

# Practice of allocating budgetary resources among media for the release of information and advertisement



სამოქალაქო საზოგადოების განვითარებისა  
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Authors:

TAMAR KINTSURASHVILI, GELA BOCHIKASHVILI, MARIAM LORTKIPANIDZE

Interviews by:

MARIAM TSUTSKIRIDZE

Researcher:

DALI KURDADZE

MARIAM MKERVALISHVILI

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# Preamble

The goal of the present research is to study the practice and procedures of allocation of public funds to media outlets for the purpose of advertising and information support. The research also involves the findings of media monitoring aimed to demonstrate what type of information is financed from the budget and whether budgetary funds have an influence on media content; how much the standards set by advertising legislation, code of conduct and professional ethics are observed. The research also reviews the international practice and the forms of soft censorship after the example of various countries. The document provides recommendations on improving current shortcomings and using the materials financed by administrative authorities in a pre-election period. The guidelines related to soft censorship developed by the World Association of Newspapers and News Publishers (WAN-IFRA) have been taken into consideration in the process of developing the recommendations.

# Methodology

The research is based on mixed methodology: document analysis, interviews, qualitative and quantitative media monitoring.

**Document analysis** involved the analysis of contracts as well as documents certifying the delivery and acceptance of services signed with media outlets for the purpose of advertising or information dissemination. Besides requesting documents in a form of public information, we also analyzed the documents available in the database of the State Procurement Agency.

The studies conducted by the World Association of Newspapers and News Publishers (WAN-IFRA) on the impact of soft censorship were also analyzed.

**Interviews.** A structured questionnaire was developed to analyze the practice and criteria for allocation of funds necessary for advertising and information dissemination by public agencies. A total of 22 respondents were interviewed with 14 entities giving their consent on face-to-face interviews, while the remaining 8 respondents<sup>1</sup> were interviewed in writing.

The representatives of four news agencies were interviewed about the practice of placement of advertising and paid news articles. A representative of Info 9 refused either to give a face-to-face interview or to fill in a questionnaire.

**Media monitoring.** Online media content was analyzed using qualitative and quantitative methods (see detailed description of methodology in section 5). Monitoring of advertising articles placed in newspapers was conducted through the principle of random sampling, based on the data indicated in the documents certifying the delivery and acceptance of services.

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<sup>1</sup> Ministry of Regional Development and Infrastructure; 2) Ministry of Finance; 3) Ministry of Corrections; 4) Ministry of Culture and Monument Protection; 5) Ministry of Internal Affairs; 6) Ministry of Economy and Sustainable Development; 7) Ministry of Environment and Natural Resources Protection; 8) Government of Georgia

# Main findings and recommendations

The results of the survey revealed the following trends:

- **Distribution criteria and procedures:** Criteria and procedures for the selection of media outlets to have them release advertisement/information of budget organizations, which would ensure equal conditions, fair competition and transparency, are not formalized; nor is a uniform practice established in this regard.
- **Rating and print run system:** A certified rating system of international standards is applied to Broadcast media alone though it does not extend to regional TV channels; print run of newspapers is not transparent; nor are international systems of online media access used; all this makes it unclear based on what technical criteria are concrete media outlets selected from among regional TV channels, newspapers and online media.
- **Antidiscrimination policy:** Recommendation #7 of the European Commission against Racism and Intolerance (ECRI), which requires that States Parties make antidiscrimination policy part of contracts, is not reflected in the contracts signed with media outlets.
- **Xenophobic, homophobic and anti-Western media platforms:** Separate entities continued to sign service contracts with media outlets with editorial policies favoring xenophobia, homophobia and anti-Western sentiments in 2015 too.
- **Spreading information reported by Sputnik and other Russian media platforms:** The news agency Newspress, associated with the pro-Russian political party Democratic Movement and the Russian propaganda media platform Sputnik, which is engaged in promoting Sputnik and spreading anti-Western messages is among media outlets that receive budget funding (in 2015: GEL 23,371; in 2016: GEL 28,941).
- **National TV channels:** Advertisements on TV channels of national coverage and mixed coverage are placed mainly according to the results of TV audience surveys; in this regard, Rustavi 2 and Imedi TV channels are in the lead of TV ratings. The exception is GDS which was sixth by TV ratings in 2015 and had the income lower by 21.7 percent than Maestro TV channel which ranked the third and higher by 82.4 percent than Kavkasia TV channel which ranked the eighth.
- **Breach of law by broadcasters:** Several contracts with national as well as regional broadcasters envisage the provision of service which is prohibited by the law: production of programs or reports sponsored and financed by administrative bodies, which represents the interference with the editorial independence.
- **Regional TV channels:** The highest share of financing among regional broadcasters were received by the regional broadcaster of Kvemo Kartli and “Rioni.” Four regional broadcasters depend on budget revenues either fully or by 70 percent, which, in fact, means that they are subsidized.
- **Radios:** Among radio channels, the highest share of budget advertising was received by Fortuna holding and the regional radio “Dzveli Kalaki.”
- **Print Media:** The newspapers “Sakartvelos Respublika” and “Rezonansi” are those outlets among print media, which received the highest shares of budget revenues. Moreover, several

newspapers do not clearly separate articles financed by government or other entities from editorial materials, thereby misleading the customers.

- **Online media:** The financing of news agencies does not always pursue the objective of reaching as larger audience as possible, because budget monies are sometimes allocated to newly established media platforms. In certain cases, contracts include such provisions that represent a blatant meddling in editorial independence. Sponsored articles are mainly not separated from editorial materials, including from the content financed by political parties. The exception is the news agency IPN which, in contrast to the practice of previous years, signposts sponsored materials though one can still observe exceptions to this rule. The content analysis of online media shows that on certain occasions the coverage favors the government though, basically, the news agencies publish critical opinions.
- **Pre-election context:** If a media information service in pre-election period is used not for public interests but to promote a concrete political party or an election subject, the use of this service will be considered the abuse of administrative resources which is prohibited by the law.

Recommendations drawn up on the basis of the above mentioned findings partially rest on guidelines of the World Association of Newspapers and News Publishers (WAN-IFRA) and partially rest on local peculiarities:

- **WAN-IFRA:** Laws and regulations guaranteeing fair and transparent official advertising should be enacted and properly enforced.
- **WAN-IFRA:** Impartial audience measuring systems based on certified standards should be established to ensure that advertising allocation can be based on technical criteria.
- **WAN-IFRA:** All state funding for media development and support should be allocated in public competitions on principles of transparent and non-discriminatory state aid under equal conditions for all media.
- The government should consider the Recommendation #7 of the European Commission against Racism and Intolerance (ECRI) and make the award of contracts to media outlets conditional upon the observance of antidiscrimination policy.
- Administrative bodies should not enter into contracts with those media outlets which use hate speech and spread information of Russian propaganda media platforms.
- Broadcasters and administrative bodies should observe the requirement of the law, which prohibits the sponsorship and financing of programs and reports by administrative bodies. The regulatory commission should immediately respond to such cases.
- **WAN-IFRA:** Any state support of content production must be clearly separated from its role as advertiser, with editorial integrity explicitly guaranteed, and be subject to transparent review.
- In order to rule out the use of media service for political aims in the pre-election period (which is prohibited by the law), nongovernmental organizations and the regulatory commission should monitor this process and respond to any such case by notifying the inter-agency commission set up at the Central Election Committee and the Ministry of Justice of Georgia.



Watchdog activities hamper the government to exert influence on media through open and brutal methods. Therefore, the ways of achieving this goal are becoming increasingly diverse.

One of the directions of activities carried out by the World Association of Newspapers and News Publishers (WAN-IFRA) involves the monitoring on using soft censorship by the state to promote positive media coverage.

“Soft censorship” or “indirect state censorship” is an effective means of media manipulation and control around the world not through direct and violent methods, but by means of indirect pressure.

Soft censorship is used to promote positive coverage of and to punish media outlets that criticize officials or their actions. It is the practice of influencing news coverage of state bodies and officials and their policies and activities through allocation or withholding of state media spending (subsidies, advertising, and other media contracts or assistance), or selective application of licensing, permits or regulations, to shape the broad media landscape; promote or diminish the economic viability of specific media houses or outlets; and/or reward or punish content produced by individual media workers.

There are five categories of soft censorship:

- State advertising
- Subsidies
- Paid news
- Bribery and payments
- Other administrative pressures

**State advertising:** use of public funds to announce public tenders and procurement, or for information campaigns to promote government policies, programs or service in media outlets. Abuse of state advertising would include advertising that promotes a particular office holder or political party, or when its placement is used to influence media editorial content.

**Subsidies:** assistance to a specific media house or media outlet, or to a media sector, provided by the state or a publicly funded body. A “hidden subsidy” is indirect financial assistance to selected media from public funds that is not officially defined and registered as a subsidy. Sometimes the state has adopted transparent and fair rules on state subsidies or advertising, but implementation is poor.

**Paid “News”:** paid content disguised as news, where financial arrangements are formalized with media outlets to promote a biased coverage of certain issues.

**Bribery and payments:** journalists, editors and media outlets are offered and sometimes seek direct payments or other compensation to shape or slant their reporting.

**Other administrative pressures:** are found when licenses, imports, audits or taxes are used as instruments of soft censorship, although the boundaries between these and hard censorship can be indistinct or overlapping. Onerous licensing regimes, restricting access to physical means of production, such as barring import of newsprint, or inspections and tax audits might be used as harassment that imposes serious costs and inconvenience on targeted media outlets or individuals, or means to shutter independent or critical voices.

Soft censorship has a painful impact on media. Exerting pressure on news coverage through biased, non-transparent allocation of funds and other financial tools may cause self-censorship that will restrict information dissemination and media will seem free only at a glance.

The tactics of official soft censorship are increasingly pervasive and alarmingly effective means of media manipulation and control around the world. Techniques of soft censorship are far less visible and dramatic than blatant media repression that draws immediate and intense attention from press freedom and other human rights groups. Yet soft censorship can prove highly insidious for its relative subtlety; a public that is denied accurate and impartial information is unlikely to be aware and properly wary of its existence and its impact.

