

The Media Environment Ahead of the October 27 Presidential Elections

Transparency International Georgia¹
October 23, 2013



In the weeks and months leading up to the October 27 presidential elections, private media was able to provide a largely pluralistic coverage of the candidates and their campaigns. There were no reports about harassment or intimidation of journalists or of undue government interference that would have limited the media's ability to cover the campaigns.

Candidates received by and large fair treatment and balanced coverage from major media outlets. At least for the time being, the Georgian media seems to have overcome the extreme political polarization it showed in previous years. However, much of the reporting focused on covering candidates' campaign statements. Candidates faced few critical questions and the media put little focus on scrutinizing their platforms, promises and proposed policies or their past career. The media acted as a skilled observer of the campaigns but, with a few exceptions, failed to provide analysis and to put events into context, neither was it able or willing to set and shape political debates, allowing political candidates and NGOs to take the lead.

Television [remains](#) the primary source of news and information for nine out of ten Georgians. Voters were able to access media outlets providing different views and narratives without restrictions, allowing citizens to form their own opinions of candidates. Other than ahead of the 2012 parliamentary elections, candidates made little use of social media platforms to engage their constituents.

Up until the 2012 elections, most major private TV stations were closely linked to political parties and received extensive direct or indirect financial support from political actors, both the ruling

¹ Funding for this report and TI Georgia's work on the media is provided by the IREX G-MEDIA program. The G-MEDIA program is made possible by support from the American people through USAID. The content and opinions expressed herein are those of Transparency International Georgia and do not reflect the views of the U.S. Government, USAID or IREX.

United National Movement and the Georgian Dream. In the pre-election period 2013, such close links between private broadcasters and parties were no longer apparent. While in previous years several TV newsrooms coordinated their reporting on politically sensitive issues, there now is editorial and economic competition between channels.

The Georgian Public Broadcaster (GPB) hosted two presidential debates but was not able to provide extensive and insightful coverage of the candidates and to fulfill its public service mandate due to a financial and leadership crisis that appears to be at least partly caused by partisan infighting. Two GPB Trustees left the Supervisory Board in September, which no longer has a quorum needed to resolve the public broadcaster's budget crisis or appoint a new Director General. The authorities failed to investigate allegations by Board Members that they had faced illegal outside pressure.

Cable companies complied with must-carry/must-offer rules that were introduced in 2012, requiring cable and satellite operators to include practically all TV channels airing current affairs content in their packages. Households in urban areas have access to a larger portfolio of TV stations airing news and political talk shows than the year before. For example, Maestro TV and Tabula TV broadcast terrestrially, utilizing frequencies that were previously held by broadcasters that are no longer operational. Similarly, TV9, the channel owned by the family of Prime Minister Bidzina Ivanishvili, was broadcast terrestrially until its closure in late August.

The Georgian National Communication Commission (GNCC), the regulatory body for broadcasting and telecommunications, says it is currently limited in its ability to highlight problems and violations regarding political advertising and election coverage in the pre-election period due to a lack of resources. The GNCC's conduct is scrutinized by a parliamentary investigative commission – the regulator's acting chairman, Karlo Kvitaishvili, is facing an impeachment vote when the Parliament returns to work after the presidential elections.

The Ministry of Interior is continuing a practice of the previous government and maintains an officer positioned inside both the GPB and the Georgian National Communications Commission, in violation of Georgian law.

Prime Minister's inappropriate attempts to lecture journalists

Since taking office, Prime Minister Ivanishvili has held a number of several hour-long meetings with Georgian media representatives in his residence that were broadcast live. On October 2, he used this forum to lash out against several media representatives in the room. Quoting from articles and stories he disagreed with, the Prime Minister demanded explanations and justifications from several reporters present at the meeting for past reporting. Furthermore, he lamented the "journalists' poor techniques when raising questions, providing argumentation, and choosing respondents and their poor understanding of economics".

