekly talk-show, “*Our Yard*,” a project supported by USAID and UNA, and also coverage of culture, history, religion, and other aspects of minority life. The GPB also airs daily an early morning news program in Armenian, Azerbaijani, Ossetian, and Abkhazian languages. A similar newscast is aired on the public radio, which also has a newscast in the Kurdish language. Although formally the GPB fulfills its obligation and gives a fair amount of time to ethnic minorities, there are no polls or studies that could evaluate the relevance of this coverage.

The GPB also launched the Russian-language channel PIK in January 2011 (see section 2.1.1), which is available via cable television companies or satellite and reaches out to across the Caucasus, and Eastern European and Central Asian countries. Otherwise, ethnic minorities and their problems are rarely featured by broadcasters: minorities tend to be part of a narrative about successful government reforms.<sup>85</sup> The Ombudsman’s Report notes:

Ignoring religious minorities and tolerance issues by broadcast media can be considered an established practice. However, a number of programs of the Georgian Public Broadcaster can be identified, where discussions pertinent to tolerance, religious freedom and religious minorities were held on several occasions during the year [2010]. Provision of information on religious minorities in radio broadcasting is also quite limited.<sup>86</sup>

Article 56 of the Law on Broadcasting states that all broadcasting license holders “shall avoid broadcasting programs containing material to incite ethnic or religious hatred and which are of discriminatory nature to any group.” However, derogatory remarks about minority groups, especially LGBT, are still common.

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83. A. Natsishvili, “Study on Homophobia, Transphobia and Discrimination on Grounds of Sexual Orientation and Gender Identity,” Danish Institute for Human Rights, at [http://www.coe.int/t/commissioner/source/lgbt/georgialegal\\_e.pdf](http://www.coe.int/t/commissioner/source/lgbt/georgialegal_e.pdf) (accessed 21 April 2012).

84. Georgian Law on Broadcasting, Art. 16 (Content Obligations), at [http://www.gncc.ge/files/7050\\_3380\\_492233\\_mauwybloba-eng.pdf](http://www.gncc.ge/files/7050_3380_492233_mauwybloba-eng.pdf).

85. Media Development Foundation, “Media Monitoring of Ethnic and Religious Minority Coverage,” Bulletin No. 12, April 2010, at <http://mdfgeorgia.ge/index.php?menuid=16&lang=1&cid=23> (accessed 6 May 2012).

86. “The Situation of Human Rights and Freedoms in Georgia,” *Annual Report of the Ombudsman of Georgia*, 2010, p. 197, at <http://ombudsman.ge/files/downloads/en/rthhchgdjhxwcxayjhp.pdf> (accessed 6 May 2012).

A recent report by the Media Development Foundation (MDF) about media coverage of sexual orientation and gender issues found that journalists and respondents tend to be less aggressive about a particular group within the LGBT community. Negative remarks are more often used “when speaking about homosexual orientation, the community in general and protection of their rights.”<sup>87</sup>

The Abkhaz and Ossetian minorities are almost never covered in the mainstream press and are usually featured in the public discourse either in relation to Russia, or to military conflict with Russia.

### 4.3.3 Space for Public Expression

Digital media have increased the space for public expression of some minority groups while remaining a rarely used channel for others. Those who use the online environment inhabit different language niches, making it hard for them to engage in discussions that transcend ethnic lines. While a lot of discussion on Facebook is in Georgian, many internally displaced people (IDP) from the self-declared Republic of Abkhazia are blogging and discussing on LiveJournal in Russian. Armenians or Azerbaijanis living in remote regions do not blog or participate in the Georgian Facebook or forums, but they do have profiles on the Russian social networks Odnoklassniki.ru or Vkontakte.ru.

Religious minorities have yet to embrace blogging, but some of them have created websites in Georgian, for example the website of Georgian Catholics, [Geocatholics.com](http://Geocatholics.com) (run by Georgian emigrants, mainly to Canada and the United States) and the website of the Georgian Muslims, [Muslimgeorgia.org](http://Muslimgeorgia.org) (hosted outside the country, in Turkey). Digitization has provided new opportunities for religious groups expressing intolerance toward other religions too: one example is [Religia.ge](http://Religia.ge), a website run by a group of fundamentalist Orthodox Christians.

Although xenophobia is often a topic for discussion in the blogosphere, the voices of minorities themselves are rarely heard. Xenophobic statements appearing on social networks have mostly been addressed to Russians, and they grew in intensity after the Russian–Georgian conflict in 2008.

A group that has noticeably benefited from digital media are sexual minorities. Their views are voiced on Facebook and in the Georgian blogosphere: discussion on LGBT issues happens on several gay blogs, social networks, and on the general discussion platform [Forum.ge](http://Forum.ge).<sup>88</sup>

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87. Media Development Foundation, “Coverage of Sexual Orientation/Gender Issues by Media,” Bulletin No. 2, February, 2012, at <http://mdfgeorgia.ge/index.php?menuid=16&clang=2&cid=78> (accessed 11 April 2012).

88. Examples of gay blogs are <http://gaydgiuri.wordpress.com/> and <http://gaygeo.wordpress.com/>.

## 4.4 Political Diversity

### 4.4.1 Elections and Political Coverage

For a number of years the Election Code of Georgia and the Central Election Commission of Georgia have been at the center of a debate on whether the regulations and the composition of the Commission were relevant and answered the needs of democratic elections. Recent changes to the Election Code of Georgia, made in December 2009, were criticized by the media and international observers.<sup>89</sup> Although the Election Code gives journalists the right to observe the election process, at the same time the changes introduced a fine for interfering with the work of the Election Commission.

The Code does not provide the exact definition of interference. The media were concerned that this article could be used against journalists who spotted violations during election day or that journalists would avoid reporting on violations out of fear of being fined. However, no major cases were reported after the municipal elections on 30 May 2010.

The increase in online activities has not prompted any changes in the Election Code, nor have the major media outlets moved to the less controlled online space, although a little more election-related civic activism was happening online during the municipal elections held in May 2010 than was the case in previous elections. For example, with the support of international donor organizations, Transparency International Georgia created a mash-up, a map visualizing the election process violations based on the information coming in from diverse observers, non-profit and international. In addition, the Civic Development Institute created a platform for regular citizens, as well as a specially trained volunteer observers' team, allowing them to post short texts about violations observed or suspected, some verified, others not, coming from regular citizens, observers, and journalists all over the country.

### 4.4.2 Digital Political Communications

Although digital media have not yet become a major player in political communication, they still have brought about some changes and opened new channels for political groups and messages. For example, a number of politicians, mostly from either the non-parliamentary opposition or the ruling party's lower-level officials, have Facebook profiles, used more or less actively for communicating political messages and agendas. USAID and the National Democratic Institute funded a project of setting up websites for each of the members of the parliamentary majority; however, the sites are still in the testing phase.<sup>90</sup>

The Republicans, one of the oldest non-parliamentary opposition parties, are among the most active users of digital tools in their political communication. They run and regularly update the party's website, *Republicans.ge*, which is integrated with social networks; they maintain a Facebook group, have a Twitter account, and

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89. T. Kupreishvili, "Journalists and NGOs Demand Annulment of Amendments to Election Code," *Media.ge*, 19 February 2010, at <http://www.media.ge/en/node/36383> (accessed 5 June 2012).

90. See, for example, <http://mtatsminda.majoritarian.ge/> (accessed 25 March 2012).

YouTube and Livestream channels. The numbers of users and followers of these social media profiles are about the same as the average number of unique daily visitors to their website, at around 150.<sup>91</sup>

Another new political party, the Movement of the Whites, which unites some old political players (a few pre-Rose Revolution government officials and members of the nationalist opposition), generates higher user statistics than the Republicans, reaching about 200 unique visitors a day. In addition to information about the party and their planned activities, it runs an online television channel, featuring general news, cultural programs, and documentaries.

New political entrants seem to set up their online presence in a more professional way, running websites along with a Youtube channel, a Facebook page, and a Twitter account. One such example is Georgiandream.ge of the movement Georgian Dream.

Public debates on political issues become particularly lively around elections and lessen between elections; the leader of such debates has always been Forum.ge, a veteran Georgian discussion forum. In the years 2009–2010 many of those discussions moved to Facebook, but they remain active on Forum.ge too. However, as the statistics above show, the overall picture of political communication has not changed much because of digitization and politicians have not yet been able to attract the interest of the public through digital channels and tools.

## 4.5 Assessments

Digitization has triggered changes in journalists' daily work; the overall picture suggests that they are spending more time selecting and collecting news that comes via the internet, social networks, cell phones, or RSS; their work includes less legwork than a few years ago and the temptation and pressure to post updates online as soon as possible are high and compromise the quality and originality of the news. The growth of online communication in the country has added noise rather than an increased fact flow for journalists, but it has also enabled them to increase the scope of their pool of experts, whom they are now able to find easily online, thus bringing diverse opinions into their stories.

Besides tying reporters to their desks and computer screens, digitization forces them to acquire new skills for multi-platform reporting. But most of it has to be self-taught, since media outlets can rarely afford to give proper training to their reporters. There is a common understanding in the news business that convergence is becoming essential, but in the majority of outlets it is still at its initial stage. The economic hardships and the politicized advertising market are also impeding the development of new business models that would allow media outlets to train and sustain skillful, professional reporters.

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91. According to [www.top.ge](http://www.top.ge) (rankings on 15 April 2011).

Digitization has created new ethical problems in the already problematic Georgian news media scene. Data theft and plagiarism, and using materials without prior permission have become an issue with no viable solution at the moment. Although there is a law protecting intellectual property rights, news media do not take copyright infringement cases to court.

Journalists widely use Facebook and social networking websites, but the non-existent internal regulation of their use by reporters creates new ethical problems. What journalists do online largely depends on their own decisions, which in one case has resulted in two reporters being forced to quit their jobs for homophobic comments made on Facebook.

Digitization has not had a big impact on elections, except for minor online activities in their coverage, which emerged during the 2010 municipal elections, when two platforms were created for mapping violations. These were the first attempts to enhance civic participation and, with internet penetration on the rise, the scale of online activities around elections is likely to increase.

Online political communication is not very widespread or effective at the moment. Although many non-parliamentary opposition party members and young government officials communicate via social networks and several political parties use online tools, such as Livestream, online television, and YouTube, the numbers of their visitors and followers are very low.

So far, digitization has helped marginalized groups only a little; ethnic and religious minorities do not have a strong web presence. The only exception is the LGBT community, whose blogs and activities are comparatively stronger and more visible.

Investigative journalists are using new technologies and tools and also work with online databases, increasing the speed of data gathering. However, with no investigative reporting being done on any of the national television channels, and with limited resources available for investigations and a limited number of journalists working on them, the opportunity to distribute information via the internet does not help investigative reporting to serve as an effective agent of change.

# 5. Digital Media and Technology

## 5.1 Broadcasting Spectrum

### 5.1.1 Spectrum Allocation Policy

Broadcasting spectrum allocation is the responsibility of the GNCC, which is a permanent, independent, regulatory authority that is not subordinate to any state institution, although its independence is questioned (see section 7.2.2). Spectrum allocation is competition-based: upon a request from a body interested in obtaining a license and seeking the decision of the Commission, the Commission announces and holds the competition open for two months, after which the applicant that complies with the Broadcasting Law and the program priorities based on the biannual public opinion study wins the tender and obtains a license. There are no special regulations for the regional broadcasters, except for the requirement that they should reach 90 percent of the population living within the broadcasting zone for which the license is obtained. Once a license is granted, the National Spectrum Table, published on the GNCC's website, is updated accordingly. The current version, according to the GNCC's public relations office, contains changes made in August 2010.<sup>92</sup>

According to the Broadcasting Law (Art. 4), the GNCC defines the broadcasting priorities for the license seekers based on a public opinion study which is to be conducted every two years by the Commission. This is not followed in practice: the latest study was conducted in 2008 and the one before that was in 2004. In 2008, the Commission contracted BCG, a local research company, to carry out a public opinion study in the then 25 broadcasting zones<sup>93</sup> of Georgia, except for numbers 24 and 25, the breakaway regions of Abkhazia and South Ossetia. The study was conducted between October 2008 and June 2010. The final study was handed to the GNCC only in September 2010.

Meanwhile, the GNCC stopped issuing, modifying, or meeting any requests for license seekers, arguing that the lack of the public opinion study prevented it from making decisions. The Commission suspended granting licenses for three years, from May 2008 until April 2011, when the priorities defined based on the

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92. Interview by email with Khatia Kurashvili, GNCC public relations officer, 13 July 2011.

93. The zones were changed in April 2011 into 10 larger zones, based on recommendations from the ITU.



study were approved. In a recent monitoring report the GNCC was criticized for hindering pluralism by suspending licensing, which put the existing broadcasting companies in a privileged position and closed off opportunities for new entrants to the market.<sup>94</sup>

One of the reasons why the approval of the study results took so long is that the Commission did not accept the initial results presented by BCG in May 2009 on the grounds of the results being incomplete, and asked it to improve its research. The opinion study results were presented to the public on 5 April 2011. According to the findings, only 15 percent of the Georgian audience watches television primarily to access news (10.6 percent) and analysis (3.9 percent), while 65 percent prefers musical or entertainment talk-shows.

The study also pointed out specifically that the respondents replied to the question about their views on community broadcasting after being explained the meaning of the phrase “community broadcasting” (the explanation was not provided in the study). Some 65 percent of people living in the regions of Georgia do not consider having community broadcasting important; 24 percent think it is important and 11 percent do not have an answer. The survey showed that 35.5 percent prefer music programs, 29 percent entertainment talk-shows, and 20 percent soap operas; news programs come 10th with just 10.6 percent. Interest in analytical programs was in single digits, at 3.9 percent.<sup>95</sup> Based on the study results, the GNCC’s priorities for the national broadcasters are: musical shows, entertainment talk-shows, sitcoms, movies, comedy, sports, and shows for children, news programs, and educational programs.

Based on the BCG study, the Commission ruled that community broadcasting licenses do not fall under the priorities rules for the two years until 18 April 2013, since there was no public interest in community broadcasting even in the regions with a high ethnic-minority population. Civil society sees the priorities as potentially detrimental to pluralism and diversity before the 2012 parliamentary elections and the presidential elections of 2013. Transparency International Georgia believes that “this [...] will severely limit information available to the population of Georgia in the period before the parliamentary election to be held in 2012 and the presidential election to be held in 2013. And we call on the GNCC to ensure that approvals in the next round of broadcasting licenses include channels dedicated to serious news, educational programming, and especially investigative journalism.”<sup>96</sup>

The priorities seem to favor three nationwide channels, Rustavi 2, Imedi, and the GPB, all of which have pro-government bias. Rustavi 2 and Imedi are major producers of entertainment television, and thus have an assured place among the prioritized channels.

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94. The Levan Mikeladze Foundation and Georgian Young Lawyers Association, “The Regulation of TV Media in Georgia,” Civil Monitoring for Improvement of TV media Environment, a project supported by the Open Society Georgia Foundation, n.d., at [http://mikeladzefoundation.org/multimedia/ups/Regulation\\_of\\_TV\\_Media\\_in\\_Georgia.pdf](http://mikeladzefoundation.org/multimedia/ups/Regulation_of_TV_Media_in_Georgia.pdf) (accessed 5 June 2012) (hereafter “The Regulation of TV Media in Georgia”).

95. “Regulator’s Survey Shows TV Viewers’ Appetite for News Declines in Civil Georgia,” 5 April 2011, at <http://www.civil.ge/eng/article.php?id=23314> (accessed 3 April 2012).