Therefore, it is extremely important to interest those organizations, which are capable and have a relevant qualification to research and reveal such impact. It is important to study the impact of soft censorship and try to challenge it.

When talking about soft censorship, online media becomes increasingly topical, as the role of online media in modern technologically developed society is further increasing. Media structure in most countries is completely changing through expansion of online media. For example, in Macedonia, expansion of the Internet and social media has led to the emergence of a lot of online portals, which are new for the country's legal reality and do not fall under the new media law.

Online media functioning is related to fewer financial and administrative difficulties compared to TV and radio broadcasting that is accompanied by a number of positive and negative effects. According to WAN-IFRA report on soft censorship in Macedonia<sup>2</sup>, some online portals are run by journalists who previously worked for now closed media outlets, but others are created anonymously as pro-government mouthpieces. Some online portals and social networks are reporting on topics that are ignored or suppressed in other media outlets. Every day there are dozens of new stories via Facebook, Twitter, a blog or news portal, but the provenance and credibility of these reports is often uncertain.

It is universally established practice to use the services of online news agencies by the state and it is important to monitor whether or not the government uses this service to promote partisan or personal interests instead of the state interests.

The research on soft censorship was carried out in a number of countries and reports were prepared examining various forms of soft censorship and harmful practices existing in this direction (see Annex 1).

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<sup>2</sup> [http://www.wan-ifra.org/sites/default/files/field\\_article\\_file/Soft%20Censorship%20Macedonia%20Dec%2015.pdf](http://www.wan-ifra.org/sites/default/files/field_article_file/Soft%20Censorship%20Macedonia%20Dec%2015.pdf)

### 1.1. UNIFORM STATISTICAL DATA

According to the documents available to the Media Development Foundation (MDF), in 2015 budgetary organizations<sup>3</sup> signed contracts worth GEL 8,202,729 with media outlets for providing advertising and information services<sup>4</sup>.

However, presented data might be a conditional figure owing to the following circumstances:

- Some legal entities subordinate to the ministries, as well as separate agencies with public authorities established by the state are reluctant to publicize information.
- Courts have a different practice in terms of obligating such organizations to publicize information. For example, on June 11, 2015 the Tbilisi City Court made a precedent decision and obligated the Ministry of Agriculture's non-entrepreneurial (non-commercial) legal entity – Agricultural Projects' Management Agency to publicize information about the amount of money transferred to media outlets with the purpose of receiving information services, no matter whether public funds were the source of financing if this is related to the public functions of the agency. The complaint filed by MDF against JSC Georgian Energy Development Fund is still under consideration for already 16 months and the complaint against the Ministry of Economy to publicize the amount of funds transferred by the Georgian Railway and the Georgian Post for providing advertising services by media was rejected by the Tbilisi City Court.
- Editor of For.ge news agency, Rozi Jgamaia said in the interview that along with a number of ministries, the news agency has also signed contracts on advertising services with JSC Georgian Railway. It apparently means that the amount of funds transferred by public agencies is much higher than the available data presented in this report.

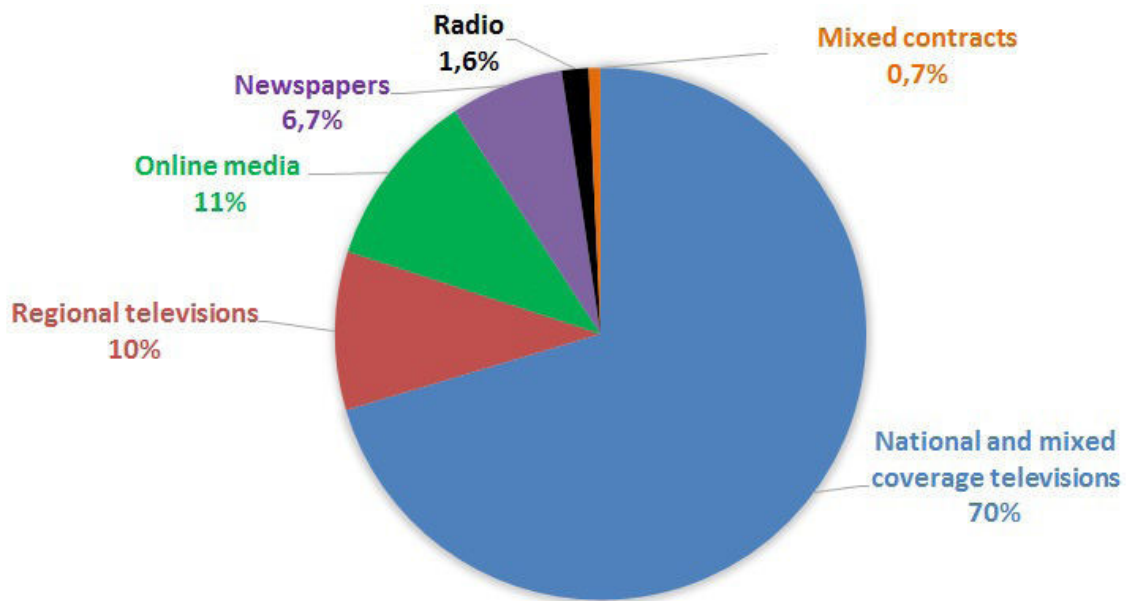
GEL 8,202,729 was distributed among media outlets as follows: 70% accounts for national and mixed coverage televisions<sup>5</sup>; 10% – regional televisions; 11% – online media; 6.7% – newspapers; 1.6% – radio; 0.7% – joint contracts involving various types of media outlets. Since certain contracts do not make it possible to identify what types of media received funding, we separated the data into a category “mixed contracts.”

<sup>3</sup> 17 Ministries; Administration of the Government; Administration of the President; National Security Council; Parliament and 2 agencies subordinated agencies; Prosecutor's Office; 2 Courts, 3 agencies under Ministries' subordination, one embassy is included; 56 legal entities of public law, 4 Joint-stock companies (JSC), 2 non-profit private legal entities (NPO), 9 Limited Liability Companies (LTD), 4 structural entities of Government of Abkhazia and 4– of Government of Adjara, 2 Governors offices, 17 Tbilisi city hall and municipalities, 55 regional municipalities and 8 structural entities subordinated, 14 regulatory and independent agencies.

<sup>4</sup> The budgetary spending in media for this purpose presented in the report Media Freedom 2015, released by MDF in early 2016, was a total of GEL 7,173,955. After analysis of additional government agency's documentations in the database of the State Procurement Agency, initial data was increased by 1 028 774 GEL. Chapter 2. Financial and business environment. <http://mediameter.ge/en/research/media-freedom-2015>

<sup>5</sup> Mixed coverage broadcasters unite those televisions, which cover various regions after digitalization.

Chart 1.1. Distribution of budget contracts by types of media



## 1.2. PROCEDURES FOR SELECTING MEDIA OUTLETS AND DISTRIBUTING PUBLIC FUNDS

The key goal of interviewing the representatives of public relations services at various public agencies was to clarify what criteria were used by budgetary organizations in the process of selecting media outlets for the purpose of advertising/information campaigns; whether there are clearly defined criteria, standards and procedures for selecting communication channels, which define the government's communication policy and rule out selected approaches.

Out of 22 respondents, representing 19 ministries, government's office, President's office and Tbilisi municipality's public relations department, the representatives of only 14 agencies gave their consent for face-to-face interviews, whereas 8 agencies<sup>6</sup> provided their answers in writing.

Out of 22 respondents, only the representatives of the Ministry of Energy and Ministry of Environment and Natural Resources Protection said that their agencies do not purchase the services of news agencies for disseminating information and instead communicate with media through sending information via e-mail; it also uses press conferences and briefings for informing the public.

Although the representative of the Tbilisi City Hall's Public Relations Service said that the agency does not purchase the services of any news agency and separate local executive bodies use only photo services, the contracts available at the State Procurement Agency's database provide quite a controversial picture. In particular, the Tbilisi City Hall has signed a contract with IPM Research, which envisages informing the public through four news agencies.

<sup>6</sup> 1) Ministry of Regional Development and Infrastructure; 2) Ministry of Finance; 3) Ministry of Corrections; 4) Ministry of Culture and Monument Protection; 5) Ministry of Internal Affairs; 6) Ministry of Economy and Sustainable Development; 7) Ministry of Environment and Natural Resources Protection; 8) Government's office.

The representatives of the Ministry of Energy and the Office of State Minister for Reconciliation and Civic Equality said that their agencies do not place paid ads on TV channels and mostly use social ads, which, according to the law, are aired free of charge. The representative of the Ministry of Energy said that various units of the Ministry make decisions on purchasing services to place ads and disseminate information independently.

When asked what criteria are used for selecting media outlets for advertising/disseminating information, 13 respondents indicated ratings and market research, 6 – target audience, 6 – coverage area, 4 – tender results and 2 – law. Although the law does not regulate the following issues, 2 indicated impartiality and reliability and 1 – experience.

It should be noted that newspapers do not indicate their circulation on their editions; the system of interviewing online portals is not perfect; the only regular poll is conducted in terms of TV (at national level) and radio ratings.

In addition, only six respondents noted that they outline media selection criteria in their service contracts. When asked whether an agency has its predefined selection criteria, all agencies gave a negative answer.

**Chart 1.2. Procedures existing in administrative bodies for advertising/disseminating information**



To ensure openness of the process of selecting media outlets and competition, eight respondents named a tender; six named legal requirements in their written answers; two named proposals offered by media outlets; two others – low price in order to cooperate with as many media outlets as possible.

The Ministry of Justice optimizes funds through consolidated tenders, doing it along with legal entities of public law under its subordination that enables to purchase more advertising time at a lower price.

## II. BUDGET CONTRACTS WITH MEDIA OUTLETS PROMOTING HATE SPEECH, ANTI-WESTERN SENTIMENTS AND RUSSIAN PROPAGANDA PLATFORMS

**Summerizing paragraph:** Separate entities continued to sign service contracts with media outlets with editorial policies favoring xenophobia, homophobia and anti-Western sentiments in 2015 too. The news agency Newspress, associated with the pro-Russian political party Democratic Movement and the Russian propaganda media platform Sputnik, which is engaged in promoting Sputnik and spreading anti-Western messages is among media outlets that receive budget funding (in 2015: GEL 23,371; in 2016: GEL 28,941).