Georgian Public Broadcaster in severe crisis

In the weeks ahead of the presidential election, the Georgian Public Broadcaster stumbled into what is probably its most severe leadership crisis yet. The GPB managed to air two debates

among various presidential candidates, there was no debate, however, in which the top three contenders met each other. It's unlikely that these presidential debates will have a major impact on the outcome of the elections, due to low ratings of both shows: the first one was watched by approximately 57,000 people, while the second part of the debates attracted only 11,000 viewers (out of an adult urban population).²

The GPB's Board members and executive directors, just as their predecessors, have failed to build a strong, professional and independent broadcaster that would be able to free itself from political interference and pursue a mission of public service.

In September, the GPB's acting director canceled two political TV talk shows of David Paitchadze and Eka Kvesitadze which were widely perceived as having a UNM-friendly spin – a decision seen by many as politically motivated and inappropriate during the run-up to an election.

A few weeks before the elections, the GPB ran out of money – [according to its Board](#), it needs a GEL 2.5 million cash injection – and said it did not have the funds to launch new programs and will not be able to do so until early 2014. The only exception was the launch of a political talk show aired on workdays (Priveli Studia – Studio 1) since the beginning of October. The GPB thus fulfilled a minimum of its public service mandate, but was not able or willing to dedicate appropriate programming and resources to provide in-depth information and analysis of the candidates and their platforms.

In September, two Board members resigned, leaving the public broadcaster with only seven acting board members out of 15 and without a quorum to approve urgently necessary decisions, including the approval of a bank loan and the appointment of a new Director General. Emzar Gogvadze, the chair of the Board, and Nino Danelia, a board member, stated that trustees had faced [outside pressure](#) to resign from their positions, but did not specify who was exerting this pressure.

The GPB now operates without a director general after Giorgi Baratashvili was fired by the Board on September 6. At the time, all nine members of the Board voted to dismiss him, arguing that the top management had not provided satisfactory responses on questions about the station's debts, its budgeting and its programming priorities. The Board had dismissed Baratashvili from his position in March but a court decision declared the firing illegal and reinstated him.

In March, the Board had dismissed Baratashvili based on statements by Khatuna Berdzenishvili, the former head of the news department who had been fired by Baratashvili, who accused the Director General of putting editorial pressure on editorial staff in order to favor the Georgian Dream (Berdzenishvili was then appointed Gamgebeli of the Krtsanisi district by Tbilisi Mayor

² Source: TV MR GE, Nielsen Television Audience Measurement's licensee. AMR (Average Minute Rating), Individuals 18 years and older, cities with population 45,000+.

Gigi Ugulava from the United National Movement). Baratashvili is currently fighting against his firing in court for the second time.

Following Baratashvili's second dismissal, Goguadze claimed that an employee of the Ministry of Interior, who has apparently also worked at the GPB as a security advisor to the management, had put pressure on him and offered him rewards if he chose not to vote for the dismissal of Baratashvili. Article 18 of the Law on Broadcasting explicitly prohibits "any kind of influence or intervention in the editorial, managerial or financial independence of the public service broadcaster on behalf of administrative authorities". It appears that the authorities failed to launch an investigation into the alleged pressure highlighted by the Board.

[Tamaz Tkhemaladze](#), who had been appointed deputy director under Baratashvili in April, became the GPB's acting director. Tkhemaladze worked at the broadcaster since Soviet times, from 1978, until he was fired after the Rose Revolution, and was then hired back in 2013. Since the Board lacks the quorum to elect a new Director General, Tkhemaladze remains the acting director general to this day and probably will hold this position until the beginning of 2014 when a new board will be elected.

