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# MEDIA INFLUENCE MATRIX: GEORGIA

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## About CMDS

The Center for Media, Data and Society (CMDS) is a research center for the study of media, communication, and information policy and its impact on society and practice. Founded in 2004 as the Center for Media and Communication Studies, CMDS is part of Central European University's (CEU) School of Public Policy and serves as a focal point for an international network of acclaimed scholars, research institutions and activists.

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# Executive Summary

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## KEY FINDINGS

Georgia has a liberal and progressive legal framework governing its media. The Constitution protects media freedom and access to public information is guaranteed.

However, that is only the surface.

The news media in Georgia operates in a highly polarized and politicized environment with regulators under the government's thumb, the market concentrated in the hands of a few powerful groups, also close to politicians, and independent news outfits struggling to stay afloat.

Paradoxically, news is a much sought product in Georgia, but the industry that offers it is hardly lucrative. Six of the country's largest television operators bled red ink between 2016 and 2018. Much of that is the result of the technological disruption and economic crisis that have affected the news media worldwide.

In Georgia, the financial struggles of the news industry left the media in the hands of the government and advertisers, many of whom are powerful financial groups.

The print media sector in particular has experienced in the past five years or so a dramatic decline in both revenues and circulation. Some of them, including Liberali, a non-tabloid publication, Tabula magazine and Batumelebi newspaper, had to fold their print editions and move online where ad spending is growing fast. Increasingly, Georgians, particularly young people, are consuming their news online. Nearly half of the Georgian youth follow political news on the internet. The online advertising market, the fastest growing media segment in Georgia, doubled between 2014 and 2017 to US\$ 5m. It had another spectacular rise, of over 25%, in 2018.

But the internet is far from providing the silver bullet for Georgia's journalism, at least for now. Media consumption habits are hard to change. Not too many people would be open to pay for content; and even if they do, the market is too small to accommodate subscription-based business models in the news media.

Moreover, television remains the most popular source of news and information, with 72% of Georgians consuming televised content in 2019. The slow growth of internet penetration doesn't help either. Some 54% of Georgians used the internet on a daily basis in 2018. The internet penetration is vastly concentrated in the capital city of Tbilisi and some other large cities.

The television market is dominated by two television operators, Rustavi 2 Media Holding, which runs Rustavi 2, the most popular channel in the country, and Imedi Media Holding, which runs the second and third most popular television channels. Together, they attract nearly two-thirds of the Georgian audience. They are both controlled by entrepreneurs in hock to political parties, or having themselves political aspirations.

The government is a major player, spending hefty funds from the state budget in the media. The public broadcaster GPB is by far the largest recipient of government funding, which accounts for nearly its entire annual budget of over €16m. In contrast, local media outlets are struggling financially. Faced with mounting losses, many of them are shutting down at a fast rate.

Experts argue that much of how Georgian journalism looks today was shaped by regulators, especially GNCC, the country's broadcast licensing authority whose reputation has been stained by several scandals related to politically motivated licensing decisions. The policymaking process is influenced by political stalwarts including Bidzina Ivanishvili, former chairman of the Georgian Dream party, Kakha Bekauri, the head of GNCC who's known for his ties with the same party, or Vasil Maghlaperidze, head of the public broadcaster since 2017.

It is left to only a small group of NGOs to defend independent journalism. Their impact is limited, however, given the overwhelming power of media owners and funders. Some positive influence comes from the EU, which in 2014 signed an ambitious Association Agreement with Georgia. From the other side, the Russian Government has been making strides in boosting its influence in Georgia through both a few local media outlets and newly set up websites specializing solely in spreading propagandistic content.

## FUTURE OUTLOOK

Independent journalism in Georgia is going through a tough time; and the green shoots are hard to spot.

With Georgia expecting elections in 2020, regulators and political parties are expected to intensify their attempts to control as much of the political narrative in the country as possible. That is likely to further curb the independence of the media.

The internet is likely to further increase its penetration, yet at a slow pace. In spite of its economic growth, the Georgian economy is small for potential investors, especially in such a politicized field. All that means that there is little chance to see fresh cash injections in the country's independent media sector. The onus is on philanthropies and NGOs, too small to beat the competition of the wealthy media owners or the government, to design innovative financing models that would keep in business the last homes of independent journalism; or help establish new ones.

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# **Government, Politics and Regulation**

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## LEGAL OVERVIEW

Georgia's media legislation is considered to be liberal and progressive. According to Freedom House, Georgia has "the freest and most diverse media landscape in its region."<sup>[1]</sup> The media freedom and freedom of expression are protected by the Constitution. Article 17 of the Constitution and the 2004 Law on Freedom of Speech and Expression prohibit censorship. Exceptions are allowed only in cases related to state security or protection of the rights and dignity of others. Georgia was the first country in the Caucasus region that decriminalized defamation in 2004.<sup>[2]</sup>

Another important piece of legislation regulating the media sector is the Broadcasting Law, which includes rules and procedures for acquiring broadcast licenses and regulates the activities of the Georgian public broadcaster GPB. In 2013, the law was amended to include must-carry and must-offer rules, which protect television channels from possible pressures coming from cable operators.<sup>[3]</sup> Notably, print media enjoy generous benefits in Georgia. According to the Georgian Tax Code, the cost of printing and distribution of the print press is exempt from the value-added tax (VAT). Freedom of information (FOI) in Georgia is regulated by the General Administrative Code of Georgia, which has been in force since 1999. It guarantees access to public information that does not qualify as state or commercial secret, or as personal data, within a maximum of 10 days.

However, enforcement of these rules is still problematic. In 2013, the Anti-Corruption Network of the Organisation for Economic Co-operation and Development (OECD), noted that Georgia's FOI provisions would benefit from a comprehensive revision. In recent years, local civil society groups have also advocated for improvement of the law. The government pledged to draft a new law on freedom of information, which is still an unfulfilled obligation.<sup>[4]</sup>

Following a set of good practices touted by the Open Government Partnership, a joint initiative of governments and civil society, most of Georgia's public agencies set up websites that host troves of publicly available data.<sup>[5]</sup>

Other relevant laws for press and media freedom include the Law on State Secrets and the Law on Copyright and Related Rights; broadcast networks and facilities are regulated by the Law on Electronic Communications. The Law on Advertising affects news media outlets, but does not have a direct impact on journalism or media freedom. Privacy is mainly regulated by the Law on Personal Data Protection that was adopted in July 2013. The legislation created a new institution, the Personal Data Protection Inspector, which was officially responsible for the supervision of personal data protection and compliance with the legal provisions related to data processing

[1] Freedom House, "Georgia", 10 March 2016, available online at <https://freedomhouse.org/report/freedom-press/2016/georgia>

[2] OSCE, "Libel and Freedom of Information in South Caucasus Focus of OSCE Conference in Tbilisi | OSCE", accessed 2 July 2018, available online at <https://www.osce.org/fom/56871>

[3] These rules require cable operators to include national broadcasters in their channel packages.

[4] The alternative version of the document was elaborated by a coalition of civil society organizations, but the Government did not push the law to Parliament for a reading.

[5] Transparency International Georgia, "Openness in Georgia", 2017, available online at [https://www.transparency.ge/sites/default/files/open\\_government\\_partnership.pdf](https://www.transparency.ge/sites/default/files/open_government_partnership.pdf) (accessed 14 January 2019).

in Georgia. The law, however, is expected to be amended following the adoption of a new European Union (EU) data protection set of rules known as the General Data Protection Regulation (GDPR), which took effect in spring 2018. Since May 2019, the State Inspector has been put in charge of monitoring personal data protection in Georgia. The State Inspector is a legal successor of Personal Data Protection Inspector.

In June 2019, the Georgian Media Advocacy Coalition, a group of local NGOs, sharply

criticized a series of proposed amendments to the Broadcasting Law.[6] If adopted, the amendments will grant the GNCC the power to regulate hate speech, which is a task covered now by self-regulation. GNCC claims that the amendments were required through the country's association agreement with the EU. Local NGOs, however, argue that European legal provisions for the media can be better fulfilled by strengthening the existing self-regulatory mechanisms in Georgia than by increasing the powers of the state regulatory body.[7]

## REGULATORY AUTHORITIES

### Summary of key findings

The Georgian National Communications Commission (GNCC), Georgia's main regulatory institution for the news media, has the mandate to strengthen competition in the Georgian electronic communications and broadcasting markets while protecting consumer's interests and ensuring a fair and predictable regulatory environment.

Since its establishment in 2003, the regulator has become increasingly politicized. In spite of its formal independence, which is, in theory, guaranteed by law, the GNCC failed to adopt politically neutral and effective media policies. Lack of political will to reform itself, coupled with a history of political groups using regulators to gain influence in the media, led to a fall in the GNCC's credibility among media organizations. Throughout its existence, the regulator has been criticized by civil

society organizations for lack of transparency in decision-making.

A string of reforms aimed at strengthening the media regulatory authorities in Georgia was rolled out in 2014-2016 following the adoption of the EU-Georgia Association Agenda.[8] These reforms helped GNCC bolster its capacity and earn recognition as a pro-active media policy regulator. In 2015, during the digital switchover process (when analog broadcast signal was gradually switched off in the country), the GNCC former management and an especially created Digital Broadcasting Agency showed impeccable leadership and advanced institutional capacity. As a result of these reforms, institutional accountability and access to regulation-related information have dramatically increased. Information of public interest is published and updated on a regular basis and can now be requested online.

[6] "Statement of the Coalition," Coalition for Media Advocacy, 14 June 2019, available online, see this [Facebook link](#) (accessed on 7 March 2020).

[7] "Friendly Brother is Watching You? Georgia's New, State-sponsored Media Critic," Civil.ge, 16 January 2020, available online at <https://civil.ge/archives/334746> (accessed on 20 February 2020).

[8] Maia Mikashavidze, "Systemic capacity building of the media regulatory authorities in Georgia: A hierarchy of needs", available at: [https://osgf.ge/files/2016/EU%20publication/Angarishi\\_A4\\_\\_Media\\_ENG\\_Cor\\_\(1\).pdf](https://osgf.ge/files/2016/EU%20publication/Angarishi_A4__Media_ENG_Cor_(1).pdf) (accessed 9 January 2019).

However, in spite of these achievements, the GNCC still faces institutional challenges due to ongoing political influence exerted on it by the country's leading political forces. The hiring practices at GNCC are allegedly marred by political favoritism. The commissioners' affiliation with political groups and their non-cooperative approach with NGOs tarnish their credibility.

The regulator has been recently criticized by several media outlets for hastily implementing one of the EU requirements of the Audiovisual Media Services Directive (AVMSD). This provision, media outlets argue, will threaten broadcasters' financial sustainability and negatively affect the advertising market. Another controversial move of the GNCC was

to back changes in the advertising regime that allowed the public broadcaster to carry commercials while still taking money from the state budget. These changes were criticized by advertising agencies for enabling Georgian Public Broadcasting (GPB), the country's public media company, to shape the advertising market in its favor through various methods including price dumping.

In the coming years, the EU-Georgian association agreement will continue to play a major role in GNCC's institutional and regulatory capacity development. Cooperation with Europe in the media sector features among Georgia's priorities in its national action plan for 2017-2020.

## Operational aspects

### Broadcast Media and Frequency Spectrum

#### Georgian National Communication Commission (GNCC)

##### *Remit and Tasks*

Georgian National Communications Commission (GNCC) is the main broadcast regulatory authority in Georgia. The institution was established in 2000 as an independent government agency financed through income from licensing and regulatory fees. It monitors the activities of the broadcast license holders to ensure their compliance with regulations in the broadcast sector. The GNCC is also in charge of preventing formation of monopolies and preserving an equal and fair competitive environment. Furthermore, the Commission regulates technical, legal and economic issues related to the interconnection of the electronic communications network providers, including radio and television broadcast operations in Georgia.



The Commission is legally responsible for securing a transparent regulatory environment and promoting competition; promoting high-quality, diverse and innovative telecommunications

services for consumers; enabling introduction of modern technologies; and actively cooperating with international organizations for these purposes.

The GNCC's reputation has been greatly tarnished by several scandals in recent years. Among those, incidents related to the highly politicized licensing process were the most problematic. The commission, for example, was accused of barring new television and radio stations from entering the market. According to Freedom House, "some pro-government outlets have been allowed to operate without licenses in the past, and media watchdogs have noted that licenses are sometimes awarded based on an outlet's political affiliations."

However, from 2015 on, the GNCC replaced the license requirements for television stations with a much simpler authorization process.[9] The change was part of the digital switchover transition when all broadcasters moved from analog to digital broadcasting. This digital switch over process had effects similar to those of market liberalization, leading to improved broadcast quality. The main benefit of the reform was diversification of the media market. Three out of the 10 most prominent television channels in Georgia have been launched during the digital switchover.[10]

Nonetheless, several decisions of the GNCC were fiercely criticized by independent observers and the opposition. (See *Impact of Regulators on News Media and Journalism in this chapter*)

### *Board Composition*

Following the adoption of the Broadcasting Law in 2004 and of the Law on Electronic Communications a year later, the GNCC was separated, as a regulatory body, from the Government. The Commission is a legally independent state agency accountable to the President, the Government, and Parliament. It submits its annual report to all three institutions.

The Commission consists of five commissioners elected for a six-year term. One of them serves as a chairman elected by the Commission through a secret ballot for a period of three years and for one term only. In December 2017, the GNCC had a total 108 employees. Only Parliament can dismiss the Commission's members.

The Commission members are proposed by the President (three candidates for each vacant place), in consultation with the Prime Minister, and elected by Parliament. In spite of legal provisions guaranteeing the independence of the GNCC, the influence of government politicians in its decisions is very high, particularly when it comes to appointing and dismissing the GNCC members, as experience in the past three years has shown. [11] Since May 2017, the GNCC Chair has been Kakhi Bekauri. In February 2020, Bekauri was appointed for a second term as commission chair. Giorgi Pruidze resigned in 2019, leaving the GNCC with only four members.

[9] "ანალოგური მიწისზედა მაუწყებლობიდან ციფრულ მიწისზედა მაუწყებლობაზე გადასვლის რეფორმა დასრულდა," საქართველოს კომუნიკაციების ეროვნული კომისია (The analog reform of the transition to digital terrestrial broadcasting from terrestrial broadcasting has ended), GNCC, available online at <http://gncc.ge/ge/news/press-releases/analoguri-miwiszeda-mauwyeblobidan-cifrul-miwiszeda-mauwyeblobaze-gadasvliis-reforma-dasrulda.page> (accessed 16 November 2018).

[10] ტელევიზიების შემოსავალი (Television income), *Forbes Georgia*, available at <http://forbes.ge/news/3634/televiziebis-Semosavali> (accessed 10 November 2018)

[11] Institute for Development of Freedom of Information (IDFI), "ნეპოტიზმის ნიშნები კომუნიკაციების ეროვნულ კომისიაში" (Signs of nepotism in GNCC), 27 March 2015, available online at <https://idfi.ge:443/ge/signs-of-%20nepotism-in-gncc>

### List of GNCC commissioners, March 2020

- **Kakhi Bekauri** (in office until 24 January 2026), Chair
- **Merab Katamadze** (in office until 18 March 2021)
- **Vakhtang Abashidze** (in office until 16 April 2020)[12]
- **Eliso Asanidze** (in office until 18 March 2021)



### *Funding*

The commission is not getting subsidies from the state budget. Its main source of revenue are fees paid by companies licensed to operate in the electronic communications and broadcasting industries. The GNCC takes a cut worth 0.75% and 0.50% of the total annual income of electronic communications and broadcast operators, respectively. However, transparency of the GNCC's spending is extremely poor.

In 2017, a clutch of media NGOs accused the GNCC of failing to disclose information about the broadcasters' sources of revenue (money from ad sales, sponsorship and donations).[13] In response, the GNCC claimed that there were mistakes in the revenue declarations submitted by two broadcasters, which was the reason why they didn't publish the data; in the end, no financial data about broadcasters' sources of revenue was published. Civil society groups suspect that GNCC deliberately did not disclose this information to avoid giving critics more arguments to criticize the Commission's support of the legal amendments favoring the public broadcaster.[14]

Another source of criticism surrounding the work of the GNCC has to do with the wages of the GNCC commissioners. Some opposition politicians argued that the Commission pays some unsuitably high wages.[15] The commission is free to set the level of their members' wages since no ceiling has been imposed on personnel costs. In 2016, for example, the GNCC Chair took home a total of GEL 20,200 (€6,700) every month. In contrast, the monthly average salary in Georgia is hovering around €350.

The GNCC's targeted budget reached a peak in 2019 when the regulator pulled in total income of over GEL 13.54m (€4.53m). Generally, the regulator operates with a balanced budget. One exception in the past five years was in 2014 when GNCC spent some €625,000 more than it generated.

[12] By the time the reports was issued, Abashidze's seat had not been filled.

[13] Television income, *Forbes Georgia*, cit.

[14] Interviews with Georgian journalists and experts carried out for this report (see *Methodology in Media Influence Matrix: Georgia*).

[15] "Salaries in Georgia's Regulatory Commissions Reach GEL 14,000-GEL 16,000 and a Wage Ceiling Has Not Been Established | Factcheck.Ge", accessed 31 July 2018, <http://factcheck.ge/en/article/salaries-in-georgia-s-regulatory-commissions-reach-gel-14-000-16-000-and-a-wage-ceiling-has-not-been-established/>

## The regulator's accounts

*The budget of the broadcast and electronic communications regulator GNCC, 2013-2019*

|                          |            | 2013  | 2014  | 2015  | 2016   | 2017  | 2018   | 2019t  |
|--------------------------|------------|-------|-------|-------|--------|-------|--------|--------|
| Total income<br>(in GEL) | '000 (GEL) | 8,34  | 8,272 | 8,654 | 11,637 | 8,849 | 10,297 | 13,540 |
|                          | '000 (€)   | 3,564 | 3,565 | 3,328 | 4,171  | 2,863 | 3,443  | 4,528  |
| Expenditure<br>(in GEL)  | '000 (GEL) | 7,854 | 9,721 | 8,651 | 10,628 | 8,732 | 9,243  | 13,540 |
|                          | '000 (€)   | 3,356 | 4,19  | 3,327 | 3,809  | 2,825 | 3,091  | 4,528  |

Note: average exchange rate of the National Bank of Georgia was used (monthly average, end of year)

t: targeted

n/a: not available

Source: CMDS based on data from the GNCC annual reports

## Print Media Regulators

There is no government regulator of the print media in Georgia. The market is characterized by a low level of competition, monopolistic tendencies being the biggest challenge for independent media enterprises in the country.

## Internet Regulators

There is no special legislation primarily focusing on internet regulation in Georgia. There are norms in various legal acts<sup>[16]</sup> that can potentially affect the internet. In 2017, the Constitution of Georgia was amended to include a provision that considers access and free use of the internet to be a fundamental right.<sup>[17]</sup>



Internet is partially supervised by the GNCC, which has the power to order removal of online content that they find inadmissible, mostly in cases of copyright violation. The GNCC has an office for the Public Defender of Consumers in charge of reviewing complaints related to online content that are submitted by citizens. In several cases, the defender office requested removal of specific information from various websites. For example, based on a written request from the Ombudsman office, the defender office requested an internet provider to remove a video showing violence against animals.<sup>[18]</sup>

In recent years, given the rising popularity of social media, debate about the need to regulate the internet has been heating up. It has come to the public attention in the past few years that critical

[18] David Kldiashvili, Nata Dzelishvili, "Blocking, filtering and take-down of illegal internet content. Excerpt, Pages 248-260", accessed 16 August 2018, available online at [https://www.academia.edu/28035474/BLOCKING\\_FILTERING\\_AND\\_TAKE-DOWN\\_OF\\_ILLEGAL\\_INTERNET\\_CONTENT\\_Excerpt\\_pages\\_248-260](https://www.academia.edu/28035474/BLOCKING_FILTERING_AND_TAKE-DOWN_OF_ILLEGAL_INTERNET_CONTENT_Excerpt_pages_248-260)

[16] Including Law of Georgia on Electronic Communication Act, No. 1514, LHG; Law of Georgia on Freedom of Speech and Expression, Act No. 220, LHG; Criminal Code of Georgia, Act No. 2287 LHG

[17] See more in GNCC, Annual Report 2017, available online at <https://www.gncc.ge/uploads/other/3/3181.pdf>

comments made by citizens on the Government's Facebook pages have often been removed. The Government agencies are known to have repeatedly blocked users or deleted undesired comments, even sometime comments that do not promote hate speech. Recently, debates about whether insults and harassment in the online space should be part of the criminal law have intensified, too. They have been spurred by members of the Supreme Court with the support of a few MPs. However, such ideas have not led to initiation of new laws.

In a separate development, increasing public concern was raised around the misuse of personal data and government surveillance. It peaked in 2015.[19] Privacy watchdogs and other NGOs claimed that the Law on Electronic Communications, which enables security services to conduct electronic surveillance with permission from the judiciary and a specially appointed inspector, is too permissive, granting the Government disproportionately high access to data.[20] On this matter, the Constitutional Court ruled, "legislation allowing a security agency to have direct, unrestricted access to telecom operators is unconstitutional."[21]

Since 2015, there have been several cases when the local security agencies shut down WordPress blogs and YouTube channels for security reasons. While agreeing that some of the content on these platforms was unacceptable, civil society groups warned that filtering and blocking online content represent very sensitive issues as they create opportunities for censorship.[22]

In a recent development, Georgian civil society groups harshly criticized planned amendments to the Law on Information Security.[23] According to the initiators, the amendments are aimed at strengthening Georgia's information security. Local activists say that these new provisions pose risks to private life allowing the Operational-Technical Agency (OTA) of the State Security Services to have direct access to state and public organizations, telecommunication operators and even the banking sector. This, the civil society organizations say, is in contradiction with guarantees regarding privacy that are enshrined in the Constitution.

## Data Protection Regulators

Personal data protection is regulated in Georgia by the Law on Personal Data Protection, which entered into force in 2012. The law has established a supervisory authority, the Personal Data Protection Inspector, with the tasks to supervise and monitor the lawfulness of data processing and the implementation of data protection legislation. The institution operates in line with the European norms on data protection.[24]

[19] The internet content may be blocked for cyber security purpose. The Criminal Code of Georgia (Act No. 2287 LHG, 41(48)

[20] Freedom House, "Georgia," *cit.*

[21] IREX, "Media Sustainability Index Europe Eurasia 2017", accessed 5 August 2018,

<https://www.irex.org/sites/default/files/pdf/media-sustainability-index-europe-eurasia-2017-full.pdf>

[22] "Workshop on Regulations of Filtering, Blocking and Takedown of Illegal Online Content in Georgia", <https://idfi.ge/en>, accessed 18 August 2018, available online at

[https://idfi.ge:443/en/workshop\\_on\\_blocking\\_illegal\\_online\\_contents\\_regulations](https://idfi.ge:443/en/workshop_on_blocking_illegal_online_contents_regulations)

[23] "Draft Law on Information Security and Associated Risks," Open Society Georgia Foundation, 14 February 2020, available online at <https://osgf.ge/en/draft-law-on-information-security-and-associated-risks/> (accessed on 20 February 2020).

[24] They include Council of Europe, "Convention for the Protection of Individuals with Regard to Automatic Processing of Personal Data", accessed 1 August 2018, available online at <https://rm.coe.int/1680078b37>; and Council of Europe, "Additional Protocol to the Convention for the Protection of Individuals with Regard to Automatic Processing of Personal Data," accessed 1 August 2018, available online at <https://rm.coe.int/1680080626>

Furthermore, the visa liberalization process carried out in cooperation with the EU imposed an obligation on Georgian authorities to carry out comprehensive reforms in the field of data protection, including the adoption of relevant legislation, effective operation of the Inspector's office and raising public awareness of issues related to data protection. Additional changes are foreseen due to the EU's new data protection regulation, GDPR, which took effect in May 2018.

In 2019, the State Inspector's Service was legally created to replace the Personal Data Protection Inspector in processing personal data and overseeing the implementation of data protection legislation in Georgia. The State Inspector's Service also controls "the secret investigative actions and activities implemented in the central bank of electronic communication identification data" and is in charge of investigating criminal cases involving law enforcement officials.[25]

The data regulator was headed between 2013 and 2019 by Tamar Kaldani, a former lawyer who served as a manager in charge of human rights and good governance at the Open Society Georgia Foundation, a member of the Open Society Foundations (OSF), a philanthropy bankrolled by the investor George Soros.[26]

Londa Toloraia, a lawyer and former managing director of the Human Rights Protection and Monitoring Department at the Georgian Ministry of Internal Affairs was appointed by Parliament to head the new data regulatory body as of 2019. Toloraia is to serve until 2025, as required by law, which states that the State Inspector mandate is limited to six years.[27]

The work of the Inspector and its office are funded from the state budget of Georgia; however, they are entitled to receive grants in line with a set of rules enshrined in the law. Other than violation of personal data use in the media, the State Inspector's Service exerts no direct influence in the media sector.

### Data watchdog finances

*Annual budget of the State Inspector's Service\*, in GEL, 2014-2020*

|                      |               | 2014 | 2015  | 2016  | 2017  | 2018  | 2019t | 2020t |
|----------------------|---------------|------|-------|-------|-------|-------|-------|-------|
| <b>Annual budget</b> | in GEL ('000) | 600  | 1,450 | 1,704 | 1,838 | 1,880 | 4,400 | 8,000 |
|                      | in € ('000)   | 258  | 557   | 650   | 649   | 628   | 1397  | n/a   |

Notes: Average exchange rate of the National Bank of Georgia was used (monthly average, end of year); The figures for 2014-2018 relate to the budget of the Personal Data Protection Inspector whereas the target amounts for 2019-2020 reflect the budget of State Inspector's Service;

t: targeted; n/a: not available;

\*formerly the Personal Data Protection Inspector Source: CMDS, based on state budget data of the Georgian Ministry of Finance (MoF)

[25] See more in Art. 2 of the Law of Georgia on the State Inspector Service, available online at <https://matsne.gov.ge/en/document/download/4276790/3/en/pdf> (accessed on 20 February 2020).

[26] Disclaimer: the Center for Media, Data and Society (CMDS), which publishes this report, is part of Central European University (CEU), a school co-funded by Soros. The research done by CMDS is carried out independently, without any interference from CEU's management.