On July 7, 2015, the Media Development Foundation (MDF) released a report on the expediency of signing service contracts with those media outlets, whose editorial policies involve promoting hate speech and anti-Western sentiments. The survey findings were reflected in the fifth monitoring cycle report on Georgia released by the European Commission Against Racism and Intolerance (ECRI) on March 1, 2016<sup>7</sup>, which calls on the Georgian authorities to review their contracts with such media outlets. In particular:

**“ECRI recommends that the authorities review their contracts with media outlets and cancel or not renew them in cases where media are known to engage in racist or homo-/transphobic hate speech. The authorities should also ensure that future contracts contain a clause stipulating that racist or homo-/transphobic hate speech will result in contract termination” (33).**

It should be noted that in 2015 separate government agencies still continued to sign service contracts with such media outlets, whose editorial policies involve promoting hate speech and stirring up anti-Western sentiments. These media outlets are: Media Union Obiektivi, newspapers Sakartvelos Respublika, Alia, Kviris Kronika and Asaval-Dasavali. Besides these outlets, two new online editions – newspress.ge and exclusivenews.ge – also appeared in this category. Unlike the above mentioned media outlets, newspress.ge stirs up anti-Western sentiments indirectly, through promoting Russian propaganda platforms, including Sputnik – Georgia.

**Table 2.1. Budget contracts with media outlets signed in 2015 promoting hate speech, anti-Western sentiments and Russian propaganda sources**

Media outlet	Contract price
Sakartvelos Respublika	85 916
Obiektivi (Etaloni)	68 616
Alia and Kviris Kronika	21 816
Newspress.ge	23 371
Exclusivenews	4 730
Asaval-Dasavali	2 500

<sup>7</sup> The fifth monitoring cycle report on Georgia released by the European Commission Against Racism and Intolerance (ECRI) on March 1, 2016. <http://www.coe.int/t/dghl/monitoring/ecri/Country-by-country/Georgia/GEO-CbC-V-2016-002-ENG.pdf>

## Newspress.ge Affiliated with Sputnik-Georgia and Democratic Movement

In 2015 the agency, which was established in 2012, signed contracts worth GEL 23 371 with 11 public agencies<sup>8</sup>. It should be noted that the list of agencies that allocated funds to newspress.ge in 2015 involved the Ministry of Defence, Georgian Embassy to Hungary, Tbilisi City Assembly and separate units of the Abkhazian government. According to the preliminary data, contract financing of newspress.ge increased in 2016 and amounted to GEL 28 941. The list of organizations<sup>9</sup> that signed contracts with the news agency in 2016 involves, among others, the Ministries of Agriculture and Corrections and the National Center for Educational Quality and Enhancement.

**Party affiliations.** The media outlet is affiliated with opposition Democratic Movement party led by Nino Burjanadze. Newspress was founded in 2012 by Alexander Chubinidze, who was the head of press office at Public Assembly<sup>10</sup>. In its turn, Public Assembly is affiliated with Democratic Movement and it is led by ex-Parliament Speaker, Nino Burjanadze; the latter is also a member of the board of People's Assembly. Among the agencies that have financed the news agency are separate units of the Abkhazian government (Ministry of Health and Social Protection of Abkhazia; Office of the Minister of Confidence Building and Reconciliation Issues of Abkhazia) led by Vakhtang Kolbaia; the latter is a member of Democratic Movement.

**Editorial policy.** Unlike other media outlets with radical editorial policies, who openly promote homophobic, xenophobic and anti-Western sentiments, Newspress disseminates information similar to those covered by other media outlets indirectly, within the formats of press reviews, interviews and other rubrics. For example, on May 4, almost two weeks before the International Day Against Homophobia and Transphobia, which is associated with physical violence in Georgia, the news agency released a homophobic article prepared by Kviris Kronika titled "Political prostitute Kaladze makes us accustomed to the idea that the parade of pederasts will be held by all means."<sup>11</sup>

The online portal also popularizes Sputnik Georgia, the main propaganda platform founded by the Russian government, and disseminates information with anti-Western content prepared by other Russian-language sources, which will be thoroughly discussed below.

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<sup>8</sup> Ministry of Defence; Ministry of Health and Social Protection of Abkhazia; Embassy of Georgia to the Republic of Hungary; Office of the Minister of Confidence Building and Reconciliation Issues of Abkhazia; Tbilisi City Assembly; Public Service Development Agency; National Wine Agency of Georgia; Georgian State Hydrographic Service; Service Agency of the Ministry of Finance of Georgia; Financial Analysis Service and Sakaeronavigatsia.

<sup>9</sup> Ministry of Agriculture; Ministry of Corrections; National Center for Educational Quality and Enhancement; Office of the Minister of Confidence Building and Reconciliation Issues of Abkhazia; Gymnastics Development Sports Center under the Tbilisi Municipality; State Construction Company; Georgian State Hydrographic Service; Service Agency of the Ministry of Finance of Georgia and Sakaeronavigatsia.

<sup>10</sup> Newspaper Akhali Taoba, February 3, 2012. "Who created a new news agency Newspress – Merabishvili or Ivanishvili?" <http://www.opentext.org.ge/index.php?m=4&y=2012&art=2501>

<sup>11</sup> <http://bit.ly/1Tr5P5l>



**Promotion of Sputnik–Georgia and other Russian platforms in Newspress.** A five-month observation over Newspress has shown that the online edition tries to keep balance and along with diverse sources, it offers its readers Russian propagandistic platforms and their messages. For example, press reviews contain materials not only from Russian-language propagandistic sources, but also from authoritative Western editions (such as Washington Post, Voice of America, etc.). However, main emphasis is laid on Sputnik, as well as other Russian propagandistic platforms and they have quite a different implication in Newspress largely due to the following circumstances:

- Newspress considers Sputnik–Georgia not only in the context of press review, but systematically popularizes this platform through constant coverage of its new projects. During five months the web portal posted 16 materials covering various cultural or public activities, as well as new media projects implemented by Sputnik–Georgia.
- Director of Newspress, Aleko Chubinidze simultaneously works for Russia’s propagandistic platform Sputnik<sup>12</sup>, which considers the reaction of western states on Russia’s propaganda in the context of internal security problem of Eastern European countries<sup>13</sup>.
- Newspress releases an interview with Modest Korelov, Russia’s main ideologist in CIS issues, according to which Georgia will join NATO in exchange for losing its territories (see table 2.2.). Modest Korelov has been declared persona non grata in Latvia (2009)<sup>14</sup> and Lithuania (2009)<sup>15</sup>. In 2012, the President of breakaway Transnistria awarded the Order of Friendship to him<sup>16</sup>. Modest Korelov is the founder of Russian propagandistic websites regnum.ru, polit.ru and regions.ru. Since 2013, he has been editor of Rex.ru. His name is also associated with Tbilisi-based pro-Russian media portal Sakinformi.
- The messages made by Sputnik as well as other Russian-language propaganda platforms, which are re-distributed by Newspress, are in line with those anti-Western and xenophobic messages, which are disseminated through various anti-Western platforms (see table).

<sup>12</sup> Damoukidebloba.com, July 24, 2015. “Who works for Sputnik?” [http://damoukidebloba.com/c/news/vin\\_mushaobs](http://damoukidebloba.com/c/news/vin_mushaobs)

<sup>13</sup> For example, radio interview “Dangerous Priority”, host Aleko Chubinidze; respondent Simon Kiladze; topic: the statement made by American republican congressman on the urgency of the struggle against Russian propaganda, <http://sputnik-georgia.com/radio/20150813/228292209.html>

<sup>14</sup> <http://www.mfa.gov.lv/en/news/latest-news/12093-foreign-minister-declares-two-russian-citizens-persona-non-grata-in-latvia>

<sup>15</sup> [http://www.bbc.com/russian/russia/2009/07/090730\\_kolerov\\_stop\\_lithuania.shtml](http://www.bbc.com/russian/russia/2009/07/090730_kolerov_stop_lithuania.shtml)

<sup>16</sup> <http://www.iarex.ru/news/28849.html>



**Table 2.2. Anti-Western and xenophobic messages in Newspress citing Sputnik and other Russian sources**

Message	Russian-language sources	Title/fragment
NATO in exchange for territories	Noev-kovcheg.ru	Modest Korelov: “Georgia will probably join NATO, but only without Abkhazia and South Ossetia.” <sup>17</sup>
NATO = threat	Fap News (ФАП News)	“Georgia will be absorbed by NATO.” <sup>18</sup>
	Nezavisimoe Voennoe Obozrenie (Независимое военное обозрение)	“Russian military press writes about possible efforts in the Caucasus in case of war with NATO.” <sup>19</sup>
	Nezavisimaya Gazeta (Независимая газета)	“Tbilisi again felt Russian threat and following small progress the Georgian-Russian relationship started to aggravate.” <sup>20</sup>
Georgian army is weak, NATO has done nothing to assist it.	Voenno-Promishlenni Curier (Военно-промышленный курьер)	“Georgia can only boast about its army.” <sup>21</sup>
Georgian-American -British military exercises = provocation against Russia	Krasnaya Zvezda (Красная звезда)	“Russia warned Georgia strictly that Moscow considers the military drills in Vaziani a provocation.” <sup>22</sup>
Richard Lugar laboratory = threat	Nezavisimoe Voennoe Obozrenie (Независимое военное обозрение)	Russian press accuses Georgia of producing biological weapons. Was swine flu disseminated from Georgia? <sup>23</sup>

<sup>17</sup> <http://bit.ly/1Rn8qZ4>

<sup>18</sup> <http://bit.ly/1TJRL0D>

<sup>19</sup> <http://bit.ly/1sNTCPn>

<sup>20</sup> <http://bit.ly/1RnaLmT>

<sup>21</sup> <http://bit.ly/1Vo0iwK>

<sup>22</sup> <http://bit.ly/1XQLUzo>

<sup>23</sup> <http://bit.ly/1Ubhlfl>

	Nezavisimoe Voennoe Obozrenie (Независимое военное обозрение)	It is possible to create Zika virus in Georgia – indirect accusation of the Russian side <sup>24</sup>
Turkey = threat	Nezavisimaya Gazeta (Независимая газета)	“Turkey may demand Georgia to give up Adjara” <sup>25</sup>
	Commerçant (Коммерсантъ)	“Survey results: Europeans doubt that Turkey is cooperating with the Islamic State.” <sup>26</sup>
Religious conflict in Georgia was provoked by the European Institute	Nezavisimaya Gazeta (Независимая газета)	“Georgia again walked a tightrope and managed not to get involved in the conflict with a religious context.” <sup>27</sup>
		“This time, tensions [in Adigeni] were caused by the fact that the government allocated a plot of land for a Muslim cemetery that was dictated by one of the European institutes.”
Crimea is a part of Russia	Sputnik. Mnenia	“One third of Europeans and Americans consider Crimea to be a part of Russia.” <sup>28</sup>
Armenians try to spread dividing policy over Georgia too	Politicheskoe Izvestiya (Политические Известия)	Armenian provocations against Georgia” <sup>29</sup>  „Armenia has been the source of conflicts, splits and provocations in the Caucasus over centuries. The question is about the tactics through which Yerevan tries to establish dominance in the South Caucasus; Armenia actively follows the principle: divide and rule.”

