

APRIL 2020



MEDIA INFLUENCE MATRIX: GEORGIA

Executive Summary

Author: Giorgi Jangiani

Research consultant: Ekaterine Basilaia

Editor: Marius Dragomir

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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About the Authors

Giorgi Jangiani is a researcher at the Center for Media, Data and Society. He holds a master's degree in European Public Policy from the Central European University. His research focuses on corruption, media, and data protection policy reforms in Eastern European countries. Prior to working with CMDS, Giorgi was a Research Fellow at Georgia's Reforms Associates (GRASS) and contributed to projects on Georgia's EU approximation policy. He also holds an M.A. in Diplomacy from Tbilisi State University.

Ekaterine Basilaia is currently a lecturer and a researcher at Tbilisi State University. She is co-author of the book "The Role and Limitations of non-Governmental Policy Advocacy in Georgia: Groups and Media in Agenda-Setting" (2016). She was a senior researcher in Georgia for the Horizon 2020 WOSCAP project (2016-2017), studying the EU's engagement and communication strategies in Georgia. Besides her academic background in the past years, she has co-authored the country reports on the state of the media for Media Sustainability Index by International Research and Exchanges Board (IREX).

Marius Dragomir is the Director of the Center for Media, Data and Society. He previously worked for the Open Society Foundations (OSF) for over a decade. Since 2007, he has managed the research and policy portfolio of the Program on Independent Journalism (PIJ), formerly the Network Media Program (NMP), in London. He has also been one of the main editors for PIJ's flagship research and advocacy project, Mapping Digital Media, which covered 56 countries worldwide, and he was the main writer and editor of OSF's Television Across Europe, a comparative study of broadcast policies in 20 European countries.



Hungary, 1051 Budapest, Nador st. 9.
Tel: +36 1 327 3000 / 2609
Fax: +36 1 235 6168
E-mail: cmds@ceu.edu

The Media Influence Matrix Project is run collaboratively by the Media & Power Research Consortium, which consists of local as well as regional and international organizations. The consortium members are academic institutions (universities and research centers), NGOs, journalism networks and private foundations.

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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 the 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 the 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 space. 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.



Tel: +36 1 327 3000 / 2609

Fax: +36 1 235 6168

E-mail: cmds@ceu.edu
cmds.ceu.edu

Postal address:

Center for Media, Data and Society
Central European University
Nador u. 9
1051 Budapest
Hungary



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