[27] Art. 6 of the Law of Georgia on the State Inspector Service, *cit.*



## Decision-Making

### Key Decision-Makers in Regulation & Policymaking

The Georgian media landscape is fairly diverse at first glance. There are more than 98 television channels, 60 online media outlets and 51 weekly newspapers and magazines in Georgia.[28] However, media agenda is dominated by the country's largest television channels, and political parties are continuously fighting to control them. Based on a report from the Reporters Without Borders (RSF), a Paris-based NGO, Georgia's media are pluralist but very polarized.[29] "The problem in Georgian media is the control of the main media groups by politically influential businessman and political groups." [30] (*A detailed picture of the key players in Georgian media can be found in Funding Journalism: Georgia in the Media Influence Matrix project*)

The biggest television channel in Georgia, TV Imedi is blatantly pro-governmental. Before July 2019, TV Imedi shared more than 60% of the Georgian TV market with Rustavi 2, the broadcaster owned and controlled by a group affiliated with United National Movement (UNM), an opposition party founded by Mikheil Saakashvili in 2001.[31] Following a ruling of the European Court for Human Rights (ECtHR), the ownership of the Rustavi 2 was handed to Kibar Khalvashi, a government-friendly Georgian businessman.

Following this change in ownership, two new opposition-affiliated television channels emerged in the Georgian media landscape: Mtavari TV and Formula TV. Nika Gvaramia, former General Director of Rustavi 2 owns 51% of Mtavari TV, while David Kezerashvili, former Minister of Defense during the UNM government owns 51% of Formula.[32]

The findings of a survey from the National Democratic Institute (NDI) released in December 2019 showed that 30% of the Georgian population trusted TV Imedi, with Mtavari TV coming second in people's preferences in a proportion of 18% whereas Rustavi 2 had 12% of the popular trust, a significant decline compared to July 2019.[33]

Besides the political pressures, news media players in Georgia have to also deal with heavy anti-western propaganda from Russia. According to a 2018 U.S. Senate report, "beyond its military assaults on Georgian territory, the Russian government also supports a variety of pro-Kremlin political parties, NGOs, and propaganda efforts in the country." [34]

[28] Estonian Center for Eastern Partnership, "Closer look on ongoing reforms in Eastern Partnership countries: Georgia: main trends and challenges in local level media landscape, March 2018", accessed 3 August 2018, available online at <https://eceap.eu/wp-content/uploads/2018/06/Georgia-Closer-Look-Media-ECEAP.pdf>

[29] "Georgia: Pluralist but Not yet Independent | Reporters without Borders", RSF, accessed 2 July 2018, <https://rsf.org/en/georgia>

[30] Estonian Center for Eastern Partnership, "Closer look", cit.

[31] The Georgian Charter of Journalistic Ethics, "Monitoring of TV News", 2017, available online at [http://mediamonitor.ge/uploads\\_script/accounts/MM\\_FINAL\\_REPORT\\_2017\\_ENG.pdf](http://mediamonitor.ge/uploads_script/accounts/MM_FINAL_REPORT_2017_ENG.pdf)

[32] Nino Topuridze, "Georgia's Polarised Media Landscape," IWPR, 14 January 2020, available online at: <https://iwpr.net/global-voices/georgias-polarised-media-landscape> (accessed on 7 March 2020).

[33] National Democratic Institute (NDI), "Public Attitudes in Georgia: Results of December 2019 Survey," available online at [https://www.ndi.org/sites/default/files/NDI%20Georgia\\_December%202019\\_Public%20Presentation\\_ENG\\_VF.pdf](https://www.ndi.org/sites/default/files/NDI%20Georgia_December%202019_Public%20Presentation_ENG_VF.pdf) (accessed on 7 March 2020).

[34] "US Senate Report Talks About Russian Propaganda in Georgia • Tabula", accessed 3 August 2018, <http://www.tabula.ge/en/story/128551-us-senate-report-talks-about-russian-propaganda-in-georgia>

There are a few progressive and visionary influencers in the Georgian media policy and regulation. However, their power pales in comparison to the influence exerted by the influencers connected with political groups or

wealthy financiers. Fierce fight for media influence between all these groups further cements polarization in the media field, which is shaped to a great degree by the interests of a handful of powerful political actors.

### *Political Stalwarts[35]*

**Bidzina Ivanishvili**, Chairman of the Georgian Dream party and former Prime Minister of the country, is exerting massive influence on every aspect of the Georgian political life and especially in the media. He sharply criticized media during his time in office, calling them “fake news” and its journalists “non-professionals.”[36] But in spite of his power, Ivanishvili is not actively using media platforms to push his political messages through. Once in a while, he gives interviews, but only to those journalists who used to work in his media outlets. Before the 2012 election, Ivanishvili owned the television stations Channel 9 and GDS. Channel 9 was shut down soon after the 2012 elections and the pro-government Imedi TV recently bought GDS, which was then turned into an entertainment broadcaster. Most of the journalists and staff of GDS moved to the public broadcaster GPB, including its current director. Civil society organizations showed concern about the declining media pluralism and increased media concentration (that favor the ruling party) following the merger of TV Imedi, Maestro TV and GDS TV, and change of the leadership at the GPB.[37]

Chairman of the media regulator GNCC since 2017, **Kakhi Bekauri** is playing a key role in the regulatory field. His GNCC mandate (he is also a chair) was renewed by Parliament in December 2019. Bekauri is known to have close ties with the ruling Georgian Dream party. Before the 2012 parliamentary election Bekauri worked as a General Director of TV Maestro, which at the time was a pro-opposition outlet. He then moved to manage TV Channel 9, which belonged to the family of the former Georgian Prime Minister Ivanishvili, now the Chair of the Georgian Dream party. According to the global anticorruption NGO Transparency International in Georgia, Bekauri does not have the academic qualifications required to fill the GNCC chair position[38]: specifically, Bekauri is a mathematician by education while the law requires an academic degree either in business management or media for people who fill this position.[39] TI Georgia’s claim was

[35] This section, “Political Stalwarts”, is based mostly on semi-structured interviews with local experts and journalists, selected primarily based on their reputation as independent and impartial observers. (See Media Influence Matrix: Georgia Methodology) The objective of these profiles is not to exhaustively map the influencers in the country’s policymaking, but to present some of the key players in this field to illustrate how media policymaking works in Georgia. The influencers listed here are mostly people with strong political affiliations whose positions and initiatives in policy are mostly influenced by the political logic.

[36] “ივანიშვილი: მედიაში მომუშავეები კონტროლს და კრიტიკას უნდა ექვემდებარებოდნენ • ტაბულა,” ტაბულა (Ivanishvili: Media representatives should be subject to control and criticism), Tabula, accessed 19 August 2018, available online at <http://www.tabula.ge/ge/story/87631-ivanishvili-mediashi-momushaveebi-kontrols-da-kritikas-unda-ekvemdebarebodnen>

[37] “განცხადებები: კოალიცია `მედიის ადვოკატირებისთვის` საზოგადოებრივი მაუწყებლის დირექტორად ვასილ მაღლაფერიძის დანიშვნას ეხმაურება (Statements: Coalition for Media Advocacy Responds to Vasil Maglaperidze’s appointment as Director of Public Broadcaster), Cso.ge, accessed 7 October 2018, <http://www.cso.ge/view.php?type=applications&slug=koalicia-mediis-advokatirebistvis-sazogadoebrivi-mauwyebilis-direktorad-vasil-maghlaferezidzis-danishvnas-ekhmaureba&lang=ge>

[38] According to Article 9.6 of the Law of Georgia on Public Broadcasting, a candidate for membership in the Commission shall meet a number of qualifications, including a Master’s degree or equivalent degree thereof in economics, public administration, business administration, law, electronic communications or journalism.

[39] “Kakha Bekauri Does Not Meet the Qualifications for Membership/Chairpersonship of the Georgian National Communications Commission,” საერთაშორისო გამჭვირვალობა - საქართველო, accessed 9 August 2018, available online at <https://www.transparency.ge/en/blog/kakha-bekauri-does-not-meet-qualifications-membershipchairpersonship-georgian-national>

supported by an official letter from the Quality Assurance unit of the Ivane Javakhisvili Tbilisi State University.[40] GNCC responded to the claims about Mr. Bekauri's academic qualifications by publishing a second letter[41], issued by the same university unit, providing a different assessment of the qualifications of Bekauri based on the same diploma, this time with the conclusion that the degree is equal to the required qualifications.

In spite of the controversy around his degree, Bekauri has gained significant media experience throughout the years. Besides all private media outlets mentioned before, he also worked for the public television and radio broadcasters as well as the television channel Mze. During his tenure as a GNCC commissioner, Bekauri allegedly lobbied for introducing a slew of amendments in the broadcasting law in favor of the GPB regulations that allowed the broadcaster the right to increase its advertising time, expand the scope of sponsorship and purchase media products or services without public procurement procedures. Civil society openly expressed concerns about these legal changes. "Such a law will not only harm private TV stations but also newspapers, magazines and radio stations," said Lasha Tugushi, editor-in-chief of the daily newspaper Resonance. "It will also deprive them of the little income they have from advertising." [42] As a chair, Bekauri also supported a request submitted by the GNCC to Parliament asking broadcasters to verify the trustworthiness and objectiveness of opinion polls.[43] Local NGOs and observers found this rule problematic as it limited reporting on public polls on television, particularly on the opposition channel Rustavi 2.[44]

**Vakhtang Abashidze** currently serves as a GNCC commissioner, a mandate slated to last until 2020. He held previous positions at the GNCC in 2014-2017 (Chair) and 2000-2004. According to his CV, before GNCC, he worked for JSC Silknet, one of the biggest telecommunication companies by revenue in Georgia. More importantly, he is a brother of the former Ambassador to Russia, Zurab Abashidze, currently the Prime Minister's Special Representative for Relations with Russia. Abashidze enjoys a close relation with the former Prime-Minister Ivanishvili. But in spite of his political affiliation, Abashidze enjoys a good reputation among journalists. His time at the GNCC was assessed by one of them as the most "cooperative and progressive." The digital switchover as well as institutional reforms of the media were carried out during his tenure.

**Vasil Maghlaperidze**, the new director of the Georgian Public Broadcasting (GPB) as of 2017, is to serve in this post until 2023. A former lawmaker and governor of Mtskheta-Mtianeti region (2005-2008), Maghlaperidze most recently worked for Channel 9 and GDS TV, television channels owned by the family of Ivanishvili. Maghlaperidze was criticized by civil society groups for his decisions to fold television programs that were critical of the Government, according to a 2018 Freedom House report.[45] The Georgian Government rebuffed the allegations in the report.

[40] Official letter from Tbilisi State University on Mr. Bekauri's degree compatibility, accessed 2 April, 2019, available online at [https://drive.google.com/file/d/1\\_D0fhGpQrIfzTEagedoCyAY0e7-5jSNV/view](https://drive.google.com/file/d/1_D0fhGpQrIfzTEagedoCyAY0e7-5jSNV/view)

[41] Second official letter from Tbilisi state University on Mr. Bekauri's degree compatibility, accessed 2 April 2019, available online at <http://www.gncc.ge/uploads/other/3/3033.pdf>

[42] "The Messenger - Georgia's Public Broadcaster Demands Commercial Advertising Rights", accessed 21 October 2018, [http://www.messenger.com.ge/issues/4020\\_november\\_21\\_2017/4020\\_tea.html](http://www.messenger.com.ge/issues/4020_november_21_2017/4020_tea.html)

[43] Paragraph 11 of Article 5, "საქართველოს საარჩევნო კოდექსი | სსიპ "საქართველოს საკანონმდებლო მაცნე", accessed 21 October 2018, <https://matsne.gov.ge/ka/document/view/1557168?publication=48>

[44] "Kakha Bekauri Does Not Meet the Qualifications", *cit.*

[45] Freedom House, "Georgia Report 2018", 4 January 2018, available online at <https://freedomhouse.org/report/freedom-world/2018/georgia>

**Irakli Kobakhidze**, speaker of the Georgian parliament until June 2019, joined the Georgian Dream party in 2015 and later became an executive secretary of the party. He had vehemently criticized the critical media in the country, repeatedly accusing Rustavi 2 TV, under its former management, of spreading disinformation. He lashed out at Nino Zhizhilashvili, an anchor of TV Pirveli, when she asked him hard questions about the election reform.[46] He accused her of promoting the interests of the opposition UNM party. Kobakhidze was among the policy makers who pushed for hate speech regulation in Georgia. Before joining the Georgian Dream party, Kobakhidze worked for organizations such as the United Nations Development Program (UNDP) and Open Society Georgia Foundation (OSGF) on human rights and rule of law issues. Kobakhidze was forced to resign from the position of parliamentary speaker following public pressure after a scandal that involved Sergei Gavrilov, a member of the Russian parliament, close to the Kremlin, entered the Georgian parliament on 20 June 2019 and addressed Georgian lawmakers from the speaker's chair.

### *Progressive Minds*[47]

**Lasha Tugushi** has been heading the NGO Liberal Academy Tbilisi from 2012. He has significant experience of working with civil society and media. From 1995, he has been also the editor-in-chief of the Georgian daily newspaper Resonansi and lecturer on media and international conflicts. Until recently he has served as Chair of Eastern Partnership Georgian National Platform.[48] He was actively involved in NGO-led efforts supporting a law against illegal surveillance.[49]

**Nata Dzvelishvili** served as Executive Director of the Georgian Charter of Journalistic Ethics between 2015 and 2019. She is described by local journalists and experts as a committed defender of journalists' rights and a good mediator. During her time in the office, the Charter became a solid ground for staving off political accusations against journalists. The platform was actively engaged by high officials to address suspicions of infringements of journalistic ethics. Dzvelishvili worked as a reporter for four years before moving to the NGO sector. In 2014-2015, she held several positions in the Institute for Development of Freedom of Information (IDFI) and Mediachecker.ge, a local online portal covering media affairs. She does work in academia as well, lecturing at the International Black Sea University (IBSU) in Tbilisi. Thanks to her research experience, Dzvelishvili enjoys good working relations with media practitioners as well as the international donors including the International Research and Exchanges Board (IREX), Open Society Georgia Foundation (OSGF), National Endowment for Democracy (NED), United Nations Development Program (UNDP) and Council of Europe.

**Mariam Gogosashvili** was appointed Executive Director of the Georgian Charter of Journalistic Ethics in March 2020. Before leading the Charter, Gogosashvili served as Media Direction Coordinator at Georgian Young Lawyer's Association (GYLA). In 2013-2017, Gogosashvili headed the legal department at Georgian cable and satellite company Stereo+. Her academic background is

[46] "ისაუბრეთ ნაცემოდრობის სახელით- კობახიძე ჟურნალისტ ნინო ჟიჟილაშვილს [ვიდეო]", ნეტგაზეთი (Speak on behalf of United National Movement - Kobakhidze to journalist Nino Zhizhilashvili), Netgazeti, 15 November 2019, available online at <https://netgazeti.ge/news/405917/> (accessed 7 March 2020). "Kakha Bekauri Does Not Meet the Qualifications", *cit.*

[47] The objective of this section is to identify some of the key influencers in the country's policy who have showed a more progressive stance on media policy. The exercise feeds into the overall analysis of the media policy development presented in this report and was fully based on semi-structured interviews with independent observers and journalists in Georgia.

[48] The platform is part of the Eastern Partnership Civil Society Forum (EaP CSF), a policy initiative aimed at bringing six countries in the region (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) closer to the EU.

[49] "Surveillance Bill Review Postponed", Democracy & Freedom Watch, 16 May 2014, available online at <http://dfwatch.net/surveillance-bill-review-postponed-43508-28710>

in media law and international affairs. Gogosashvili holds an MA degree from the Georgian Institute of Public Affairs (GIPA) and Tbilisi State University (TSU). She is committed to quality journalism in Georgia and is described by field experts as a professional of impeccable integrity and a media freedom fighter.

**Zviad Koridze** is one of the best-known journalists in Georgia, former correspondent and chief editor of 7 Days, a weekly newspaper founded by the Union of Journalists of Independent Publications[50], which is an organization of more than 150 journalists. He served as the head of the news desk at Rustavi 2 TV and was the chief editor of the Georgian Newspaper. Until recently he was a chairman of the State Pardon Commission[51], which gave him a new platform to engage more actively in political discussions. Koridze co-authored the amendments to the Broadcasting Law that introduced new criteria for the composition of the GPB Board of Trustees and the establishment of a new governance structure at the public broadcast company. These new rules were perceived by local and international experts as a progressive and democratic step in Georgian media regulation. [52]

**Natia Kuprashvili** has a reputation of an outspoken defender of regional print and broadcast media. Currently, she is the Chair of the NGO Journalism Resource Centre. In 2018, she was elected head of the Georgian National Platform of the EU Eastern Partnership Civil Society Forum. She has gained more attention during her tenancy in the Georgian Association of Regional Broadcasters (GARB), a prominent provider of regional content for both print and broadcast media. She is also active as a journalism practitioner, serving as director of the newly launched Russian-language television channel TOK TV.

**Natia Kapanadze** is a coordinator of the Georgian Media Advocacy Coalition, a platform that advocates for media freedom in the country, and a board member at Georgia's Young Lawyers' Association (GYLA). In 2016-2019, Kapanadze served as an Executive Director at Adjara Public Broadcaster (APB), a broadcaster serving Georgia's Autonomous Republic Adjara. The advisory council of the broadcaster impeached her in April 2019, allegedly under pressure from the authorities. As APB director, Kapanadze ensured that editorial independence of the broadcaster was maintained and that political forces didn't intervene in various internal processes at the station.[53] At APB, Kapanadze revamped the channel's programming, updated some of its key programs, introduced a few more shows and prioritized training of the journalists.

[50] This is not a well-established association. However, five years ago it served as a platform for monitoring media-related problems. See more at <http://www.iagj.org.ge/index.php/ka-ge/>

[51] An institution under the President office that provides recommendations to the President to pardon or grant clemency to prisoners.

[52] "International and Local Organisations Note That the New Rule of the Composition of the Georgian Public Broadcaster's (GPB) Board of Trustees Is Democratic.' | Factcheck.Ge", accessed 18 November 2018, available online at [http://factcheck.ge/en/article/eliso-chapidze-international-and-local-organizations-note-that-a-new-rule-of-composition-of-the-georgian-public-broadcasters-gpb-board-of-trustees-is-democratic-2/?am\\_force\\_theme\\_layout=desktop](http://factcheck.ge/en/article/eliso-chapidze-international-and-local-organizations-note-that-a-new-rule-of-composition-of-the-georgian-public-broadcasters-gpb-board-of-trustees-is-democratic-2/?am_force_theme_layout=desktop)

[53] Irakli Kunchulia, "ნათია კაპანაძის როლი აჭარის ტელევიზიაში" (Natia Kapanadze's role in Adjara TV), On.ge, 12 April 2019, available online at <https://on.ge/story/36275-ნათია-კაპანაძის-როლი-აჭარის-ტელევიზიაში> (accessed on 20 April 2020).

## Transparency of Decision-Making in Media Regulation

The GNCC is becoming more transparent after a protracted process of reorganization. Most of the documents issued by the GNCC, including news bits, meeting calls, announcements, annual reports on the state of broadcasting and licensing decisions are published on the regulator's website.

The digital switchover of 2015 led to a slight decline in the importance of the regulatory body mainly because the number of broadcast licenses available has increased and the television channels got easier access to broadcast licenses. For example, if television channels want to air terrestrially, they have to conclude bilateral agreements only with digital multiplex operators, a process that does not involve the regulator anymore. The regulator in this specific area now has only the task to formally authorize these channels. Constant increase in the regulator's income has drawn more attention from civil society organizations who make pressures on the regulator to ensure transparency in spending.

Other than that, in recent years, civil society groups have criticized GNCC for nepotistic employment practices as they are said to hire non-staff employees without competition and using unclear wage policies.[54]

## Impact of Regulators on News Media and Journalism

In recent years there were two major regulatory decisions that affected media companies. Both of them were advertising-related. The first one was a set of amendments that came into force in 2015, requiring television broadcasters not to air commercials and teleshopping in excess of 20% of each hour (or more than 12 minutes per hour). The regulation is in line with the EU's Audio-visual Media Services Directive (AVMSD), the main tool harmonizing broadcasting in the European single market. It was also part of the EU-Georgia Association Agreement. However, local experts criticize the rush with which the amendments were adopted, claiming that they were politically driven as they were aimed to financially hobble Rustavi 2 channel by reducing its income from ads. According to the agreement with EU, Georgia would have to impose the EU-inspired ceilings on commercials until 2019. Parliament though passed the amendments in February 2015, and they came into force only a month or so later, on 1 April 2015.[55] Rustavi 2 incurred substantial losses because of these newly introduced legal provisions as they took effect at a time when television stations had ongoing contracts with advertisers, Rustavi 2's management said. GNCC refuted the accusations, claiming that the new advertising limits wouldn't affect the advertising market negatively.

The second controversial decision was the adoption in 2017 of a set of amendments to the Broadcasting Law, which granted the Georgian Public Broadcaster (GPB) greater access to advertising revenue and loosening public control over its procurement regulations.[56] Until then,

[54] "Possible Cases of Nepotism in GNCC's Public Defender Service for Consumer Interests", საერთაშორისო გამჭვირვალობა - საქართველო, accessed 21 August 2018, <https://www.transparency.ge/en/blog/possible-cases-nepotism-gnccs-public-defender-service-consumer-interests>

[55] „მაუწყებლობის შესახებ“ საქართველოს კანონში ცვლილების შეტანის თაობაზე, სსიპ“ საქართველოს საკანონმდებლო მაცნე” (On the changes in the Law On Broadcasting), accessed 21 August 2018, available online at <https://matsne.gov.ge/ka/document/view/2749425>

[56] Law of Georgia on broadcasting, accessed 02 April 2019, available online [here](#).

the broadcaster could only sell ads in its primetime and during holidays. Critics slammed GNCC for supporting these new advertising rules that clearly favored the GPB. They argue that these rules distort the advertising market.

That is problematic, critics say, because GPB also enjoys the advantage of receiving cash from the state budget.[57] On top of that, there was one more contentious case involving the GNCC: the purchase by TV Imedi of TV Maestro and TV GDS. GNCC concluded that the deal neither breached legislation nor created a situation of market concentration. However, a similar deal had not been approved in 2015.[58] As Georgia's antitrust regulator does not cover media, the case was solely dealt with by GNCC, which has competition-related tasks in the media field.

Another GNCC initiative is Media Academy, an entity whose mission is to raise the media literacy levels of the public as well as to provide professional skills training for journalists. Media and civil society groups cautioned that the Academy might be used by the regulator to influence the media. Another concern raised by some experts and civil society organizations is related to how the Academy might impact the work of the media NGOs by attempting to bring the funding and the media-related projects under its control.

The GNCC's Media Academy has four lines of work[59]:

- A three- to six-month media course for media producers and journalists
- Media criticism projects targeted at both journalists and consumers
- Awareness-raising projects targeted at consumers
- Support for media start-ups

The media criticism platform Mediacritic.ge was launched in late 2019 with the purpose of raising public awareness about journalism-related issues and supporting development of the quality journalism in the country. The platform has been criticized by independent experts for its politically biased coverage. The contributors of the platform are often "government-affiliated experts who claim to independently assess the media," but who, in reality, target their criticism mostly towards critical broadcasters such as Mtavari TV, Formula or TV Pirveli.[60]

The director of the initiative is David Kakabadze, former head of the Georgian Service of Radio Free Europe/Radio Liberty, a U.S. Congress-funded broadcaster.[61]

[57] "ახალ კანონში არ არსებობს იმის შემაფერხებელი ფაქტორი, რომ საბოგადოებრივმა მაუწყებელმა არ დაანესოს დემპინგური ფასები რეკლამაზე. ამ პრობლემის აქტუალურობას აუდიტის დასკვნაც აჩვენებს | Factcheck.Ge", (There is no factor preventing GPB from not dumping prices on the advertising market based on the new law. The audit conclusions also highlighted this problem Factcheck.Ge), accessed 13 July 2018, available online [here](#).

[58] ბოჩიკაშვილი გელა, "იმედსა და მესტროს ერთი მფლობელი ჰყავთ - ირღვევა თუ არა კანონი," (Bochikashvili Gela, Imedi and Maestro have one owner - whether the law is violated or not), On.ge, 19 February 2018, available online at <https://goo.gl/HcNlj4>

[59] Manana Devadze, "ომუნიკაციების კომისია მედია წიგნიერების პროექტის ფარგლებში, მედია აკადემიას დააფუძნებს" (The Communications Commission will establish a media academy as part of the Media Literacy Project), Itv.ge, 3 May 2018, available online at [here](#) (accessed on 21 April 2020).

[60] Levani Tevdoradze, "Criticize and Rule or How to Tame the Media in Georgia," CMDS, 2 April 2020, available online at <https://cmds.ceu.edu/article/2020-04-02/criticize-and-rule-or-how-tame-media-georgia> (accessed on 4 April 2020).

[61] "კომისიამ მედიააკადემიის ხელმძღვანელად დავით კაკაბაძე დანიშნა", საქართველოს კომუნიკაციების ეროვნული კომისია (Commission appointed David Kakabadze as head of the Media Academy), Georgian National Communications Commission, accessed 21 August 2018, available online at <https://www.gncc.ge/ge/news/press-releases/komisiam-mediakademiis-xelmdzgvanelad-davit-kakabadze-danishna.page>

# INFLUENCERS

## Local Influencers

During the 2016 parliamentary elections broadcasters played again an important role in helping parties reach their voters. All three front-running parties that managed to enter Parliament, including Alliance of Patriots of Georgia, a center-right, pro-Russian party, operated their own television platforms. The Alliance of Patriots of Georgia was established right before the 2012 elections. In spite of their nationalistic and anti-western ideology and lower financial resources compared to other political parties, they managed to mobilize supporters and reach the 5% threshold needed to enter Parliament.[62] Altogether, political party's investments into media outlets have skyrocketed in the past five years or so.[63]

But in spite of renewed viewers' attention and financial resources spent on media by political parties, the Georgian media sector still grapples

with lack of sustainability. Most of the journalists and media experts interviewed for this report flagged the financial difficulties they are facing because of the shrinking ad revenue coupled with the tightened grip on television stations of politically affiliated business groups.[64] In recent years at least three television companies reported such problems. Adding to the pain, media businesses have not managed to respond to challenges brought by new technologies and digitization, including sharp competition for advertising dollars posed by social networks. Therefore, news media are now desperately looking for a silver bullet outside the market, which makes them hugely dependent on donors and business groups. *(See more about the journalism business in the chapter on Funding Journalism in the Media Influence Matrix: Georgia)*

## Industry and Political Players

The biggest influencers in the Georgian media include, besides political parties, a spate of business groups standing behind mainstream outlets, mostly broadcasters. They are often accused of being affiliated with political parties and of promoting political content based on these affiliations. The main influencers behind these media outlets include former PM Bidzina Ivanishvili; Badri Patarkatsishvili's family who owns a pro-governmental media holding consisting of the television stations Imedi, Maestro and GDS; Nika Gvaramia, owning 51% of Mtavari TV; Kibar Khalvashi controlling the full stake in Rustavi 2 media holding (the holding consists of the television channels TV Rustavi 2, Komedi and Marao); Tsereteli family, owner of TV Pirveli; and David Kezerashvili, founder and majority owner of Formula TV.