96. Transparency International Georgia a, “GNCC decides Georgians don’t want news or community information, prefer entertainment,” 21 April 2011, at <http://transparency.ge/en/blog/gncc-decides-georgians-dont-want-news-or-community-information-prefer-entertainment> (accessed 31 March 2012).

All of the above applies to analog broadcasting, which reaches over 90 percent of the population. The rules may change again with the digital switch-over drawing closer. Currently, there is neither strategy nor legal framework for the digital switch-over and spectrum conversion. Moreover, there is no agreement or policy regarding the breakaway regions of Abkhazia and South Ossetia, which fall into two out of 20 broadcasting zones. The Law on Occupied Territories<sup>97</sup> forbids any kind of economic or other activities in the occupied territories, except for special arrangements approved by the government when the state's or humanitarian or peaceful resolution purposes are served. Currently, the spectrum covering the breakaway Abkhazian territory is used without any agreement or license by the local television station and this will remain a problem after the switch-over. In the South Ossetian territory, although it is covered by spectrum, there is no local television using the resource.

### 5.1.2 Transparency

The procedures for allocating spectrum and all the decisions and documents produced by the GNCC are available on the Commission's website. However, there is no legal obligation for the GNCC to provide justifications for their licensing decisions. Recent monitoring results show that the Commission violates some of its own deadlines; for example, the annual report, which has to be published before 1 June each year, was posted on 4 August 2011, then removed after an hour and posted again on 11 August.<sup>98</sup>

The GNCC is often criticized by civil society organizations, such as the Young Georgian Lawyers' Association or Transparency International, for taking political decisions and lacking independence, as well as not acting in the interests of the public. One of the criticisms voiced was the fact that the GNCC's study results appeared to be very different from those of an independent media survey, funded by the EU and conducted by the CRRC in 2009, which suggested that the majority of Georgians would like to see more and better-quality current affairs programs. According to the research, the public recognizes the lack of the coverage of social issues, human rights, freedom of speech, healthcare, religion, the legal system, property rights, economic issues, corruption, and education. Respondents say coverage of these issues is superficial, and does not provide enough information to the viewer. Moreover, the study shows that the audience has a clear appetite for investigative reporting.<sup>99</sup>

Transparency International Georgia issued a press release calling the government to ensure the media market in the country is free and diverse:

The GNCC should ensure that their decisions interfere as little as possible in editorial independence of broadcast media and act as safeguards of the general policy framework allowing for pluralism and independence. Specifically: we ask the GNCC to make the detailed findings of the survey, including its methodology and raw data, publicly available on

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97. Law of Georgia on Occupied Territories, 23 October 2008, available in Georgian and English at [http://www.parliament.ge/index.php?lang\\_id=ENG&sec\\_id=69&info\\_id=18768](http://www.parliament.ge/index.php?lang_id=ENG&sec_id=69&info_id=18768) (accessed 12 April 2012).

98. "The Regulation of TV Media in Georgia."

99. Gutbrod and Turmanidze, "Georgia Comprehensive Media Research: Summary Findings."

its website. The GNCC should allow for meaningful public consultations on the upcoming definition of programmatic priorities. In the interest of the government's obligation to support civic education, the GNCC should prioritize licenses to applicants offering attractive educational and informative programming, rather than entertainment-only shows.<sup>100</sup>

Tamar Karzai, freedom of information and media law expert of the Georgian Young Lawyers Association, notes that “the problem with the GNCC is that they always follow the law, procedures, but still make political decisions.” One of the examples of political decisions—besides refusing to issue licenses for several years, while according to the National Frequency Allocation Plan there were many available broadcast frequencies—is the case of the broadcasting company Maestro, which was refused a license modification for political programs in 2008. Meanwhile, a broadcasting company loyal to the government, Alania, was transmitting without a license for a year and a half (see section 7.2.3).

One of the foremost problems highlighted in this report is the conflict of interest of the Chair of the Commission, Irakli Chikovani, who also owns 35 percent of the advertising company Magi Style Media, which produces and distributes television commercials to national broadcasters, among others. The report points out that Mr Chikovani's income depends on the profits of the company (which searches for more television advertising space), which leads to constant violations of advertising limits, and television stations are not fined for the violations.<sup>101</sup>

### 5.1.3 Competition for Spectrum

Currently, cable and terrestrial television in Georgia is entirely analog. The process of allotting spectrum frequencies for digital terrestrial television has not started yet, and there are no legal provisions for preventing operators from attempts to reduce broadcasting spectrum available to others.

According to the ITU's Geneva 2006 (GE06) agreement,<sup>102</sup> Georgia has to complete switch-over in June 2015 and have 175 frequencies that will be distributed in 10 broadcasting zones (including Abkhazia and South Ossetia). The Ministry of Economy and Sustainable Development is responsible for developing a strategy for digital switch-over, but so far no draft has emerged. At a roundtable on digital switch-over organized by the Eurasia Partnership Foundation (EPF) on 23 February 2011, the ministry promised to draft the document by the end of June 2011. However, no draft had emerged even by spring 2012 and the ministry postponed the deadline till December 2012. The participants agreed to form a working group to help develop the strategy at the latest roundtable organized by IREX on 14 February 2012. The government pledged to join the group, but so far IREX has not seen any sign of this happening.

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100. Transparency International, “TI Georgia Calls on Government to Ensure Diverse Media Market,” 7 April 2011, at <http://www.transparency.ge/en/post/press-release/ti-georgia-calls-government-ensure-diverse-media-market> (accessed 1 April 2012).

101. “The Regulation of TV Media in Georgia.”

102. International Telecommunication Union, “Final Acts of the Regional Radiocommunication Conference for planning of the digital terrestrial broadcasting service in parts of Regions 1 and 3, in the frequency bands 174–230 MHz and 470–862 MHz (RRC-02),” at <http://www.itu.int/pub/R-ACT-RRC.14-2006/en> (accessed 18 April 2012).

## 5.2 Digital Gatekeeping

### 5.2.1 Technical Standards

The process of preparing for digital switch-over in Georgia is uneven. Unlike legislation and strategy in general, technical standards have already been approved. The GNCC consulted colleagues from developed countries, primarily in Europe, where switch-over has already been carried out, and at the time of reporting the spectrum distribution has been planned, the new broadcasting zones have been approved, and the GNCC is working on digital signal testing zones.

It was decided that Georgia will use DVB-T2 and MPEG-4 compression standards. The final decisions on other technical details are up to the ministry, which does not share any information about the process. There are no public debates on the technical standards, since neither the general public nor industry professionals are informed about or involved in the process.

### 5.2.2 Gatekeepers

The broadcasting frequency allocation currently follows the regulations designed for analog broadcasting, and thus digital multiplex issues do not apply to Georgia yet. However, the politicized decisions of the GNCC and the fact that the Ministry of Economy is not including civil society in the decision-making process contribute to concerns that the process will not favor independent market players that are not affiliated with the government.

### 5.2.3 Transmission Networks

Until 1 August 2011, the only transmission network was the state-owned Georgian Tele-Radio-Center, recently renamed Alfa-Com, which was in charge of Tbilisi's main tower covering the whole country and 36 towers around the country. It transmits the signal of more than 30 radio stations, 16 television stations, and a number of telecommunication providers.

The Ministry of Economy conducted an online auction (giving the bidders 11 business days only to apply) selling Alfa-Com's rights to manage the network for GEL 110,000 (US\$69,000). A company called Golden Com, the only bidder, won the tender, and will have to invest US\$12 million in re-equipping and upgrading the network. Because neither the process nor the profile of the operator was transparent, the auction and its results raised concerns among media freedom activists and media owners.

According to the Georgian Law on Broadcasting, the company has to ensure that the GPB as well as private broadcasters are granted non-discriminatory and equal access to the technical means and services of Alfa-Com. This rushed and surprising privatization process of Alfa-Com's management rights has created a climate of uncertainty, with independent broadcasters being concerned about the terms and rates the new operator of Alfa-Com will set for the transmission of their signals.<sup>103</sup>

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103. Mathias Huter and Mamuka Anghuladze, "Who will Manage Georgia's Airwaves? The Problematic Privatization of Alfa-Com," Transparency International Georgia, 29 July 2011, at <http://transparency.ge/en/blog/pwho-will-manage-georgias-airwaves-problematic-privatization-alfa-comp> (accessed 15 April 2012).

Although so far there has been no evidence of the transmission network operator's intervention in the distribution of spectrum resources, media representatives fear that it may change with the new management. Possible increase of the spectrum use fees is a particular concern. Nino Jangirashvili, owner and director of the Tbilisi-based Kavkasia TV, said in an interview with Civil.ge that "there are several concerns about the government's plans." One, she said, is related to future fees the television channels will have to pay. Ms Jangirashvili says that her television channel currently pays about GEL 3,300 (US\$2,025) transmission fee. "It will be a serious financial burden for small television stations if the fee goes up," she said.<sup>104</sup>

The privatization of Alfa-Com's management is also relevant to Georgia's transition to digital terrestrial broadcasting. By 2015, the year the management contract of Alfa-Com will end, Georgia has to turn off analog terrestrial television signals. The Ministry of Economy, put in charge of the switch-over process, has not revealed any plans for gatekeepers. Transparency International Georgia sees a reason for concern there: "It has not been decided how and by whom the new digital broadcasting transmission stations, so-called multiplexes, will be managed. The winner of this auction might be a well-placed candidate for this role."<sup>105</sup>

## 5.3 Telecommunications

### 5.3.1 Telecoms and News

According to the data that the GNCC collected from 74 cable companies (altogether there are 117 registered cable companies), about 130,000 subscribers use cable (July 2011).<sup>106</sup> Almost half of the registered cable companies serve the capital, while the rest cover the rest of the country, offering on average 30 channels, including all the Georgian, some Russian, and some international channels.

Although the Law on Broadcasting is not as demanding of cable companies as it is of terrestrial license holders, cable companies also encounter problems with the GNCC. Despite the fact that the law does not oblige cable companies to submit their mission and programming concepts to the GNCC when applying for a license, the licensing of cable companies was also suspended while the Commission was waiting for the results of the public opinion study (see section 5.1.1).<sup>107</sup>

Cable television provides affordable access to news, on average at US\$8 per month. A basic package includes access to Georgian, some Russian, and a few foreign channels. The prices are higher, at an average US\$20–30, for satellite television service subscribers who receive many more Russian and international channels. The

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104. "Some Concerned over Planned TV Tower Management Outsourcing," *Civil Georgia*, 28 July 2011, at <http://civil.ge/eng/article.php?id=23807> (accessed 1 April 2012).

105. Mathias Huter and Mamuka Anghuladze, "Who will Manage Georgia's Airwaves? The Problematic Privatization of Alfa-Com," Transparency International Georgia, 29 July 2011, at <http://transparency.ge/en/blog/pwho-will-manage-georgias-airwaves-problematic-privatization-alfa-comp> (accessed 15 April 2012).

106. Interview by email with Khatia Kurashvili, GNCC public relations officer, 13 July 2011.

107. "Civil Media for Improvement of TV-media Environment."

picture slightly changed with the arrival in 2010 of Silknet, which offered the first IPTV to customers, along with internet and phone services, for about US\$50 per month.

Since there are no must-carry or must-allow regulations in the country, it is mostly up to the cable service providers how they package the programs. However, this process sometimes is also politicized, as examples in section 5.3.2 show.

As for mobile operators, so far none of them has been seriously involved in content distribution.

### 5.3.2 Pressure of Telecoms on News Providers

There have not been many cases of cable and telecoms operators exerting pressure on news providers. However, one notable case shows that the practice is not unknown. A channel critical of the government, Maestro TV, is the only Tbilisi-based Georgian television channel which is not included in the Silk TV Georgian channel package. In April 2011, Maestro TV aired an episode of a new program “*Akreditatsiis gareshe*” (Without Accreditation), hosted by Shalva Ramishvili (the program rapidly gained popularity by showing in a reality television format the host’s visits to places where journalists rarely venture or have trouble obtaining information). In the episode called “A Visit to Silknet,” Mr Ramishvili tried to find out why Maestro was not included in Silk TV packages. He received vague answers from low-level managers that it was related to some technical problems. Mr Ramishvili also initiated a protest in front of their office. Silk TV responded by posting the following statement on their website:

First of all we want to mention that Silknet is a private company and it is entitled to choose the type of programs it offers the viewers of Silk TV. We want to point out that until March 2011, Silknet was unable to broadcast the signal of TV Company Maestro via Silk TV due to the lack of relevant technical conditions. [...] At the beginning of this year, Silknet made an investment in which it became possible to include the Maestro TV channel in our broadcasting. Broadcasting Maestro on the air of Silk TV was planned in March, but because of the attempts to pressure us [...] we have decided to refrain from including TV Company Maestro in Silk TV programs at this stage.[...] We think that an independent TV company pressuring a private company is unjustified.<sup>108</sup>

The practice goes both ways. In March 2012 a cable company, Global TV, one of the major service providers across the country, included in its package a private television channel, TV9, and as soon as it happened, the pro-government channels Imedi and Rustavi 2 requested the service provider to stop rebroadcasting them. Global TV is owned by the brother of the tycoon Bidzina Ivanishvili, who made his money in Russia, returned to Georgia, and formed a political movement opposing the ruling party, also investing in TV9. Imedi and Rustavi 2 explained that they were contracting another cable company, Global TV’s competitor, and could not work with both of them.<sup>109</sup>

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108. See <http://www.silknet.ge> (accessed 5 May 2012).

109. Aired on Palitra TV on 19 March 2012, at <http://geo.palitravt.ge//akhali-ambebi/sazogadoeba/15609-qteleimedisq-shemdeg-qglobal-tvq-idan-gathishvas-qrusthavi-2q-ic-ithkhovs.html> (accessed 1 April 2012).

## 5.4 Assessments

Despite the detailed legal regulation, the spectrum allocation process in Georgia is still politicized, as the examples discussed in this section show. Although the GNCC posts on its website information on the decisions made, the sanctions taken, the announcements of tenders, etc., sometimes information is not displayed in a timely manner and almost never provides the background and reasoning behind decisions. The transparency of the decision-making process is nominal.

One of the main purposes of regulators is to support media pluralism and healthy competition in the broadcasting market, and serve the public interest. The GNCC fails on both accounts: it has been criticized for hindering rather than helping competition in the media market by suspending licensing for three years and for ignoring the conflict of interest of the Chair of the Commission.

The law prohibits companies or organizations registered in Georgia to carry out any economic activities in breakaway Abkhazia or South Ossetia, which means that the population of these territories does not receive services. The broadcasting spectrum is mostly unused, especially in South Ossetia, and information space is filled with content coming from neighboring Russia. Smaller communities, too, are at risk of limited pluralism and access to local news, since community broadcasters do not have to conform to the priorities of the latest broadcasting policy, based on the public opinion study, which defined the preferences of the audience and serves as a foundation for license-granting decisions for the GNCC.

Uncertainty surrounds licensing for the digital era, since the government has not revealed any strategic plans, even in a draft form. The process of transition is not transparent and does not involve industry associations and civil society. The recent rushed privatization of the signal transmission network's management rights adds to the concerns about the effects of digital switch-over on competition, pluralism, and diversity.