<sup>24</sup> <http://bit.ly/1XQPW14>

<sup>25</sup> <http://bit.ly/1syScrg>

<sup>26</sup> <http://bit.ly/22nzdg0>

<sup>27</sup> <http://bit.ly/22tjL1S>

<sup>28</sup> <http://bit.ly/1skQ6LM>

<sup>29</sup> <http://bit.ly/1qVx7pQ>

One of the main media platforms of Russian propaganda – Sputnik – is an international multimedia project, which was created under the Russian President’s order dated December 9, 2013. The government-owned Sputnik has replaced RIA Novosti and Russian Voice news agencies on the international arena. Sputnik-Georgia was officially registered in the Georgian public registry on January 23, 2015.

### Sakartvelos Respublika newspaper

In 2015, newspaper Sakartvelos Respublika received the largest funding – GEL 85 916 – among print media. The newspaper signed contracts on advertising services with 13 public agencies<sup>30</sup>. It should be noted that the list of these public agencies contains the Government of Georgia, Ministry of Education and Culture of Abkhazia and National Bank of Georgia. In 2013–2014, the funding of Sakartvelos Respublika amounted to GEL 63 923 with the Abkhaz government’s office, Finance and Economy Ministries of Adjara, Road Department and other agencies being among the sponsors.

In its report released in 2015<sup>31</sup>, MDF brings several headlines from Sakartvelos Respublika to illustrate its homophobic, xenophobic and anti-Western editorial policy: “Does the road towards NATO and Europe go through the Georgians’ asses?”; “Before we have turned into Sodom and Gomorra”; “France turned pederast, Vladimir “the Strong Man” and a lawyer in Nakhalovka”; “Will Georgia turn Chinese or Wonderful?” and others.

### Obiektivi TV

Etaloni Media received GEL 68 616 for producing TV program Etaloni aired on Obiektivi TV. A part of contracts envisaged transfer of liabilities undertaken on Georgian Public Broadcaster to Obiektivi TV. The contract was signed with 16 public agencies<sup>32</sup> with 12 local municipalities among them. The Academy of the Ministry of Internal Affairs of Georgia also provided support to Obiektivi TV. In 2013–2014, the total amount of budget contracts signed with Obiektivi was GEL 52 167. These contracts were signed with the Ministries of Education, Defence, Internal Affairs as well as various entities of the Ministries of Internal Affairs and Agriculture<sup>33</sup>.

According to the MDF’s early reports, Obiektivi pursues anti-Western, Turkophobic and homophobic editorial policy. The channel airs Russian-language films and stories with anti-Western content. According to the fifth monitoring cycle report on Georgia released by the European Commission Against Racism and Intolerance (ECRI), “Obiektivi TV has long pursued an anti-Turkish editorial

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<sup>30</sup> The government’s office; Ministry of Education and Culture of Abkhazia; United Water Supply Company of Georgia; Roads Department of Georgia; National Environmental Agency; National Bank of Georgia; Telavi Municipality; Georgian National Academy of Sciences; Ministry of Finance and Economy of Adjara; Raphiel Dvali Institute of Machine Mechanics; Ivane Beritashvili Center of Experimental Biomedicine; Georgian State Electrosystem; Georgian National Film Center

<sup>31</sup> <http://mediameter.ge/ge/research/sabiujeto-saxsrebi-sizulvilis-enisa-da-antidasavlurigancqobebis-gamavrcelebel-mediashi>

<sup>32</sup> Academy of the Ministry of Internal Affairs; Tbilisi Transport Company; the Municipalities of Adigeni, Dusheti, Kazbegi, Martvili, Oni, Khulo, Kaspi, Akhmeta, Zestaponi, Ninotsminda, Shuakhevi, Senaki, Ambrolauri and Abasha.

<sup>33</sup> <http://mediameter.ge/en/research/public-funds-media-promoting-hate-speech-and-anti-western-sentiments>

policy, visible in its talk shows through comments made by presenters and the choice of guests. It also led a campaign against a new mosque in Batumi. Irma Inashvili, founder of Obiektivi and leader of the Alliance of Patriots party, stated: “First and foremost, they realize that threat which the construction of a new mosque, or to be more precise, erecting a symbol of might of Turkey in the center of Batumi can cause.”<sup>34</sup>

The TV channel is affiliated with the Alliance of Patriots party.

### Alia and Kviris Kronika newspapers

In 2015, Alia Holding members – newspapers Alia and Kviris Kronika signed contracts on advertising and information services with six public agencies<sup>35</sup>, among them the Ministry of Labor, Health and Social Protection. Total amount of contracts signed by Alia Holding members in 2013–2014 with various entities of the Ministries of Internal Affairs and Agriculture amounted to GEL 55 835<sup>36</sup>.

According to the MDF reports, these newspapers pursue homophobic, xenophobic and anti-Western editorial policies that was also highlighted in the fifth monitoring cycle report on Georgia released by ECRI<sup>37</sup>.

### Various

In 2015, the contracts worth GEL 4730 and GEL 2500 were signed with newspaper Asaval-Dasavali and web portal Exclusivenews, respectively.

It should be noted that advertising materials related to the information campaign on the report summarizing the government’s three-year work were placed in newspaper Asaval-Dasavali under Decree 2552 of the Government of Georgia dated November 27, 2015. A contract with Exclusivenews was concluded by the Interior Ministry’s Security Police.

Besides openly declared xenophobic and homophobic content, newspaper Asaval-Dasavali is also stirring up anti-Western sentiments. The newspaper’s platform is more of ethno-nationalistic nature, but as demonstrated by the MDF’s research, its content is identical to the narrative of openly pro-Russian outlets.

Exclusivenews disseminated misinformation with homophobic content about the marriage of ex-UNM member, Giorgi Vashadze’s brother to a man with a headline “Vashadze’s brother got married to a man<sup>38</sup>”. Davit Vashadze filed a lawsuit against Exclusivenews and won the case in the first instance court.

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<sup>34</sup> <http://www.coe.int/t/dghl/monitoring/ecri/Country-by-country/Georgia/GEO-CbC-V-2016-002-ENG.pdf>

<sup>35</sup> Ministry of Labor, Health and Social Protection; Notary Chamber of Georgia; Public Service Development Agency; National Center for Teacher Professional Development; Entrepreneurship Development Agency; European Youth Olympic Festival Tbilisi 2015 Organizing Committee;

<sup>36</sup> <http://mediameter.ge/en/research/public-funds-media-promoting-hate-speech-and-anti-western-sentiments>

<sup>37</sup> 1 March, 2016 <http://www.coe.int/t/dghl/monitoring/ecri/Country-by-country/Georgia/GEO-CbC-V-2016-002-ENG.pdf>

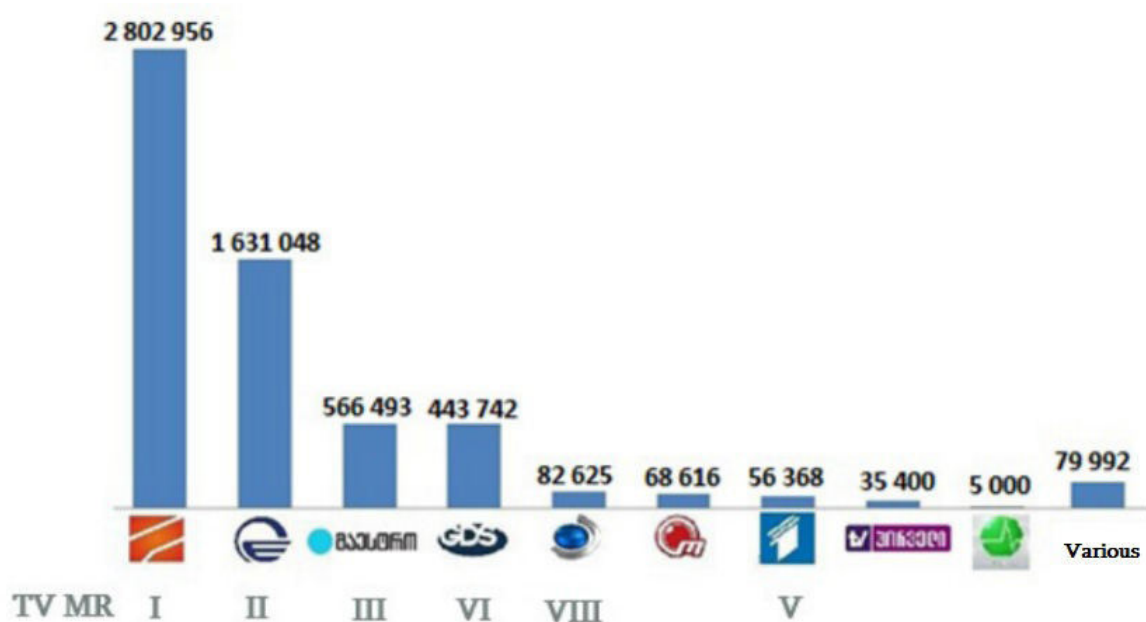
<sup>38</sup> Presently this article is not available at the website of Exclusivenews currently, but Georgia and the World (<http://bit.ly/ITS3vUK>) and for.ge ([http://www.for.ge/view.php?for\\_id=35345&cat=9](http://www.for.ge/view.php?for_id=35345&cat=9)) have posted it on their respective websites citing the agency.