Thanks to improvements in media legislation[65], the ownership of Georgian media outlets is generally transparent. The names of owners can be easily found. However, less is known about who is behind these owners and their other businesses.

The Bidzina Ivanishvili family is known as a highly influential group in the country's media and politics. Known as Georgia's richest man, Bidzina Ivanishvili is a former Prime Minister and head of

[62] Interviews with Georgian journalists and experts carried out for this report (See *Methodology in Media Influence Matrix: Georgia*)

[63] Campaign Finances in Georgia's 2018 Presidential Elections Interim Report (საერთაშორისო გამჭვირვალობა - საქართველო).

[64] Media Sustainability Index (MSI), 2018, available online at <http://www.mediasustainabilityindex.org>

[65] The change in the law on broadcasting obliging broadcasters to disclose their owners (amendment of 2011).



Georgian Dream political party. Officially, he does not own any media outlets anymore. But he has links with media outlets in Georgia through offshore businesses that are owned by proxies, either company managers or relatives. For example, Global Contact Consulting, the company controlling the cable operator Global TV, is owned by one of Ivanishvili's relatives, Aleksandre Ivanishvili.[66] Ivanishvili's name also appeared in Panama Papers linked with the company Lynden Management Ltd registered in the British Virgin Islands. The Panama Papers was an investigation conducted by the International Consortium of Investigative Journalists (ICIJ), a network of journalists doing cross-border investigations.[67]

Although he is no longer in the Government, Ivanishvili still exerts a great deal of influence in government affairs, as chair of the Georgian Dream Party. Thanks to Ivanishvili, the pro-governmental TV Imedi was taken over by the Badri Patarkatsishvili's family, another influential family in Georgia's media industry. The Patarkatsishvilis later bought the television channel GDS from the Ivanishvili family. The Patarkatsishvili family now owns a media holding consisting of the television stations Imedi, Maestro and GDS, which are all pro-government. Ivanishvili was also accused by journalists of making pressures on independent channels such as TV Rustavi 2 and TV Iberia. The latter folded because of financial problems.

The assets of the Rustavi 2 were frozen when the case involving the station was pending in court. In July 2019 the ownership of Rustavi 2 was handed to Kibar Khalvashi, a Georgian Dream party supporter, government-friendly entrepreneur, who claimed that he was forced by the ex-President Mikheil Saakashvili (UNM) to renounce his shares in the station back in 2006. Since summer 2019, the management and most journalists of the Rustavi 2 have been either forced to leave the station or followed their fellow journalists to form two new television companies, Mtavari and Formula Creative. These broadcasters are largely unpopular among the ruling party members for their critical position on various developments in the country.

## Companies with the biggest influence in Georgia's media and politics

### Imedi Media Holding

The company is owned by Badri Patarkatsishvili's family. Badri Patarkatsishvili was a controversial Georgian businessman with presidential aspirations. In the 2008 presidential elections he came third garnering 7.1% of the votes. From 2001 until the time of his death in 2008, he was a highly influential figure in the Georgian business. His name was linked to some of the most successful companies in Russia. He reportedly had connections with the Russian oligarch and former politician Boris Berezovsky. Patarkatsishvili was at some point the wealthiest citizen in Georgia with an estimated fortune worth some US\$ 12bn. He was also one of the country's top philanthropists. In 2008, he suddenly died in the U.K. Following his death, Patarkatsishvili's property was at the center of one of the biggest real estate disputes in the country. In 2012 the newly established Georgian Dream party-led government helped Patarkatsishvili family to regain ownership of some of their disputed businesses, among them Imedi TV. Some of the family's key businesses today, besides media, include IDS Borjomi, a major mineral water bottler selling its products in Georgia, Russia and other post-soviet countries, Rustavi Metallurgical Plant, which the largest metallurgical plant in the Caucasus and one of Georgia's largest industrial enterprises, MagtiCom, Georgia's second largest mobile operator, and Mtatsminda Park, a landmark landscaped park in the Georgian capital city of Tbilisi.

[66] "Who Owns Georgia's Media" 2014, 26.

[67] Tsoetne Bakuria, "Panama Papers Reveal Bidzina Ivanishvili's Lavish Assets", The Washington Times, 14 June 2016, available online at <https://www.washingtontimes.com/news/2016/jun/14/panama-papers-reveal-bidzina-ivanishvilis-lavish-a/>

## Rustavi 2

Kibar Khalvashi, a businessman with ties with the Georgian government, alongside his company LTD Panorama, owns the Rustavi 2 media group. Besides Rustavi 2, Khalvashi also own stakes in nine companies, all registered in Georgia. His sister, Pati Khalvashi has represented the ruling Georgian Dream party in Parliament since 2012.[68] Kibar Khalvashi himself made a financial donation to the ruling party during the 2016 parliamentary election race, according to Transparency International.[69]

Rustavi 2 used to be the major pro-opposition outlet in Georgia before its ownership changed to Khalvashi following a ruling of the European Court of Human Rights (ECtHR) in July 2019. Two years earlier, the ECtHR had suspended a decision of the Grand Chamber of the Georgian Supreme Court, which granted the ownership of Rustavi 2 to Khalvashi. Former owners of the Rustavi 2 holding appealed the ruling of the Supreme Court with ECtHR claiming that their rights were violated during the court decision-making. But in July 2019, ECtHR found no violations in the Georgian Supreme Court ruling, lifting the suspension and announcing Khalvashi as Rustavi 2's owner. Following the decision, Khalvashi fired the opposition-friendly management and journalists, some of whom founded a new broadcaster, Mtavari TV, in September 2019.

Rustavi 2 ownership has always been controversial. As of 2011, brothers Karamanishvilebi controlled some 90% of the shares in the company. However, little was known about them. The pro-governmental media accused the brothers to be close associates of the ex-president Mikheil Saakashvili. Nikoloz Nakhopia, who also owned a stake in Rustavi 2, is closely linked with the UNM party. The son of an influential UNM MP, Nakhopia is one of the wealthiest Georgian businessmen.

In 2015-2019 Rustavi 2 was embroiled in an ownership dispute at the Tbilisi city court after the company's previous owner Kibar Khalvashi lodged a complaint reclaiming his shares in Rustavi 2. The history of the dispute harks back to 2004 when the broadcaster's ownership changed hands through a string of controversial deals. In 2004, its founders, Erosi Kitsmarishvili, Davit Dvali, and Jarji Akimidze, sold 90% of the company, allegedly under a dubious bankruptcy threat, to an intermediary that then transferred the ownership to Kibar Khalvashi. A series of more, equally suspicious, transfers of ownership took place in the following years. They involved middlemen, various companies as well as several shell companies and firms incorporated in offshore jurisdictions. Rustavi 2 has thus passed through the hands of five UNM-connected groups of owners: Khalvashi (2004-2006); Robert Bezhuashvili (2005-2011), father of UNM parliamentarian Davit Bezhuashvili and former minister Gela Bezhuashvili; Bidzina Nizharadze (2006-2009); Giorgi Gegeshidze and his widow Nino Nizharadze (2009-); brothers Levan and Giorgi Karamanishvili (2011-2019)[70]; and Kibar Khalvashi and Panorama, the current owners of the station.

After the 2012 change in government, both Kitsmarishvili and Khalvashi expressed interest in getting the station back. Previous owners, the co-founders Dvali and Akimidze raised similar claims, too. In July 2014, an official investigation was underway when Kitsmarishvili was found dead by a single gunshot. The investigators said that it was suicide; however, the circumstances of Kitsmarishvili's death remain unclear and the family does not agree with the prosecutor's conclusion.[71] In 2017,

[68] Parliament of Georgia, "Pati Khalvashi," available online at <http://www.parliament.ge/en/mp/2429> (accessed on 7 March 2020).

[69] Transparency International (TI) Georgia, "Donations to Georgian Political Parties," available online at <https://www.transparency.ge/politicaldonations/en/party/81?year=2016> (accessed on 7 March 2020).

[70] "The Curious Case of Georgia's Rustavi-2," openDemocracy, 2 December 2015, available online at <https://www.opendemocracy.net/od-russia/cory-welt/curious-case-of-georgia-s-rustavi-2>.

[71] "Georgia's Top Prosecutor Concludes Kitsmarishvili Committed Suicide - Democracy & Freedom Watch" 23 June 2016, available online at <https://dfwatch.net/georgias-top-prosecutor-concludes-kitsmarishvili-committed-suicide-43294>

based on the Tbilisi City Court's decision and the decision of the Supreme Court, Rustavi 2's assets were frozen, and the ownership rights were assigned to Khalvashi. However, the Georgian Constitutional Court ordered a temporary suspension of this decision. Furthermore, the European Court of Human Rights (ECtHR) ruled in 2017 against the Georgian Supreme Court's decision to grant Rustavi 2's ownership rights to Kalvashi.[72] It was an unprecedented decision as, for the first time in the ECtHR's history, a Supreme Court decision was suspended.[73] As described, the suspension was lifted in July 2019.

### ■ Mtavari TV

Launched in September 2019, Mtavari TV is majority-owned by the former General Director of Rustavi 2 media group, Nika Gvaramia. An outspoken supporter of anti-government, pro-western political forces, Mtavari TV has also among its shareholders Kakhaber Anjaparaidze (39%), a shareholder in Intermedia+; Nikoloz Sisauri, director of TV Georgia, the company that owned a stake in Rustavi 2; Giorgi Rurua (2.5%), an opposition-supportive public figure; Ana-Mari Rurua (2.5%), daughter of Giorgi Rurua; and University of Georgia (2%), a Tbilisi-based private institution owned by the mother of Mikheil Saakashvili, Giuli Alasania.[74] After Giorgi Rurua officially became a shareholder in Mtavari TV, police found him guilty for illegal gun possession in unclear circumstances. Rurua rejected any wrongdoing, saying that the gun was planted on him.[75] Besides Rurua, the Georgian Prosecutor's Office has filed several charges against Nika Gvaramia, owner and managing director of Mtavari TV. He is accused of abuse of power while being general manager of Rustavi 2.[76] Independent experts and opposition supporters argue that these are all politically motivated attacks.

### ■ TV Pirveli

The channel is owned by the Tsereteli family, which also owned tobacco and gambling businesses in Georgia. In early 2018, a journalist working with TV Pirveli, Nino Zhizhilashvili reported that the channel had received “concerning signals” from the Government aimed at influencing the station's content.[77]

The Government was disturbed by the existence on the market of an independent broadcaster which, in spite of its small size, has a big impact on shaping public opinion, the journalist said. Then, she added that, for the time being, the problems with the Government were resolved thanks

[72] “ტელეკომპანია „რუსთავი 2“-ის ისტორია 2012 წლის საპარლამენტო არჩევნების შემდეგ”, საერთაშორისო გამჭვირვალობა - საქართველო (History of TV Rustavi 2 after the 2012 parliamentary elections), Transparency International - Georgia, accessed 18 November 2018, available online at <https://www.transparency.ge/ge/blog/rustavi-2-tarighebshi-telekompaniis-istoria-2012-tslis-saparlamento-archevnebis-shemdeg>

[73] “Strasbourg Court Suspends the Enforcement of the Supreme Court Decision on Rustavi 2 Case”, Georgian Journal, 4 March 2017, available online at <https://www.georgianjournal.ge/society/33370-strasbourg-court-suspends-the-enforcement-of-the-supreme-court-decision-on-rustavi-2-case.html>

[74] “მთავარი არხის” ახალი მენილე ყარამანიშვილების კომპანიის დირექტორი გახდა”, ნეტგაზეთი (The Director of Karamashvilis' company has become new shareholder of Mtavari TV, Netgazeti, 27 December 2019, available online at <https://netgazeti.ge/news/417470/> (accessed on 7 March 2020).

[75] “Police detain shareholder, owner of Mtavari TV, Giorgi Rurua,” Agenda.ge, 18 November 2019, available online at <https://agenda.ge/en/news/2019/3125> (accessed on 7 March 2020).

[76] “Prosecutor's Office Files New Charges Against Nika Gvaramia,” Georgia Today, 1 November 2019, available online at <http://georgiatoday.ge/news/17991/Prosecutor%27s-Office-Files-New-Charges-against-Nika-Gvaramia> (accessed on 7 March 2020).

[77] “ნეტგაზეთი | იყო სიგნალები TV პირველის შინაარსის შესაცვლელად – ნინო ჟიჟილაშვილი”, (Netgazeta | There were hints to replace TV first editorial policy - Nino Zhizhilashvili), Netgazeti, accessed 15 November 2018, <http://netgazeti.ge/news/253378/>

to interventions from foreign embassies in Georgia and various international organizations.[78] However, a journalistic investigation from Netgazeti.ge revealed that that the Government buried the hatchet only after a deal was reached between the Tsereteli family and some of their business partners.[79] Government officials were part of the “solution,” journalists wrote. Government officials such as the former First Deputy Prime Minister and Minister of Economy Dimitry Kumsishvili and the former Education Minister Aleksandre Jejelava were reportedly involved in the deals, according to Ninia Kakabadze, a media activist who sits on the GPB board of trustees.[80] In August 2019, Avtandil Tsereteli, father of TV Pirveli’s owner Vato Tsereteli, was found guilty for assisting the owners of TBC bank, a major corporate bank in Georgia, in laundering money. After initially refusing to pay a GEL 50,000 (€14,500) in bail following a court ruling, Tsereteli family eventually complied with it.[81] By the end of 2019, the Georgian ministry of finance notified TV Pirveli about the seizure of the broadcaster’s capital and fiscal assets.[82]

### Formula TV

Formula TV was also founded after the Rustavi 2 ownership was granted back to Kibar Khalvashi. A group of Rustavi 2’s staff launched Formula in October 2019.[83] The station positions itself as an outspokenly anti-government broadcaster.[84] David Kezerashvili, defense minister of Georgia during the UNM government, owns a majority (51%) of Formula’s shares. Former managing partners of Formula Creative, a group that worked for Rustavi 2, own the remainder of the shares as follows: Mikheil Mshvildadze (12.5%), Irakli Saghindaze (12.5%), Zurab Gumbaridze (12.5%) and Giorgi Liponava (12.5%). The day after Formula started broadcasting, the director and shareholder of Formula, who used to serve as a financial manager for Rustavi 2, was questioned after the station’s launch by the prosecutor’s office in relation with a case against Nika Gvaramia, owner of Mtavari TV.[85] Georgian NGOs saw in that an attempt to intimidate the newly launched outlet.

### Obiektivi

The broadcasting license of Obiektivi is held by the non-profit entity Media Union Obiektivi, represented by Mr. Irakli Tsilikashvili (head of the board), Mr. Zurab Gogishvili, Mr. Soso Zaalashvili and Mr. Mamuka Gobechia. The channel is operated by a for-profit entity, LTD Media House Obiektivi, co-owned by MP Irma Inashvili, Dimitri Volkovich, Zurab Gogishvili, Tsilikishvili, Bondo Mdzinarashvili and Tea Nadiradze.[86] In spite of its lower ratings, the channel plays a major role in mobilizing voters for the political party Alliance of Patriots of Georgia.

[78] “Georgian PM Says Media ‘Untouchable’ after TV Stations Accuse Government of Pressure”, OC Media, 21 February 2018, available online at <http://oc-media.org/georgian-pm-says-media-untouchable-after-tv-stations-accuse-government-of-pressure/>

[79] “ნეტგაზეტი | \$4 მილიონი და ტელეკომპანია პირველის ‘მოგვარებული პრობლემა’”, (Netgazeta | U\$ 4 million and TV company Pirveli’s ‘solved problem’), Netgazeti, accessed 15 November 2018, available online at <http://netgazeti.ge/news/254384/>

[80] “Georgian PM Says Media ‘Untouchable’”, cit.

[81] Ana Dumbadze, “Businessman Avtandil Tsereteli Pays 50 000 GEL Bail,” Georgia Today, 10 September 2019, available online at <http://georgiatoday.ge/news/17241/Businessman-Avtandil-Tsereteli-Pays-50-000-GEL-Bail--> (accessed on 7 March 2020).

[82] “Georgian Government to Seize Overdue Taxes from TV Companies Kavkasia, Pirveli, and Rustavi 2,” OC-Media, 26 December 2019, available online at <https://oc-media.org/georgian-government-to-seize-overdue-taxes-from-tv-companies-kavkasia-pirveli-and-rustavi-2/> (accessed on 7 March 2020).

[83] “Formula TV to start broadcasting in October,” Interpressnews.ge, 13 August 2019, available online at <https://www.interpressnews.ge/en/article/103435-formula-tv-to-start-broadcasting-in-october/> (accessed on 7 March 2020).

[84] “New Georgian Opposition TV channel announced - ‘Formula’ to launch in October,” JAMnews, 14 August 2019, available online at: <https://jam-news.net/new-georgian-opposition-tv-channel-announced-formula-to-launch-in-october/> (accessed on 7 March 2020).

[85] Ana Dumbadze, “Director General of ‘Formula’ Questioned by Prosecutor’s Office,” Georgia Today, 2 October 2019, available online at <http://georgiatoday.ge/news/17561/Director-general-of-Formula-TV-Questioned-by-Prosecutor> (accessed on 7 March 2020).

[86] LTD Media-SakhliObiektivi, ID: 204436173; LTD Vakko, ID: 404949008.

## Civil Society

In spite of improvements in media literacy and the rise of a new generation of media professionals in high managerial positions, the media industry has not changed much in recent years. Civil society organizations are said to exert a positive influence in helping media become more sustainable and in raising journalism standards. They actively contribute to media policy and journalism debates. Fact-checking organizations often catch out government officials and politicians. However, strong incentives for building independent media are lacking. A few initiatives aimed at building from scratch media outlets, not linked in any way with the country's large business groups, came a cropper.

The Georgian Charter of Journalistic Ethics, an independent self-regulatory body created in 2009 by 137 journalists from various media outlets, serves as a union of journalists aimed at raising the social responsibility of media through protection of professional and ethical standards and development of self-regulation mechanisms. The organization is governed by a council, which assesses complaints from the public against journalists, deciding whether or not any of the Charter's 11 ethical principles were violated. The Georgian Charter of Journalistic Ethics is a member of the Alliance of Independent Press Councils of Europe (AIPCE). The Charter runs MediaChecker, a reporting initiative focused on checking accuracy in the media.[87] Another organization with influence in media development is Media Development Foundation (MDF), an NGO active in tracking the effects and links between Georgian media and Russian propaganda channels as well as in researching hate speech and discrimination in the media. (*See External Influencers in this chapter*).

Other NGOs with influence in media development and policy include:

- Transparency International–Georgia is the local chapter of the eponymous international anti-corruption NGO. Its media-related projects are focused on investigating irregularities in the media market such as illegal cross-ownership cases, non-transparent advertising practices, and monitoring how GPB fulfills its public service mission;
- Institute for Development of Freedom of Information (IDFI) is an NGO that has been working on issues such as access to information and internet regulation;
- Georgian Young Lawyers' Association (GYLA) is one of the oldest and most respected civil society organizations in Georgia. They work on promoting human rights and the rule of law through increased public legal awareness and contributions to legislation. For years, GYLA has been operating the Media Legal Defense Center, an entity focused on the legal aspects of media freedom and media competition. Currently the center runs a project aimed at improving the state of the media environment in Georgia. The current head of the organization, Sul Khan Saladze served as Board Member of the GPB in 2016-2018, being considered an outspoken expert on media policy-related topics.
- Finally, another organization that contributes to improvement of media practices is GRASS (with its project Fact-check Georgia), a web-based project that hosts political debates. Fact-check Georgia is a member of international fact-checking organizations. Most of its content consists of rebuttals to what it considers inaccurate, misleading or false claims made by politicians. It also exposes misleading claims from various regional leaders and party leaders. During its five-year history, Fact-check Georgia has become a primary source for information based on monitoring of politicians that has helped civil society groups to bring government to account.

[87] See more at <https://www.mediachecker.ge/> (accessed 15 January 2019).

## People working in the civil society sector with influence in the Georgian media<sup>[88]</sup>

**Tamar Kintsurashvili**, the head of the Media Development Foundation (MDF), was General Director of Georgian Public Broadcaster (GPB) in 2005-2008 and also worked as a correspondent and editor for several news media. Before moving to the NGO sector, she was also a member of the Georgian Government Commission monitoring the election process in 2012. She is often criticized for being associated with the UNM political party. Recently, she actively supported Rustavi 2 in their clashes over ownership. (*See Industry and Political Players in this chapter*)

**Nika Gvaramia** is a Georgian lawyer and former politician who currently works as a media reporter, CEO and owner of one of the most popular pro-UNM (opposition) private television channels in Georgia, Mtavari TV. Before government changes in 2012, he served as First Deputy Prosecutor General of Georgia, Minister of Justice and Minister of Education and Science in the UNM government. Gvaramia is close to the UNM and its top leadership.

**Mamuka Andguladze**, the media program manager at the Transparency International Georgia, has a solid background in media law and years of international experience working on human rights and media law. Andguladze is described by local experts as a well-educated professional in the field of media law who plays an important role in decision-making at a local unofficial alliance of NGOs that work on media topics. For several years Andguladze worked for the Council of Europe (CoE) on projects covering media freedom and internet governance. He also works in academia lecturing on various topics related with freedom of the media.

**Giorgi Kldiashvili** is the founding member and director of Georgia's Institute for Development of Freedom of Information (IDFI) and one of two new civil society Steering Committee members of Open Government Partnership, a global initiative set up to promote open government and fight corruption, among other things. His contributions to media were related to access to information, anticorruption policy and internet regulations.

A small group of international actors, through their local branches, make a significant contribution to media policy and development. Programs funded by IREX and the U.S. Embassy in Tbilisi provide strong support to media freedom and media advancement in the country. Without such support, many progressive media outlets would not be in business today. IREX supports projects in Georgia aimed at improving media literacy and raising media awareness and provides technical and strategic advice to media organizations and media professionals, facilitating partnerships between media outlets in Georgia and the United States, and helping modernize public libraries. The U.S. Embassy through its media programs supports the professional development of media educators and media sustainability both in Tbilisi and in the regions. A media literacy pilot program of the Embassy, with a budget of US\$ 300,000, is aimed at establishing cooperation between Georgian and U.S. schools of journalism.

The Open Society Georgia Foundation (OSGF) through its open journalism program aims to make quality journalism more accessible to citizens and to promote a more public interest-driven media, free of political influence. OSGF has spent over the course of two decades more than US\$6m on 310 different media projects in Georgia. (See a more detailed account on philanthropy spending in the media in *Funding Journalism in Media Influence Matrix: Georgia*.) In the 2017-2020 strategic period, OSGF is focused, among other things, on improving management practices in independent media and their capacity to become financially sustainable. One of the distinctive and trendsetting objectives of OSGF is supporting journalistic projects in ethnic communities.

[88] The goal of this section is to identify some of the key people in the Georgian civil society who have been most active in advocating for improved media standards and policies. Some have done so in spite of political affiliations or affinities.

## External Influencers

In 2014, the European Union and Georgia signed an ambitious Association Agreement (AA), which includes provisions on a Deep and Comprehensive Free Trade Area (DCFTA). The agreement took full effect in July 2016. All the provisions of the agreement have been successfully implemented, which helped Georgia in its efforts of political and economic integration with the EU. Part of the provisions was a chapter on cooperation in the audio-visual and media fields.

Based on the agreement, the media regulator GNCC adopted eight EU-inspired regulations. Two of those were aimed at improving competition in the postal services sector, other two regulations covered data protection and data exchange and one was related to audio-visual media services. A few other regulations were related to technology. The most controversial regulations introduced as part of this package were related to advertising limits. Although these provisions were copied from EU law, namely the Audio-visual Media Services Directive (AVMSD)[89], they stirred controversy in Georgia. *(See more in Impact of Regulators on News Media and Journalism in this chapter)*

On the flip side, a significant source of negative foreign influence in the Georgian media is Russian propaganda. In its attempt to restore its influence in the former Soviet republics, Russia is using all available means, including hard and soft power. According to a 2017 report from MDF, anti-western narratives promoted

by Russia are increasingly present in the Georgian regional media. TV Obiektivi leads these efforts with its overtly anti-NATO, anti-U.S. content. Other local media that promote such narratives include the local newspapers *Asaval-Dasavali*, *Kviris Kronika* and *Alia*, as well as the online portals Sakinform, Georgia and the World (Msophlio), Pirveli and Reporter. *(See a more detailed analysis of the Russian influence in Georgian media in Funding Journalism chapter in Media Influence Matrix: Georgia)*

According to the MDF report, there are three categories of messages promoted by Russians in the Georgian media: the first concerns values and human rights; the second, interpretation of political developments; and the third is related to institutions, particularly international organizations and NGOs.[90]

High competition among online news media prompts many of them to dig for shocking, sensationalist, exclusive stories. Some of them turn out to be translations from dubious Russian sources. Although this seems to be a non-harmful practice, all these stories together lead to significant changes in the overall narrative, creating growing demand for conspiracy-based stories. Academics have not devoted much attention to this issue, but media experts interviewed for this report expressed serious concerns about the growing dominance of the Russian narrative in the overall international news coverage carried out by the Georgian online media.

[89] “Directive 2010/13/EU of the European Parliament and of the Council (Audiovisual Media Services Directive)”, 2010, available online at <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010L0013&from=EN>

[90] “Anti-Western Propaganda”, 2017, available online at <http://mdfgeorgia.ge/uploads/library/89/file/eng/AntiWest-2017-ENG.pdf>

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# **Funding Journalism**

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# SOURCES OF FUNDING

## Shifts in Journalism Funding

The largest funders in the Georgian media are the government (through the state budget) and the banking sector with their associated companies (through advertising spending).

In 2018, public broadcasters received the largest portion of public money, over GEL 60m, which is worth nearly 75% of the entire television ad market. The amount of annual funding that public media get from the state budget is regulated by legislation: the broadcasting law says that this subsidy should be equal to at least 0.14% of the country's Gross Domestic Product (GDP).[1] The two broadcasters that receive state funding are GPB and Adjara TV.[2] Two other key sources of public investment in the media are political advertising and government spending on buying press services.

Although news is a product in high demand, the news media is hardly a lucrative business in Georgia. The advertising market has declined in recent years. In 2018, the television ad spending declined to GEL 56m (US\$ 22m) from GEL 68m (US\$ 27.2m) in the previous year. Between 2016 and 2018, six of the ten largest television companies on the market incurred losses.

Of all media though, the print media sector has experienced the most dramatic decline in advertising revenues and paid circulation in recent years. One of the most popular newspapers, *Liberali*, a non-tabloid publication, cancelled its print edition and moved online in 2017. *Tabula* magazine and *Batumelebi*

newspaper followed suit. Other print media are considering moving to the internet as their print circulations have been steadily declining.