## 6. Digital Business

### 6.1 Ownership

#### 6.1.1 Legal Developments in Media Ownership

The lack of information about media ownership was a significant hindrance to the development of free media in Georgia until 2012.<sup>110</sup> On 8 April 2011, after heated debates with NGOs, educational institutions, and the international community Parliament passed amendments to the Georgian Law on Broadcasting that require broadcasters to make information about their ownership transparent and publicly available on their websites.<sup>111</sup> The law also introduces a full ban on offshore ownership, which had allowed the owners of the Georgian nationwide television companies to remain hidden. According to the amendments, the broadcasters had to make information about their ownership publicly available before January 2012. All have complied.

The amendment to the law was part of a package drafted by an NGO-backed group of five high-profile media professionals: Lasha Tugushi, editor of *Rezonansi* daily, Eliso Chapidze, journalist at *Rezonansi*, lawyers Vakhtang Khmaladze and Giorgi Chkhaidze, and Nino Danelia, media researcher. They developed several amendments to the Law on Broadcasting and the General Administrative Code,<sup>112</sup> concerning ownership transparency and a wide array of issues concerned with press freedom, including easing access to public information, the licensing process, making the process of court appeals easier and more affordable in cases when journalists are denied access to public information, as well as clear-cut regulations for advertising in media. Civil society, including media organizations, individual journalists, human rights organizations, and media lawyers fully supported the proposed amendments.

The draft law proposed by the initiative group was a reaction to the statement by Davit Bakradze, speaker of Parliament, who admitted the problem of non-transparent ownership of media in 2010. He said: “the society

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110. IREX, “Media Sustainability Index 2009, annual report on Georgia,” at [http://www.irex.org/system/files/EE\\_MSI\\_09\\_cauc\\_Georgia.pdf](http://www.irex.org/system/files/EE_MSI_09_cauc_Georgia.pdf) (accessed 18 November 2011).

111. Georgian Law on Broadcasting, at [http://www.gncc.ge/files/7050\\_3380\\_492233\\_mauwyebloba-eng.pdf](http://www.gncc.ge/files/7050_3380_492233_mauwyebloba-eng.pdf) (accessed 5 June 2012).

112. General Administrative Code of Georgia, 25 June 1999, available in English at <http://unpan1.un.org/intradoc/groups/public/documents/unpan004030.pdf> (accessed 20 April 2012).



should have full and comprehensive information about media owners, who are behind [media organizations] and how they are financed.”<sup>113</sup>

The ruling party United National Movement (UNM) was planning to propose legal changes, presented as part of the reform package. On 12 November 2010 the ruling party and the initiative group each proposed its own draft laws to Parliament. The draft law offered by the ruling party addressed only the ownership issue and proposed to limit the ownership of broadcast media by offshore companies. A broadcast license holder could not be a legal entity when more than 10 percent of shares were owned directly or indirectly by an entity or entities registered offshore. The civil society version called for 0 percent of ownership by offshore companies.

The group also wanted to make financial accounting and audit of the broadcasters comply with international standards in order to get complete financial transparency of the broadcasters. However, Parliament did not pass this particular amendment, arguing that “requiring from broadcasters to make their audit based on the international standards would significantly increase their auditing expenses, which would be a serious financial burden, especially for small broadcasters in the regions.”<sup>114</sup>

### **6.1.2 New Entrants in the News Market**

The television market has seen the biggest influx of new entrants, though mostly in the segment of entertainment. In 2010, Silknet entered the scene, a company founded by the merger of three leading communication companies, United Telecom, Wanex, and Adjara Electrokvashiri. Silknet provides customers with the following services: interactive cable television, fixed telephone services, long-distance and international telephone communications, fixed wireless telephony (using CDMA technology), internet services (both DSL and fiber optic), carrier services, and VPN. Because of the merger, the company was able to offer cheaper and higher-quality, more customer-driven service than other companies in the market. However, better prices came with reduced pluralism. Silknet’s decision not to include Maestro TV in the Silk TV package has been widely seen as politically motivated (see section 5.3.2).

Another major entrant in the broadcasting market is Global Media Group (GMG), founded in 2010 by Mamuka Gamkrelidze, an anchor at Rustavi 2. Within 20 days of the registration he sold 100 percent of the shares to Media Consultancy Group, a company run by former top managers of the GPB and people affiliated with the GNCC. The sole owner is Giorgi Koguashvili, who used to own a cable company in the city of Rustavi.<sup>115</sup> GMG is registered at Mr Koguashvili’s home address and it operates in the same building

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113. “Georgia to Make Media Ownership Fully Transparent,” Civil.ge, Tbilisi, 26 October 2010, at <http://www.civil.ge/eng/article.php?id=22782> (accessed 19 April 2012).

114. “Broadcast Media Ownership Transparency Bill Passed,” Civil.ge, 8 April 2011, at <http://www.civil.ge/eng/article.php?id=23324&search=> (accessed 20 April 2012).

115. “Cable Network in the Broadcasting Market,” Netgazeti.ge, 3 August 2011, at <http://netgazeti.ge/GE/49/News/4807/GMG--E1%83%94.htm> (accessed 21 April 2012).

as the GNCC.<sup>116</sup> GMG received a broadcasting license in December 2010.<sup>117</sup> It launched six entertainment channels in 2011: GMG Cinema Gourmet TV broadcasting European films, another film channel, Cinema Hollywood TV, Kids' Channel, GMG Sports, and GMG Football. In 2012 GMG won the exclusive right to broadcast the UEFA European League matches in Georgia.<sup>118</sup> GMG channels are available through Silknet and other cable networks; they do not broadcast terrestrially. The GNCC required other television companies to stop broadcasting sports events, because the only company that has a permit to air sports events is GMG.

The most recent new entrant in the media market is the television company Me-9 Arkhi (TV9). The owner of the company is the family of Bidzina Ivanishvili, a Georgian billionaire who is the head of the opposition party The Georgian Dream, which is seen as a main competitor to the ruling party in the parliamentary elections of 2012. The management of TV9 says the government is creating obstacles to their activities by damaging the recently purchased high-quality technical equipment while it was undergoing a customs clearance (the channel claims the damage was deliberate).<sup>119</sup> The government representatives deny the allegations.

There are no new entrants in the print media news market, but the online field features several new players. The regional newspaper *Batumelebi* launched an online edition, Netgazeti.ge. Palitra Media, a pioneer of newsroom convergence in Georgia (see section 4.1), established an internet television station Palitra TV, and a news site, Ambebi.ge, which rapidly became one of the most popular web resources in the country.

### 6.1.3 Ownership Consolidation

Consolidation of ownership in Georgia, most noticeable in the broadcast media sector, has a direct adverse effect on pluralism and the diversity of voices. According to Art. 60 of the Law on Broadcasting, such concentration is prohibited: "A person/legal entity may possess independently or with an interdependent person/legal entity no more than one terrestrial broadcasting license for television and one for radio in any one service area."<sup>120</sup>

However, the law does not prohibit an individual from owning shares in different companies that hold licenses. For example, Davit Zilpimiani owns 22 percent in a television company, Stereo, and 68 percent in Omega. Before the recent legal changes, the same was the case with offshore companies: GIG Group (one of the founders and owners of which is David Bejuashvili, a major donor to Mikheil Saakashvili's election campaign and the brother of the head of the Department of Intelligence) owned 30 percent of Rustavi 2, 45

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116. N. Dzvelishvili, "GNCC Issues Warning to Another Cable TV," Media.ge, 11 March 2011, at <http://www.media.ge/en/node/40493> (accessed 21 April 2012).

117. N. Dzvelishvili, "Global Media Group to Launch Sports Channel GMG Football on January 14," Media.ge, 11 January 2011, at <http://www.media.ge/en/node/39948> (accessed 21 April 2012).

118. N. Dzvelishvili, "GMG Granted Exclusive Rights for UEFA European League Broadcasting," Media.ge, 22 February 2012, at [http://www.media.ge/en/stories/gmg\\_granted\\_exclusive\\_ri](http://www.media.ge/en/stories/gmg_granted_exclusive_ri) (accessed 21 April 2012).

119. "Authorities Say Ivanishvili's Satellite Van Damage Allegation 'Unacceptable'," *Civil Georgia*, Tbilisi, 15 February 2012, at <http://www.civil.ge/eng/article.php?id=24450> (accessed 24 May 2012).

120. Law on Broadcasting, at [http://www.gncc.ge/files/7050\\_3380\\_492233\\_mauwyebloba-eng.pdf](http://www.gncc.ge/files/7050_3380_492233_mauwyebloba-eng.pdf) (accessed 5 June 2012).

percent of Mze, and 65 percent of Stereo. And a British Virgin Islands-registered company with unknown affiliation, Degson, owned 55 percent of Mze and 70 percent of Rustavi 2.<sup>121</sup> The absence of safeguards against concentration and the lack of transparency of media ownership provide ample opportunities for the government and those affiliated with it to exercise control over the media space; but the situation is set to change with the adoption of the amendments to the Law on Broadcasting (see section 6.1.2).

Several television companies have changed owners during the surveyed period, and many changes featured people with connections to power. In 2006, Kibar Khalvashi, a close friend of Irakli Okruashvili, then prosecutor-general of Georgia, bought shares in Rustavi 2 from Erosi Kitsmarishvili, one of the founders and owners of Rustavi 2; and David Bezhuashvili bought shares in Mze and Stereo from Kibar Kalvashi. In 2008, TV9, Evrika, the Voice of Georgia, and Rustavi 2 came into the possession of Giorgi Gegeshidze and Irakli Chikovani, the founders of the advertising agency Magi Style Media. Mr Chikovani is the current Chair of the GNCC. A major change occurred in the private television station Imedi. Until 2007, it was owned by a businessman, Badri Patarkatsishvili, one of the financial supporters of the opposition. After his death in 2008 his relative Joseph Kay took over. The Patarkatsishvili family saw this ownership change as illegal and accused the ruling party of interference.

The owners of media outlets play the greatest role in determining a television station's editorial policy. The owners tend to appoint people loyal to the government as chief producers of news programs. The producers are usually aware of the unwritten self-censorship rules and follow them. As Transparency International Georgia put it: "They [chief producers] are in charge of communicating with journalists about what topic may be covered and how it should be covered (including the 'appropriate' wording for the topic). The phrase 'it came from above' has entered journalists' vocabulary."<sup>122</sup>

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121. Transparency International Georgia, "TV in Georgia—Ownership, Control and Regulation," 20 November 2009, at <http://www.transparency.ge/en/content/television-georgia-%E2%80%93-ownership-control-and-regulation> (accessed 19 April 2012).

122. Transparency International Georgia, "TV in Georgia—Ownership, Control and Regulation," 20 November 2009, at <http://www.transparency.ge/en/content/television-georgia-%E2%80%93-ownership-control-and-regulation> (accessed 19 April 2012).

## Imedi Case

After the ownership change mentioned above editorial policy changed dramatically. Formerly critical of the government, Imedi started producing news in favor of the ruling power. In 2009, about 60 journalists from Imedi published an open letter stating that the management had censored the statement by the Patriarch of the Georgian Orthodox Church on 8 April 2009, the eve of protest rallies in Tbilisi, in which he called on the Georgian army not to use force against the protesters.<sup>123</sup> The statement was aired partially, without the part of the sentence where the Patriarch addressed the army. The journalists also said they were not allowed to cover the incidents of attacks on protesters and gave specific examples of the words they were told to use while covering the protests: the words had to attach negative meaning to the protesters' actions.<sup>124</sup> For example, during the protests the opposition built mock prison cells in the center of Tbilisi and protested by sitting in them. The message of the protest was that the country had become a prison for free-minded people. The producers of the news programs at Rustavi 2 and Imedi asked journalists to use the word "cave" instead of "cell," trying to associate the political opposition with "uncivilized" behavior and undermining the symbolic aim of the protesters. Later, Real TV even prepared a story from the zoo, where a journalist was asking visitors to identify which politician looked like a monkey and which ones like a donkey.

The variety of news, topics, and opinions is also limited in the consolidated media. Television stations with nationwide coverage cover similar topics from the same sources, in the same order, and with similar pro-government emphasis. Tamar Karosanidze, former executive director of Transparency International Georgia said at a conference dedicated to media freedom that "the newscasts on the pro-governmental channels even have the same mistakes."<sup>125</sup>

The IEOM made similar observations:

Despite the pluralistic media environment, most outlets remain under strong influence from their owners and political patrons. As such, all five main TV channels were under some influence from candidates and political parties, which was an obstacle to covering all election subjects in a non-discriminatory manner as provided by law. This resulted in campaign news coverage lacking balance on all monitored TV stations, apart from public TV, with the United National Movement receiving the most coverage on almost all stations.<sup>126</sup>

Of the three national broadcasters only the GPB has political talk-shows. The political opposition and civil society groups are relatively well represented there. The GPB also has the political Second Channel that offers

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123. "Group of Imedi TV Employees protest over Editorial Policy," *Civil.ge*, Tbilisi, 6 May 2009, at <http://www.civil.ge/eng/article.php?id=20856> (accessed 21 April 2012).

124. S. Datishvili, "Imedi Sacks Critical Journalists," *The Messenger Online*, 2009, at [http://www.messenger.com.ge/issues/1853\\_may\\_13\\_2009/1853\\_sopo.html](http://www.messenger.com.ge/issues/1853_may_13_2009/1853_sopo.html) (accessed 5 June 2012).

125. Tamar Karosanidze, "The importance of plurality of views and news in broadcasting," *Civil Society Seminar on media freedom*, 10–11 November, 2009, Tbilisi, at [http://eeas.europa.eu/delegations/georgia/documents/news/10\\_11dec2009\\_en.pdf](http://eeas.europa.eu/delegations/georgia/documents/news/10_11dec2009_en.pdf) (accessed 21 April 2012).

126. IEOM, "Georgia."

political groups space for their own programming, but the channel is not well promoted and has very small audiences (see section 2). With the lion's share of the television market in the hands of people affiliated with the ruling party, or supportive of it, any content that is critical of those in power has very limited distribution.

#### **6.1.4 Telecoms Business and the Media**

There has been no business involvement of telecoms companies in the media and consequently they have had no influence on the media's independent performance. However, they have had an influence on the variety of the news telecoms package subscribers receive. Three leading players in the telecoms market by market share, United Telecom, Adjara Elektrokavshiri, and Wanex, have merged in order to unite their resources, forming Silknet. The service offered by it is faster and cheaper, but the selection of channels suggests political motivation (see section 6.1.2).

#### **6.1.5 Transparency of Media Ownership**

Owing to the successful advocacy by the initiative group, which was supported by the media community, human rights organizations, and international donors, media ownership in Georgia has become transparent (see section 6.1.1). Previously, transparency only applied to print media, but the legal changes of 2011 have ensured the same is the case for broadcasters. Article 61 of the amended Law on Broadcasting states that a broadcasting license holder shall annually disclose information to the GNCC about any other business partners, shareholders with shares of more than 5 percent, and the directors of the organization, if the license holder is a commercial legal entity of private law, and also about the founders, other members, sponsors, and managerial staff of the organization if the broadcasting license holder is a non-commercial legal entity of private law.<sup>127</sup> The license holder should also inform the GNCC if the owner has shares in another media company.

According to Art. 62, a license holder also has to inform the GNCC about any changes in ownership, including beneficial ownership. Before 2012, broadcasters usually notified the GNCC about changes in ownership, but the true owners of the two influential nationwide television companies, Imedi and Rustavi 2, that have 60 percent of the audience, remained hidden in offshore zones.