GPB's temporary refusal to air United National Movement ads

Tamaz Tkhemaladze, the acting director, initially refused to air political ads submitted by the UNM that were critical of the Georgian Dream, stating: "Advertising must not be counter-advertising. Instead, advertisements should say how much of a man the candidate is and what his accomplishments are. We will not broadcast advertisements that are solely based on what [the Georgian] Dream has not done. We will broadcast details of the party's plans, but advertisements about the fact that Shah Abbas [of Persia] invaded [Georgia] and that Erekle II was a bad king, will not be broadcast," Tkhemaladze said. TI Georgia [argued](#) that Tkhemaladze's comment was inappropriate and that his decision to refuse the airing of UNM ads that criticized the Georgian Dream was not in line with the law. The GPB eventually aired the UNM's ads and the dispute was resolved.

The GNCC – investigations, impeachment and illegal Mol involvement

The telecom and broadcasting regulator, the Georgian National Communications Commission (GNCC), is mandated to monitor broadcasters' compliance with the Election Code in the pre-election period and with must-carry rules, requiring cable and satellite operators to include TV channels with current affairs content. A GNCC representative told TI Georgia that the regulator is monitoring the allocation of free political advertising to those candidates that qualify for it by broadcasters and government-funded newspapers, paid political advertising, as well as balance in TV station's political coverage.

Other than ahead of past elections, the GNCC this time has not released any interim reports, preliminary findings or recommendations. According to its spokesperson, the regulator was unable to do so because it currently is overburdened by collecting information and documents that were requested by Parliament for an ongoing investigation into the conduct of the GNCC. Since spring, the leadership of the regulator has been under scrutiny by a parliamentary

investigative commission. The investigative commission held a final hearing of Commissioners and GNCC staff on Thursday, October 24 – 3 days ahead of the election.

Parliament originally launched its investigation to scrutinize the conduct of Irakli Chikovani, the previous GNCC chairman, who because of his private sector interests had faced long-standing conflicts of interest. In July, Chikovani [resigned](#) from his post as a Commissioner, just in time to avoid impeachment. Although being one of the [highest paid officials](#) in the country (earning more than GEL 295,000 per year, significantly more than the President or members of the government), he hadn't been in the office between November 2012 and July 2013, leaving the GNCC somewhat paralyzed. Chikovani's seat of the 5-member Commission remains vacant after Parliament did not select [any of the shortlisted candidates](#) proposed by President Mikheil Saakashvili.

The current chairman of the GNCC, Karlo Kvitaishvili, also faces impeachment when Parliament is back in session after the presidential election. [According to Tina Khidasheli](#), the Georgian Dream MP who chairs the temporary parliamentary commission, Kvitaishvili served as a member of the Central Election Commission representing the United National Movement, violating the rule that a Commissioner must not be a member of a political party. Kvitaishvili denied allegations saying he “has never been UNM member and only represented the party at the Central Election Commission.”

The independence of the GNCC is also infringed by the constant presence of a Minister of Interior representative, nicknamed *General* by the regulator's staff, who collects information about the agency's activities and employees – a clear violation of the [Law on Broadcasting](#) (Article 6), which bans any such outside interference in the work of the GNCC.

Broadcasters sue GNCC over financial disclosure requirements

Several TV stations – Rustavi 2, Maestro, [Tabula TV](#) and the Georgian Association of Regional Broadcasters (representing more than 20 local stations) – filed a case to the Tbilisi City Court against the GNCC, challenging new, extensive requirements to disclose detailed information about their sources of income.

The broadcasters are challenging a disclosure form that the [GNCC issued](#) on September 23. They argue that the regulator is requesting data beyond what amendments to the Law on Broadcasting that the Parliament passed in July define.³

According to these amendments, broadcasting license holders are obliged to submit to the regulator and upload on their website an annual report of their activities, their sources of funding and an audit letter. The GNCC has to publish all advertisers who bought airtime (advertising, sponsorship or teleshopping) of more than GEL 7,000 within a quarter. Similarly, broadcasters

³ TI Georgia contributed to the drafting process but at the time voiced its concerns about some provisions of the amendments resulting in large compliance costs and imposing an disproportionately large regulatory burden on broadcasters. Neither the GNCC nor several major broadcasters actively contributed to the drafting process at the time.

have to disclose all sources of income and donors who contributed more than GEL 7,000 within a 3-month period. National broadcasting license holders – a term that is subject to interpretation by the GNCC, as this term is not clearly defined, while the law grants TV stations that reach 20 per cent of the population through terrestrial or satellite broadcasting nationwide must-carry status – also have to submit information about their assets and liabilities to the regulator, meaning that a large number of channels may have to comply with this provision.