Even though print media are increasingly looking to the internet as a solution to their crisis, no major developments in building sustainable income strategies for media (online subscriptions or paywalls) have been noted to date.[3]

It's not only newspapers that are struggling to monetize on their digital products. News portals that started online and have only an internet presence are also under the cosh. Journalists and editors say that it is difficult to change media consumption habits in Georgia. One of them said that the small size of the market prevents successful introduction of subscription-based models. "It is not reasonable," an editor interviewed for this report said. Slow growth of internet usage doesn't help either. In spite of the rise in the number of internet users in the recent years, only 60% of the total population uses the internet.[4]

Overall, no media outlet is profitable in Georgia. They need more income than what they generate through commercials (or government funding) to cover their expenses. That's where donations from grant-making organizations or businesses kick in. However, that is not sufficient. Lack of sustainable financing model makes media outlets vulnerable.

[1] Law of Georgia on broadcasting available online at <https://matsne.gov.ge/en/document/download/32866/39/en/pdf> (accessed on 22 May 2019).

[2] Georgia's former state television was transformed into a public service broadcaster in 2004 following the adoption of the Broadcasting Law. The government has no role in determining the budget target/funding level of public broadcasters. Any natural person having a taxable income in Georgia shall pay the public broadcasting fee.

[3] The newspaper Resonance used to offer access to its archived news only to its paying subscribers online.

[4] See "Georgia" in Freedom House, available online at <https://freedomhouse.org/report/freedom-net/2018/georgia> (accessed on 17 May 2019).

## The power factor

### Who owns and influences the broadcast media in Georgia

| Direct & indirect influence  | Operator                     | Prominent news media assets         | Radio              | Annual income 2017 (GEL) | Annual income 2018 (GEL)         |
|--|------------------------------|-------------------------------------|--------------------|--------------------------|----------------------------------|
| Government   | Public broadcaster           | Channel 1<br>Channel 2              | Radio 1<br>Radio 2 | 42,323,930               | 48,494,934                       |
| Kibar Khalvashi - links with Georgian Dream – Democratic Georgia political party | Rustavi 2                    | Rustavi 2<br>Channel 3<br>Channel 4 |                    | 32,267,166               | 32,257,917                       |
| Patarakatsishvili family   | Imedi group                  | Imedi TV<br>GDS TV<br>Maestro       | Radio Imedi        | 26,857,719               | 28,578,674<br>771,459<br>439,030 |
| Tsereteli family   | TV Pirveli                   | TV Pirveli                          |                    | 2,517,940                | 3,354,509                        |
| Government   | Public broadcaster Adjara TV | Public broadcaster Adjara TV        | Radio Adjara       | 6,773,617                | 7,628,513                        |
| Political party <i>Alliance of Patriots of Georgia</i>                           | Media Union Obiektivi        | Obiektivi TV                        |                    | 1,469,125                | 1,925,974                        |

Source: CMDS research

## Popular News Media

### Consumer Trends

News consumption in Georgia is relatively high compared to other European countries. A total of four out of the 10 most popular television programs in Georgia are newscasts or talkshows aired in primetime, according to the latest data for April 2019.[5] (*See Influential News Media chapter in this report*)

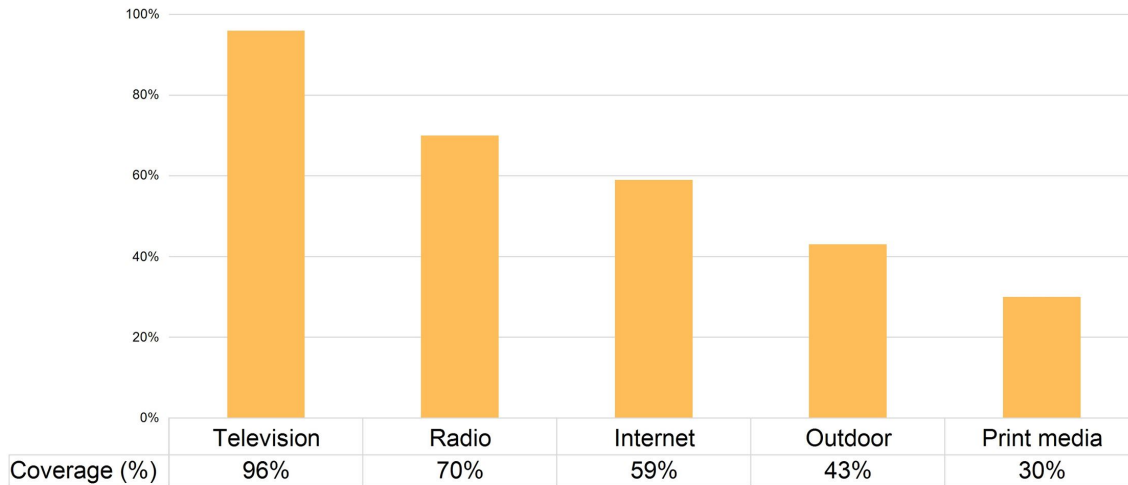
The most popular source of news and information among Georgians is television. Nearly every household in the country owns a television set; television coverage reaching some 96%. Moreover, government-supported projects aimed at equipping households in need with technology used to capture digital television signal helped television defend its dominant position. For example, during the digital switchover in 2015 (when broadcasters gradually moved from analog to digital broadcasting), the Government subsidized set-top/decoder boxes for households under the poverty line, offering them also free guidance about the use of the new technologies.[6] Without a set-top box and knowledge about how to use it, many households could have lost access to television entirely.

[5] TVMR, "Nielsen Television Audience Measurement's Official License," available online at [http://www.tvmr.ge/#!en/tam\\_results/2:-:107/April%202019](http://www.tvmr.ge/#!en/tam_results/2:-:107/April%202019) (accessed on 24 May 2019).

[6] To be able to watch television after Georgia's broadcasters switched to digital signal, households had two options: to either buy a new digital television set (which is quite expensive for the average or poor households in Georgia) or to buy a much cheaper set-top box, which is a device that decodes the digital signal into an analogue one, allowing households to watch television still on their old television sets.

## Media outreach

*Media distribution/coverage (% of total population), Georgia, Jan-May 2018*

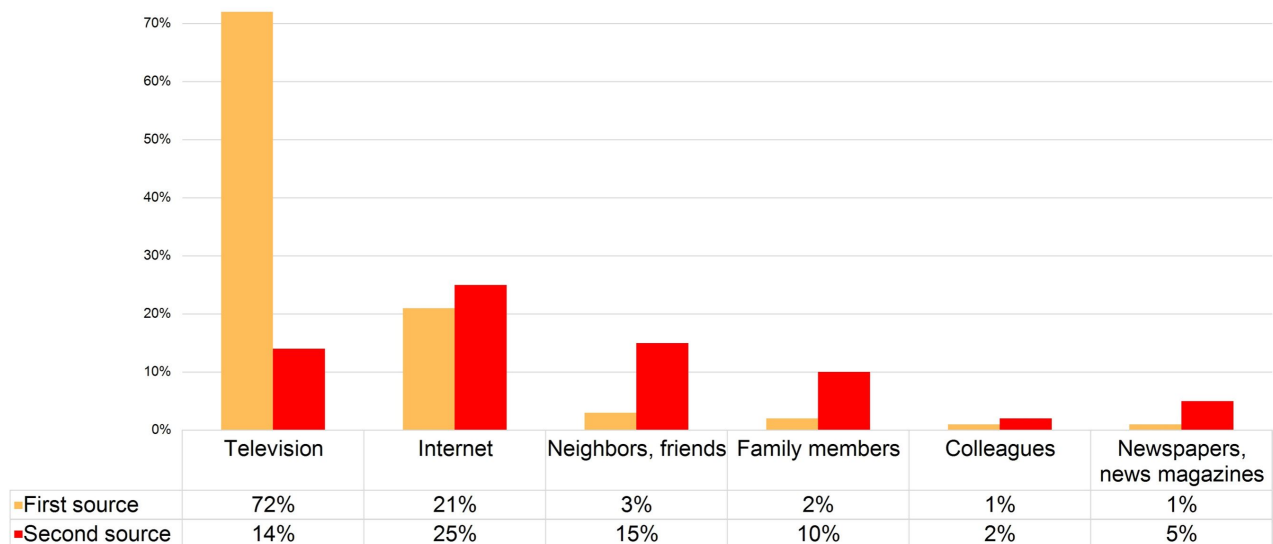


Source: ZenithOptimedia, 2018

In 2019, some 72% of the Georgian population was getting information primarily from television, which is a decline from 87% in 2015, but yet a healthy share, demonstrating that the average Georgian watches news on a regular basis and possesses certain knowledge about current affairs.

## Getting informed

*Key sources of news in Georgia, 2019*



Source: NDI

*Note: The question asked in the survey was the following: “What are your main sources of information for receiving news about Georgian politics and current events (first and second main sources)?”*

The internet is becoming increasingly popular in Georgia, particularly among the young generations (those aged 14 to 29). Some 18% of the overall population gets news primarily from the internet. Nearly half of the Georgian youth follow political news online, an interest likely triggered by the rising number of web-based news agencies as well as the expansion of traditional media online, according to data from Friedrich Ebert Foundation (FES), a German political foundation.[7]

The increasing popularity of the online news media has been driven, among other things, by the rising internet penetration. Since 2010, the number of fixed internet users has increased by half a million, and the number of mobile internet users by two million, which is significant in a country of 3.5 million.[8] However, internet penetration is still low and mostly concentrated in the capital city of Tbilisi and other large cities. Meanwhile, the number of citizens who use internet on a daily basis reached 54% in 2018, according to data from the Caucasus Barometer[9]; nevertheless, almost a third of the Georgians never or rarely used the internet.

The country is faced with a few major barriers to improved access to internet. One of them is poor infrastructure at regional and municipal levels. Lack of infrastructure is a major problem especially for people living in rural areas located in less accessible, mountainous areas. Lack of digital skills coupled with low levels of affordability are also barriers to improved connectivity especially for older people. Some 68% of the population aged 55+ never use the internet, according to NDI. Nevertheless, in spite of all these barriers, the number of people for whom the internet is the primary source of information has considerably increased from 4% in 2013 to 18% in 2018, according to NDI.[10]

But in spite of Georgians' interest in television and the internet, neither television stations nor online portals are highly trusted by their consumers. The polarized media environment prompts people to choose broadcasters or online media based on their political preferences. This trend is more visible in the coverage of television channels where affiliation with political parties is more obvious than in the coverage of internet media.[11] For example, more than two-thirds of Georgians believe that Georgian television channels often spread disinformation.

[7] Friedrich Ebert Foundation (FES) (2016), *Generation in Transition: Youth Study Georgia 2016*, available online at <http://www.fes-caucasus.org/news-list/e/generation-in-transition-youth-study-2016-georgia/> (accessed on 20 June 2019).

[8] “მობილური ინტერნეტის მომხმარებლების რაოდენობა 2 მილიონით, ფიქსირებულის კი ნახევარი მილიონით გაიზარდა” (The number of mobile Internet users increased by 2 million, and the fixed-line has increased by half a million), BPN, 14 April 2018, available online at <https://www.bpn.ge/article/44467-mobiluri-internetis-momxmareblebis-raodenoba-2-milionit-piksirebulis-ki-naxevari-milionit-gaizarda/> (accessed on 16 April 2019).

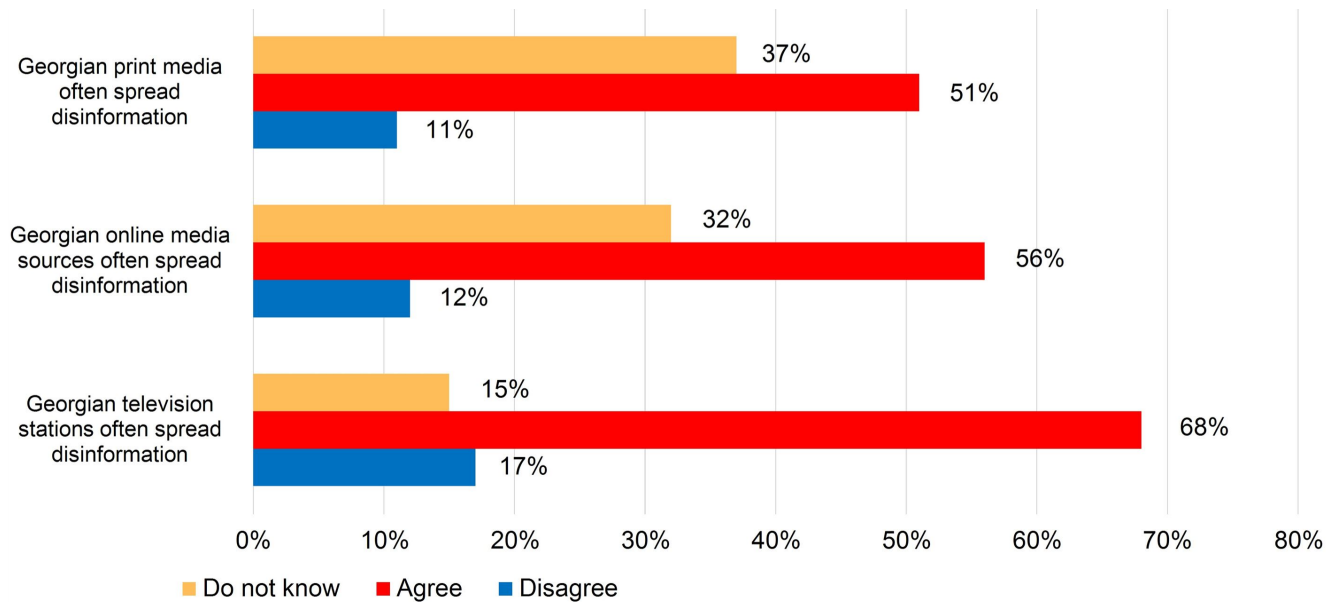
[9] NDI Georgia. Library of NDI Georgia Public Opinion Research, available online at <https://www.ndi.org/georgia-polls> (accessed on 24 May 2019).

[10] NDI Georgia. Library of NDI Georgia Public Opinion Research, *cit.*

[11] “Media Monitoring of the 2018 Presidential Elections in Georgia,” UNDP, 13 December 2018, available online at [http://www.ge.undp.org/content/georgia/en/home/library/democratic\\_governance/media\\_monitoring\\_2016-2018.html](http://www.ge.undp.org/content/georgia/en/home/library/democratic_governance/media_monitoring_2016-2018.html) (accessed on 29 April 2019).

## Trust building in Georgia

### *Main source of political news and current events in Georgia*



Source: NDI

Data on radio ratings have been lacking since 2017 mostly because foreign donors stopped funding such projects after 2015 and because radio broadcasters are not willing to share what they consider to be market-sensitive information.

In line with global trends, print media have experienced the most extreme decline in audiences and revenue on the Georgian media market. But unlike other countries where the newspaper industry has been employing a variety of strategies to diversify their income streams, including more intense digital marketing and testing new distribution strategies aimed at revenue generation, the Georgian print media haven't taken full advantage of the opportunities brought about by digital technologies for several reasons, including fear to lose readers, a poor level of technological development and low tech literacy levels. Moreover, in spite of many examples elsewhere, the Georgian print media do not show any intention to fully switch to the internet in the near future. (*See Print Media Funding chapter in this report*)

## Key Players

### Television

At first glance, the Georgian media landscape is fairly diverse, with a total of 98 television channels in operation. However, two television groups dominate the television market. Together, they command nearly two-thirds of the Georgian audience. They are Rustavi 2 Media Holding (which runs Rustavi 2, the most popular channel in the country, Komedi TV, now Channel 3, and Marao, now Channel 4) and Imedi Media Holding (which also runs three television channels: Imedi TV and GDS, the second and third most popular television channels, respectively, and Maestro TV)



As of July 2019 Kibar Khalvashi, a businessmen, allegedly having close ties with Georgian Dream political party, became the official owner of Rustavi 2 television channel following a decision of the European Court of Human Rights (ECHR) according to which there was no violation of the principle of fair trial over the ownership battle of Rustavi 2. On the same day, Khalvashi applied to the National Public Registry of Georgia (NAPR) and registered himself as owner of the channel. [12] According to the registry data, 60% of the shares in the station are registered under his name. He owns the remaining 40% through Panorama, a limited liability company. [13] Before Khalvashi took over the channel, majority of the shares of the Rustavi 2 media group were owned by the Karamanishvili brothers, businessmen allegedly close to the former President Mikheil Saakashvili.

Imedi Media Holding is owned by the family of Badri Patarkatsishvili, a controversial Georgian businessman who aspired to become President of the country, but died suddenly in 2008 in London. *(See more about the companies with the highest influence in Georgia's media and politics in Government, Politics and Regulation: Georgia, Media Influence Matrix project.)*

The two most viewed television channels in Georgia, Rustavi 2 and TV Imedi are by far the largest television players, with an audience share of over 50% combined. Other television channels are simply unable to compete with such big players because of the high costs related to the operation of a television broadcasting enterprise as well as the high politicization of the television space that forces television operators to engage in political contests.

Nevertheless, this highly concentrated market structure has created demand for smaller, niche media outlets. TV Pirveli is such an outlet. The channel was launched in 2015 as a sports channel, but it soon received a broadcast license that allowed them to also air news content. Today, TV Pirveli is the fifth most popular channel and the third most popular news reporting outlet in the country. According to local journalists, as an increasing number of people require less “polarized” news, by focusing on “impartial” and “well balanced” news production, TV Pirveli has bolstered its popularity. Most of its daily programs are political talk shows and business news reports.

Georgian Public Broadcaster (GPB) is the biggest recipient of public funds among all media in Georgia. The broadcaster runs two television channels (Channel 1 and Channel 2) and two radio stations (Radio Pirveli Channel and Radio Two-Channel Music). Some 85% of the Georgian population has access to Channel 1 and 55% to Channel 2. Georgian TV's programs are also available via satellite and over the internet in Europe and Asia.

[12]Kibar Khalvashi Registered as Rustavi 2 TV Owner, accessed at <https://civil.ge/archives/313702>

[13] Ibid

## Key television players

*The largest television channels by 2019 audience share, 2014-2019*

|                       | 2014 | 2015 | 2016 | 2017 | 2018 | 2019* |
|-----------------------|------|------|------|------|------|-------|
| <b>Rustavi 2</b>      | 27.3 | 29.8 | 29.2 | 24.7 | 28.3 | 27.8  |
| <b>Imedi</b>          | 17.4 | 20.3 | 22.5 | 27.9 | 26.5 | 26.6  |
| <b>GDS</b>            | 1.8  | 1.7  | 4.7  | 6.5  | 6.63 | 6.4   |
| <b>TV Pirveli</b>     | n/a  | n/a  | 0.8  | 1.4  | 3    | 4.1   |
| <b>Channel 1</b>      | 3.9  | 5.1  | 2.1  | 3.2  | 3.1  | 3.9   |
| <b>Marao</b>          | n/a  | 0.6  | 1.9  | 2    | 1.6  | 2.1   |
| <b>Mesame</b>         | 6.9  | 6.1  | 5.1  | 4.2  | 3.5  | 1.5   |
| <b>Maestro</b>        | 12.9 | 6    | 5.4  | 2.2  | 1.5  | 1.4   |
| <b>Silk Universal</b> | n/a  | n/a  | n/a  | n/a  | n/a  | 1.3   |
| <b>Kavkasiya</b>      | 1.1  | 1.1  | 0.5  | 0.7  | 0.9  | 1.1   |
| <b>Ajara</b>          | n/a  | n/a  | n/a  | 1.5  | 1.1  | 0.9   |
| <b>Music Box</b>      | 0.5  | 0.3  | 0.4  | 0.3  | 0.4  | 0.7   |

\*data for the second week of May  
Source: TVMR Georgia, 2019

## Online News Market

Online news media are slowly gaining foothold in Georgia. According to ZenithOptimedia, an advertising agency, the online media in Georgia already reaches some 60% of the Georgian population. The digital business is growing, prompting television channels, radio stations and newspapers to extend their coverage to the internet.

The Georgian internet market is dominated by foreign, non-media players, according to data from Alexa, an analytics company. The most popular websites in Georgia are the social network Facebook, the video-sharing website YouTube, the search engine Google (all American owned), the Georgian entertainment portal Adjara.com, and the Russian technology platforms Yandex.ru and Ok.ru. Ambebi.ge is the sole local media portal among the top 25 most popular websites in Georgia.



## The traffic leaders

### *Most popular websites in Georgia, 2019*

| Website      | Daily time on site | Daily pageviews per visitor | % of traffic from search | Total sites linking in |
|--------------|--------------------|-----------------------------|--------------------------|------------------------|
| Youtube      | 8:53               | 5.09                        | 11.40%                   | 1,943,921              |
| Google.com   | 8:13               | 10.68                       | 0.70%                    | 2,481,963              |
| Facebook.com | 9:30               | 3.94                        | 7.60%                    | 5,073,778              |
| Adjara.com   | 3:04               | 2.31                        | 17.70%                   | 3,883                  |
| Google.ge    | 3:52               | 4.65                        | 4.60%                    | 1,442                  |
| Yandex.ru    | 6:37               | 3.32                        | 0.50%                    | 239,933                |
| Ok.ru        | 4:45               | 2.22                        | 2.40%                    | 42,254                 |
| Myauto.ge    | 22:40              | 13.80                       | 10.70%                   | 108                    |

Source: Alexa

The five most visited media portals in Georgia are two news portals, Ambebi.ge and On.ge, two video streaming websites (Intermedia.ge and Palitravideo.ge) and the website of the television station Rustavi 2.

Ambebi.ge and Palitravideo are owned by the Kviris Palitra holding. Ambebi.ge is a news portal covering a variety of topics, including politics, social issues, medical topics and sport news. Palitravideo specializes in airing news videos.

Co-owned by OMedia group and Proesco Production, On.ge publishes mostly hard news and analysis, heavily using multimedia tools to make its content more attractive.[14] Finally, Intermedia.ge is fully based on user-generated content on various topics. The company pays its users for the content they produce. Intermedia.ge is owned by Palitra Holding.

## Online news offering

### *Top news portals in Georgia, 2019*

| Ranking | Website         | Daily time on site | % traffic from search | Total sites linking in |
|---------|-----------------|--------------------|-----------------------|------------------------|
| 25      | Ambebi.ge       | 5:31               | 14.30%                | 354                    |
| 36      | Intermedia.ge   | 4:48               | 25.205                | 225                    |
| 37      | Palitravideo.ge | 6:07               | 2.90%                 | 54                     |
| 41      | On.ge           | 11:06              | 19.60%                | 86                     |
| 44      | Rustavi2.ge     | 3:43               | 3.80%                 | 22,145                 |

Source: Alexa

[14] More about On.ge on the portal's website at <https://on.ge/about> (accessed on 24 May 2019).



Audience data about Georgia’s news websites differ from source to source. Ambebi.ge is considered to be the most visited news website with nearly 164,000 unique users in March 2018, according to Top.ge, a Georgian analytics company. It is followed by Intermedia.ge and Palitravideo.ge, Interpressnews.ge, Newposts.ge, Kviris Palitra, Rustavi2.ge, Primate.ge and On.ge.

According to TVMR, a market consultancy, Intermedia.ge is the leading news website, followed by a few newly emerged news portals such as Imedinews.ge and Itar.ge. However, most sources indicate that Ambebi.ge is the most popular news portal in the country. In a 2017 poll, it was mentioned as the favorite news source online followed by News.ge, Interpressnews.ge, Presa.ge, Myvideo.ge and Newposts.ge.[15]

## Radio

Radio is the least popular medium in Georgia. But in spite of its low audience, radio operators succeeded in finding their niches in the market. At regional level, radio has become a more community-focused enterprise. The nationwide radio channels tend to provide more entertainment, designed to better reach typical radio audiences such as car owners. In 2015, a report from the Georgian broadcast regulator, the Georgian National

Communications Commission (GNCC), found that 58% of the people listened to radio for at least 15 minutes a day.[16] Some 82% of listeners reported that they listened to radio while driving, during morning or evening commutes. Only 16% of respondents listened to radio in the afternoon.[17] Traffic jams are thus much loved by radio channels as they greatly increase the number of their listeners, according to a radio channel manager.

According to data from GNCC for February 2019, there are 32 radio broadcasters in Georgia. The radio audience measurement system in the country has been scrapped in 2015 as foreign donors suspended their support for the initiative mostly as a result of the declining rentability of the radio business. As local radio operators can’t afford to pay for this measurement system, no audience data are available for the radio market in Georgia. Nevertheless, since 2013, radio operators have increasingly moved into mobile phones and internet. Some 20% of all radio listeners in Georgia tune in via mobile phones and 5% by internet.[18] Today, most of Georgia’s radio stations air programs both free-to-air and through their websites.

Most of daytime radio programs are generalist, but there are channels that focus on niche topics (such as sports, business and health) and on community-targeted content. For example, the radio channel Iveria is fully focused on religious programming. Primetime programming on radio consists mostly of music and entertainment. Radio channels licensed to air generalist programming offer at least two newscasts a day.[19]



[15] “Survey of Public Opinion in Georgia, Feb 22-Mar 8, 2017” International Republican Institute (IRI), available online at [http://www.iri.org/sites/default/files/iri\\_poll\\_presentation\\_georgia\\_2017.03-general.pdf](http://www.iri.org/sites/default/files/iri_poll_presentation_georgia_2017.03-general.pdf) (accessed on 10 June 2019).

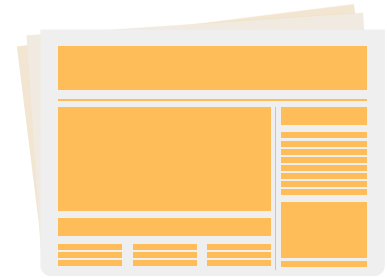
[16] GNCC, რადიო მაუწყებლობის მიმართ საზოგადოების დამოკიდებულებებისა და ინტერესების განსაზღვრა (Defining public attitudes and interests towards radio broadcasting), available online at <http://webcache.googleusercontent.com/search?q=cache:nL09oYXkvywj:www.gncc.ge/uploads/other/1/1743.doc+&cd=1&hl=en&ct=clnk&gl=uk> (accessed on 6 March 2019).

[17] GNCC, Defining public attitudes, cit.

[18] Misha Meparishvili, კვლევა: რადიოს მსმენელთა რაოდენობა გაიზარდა | ნეტგაზეთი (Research: Number of Radio Players Increased), Netgazeti, 6 February 2014, available online at <https://netgazeti.ge/life/29227/> (accessed on 21 June 2019).

[19] რადიო „ივერია“ – საპატრიარქოს რადიო მაუწყებლობა (Radio “Iveria”-Georgian Patriarchate’s Radio Broadcasting), available online at <http://radioiveria.ge/geo/> (accessed on 7 March 2019).