According to Art. 37 of the Law on Broadcasting, the following entities are not entitled to hold a license in the field of broadcasting: administrative bodies, officers and employees of administrative bodies; legal entities affiliated with administrative bodies; political parties, and individuals holding a political office. However, this provision is not always implemented: "It is assumed that this article has been specifically violated in a number of cases, especially in Georgia's regions where local public officials or influential representatives of the ruling party own shares in local media organizations."<sup>128</sup>

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127. Law on Broadcasting, at [http://www.gncc.ge/files/7050\\_3380\\_492233\\_mauwyebloba-eng.pdf](http://www.gncc.ge/files/7050_3380_492233_mauwyebloba-eng.pdf) (accessed 5 June 2012).

128. Open Society Georgia Foundation, "Implementation of the Objectives of the EU-Georgia Action Plan, European Neighbourhood Policy," 2009.

To cite one example, the regional television channel Akhmeta (Kakheti Region) is owned by the local authority; Aleksandre Kobalia, district governor of Zugdidi, owns 20 percent of the shares, his mother Ema Grigolia owns 70 percent of the shares, and his brother Kim Kobalia owns 10 percent in Telecompany Odishi (Samegrelo Region). The GNCC is the organization in charge of implementing the law, but it has so far failed to do this.

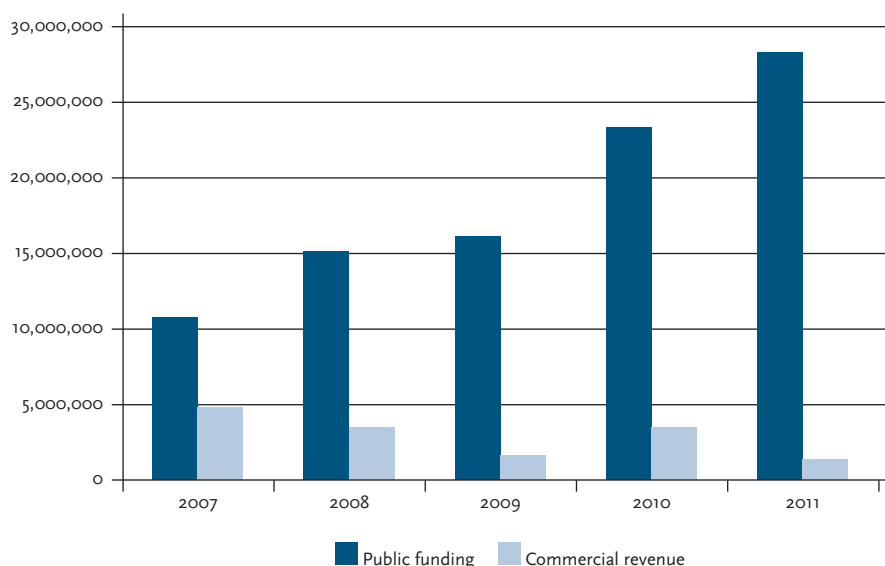
## 6.2 Media Funding

### 6.2.1 Public and Private Funding

The close ties between business and politics in Georgia make media funding hard to negotiate. Conflict of interest is endemic; funding regulations are still at the drafting stage; public money is distributed by officials with business interests; and private money follows political custom rather than business sense. But both public and private funding have been steadily growing in the period in question, with only a short fall during the armed conflict between Russia and Georgia.

On 25 December 2009 Parliament approved the amendment to the Law on Broadcasting that guarantees funding for the GPB equal to 0.12 percent of the country’s GDP or more. Previously, Parliament allocated funds to the GPB at its own discretion, a practice that carried a risk of funding being used as a tool for political interference in editorial decisions. The GPB’s budgets have been available online since 2010. As Figure 8 shows, state funding has been steadily growing, particularly after the launch of the Russian-language channel PIK (see section 2.1.1).

*Figure 8.*  
Georgian Public Broadcaster’s annual budget (US\$), 2007–2011



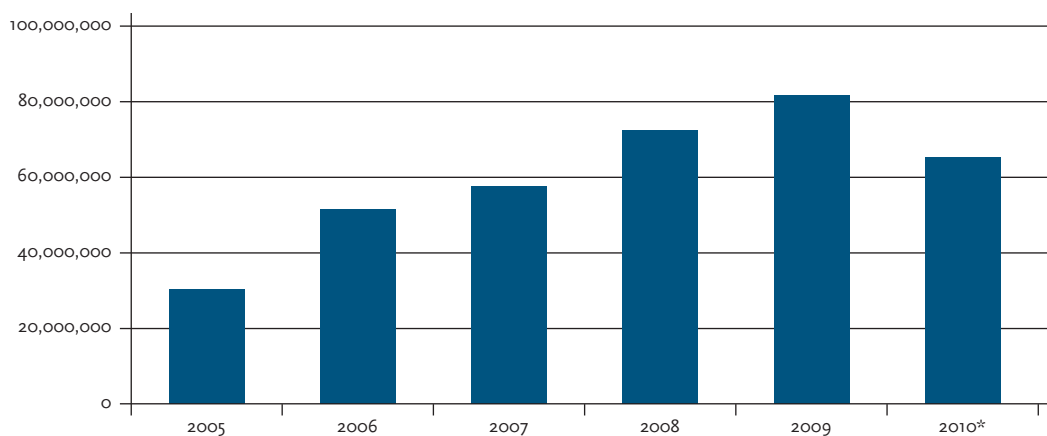
Source: GPB

In the media market in general private funding (advertising revenues and sponsorship) has increased from US\$31.2 million in 2005 to US\$65.1 million in 2010.<sup>129</sup> Since 2006, the top three commercial advertisers have been the same, the multinational producer of personal care products Procter & Gamble (P&G) and the mobile telecoms companies Magti GSM and Geocell. The former spent US\$10.4 million on advertising in 2009, considerably more than other advertisers.<sup>130</sup> Usually top commercial advertisers spend between US\$2 million and US\$3 million on an advertisement in broadcast media. There are no data available on the average advertising spending by medium-sized businesses.

In 2010, Imedi had the biggest share of the television advertising market, at US\$28.4 million, while the private company, Kavkasia, critical of the government television station, that covers Tbilisi and its outskirts, had only about a quarter of that sum, US\$740,710.

*Figure 9.*

Total commercial advertising and sponsorship spend in the television sector (US\$), 2005–2010



*Note:* \*2010 data are for the first three quarters

*Source:* AGB Nielsen Media Research

The same tendency of increased advertisement spending applied to state advertising until 2008, the year of the Georgian–Russian conflict, when the figures dropped. State funding resumed growth again in 2009. Between 2005 and 2010, the biggest share of state advertising went to Rustavi 2, but in 2010 Imedi TV replaced it as top recipient.<sup>131</sup> For years, the government has been placing advertising exclusively with the government-friendly Rustavi 2 and Imedi. After the ownership change in Imedi in 2007 (see section 6), the management of the company changed, as did the editorial policy, becoming markedly pro-government.

129. Source: AGB Nielsen Media.

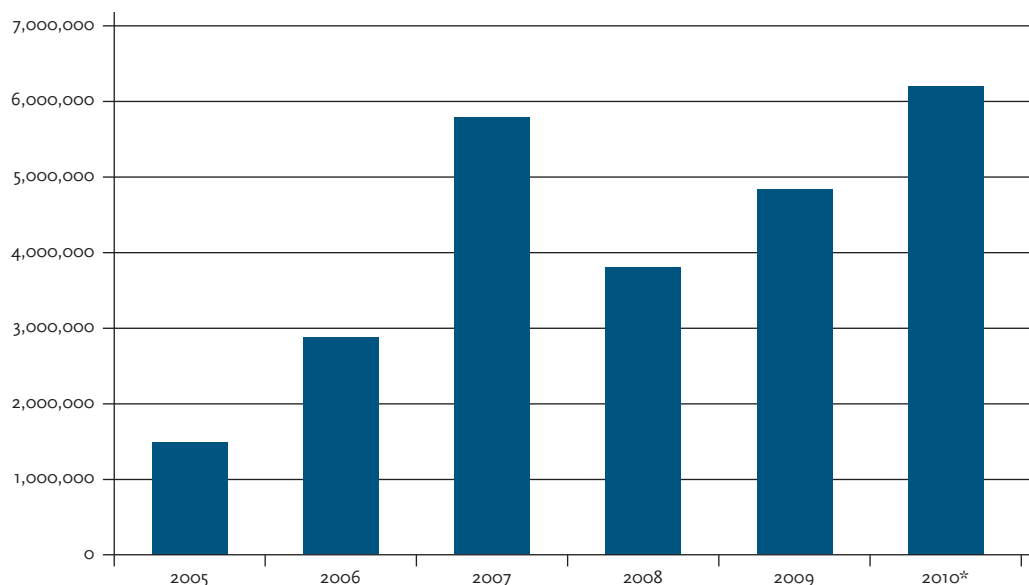
130. Source: AGB Nielsen Media.

131. Source: AGB Nielsen Media.

The shift toward Imedi in state advertising coincided with Giorgi Arveladze, a long-time ally of President Saakashvili, becoming the general director of Imedi.

*Figure 10.*

Total state advertising spend in the television sector (US\$), 2005–2010



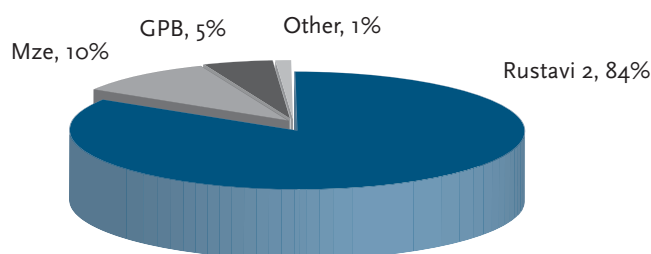
*Note:* \*2010 data are for the first three quarters

*Source:* AGB Nielsen Media Research

Private advertising also favors Rustavi 2 and Imedi. The ruling party has been among the top three biggest political advertisers since 2005. The biggest advertiser among the government institutions is the Tbilisi Mayor's Office with US\$1.9 million in 2009 and US\$1.6 million in 2010. In 2010, the Government of Georgia, the second biggest advertiser among state advertisers that year, spent only US\$317,081. State-sponsored advertising mainly promotes new construction projects, major festivals, and social and health programs. Private broadcasters do not disclose their budget figures, making it impossible to analyze the significance of state advertising in their overall advertising revenue.

*Figure 11.*

Distribution of government-sponsored advertising on TV (%), March and April 2008



*Source:* AGB Nielsen Media Research



Despite the fact that the Tbilisi Mayor's Office has been one of the top state advertisers, the private television channel Kavkasia, which broadcasts in Tbilisi, has received no municipal advertising. According to AGB Nielsen, the independent stations Kavkasia and Maestro had higher ratings than Music Box, although Music Box had more ads from the Mayor's Office. The independent magazine *Liberali* (fully funded by the Open Society Georgia Foundation) started a campaign offering free advertising space to businesses, but nobody took advantage of it.

Likewise, when TV Maestro started offering advertisement time for the symbolic price of GEL 1 (less than US\$1) there were no takers although the placement of the advertisements was during the talk-show "Cell NI," one of the most popular television programs during the 2005–2010 period. The head of Kavkasia TV, Nino Jangirashvili, said that many businesses stopped advertising on Kavkasia after they were told by the government institutions not to.<sup>132</sup> Media professionals say these examples explicitly show advertisers' bias against independent media.<sup>133</sup> According to Transparency International Georgia, the trend is also present in the printed press.<sup>134</sup>

Moreover, the top recipients of state advertising, Rustavi 2 and Imedi, regularly break the provisions of the Law on Broadcasting that regulate advertising. The law states:

Teleshopping and advertisements shall not interrupt the following programs: news, current affairs, religious, election debate programs and documentary films with a duration less than 30 minutes; educational-scientific, children's and religious programs may be interrupted with advertisements or teleshopping no more than every 15 minutes and for no longer than 45 seconds ... News, current affairs and political debate programs may be interrupted with advertisements or teleshopping no more than every 15 minutes and for no longer than 120 seconds.<sup>135</sup>

The investigative journalist Giorgi Mgeladze, who studied the violations in 2010, discovered that the article on Commercial Advertising and Teleshopping was violated several times by the news programs of Imedi and Rustavi 2. They had longer advertisements and more advertising breaks in the programs, including newscasts and children programs, than stated by the law. For example, the news program "Qronika" (The Chronicle) of 10 February 2010 with a total duration of 19 minutes had a two-minute block of advertisements; the same news program of 5 January 2010 with a total duration of 23 minutes had an advertising break that lasted three minutes and 30 seconds. The news program "Kurieri" (Courier) of 9 February 2010 with a total duration of 26 minutes had a four-minute advertising break. The law was also violated in the weekly

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132. Interview with Nino Jangirashvili, head of Kavkasia TV, held at Kavkasia TV premises, on 21 February 2011.

133. Interview with Shorena Shaverdashvili, owner of *Liberali* magazine, held at GPB premises, 7 February 2011.

134. Transparency International Georgia, "The Georgian Advertising Market," 2011, at [http://transparency.ge/sites/default/files/post\\_attachments/TI%20Georgia%20-%20The%20Georgian%20Advertising%20Market\\_0.pdf](http://transparency.ge/sites/default/files/post_attachments/TI%20Georgia%20-%20The%20Georgian%20Advertising%20Market_0.pdf) (accessed 5 June 2012) (hereafter Transparency International Georgia, "Advertising Market").

135. Law on Broadcasting, at [http://www.gncc.ge/files/7050\\_3380\\_492233\\_mauwyebloba-eng.pdf](http://www.gncc.ge/files/7050_3380_492233_mauwyebloba-eng.pdf) (accessed 5 June 2012).

children's television program "*Sabaushvoambebi*" (Kids' News) on Rustavi 2 on 14 February 2010, which had 150 seconds of advertising instead of the permitted 45 seconds and breaks every seven minutes instead of the permitted 15.<sup>136</sup>

Problems also exist with sponsorship of news, other information programs, and reports on social issues. The law prohibits sponsorship by administrative bodies, their employees, and political parties.<sup>137</sup> Nevertheless the Bank of Georgia, the Defense Police, and the Tbilisi City Council have all been among the sponsors. And the main violators of the law are again Rustavi 2 and Imedi. Moreover, both Rustavi 2 and Imedi practice the placement of hidden advertising (commercial or political advertising that is disguised as editorial content) in news programs, analytical programs, and morning shows. This violates another provision of the law: "Running of untrue, deceitful, covert, anonymous, offensive or defamatory advertisements or teleshopping is prohibited."<sup>138</sup>

For example, "*Biznes Kurieri*" (Business Courier) on Rustavi 2 asks US\$1,000 for a story and the same amount if a business company wants to have its representative as a guest of the program commenting on a story. The weekly analytical talk-show "*P.S.*" on the same channel asks US\$3,000 for a story.<sup>139</sup> These prices are officially listed in the price-list that the advertising agency, Media House, provided to Monitori. For instance, a news story about the safety of meat was sponsored by a meat-producing company.<sup>140</sup>

All violations should be subject to sanction by the GNCC. However, between 2005 and 2011, when the violations described above occurred, no one was fined. Mr Chikovani (Chair of GNCC) owns an advertising company. Thus, selling ads and regulating the time for advertising was in the same pair of hands (the selection of the GNCC members is discussed in detail in section 7.2.2). Monitori filed a complaint to the Commission describing all these violations and asking for action. The GNCC wrote a warning note to the television companies asking them not to exceed the limits of advertising as defined by the law. Nevertheless, violations continued and the Commission then felt compelled to fine Rustavi 2 and Imedi GEL 2,500 (US\$1,515). After that, the GNCC proposed amendments decreasing the required time of an uninterrupted program from 30 minutes to 15 minutes and increasing the number of minutes for advertising breaks from two minutes to five minutes. Parliament passed the amendments.