**Summarizing paragraph:** Advertising on national televisions mostly takes place based on the results of TV audience measurement. Several contracts with national as well as regional broadcasters envisage the provision of service which is prohibited by the law: production of programs or reports sponsored and financed by administrative bodies, which represents the interference with the editorial independence. Four regional broadcasters depend on budget revenues either fully or by 70 percent, which, in fact, means that they are subsidized.

### 3.1. NATIONAL AND MIXED COVERAGE TV CHANNELS

The largest share of television advertisement – GEL 2,802,956 accounts for Rustavi 2 TV, which according to the TVMR audience measurement company<sup>39</sup> was ranked 1<sup>st</sup> in 2015; Rustavi 2 is followed by Imedi – GEL 1,631,048 (TVMR: 2<sup>nd</sup>); Maestro – GEL 566 493 (TVMR: 3<sup>rd</sup>); GDS – GEL 443 742 (TVMR: 6<sup>th</sup>); Kavkasia – GEL 82 625 (TVMR: 8<sup>th</sup>); Obiektivi (Etaloni TV program) – GEL 68 616 (TVMR data unavailable); Channel One of Georgian Public Broadcaster (Etaloni program) – GEL 56368 (TVMR: 5<sup>th</sup>); Pirveli TV – GEL 35 400; Pulse TV – GEL 5 000. It should be noted that some budget contracts do not enable to identify what amount was distributed among various media outlets<sup>40</sup>.

**Chart 3.1. Distribution of budgetary advertisements among national and mixed coverage televisions**



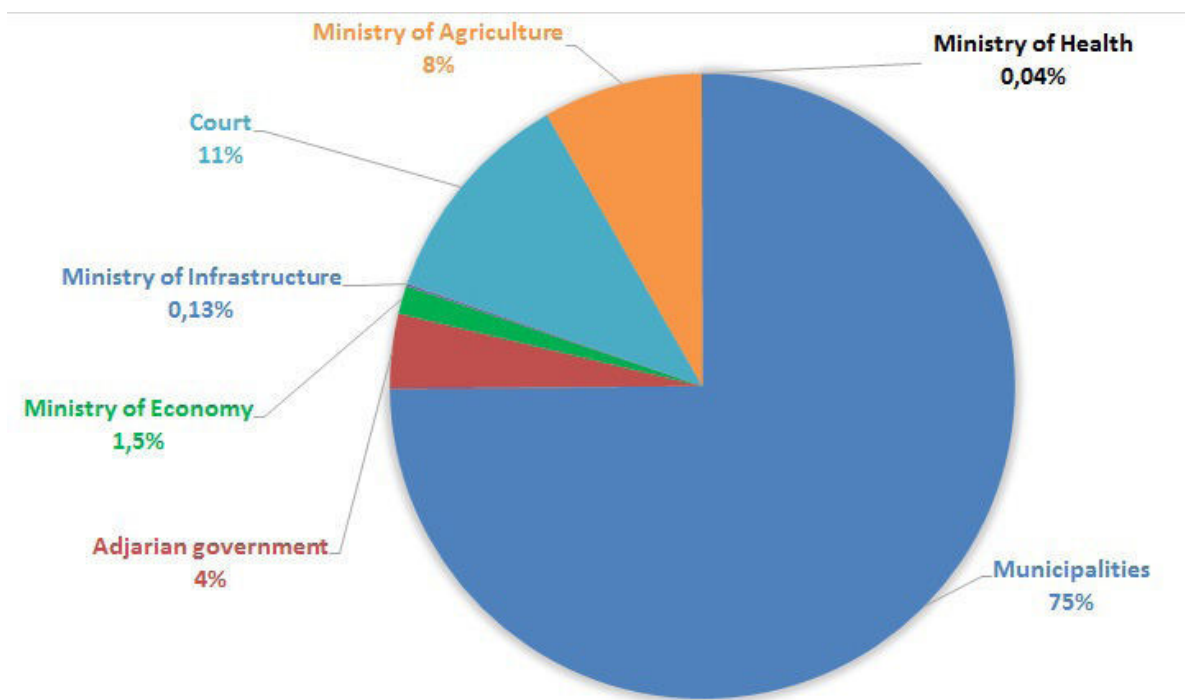
<sup>39</sup> <http://www.tvmr.ge/en#!en/news/44/>

<sup>40</sup> LEPL Legislative Herald of Georgia

### 3.2. REGIONAL TELEVISIONS

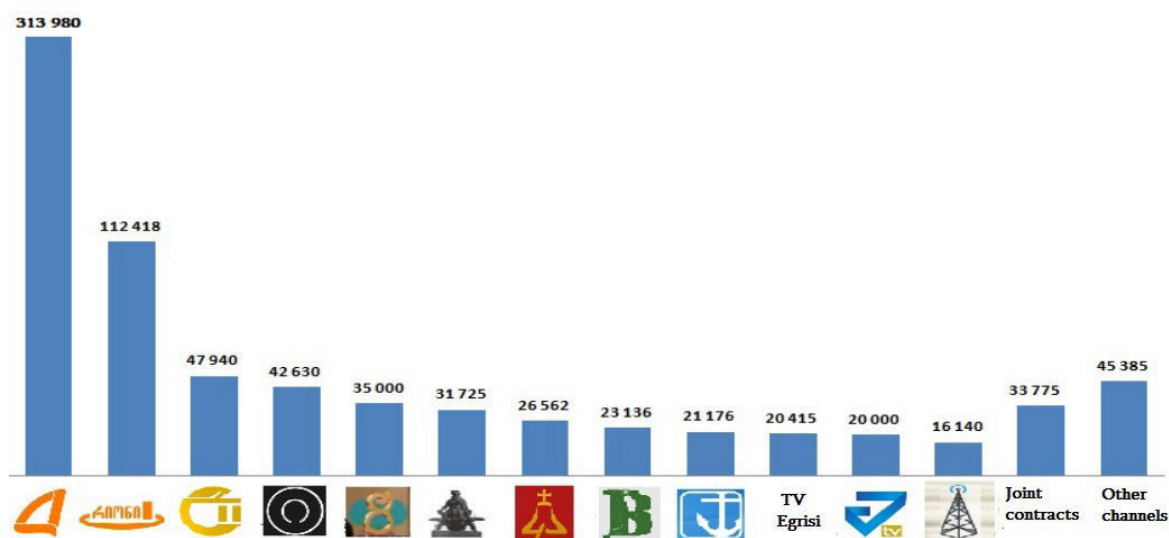
According to the contracts signed with regional televisions, 75% accounts for local municipalities; 4% - Adjarian government and the remaining 21% - units subordinated to the Ministries of Economy, Regional Development and Infrastructure, Agriculture and courts.

Chart 3.2. Share of budgetary advertisements on regional televisions



Budgetary organizations cooperate with a total of 24 regional televisions. Among regional televisions, Kvemo Kartli TV has received the largest portion – GEL 313 980, followed by Rioni TV – GEL 112 418; Gurjaani – GEL 47 940; Imervizia – GEL 42 630; Parvana – GEL 35 000; Marneuli TV – GEL 31 725; Zari – GEL 26 562; Bolnisi – GEL 23 136; Argo – GEL 21 176; Egrisi – GEL 20 415; Mega TV – GEL 20 000; Jikha – GEL 16 140; Trialeti – GEL 9 240; Odishi – GEL 8 180; Kolkheti 89 – GEL 6 140; Metskhre Talga – GEL 5 140; ATV 12 – GEL 4 350; TV Channel 25 – GEL 3 048; Dia – GEL 2 370; Channel 9 (Akhaltsikhe) – GEL 1 830; Tanamgzavri – GEL 1 776; Era – GEL 1 260; Borjomi – GEL 220. It should be noted that some budget contracts did not enable to identify what amount was distributed among various media outlets (17 regional televisions). Total cost of contracts is GEL 33 775.

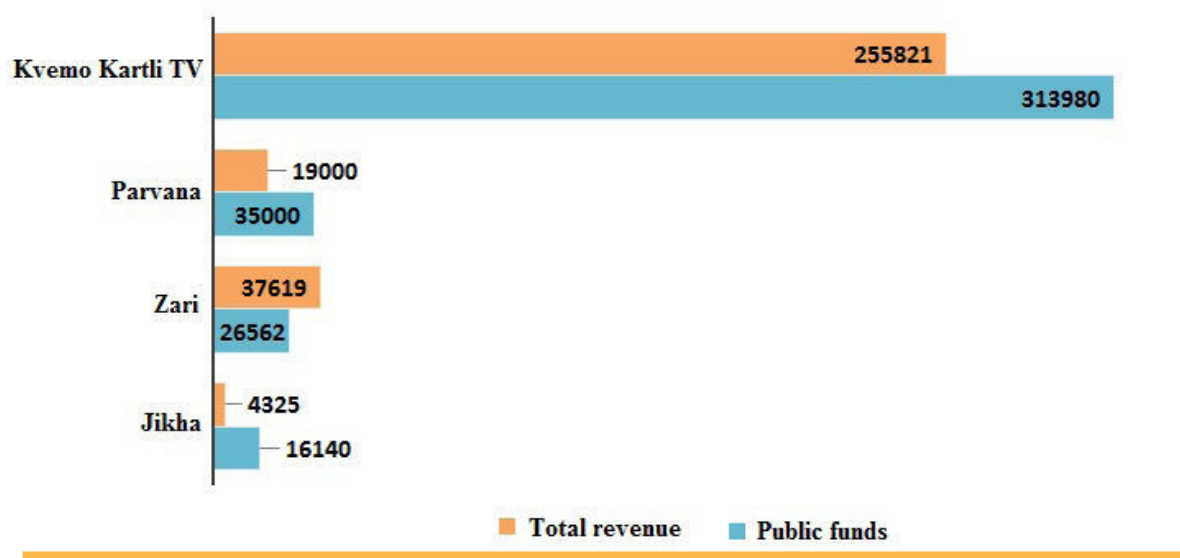
Chart 3.3. Distribution of budgetary advertisement among regional televisions, 2015



We have separated those televisions, whose share of budgetary advertisement in total incomes declared to the Georgian National Communications Commission (GNCC)<sup>41</sup> exceeds 60% that may serve as a certain indicator to illustrate how much a particular media outlet is financially dependent on budgetary incomes. As the comparison has shown (see chart 3.4), four regional televisions fully or greatly depend on budgetary incomes. Several cases have been revealed, when:

The cost of services rendered by broadcasters to budgetary organizations exceeds the financial data submitted to the Georgian National Communications Commission (Kvemo Kartli TV – by 273%; Parvana – by 84%; Jikha – by 23%) or public funds account for the largest portion of broadcasters' incomes (Zari – 71%).