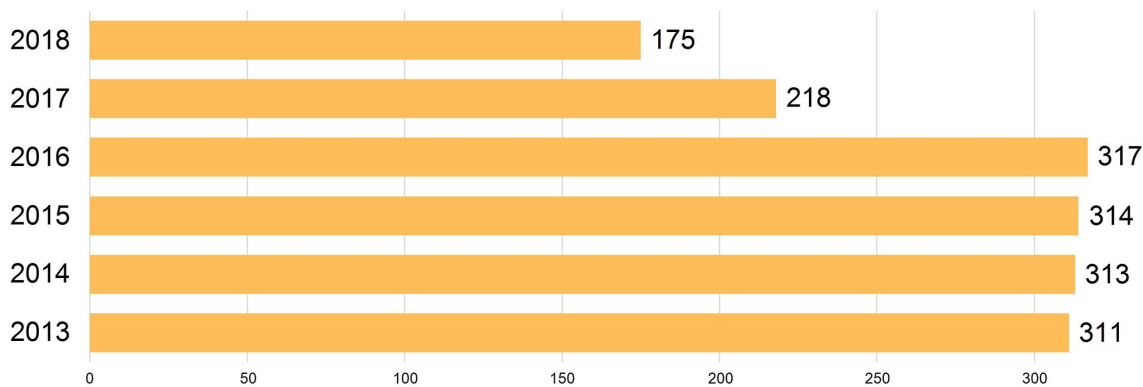
## Print Media



The Georgian print media market has been grappling with a massive decline in sales. Print newspapers are disappearing at a rapid pace. However, precise data about circulations and readership are lacking as there is no agency in charge with auditing print circulations. In 2016, according to the latest available data, the combined circulation of all (317) registered newspapers, including trade and commercial papers was 111,217 copies. Annually, a total of 60.4m newspapers and 27.4m magazines were printed in the country.[20] In 2017, the number of registered newspapers decreased to 218. Of those, 38 are dailies, weeklies and monthlies.

According to local media experts interviewed for this report (see Methodology in Media Influence Matrix: Georgia), Georgian newspapers, in an attempt to decrease production costs, circulate fewer copies than declared. Much of the newspapers' net growth is generated from cutting expenses related to printing and distribution.

### Print media in Georgia: Number of newspapers



Source: GeoSTAT

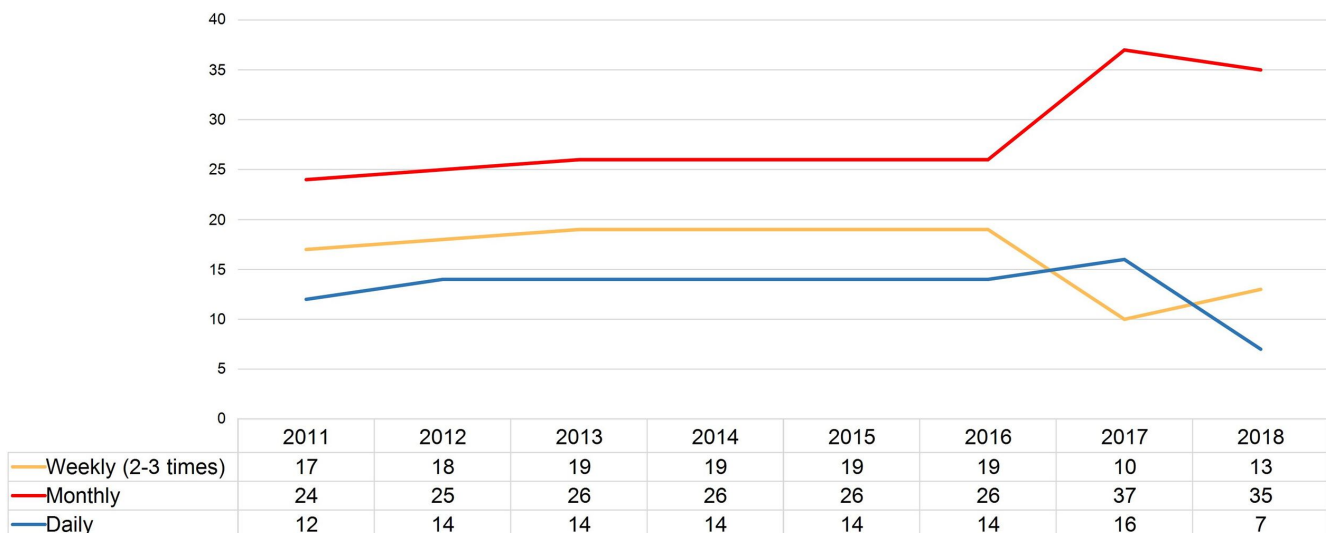
Like television, the daily newspaper market in Georgia is concentrated in the hands of a few players. The largest among the well-established publishers, by reach, is Palitra Holding, publisher of Kviris Palitra, Georgia's best-selling non-tabloid weekly. Its circulation is higher than the circulations of the next three largest daily newspapers combined. However, like many of its competitors, Kviris Palitra's sales have continuously dwindled since 2013. Today, Palitra's media wing runs three weekly newspapers, three weekly magazines, eight periodical magazines, more than 20 internet portals, radio and television, a news agency and a publishing house specialized in literature.

[20] Maia Mikashvidze, "Georgia-Media Landscape," European Journalism Centre (EJC). 2019, available online at <https://medialandscapes.org/country/pdf/georgia> (accessed on 26 February 2019)

## Palitra Media portfolio

- Interpress News (ipn.ge), a news agency and popular news website
- Radio Palitra
- Palitra TV, a cable television channel
- Newspapers: Kviris Palitra, Sitkva da Sakme, Kvela Siakhle, Lelo, and the English language Georgian Journal
- Magazines: Gza, Reitingi, Literaturuli Palitra, Ojakhis Mkurnali, Karibche, Arsenali, Karuseli, Dakali, Istoriani, Sabavshvo Karuseli, AutoBild, Gemrieli, Brotseuli
- Websites: Kvirispalitra.ge, Sportall.ge, Mkurnali.ge, Palitratv.ge, Ipn.ge, Interpressnews.ge, Georgianjournal.ge, Marao.ge, Saqme.ge, Photokonkurs.ge, Astrologi.ge
- Book stores: Biblusi, a chain of 26 book stores, nine of which are located in Tbilisi
- Publishing houses: Kolori and Lelo

## Newspapers circulation in Georgia, 2011-2018



Note: Non-periodic publications and local newspapers are not included in these numbers  
Source: GeoSTAT

## Funding Trends

The state budget plays a significant role in the Georgian media market. Thanks to public money, the public broadcaster is by far the best financed player in the country's media with a yearly budget of GEL 52.1m (€16.7m), the bulk of it coming from the state budget.

Experts and journalists interviewed for this report said that new technologies have not had any significant effect on media consumption patterns among Georgians mostly because technological development in the country has not yet reached the level where people would fully switch to the internet for news. Only a few Georgian media outlets have developed mobile applications in spite of a high (and growing) level of smartphone usage.

Such delayed technological adoption is explained by a few factors. First, media applications on mobile phones are not used much, which didn't convince publishers of the effectiveness of

mobile apps in the news business. Secondly, updating and maintaining apps are still costly for the Georgian media outlets, which have to outsource such work to third parties. Finally, creating an app doesn't mean that it will be popular and generate profits for media outlets. Add to that the major role of the social network Facebook in generating readership for news media outlets and one can explain the slow technological development in the country.

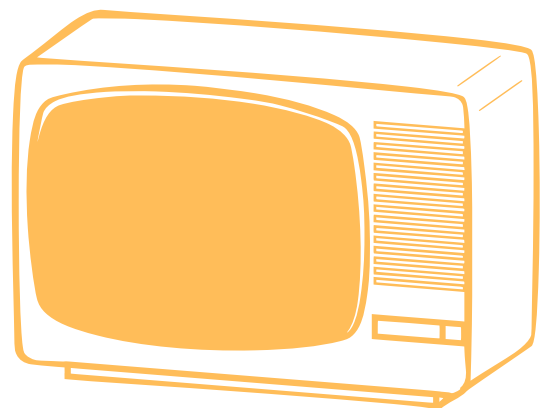
Although today there are 5.16m mobile phones[21] in use in Georgia, a country with a population of approximately 3.5 million, smartphone penetration still has massive potential to grow, which means that more experimentation with applications and technologies in the news industry is likely to happen in the following years.

The print media sector in Georgia, in particular, has been badly ravaged by technological disruption, losing audience and bleeding vast amounts of money. The reasons for this decline are manifold, according to journalists and experts interviewed for this report. First, advertising revenues, a key source of funding for print media, have been moving into the online space; on the other hand, revenues generated from online ads don't flow to the local media market, but go, in a large proportion, to American owned tech giants such as Google and Facebook. Economic hardship also contributed to the decline as people have been spending less on purchasing print publications. Finally, the print media market in Georgia is very weak and can hardly afford investments in technologies that would push their products to a level where they can charge for online content or successfully compete with tech giants on the ad market. Not many media companies, for example, would afford to hire IT specialists, designers or data visualization experts.

Experts expect the latest technological advances, including technologies powered by Artificial Intelligence (AI) and Virtual Reality (VR), or image-recognition software, to enable print media to take a leap to new forms of audience engagement that would help them better monetize their products.

## Television Funding

In Georgia, commercial television funds itself mostly through advertising. In the past years, the ad revenue spent on television has gone down. The overall income generated by television increased between 2013 and 2018 from GEL 74.9m (US\$ 45m) to some GEL 110.6m (US\$ 41.81m). However, because of the devaluation, in recent years, of the local currency (the *Lari*), the value of the revenues generated by television has plummeted.



The broadcast regulator, GNCC, in a 2017 report accused the advertising agencies of charging inflated service fees, making advertisers pay more money without bringing any benefits to media outlets.[22] Representatives of ad agencies rebuffed these allegations, claiming that the methodology used by the GNCC to analyze the advertising market was flawed.

[21] Although it is not known how many of those are smartphones, experts agree that sales of smartphones have been on the rise in Georgia in the past few years.

[22] "2012-2017 წლების სატელევიზიო სარეკლამო შემოსავლების ანალიზი" (2012-2017 TV Advertising Revenue Analysis), GNCC, available online at <http://gncc.ge/uploads/other/3/3001.pdf> (accessed on 10 November 2018).

Most of the financing in television continues to come from ad sales and personal donations. In 2018, television broadcasters pulled in revenues of GEL 55.79m (US\$ 21.09m) from advertising, which was US\$ 6m less than in the previous year.

### Television business

#### *Revenues of television operators in Georgia, 2013-2018*

| Year | Total income |        | Income from advertising |        |
|------|--------------|--------|-------------------------|--------|
|      | GEL m        | US\$ m | GEL m                   | US\$ m |
| 2013 | 74.9         | 45     | 66                      | 39.6   |
| 2014 | 94.6         | 53.3   | 84                      | 47.3   |
| 2015 | 86.1         | 37.9   | 72.6                    | 31.9   |
| 2016 | 96.9         | 40.9   | 81.4                    | 34.4   |
| 2017 | 97.5         | 38.6   | 68.4                    | 27.2   |
| 2018 | 110.6        | 41.8   | 55.8                    | 21.1   |

Source: GNCC

In 2018, the television advertising market was dominated by TV Rustavi 2 and TV Imedi, which together pulled in some 99% of the total television ad spend. Some GEL 30.4m in ad revenues were collected by Rustavi 2 and another GEL 26m by TV Imedi.

In 2018, the television ad market has grown on an annualized basis, in both Georgian and foreign currencies, for the first time after 2016. However, it is unclear whether this growth was driven by market-related factors or was a direct consequence of the increase in the available ad space triggered by legal provisions adopted in 2017 that gave the public broadcaster the right to carry more commercials than before.

#### Advertising revenues of prominent television broadcasters, in GEL million, 2015-2018

|      | GPB  | Rustavi 2 | Imedi | GDS  | Adjara TV | Iberia | TV Pirveli | Maestro | OBIEKTIVI | Total        |
|------|------|-----------|-------|------|-----------|--------|------------|---------|-----------|--------------|
| 2015 | 0    | 35.58     | 24.18 | 1.71 | 0         | 0.74   | 0.11       | 5.12    | 0.55      | <b>72.59</b> |
| 2016 | 0    | 41.08     | 26.25 | 2.03 | 0         | 1.87   | 1.29       | 5.49    | 1.04      | <b>87.38</b> |
| 2017 | 0    | 30.76     | 26.86 | 1.82 | 0         | 2.99   | 2.39       | 0.68    | 0.5       | <b>74.96</b> |
| 2018 | 2.88 | 30.39     | 26.03 | n/a  | 0.02      | 0      | 3.23       | 0.42    | 0.41      | <b>74.78</b> |

Source: GNCC

Ad spending increased sharply after September 2018, mainly as a result of the unusually high expenditure for political advertising in the run-up to the presidential elections. Throughout the year, the month of December is usually the most lucrative for television stations and August is the least profitable. That changed in 2018 when, because of the presidential elections that triggered a steep increase in political ad spend, television collected the highest amount of ad revenue from October on.

## The television advertising pie

*Advertising spend collected by television stations, in GEL, Sep-Dec 2018*

|                  | Sep 18           | Oct 18           | Nov 18           | Dec 18           |
|------------------|------------------|------------------|------------------|------------------|
| <b>Rustavi 2</b> | 2,366,409        | 3,541,476        | 3,421,840        | 2,939,600        |
| <b>TV Imedi</b>  | 1,740,844        | 2,701,032.19     | 2,383,656        | 2,996,795        |
| <b>Pirveli</b>   | 138,846          | 555,484.93       | 457,117          | 266,308          |
| <b>Iberia*</b>   | 343,966          | -                | -                | -                |
| <b>GPB</b>       | 140,238          | 27,514.51        | 155,440          | 27,122           |
| <b>Total</b>     | <b>4,730,304</b> | <b>6,825,507</b> | <b>6,418,054</b> | <b>6,229,826</b> |

\*after September 2018, Iberia was not in operation anymore  
Source: GNCC, 2019

In Q1 2019, television ad spending increased by 8% while advertising time went up by 25%, year on year. All nationwide broadcasters except for the public broadcaster GPB, whose ad income tumbled by 52% between Q1 2018 and Q1 2019, recorded growth in ad revenue in the first quarter of 2019.[23]

## Ad income generated by prominent television stations in Georgia, Q1 2017-Q1 2019

|                  | Q1 2017           |                  | Q1 2018          |                  | Q1 2019           |                  |
|------------------|-------------------|------------------|------------------|------------------|-------------------|------------------|
|                  | GEL               | US\$             | GEL              | US\$             | GEL               | US\$             |
| <b>Rustavi 2</b> | 6,036,818         | 2,489,409        | 4,215,064        | 1,737,239        | 5,373,360         | 2,003,938        |
| <b>Imedi</b>     | 3,837,169         | 1,582,337        | 4,120,003        | 1,698,060        | 4,268,790         | 1,592,000        |
| <b>GPB</b>       | 97,532            | 40,219           | 315,201          | 129,910          | 151,597           | 56,536           |
| <b>Pirveli</b>   | 337,497           | 139,174          | 449,554          | 185,283          | 618,963           | 230,836          |
| <b>Obiektivi</b> | 60,000            | 24,742           | 160,800          | 66,273           | 50,500            | 18,833           |
| <b>Palitra</b>   | 78,690            | 24,742           | 38,389           | 15,822           | 121,320           | 45,245           |
| <b>Total</b>     | <b>11,626,197</b> | <b>4,794,308</b> | <b>9,099,823</b> | <b>3,750,494</b> | <b>10,584,532</b> | <b>3,947,390</b> |

Source: GNCC

## Radio Funding

Like television, radio is also relying on ad revenue to operate. The Georgian radio advertising market has been gradually declining. It was worth US\$ 3.33m in 2018, a decline of over US\$ 1.6m compared to 2013. Because of the Georgian *Lari* devaluation during these years, the decline is not perceptible in local currency.

[23] “მაუწყებლების სარეკლამო შემოსავლები 8%-ით, კომერციული რეკლამისთვის დათმობილი დრო კი 25%-ით არის გაზრდილი” (Broadcasters advertising revenues increased by 8%, and the time allocated for commercial advertising by 25%), GNCC, available online at <http://gncc.ge/ge/news/press-releases/mauweblebis-sareklamo-shemosavlebi-8-it-kommerciuli-reklamistvis-datmobili-dro-ki-25-it-aris-gazrdili.page> (accessed on 24 May 2019).

## Radio business

### *Revenues of radio stations, 2013-2018*

|                      |        | 2013 | 2014 | 2015  | 2016  | 2017 | 2018 |
|----------------------|--------|------|------|-------|-------|------|------|
| Radio advertising    | GEL m  | 8.18 | 8.63 | 9.31  | 10.13 | 8.66 | 8.45 |
|                      | US\$ m | 4.93 | 4.9  | 4.1   | 4.27  | 3.46 | 3.33 |
| Radio income (total) | GEL m  | 9.37 | 9.73 | 13.24 | 12.58 | 11   | 9.95 |
|                      | US\$ m | 5.64 | 5.52 | 5.83  | 5.3   | 4.4  | 3.92 |

Note: calculated at the yearly average exchange rate of the National Bank of Georgia  
Source: GNCC

The radio ad market is overwhelmingly dominated by the Fortuna holding whose revenues in 2018 amounted to GEL 4.76m, which accounts for 74% of the total radio ad market. Fortuna runs four prominent radio channels: Fortuna, Ar daidardo, Fortuna+ and Autoradio. Radio Fortuna's share of the ad market has been gradually increasing. Given the gradual decline of the radio advertising market, media experts doubt that the Fortuna's increased in ad income was triggered by addition of new listeners. Some of them expressed concerns that such a big player, instead of investing in attracting new listeners, is rather taking advantage of its size to draw ad income from small enterprises by offering them discounted tariffs.

## Key players in the radio market

### *Revenues of major radio operators, 2017-2018*

|                 | 2017  |        | 2018  |        |
|-----------------|-------|--------|-------|--------|
|                 | GEL m | US\$ m | GEL m | US\$ m |
| Fortuna         | 4.69  | 1.87   | 4.76  | 1.87   |
| Radio Imedi     | 1.09  | 0.43   | 0.95  | 0.37   |
| Georgian Radio  | 0.43  | 0.17   | 0.45  | 0.18   |
| Abkhazetis Khma | 0.34  | 0.14   | 0.14  | 0.06   |

Source: GNCC

Being way less expensive than television commercials, radio advertising attracts more small and medium-size businesses. A radio operator manager in an interview for this report explained that radio channels offer companies access to specific groups of consumers at a relatively low cost. The rising demand for entertainment over news content has prompted several radio channels to invest more in their own recording studios. However, to be successful in the local music radio market, which is not a highly profitable business, substantial amounts of investment are needed. No radio channel has managed to date to deliver, thanks to increased focus on entertainment, the audience figures that local advertisers are increasingly seeking.

## Print Media Funding

Faced with a contracting market, print media have dramatically changed their editorial strategies in recent years, most newspapers gradually moving to a model centered on a relatively small, well-defined audience instead of the general public. However, such an audience fragmentation-based strategy didn't translate into higher income often because of economic fluctuations, as explained by an editor of a major Georgian newspaper interviewed for this report.

Palitra Holding, publisher of Kviris Palitra, Georgia's best-selling non-tabloid weekly, has adopted a business model focused on standardizing and centralizing its media assets and products under one umbrella. Besides media outlets, the company owns a printing house and a retail distribution network, which helps them keep the distribution and production costs under control. A director from the newspaper's sales department said in an interview for this report that the print media market is shrinking by an average of 6% every year, with a notable exception in 2015-2016 when it grew by roughly 15%. In spite of this decline, however, the print media operations are still viable, which is the main reason why Kviris Palitra doesn't plan to move completely to the internet in the near future.

Nevertheless, some publications started to focus more on their digital presence. One of the most popular newspapers in the country, Liberali stopped printing and moved online in 2017. It was followed by Tabula magazine and Batumelebi newspaper.

One of the Palitra Holding's audience strategies is to engage its customers to buy its products in packages. For example, it offers its clients discounted packages of goods that combine books and newspapers. This strategy is a response to the emergence of a middle class in Georgia for whom books are an increasingly affordable product. Although this strategy led to a massive increase in the sales of its print publications in 2013-2014, five years later, sales of both books and newspapers tumbled.

Kviris Palitra also tried to engage the less digitally savvy consumers through direct mail, offering them newspaper subscriptions. Eventually, this strategy hasn't generated sufficient income either.

### Kviris Palitra's customers

*Annual growth of readers of print copy and online portal*

|           | Kvirisitpalitra.ge<br>(online) | Kviris Palitra<br>(print) |
|-----------|--------------------------------|---------------------------|
| 2013-2014 | 18%                            | -10%                      |
| 2014-2015 | 21%                            | -8%                       |
| 2015-2016 | 32%                            | -12%                      |
| 2017-2018 | 19%                            | -14%                      |

Note: data is calculated on a year-on-year basis  
Source: CMDS, 2019

In spite of spurts in investments and some financial backing from donors, the Georgian weekly and monthly news market has shrunk in recent years, and some publications such as the political high-quality news magazines Tabula, Primetime and Liberali folded between 2014 and 2016.



Finally, the Georgian print media have been increasingly facing competition from social media. Unable to attract young readers, local news outlets are forced to invest in ads on social networks. But that investment doesn't see any returns, eventually leading to losses because social media don't directly generate any income for news media companies.

Online news portals say that they can't reach the number of visitors that would lead to profits simply because the online market is still limited in Georgia. On the other hand, media outlets have managed to find ways to increase their traffic by connecting various digital platforms. Such a strategy helps them attracting visitors who spend longer periods of time on their website or their partners' web pages. Although this practice makes users spend more time on a website, it doesn't necessarily increase the number of consumers. Ambebi.ge exemplifies this approach: it streams videos from Palitravideo, publishes news from Ipn news portal, sports news from the Lelo and Sportall.ge, and medical news from the website Mkunrali.ge as well as analysis and commentaries from other magazines, including Kviris Palitra. All of these media outlets are part of Palitra Holding's portfolio. By amassing their content into one space, the company is trying to build a cost-effective cooperation.

The main sources of income for online news media are advertising and donations. Most of the online media in Georgia introduced subscription models before 2015, but they were not successful mostly because few people can afford to spend on content. After 2015, online media began to offer content packaged with other products to attract users. Subscriptions are still offered, but the revenue they generate is a small supplement to their income. Paywalls haven't been introduced yet, but several portals have plans to launch them this year. Forbes Georgia, for example, is upgrading its online platform to make it more compatible with the paywall model, a test version of which is slated to be launched later in 2019.

Donations are another source for funding online news operations. They are either contributions made by owners or grants. Most online media get both types of donations. Grant-making organizations, including Open Society Georgia Foundation, are increasingly focused on funding more media sustainability-related projects and working business models. (*See more about donor organizations in Grant and Philanthropy Funding in this report.*)

## Local Media Funding

Local media market was valued in 2018 at GEL 2.66m (US\$ 1m), a decline of GEL 100,000 compared to the year before.[24] That amount is hardly sufficient to keep the local media sector afloat. Many local media, especially smaller channels, have been grappling with losses in recent years, some being forced to shut down. Such was the case of television operator Jikha in Tsalenjikha, a town in western Georgia with a population of less than 9,000.

Political advertising provides a lifebuoy to local media companies, but that is hardly a solution for the financial predicament these media outlets are faced with as it emerges only during the electoral cycles. Most of the political parties spent more than 15% of their budgets received from the state on political ads in local media in the 2018 presidential elections. The law obliges them to earmark at least 15% of their funding to local media.

Overall, Salome Zurabishvili, the presidential candidate supported by the governing Georgian Dream party, spent some GEL 530,000 (US\$ 200,000) in adverts placed in local media. The

[24] Alliance of Broadcasters, არჩევნებმა რა ჰქმნა – 2018 წლის ბოლო 6 თვე რეგიონული არხებისთვის (Analysis of the presidential election campaign on regional media broadcasters), available online at <http://abcdef.ge/არჩევნებმა-რა-ჰქმნა-2018-წლის/> (accessed on 16 July 2019).

United National Movement (UNM), a reformist opposition party, with two candidates, spent GEL 63,000 (US\$ 23,000). The other two prominent parties, European Georgia and the Georgian Labor Party both spent slightly more than GEL 40,000 in local media. Overall, the political ad spend in local media during the 2018 elections exceeded GEL 800,000 (US\$ 303,000), which accounted for nearly half of the total revenue generated by these media in H2 2018.[25]

The dire state of local media in Georgia is clearly a result of the underdeveloped market. But representatives of local media also blame it on policies: they say that amendments to the broadcast law adopted in 2017 that allowed the public broadcaster GPB to carry advertising led to a decline in the ad revenues of local media. (*See Government, Politics and Regulation: Georgia for more information about the legal provisions affecting GPB.*) In H2 2018, the public broadcaster earned GEL 2.4m more in ad revenue than in the same period a year before.[26] (*See more about GPB financing in State Funding in this report.*)

## Influential News Media

Television is one of the most influential media in Georgia thanks mostly to its mass-market. TV channels usually build their program strands around family entertainment, which explains why their schedules are dominated by movies, television series and popular shows.

Although news programs do not lead in television program rankings, they are present among the 10 most popular programs. Four of 10 most watched television programs in Georgia, according to an audience measurement sample from April 2019, are news programs or political talk-shows, a sign of how popular political affairs are in the country. The other programs on the list are entertainment, comedy and family shows. In the past two decades, soap operas, which are cheap to produce, have become one of the most popular television genre, filling much of the television broadcasting time. On average, six to eight hours a day are devoted by nationwide channels to soap operas, of which two hours are often in primetime.

By far the most influential television players are the two dominant stations, Rustavi 2 and Imedi. The 10 most popular programs in Georgia come solely from these two channels.

[25] Alliance of Broadcasters, Analysis of the presidential election campaign, cit.

[26] Alliance of Broadcasters, Analysis of the presidential election campaign, cit.