Often money from the state budget goes directly to television companies, according to an agreement between a government institution and owners of private television companies. The subject line of a standard agreement refers to money being paid "for objective coverage of current affairs" (this practice is discussed in detail in section 7.3.1).<sup>141</sup>

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136. "*Advertising Beyond the Law*," 2011, an investigative TV program of Studio Monitori, at [http://www.ijp.ge/video\\_blank.php?vid=212](http://www.ijp.ge/video_blank.php?vid=212) (accessed 21 April 2012) (hereafter "*Advertising Beyond the Law*").

137. Law on Advertising, at [http://www.gncc.ge/files/7050\\_6519\\_533799\\_01%20LAW%20OF%20GEORGIAN%20ON%20ADVERTISING.pdf](http://www.gncc.ge/files/7050_6519_533799_01%20LAW%20OF%20GEORGIAN%20ON%20ADVERTISING.pdf) (accessed 21 April 2012).

138. Law on Broadcasting, Chapter VIII, "Advertisement, Teleshopping and Sponsorship," at [http://www.gncc.ge/files/7050\\_3380\\_492233\\_mauw-ybloba-eng.pdf](http://www.gncc.ge/files/7050_3380_492233_mauw-ybloba-eng.pdf) (accessed 5 June 2012)

139. "*Advertising Beyond the Law*."

140. "Appeal Against Rustavi 2 and Imedi," 28 October 2010, *Liberali*, at <http://liberali.de/en/node/3430> (accessed 21 April 2012).

141. "Media Continue Being Financed From the Budget," Media.ge, 18 March 2011, at <http://www.media.ge/node/40576> (accessed 21 April 2012).

Overall, in the surveyed period, the advertising market remained highly monopolized and controlled by the businesses affiliated with the government. In the words of Transparency International, the main characteristics of the market are “a lack of competition and strong market concentration, with large parts of the sector under control of a network of close friends and relatives with ties to former Defense Minister Davit Kezerashvili.”<sup>142</sup> Private companies refrain from placing ads in prime media outlets, fearing negative consequences for their businesses. An exception is Maestro TV, which still attracts some of the advertising from the private sector.

### 6.2.2 Other Sources of Funding

In recent years, foreign donor funding has grown in importance. With businesses consistently avoiding placing their advertising in independent outlets, grants from international NGOs have become their main source of funding. For example, the newspapers *Batumelebi*, *Akhali Taoba*, *Samkhetis Karibche*, *Guria News*, the magazine *Liberali*, and the online outlets Civil.ge, Media.ge, and Netgazeti.ge, rely heavily on international donors such as the Open Society Foundations and IREX. The same applies to Monitori.

*Batumelebi*, known for its high standards of journalism, says that support from the Media Development Loan Fund (MDLF) was crucial for them.<sup>143</sup> Thanks to that funding, they were able to improve their business model and launch the online version, Netgazeti.ge (see section 6.3.1).

In 2010, compared with previous years, the amount of support from international donors increased. The landmark event in this respect was the start of the multidimensional media project G-MEDIA, a U.S. government assistance program aimed at strengthening independent media in Georgia. IREX won the competition for carrying out the project. Thanks to G-MEDIA, both private and public media, professional associations, and educational institutions will receive US\$12 million over the next four years for developing the professional skills of journalists and sustainability strategies for the media. The recipients of the funding will be determined in a competition held by IREX.

The local media experts interviewed for this study point out the existence of an unofficial flow of private money meant to support television companies and print media.<sup>144</sup> In most cases, private money comes in a form of subsidy from an owner, who is linked to the political or economic power in the country and whose agenda is to influence news media and promote certain political views. No exact data on the amount of money involved or on the prevalence of this practice are available, but Transparency International Georgia notes that “structural problems of Georgia’s media market allow sponsors in the background to take over the editorial control of television stations—broadcasters can only operate thanks to their owners’ subsidies.”<sup>145</sup>

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142. Transparency International Georgia, “Advertising Market.”

143. Interview with Nestan Tsetskhladze, editor of Netgazeti.ge, an online project of the newspaper *Batumelebi*, Tbilisi, 20 December 2010.

144. Interview with Zviad Koridze, chair of Ethics Charter of Georgian Journalists, Tbilisi, 20 November 2010.

145. Transparency International Georgia, “TV in Georgia—Ownership, Control and Regulation,” 20 November 2009, at <http://www.transparency.ge/en/content/television-georgia-%E2%80%93-ownership-control-and-regulation> (accessed 21 April 2012).

This view is shared by many professionals in the field, including Mr Koridze (Chair of the Ethics Charter of Georgia).<sup>146</sup>

## 6.3 Media Business Models

### 6.3.1 Changes in Media Business Models

Two major trends emerged in 2008–2010 in media business models. The first was generating more income through websites and online activities and the second was converging the newsroom and providing news in multiple formats, television, radio, print, and online.

In 2009, the regional newspaper *Batumelebi* established its online version, *Netgazeti.ge*, with the head office in the capital city of Tbilisi, and did so for several reasons. First, *Batumelebi* wanted to reach a new and bigger audience than it had in the region of Adjara, where the newspaper is published. The second reason was to open a channel for sharing news stories between the capital and the region, to bring the region closer to the reader who lives elsewhere. This development increased the readership of the newspaper, but did not lead to a considerable growth in revenue.

In 2009, another online project, *Pliaj.ge*, was launched in the hope to increase newspaper revenues. It was aimed at tourists who plan to spend holidays at the Georgian seaside. They had classified ads on accommodation, transportation, the prices of boat hire, restaurants, bars, shops, supermarkets, beauty salons, gyms, etc. The added value for the users was that, besides the ads, the site had news stories about culture, entertainment, and other news tailored to tourists, for example, where to eat the most delicious local food. The editor of *Netgazeti.ge*, Nestan Tsetskhladze, said the expected revenues had not yet materialized:

*Pliaj.ge* has not brought much revenue yet. Firstly, people are still not on friendly terms with the internet, secondly, people who let out their rooms prefer not to pay taxes, and therefore are reluctant to advertise their services in an open manner. Thirdly, and from my perspective it is the most important issue, while the business is not free and independent from the governmental pressure, while the advertising money is channelled toward national television companies loyal to the government, such small independent projects are set to fail. But, for sure, we will continue working on this business model and hope at least to have some of the revenues and become self-sustainable.<sup>147</sup>

The weekly magazine *Liberalli* is also very active in developing and using the web as an interactive tool for readers. They post blogs, photo stories, and video or audio podcasts. “We need to think about alternative

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146. Interview with Zviad Koridze, chair of Ethics Charter of Georgia, Tbilisi, 20 November 2010.

147. Interview with Nestan Tsetskhladze, editor of *Netgazeti.ge*, an online project of the newspaper *Batumelebi*, Tbilisi, 20 December 2010.

business models as well. That can increase revenues, keeping in mind the controlled channels of advertising,” says Shorena Shaverdashvili, publisher and editor of *Liberali*.<sup>148</sup>

Some of the regional newspapers have come up with a shared marketing strategy: they sell adverts in several regional newspapers for the price of one. This way, an advertiser gains a larger audience.

The tactics of newsroom convergence is used effectively by one of the largest nationwide newspapers, *Kviris Palitra*, owned by Palitra Media. It has an integrated newsroom, which serves a news agency, a news website, a sports website, a radio station, an internet television, and a classified newspaper. The converged newsroom has allowed this group to find a more cost-effective way of gathering and distributing news (see section 4.1). Palitra Media outlets are commercially successful.

## 6.4 Assessments

Following a series of hot debates and heavy lobbying Parliament adopted the amendments to the Law on Broadcasting proposed by the civil society: offshore ownership of broadcast media was banned and beneficial owners had to be made public, as do all funding sources. This marks a momentous change, which will help to address the perennial problem created by the lack of transparency. The issue of non-transparent broadcast media ownership has been mentioned in almost every local or international report and research on media, including reports on Media Sustainability Indexes of IREX,<sup>149</sup> reports of Freedom House,<sup>150</sup> and the Open Society Georgia Foundation,<sup>151</sup> as one of the most serious obstacles to the freedom of the media in Georgia.

The ownership changes that started in 2004 have led to a further concentration of ownership in the hands of politically affiliated owners. At present, two influential nationwide private television stations (which along with the GPB are the only available channels in some rural areas) serve as a platform for the ruling party.

The politically affiliated ownership has an impact on the performance and independence of the media. The most illustrative case is the story of Imedi, which under the new, government-friendly ownership introduced a black list of sources and guidelines on the coverage of opposition-related events. Because of the substantial change in the editorial policy the audience often refers to two Imedi, the old and the new.

Funding for the media comes mainly from advertising and donor funds. The only outlets that receive public funding are the GPB and Adjara Television. The Law on Broadcasting guarantees funding for the GPB as

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148. Interview with Shorena Shaverdashvili, publisher of *Liberali*, Tbilisi, 22 December 2010.

149. IREX (2011) Media Sustainability Index, at [http://www.irex.org/sites/default/files/EE\\_MSI\\_2011\\_Georgia.pdf](http://www.irex.org/sites/default/files/EE_MSI_2011_Georgia.pdf) (accessed 21 April 2012).

150. Freedom House (2011) “Freedom of the Press—Georgia,” 2011, at <http://www.freedomhouse.org/report/freedom-press/2011/georgia> (accessed 21 April 2012).

151. Open Society Georgia Foundation, “European Neighbourhood Policy: Implementation of the objectives of the EU–Georgia Action Plan,” 2010, at [http://www.europarl.europa.eu/meetdocs/2009\\_2014/documents/dsca/dv/dsca20100323\\_08/dsca20100323\\_08en.pdf](http://www.europarl.europa.eu/meetdocs/2009_2014/documents/dsca/dv/dsca20100323_08/dsca20100323_08en.pdf) (accessed 21 April 2012).

a certain percentage of the GDP, while Adjara Television receives funds according to the annual budget allocation from the regional government and operates as a state television, even though the law requires all state television channels to be transformed into public broadcasters.

Most of the owners of the independent media are concerned about the trend of political distribution of private funding. The owners of the broadcast and print media outlets, which are critical of the government, say that businesses are afraid to advertise in their outlets for fear of repercussions, such as selective tax inspections. State advertising distribution is also politically motivated, as the government places ads exclusively in the media loyal to the government (the issue of government interference is examined in more detail in section 7). Another detrimental trend is that the government-affiliated broadcasters routinely violate the law and air more advertising than is allowed by law. Political affiliation saves them from sanctions and ensures that legal changes to the permitted advertising times are made to fit their interests.

Virtually the only truly independent outlets that follow high professional standards are those supported by international donors. They try to fulfill their watchdog function and serve the public by providing objective information. The media funded from taxpayers' money tend to express the government's viewpoint and are less, if at all, critical of the ruling power.

The new entrants in the media market have mainly appeared in the segments of entertainment outlets and online news. The new players in the television sector offer more entertainment and interactivity to their audiences, while the online newcomers add to the diversity of and speedy access to news.

Digitization has prompted media to look for new ways to cut operational costs and new revenue streams. A few leading outlets have successfully transformed their newsrooms, which now provide services for a variety of platforms. Others have tried to monetize content, but with limited success, mainly due to the political nature of private media funding in Georgia.

Politics not only plays a role in media funding, putting independent outlets in a more disadvantaged position, but it also affects the choice of news sources consumers get. The merger of three leading telecoms companies has resulted in consumers receiving cheaper and higher-quality triple-play services. But Maestro TV, a critical media outlet, has been left out of the popular package.

# 7. Policies, Laws, and Regulators

## 7.1 Policies and Laws

### 7.1.1 Digital Switch-over of Terrestrial Transmission

#### Access and Affordability

The government has pledged to finish the switch-over from analog to digital systems by the end of 2014. However, neither the government nor any other institution, including the GNCC, has taken any steps to prepare the legal framework for the switch-over process. The Ministry of Economics and Sustainable Development, put in charge of drafting the documents, has postponed the deadline for presenting the strategy for switch-over to digital broadcasting until December 2012. This was announced by Jemal Vashakidze, Deputy Head of the Department of Communications, Information Technologies, and Innovations of the ministry at the 14 February 2012 roundtable on switch-over organized by IREX.

The deadline has already been postponed several times: from the first promise to have it by the end of December 2011, then March 2012, and now December 2012. At the roundtable, the media community and civil society representatives expressed concerns over whether the ministry could handle the switch-over process. Natia Kuprashvili, executive director of the GARB, asked whether the “must-carry principle” will be introduced and whether the government will oblige a multiplex operator to include all television sets in its network.<sup>152</sup> Private companies are concerned about the cost of a multiplex and regional broadcasters are not satisfied with the division of the country into 10 zones instead of the existing 25. The existing regulation requires that television companies cover 90 percent within the assigned zones, which may be a challenge for smaller broadcasters.

Along with the basic roadmap of the transition, commitments to accessibility and affordability are also lacking. Shops that sell television sets still offer both analog and digital equipment. There has been no awareness campaign and the general public is oblivious of the fact that from 2015 the signal will be digital and people will have to adjust their receiving equipment accordingly. No financial or technical aid for citizens has been

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152. N. Dzvelishvili, “In anticipation of digital switch-over to analogue broadcasting,” Media.ge, 14 February 2012, at [http://www.media.ge/en/stories/in\\_anticipation\\_of\\_switc](http://www.media.ge/en/stories/in_anticipation_of_switc) (accessed 1 April 2012).

discussed so far, or proposed. A DVB-T2 standard Samsung television set costs approximately GEL 997 (about US\$600). According to the Department of Statistics the average salary of an employee is GEL 597 (about US\$360).<sup>153</sup> Georgia also has a high rate of unemployment. According to the National Department of Statistics the unemployment rate is about 17 percent.<sup>154</sup> Based on estimates of independent experts, the rate is close to 50 percent, if not more, as many of the unemployed are not officially registered.<sup>155</sup>

## Subsidies for Equipment

No scheme is provided by law or a government regulation to subsidize the purchase of the equipment necessary for digital reception. So far, there has been no indication that the government is planning to include affordability provisions in the legal framework for the switch-over.

## Legal Provisions on Public Interest

Similar to other key provisions regarding the switch-over, provisions on public interest have not yet been made public.

In the analog era, the Law on Broadcasting public interest is mentioned in the provisions regarding the GPB. In particular, Art. 16 says that the GPB should:

- guarantee allocation of equal time to political information, educational, and sports programs in accordance with public interest;
- guarantee to inform audiences in a timely manner and with full regard to the ongoing important affairs in Georgia, its regions, and the world;
- represent ethnic, cultural, religious, language, generational, and gender diversity.<sup>156</sup>

## Public Consultation

There have been a few sporadic attempts during 2010–2012 to start a discussion on the challenges and benefits related to switching to digital broadcasting. The aim of the discussions, initiated by civil society, was to bring the authorities, the media community, and civil society together to discuss the transition. However, the Ministry of Economics came to the forums empty-handed: it had no action plan or vision on the way the switch-over would be handled. Both the ministry and the GNCC called on the media community to participate in the decision-making process and to draft the legal framework and the action plan and present the documents to the authorities.