Chart 3.4. Common and budgetary incomes of regional televisions in 2015



<sup>41</sup> According to paragraph 4 of article 70 of the Law on Broadcasting, a broadcaster shall submit the reporting forms to the Commission within 15 days after the end of each quarter.

This fact can be explained by two reasons: 1) Non-transparent nature of expenses incurred by intermediaries acting between televisions and budgetary organizations, or 2) A part of televisions does not provide GNCC with comprehensive information about incomes.

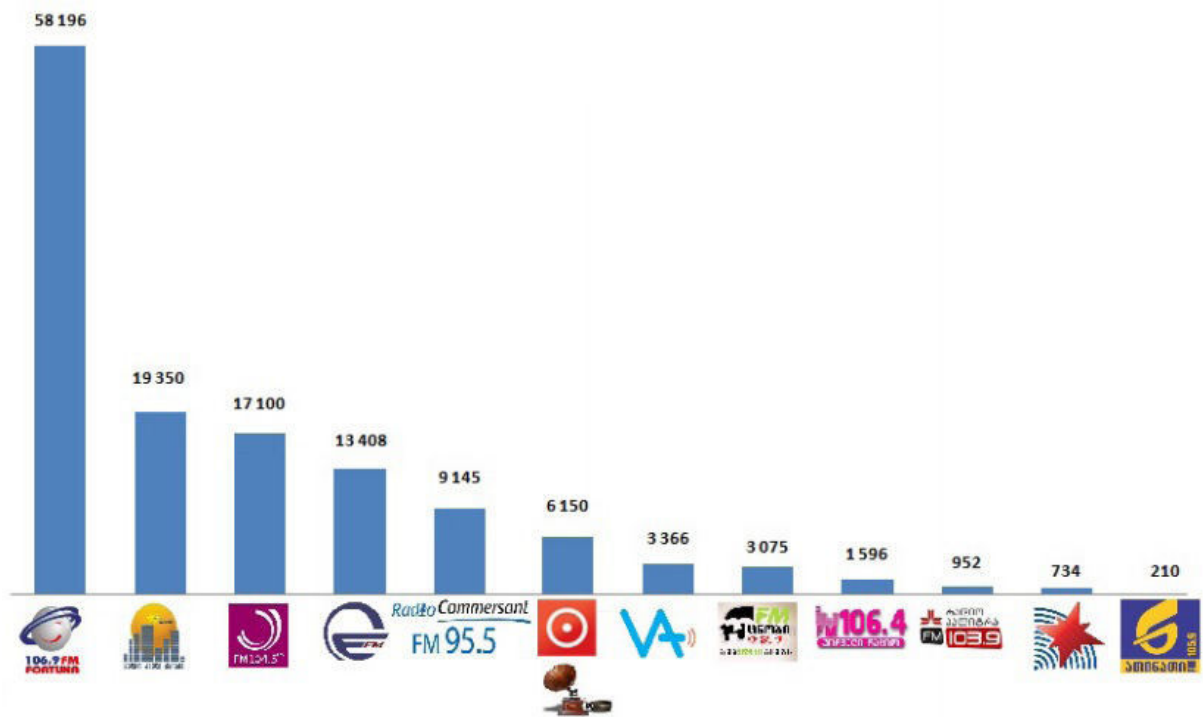
As for the discrepancy between the incomes declared to GNCC and the amounts indicated in budget contracts, Giorgi Mgaloblishvili, director of Kvemo Kartli TV and Radio Company, explains that the company provided GNCC with information on incomes without VAT (GEL 255 821), while in some cases the contracts involved the amount of profit received by contractors. As far as Parvana, ATV12 and Jikha are concerned, they have not provided information on this discrepancy.

3.3. RADIOS

Advertising funds were distributed among radio stations as follows:

Radio Holding Fortuna (Fortuna, Fortuna +, Ar Daidardo, Auto Radio) – GEL 58 196; followed by regional radio Dzveli Kalaki – GEL 19 350; Adjarian Radio of Georgian Public Broadcaster – GEL 17 100; Radio Imedi – GEL 13 408; Radio Commersant<sup>42</sup> – GEL 9 145; radios Maestro and Vinili – GEL 6 150; Voice of Abkhazia – GEL 3 367; Radio Ucnobi – GEL 3 075; Pirveli Radio – GEL 1 596; Radio Palitra – GEL 952; STAR FM – GEL 734 and Radio Atinati – GEL 201.

Chart 3.5. Distribution of budgetary advertisements among radios, 2015



<sup>42</sup> Contract with Radio Commersant also envisaged placing information on the website of this media outlet.



### 3.4. TERMS OF CONTRACTS WITH NATIONAL AND REGIONAL BROADCASTERS

Some contracts signed by budgetary organizations with national as well as regional broadcasters represent a violation of the Law on Broadcasting, which bans sponsorship of programs by administrative bodies.

In particular, according to paragraph 1 of article 67 (Inadmissibility of sponsorship), “Administrative bodies, members of collegial administrative bodies or public servants, political parties, leaders or officials of political parties, coalitions or blocs of political parties or any other electoral subjects may not be sponsors of programs.”

The below table describes the cases, when the contracts envisaged sponsorship of programs.

**Table 3.1. Programs sponsored by administrative bodies**

Institution	Television	Program
MIA Academy	Public Broadcaster/Etaloni media	Etaloni
MIA Security Police Department	Public Broadcaster/Etaloni media	Etaloni
Defence Academy	Public Broadcaster/Etaloni media	Etaloni
The Academy of the Ministry of Internal Affairs	Obiektivi/Etaloni media	Etaloni
Municipalities of Adigeni, Dusheti, Kazbegi, Martvili, Oni, Khulo, Kaspi, Akhmeta, Zestaponi, Ninotsminda, Shuakhevi, Senaki, Ambrolauri, Abasha	Obiektivi/Etaloni media	Etaloni
Tbilisi Transport Company <sup>43</sup>	Obiektivi/Public Broadcaster / Etaloni media	Etaloni

<sup>43</sup> The contract signed with Tbilisi Transport Company envisaged airing a program on GPB and later this obligation was implemented on Obiektivi TV.

The contracts signed with the purpose of placement in Etaloni program envisage services, which, in essence, represent interference in editorial independence and contradict the norms set out by legislation and the code of conduct. In particular, the above mentioned contracts foresee delivery of the following services: “preparation of questions for the TV program with participation of the client, recording of the program, editing and airing of the program and in accordance with the program format – presentation of students selected by the client”. These services are considered illegal by Article 66<sup>1</sup> of the Law on Broadcasting as it prohibits “purchasing services and financing or co-financing, directly or indirectly, the production of and airing of broadcaster’s programs.” Moreover, the service contracts also enable public institutions to be involved in editorial and creative process that violates article 29.2 of the Code of Conduct for Broadcasters (the principle that guarantees editorial independence of a broadcaster).

On March 26, 2015, Georgian National Communications Commission imposed an administrative liability on Georgian Public Broadcaster for airing Etaloni TV program sponsored by MIA Security Police Department and MIA Academy, and issued a written warning<sup>44</sup>. This decision by the Commission was preceded by the monitoring report on the performance of Georgian Public Broadcaster prepared by the Georgian Charter of Journalistic Ethics that expressed concerns over violations of legislation by Etaloni TV program<sup>45</sup>. But after the Media Development Foundation applied to it, the Commission did not impose the same administrative liability against Obiektivi TV citing that the program was no more aired; so, it confirms a selective approach by the commission.

**Funded TV programs /stories.** The research has revealed such contracts, which do not directly envisage sponsorship, but indirectly represent the means of financing programs or stories that also represents violation of the Law on Broadcasting.

Article 66<sup>1</sup> of the Law on Broadcasting (Inadmissibility to finance broadcasters):

1. Administrative bodies, political parties, officials and public servants may not finance broadcasters, and may not procure their services and finance or co-finance, directly or indirectly, the production of and broadcasting of broadcasters’ programmes, except as provided for by paragraphs 2 and 3 of this article.

According to paragraph 3 of the same article, electoral administration may procure a broadcaster’s service only for the preparation and/or broadcasting of information provided for by electoral legislation.

Paragraph 2 of the same article applies to the following cases: “Administrative bodies may procure a broadcaster’s service only for placing a social advertisement and disseminating important information to the public and only provided that this is included in a separate clause in their budgets.”

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<sup>44</sup> March 2015 decision (#162/18) of the Georgian National Communications Commission on imposing administrative liability on Georgian Public Broadcaster, <http://gncc.ge/ge/legal-acts/commission/solutions/2015-162-181.page>

<sup>45</sup> <http://qartia.org.ge/wp-content/uploads/2015/02/GPB-GEO.pdf> (p. 31)

An exception clause was added to the law in 2013 and it contains certain controversy with respect to the inadmissibility of sponsored programs and financed stories. The clause, according to which “dissemination of important information to the public” may be an exception, can be interpreted as a justification for financed stories that will enable administrative bodies to cite the goals of performing their authorities as the reason behind their expenses. The contracts signed with regional media, providing transmission and transparency of local self-government’s sessions rather than financing the preparation of various stories and invitation of guests to the program can be considered such a legitimate goal.