## Eyeballs catchers

*The 10 most popular television programs in Georgia, April 2019*

| Program                        | Date          | Day of week | Channel   | AMR* (%) | News or political shows |
|--------------------------------|---------------|-------------|-----------|----------|-------------------------|
| Comedy Show                    | 6 April 2019  | Saturday    | Rustavi 2 | 17.2     |                         |
| Tavisuflebis Monitori Doc Film | 6 April 2019  | Saturday    | Rustavi 2 | 17.1     |                         |
| Shut Qalaqshi Serial           | 8 April 2019  | Monday      | Imedi     | 16.7     |                         |
| Sporti                         | 2 April 2019  | Tuesday     | Rustavi 2 | 16.5     |                         |
| PS                             | 21 April 2019 | Sunday      | Rustavi 2 | 16.2     | ✓                       |
| Shabatis Kurieri               | 6 April 2019  | Saturday    | Rustavi 2 | 16.1     | ✓                       |
| Gulferi Serial                 | 22 April 2019 | Monday      | Imedi     | 16.1     |                         |
| Skhva Rakursi                  | 4 April 2019  | Thursday    | Imedi     | 15.9     | ✓                       |
| The Vanos Show                 | 5 April 2019  | Friday      | Rustavi 2 | 15.7     |                         |
| Kviris Aqtsentebi              | 2 April 2019  | Tuesday     | Rustavi 2 | 15.2     | ✓                       |

\*AMR: Average minute rating  
Source: TVMR

Unlike television, newspapers and news magazines lost their relevance as sources of serious, public affairs content. From 2011 to 2018, the number of readers who used the newspapers and news magazines as second source of news about politics and public affairs fell by nearly 80%; the number of people using them as their first source fell to nil. In 2018, only 5% of people said that newspapers and news magazines are their second most important source of political news, according to NDI Georgia Public Opinion Research 2011 and 2018.[27]

Nevertheless, business publications are a relatively lucrative niche in Georgia's media, addressing an emergent upper class that is the target of the luxury consumer goods industry. According to the business magazine Forbes Georgia, people in this group still value advertisements for luxury goods, which is the main source of funding for business publications. Many luxury goods manufacturers thus continue to spend on ads in prestigious publications as a way to boost their brand awareness. However, the circulation of Forbes Georgia since its launch in 2011 hasn't changed at all. One of the magazine's directors said in an interview for this report that striking the right balance between digital and print is key in today's media environment.

## Key Funders

### *Non-Governmental Funders*

#### Advertising

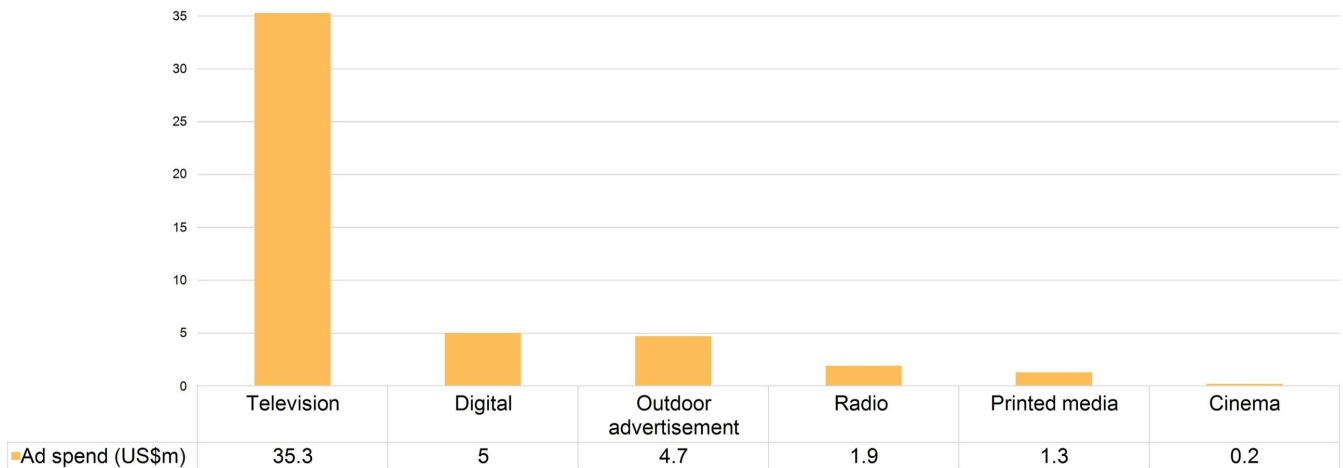
The Georgian advertising market was worth some US\$ 48.4m in 2018, according to ZenithOptimedia. Television accounted for 73% of that. The data on advertising from the local regulator, GNCC, differs slightly, indicating lower ad spending levels. For example, the GNCC estimated that the television ad spend was worth GEL 74.8m in 2018, which is roughly US\$ 28m.

[27] NDI Georgia. Library of NDI Georgia Public Opinion Research, cit.

Banks are one of the most influential sectors in the Georgian media thanks to the large amounts of funding that they spend in advertising. Although data about the largest ad spenders in the media are lacking, experts and media practitioners interviewed for this report said that banks are a key advertiser.

### Overview of the Georgian advertising market

*Total ad spend (US\$m), breakdown by media segment, 2018*



Source: ZenithOptimedia

The online advertising market is the fastest growing media segment in Georgia. It doubled between 2014 and 2017 (in US\$ figures) and was forecast to register another healthy growth rate, of 25% (or US\$ 6.3m) in 2018, according to estimates from ZenithOptimedia.

### Online advertising market in Georgia

*Yearly growth of online ad spend, 2014-2018*

| Year  | Yearly growth (%) | Yearly growth (value, US\$) |
|-------|-------------------|-----------------------------|
| 2014  | -                 | 2.3                         |
| 2015  | 4%                | 2.4                         |
| 2016  | 46%               | 3.5                         |
| 2017  | 43%               | 5                           |
| 2018f | 25%               | 6.3                         |

Source: ZenithOptimedia

But other than data imported from international ad agencies and market research companies, there is no publicly available home-sourced data on the online advertising market in Georgia. TVMR, an audience measurement company, launched a pilot project in 2016 to conduct online media measurement, but it makes available its results only to customers. Advertisers thus rely mostly on data collected by news portals or generated through codes embedded in online ads.

Industry experts interviewed for this report said that lack of economic sustainability is the biggest barrier to the growth of the online advertising market, discouraging businesses from investing in online services. At the same time, information about the ad spending on social media platforms is inexistent. Many news portals admit that they spend money on social media to promote their work because social networks are best positioned to reach younger readers. They also say that social media offer flexible payment schemes to advertise on their platforms, which makes advertising easy and affordable.

## Grants and Philanthropy Funding

Donors have traditionally played a major role in Georgia's media sector. The media sector would have developed much less and at a much slower pace without funding from philanthropies. Although the level of donor funding hardly matches the financing pumped into the media by the Government or commercial advertisers, it is higher than in other countries in the region and in many cases has been instrumental in the operation of media companies.

According to Media Impact Funders, one of the few centralized global databases of donor funding, some US\$ 4.4m have been invested in the media sector in Georgia since 2009. Half of that was accounted for by the National Endowment for Democracy (NED), a soft power donor group funded by the U.S. Congress. Next came the Foundation to Promote Open Society of the philanthropist George Soros, which spent in Georgian media some US\$ 1.1m during the decade starting in 2009.[28]

The other funders contributed only small amounts. They include Europe Foundation, a donor organization using financing from the EU and the Swedish International Development Cooperation Agency (SIDA), a government agency, Mama Cash, a donor-advised fund operating out of Amsterdam and Robert Bosch Stiftung, a German foundation established by the entrepreneur Robert Bosch.

Donor funding has been spent in the past decade on a variety of activities, including media policy and advocacy, training and media production. The journalism organizations that have so far received the largest amount of funding from grant-makers and donors in Georgia are Studio Monitor Nnle, an investigative journalism outfit, Studio Re, a website featuring news and documentaries and Liberali, a social-political magazine.

## *State Funding*

The Government spends a significant amount of money in the media. The biggest contribution goes to the public service media, GPB and Adjara TV. This subsidy has increased significantly since 2014, but much of that growth masked a steady devaluation of the local currency. GPB takes the lion's share of the state funding. In 2018, the funding awarded to GPB accounted for more than 86% of the total state financing earmarked to public media. Between 2014 and 2019, the state funding allocation for GPB surged by more than two-thirds to some GEL 58.5m (according to planned budget data). However, in dollar terms at current prices, the state subsidy was lower in 2019 compared to 2014, as the Lari lost much value during the period.

[28] Full disclosure: Center for Media, Data & Society (CMDS), the initiator of this report, is part of Central European University (CEU), a private school in Budapest and Vienna that was founded by Mr Soros. The research carried out for this report has been carried out independently under the leadership of CMDS.

In spite of its bloated budget, however, when it comes to ratings, the public broadcaster is always outrun by private television channels. Several programs that help GPB's ratings include entertainment programs such as The Georgian Star, MasterChef and Ranina, talk shows (Realuri Sivrcce) and games (Wignebis taro and Martivi Logica). Major sport events and music competitions (such as the Eurovision music contest), aired exclusively by GPB, also help boost the public broadcaster's ratings from time to time.

Regulated by law, GPB has to produce programming that is in the public interest and in line with the broadcaster's mission. Its current programming priorities include news and current events, cultural and educational programming, shows about history and healthy lifestyle as well as children programming.[29]

## Public media funding

### *Budget of public service broadcaster GPB and Adjara TV, 2014-2019*

|                     |        | 2014  | 2015  | 2016  | 2017  | 2018  | 2019p |
|---------------------|--------|-------|-------|-------|-------|-------|-------|
| GPB                 | GEL m  | 35.13 | 38.95 | 43.3  | 45.2  | 52.1  | 58.5  |
|                     | US\$ m | 19.96 | 17.15 | 18.27 | 18.08 | 20.51 | 18.8  |
| Adjara TV and Radio | GEL m  | 5.89  | 6.33  | 6.76  | 7.1   | 8.17  | 8.97  |
|                     | US\$ m | 3.34  | 2.78  | 2.85  | 2.84  | 3.21  | 2.88  |

p: planned  
Source: GPB

Another mechanism the state uses to distribute funding to media is purchase of press services through government agencies. In 2017, state agencies spent GEL 6.8m (US\$ 2.7m) on media services. Most of this money, some 56%, was spent on nationwide television. The remainder went to online media (21%), regional television (13%), print media (6%) and radio (1%). Among television channels, TV Imedi won most of the contracts, with a total combined value of GEL 2.45m. Rustavi 2 followed with contracts worth GEL 510,000 and regional television channels with GEL 1.3m. In the online space, government agencies spent GEL 1.44m. Much of that (GEL 341,829) was awarded to companies in the Palitra Holding, followed by Ipress.ge (and its daughter websites).

The transparency of the state funding disbursement process often leaves much to be desired because it's not always possible to track which news provider is getting money. In some cases, the winners of the government tenders are intermediaries, companies that use government money to then buy services from news media outlets.

Political advertising is another substantial source of funding for the media. The 2018 presidential elections, for example, generated an unusually high amount of money for the media. The Government spent GEL 2.24m (US\$ 850,000) on political advertisements on television. The total spending on political ads of the six key presidential candidates combined amounted to GEL 7.01m (US\$ 2.65m), of which some GEL 3.3m (US\$ 1.25m) was spent on television.[30]

[29] საზოგადოებრივი მაუწყებლის 2018-2021 წლების პროგრამული პრიორიტეტები (Priorities of the Public Broadcasting for 2018-2021), available online at <https://1tv.ge/document/sazogadoebrivi-mauwyebli-2018-2021-wlebis-programuli-prioritetebi/> (accessed on 18 June 2019).

[30] "2018 წლის საპრეზიდენტო არჩევნების კამპანიის დაფინანსება - შუალედური ანგარიში - საერთაშორისო გამჭვირვალობა საქართველო" (Interim Report on funding for the Presidential Election Campaign), Transparency International Georgia, available online at <https://www.transparency.ge/ge/post/2018-clis-saprezidento-archevnebis-kampaniis-dapinanseba-shualeduri-angarishi> (accessed on 26 February 2019).

**Political advertising***Spending on election ads in the 2018 presidential election, in GEL*

| Candidate/Party                | Total advertising | Television advertising |
|--------------------------------|-------------------|------------------------|
| Salome Zurabishvili*           | 5,235,606         | 2,354,382              |
| United National Movement (UNM) | 633,245           | 472,210                |
| European Georgia               | 753,648           | 174,994                |
| Industry Will Save Georgia     | 277,110           | 277,110                |
| <b>Total</b>                   | <b>7,015,469</b>  | <b>3,293,123</b>       |

\*supported by Georgian Dream (GD) party  
Source: Transparency International Georgia

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# **Technology, Public Sphere and Journalism**

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Mainly as a result of slow economic growth, Georgia has been struggling to embrace new technologies. During the past decade, internet and mobile penetration have skyrocketed in the country, but that has not significantly changed news consumption patterns and habits. Technological innovation as well as the potential of cheaper internet and massive growth in mobile communications are yet to be fully utilized.

As mobile surfing became more affordable, more than half of Georgians use more than one mobile subscriber identification module (SIM) card and nearly 65% of them use the internet via a mobile device. The growth of the mobile sector was driven by various regulations (primarily, a cut of 4% in the excise tax for mobile services as of 2017) and increased competition (that led to a decrease in prices). In spite of all that, however, media consumption on mobile devices (thanks to friendly mobile web pages, news briefs designed for portable devices, podcasts and applications) has not increased much. The price for the creation and maintenance of a mobile application is still out of reach for most newspapers.

Nevertheless, the internet is expected to lead to substantial changes in Georgia's news media market. Increasingly, news media outlets are moving online and improving their strategies aimed at attracting followers. Moreover, unlike the media market, which is extremely politicized and polarized, the information technology sector in Georgia is still apolitical. None of the technology firms, either internet companies or telecoms, have ownership links with politicians or political parties.

Still, plenty of snags remain.

First, the internet market is dominated by a small group of the globe's technology giants whose business model is based on using local content to generate funding for themselves. None of that revenue comes back to Georgia's news media. On the contrary, the media routinely spend money on advertising on Facebook to ensure their content gets visibility on the platform. For most of these companies, Georgia is a market too small to invest. Hence, none of the world's technology players have an office or a local subsidiary in the country.

Second, policies on promoting journalism online are lacking. Georgian regulation does not cover companies like Google and Facebook and authorities are reluctant to take any action against them although they want Facebook and other foreign technology companies to open local offices in Georgia. All that leaves Georgian media with no other option than paying social networks, particularly Facebook, to be able to discover, attract and connect new readers.

Finally, the growing fake news phenomenon affects the trust in media, making it extremely difficult for independent journalists to compete as, again, the large social networks are used as the main distribution channel for false content. But in that respect, at least, some action was taken. Facebook removed hundreds of pages spreading fake news from its platforms. Many of those were connected with the political party in government.

Such initiatives, doubled by improved use of technologies to push quality content, could be the response, or part of it, to some of the many problems Georgian journalism is facing.

# TECHNOLOGY OVERVIEW

New technologies have been slowly, but steadily, spreading in Georgia. In parallel, old, analog forms of communications have been constantly declining. Georgia has gradually become more mobile-focused during the past decade as fixed telephony has been losing importance. In 2018, the number of landline subscribers in Georgia decreased by 16.7% (or 119,000 subscribers) compared to the previous year, according to data for the last quarter of the year collected by the local regulator. [1] Between 2013 and 2018, the number of landline subscribers in Georgia halved to 595,000. In contrast, new forms of internet-powered communication have gained popularity. Voice over Internet Protocol (VOIP) connections grew from 41,000 in 2013 to some 65,000 in 2018.

## Landlines

*Fixed line telephony in Georgia, in '000, 2013-2018*

| Indicator                                    | 2013  | 2014  | 2015 | 2016 | 2017 | 2018 |
|--|-------|-------|------|------|------|------|
| Total number of fixed telephone lines (PSTN) | 565   | 554   | 513  | 283  | 432  | 385  |
| Wireless lines (CDMA)                        | 595   | 491   | 382  | 294  | 217  | 145  |
| VoIP   | 41    | 52    | 54   | 64   | 65   | 65   |
| Total  | 1.201 | 1.097 | 949  | 577  | 714  | 595  |

PSTN: Public switched telephone network;

CDMA: Code-division multiple access;

VoIP: Voice over Internet Protocol (VoIP)

Source: Georgian National Communication Commission (GNCC)

Landline telephony would have declined even further if telecom companies didn't bundle it into larger service packages customers are lured with. For example, local telcos include landline telephony services in better-priced service packages that include internet, television and, in some cases, even mobile services. Such offers have prompted many households to maintain their landline, even if they rarely use it.

This being said, during the past two decades, mobile communications have been considered one of the most profitable business sectors in Georgia. Mobile penetration in the country was a stonking 143% in 2018, which indicates that many Georgians have more than one mobile subscription. At the end of 2018, there were 5.3 million mobile subscriptions in Georgia, a country of some 3.7 million.

But although mobile services have become more affordable in the country, Georgians still rely on prepaid mobile packages as postpaid subscriptions are not even present. In lieu of postpaid mobile packages, Georgian increasingly use the so-called unlimited packages, which allow them to browse or make calls at leisure and to consume without any limitations content on the internet.

[1] GNCC. "საქართველოს კომუნიკაციების ეროვნული კომისიის წლიური ანგარიში" (GNCC Annual Report), available online at <https://www.gncc.ge/uploads/other/3/3706.pdf> (accessed on 30 May 2019).

Moreover, as Georgians have been traveling without a visa to the European Union since 2017, more affordable roaming services are in high demand, which will further push up data usage. In Q3 2018, 3% of the Georgian mobile subscribers used roaming in the summer season (the busiest season for Georgians travelling abroad). Revenues from roaming services in 2018 reached GEL 30.7m (€9.3m), which accounted for 6.4% of the total revenue from mobile retail use.[2]

## Mobile communications

### *Number of mobile subscribers in Georgia, 2013-2018*

| Indicator                           | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------------------------|------|------|------|------|------|------|
| Subscribers (m)                     | 5.0  | 5.4  | 5.6  | 5.5  | 5.5  | 5.3  |
| Penetration (% of total population) | 134% | 145% | 149% | 148% | 148% | 143% |

m: in millions  
Source: GNCC

Access to the internet has also increased significantly in the past decade. At the end of 2018, mobile internet penetration reached 79%. Smartphone usage has contributed to much of that, particularly thanks to young users who embrace new technologies more rapidly than older people. Fixed broadband internet penetration has also grown, but at a much slower pace than mobile broadband.

## In the browsing business

### *Overview of internet subscriptions in Georgia, 2013-2018*

| Indicator   | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  |
|---|-------|-------|-------|-------|-------|-------|
| Fixed broadband internet subscriptions, number of individuals (in '000)                 | 495   | 572   | 604   | 660   | 737   | 817   |
| Subscription penetration (% of total households)  | 44.6% | 51.6% | 54.4% | 59.5% | 66.4% | 73.6% |
| Fixed broadband internet subscriptions, number of companies (in '000)                   | 26.8  | 29.7  | 31.9  | 35.8  | 39.3  | 41.0  |
| Total numbers of mobile internet subscriptions (in m)                                   | 1.6   | 1.9   | 2.1   | 2.5   | 2.6   | 2.9   |
| Mobile broadband internet subscription penetration (as % of total mobile service users) | 32%   | 35%   | 39%   | 45%   | 47%   | 55%   |
| Mobile broadband internet subscriptions penetration (as % of total population)          | 43%   | 51%   | 58%   | 66%   | 70%   | 79%   |

m: in millions  
Source: GNCC

[2] GNCC Annual Report, cit.

The Georgian electronic communications market has been declining for more than five years. However, from 2015 it started to grow again, reaching three years later a growth rate of 7.3%, higher than the GDP growth rate, according to the National Statistics Office of Georgia. The cancellation of the excise tax on mobile services and a cut in the interconnection fees in 2015 have contributed to the growth, allowing mobile operators to provide reduced tariffs on various services and hence attract more customers.

Revenue generated by fixed telephone services continues to decline, allowing mobile communications to cement their dominant market position. Mobile services generated a turnover of GEL 481m (€146.5m) in 2018, a high record for the past five years. Internet also plays a major role in revenue generation. Income from sales of internet services accounted for less than a third of the total mobile communications market in 2016, but the segment has since been growing steadily.

### Monetizing technology

*Revenue in the Georgian electronic communications market, in GEL m, 2013-2018*

| Indicator  | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|------|------|
| Revenue from all electronic communication services*  | 752  | 771  | 752  | 760  | 798  | 846  |
| Revenue from all electronic communication services   | 353  | 358  | 394  | 390  | 422  | 391  |
| (Other communication and non-communication revenues) |      |      |      |      |      |      |
| Retail revenues of mobile operators                  | 455  | 455  | 407  | 415  | 448  | 481  |
| of which   |      |      |      |      |      |      |
| Revenue from household subscribers                   | 382  | 380  | 332  | 334  | 348  | 356  |
| Revenue from business subscribers                    | 73   | 75   | 75   | 81   | 100  | 125  |

\*retail revenue

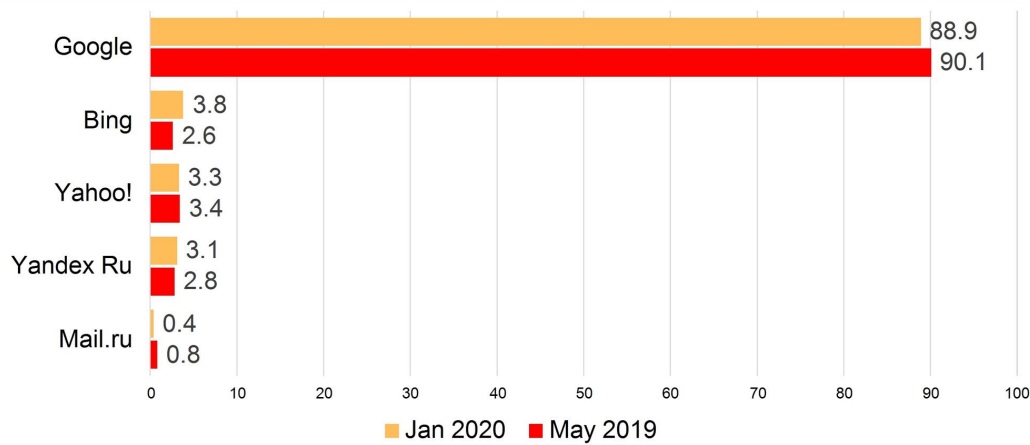
Source: National Statistics Office of Georgia

Google is the reigning champion of search engines in Georgia. However, Georgian web pages are not fully integrated into Google's search engines.[3] Changes in technology and global consumer interconnections allowed tech giants to gain high popularity on the Georgian market, too. Google accounts for 90% of the online searches carried out in Georgia. Its dominant position is also beefed up by the popularity of the Google-owned Chrome browser, which is used by 75% of the Georgian consumers.

[3] “ქართული ინტერნეტის განვითარების მიზნით პეტიცია შეიქმნა” (Petition created for Georgian internet development), Imedi TV, 3 January 2019, available online at <https://imedinews.ge/ge/teqnologiebi/91791/qartuli-internetis-ganvitarebis-miznit-petitsia-sheiqmna> (accessed on 2 December 2019).

## Searching online in Georgia

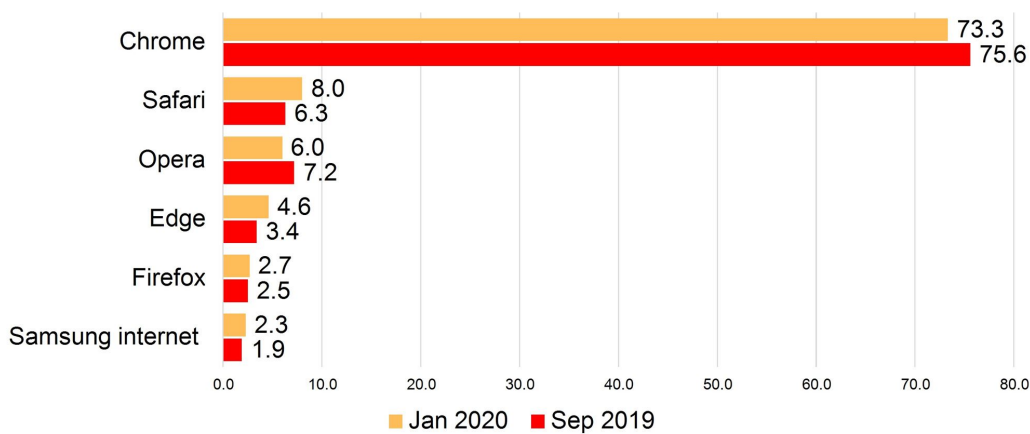
### Search engine market share (%) in Georgia, 2019-2020



Note: the remainder to 100% is accounted for by all other search engines  
Source: StatCounter

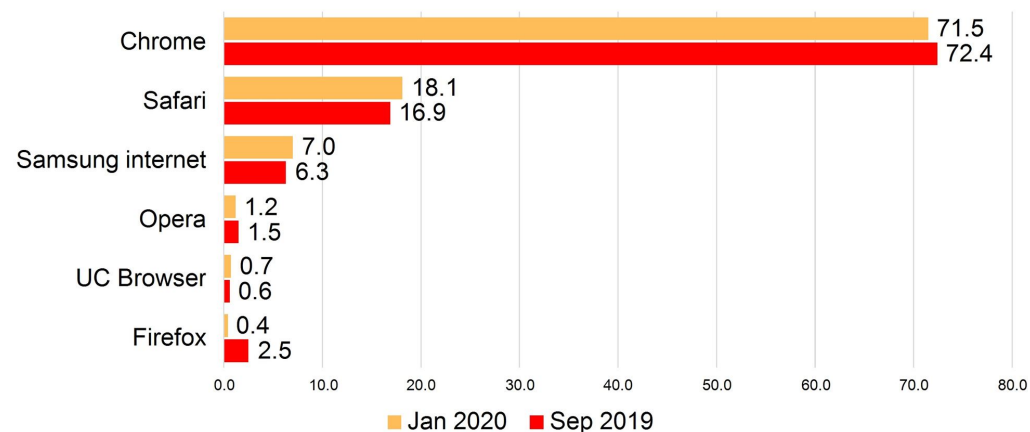
## Georgian browsing

### Browser market share (%) in Georgian, 2019-2020



Note: the remainder to 100% is accounted for by all other browsers  
Source: StatCounter

### Mobile browser market share (%) in Georgia, 2019-2020



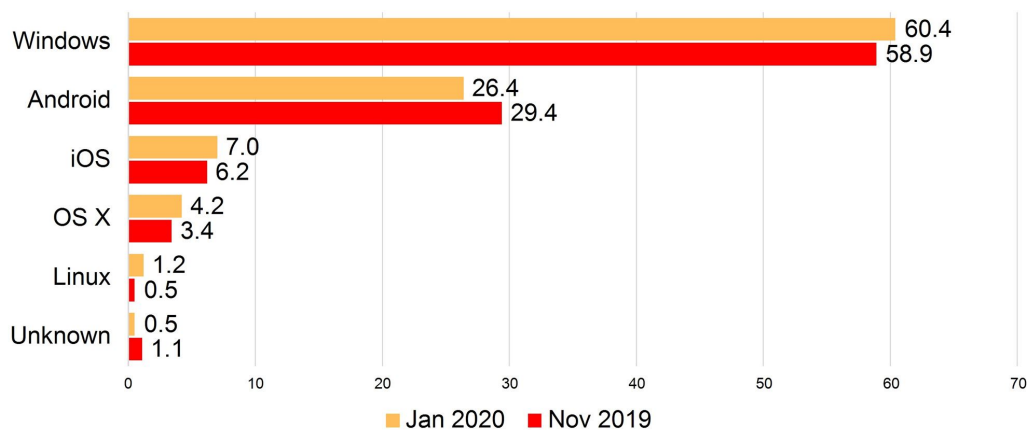
Note: the remainder to 100% is accounted for by all other browsers  
Source: StatCounter

Georgians largely use Windows on their devices. Microsoft's share of the operating system market exceeds 64%. It is followed by Android with nearly 24%. Until recently, Samsung and Apple controlled jointly more than 60 percent of the mobile handset market, according to data from the GNCC.