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153. NSOG, “Monthly Economic Statistics,” February 2012, at <http://geostat.ge/index.php?action=news&lang=eng&npid=415> (accessed 21 April 2012).

154. NSOG, “Employment and Unemployment,” at [http://www.geostat.ge/?action=page&p\\_id=145&lang=geo](http://www.geostat.ge/?action=page&p_id=145&lang=geo) (accessed 1 April 2012).

155. Interview with Lado Papava, professor of economics, Tbilisi, 1 March 2011.

156. Law on Broadcasting, at [http://www.parliament.ge/index.php?lang\\_id=GEO&sec\\_id=69&kan\\_det=det&kan\\_id=25](http://www.parliament.ge/index.php?lang_id=GEO&sec_id=69&kan_det=det&kan_id=25) (accessed 1 April 2012).



In October 2010, the GARB presented its vision of the transition to digital broadcasting to the GNCC and the Ministry of Economics. The authors of the draft say the model is based on international experience. The Georgian Young Lawyers Association had partnered with the GARB and provided legal expertise. Despite the existence of a draft document proposed by these two NGOs, no follow-up steps have been taken.

### 7.1.2 The Internet

#### Regulation of News on the Internet

There are no specific legal requirements for content distribution on the internet and mobile phones. The Law on Freedom of Opinion and Expression is the only law that explicitly refers to the internet in its general provisions: in the definition of terms it states that media are “printing or electronic means of mass communication including the internet.”

The freedom of expression in the media is guaranteed by the Constitution and media legislation. Article 24 of the Constitution states:

1. Everyone has the right to freely receive and impart information, to express and impart his/her opinion orally, in writing or by any other means.
2. Mass media shall be free. Censorship shall be impermissible.
3. Neither the state nor particular individuals shall have the right to monopolize mass media or means of dissemination of information.<sup>157</sup>

The Law on Freedom of Opinion and Expression has similar provisions: “The state recognizes and protects the right to freedom of expression as an inherent and supreme human value.”<sup>158</sup> The law aims to follow the international standards of protection of the freedom of expression. However, the law also says that these rights may be restricted by law on the grounds of state security, territorial integrity or public safety, for the prevention of crime, for the protection of the rights and dignity of others, for the prevention of the disclosure of information acknowledged as confidential, or for ensuring the independence and impartiality of the justice system.<sup>159</sup> According to the law the restrictions must be transparent and the benefits gained by them must exceed the harm to the freedom of expression.<sup>160</sup> No such restrictions have been applied so far.

As there are no other laws that apply to internet content, including social networks, it is the freest platform for public debates and discussions.

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157. Constitution of Georgia, 25 August 1995, at [http://www.parliament.ge/index.php?lang\\_id=ENG&sec\\_id=68](http://www.parliament.ge/index.php?lang_id=ENG&sec_id=68) (accessed 1 April 2012).

158. Law on the Freedom of Opinion and Expression, 24 May 2004, available in English at [http://www.liberty.ge/eng/page.php?genre\\_id=79&section\\_id=2&news\\_id=1&from=cat\\_news](http://www.liberty.ge/eng/page.php?genre_id=79&section_id=2&news_id=1&from=cat_news) (accessed 13 January 2012).

159. N. Lomjaria, T. Kordzaia, N. Gobronidze, and N. Kemertelidze, “Freedom of expression in Georgia,” 2006, at <http://www.gyla.ge/files/publications/s3q0mz2ntk.pdf> (accessed 1 April 2012) (hereafter Lomjaria et al., “Freedom of expression”).

160. Lomjaria et al., “Freedom of expression.”

## Legal Liability for Internet Content

The absence of regulation makes it hard for the authorities to apply pressure on online outlets and user-generated sites, although there has been one attempt at doing so. On 13 October 2009 an anonymous user posted videos on YouTube portraying the Patriarch of the Georgian Orthodox Church, Ilia II, in a humorous way. Tea Tutberidze from an NGO, Liberty Institute, shared the videos on her Facebook page. Later, excerpts from these videos were aired by “*Kviris reportazhi*” (Report of the Week), a program on the Tbilisi-based Kavkasia TV. The television report implied that “a campaign against the Patriarch” was orchestrated by some circles within the government. The political opposition shared this belief. Orthodox groups, political parties, and the government condemned the videos and the users who posted and shared the videos. Ms Tutberidze started receiving threatening messages in her Facebook inbox.<sup>161</sup> The Interior Ministry and the Prosecutor’s Office started an investigation and identified two males, one high-school student and one university student, who had produced and disseminated the videos of the Patriarch. The authorities seized their computers and video files. Later, the computers were returned to the owners. It was unclear what regulation or legal provision was used to justify the seizing of the computers and video files. The prosecutor offered no explanation and the men were not charged with any crime or misdemeanor.

## 7.2 Regulators

### 7.2.1 Changes in Content Regulation

There have been no changes in media content regulation related to digitization.

All television and radio companies require a license for broadcasting. There are two types of licenses: one for community broadcasters and another for private broadcasters. Private broadcasters can obtain a license either for general or specialized broadcasting. A general license holder can broadcast news and current affairs as well as entertainment, education, or any other types of programs. A specialized license holder can only have programming based on a specific issue, e.g. if the license is for entertainment programming, one cannot air news programs, and vice versa. By law, license competition terms should consider public opinion and be based on the results of opinion polls conducted every two years (the results of the latest poll are discussed in detail in section 5.1.1).

Besides the licenses that regulate program priorities of broadcast media, content is regulated by the Law on Broadcasting and the GNCC oversees the compliance. The content regulation addresses the amount and frequency of advertising breaks during the programs and programming according to the age categories of the audience. For example, films containing sex and violence cannot be shown until midnight. However, the implementation is weak (see examples in section 5).<sup>162</sup>

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161. “Police Say Identified Patriarch Mocking Video Producers,” *Civil Georgia*, Tbilisi, 1 November 2009, at <http://www.civil.ge/eng/article.php?id=21629&search=patriarch%20of%20Georgia> (accessed 3 April 2012).

162. World Association of Newspapers and News Publishers (WAN-IFRA), “Financially Viable Media in Emerging and Developing Markets,” Article ID: 13404, at <http://www.wan-ifra.org/articles/2011/06/07/financially-viable-media-in-emerging-and-developing-markets> (accessed 3 April 2012).

## 7.2.2 Regulatory Independence

By law, the GNCC should be an independent regulatory body: “The Commission is a legal entity of public law, a permanent, independent, regulatory authority that does not subordinate to any state authority.”<sup>163</sup> In reality, its independence is questioned by civil society.<sup>164</sup> In particular, the process of the GNCC members’ nominations and approvals is criticized as a tool for political pressure and government interference. The president nominates three candidates per vacancy and Parliament approves one of them. The process lacks transparency and credibility: the selection criteria are vague, the reasoning behind selecting one candidate over another is not made public, and there is no civil society participation. Most of the candidates so far have had political or business affiliations with the ruling power.

Irakli Chikovani, the present Chair of the Commission, exemplifies the questionable member selection practices. He is a founder and co-owner of one of the largest advertising companies, Magi Style Media, which produces outdoor advertising and television ads. Before becoming the head of the Commission, he was the owner of a private nationwide television company, Rustavi 2. Having already been approved for his position as Chair, Mr Chikovani for a year remained a co-owner of Media House, one of the two major media sales companies in Georgia that sells time slots in the programming of Rustavi 2, Mze, and several other channels.

According to Transparency International Georgia, Mr Chikovani’s activities “generated income of almost GEL 1 million [US\$600,000] in a sector that he himself was overseeing as the Chairman of the GNCC.”<sup>165</sup> He has other business interests that are linked to the government. For instance, among his business partners is Giorgi Gegeshidze, the director of Rustavi 2. These two men co-own Magi Style, a construction company, which is involved in building the new Parliament complex in Kutaisi.<sup>166</sup>

What enables Mr Chikovani to remain in his current post at the GNCC is the vagueness of the legal definition of conflict of interest. The Law on Independent Regulatory Authorities states: “A Commissioner and a member of his/her family, as well as a member of the Administrative Staff of an independent regulatory Authority shall have no right to have any direct or indirect economic interests in respect to a holder of license, or to hold any office in an enterprise holding a license.”<sup>167</sup> The law fails to specify what constitutes “direct or indirect economic interests,” thus leaving it open to interpretation.

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163. Law on Broadcasting, Art. 5.2, at [http://www.gncc.ge/files/7050\\_3380\\_492233\\_mauwyebloba-eng.pdf](http://www.gncc.ge/files/7050_3380_492233_mauwyebloba-eng.pdf) (accessed 3 April 2012).

164. Open Society Georgia Foundation, “European Neighbourhood Policy: Implementation of the objectives of the EU–Georgia Action Plan,” 2010, at [http://www.europarl.europa.eu/meetdocs/2009\\_2014/documents/dsca/dv/dsca20100323\\_08/dsca20100323\\_08en.pdf](http://www.europarl.europa.eu/meetdocs/2009_2014/documents/dsca/dv/dsca20100323_08/dsca20100323_08en.pdf) (accessed 21 April 2012).

165. Transparency International Georgia, “Advertising Market.”

166. See [http://www.magistyle.ge/magi\\_construction.html](http://www.magistyle.ge/magi_construction.html) (accessed 3 April 2012).

167. Law of Georgia on Independent Regulatory Authorities, Art. 15, “Norms of Ethics,” available in English at [http://www.gncc.ge/files/7050\\_6520\\_749430\\_02%20Law%20of%20Georgian%20on%20Independent%20National%20Regulatory%20Authorities.pdf](http://www.gncc.ge/files/7050_6520_749430_02%20Law%20of%20Georgian%20on%20Independent%20National%20Regulatory%20Authorities.pdf) (accessed 5 June 2012).

The Young Lawyers Association, one of the most active NGOs in the field of transparency and accountability, points out that the president's personal involvement in the selection procedure adds to the doubts about the Commission's independence. "The appointment of the GNCC Chairperson is one of the hindrances in the work of the commissioners," it says. Under the existing Law on Broadcasting, the president appoints one of the commissioners as the GNCC chairperson, which makes the GNCC's independence questionable.<sup>168</sup>

Several of the GNCC's decisions reinforce doubts about its independence, for example, the denial of broadcast licenses to the critical, Tbilisi-based Maestro Television and two community radio stations in Javakheti and Kvemo Kartli regions. Both community radio stations were supported by the European Commission and BBC World Trust. They were broadcasting news in the Azeri, Armenian, and Russian languages for ethnic minorities. The only official explanation the GNCC offered was that the Commission needed to conduct the nationwide public opinion poll and find out if the public had any interest in community radio (see section 7.2.5).

Moreover, the GNCC did not have any official reaction to the misleading report on the Russian–Georgian military conflict aired by Imedi (the report discussed in detail in section 7.2.4) as well as to the violations of the Law on Broadcasting on the frequency and duration of advertising (the incidents examined in detail in section 6.2.1). Also, there were no sanctions for the violation of the same law regarding the restrictions on program sponsorship by state bodies (see section 7.2.3). The Young Lawyers Association believes that the current member selection and appointment practice carries a risk of the Commission "feeling accountable to the government" rather than to the public, and to a situation where the Commission "intentionally creates barriers" for alternative opinions.<sup>169</sup>

### 7.2.3 Digital Licensing

The licensing process for digital broadcasters has not started in Georgia yet as the legal basis for the transition is still missing. However, the licensing practices of the analog era have been a frequent subject of criticism by Transparency International Georgia and Freedom House, among others, for the lack of fairness and the role the political affiliations of the broadcasters play in the GNCC's decisions.<sup>170</sup>

One of the examples of double standards used in licensing is that of Maestro Television. In 2008, it was denied a license modification for public and political programs. Before that, Maestro had a specialized license for entertainment programs only and therefore was broadcasting only entertainment programs. At the beginning of 2008, Maestro launched three political programs: a political talk-show, "*Profesia Zhurnalisti*" (The Journalism Trade), a news program "*Ukomentarod*" (No Comment) covering news stories through live

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168. Georgian Young Lawyers Association, "Procedure for Formation of the Georgian National Communications Commission and the Limits of Authority," 2012, at [http://www.gyla.ge/attachments/1195\\_Procedure%20for%20formation%20of%20the%20Georgian%20National%20communications%20commission.pdf](http://www.gyla.ge/attachments/1195_Procedure%20for%20formation%20of%20the%20Georgian%20National%20communications%20commission.pdf) (accessed 21 April 2012) (hereafter Georgian Young Lawyers Association, "Procedure for Formation of the Georgian National Communications Commission").

169. Georgian Young Lawyers Association, "Procedure for Formation of the Georgian National Communications Commission."

170. See Transparency International Georgia, "Television in Georgia—Ownership, Control and Regulation," 2009, at <http://www.transparency.ge/en/content/television-georgia—ownership-control-and-regulation>; Freedom House, "License to Censor: The use of media regulation to restrict press freedom—Georgia," 2011, at <http://www.unhcr.org/refworld/docid/4eccefc628.html> (both accessed 21 April 2012).

footage and without commentary, and “*Gamokitkhva*” (Polling), a talk-show with a call-in option for the viewers.

The GNCC sent Maestro a warning letter saying that the company did not have the right to broadcast political programs. Upon receipt, Maestro applied for a modification of the license from specialized to general, which would give it the right to broadcast political programming including news and debates. The GNCC refused, arguing that Maestro had already been warned and they should stop broadcasting political programs. At the same time Alania, a television company loyal to the ruling party, was broadcasting without a license for a year and a half. They never applied to get a license and the GNCC never questioned their right to broadcast.

Eventually, following pressure from the international community, the opposition, and NGOs, the Chairman of the Parliament, David Bakradze, announced that Maestro would receive the requested license. In 2009, after the intervention by Mr Bakradze, the GNCC granted Maestro a 10-year satellite-broadcasting license, which allows the station not only to air political programming, but also to expand its coverage. By law, Parliament is not involved in the licensing process: the court should decide whether to uphold or overrule the GNCC’s decisions. However, Mr Bakradze’s statement is a vivid example of how decisions are made in Georgia. Predominantly, they are based on the good will of individual politicians rather than the rule of law:

The GNCC’s decision was more of a political agreement ... Political agreement in itself is not positive, because in such cases the rule of law is not ensured, but rather the will of political actors is taken into account. Decisions are made on individual, rather than institutional level. Such precedents depend on the good will of the politicians and never on laws or regulations of the sphere. Subsequently it leaves room for manipulation: if the content of media production is not loyal to the ruling power it might have problems in getting the license.<sup>171</sup>

Another example of the GNCC’s biased decisions is the case of a regional private television company, Tvali, based in Sagarejo, Kakheti region, in the eastern part of Georgia. The founder of the company is Tamar Kurdovanidze-Natsvlishvili, who is also the head of the Sagarejo Regional Organization of the United National Movement and the mother of the president of the Georgian National Olympic Committee, Gia Natsvlishvili, who was governor of Kakheti in 2006–2008. Tvali suspended broadcasting in 2008.

According to Art. 70 of the Law on Broadcasting, a license holder is obliged to submit to the GNCC before 1 May of each year a report on the previous year’s activity, including an independent audit. However, the Kakheti Information Center reports that Tvali did not submit the annual reports for 2008, 2009, 2010, and 2011 to the GNCC.<sup>172</sup> Article 74 of the same law states that suspension of activity for more than three months in a year serves as a basis for license termination. The GNCC has not taken such action.