TV companies have now drafted their own reporting form, which they submitted to the GNCC. A representative of the regulator told TI Georgia that the GNCC is ready to set up a working group to address the dispute over the disclosure requirements and to discuss other aspects of the vaguely worded amendments that now have to be interpreted and enforced by the GNCC.⁴

The end of TV9

In late August, just before the campaign-period started, Prime Minister Bidzina Ivanishvili shut down TV9 (and its subsidiary, Info9.ge), a news and current affairs channel with more than 700 employees owned by his family, with only a few days' notice.⁵ Ivanishvili stated that he had been trying [to sell the channel](#) for ten months and that he was unable to find a buyer.

TV9 had been launched in April 2012 to provide an opposition voice competing with the pro-government coverage of Imedi and Rustavi 2. The channel failed to attract significant advertising revenues and remained dependent on funding from the Ivanishvili family. Poor economic indicators in the first half of the year and a [shrinking advertising market](#) also contributed to a bleak outlook for turning TV9 into a financially sustainable enterprise.

After TV9 was shut down, a group of media and civil society representatives that includes la Antadze (Chairwoman, Civic Development Institute), Vasil Maglaperidze (a former TV9 anchor), and Tsothe Gamsakhurdia (son of Georgia's first president, Zviad Gamsakhurdia) founded the joint stock company [Televizia](#) (Television) and asked Ivanishvili to hand the channel's equipment over to them. Ivanishvili agreed to do so but it [remains unclear](#) if the channel will eventually be relaunched, as the broadcasting frequency that was previously used by TV9 is now used by GDS.

New Players

TV3 (former Real TV) went on air in mid 2013. The channel focuses on current affairs with a strong business angle and is co-owned by Kakha Baindurashvili, a former minister of Finance (2009 to 2011). TV3 broadcasts terrestrially in Tbilisi, using the privately held frequency previously used by PIK, the Russian language channel of the GPB.

⁴ For instance, in line with the recent amendments, holders of a national broadcasting license should perform their accounting in accordance with the standards approved by the Commission of International Accounting Standards (IAS). Due to their must-carry status, regional broadcasters may be considered national broadcasters, thus international accounting obligations will also apply to them, resulting in very significant compliance costs and/or their inability to comply.

⁵ The owners of TV9 were Ivanishvili's wife Ekaterine Khvedelidze (80%) and Kakha Kobiashvili (20%), a close relative of the Prime Minister.

Inga Grigolia, a well-known talk-show host and a former member of Tbilisi City Council (Christian Democrats) joined the station in September with a daily talk show – Didi Politika (Big Politics). Several TV3 staff members [previously worked](#) for Ivanishvili's TV9, including Imeda Darsalia, the Head of News Service, and Natia Mikiashvili, host of the investigative program Anatomia.

GDS

The well-funded entertainment channel GDS [is owned](#) by the rapper Bera Ivanishvili, son of Prime Minister Bidzina Ivanishvili. After the shut-down of TV9, the channel remains the only media outlet owned by the Ivanishvili family, besides a 10 per cent shareholding in the Gori-based local Trialeti TV station. GDS TV initially was only broadcast online and via the cable company Global TV (owned by the Ivanishvili family). Since July, the channel can be received through antenna – GDS rents a frequency owned by Mze in Tbilisi (GDS recently applied to the GNCC to have this license transferred to it) and another one owned by 1st Stereo in other major Georgian cities.