However, the rise in popularity of cheap, Chinese-made smartphones, especially by the telecom giant Huawei, has changed the phone market significantly in recent years. Clashes in recent years over the involvement of Huawei in deploying the 5G technology across Europe and in the United States, as well as the suspension of Google's software from Huawei's technology, are likely to also affect the Georgian telecom market in the coming years.

## Game of systems

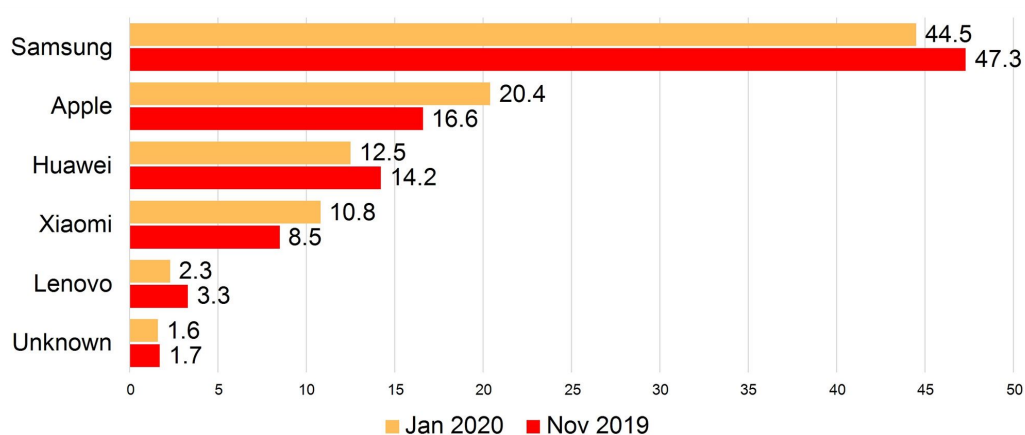
*Operating system market share (%) in Georgia, 2019-2020*



Note: the remainder to 100% is accounted for by other operating systems  
Source: StatCounter

## Mobile gadgets

*Mobile devices used to connect to the internet in Georgia, share (%), 2019-2020*



Note: the remainder to 100% is accounted for by other vendors  
Source: StatCounter

## Handset census

*Number of mobile phones in Georgia, provider breakdown, 2019*

| Producer        | Number of phones | Share of total (%) |
|-----------------|------------------|--------------------|
| Samsung         | 1,736,455        | 33.8               |
| Other           | 1,076,353        | 20.9               |
| Microsoft/Nokia | 729,379          | 14.2               |
| Apple           | 665,475          | 12.9               |
| Huawei          | 502,646          | 9.8                |
| Lenovo          | 172,102          | 3.3                |
| LG              | 67,906           | 1.3                |
| Sony/Ericson    | 67,201           | 1.3                |
| TCT             | 57,104           | 1.1                |
| HTC             | 43,356           | 0.8                |
| ZTE             | 23,500           | 0.5                |
| <b>Total</b>    | <b>5,141,477</b> | <b>100%</b>        |

Source: GNCC

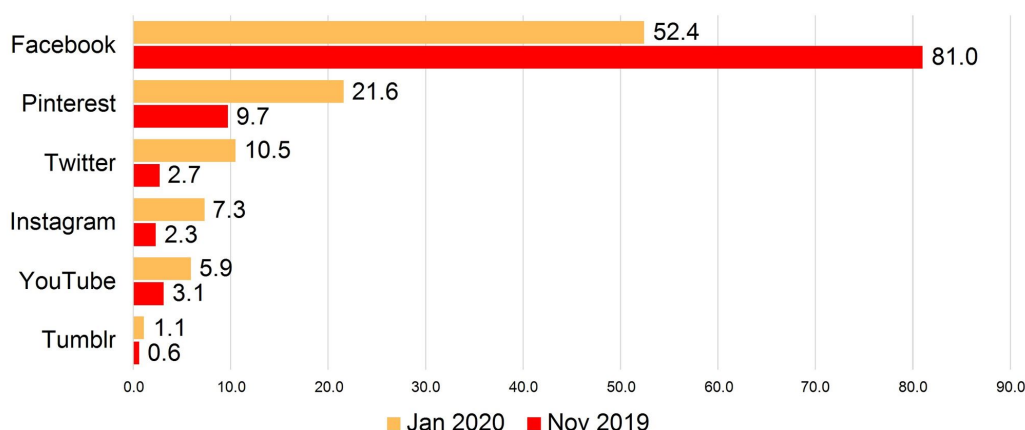
Facebook is by far the most popular social media website in Georgia, with a market share of nearly 81% in November 2019. However, its popularity slightly declined in 2017 because of a series of scandals around fake news and election tampering. This decline was temporary; Facebook started to recover slowly in 2018.

Facebook has usually faced weak competition from Pinterest, YouTube, Tumblr, Twitter and VK. While Twitter and Tumblr have not grown in the past two to three years, Pinterest and YouTube have significantly boosted their share of social media market in Georgia. Pinterest has grown from zero some two years ago to over 15% in April 2019. Major changes were seen in 2020 when most of Facebook's competitors increased their share of the Georgian social media market.

According to data from CMDS gathered from social media companies, Facebook had some 2.2 million subscribers in Georgia in 2019, which is nearly half of the Georgian population and almost 54% of all Georgian internet users.

## Virtual socialization

*Most popular social networks in Georgia, share (%), 2019-2020*



Note: the remainder to 100% is accounted for by other social media. Source: StatCounter

# ROLE OF TECHNOLOGY IN MEDIA AND JOURNALISM

## Overview and Profiles of Key Players

### Company Profiles

#### *Internet and mobile*

The internet and mobile market in Georgia are dominated by international giants. Google dominates the search market locally; Samsung and Apple are the largest players in the mobile market and Facebook is the largest player in social media. None of these players have established a local office in Georgia.

#### The big players in internet and mobile

*Key players in the Georgian internet and mobile market, broken down by service*

| Company   | Email service | Messaging and VoIP | Mobile ecosystems | Search | Social network & blog | Video & photo |
|-----------|---------------|--------------------|-------------------|--------|-----------------------|---------------|
| Apple     | ✓             | ✓                  | ✓                 |        |                       |               |
| Facebook  |               | ✓                  |                   |        | ✓                     | ✓             |
| Google    | ✓             |                    | ✓                 | ✓      |                       | ✓             |
| Microsoft | ✓             | ✓                  |                   | ✓      |                       |               |
| Samsung   |               |                    | ✓                 |        |                       |               |
| Twitter   |               |                    |                   |        | ✓                     | ✓             |

Source: CMDS

There is no major home-born search engine in Georgia; the sole attempts to create one had a short lifespan. Today, there is only one local search portal in Georgia: poorly operated, Boom.ge offers news aggregated from only one media partner, an email service, and pages with information on a broad range of topics and categories, including car sales portals, recipes, jobs and travel websites.

Facebook does not have a presence in Georgia and its name is not registered in the local trade registry. Some tasks related to content in Georgian are handled from Facebook's Dublin Office under the CIS countries management department. One of Facebook's employees in charge of Georgia, among other countries and topics, is Nina Nutsubidze. She joined Facebook in 2017. Because of the small market size and low-income generation potential, Georgia is not considered an important market for Facebook.

No other social media network has a registered office or subsidiary in Georgia.



## Telecommunications

The Georgian telecom and internet market are dominated by two large players, Magticom and Silknet.[4] In 2018, their total internet retail revenue amounted to GEL 225m, an annual increase of 5.7%. The two companies and the third largest player, Akhali Kselebi, accounted together for some 87% of the total revenue in the Georgian telecom market. The remaining 13% of the market was disputed by a total of 168 companies.[5]

### The big telcos

*Top telecommunications companies in Georgia, by revenue, 2013-2019 (in GEL)*

| Company           | Ownership                                 | Country of ownership | Business segment        | Year               |                    |                    |                    |                    |                    |                    |
|-------------------|---|----------------------|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                   |   |                      |                         | 2013               | 2014               | 2015               | 2016               | 2017               | 2018               | 2019*              |
| Silknet           | Silknet group                             | Georgia              | Fixed telephone service | 44,730,470         | 41,169,454         | 34,534,367         | 30,480,278         | 27,037,605         | 23,445,357         | 18,529,410         |
|                   |   |                      | Internet television     | 14,430,684         | 16,974,559         | 24,490,373         | 25,546,239         | 29,310,190         | 34,900,992         | 37,898,866         |
|                   |   |                      | Internet service        | 57,855,009         | 61,660,790         | 73,980,620         | 80,061,865         | 84,057,179         | 82,841,041         | 85,121,276         |
|                   |   |                      | <b>Total</b>            | <b>117,016,163</b> | <b>119,804,803</b> | <b>133,005,360</b> | <b>136,088,382</b> | <b>140,404,974</b> | <b>141,187,390</b> | <b>141,549,552</b> |
| MagtiCom          | Telcell Celular LLC; Telcell Wireless LLC | USA                  | Fixed telephone service | 17,989,142         | 13,078,653         | 8,455,911          | 6,181,011          | 4,894,985          | 3,581,678          | 2,351,474          |
|                   |   |                      | Internet television     | 10,161,439         | 9,665,153          | 7,578,163          | 12,050,636         | 25,300,969         | 44,666,677         | 51,240,167         |
|                   |   |                      | Internet service        | 372.89             | 168.185            | 80.077             | 26,638,263         | 84,598,217         | 102,302,899        | 112,811,419        |
|                   |   |                      | <b>Total</b>            | <b>28,523,471</b>  | <b>22,911,991</b>  | <b>16,114,151</b>  | <b>44,869,910</b>  | <b>114,794,171</b> | <b>150,551,254</b> | <b>166,403,060</b> |
| Akhali Kselebi    | Akhali Kselebi Group                      | Georgia              | Fixed telephone service | 8,512,013          | 7,570,268          | 6,286,162          | 5,421,444          | 4,615,545          | 3,916,748          | 3,071,819          |
|                   |   |                      | Internet television     | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
|                   |   |                      | Internet service        | 6,587,321          | 7,975,160          | 9,368,277          | 10,060,927         | 8,763,625          | 6,711,658          | 6,885,224          |
|                   |   |                      | <b>Total</b>            | <b>15,099,334</b>  | <b>15,545,428</b>  | <b>15,654,439</b>  | <b>15,482,371</b>  | <b>13,379,170</b>  | <b>10,628,406</b>  | <b>9,957,043</b>   |
| Caucasus Online** | LTD Caucasus Online                       | Georgia              | Fixed telephone service | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
|                   |   |                      | Internet television     | 4,398,073          | 5,038,278          | 6,339,288          | 6,601,741          | -                  | -                  | -                  |
|                   |   |                      | Internet service        | 45,463,384         | 56,488,771         | 59,018,530         | 33,555,179         | -                  | -                  | -                  |
|                   |   |                      | <b>Total</b>            | <b>49,861,457</b>  | <b>61,527,049</b>  | <b>65,357,818</b>  | <b>40,156,920</b>  | -                  | -                  | -                  |
| Other***          |   |                      | Fixed telephone service | 5,074,538          | 4,639,065          | 3,896,222          | 4,550,420          | 6,462,760          | 6,328,290          | 5,462,548          |
|                   |   |                      | Internet television     | 6,733,170          | 7,712,680          | 10,242,036         | 13,095,339         | 12,447,351         | 2,993,754          | 18,488             |
|                   |   |                      | Internet service        | 2,324,274          | 4,314,775          | 7,936,851          | 10,986,050         | 2,145,212          | 2,864,042          | 2,340,701          |
|                   |   |                      | <b>Total</b>            | <b>14,131,982</b>  | <b>16,666,520</b>  | <b>22,075,109</b>  | <b>28,631,809</b>  | <b>21,055,323</b>  | <b>12,186,086</b>  | <b>7,821,737</b>   |

\*Data for the Jan-Nov; \*\*In 2016, Caucasus Online was bought by Magticom; \*\*\*A total of 168 companies.  
Source: GNCC

[4] Nino Kvintradze, “ინტერნეტ პროვაიდერების შემოსავლები იზრდება - ბაზრის 80%-ზე მეტი ორ კომპანიაზე მოდის” (Internet service providers’ revenue is growing - more than 80% of the market comes from two companies), Forbes Georgia, 10 June 2019, available online at <https://forbes.ge/news/6405/internet-provaiderebis-Semosavlebi-izrdeba> (accessed on 2 December 2019).

[5] GNCC, Annual Report, cit.

MagtiCom was founded in 1996 and began commercial activities in September 1997. It is co-owned by two U.S. companies, Telcel Cellular (51%) and Telcel Wireless (49%), according to data from the local trade registry. MagtiCom's deputy directors are Andria Zodelava, David Donadze, Gia Koshoridze, and Natia Kakhidze (the first deputy). Gia Jokhtaberidze, the son-in-law of Eduard Shevardnadze, the former president of Georgia, founded MagtiCom and owns International Telcel Cellular, company that in 2016 bought the retail business of the Internet Service Provider (ISP) Caucasus.[6] In March 2017, Magticom also acquired Deltacom, a relatively small ISP that owns fixed broadband access networks and backbone infrastructure across the country. As a result of all these acquisitions, the company became the leader of the Georgian internet market.[7] Some observers raised concerns about market concentration, though pricing and service have not been thus far negatively affected by increased ownership concentration. As a result, it became the leader of the Georgian internet market.[8]

The second largest telco by revenue is Silknet, the former state-owned telecom monopoly, which was restructured in 2010. Four years later, Silknet acquired GMG, the country's largest interactive television station, which broadcasts six sports and movie channels nationwide; it was then rebranded as the Silk Media Group.[9] In 2016, Silknet acquired a small wireless internet service provider, V-TEL Georgia, which operated in several regions of the country under the name of Maxim, and fully integrated it into the company's portfolio. By the end of 2017, Silknet also acquired the satellite company Global TV, which had been in operation since 2006, covering almost half of the country.[10] In 2017, Silknet already had 41% of the internet market in Georgia, with 30% of Georgian families using Silknet's IPTV service. Meanwhile, the company also held 48% of the fixed telephone market. In early 2018, Silknet made the largest deal in Georgia's history, acquiring Geocell, one of the country's oldest and largest mobile telecommunications companies. Together, they formed the largest domestically owned operator in Georgia.[11]

[6] Caucasus Online, "Joint Statement of Caucasus Online LLC. and MagtiCom," 31 May 2016, available online at <http://www.co.ge/en/news/240/> (accessed on 6 February 2020); Magticom. "MagtiCom to become A-Net Ltd and Delta-Net Ltd service provider from March 1, 2017," 27 January 2017, available online at <http://bit.ly/2npGJeg> (accessed on 20 March 2017).

[7] "ვინ ფლობს კომპანია 'მაგთიკომს'?" (Who owns MagtiCom?), BM.ge, May 2018, available online at <https://bm.ge/ka/article/vin-flobs-kompania-quotmagtikomsquot-/16149> (accessed on 4 February 2020).

[8] "Who owns MagtiCom?" cit.

[9] "სილქნეტმა" GMG შეიძინა" (Silknet bought GMG), Bpn.ge, 16 May 2014, available online at <https://www.bpn.ge/article/4333-silqnetnma-gmg-sheidzina/> (accessed on 4 December 2019).

[10] "„გლობალ ტვ“-ის მომხმარებლებს ამიერიდან მომსახურებას „სილქნეტი“ გაუწევს" (From now on Global TV users will now be provided with Silknet), Bpn.ge, 8 January 2018, available online at <https://www.bpn.ge/article/41542-global-tv-is-momkhmareblebs-amieridan-momsakhurebas-silqneti-gautsevs/> (accessed on 1 December 2019).

[11] Sandro Juphalakhiani, "„სილქნეტმა“ „ჯეოსელი“ იყიდა - 1TV მოამბე" (Silknet bought Geocell-1TV), 27 March 2018, available online at <http://tv.ge/video/silqnetma-jeoseli-iyida/> (accessed on 31 January 2020).

## Internet subscription

| Company  | Subscribers |      |      |      |      |      |
|--|-------------|------|------|------|------|------|
|  | 2013        | 2014 | 2015 | 2016 | 2017 | 2018 |
| <b>Number of residential subscribers by company ('000):</b>  |             |      |      |      |      |      |
| Silknet  | 210         | 228  | 240  | 265  | 284  | 275  |
| Magticom   | 150         | 173  | 180  | 188  | 287  | 365  |
| Akhali Kselebi   | 72          | 80   | 82   | 84   | 70   | 65   |
| Others   | 62          | 91   | 101  | 123  | 96   | 112  |
| <b>The number of business subscribers by company ('000):</b> |             |      |      |      |      |      |
| Silknet  | 13.0        | 13.5 | 13.8 | 14.3 | 15.7 | 17.9 |
| Magticom   | 5.8         | 7.1  | 8.0  | 11.4 | 14.4 | 14.3 |
| Akhali Kselebi   | 3.0         | 3.4  | 3.5  | 4.0  | 4.1  | 3.9  |
| Others   | 4.9         | 5.7  | 6.6  | 6.1  | 5.2  | 4.9  |

Source: GNCC

## Technology Companies & Government

Technology companies, especially mobile providers, invest significant time and money into lobbying regulators. There are no known ownership links between large telecom players and politicians in Georgia. However, suspicions of political influence in the telecom sector arise now and then.

In 2015, the Finnish-owned telecom group TeliaSonera announced its withdrawal from Georgia. In 2018, it sold its share in Geocell, the second largest mobile provider by revenue in Georgia, to Silknet in a transaction valued at US\$ 153m.[12] The move was part of a bigger exit strategy that included departure from the Central Asian markets. The decision to leave Georgia was apparently triggered by changes in regulations. In 2013, a representative of Geocell said that TeliaSonera had to pay GEL 48m (€14.7m) to extend a telecom license instead of GEL 34m (€10.4m) initially agreed, due to a change made by the regulator, GNCC, in the license tender conditions.[13] The deal led to the creation of a large telecom conglomerate and a market duopoly that worked against Beeline, the third largest mobile service provider by revenue.

Various NGOs also voiced concerns that Beeline's ownership was influenced by Russian capital. Mobitel, which operates on the Georgian market under the name of Beeline Georgia, entered the Georgian market in 2005, the third mobile network operator in the country. In 2006, 51% of

[12] "Telia Company agrees to divest its holding in Geocell," Telia press release, 26 January 2018, available online at <https://www.teliacompany.com/en/news/press-releases/2018/1/telia-company-agrees-to-divest-its-holding-in-geocell/> (accessed 2 December 2019).

[13] "ჯეოსელის დამფუძნებელი კომპანია საქართველოდან გასვლის საკითხს განიხილავს," (Geocell founder discusses leaving Georgia), Tabula, 24 September 2013, available online at <http://www.tabula.ge/ge/story/74929-jeoselis-damfudznebeli-kompania-saqartvelodan-gasvlis-sakitxs-ganixilavs> (accessed on 2 December 2019).

Mobitel's shares were acquired by VimpelCom through its proxy Watertrail Industries.[14] VimpelCom is a company closely affiliated with the Russian political establishment, being controlled by Russian billionaire Mikhail Friedman's company Altimo, in which he holds nearly 53% of the shares. Mobitel is co-owned by three companies whose ownership is hidden in the British Virgin Islands, a tax haven: Watertrail Industries (51%), Delgado Resources (31%), and Ivestico Alliance (17%).

## Technology Companies & Journalism

There is no specific regulatory regime for online content in Georgia. The remit of the Georgian media regulatory body, GNCC, covers copyrighted online content. (*See Government, Politics & Regulation in Media Influence Matrix: Georgia*) The GNCC is not empowered to regulate social media or any other online platforms. However, it is foreseen that recent development in EU regulations related to online content, especially the adoption in 2018 of the Audiovisual Media Services Directive (AVMSD),[15] will be incorporated in the Georgia-EU Association Agenda.

### *The Rise of Misinformation*

The use of social media as a disinformation channel has been a worrying trend, especially in a country where disinformation is generally thriving. According to the Computational Propaganda Research Project (COMPROP) of the Oxford University, Georgia is described as a country with a high level of propaganda content.[16]

Facebook, the leading platform for disinformation content in Georgia, has taken action against several cases of fake news dissemination, removing a total of 39 accounts, 344 pages and 13 groups from Facebook and 22 accounts from Instagram that originated in Georgia. According to a statement put out by Facebook, the accounts were taken down because of their "behavior, not the content they posted." In spite of an alleged attempt to conceal identities and links of these accounts to other entities, it transpired that the disinformation dissemination activity led to Panda, an advertising agency in Georgia that has business links with the Georgian Dream-led government. In total, the removed accounts spent almost US\$ 316,000 on advertisements on Facebook and Instagram. The incriminated pages were followed by over 440,000 accounts.

The removed accounts included pages that claimed to represent news organizations, political parties, public figures, activist groups and media outlets. Facebook did not publish a full list of the names of the removed accounts, releasing only the names of a few (Fastnews.ge, Mypress.ge, and Erovnuli Media (meaning "national media" in Georgian). The Georgian team at the Digital Forensic Research Lab of the Atlantic Council, a Washington, D.C.-based think tank, and FactCheck Georgia, a local NGO project, covered the removal of the Facebook accounts.[17]

[14] "The State of the Internet – Who Controls Georgia's Telecommunication Sector?", Transparency International Georgia, December 2012, available online at [https://transparency.ge/sites/default/files/post\\_attachments/State%20of%20the%20Internet,%20Press%20Release%20ENG.pdf](https://transparency.ge/sites/default/files/post_attachments/State%20of%20the%20Internet,%20Press%20Release%20ENG.pdf) (accessed on 2 December 2019).

[15] See more at "Revision of the Audiovisual Media Services Directive (AVMSD)," available online at <https://ec.europa.eu/digital-single-market/en/revision-audiovisual-media-services-directive-avmsd> (accessed on 2 December 2019).

[16] Samantha Bradshaw, *The Global Disinformation Order 2019 Global Inventory of Organised Social Media Manipulation*, 31 January 2020.

[17] Eto Buziashvili, Givi Gigitashvili, "Inauthentic pages linked to majority government taken down in Georgia," Medium, 20 December 2019, available online at <https://medium.com/dfrlab/inauthentic-pages-linked-to-majority-government-taken-down-in-georgia-e31baebfa73a> (accessed on 2 February 2020).

Most of these accounts were publishing content waxing lyrical about the Georgian Dream-led government and criticizing opposition parties and activist groups.[18]

The number of fake news websites catering to the Georgian audience has dramatically increased in the past nine years. Most of them propagate a nationalistic, pro-Russian, anti-EU, anti-NATO, anti-American and anti-LGBT message. Some of these websites promote right-wing, nationalist parties. For example, Geworld and Saqinformi are known for being pro far-right movement outlets, strongly against the United National Movement (UNM), an opposition party founded by Mikheil Saakashvili in 2001. These websites write stories based largely on fabricated data and misinformation. In most of them, they argue that America is an aggressor, inspiring revolutions and encouraging terrorism, and that Russia is fighting against them.[19]

According to Media Development Foundation (MDF), a local NGO, the most influential propaganda organization in Georgia is the online edition of Georgia and World (Geworld.ge). The editor-in-chief of the publication is Irakli Todua who runs the Creative Union of Georgian Journalists, an umbrella organization of several propaganda-spewing outlets such as Asaval-Dasavali (newspaper), the Georgian Times (news agency) and New Georgia TV. The internet domains of both Geworld.ge and Sakinform are owned by Historical Heritage, company registered under the name of Taras Gagnidze.[20] Other outlets on this list include Obieqtivi TV and the newspaper Asaval Dasavali. (*For more information about ownership of media outlets in Georgia see Funding Journalism and Government, Politics and Regulation in the Media Influence Matrix: Georgia chapter*) Obieqtivi TV is operated by a for-profit entity, LTD Media House Obiektivi, and is co-owned by a group of local entrepreneurs and politicians. It is closely affiliated with the Alliance of Patriots of Georgia, a far-right political party. Asaval Dasavali newspaper was founded in 1992 and is published every Monday. Its owner and editor is Lasha Nadareishvili. According to Transparency International Georgia, an anti-corruption NGO, Nadareishvili owns a number of other companies related to Asaval Dasavali, including the Georgian News Agency, and is a board member of the Georgian Press Association. The newspaper publishes stories filled with hate speech against various ethnic, religious and sexual minority groups as well as different political groups.[21]

One of the most problematic aspects of online disinformation in Georgia is the tacit support such platforms receive from politicians. FactCheck Georgia says that the country's former prime minister and Georgian Dream party leader, Bidzina Ivanishvili, regularly encourages disinformation by keeping mum on anything that would risk Russian aggression against Georgia.

Some of the disinformation websites that target the Georgian public generate revenues through advertising, but there are also many websites that are financing themselves directly through government funding. In 2013-2014, at least US\$ 45,000 was spent by the government, through advertising contracts signed by ministries and state agencies, on anti-western and hate speech

[18] Mariam Tsitsikashvili, “„ფეისბუქის “დიდი წმენდა” (Great cleansing of Facebook), Factcheck.Ge, 24 December 2019, [available online](#) (accessed on 31 January 2020).

[19] Tamar Kinwurashvili. ანტიდასავლური პროპაგანდა (Anti-western propaganda), 2018, available online at [http://mdfgeorgia.ge/uploads/library/89/file/anti\\_dasavluri\\_propaganda\\_2017\\_-\\_GEO.pdf](http://mdfgeorgia.ge/uploads/library/89/file/anti_dasavluri_propaganda_2017_-_GEO.pdf) (accessed on 2 February 2020).

[20] Nata Dzelishvili, Tazo Kupreishvili, “Russian Influence on Georgian NGOs and Media,” June 2015, available online at <https://idfi.ge/public/upload/Meri/Russian%20Influence%20on%20NGOs%20and%20Media.pdf> (accessed on 2 February 2020).