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171. Open Society Georgia Foundation, “European Neighborhood Policy: Implementation of the objectives of the EU–Georgia Action Plan,” 2010, at [http://www.europarl.europa.eu/meetdocs/2009\\_2014/documents/dsca/dv/dsca20100323\\_08/dsca20100323\\_08en.pdf](http://www.europarl.europa.eu/meetdocs/2009_2014/documents/dsca/dv/dsca20100323_08/dsca20100323_08en.pdf) (accessed 21 April 2012).

172. “Sagarejo TV not Broadcasting for Three Years Still Requests License Prolongation,” Media.ge, 26 December 2011, at [http://www.media.ge/en/content/sagarejo\\_tv\\_not](http://www.media.ge/en/content/sagarejo_tv_not) (accessed 24 April 2012).

In a similar situation with TV9, in May 2009, the GNCC revoked the broadcasting license. The GNCC explained that the license was revoked due to a violation of the Law on Broadcasting, the same Art. 74 that was violated by Tvali. The patterns of the GNCC's decision-making suggest that in the case of TV9 the decisive factor might have been the fact that the company belongs to Cartu Group, whose owner is the Georgian billionaire Bidzina Ivanishvili, one of the most prominent leaders of the political opposition in Georgia.<sup>173</sup>

From 2006 till 2011 the GNCC did not issue any broadcast licenses. The Commission stated that no license could be granted until the results of market research and a public opinion survey were received, as these would enable it to serve the public interest better (the results of the latest poll are discussed in detail in section 5.1.1). Using the lack of the opinion poll as a reason, in 2007 the GNCC did not issue licenses to two community radio stations, Marneuli and Radio NOR, that were supposed to broadcast for ethnic minorities in Kvemo Kartli and Javakheti in their local languages, Azeri and Armenian, respectively (the majority of the population in Kvemo Kartli are Azerbaijanis and in Javakheti, Armenians).

International donor organizations highlighted the issue in a joint letter to the GNCC. The letter stated: "We would like to ask you to see whether there is any possibility the Commission could look into this issue once again and find out whether there is a chance an open competition for obtaining the broadcasting licenses could finally be announced ... We are deeply convinced that this project is of equal importance to local communities and Georgian society as a whole."<sup>174</sup> Ambassador Per Eklund, EC Delegation to Georgia, Ambassador Terhi Hakala, OSCE Mission to Georgia, UK Ambassador Denis Keefe, David Darchiashvili, head of OSI Georgia, and Ms Ketevan Vashakidze, country director, Eurasia Foundation all signed the letter. Both radio stations were funded by international donors, the European Commission, and IREX Europe, and were set up by the BBC World Service Trust and the Tbilisi-based Association Studio Re.

These incidents add to the impression that the GNCC decisions are not always guided by the law, but rather by the political motive of not allowing community radios for ethnic minorities to enter Georgian media space.

In 2011, the GNCC resumed the licensing process and since then several outlets critical of the government have been able to obtain licenses. For example, Igrika received the cable network broadcasting license for satellite broadcasting; 100 percent of Igrika shares are owned by the general director of Maestro TV, Ilia Kikabidze. The same year, Media House Decom received a private-general radio broadcast license on FM 98.5; 50 percent of shares are owned by the three founders and publishers of *Tskheli Shokoladi* and *Liberali* magazines, the most fiercely independent media outlets in the country.<sup>175</sup>

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173. "GNCC Revoked License of TV9," Media.ge, 5 May 2009, at <http://www.media.ge/en/node/35381> (accessed 3 April 2012).

174. "Donor Organizations Urge GNCC to Hasten Issue of Broadcasting Licenses for Community Radio Stations," 24 March 2008, at <http://www.media.ge/en/node/34381> (accessed 21 April 2012).

175. N. Dzvelishvili, "Comedy TV Requests Broadcast License," 21 February 2012, at [http://www.media.ge/en/stories/comedy\\_tv\\_requests\\_broad](http://www.media.ge/en/stories/comedy_tv_requests_broad) (accessed 21 February 2012).

## 7.2.4 Role of Self-regulatory Mechanisms

In 2009, the GNCC approved the Code of Conduct for Broadcasters, which requires broadcasters to create mechanisms of self-regulation, and agree upon their own ethical and professional standards and maintain them. Approval of the Code of Conduct is required by the Law on Broadcasting, but no nationwide broadcaster has developed such standards yet. The only exception is the GPB, which already had its internal code of ethics in place before the GNCC's directive was passed.

To this day, the Code of Conduct has remained a formal, largely unimplemented document. An example of its ineffectiveness is the false report aired on Imedi TV on 13 March 2010. The report showed the Russian troops supposedly advancing on Tbilisi without any disclaimers warning the viewers that they were watching staged events. The 30-minute report was aired during the weekly program “*Spetsialuri reportazhi*” (Special Report), which started just a few minutes before 8 p.m., the time when Imedi TV runs its regular news bulletin “*Qronika*” (The Chronicle). Article 13 of the Code of Conduct states that broadcasting any imitation or staged stories is prohibited unless the viewers are informed and have a clear understanding that they are watching a staged event. Simulation of events is absolutely forbidden in news programs and political talk-shows. Regardless of the apparent violation of the Code and a huge protest from civil society and the international community against such a practice, no sanctions against Imedi TV followed.

In December 2009, journalists and media experts signed the Charter of Ethics for Georgian Journalists. The majority of the signatories were journalists working for independent media, mostly print. A couple of the journalists working for the nationwide television channels also signed. The signatories expressed their commitment to journalistic standards in their work. The elected council of the Charter consists of nine prominent journalists: Nino Zuriashvili (Monitori), Eliso Chapidze (the daily *Rezonansi*), Lika Chakhunashvili (IREX), Eter Turadze (*Batumelebi* newspaper), Maya Metskhvarishvili (*Akhali Gazeti*), Khatuna Gogashvili (Radio Hereti), Tedo Jorbenadze (*Batumelebi* newspaper), Irakli Absandze (a Poti-based journalist), and Merab Merkviladze (Channel 25).

The only regional newspaper that by that time had a code of conduct in place is the regional newspaper *Akhali Gazeti*, published in Kutaisi, a region in the western part of the country.

## 7.3 Government Interference

### 7.3.1 The Market

In 2010, Parliament approved a tax amnesty for all those television stations which had debts of unpaid taxes, altogether GEL 36 million (US\$20.6 million). The tax amnesty was justified as assistance for the development of regional media. However, Parliament did not specify the exact amounts that each television company owed. Media watchdog organizations investigated and found out that regional television companies altogether owed only about GEL 3 million (US\$1.8 million). The GPB announced that the company had a debt of GEL 6 million (US\$3.6 million). The remaining GEL 27 million (US\$16.5 million) were owed by

the pro-governmental nationwide channels Rustavi 2 and Imedi, and not the regional television companies, as the president had claimed.<sup>176</sup>

The owners of the media outlets critical of the government believe that public officials apply pressure on businesses not to advertise in these media outlets. Nino Jangirashvili, head of Kavkasia, said the pressure started in late June 2008 when at least three companies suspended advertising contracts with the television station, citing pressure from the authorities. Some others followed in the following weeks, Ms Jangirashvili said, but declined to name the companies.<sup>177</sup> State advertising also follows political considerations. For example, the two top recipients of government-paid ads in the television sector are the government-friendly Rustavi 2 and Imedi (see section 6.2.1). The Ministry of Economics publishes information about all procurement exclusively in the newspaper *24 Saati*, which is loyal to the ruling party.

One more example is the case of the recently established magazine *Tabula*. Tamar Chergoleishvili, editor of the magazine, is the wife of Giga Bokeria, the secretary of the National Security Council of Georgia. The very first issue of *Tabula* had about 16 pages of advertising, while the independent *Liberali*, with its 3,000 copies and the website with 5,000–6,000 unique visitors daily had only one page of advertising. Having identified the discrepancy, *Liberali* came up with a special offer of advertising for free and approached several businesses. The editor said that the businesses all hesitated to place advertisement in *Liberali*, explaining that “they do not want to create problems for their businesses.”<sup>178</sup>

Commenting on the situation, Transparency International Georgia said that influence of politics is apparent in the Georgian advertising market.<sup>179</sup> Ms Chergoleishvili disagreed and argued that *Tabula's* success was because it had a better marketing strategy: “We simply want to show that these two magazines—*Tabula* and *Liberali*—have adopted different marketing strategies and, therefore, it is unfair and confusing to discuss them both in a single context without pointing out those differences.”<sup>180</sup>

The same trend exists in the regions. As one businessman explained to the editor of a regional newspaper who preferred to remain anonymous: “If I take the whole page, I will become too visible. You can find more people who will place ads in your newspaper. We won't be so noticeable then and you will still have your revenue from advertisements.”

Another marketing tool that the government uses is the direct sponsoring of television companies. Regional television companies and governmental agencies sign an agreement on a payment “for objective coverage

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176. “Hidden Amnesty,” *Liberali*, 18 April 2010, at <http://www.liberali.ge/node/2108> (accessed 21 April 2012).

177. “Kavkasia TV Calls on Government to Stop Pressure,” *Civil.ge*, 7 July 2008, at <http://www.civil.ge/eng/article.php?id=18712&search=kavkasia%20ads> (accessed 21 February 2012).

178. Interview with Shorena Shaverdashvili, publisher of *Liberali*, Tbilisi, 22 December 2010.

179. Transparency International Georgia, “Georgian Advertising Market.”

180. “Statement of Tabula Editorial Staff on the New Report of Transparency International Georgia,” at <http://en.tabula.ge/print-6367.html> (accessed 19 April 2012).



of current affairs,” seen by local experts as “buying loyalty.”<sup>181</sup> For example, a regional television station, TV5, received GEL 74,613 from the Bolnisi local authority. “Subject of the Agreement—TV service for one year, price GEL 74,613,” read the subject line of the agreement between Bolnisi Municipal Council (the buyer) and TV5 (the supplier) made on 10 February 2011.<sup>182</sup> Municipal funding is clearly a violation of the Law on Broadcasting, which says that administrative bodies, political parties, and public officials cannot be sponsors.<sup>183</sup>

### 7.3.2 The Regulator

The internet is basically unregulated and the digitization of broadcasting has not started. Therefore we cannot talk about a digital regulator. However, certain decisions of the GNCC, the regulator in the analog era, provoke doubts about the impartiality of this regulatory body. One of the obvious cases of regulators abusing their power is the case of the Maestro TV license.

The Law on Broadcasting was also selectively applied to the television companies Maestro, Alania, and Tvali (the cases discussed in detail in section 7.2.3). Another case of selective regulation was the tax inspection of the independent media holding Palitra Media. The Revenue Service unexpectedly and simultaneously started tax inspections in all media companies owned by Palitra Media. The holding owns an internet television company, an FM radio station, a news agency, a newspaper distribution company, and several newspapers. All of the outlets owned by Palitra covered the opposition protest of 26 May 2011. During the protest, two people died, and several participants and journalists were injured. Police officers arrested journalists despite their identification badges and other official documents proving that they were journalists covering the events. The media companies owned by Palitra were able to quickly disseminate information about the protests because of Palitra’s presence on a variety of platforms and because it had sent several journalists to the spot. Lasha Tugushi, editor of the daily *Rezonansi*, said: “The inspection launched at Palitra Media is a revenge for the fairness exercised by this organization’s media outlets.”<sup>184</sup>

Civil society activists, the media community, and some members of the political opposition held a solidarity rally in support of Palitra. Tamar Kordzaia, a lawyer of the Georgian Young Lawyers Association, told Media.ge “that the action by the Revenue Service constitutes an indirect pressure.”<sup>185</sup>

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181. “Media Continue to be Financed From the Budget,” Media.ge, 18 March 2011, at <http://www.media.ge/node/40576> (accessed 21 April 2012).

182. “Media Continue to be Financed From the Budget,” Media.ge, 18 March 2011, at <http://www.media.ge/node/40576> (accessed 21 April 2012).

183. Law on Broadcasting, at [http://www.gncc.ge/files/7050\\_3380\\_492233\\_mauwyebloba-eng.pdf](http://www.gncc.ge/files/7050_3380_492233_mauwyebloba-eng.pdf) (accessed 3 April 2012).

184. N. Dzvelishvili, “Solidarity Rallies Held at Media Palitra Premises,” Media.ge, 2011, at <http://www.media.ge/en/node/41382> (accessed 3 April 2012).

185. N. Dzvelishvili, “Solidarity Rallies Held at Media Palitra Premises,” Media.ge, 2011, at <http://www.media.ge/en/node/41382> (accessed 3 April 2012).

### 7.3.3 Other Forms of Interference

The most blatant case of interference by the state authorities in the media was the closure in November 2007 of Imedi TV, then one of the most popular and strongly oppositional national television channels. After the death of its owner, the tycoon Badri Patarkatsishvili, Imedi changed ownership and became one of the television stations loyal to the government (see section 6).

On 7 November 2007, early in the morning, the police violently dispersed demonstrations held by the opposition. The 2008 report by the Freedom House described the events as follows:

Later that evening, hundreds of the Special Forces troops, armed with machine guns and other weapons, entered the Imedi television studios. They forced journalists and other staff members to the floor and pointed guns at their heads. They forced Imedi off the air after news anchors managed to describe the raid to viewers in the final minutes of broadcasting. The Imedi staff was evicted, and troops damaged or destroyed much of the station's equipment.<sup>186</sup>

The government argued these steps were necessary to avoid a coup d'état supported by the Russian counter-intelligence and Mr Patarkatsishvili, who financed the opposition.<sup>187</sup> He said in a written statement on 28 October that he would provide funding to the opposition for holding protest rallies "in a civilized manner."<sup>188</sup> The General Prosecutor held the television channel responsible for being a mouthpiece of its owner and a "propaganda tool" for mobilizing people to overthrow the constitutional government. The government's actions caused widespread criticism both inside the country and internationally. "The government's response to any perceived threat posed by Imedi was clearly excessive and a violation of freedom of expression," said Holly Cartner, Europe and Central Asia director at Human Rights Watch.<sup>189</sup>

In 2009, one more case drew international attention. Tedo Jorbenadze, head of the journalistic investigations unit of *Batumelebi*, was summoned by police officers to talk about "some personal matters" and "about his sexual partner."<sup>190</sup> There were no legal grounds to summon him. *Batumelebi* believes it was an attempt to "blackmail" and "intimidate" a journalist, including the use of "the stigma persisting in Georgia toward homosexuality."<sup>191</sup> Following the incident, Gavin O'Reilly, president of WAN-IFRA, and Xavier Vidal-Folch, president of the World Editors Forum, expressed their concern in a letter sent to the president: "We

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186. Freedom House, "Freedom in the world," country report 2008, at <http://www.freedomhouse.org> (accessed 21 April 2012).

187. "Patarkatsishvili Pledges to Finance Protest Rallies," *Civil.ge*, 28 October 2007, at <http://www.civil.ge/eng/article.php?id=16119> (accessed 21 April 2012).

188. "Patarkatsishvili Pledges to Finance Protest Rallies," *Civil.ge*, 28 October 2007, at <http://www.civil.ge/eng/article.php?id=16119> (accessed 21 April 2012).

189. Freedom House, "Freedom in the world," country report 2008, at <http://www.freedomhouse.org> (accessed 21 April 2012).

190. "Batumi-Based Newspaper Says its Journalist Blackmailed," *Civil.ge*, Tbilisi, 26 November 2009, available at <http://www.civil.ge/eng/article.php?id=21722> (accessed 3 June 2012).