In the contracts signed between public agencies and televisions, we frequently come across the conditions, which by their content represent the interference in editorial independence. It may be preparation of a story offered by the client, preparation of a story on a selected topic, invitation of a guest selected by the client, etc.

**Table 3.2. Programs and stories financed by administrative bodies on national televisions**

Institution	Broadcaster	Service
Environmental Information and Education Center	Rustavi 2	Preparing/airing of six 45-50 -minute TV programs
National Center for Disease Control	Rustavi 2	Covering various topics in the program “The Doctors”
National Center for Disease Control	Pulse	A story in the program Pulse, in two thematic programs, including invitation of a guest to the studio
Public Service Development Agency	Imedi TV	Visit of the Chairman of the Public Service Development Agency to “Imedis Dila” program on a topic dedicated to a concept on public centers, over 200 services rendered by public and private sectors, number of centers and planned novelties.
Ministry of Sport of Youth Affairs of Georgia	Rustavi 2, Ar Daidardo, Fortuna	Inviting a guest to Rustavi 2 TV program “Skhva Shuadage”; Inviting a purchaser to two leading radios Fortuna and Ar Daidardo as a guest
Department of Tourism and Resorts of Adjara	Maestro Rustavi 2	Preparing a story

### 3.5. CONTRACTUAL TERMS FOR REGIONAL TELEVISIONS

The contracts signed between administrative bodies and regional television envisaged both the preparation of ordered stories and programs and financing the invitation of a guest that is an interference in editorial independence, as well as live transmission of Sakrebulo's sessions that envisages a function of neutral transmission of information. For example, the subject of the agreement concluded between the Chiatura Municipality and Imervizia TV is live transmission of Sakrebulo's sessions, ensuring openness of local executive bodies. Other forms of contracts actually represent a violation of legislation and the Code of Conduct for Broadcasters.

**Table 3.3. Programs and stories financed by administrative bodies on regional television**

Institution	Broadcaster	Service
Kutaisi Mayor's Office	TV and Radio Company Rioni	Preparing a program about famous Georgian poets, successful athletes etc; allocation of 90 minutes four times per month to the representatives of executive and legislative bodies; preparing a talk show
Kutaisi Mayor's Office	Radio Dzveli Kalaki	Organizing a radio program "Remember Your History"; preparing radio stories and informative radio programs highlighting the activities conducted by the Kutaisi local self-government as well as implemented projects.
Department of Common Courts	Kvemo Kartli TV	Preparing a program; inviting guests
Department of Common Courts	Adjarian TV and Radio of Georgian Public Broadcaster	Preparing a program; inviting guests
Akhalkalaki Municipality's local executive body (Gamgeoba)	ATV 12	Preparing a program; coverage of activities

<b>Tsalenjikha Municipality</b>	Jikha	Taking footage, editing and airing information stories, various events and statements reflecting the work of Sakrebulo and Gamgeoba
<b>Chkhorotsku Municipality</b>	Kolkheti 89	Coverage of implementation of construction projects, construction and other works
<b>Senaki Municipality</b>	Egrisi	Taking footage and airing events, preparing and editing a story
<b>Zestaponi Municipality</b>	Argo	Editing materials; placement of information

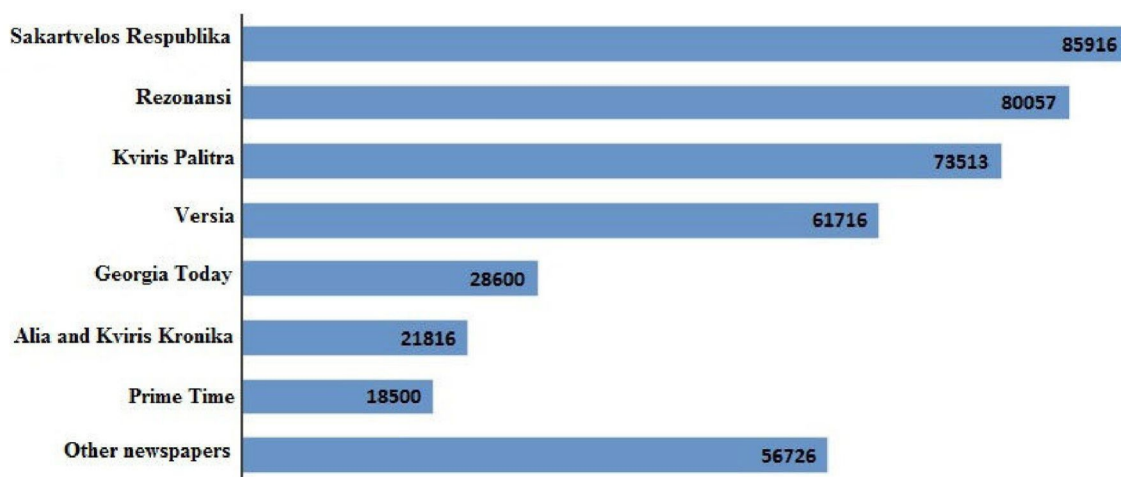
## IV. PRINT MEDIA

**Summarizing paragraph:** As far as print media is concerned, two major problems have been revealed: 1. The practice of distribution of budgetary funds by public agencies among this type of media outlets is obscure because the circulation of editions is non-transparent, the area of their dissemination is unclear and therefore, it is difficult to define the criteria for selection of media outlets; 2. Some newspapers do not clearly separate articles and editorials financed by public or other agencies that misleads consumers.

### 4.1. STATISTICAL DATA

The largest funding allocated to national print media – GEL 85 916 – comes to Sakartvelos Respublika newspaper, followed by Rezonansi – GEL 80 057; Kviris Palitra – GEL 73 513; Versia – GEL 61 716; Georgia Today – GEL 28 600; Alia Holding member newspapers Alia and Kviris Kronika – GEL 21 816; PrimeTime – 18500 and others – GEL 56 726.

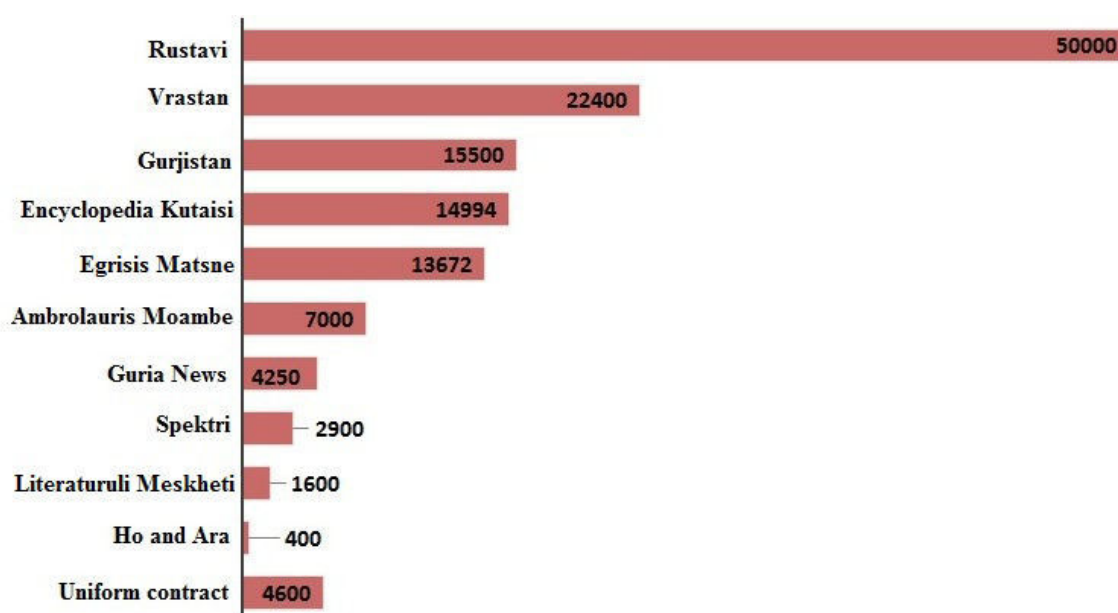
**Chart 4.1. Public funds allocated to national newspapers for advertisements, 2015**



As far as the regional newspapers are concerned, the largest funding for advertisements and publishing of information was allocated to Rustavi – GEL 50 000, followed by Vrastan – GEL 22 400; Gurjistan – GEL 15 500; Encyclopedia Kutaisi – GEL 14 994; Egrisi Matsne – GEL 13672<sup>46</sup> Ambrolauris Moambe – GEL 7 000; Guria News – GEL 4 250; Spektri – GEL 2 900; Literaturuli Mesketi – GEL 1600 and Ho da Ara – GEL 400. A uniform contract worth GEL 4 600 was signed with Guria News, Batumelebi, Samkhretis Karibche, Spektri, Mtavari Tema Samegreloshi, Akhali Gazeti, Rustavi, Egrisi and Svaneti for purchasing advertising services.

<sup>46</sup> This figure includes GEL 4 797 allocated for subscription which is not counted in other cases.

Chart 4.3. Public funds allocated to regional newspapers for advertisements, 2015



#### 4.2. CONTRACTUAL TERMS WITH PRINT MEDIA

The terms of contracts signed with print media involve the obligations on posting, generally, advertising materials, as well as more specifically, banner ads or advertising articles and preparing advertising materials. It should be noted that when it comes to the contracts signed with TV media, audience coverage (TV ratings) is a precondition for such contracts; however, the situation is quite different with respect to print media, where contracts basically do not contain a clause about newspaper circulation and dissemination areas. At the same time, it should be noted separately that print media is actually non-transparent and as a rule, it does not indicate circulation in its editions. It should also be noted that unlike broadcasters, print media has no legal obligation to declare about its revenues. The only source, where information about print media earnings can be obtained is the procurements of public agencies.

#### 4.3. FORMS AND CONTENT OF PLACING BUDGET-FUNDED ADS/INFORMATION MATERIALS IN NEWSPAPERS

When analyzing the contracts signed between public agencies and newspapers, special attention was paid to the forms and content of placing advertising materials (articles). Based on delivery receipts, we looked through those editions of several newspapers, including Kviris Kronika, Rezonansi, Prime Time, Sakartvelos Respublika and Kviris Palitra using the principle of random sampling, where it was planned to place advertising materials of budgetary organizations.