[21] ახავალ-დასავალი | მითების დეტექტორი.” Asaval -Dasavali. Mythdetector Mythdetector.Ge, 2020, [www.mythdetector.ge/ka/profile/asaval-dasavali](http://www.mythdetector.ge/ka/profile/asaval-dasavali). Accessed 2 Feb. 2020.

propaganda. According to Media Development Foundation (MDF), the government awarded US\$ 25,000 to Obieqtivi TV and another US\$ 20,000 to the newspapers Alia and Kviris Kronika.[22]

## Media Content Distribution

### Facebook

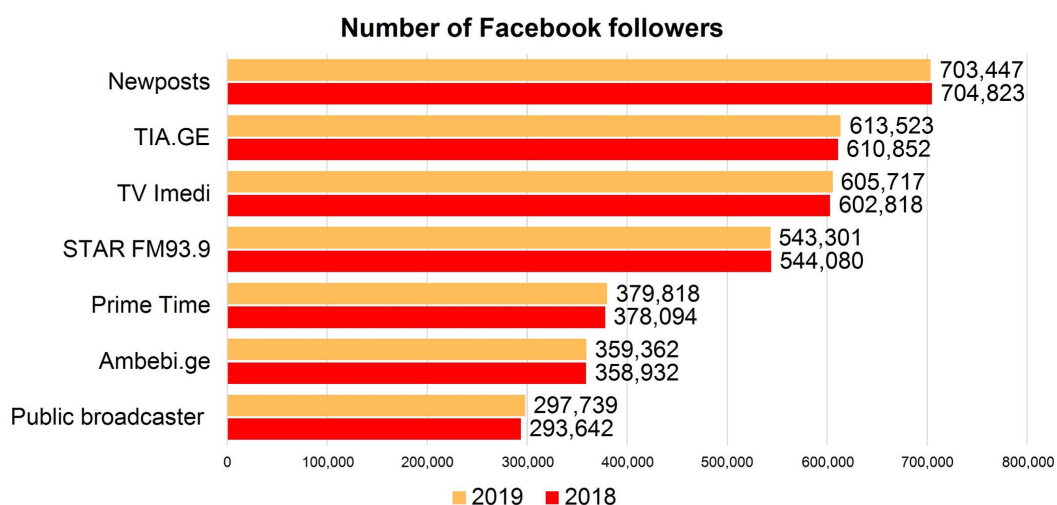
Despite Facebook's extreme popularity among news media agencies as a major distribution channel, media experts interviewed for this report say that the network's content promotion algorithm harms the media outlets' long-term financial stability because none of the revenue generated on Facebook goes back to local media. However, Georgian media outlets are trying to boost their visibility on social networks as a way of reaching out to the younger generation.

There is no financial information about how much money Georgian media spend on social media platforms to boost their content. However, most news outlets in the country admit that they allocate funding for social media promotions on a monthly basis. According to one journalist interviewed for this report, social media are used by Georgian media companies because they offer "the best way to target accurately specific readers" and "flexible payment systems."

Journalists interviewed for this report say that the reach of Georgian news media on Facebook is higher than the number of "likes" because news content is widely shared through networks of friends and private groups. Facebook is extremely important for the news media also because it helps them sell ads on their own web pages. Moreover, due to Facebook's algorithms, many users keep content of many media on their own wall even if they don't like or agree with some of their articles, which further increases the exposure of Georgian news media.

### Most liked media

#### Ranking of the most popular media on Facebook in Georgia, 2018-2019



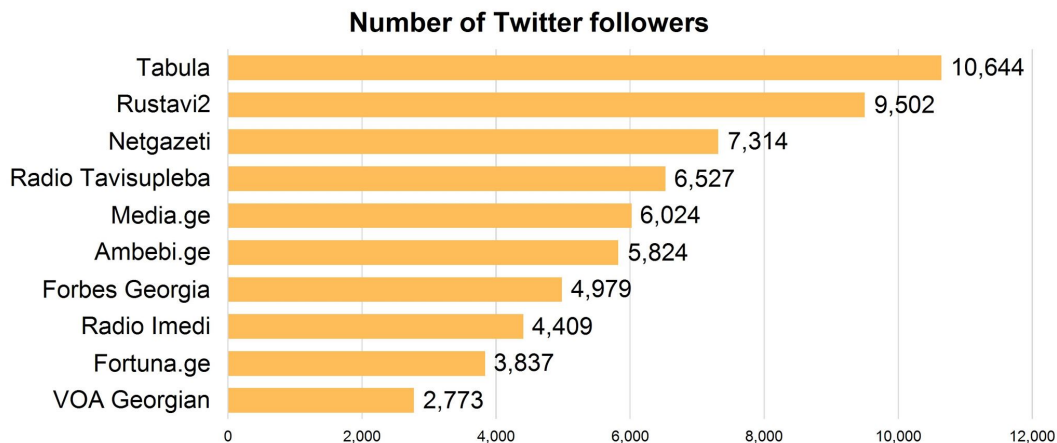
Source: Socialbakers

[22] "საქართველოს მთავრობა ბიუჯეტიდან ანტიდასავლურ მედიასაშუალებებს აფინანსებს" (The Government of Georgia is funding anti-Western media outlets from the budget), 2013, available online at <https://factcheck.ge/ka/story/21724-giorgi-kandelaki-saqarthvelos-mthavroba-biujetidan-antidasavlur-medias-aphinansebs> (accessed on 2 December 2019).

The Georgian news media is not actively present on other social media such as Twitter or YouTube. On Twitter, for example, the most popular news outlet in Georgia is Tabula with a piffling 10,000 or so followers. On YouTube, except for TV Imedi, a mainstream television channel that has 192,000 subscribers, all other Georgian media have a low number of followers.

### In the world of tweets

#### *Ranking of the most popular media on Twitter in Georgia, 2019*



Note: Media.ge and Tabula stopped operations five and three years ago, respectively, however, they still rank among the most followed accounts.

Source: Socialbakers

### Down the tube

#### *Ranking of the most popular media on YouTube in Georgia, 2019*

| Outlet            | Number of subscribers | Total uploaded video views |
|-------------------|-----------------------|----------------------------|
| TV Imedi          | 192,000               | 189,943,900                |
| Pos TV            | 78,200                | 61,969,690                 |
| Rustavi2          | 74,100                | 34,953,537                 |
| Большой Кавказ    | 29,400                | 34,917,733                 |
| FirstCaucasian    | 14,400                | 30,591,809                 |
| TV Pirveli        | 29,500                | 24,533,779                 |
| Tabula Television | 26,200                | 23,876,684                 |
| Radio Tavisupleba | 21,500                | 9,388,933                  |
| Palitra News      | 13,700                | 7,648,645                  |
| Artareatv         | 17,600                | 7,385,556                  |

Note: Tabula and First Caucasian, a successor of the PIK TV suspended their activities years ago, but they still rank among the most followed accounts.

Source: Socialbakers

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# Methodology

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This report is part of the Media Influence Matrix project initiated by the Center for Media, Data and Society (CMDS) and run as part of the Media & Power Research Consortium.

The country reports in the Media Influence Matrix series aim to research the changing landscape of:

- government and policy space, with a focus on the changes in the policy and regulatory environment;
- funding, with a focus on the key funding sources of journalism and the impact on editorial coverage;
- technology in the public sphere, with a focus on how technology companies, through activities such as automation and algorithm-based content distribution, impact news media and journalism.

The research focuses on news media, including newly emerged players. The study is neither aimed at exhaustively mapping the entire media industry nor is it intended to target specific media sectors. Instead, it maps the most popular and most influential news media on a country-by-country basis and analyzes their changing relations with politics, government and technology companies.

Researchers are collecting data and information following a common methodology and set of research guidelines (*See Methodology & Research Guidelines in Appendix II below*). The analysis in these reports is carried out by researchers with experience in the country, under the guidance of a team of editorial supervisors and experts. The reports are reviewed by a team of experts selected by our advisory board.

For each country report, a list of sources used in each chapter of the report is available. In the categorization of technology companies in all country reports we use the methodology of the Ranking Digital Rights project, which divides companies in two groups. The first group, internet and mobile, includes the so-called “mobile ecosystems,” companies that create mobile devices and products. In the second category, telecommunications companies, we include service operators that offer connection and access services such as voice, data or cable connections.

## DATA AND INFORMATION COLLECTION FOR THE GEORGIA REPORT

The report is based on:

- Data and information collected in the period June 2018-April 2020 following a common set of research guidelines (*See Methodology & Research Guidelines in Appendix II below*)
- We conducted for this project interviews with 20 journalists and media experts based in Georgia. The interviews were conducted via Skype between July 2017 and April 2018, referred to in the list of sources below as “Media Influence Matrix Georgia: Journalists Survey” (*see the list of interviews in Appendix I*)

# DETAILED SOURCES OF INFORMATION USED FOR THE GEORGIA REPORT:

## GOVERNMENT, POLITICS AND REGULATION

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### LEGAL OVERVIEW

Legal analysis of key laws affecting news media and journalism

### REGULATORY AUTHORITIES

Analysis of the regulatory environment in Georgia focused on the following research questions:

- What have been the key changes in regulation of news content in the past 5-10 years?
- Who are the key influencers and most powerful institutions in regulation of news content?
- How transparent is the regulatory process when it comes to news media?
- What impact do these influencers have on news media and journalism?

### Operational Aspects

#### Broadcast Media and Frequency Spectrum

##### *Remit and Tasks*

- Documents and reports from Georgian National Communication Commission (საქართველოს კომუნიკაციების ეროვნული კომისია) and the report on Georgian media landscape from the [Medialandscapes.org](https://www.medialandscapes.org)

##### *Board Composition*

- Documents and reports from Georgian National Communication Commission (საქართველოს კომუნიკაციების ეროვნული კომისია) and reports from Transparency International Georgia.

##### *Funding*

- Documents and reports from Georgian National Communication Commission (საქართველოს კომუნიკაციების ეროვნული კომისია), GNCC - Analytical Portal, and reports from Transparency International Georgia.

## Internet Regulators

- Documents and reports from the Office of the Personal Data Protection Inspector of Georgia (პერსონალურ მონაცემთა დაცვის ინსპექტორის აპარატი)
- Analysis from Georgian think tanks
- Documents and reports from the Institute for Development of Freedom of Information (IDFI) and other documents.

## Data Protection Regulators

- Documents and reports from the Office of the Personal Data Protection Inspector of Georgia (პერსონალურ მონაცემთა დაცვის ინსპექტორის აპარატი)
- Documents and reports from the Institute for Development of Freedom of Information (IDFI) and other documents.
- Data from industry associations

## Decision-Making Process

### Key Decision-Makers in Regulation and Policy-Making

- Media Sustainability Index (MSI) Georgia from the International Research and Exchanges Board's (IREX)
- Media Influence Matrix Georgia: Journalists Survey

### Transparency of Decision-Making in Media Regulation

- Documents and reports from Georgian National Communication Commission (საქართველოს კომუნიკაციების ეროვნული კომისია)
- Media Sustainability Index (MSI) Georgia from the International Research and Exchanges Board's (IREX)
- Media Influence Matrix Georgia: Journalists Survey

# FUNDING JOURNALISM

## SOURCES OF FUNDING

Analysis of the key trends in funding journalism focused on the following research questions:

- a). What were the main changes in funding news media and journalism in the past 5-10 years?
- b). Who are the key funders and owners of news media and journalism?
- c). How big is the role of government in funding news media?
- d). How are sources of funding affecting independent reporting?
- e). Are there any policy implications for journalism funding?

### Popular News Media

- Industry reports and statistics: TVMR Georgia, TRI Media Intelligence, TNS Market Intelligence Caucasus
- Corporate reports
- Media Sustainability Index (MSI) Georgia from the International Research and Exchanges Board's (IREX)
- Media Influence Matrix Georgia: Journalists Survey

### Influential News Media

- Industry reports and statistics: TVMR Georgia, TRI Media Intelligence
- Corporate reports
- Georgian Advertising Market from Transparency International Georgia.
- Media Sustainability Index (MSI) Georgia from the International Research and Exchanges Board's (IREX)
- Media Influence Matrix Slovakia: Journalists Survey

## KEY FUNDERS

### Non-Governmental Funders

- Industry reports and statistics: US embassy, Open Society Georgia
- Media Sustainability Index (MSI) Georgia from the International Research and Exchanges Board's (IREX)
- Media Influence Matrix Slovakia: Journalists Survey

### Government Funding

- Government budget records
- Public Broadcasters' Annual Reports and other documents
- Media Sustainability Index (MSI) Georgia from the International Research and Exchanges Board's (IREX)
- Georgian Think Tank Reports and statements
- Media Influence Matrix Georgia: Journalists Survey

# TECHNOLOGY, PUBLIC SPHERE AND JOURNALISM

Analysis of the key trends in technology and journalism focused on the following research questions:

- a). What are the main changes in news content consumption driven by new technologies?
- b). Who are the largest, most influential technology companies?
- c). How are the power relations between technology companies and government?
- d). How do technology companies influence news media and journalistic content?

## TECHNOLOGY OVERVIEW

- Data and statistics from the National Communication Commission (საქართველოს კომუნიკაციების ეროვნული კომისია)
- Web data and statistics from StatCounter
- Data and information from sources at Facebook, Twitter and Google
- Web data and statistics from Socialbakers

## ROLE OF TECHNOLOGY IN MEDIA AND JOURNALISM

### Overview and Profiles of Key Players

- Methodology of the Ranking Digital Rights project
- Reports from Georgian think tanks
- Corporate reports
- Media Sustainability Index (MSI) Georgia from the International Research and Exchanges Board's (IREX)
- Media Influence Matrix Georgia: Journalists Survey

### Technology Companies & Government

- Documents from the Revenue Service of the Ministry of Finance,
- Media Sustainability Index (MSI) Georgia from the International Research and Exchanges Board's (IREX)
- Media Influence Matrix Georgia: Journalists Survey

### Technology Companies & Media

- Data and statistics: Socialbakers,
- Data and information from sources at Facebook
- Media Influence Matrix Georgia: Journalists Survey

# APPENDIX I

## Georgia: Journalists Survey

### Media professionals and journalists interviewed for the report

- Nata Dzvelishvili – Executive Director, Georgian Charter of Journalistic Ethics
- Zviad Koridze – Media expert
- Lasha Tugushi – Chairman, Liberal Academy-Tbilisi
- Natia Kuprashvili – Head of the Georgian National Platform, EU Eastern Partnership Civil Society Forum
- Tamar Kintsurashvili – Director, Media Development Foundation (MDF)
- Mamuka Andguladze – Media Program Manager, Transparency International Georgia
- Maya Mateshvili – Program Director, Georgian Media Partnership Program (GMPP)
- Mariam Gogosashvili – Head of Media Program, Georgian Young Lawyers Association
- Salome Tsetskhladze – Project Assistant, Transparency International Georgia
- Giorgi Isakadze – Editor-in-Chief, Forbes Georgia
- Paata Gaphrinashvili – Director, Factcheck.ge
- Mzia Amaglobeli – Editor-in-Chief, Netgazeti.ge
- Leliko Mirijanashvili – Head of Sales, Forbes Georgia
- Otar Merabishvili – Head of Sales, Palitra Media
- Konstantin Batmanidi – Head of Sales Department, TV Imedi
- Zuka Gumbaridze – Head of Sales Department, TV Formula
- Dimitry Tikaradze – Director, ClipArt
- Hatia Jinjikadze – Head of Media Support Program, Open Society Georgia
- Nino Gogoladze – Executive Director, TVMR GE, Nielsen Television Audience Measurement's official licensee
- Nino Makhviladze – Media Professor, Georgian Institute of Public Affairs

# APPENDIX II: MEDIA INFLUENCE MATRIX

## Methodology and Research Guidelines

### GOVERNMENT, POLITICS AND REGULATION

#### LEGAL OVERVIEW

Based on desk research focused on legal reports, analysis of statutes and legal acts, collect information to describe the main laws that affect news media and journalism, identifying the positive and negative impact of these laws on independent media.

#### REGULATORY AUTHORITIES

##### Operational Aspects

##### Broadcast Media and Frequency Spectrum

###### Remit and tasks

Based on desk research focused on annual reports of regulators, regulatory assessments and statutes of regulators, collect information to describe the most media-relevant tasks of the regulators involved in broadcasting.

###### Board composition

Based on desk research focused on annual reports of regulators, regulatory assessments and statutes of regulators, as well as articles in news media, collect information to describe the composition of the main decision-making body, focusing on rules on the appointment and sacking of board members; and to profile the members of the current board.

###### Funding

Based on desk research focused on annual reports of regulators and other regulatory documents, as well as articles in the media, collect financial data to present the annual budget of the regulator for the past five years (or as far back in time as possible), indicating the source of funding.

##### Print Media Regulators

###### Remit and tasks

Based on desk research focused on annual reports of regulators, regulatory assessments and statutes of regulators, collect information to describe the most relevant tasks of the regulators covering print media operations.

### **Board composition**

Based on desk research focused on annual reports of regulators, regulatory assessments and statutes of regulators, collect information to describe the composition of the main decision-making body, focusing on rules on the appointment and sacking of board members and to profile the members of the current board.

### **Funding**

Based on desk research focused on annual reports of regulators and other regulatory documents, as well as articles in the media, collect financial data to present the annual budget of the regulator for the past five years (or as far back in time as possible), indicating the source of funding.

## **Internet Regulators**

### **Remit and tasks**

Based on desk research focused on annual reports of regulators, regulatory assessments and statutes of regulators, collect information to describe the most media-relevant tasks of internet regulators, focusing on rules on distribution of online content.

### **Board composition**

Based on desk research focused on annual reports of regulators, regulatory assessments and statutes of regulators, collect information to describe the composition of the main decision-making body, focusing on rules on the appointment and sacking of board members; and to profile the members of the current board.

### **Funding**

Based on desk research focused on annual reports of regulators and other regulatory documents, as well as articles in the media, collect financial data to present the annual budget of the regulator for the past five years (or as far back in time as possible), indicating the source of funding.

If such regulators do not exist, describe what other institutions carry out similar tasks. If there are not such examples, do desk research focused on articles in the media and reports from meetings with experts and interviews with experts, to summarize the key arguments in favor or against regulation of internet content and any describe any plans to do so in the near future.

## **Data Protection Regulators**

### **Remit and tasks**

Based on desk research focused on annual reports of regulators, regulatory assessments and statutes of regulators, collect information to describe the most media-relevant tasks of the data protection regulators.



### **Board composition**

Based on desk research focused on annual reports of regulators, regulatory assessments and statutes of regulators, collect information to describe the composition of the main decision-making body, focusing on rules on the appointment and sacking of board members; and to profile the members of the current board.

### **Funding**

Based on desk research focused on annual reports of regulators and other regulatory documents, as well as articles in the media, collect financial data to present the annual budget of the regulator for the past five years (or as far back in time as possible), indicating the source of funding.

### **Other Regulators with Powers in News Media**

Based on desk research focused on annual reports of regulators, regulatory assessments and statutes of regulators, but also articles in the media and industry reports, collect information to describe other regulators that have competences in the news media segment. They could be antitrust regulators, retail industry watchdogs, advertising self-regulating bodies, etc.

### **Key sources of information recommended:**

#### **For Remit/tasks and Board composition**

*Statutes and legal acts*

*Legal studies*

*Annual reports*

#### **For Funding**

*Government budget documents*

*Articles in the media*

## **Decision-Making**

### **Key Decision-Makers**

Based on desk research that will include articles in the media, and reports by think tanks and policy institutes, as well as interviews with independent media experts and journalists, write short profiles of the key decision-makers in the media policy field, focusing on decision-makers working with the regulatory authorities described under the section Regulatory authorities. Focus on fact-based evidence of the power they exert in the policymaking area.

### **Transparency in Decision-Making**

Based on desk research that will include articles in the media, reports by think tanks and policy institutes, and academic articles and studies, as well as interviews with independent media experts and journalists, describe the main mechanisms in place to ensure transparency of the decision-making process and how they function in practice.

## Impact

Based on desk research that will include articles in the media, academic articles and studies, and existing surveys, as well as interviews with representatives of media companies, present case studies of regulatory decisions that directly or indirectly had an impact, both negative and positive, on media and journalism.

### Key sources of information recommended:

#### For Decision-making and Transparency

*Articles in the media, academic studies, reports by think tanks and policy institutes  
Interviews with local experts and journalists*

#### For Impact

*Articles in the media, academic studies, surveys  
interviews with representatives of media companies*

## INFLUENCERS

### Internal

Based on desk research that will include articles in the media and investigative reports as well as interviews with independent media experts and journalists, describe the main influencers in the media policy field, focusing on the following categories (others can be included if relevant in the country), explaining also the key motivations for their interest in the regulatory process:

#### Industry Players

Companies (news media operators and media-related companies such as advertising and PR agencies and companies totally unrelated to media that exert influence on media regulators)

#### Civil Society

Civil society groups, including NGOs, professional associations, academic institutions and think tanks, religious groups, community media that influence the regulatory process

#### Personalities

Journalists, bloggers, artists or other celebrities that have an influence in the media policy and regulation

### External

Based on desk research that will include articles in the media, academic articles and studies, reports by think tanks and policy institutes and research conducted by International bodies, describe international bodies, including intergovernmental organizations that can influence the media policy in the country and present cases where they concretely used this influence.

**Key sources of information recommended:****For Internal***Articles in the media, investigative reports**Interviews with independent media and political experts, and journalists***For External***Articles in the media, academic studies and articles, reports by think tanks and policy institutes, reports by international bodies*

## FUNDING JOURNALISM

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### SHIFTS IN JOURNALISM FUNDING

#### Consumption Trends

Based on data from reports and statistics issued by trade and professional bodies, describe the forms of media most used to consume news content (focusing on the shifts between television, radio, print and online consumption). Use data for the past five years or as far back in time as possible. The information collected here is used to find causal links between the shifts in consumption patterns and shifts in funding.

#### Popular News Media

In the first part of the chapter, based on data from reports and statistics issued by trade and professional bodies, articles in the media, and content analysis studies, a). **present** the media outlets in a table with audience data for the past five years (or as far back in time as possible) starting with the most popular form of media identified under Consumption trends; b). **analyze** the main shifts in audience share; and c). **describe** the main media channels in the country, focusing on their ownership and type of content, and highlighting any relevant biases, particularly ideological.

In the second part of the chapter, present the turnover and profit of the main media groups under each category (television, radio, print and online) for the past five years (or as far back in time as possible). You can collect these data from:

- Local trade registry or other economic databases in the country
- Annual reports of each company
- Direct requests made to the media companies
- Interviews with company representatives.

If data can't be found through any of these methods, researchers should look for other financial data (such as tax returns) that could help calculate the turnover and profit information.

Based on the financial data, and using more information from corporate annual reports and articles in the media, **analyze** the financial performance of the media companies focusing on their profitability, focusing on changes in the share of various funding sources (i.e. advertising, subscriptions, grants, donations, etc.) in the total budget.

## Influential News Media

Based on data from reports and statistics issued by trade and professional bodies, articles in the media, and content analysis studies, a). **identify** news media that exert influence among specific groups of people, professions and communities (policymakers, business elites, community leaders, religious communities and any other relevant community in the country); and b). **present** and **analyze** them following the same guidance as in Popular news media.

## KEY FUNDERS

### Non-Governmental

Using data from advertising agency reports, surveys by industry bodies and professional associations, annual reports of philanthropic organizations and political parties, and articles in the media, present the total amount of funding spent in the media in the past five years (or as far back in time as possible) by non-governmental sources, including advertising (overall spend and largest advertisers), philanthropy (overall spend and largest contributions), donations (by political parties or other organizations), and other sources relevant in the country.

### Government

Using data from state budget documents and analyses, reports by the national audit authorities, annual reports of public or state media, present the total amount of state expenditure in the media in the past five years (or as far back in time as possible), describing a). **the forms** in which the funding was allocated (i.e. license fees, allocations for public service media, state advertising or state subsidies); b). the institutions and people in charge of **deciding** whom to fund and the criteria used in selecting the recipients of public funding; c). **the main recipients** of the funding, with a focus on their editorial strategy.

### Key sources of information recommended:

**For Consumption patterns, Popular news media and Influential news media**  
*Reports by trade and professional bodies, company annual reports, articles in the media*  
*Interviews with media experts and representatives of media companies*

### For Key funders

*State budget documents and analyses, reports by the national audit authorities, annual reports of public or state media, advertising agency reports, surveys by industry bodies and professional associations, annual reports of philanthropic organizations and political parties, articles in the media*

## TECHNOLOGY, PUBLIC SPHERE AND JOURNALISM

### TECHNOLOGY OVERVIEW

Using local statistical offices and international organizations collecting such information, a). **present** data for the past five years (or as far back in time as possible) on telephone and internet penetration, and use of computer platforms, mobile phones, operating systems, browsers and social media, and b). **analyze** the main shifts in the use of technologies for media and communication.

### ROLE OF TECHNOLOGY IN MEDIA AND JOURNALISM

#### Profiles of Key Players

Based on data from technology companies, technology market reports, trade registry data and articles in the media,

a). present the main communication tech companies in two categories as following:

**Internet and mobile** (marking the services they offer according as in the following table)

| Company | Email service | Messaging and VoIP | Mobile ecosystems | Search | Social network & blog | Video & photo |
|---------|---------------|--------------------|-------------------|--------|-----------------------|---------------|
|---------|---------------|--------------------|-------------------|--------|-----------------------|---------------|

**Telecommunications** (companies offering telecommunications services such as mobile telephony and internet connection services)

b). **profile** these companies under each category focusing on their: **audience** (number of users, products offered, etc.); **ownership** and **funding** (including data on turnover and profit for the past five years); and **local operations** (key staff, history of operations, etc.).

#### Tech and Government

Based on policy reports and analysis from think tanks and policy institutes, legal studies, articles in the media as well as interviews with social media and government representatives, describe the relation of the key tech companies (identified under *Profiles of key players*) with the government, referring to issues such as (but not limited to): a). **compliance** with local legislation and regulations; b). cooperation with government over **data handling**; c). **ownership** links between officials and government bodies and tech companies, and assess the impact of these interactions on news media and journalism.

#### Tech and Journalism

Based on academic studies, market reports, heuristic analysis of social media data as well as interviews with social media representatives and journalists, **describe** the relation of the key tech companies (identified under *Profiles of key players*) with media and journalists, referring to

issues such as (but not limited to): a). **mutual support** or other forms of cooperation with media outlets; b). **automation methods** including algorithms used in distribution of media content (with a main focus on disinformation); c). **financing** of media outlets by tech companies; d). **ownership** links between media outlets and tech companies; e). tech companies **policies and practices** related to access to content such as zero-rating, f). **content distribution**, with a focus on the most followed media outlets on key social platforms used in the country, and **assess** the impact of these issues on news media and journalism.

#### **Key sources of information recommended:**

##### **For Technology Overview**

*Data from local statistical offices or international organizations (ITU, World Bank).*

##### **For Profiles of key players**

*Data from global social media, local technology market reports, trade registry data, articles in the media*

##### **For Tech and government**

*Policy reports and analysis from think tanks and policy institutes, legal studies, articles in the media*

*Interviews with representatives of social media and government*

##### **For Tech and journalism**

*Academic studies, market reports, heuristic analysis of social media data*

*Interviews with social media representatives and journalists*



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