191. "Batumi-Based Newspaper Says its Journalist Blackmailed," *Civil.ge*, Tbilisi, 26 November 2009, at <http://www.civil.ge/eng/article.php?id=21722> (accessed 3 June 2012).

are seriously concerned that Georgian security services would seek to blackmail a journalist and interfere in editorial freedom. Such tactics are reminiscent of the Soviet-era KGB and have no place in a modern democracy.”<sup>192</sup>

Vakhtang Komakhidze, an investigative journalist, who ran an investigative reporting production studio Reportiori, requested asylum in Switzerland in February 2010 claiming “aggressive threats coming from the authorities” against him and his family. According to him the threatening phone calls started after his trip to Tskhinvali where he was filming a documentary about the Georgian–Russian military conflict. Switzerland granted him asylum. The film has not been produced yet and no details about the script of the film have been made public.

Coming to work one morning in October 2010 the journalists of the regional newspaper, *Guria News*, found the windows of the offices broken. Ia Mamaladze, the owner of the newspaper and also the head of the Association of Regional Newspapers, believes the violence was related to the newspaper article on 480 public figures who had purchased land in Guria illegally.

Since 2009, pressure from the state authorities has become more indirect and subtle: the government’s influence over the media is exercised by means of four tools: through the loyal owners of media companies; through the lack of transparency of ownership and funding; through the controlled advertising market; and channeling state advertising toward pro-governmental media outlets. Moreover, the regulatory body, big advertising companies, and media owners are interlinked and loyal to the ruling party. So those who have to oversee and regulate the Georgian media in order to ensure a fair and competitive environment do not do so, because they do not want to harm their own business interests, the business interests of their business partners, or both.

## 7.4 Assessments

Neither the government nor any other institution has taken steps to prepare the legal framework for the digital switch-over process, and the deadline for the basic transition strategy has been postponed several times. There is no information on the affordability requirements and other essential documents are also missing. In the last couple of years, there have been a few attempts by media freedom NGOs to initiate a public discussion on the challenges and benefits of digital switch-over, but the government officials did not bring any concrete proposals to the discussion forum. So far, no forum has been established for regular consultations with civil society and industry associations regarding the process of digital switch-over.

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192. “Int’l Press Group Raises Journalist Blackmail Claims,” Civil.ge, Tbilisi, 4 December 2009, at <http://www.civil.ge/eng/article.php?id=21752> (accessed 3 June 2012).

Regulation in the digital era is another unknown, but the practice of analog regulation gives grounds for concern. Media watchdogs and independent outlet owners in Georgia agree that the main regulatory body, the GNCC, is not an independent institution guided by the law, but rather a link in the controlled chain of media, advertising, and regulation, a chain marked by the lack of transparency in licensing and the lack of free and fair market competition: independent media outlets have a hard time finding advertisers even for free, while those loyal to the government get commercial and state advertising in abundance.

Interference by the state has become more indirect over the surveyed period. The state has considerable influence over media funding, and also controls the distribution of critical content from Tbilisi to the regions via the regional cable service providers. The state also exercises its control via the owners of media outlets.

# 8. Conclusions

## 8.1 Media Today

### 8.1.1 Positive Aspects

One of the major developments of the surveyed period has been increasing internet penetration, which has forced media outlets to improve their online presence and content distribution through the internet. Digitization has given audiences access to information that is not only more diverse, but also considerably freer than the traditional media landscape: the internet is virtually unregulated and free of government control. Flagship independent media outlets are also leaders in digitization.

Blogs have become increasingly popular, starting with personal journals and gradually spreading to media-hosted platforms, thus adding new voices to the public debate. Online discussions, whose popularity in Georgia predates social networks, have now spread from online forums to Facebook. Social networks not only serve as platforms for debates, particularly on media content, but have also been successfully used for mobilizing large numbers of people and taking them out onto the streets in defense of different causes. These mobilizations have also spilled into the non-wired community and attracted the attention of mainstream media.

Digitization has helped journalists, particularly those involved in Georgia's budding investigative journalism, to find information faster and easier, have access to a greater variety of experts, and distribute information instantly and cheaply. However, ease and speed does not always translate into better content.

The issues of the quality of media content, media ownership, and government interference have, in recent years, attracted growing attention from civil society groups, international donors, academia, media professionals, and lawyers. This mobilization has brought about tangible results: the Parliament of Georgia accepted the amendments to the Law on Broadcasting submitted by the media advocates' group, making ownership of broadcast media transparent. This is a momentous achievement in a country where non-transparent, politically affiliated ownership has been one of the main obstacles to the development of free and independent media.

### 8.1.2 Negative Aspects

According to the ITU's Geneva 206 agreement, Georgia needs to complete switch-over by June 2015. However, just three years before that date, the overall strategy and the entire legislative framework of the transition is missing.

Moreover, there is no organized campaign for informing the public, nor are there any other awareness-raising activities, except for a few small-scale conferences that the mainstream media cover only superficially. Outdated equipment is still being sold and households are unaware that the equipment owned by them may not be able to receive digital signal.

On the eve of the digital transition, the independence of the main regulatory body remains highly questionable. The GNCC is largely comprised of politically affiliated members, uses non-transparent licensing practices, and shows no will to assist in creating a free and fair advertising market for the media. Politicized decisions benefiting government-friendly media companies are commonplace, and independent or critical outlets are at risk of being treated unfairly.

As a result of long-lasting debates about the role of the GPB, its board of governors has ceased to be a body comprising political appointees and candidates from civil society organizations can now get a seat. However, this positive development was a result of a one-off concession from the president and Parliament and there are no mechanisms ensuring civil society's participation in the future.

In the surveyed period media ownership has become concentrated in the hands of politically affiliated owners and political considerations dominate in the advertising market, as businesses, even those not affiliated with the government, tend to avoid placing adverts in independent outlets, fearing selective tax inspections by the government.

The distribution of independent media content through digital cable companies also remains politicized, making some channels that are opposed to the government inaccessible to most of the audiences of large cable companies covering the country.

Another important negative development, threatening, in particular, online communication, was an amendment to the Law on Operative-Investigative Activity, obliging telecoms companies to make private information available for investigation by law enforcement agencies. Independent outlets fear that access to private emails, chats, and other communication on the internet may be used as a tool for government interference.

The right of access to information remains problematic in Georgia, as the gaps in the legislation allow government agencies to keep certain information classified or, in other cases, deny access unlawfully.

## 8.2 Media Tomorrow

Digital switch-over may go unnoticed by the majority of the audience that accesses Georgian channels through cable. But if the government continues preparation for switch-over at its current extremely low speed, and without public consultation, those relying on terrestrial signal are at risk of having their access to television compromised. And television consumers in general may not have their best interests served. Currently, there is no awareness-raising, no access or public interest and affordability provisions. Moreover, neighboring Turkey and Azerbaijan, as well as Russia, may complete their switch-over earlier than Georgia; this would lead to loss of spectrum and audiences in border areas.

It remains unclear who will provide the breakaway regions of South Ossetia and Abkhazia with access to spectrum and information about the forthcoming change, or how this will be done. This is likely to become a political hot potato in the coming years.

Internet penetration will continue increasing and is likely to spill out of the major cities into smaller towns and villages, empowering smaller communities with information and tools for mobilization and public expression.

The ascent of social networks is likely to continue, and they will retain their role as a tool for civic activism.

The GNCC and the government will try to take small steps to meet the requests of Georgian and international media advocates to allow media to fulfill their function properly. However, the politicized advertising market and selective treatment of media companies will remain in place for some time, particularly in light of the upcoming parliamentary and presidential elections.

In the current heavily government-controlled broadcasting environment it is hard to imagine that the biggest benefit of the switch-over, the increase of diversity and pluralism, will materialize in Georgia in the near future.

## 9. Recommendations

### 9.1 Policy

#### 9.1.1 Media Policy

##### 9.1.1.1 Digital Switch-over Strategy

###### *Issue*

The Georgian Government has claimed since 2010 that it is preparing a Strategy for Digital Switchover, but no draft has been made available. Inquiries from civil society groups, regional broadcasters, donor organizations, researchers and journalists have gone unanswered, and the Government's own deadlines for releasing the document have been repeatedly postponed.

###### *Recommendation*

The process of drafting the Strategy should be transparent, should include civil society groups and other stakeholders to ensure that the policy serves the public interest and media plurality, and should ensure that access to news is not undermined. Provided these conditions are met, the Government should adopt the Strategy as soon as possible.

##### 9.1.1.2 Must-carry Rules and Receiver Subsidies

###### *Issue*

The only must-carry rules that exist in Georgia are related to elections and require cable providers to transmit television channels with news programs during pre-election period. There are no must-carry rules that apply to digital broadcasting. Moreover, there are no provisions for receiver subsidies — a crucial issue for a country with a high poverty rate.

###### *Recommendation*

The Government should adopt must-carry rules and criteria for receiver subsidies as soon as possible.



### 9.1.1.3 Public Awareness of Digital Switch-over

#### *Issue*

To date, the transition to digital broadcasting has been addressed in only a few conferences and media articles, and the general public remains unaware of the change. At the same time, television is still the primary source of information, especially in rural areas.

#### *Recommendation*

The Government should develop and carry out public awareness campaigns explaining the purpose and advantages of the digitization of broadcasting. Civil society actors, such as the Media Advocacy Coalition, should complement the process by raising public awareness on the issues of public interest, such as affordability, diversity and pluralism.

## 9.2 Media Law and Regulation

### 9.2.1 Media Regulation

#### 9.2.1.1 Independence of the Broadcasting Regulator

##### *Issue*

The main broadcasting regulator, the Georgian National Communications Commission (GNCC), has given ample grounds for concern regarding its independence; these include politically-motivated licensing decisions that favor broadcasters affiliated with the ruling power, failure to address the conflict of interest of the GNCC Chairman, and selective fining of broadcasters that violate regulations, to favor broadcasters loyal to the Government.

##### *Recommendation*

The Parliament should adopt effective and transparent mechanisms to select the GNCC members, and should reduce the role of the President in this process. The Parliament should also replace the current vague legal safeguards of the Commission's independence with strong and clear provisions that ensure the Commission's real independence and prohibit conflicts of interest by any of its members.

#### 9.2.1.2 Transparency of State Advertising Spending

##### *Issue*

During pre-election campaigns, state advertising tends to be used to promote the ruling party: for example, advertises on social issues, such as pensions, feature leading figures of the party and have political rather than public interest content. In other words, public resources are being used for political purposes. Moreover, state advertising spending lacks transparency: the amounts are not made public.

##### *Recommendation*

The Parliament should amend the General Administrative Code of Georgia to require impartial allocation of state advertising budgets, and full public disclosure of state advertising spending by state bodies. The Department of Audits and Accounts ought to make state advertising spending review its priority. Transparency

NGOs should step up their activities of monitoring and highlighting the use of administrative resources for political purposes.

## **9.3 Public Service in the Media**

### **9.3.1 Independence of the Public Broadcaster**

#### *Issue*

Despite recent attempts to increase the independence of the supervisory body of the Georgian Public Broadcaster, the President remains in charge of short-listing candidates for this broadcaster's Board, with the result that the Board is dominated by pro-government members.

#### *Recommendation*

To ensure that the Board is independent and serves the public interest, the Parliament should adopt new Board member selection rules that ensure transparency, and that remove the President from the selection and appointment process. The rules should state that the key criteria for selection are relevant professional expertise and political impartiality.

## **9.4 Journalism**

### **9.4.1 Access to Public Information Online**

#### *Issue*

Gaps in current legislation allow government agencies, including ministries, local authorities, and city councils, to classify certain information that is in fact of public interest, and to deny access in other ways, in violation of the Freedom of Information (FOI) law. This practice hinders the ability of media to carry out analysis and investigations.

#### *Recommendation*

The Parliament should review the current FOI legislation to ensure that restrictions cannot be applied to information of genuine public interest. The Government should adopt a set of criteria for publishing public data, both in terms of deadlines and presentation, and should impose stricter sanctions for violations of the existing FOI regulation. Civil society organizations should take the lead in lobbying for relevant amendments.

# List of Abbreviations, Figures, Tables, and Companies

## Acronyms and Abbreviations

AMR	average rating per minute
CRRC	Caucasus Research Resource Center
DSL	digital subscriber line
DVB-T2	Digital Video Broadcasting—Second Generation Terrestrial
EPF	Eurasia Partnership Foundation
EU	European Union
FTP	File Transfer Protocol
GARB	Georgian Association of Regional Broadcasters
GDP	gross domestic product
GEL	Georgian Lari
GNCC	Georgian National Communications Commission
GNI	gross national income
GNS	Georgian News Service
GPB	Georgian Public Broadcaster
GSM	global system for mobile communication
HD	high definition
IDP	internally displaced people
IEOM	International Election Observation Mission
IMF	International Monetary Fund
IPM	Institute for Polling and Marketing
IPTV	Internet Protocol Television
ITU	International Telecommunication Union
LGBT	Lesbian, gay, bisexual, and transgender
MDF	Media Development Foundation
MDLF	Media Development Loan Fund
NDI	National Democratic Institute

NGO	non-governmental organization
NSOG	National Statistics Office of Georgia
OECD	Organization for Economic Cooperation and Development
OSCE	Organization for Security and Co-operation in Europe
RFE/RL	Radio Free Europe/Radio Liberty
UGC	User-generated content
UNA	United Nations Association
UNM	United National Movement
VPN	Virtual Private Network

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## Companies

ACT

Adjara Elektokavshiri

AGB Nielsen Media Research

Akhali Kselebi

Alania

Alfa-Com

BCG

Cartu Group

Caucasus Online

Degson

Geocell

GIG Group

Global Media Group (GMG)

Global TV

Golden Com

Igrika

Magi Style Media

Magti GSM

Media Consultancy Group

Media House

Media House Decom

Médiamétrie

Palitra Media

Procter & Gamble

Silknet

Tvali

United Telecom

Wanex

## Mapping Digital Media: Country Reports

1. Romania
2. Thailand
3. Mexico
4. Morocco
5. United Kingdom
6. Sweden
7. Russia
8. Lithuania
9. Italy
10. Germany
11. United States
12. Latvia
13. Serbia
14. Netherlands
15. Hungary
16. Albania
17. Moldova
18. Japan
19. Argentina
20. South Africa
21. Turkey
22. Lebanon
23. Macedonia
24. Bosnia and Herzegovina
25. Poland
26. Montenegro

**Mapping Digital Media** is a project of the **Open Society Media Program** and the **Open Society Information Program**.

## Open Society Media Program

The Media Program works globally to support independent and professional media as crucial players for informing citizens and allowing for their democratic participation in debate. The program provides operational and developmental support to independent media outlets and networks around the world, proposes engaging media policies, and engages in efforts towards improving media laws and creating an enabling legal environment for good, brave and enterprising journalism to flourish. In order to promote transparency and accountability, and tackle issues of organized crime and corruption the Program also fosters quality investigative journalism.

## Open Society Information Program

The Open Society Information Program works to increase public access to knowledge, facilitate civil society communication, and protect civil liberties and the freedom to communicate in the digital environment. The Program pays particular attention to the information needs of disadvantaged groups and people in less developed parts of the world. The Program also uses new tools and techniques to empower civil society groups in their various international, national, and local efforts to promote open society.

## Open Society Foundations

The Open Society Foundations work to build vibrant and tolerant democracies whose governments are accountable to their citizens. Working with local communities in more than 70 countries, the Open Society Foundations support justice and human rights, freedom of expression, and access to public health and education.

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