The following tendencies have been revealed as a result of our observation:

- **Budget-funded articles.** The most budget-funded articles were published in Rezonansi newspaper. This publication is ranked 2<sup>nd</sup> by number of contracts signed with newspapers in 2015 (80 057). Sakartvelos Respublika newspaper, which is ranked 1<sup>st</sup> and detailed information about which is provided in the part involving anti-Western and homophobic media outlets, used to publish only tender proposals and announcements clearly separating them from editorial content.
- **Separation of advertising from editorial.** The rules and practice of separation of advertising from editorial are different by individual publications:
  1. Prime Time newspaper provides no marks that will help readers separate funded materials from editorial content.
  2. Although Rezonansi newspaper indicates about advertising materials on its last page, in the frame above the rubric of jokes, the content of the rubric titles is misleading, because it does not enable to separate advertising from editorial. For example, it is difficult for the readers to perceive the following rubrics “Business Press”, “Projects”, “Press Conference”, “Events”, “Express Interview” as funded materials.
  3. Newspapers Alia and Kviris Kronika<sup>47</sup> indicate on the last page that the materials printed with ®, D and O symbols are financed by the client. Kviris Palitra newspaper also indicates on its last page that the materials published with a R symbol have advertising content. However, in practice these rules work quite differently. For example, on December 21-27, Kviris Kronika and Kviris Palitra newspapers published articles as envisaged by the contract with the Public Service Development Agency. A material published by Kviris Palitra titled “Over 200 public and private services in a comfortable environment” had a R symbol marking an advertisement at the end, whereas the material prepared by Kviris Kronika on an identical topic “Public centers – public and private services for rural population” had no sign marking an advertising article (see photo page 33).
- **Positive (promo) titles.** Rezonansi newspaper, which is ranked 2<sup>nd</sup> by number of contracts with budgetary organizations, published a number of ordered articles in a rubric “Business Press”. The titles of articles contain such features as “unique”, “comprehensive”, “impressive”, etc. (see table 4.1.). The name of the rubric “Business Press”, as well as the fact that a part of advertising articles has been prepared by the newspaper journalists is misleading and does not provide an opportunity to separate editorial from advertising content.

**Table 4.1: Paid articles published in “Business Press” rubric of Rezonansi newspaper in 2014-2015**

Public Agency	Title of an article
Project Management Agency at the Ministry of Agriculture	Unique opportunities of fruit-growing emerge in Georgia for the first time.

<sup>47</sup> Presently, it is published with a name Kviris Alia



Ministry for Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees

Up to 2 thousand compatriots, who returned from emigration, received comprehensive aid.

National Wine Agency

Popularity of wine tours is increasing rapidly.

National Tourism Administration

Impressive growth – number of international visitors to Georgia increased by 10% in August.

National Tourism Administration

Tourism has increased significantly over the past two months.

- **Paid interviews.** A certain practice of publishing paid interviews was revealed when the form of publication does not enable to perceive a material as advertisement. For example, on March 23, 2015 Prime Time newspaper published an interview in its rubric “Exclusive” with Agriculture Minister Otar Danelia titled “New Project from the Ministry of Agriculture”, which was not clearly separated from editorial content. In the lead of the interview the author, who also publishes other materials for the newspaper, writes the following introduction: “While political opponents look for the reasons frequently trying to cause a storm in a teacup, the Ministry of Agriculture continues to work on new projects.” Like Prime Time, a paid article funded by the Ministry for Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees was also published in Rezonansi newspaper on June 10, 2014 in the rubric “Express News.” The interview with former Deputy Minister Sandro Bregadze titled “Sandro Bregadze: IDPs Need Special Attention” was conducted by the newspaper correspondent and it was misleading, because it did not enable to perceive it as a paid material. It is a separate issue how expedient it is to provide budgetary funding for the materials, which aim to disseminate the attitudes of officials towards separate developments, rather than to inform citizens on the activities or certain services provided by the state.



- **One-sided materials of identical content in various newspapers.** On September 17, 2015, two newspapers simultaneously published the articles with identical content, which provided one-sided coverage of complaints made by Merab Turava, judge of the Constitutional Court, against the Chairman of the Constitutional Court and other counterparts. The article run by Rezonansi newspaper titled “Judge Merab Turava Accuses the Constitutional Court of Exerting Purposeful Pressure” was published in the rubric of paid advertising “events”; another newspaper Akhali Taoba also published an article titled “Merab Turava Accuses Giorgi Papuashvili and the Constitutional Court of Pressure”. The material was published following the Constitution Court’s ruling to partially satisfy the constitutional lawsuit filed by ex-Mayor of Tbilisi, Gigi Ugulava, which was not signed by Merab Turava because of his illness. The both articles included biographies of some judges of the Constitutional Court to illustrate their links to the opposition United National Movement party. When asked in writing, who had funded the article published in a paid rubric “Events”, Rezonansi newspaper did not answer and Merab Turava rejected the fact in a phone conversation with MDF that the publication was financed.





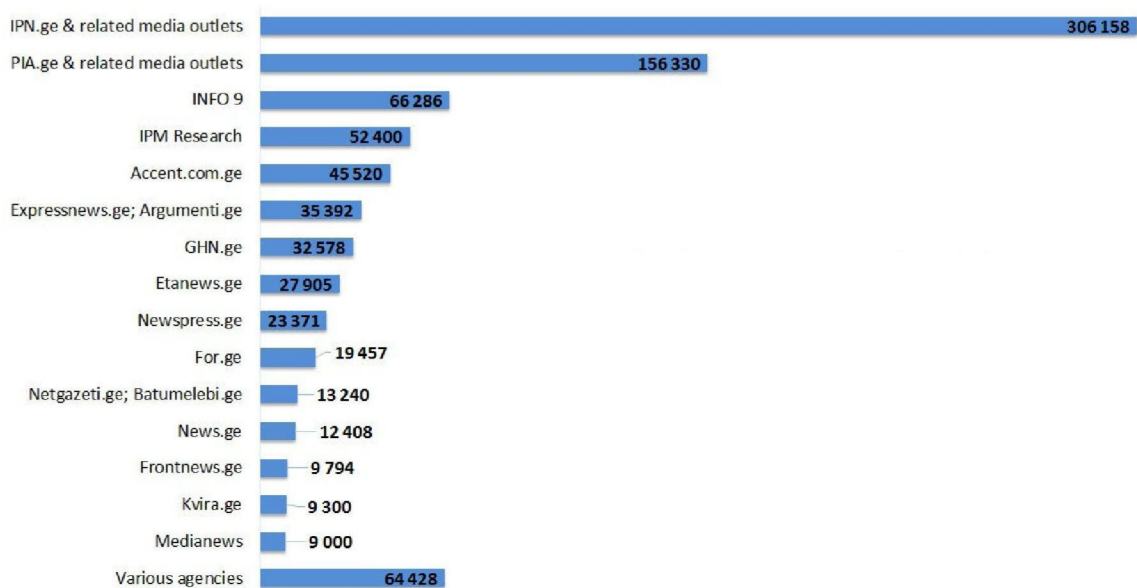
## V. ONLINE MEDIA

**Summarizing paragraph:** The financing of news agencies does not always pursue the objective of reaching as larger audience as possible, because budget monies are sometimes allocated to newly established media platforms. In certain cases, contracts include such provisions that represent a blatant meddling in editorial independence. Sponsored articles are mainly not separated from editorial materials, including from the content financed by political parties. The exception is the news agency IPN which, in contrast to the practice of previous years, signposts sponsored materials though one can still observe exceptions to this rule. The content analysis of online media shows that on certain occasions the coverage favors the government though, basically, the news agencies publish critical opinions.

### 5.1 STATISTICAL DATA

The largest funding – GEL 306 158 – allocated to online media comes to the Palitra Media Holding online platforms (IPN, PalitraTV.ge, Kvirispalitra.ge, Bpn.ge, Ambebi.ge, Gemrieli.ge); followed by Pia and websites related to it (Daijesti.ge, Rubrica.ge, Funtime.ge) – GEL 156 330; Info 9 – GEL 66 286; IPM Research (publication of news by the agency) – GEL 52 400; Accent.com.ge – GEL 45 520; ExpressNews (EPN) – GEL 35 392; GHN – GEL 32 578; Etanews.ge – GEL 27 905; Newspress.ge – GEL 23 371; For.ge – GEL 19 457; Netgazeti.ge and Batumelebi.ge – GEL 13 240, News.ge – GEL 12 408, Frontnews.ge – GEL 9 794, Kvira.ge – GEL 9 300, Medianews.ge – GEL 9 000 and various agencies with relatively less financing – GEL 64 428.

**Diagram 5.1. Public funds allocated to online media for advertisements/release of information, 2015**



The table below shows those online platforms that have been founded since 2012 and gained government contracts worth more than 1000 lari. While in the case of well-established news agencies contracts for publishing information can be explained by their publicity and numerous readers, there are no clear criteria while selecting newly founded agencies for this purpose.

**Table 5.1. Media outlets founded in 2012 and later and gained government contracts worth 1000 lari or more**

#	Media outlet	Date of founding	Contract value 2014	Contract value 2015
1	CP.ge	01/08/2013	3466.93	5267
2	Newspress.ge	05/01/2012		23371
3	Accent.com.ge, Accent Holding	14/04/2014		45520
4	Kvira.ge	11/09/2013	225	9300
5	Mediamall.ge - MmG	12/04/2013	1000	2200
6	smo.ge - Samegrelo Media Organization	20/09/2012		4500

## 5.2. CONTRACT CONDITIONS WITH ONLINE MEDIA

Online outlets have contracts for various services with government organizations. Besides releases of announcements, photos and various standard services, there are cases when conditions of the contract constitute interference in editorial independence. This concerns reporting customers' activities in accordance with their requirements, interviews, as well as prioritizing specific materials, including making them highlights and establishing their timeframe, which is within scope of editorial autonomy:

- Preparation and publishing of materials about customers' activities in accordance with their requirements (IPN; Info 9; PIA; GHN; Newspress; Etanews; For.ge; Frontnews; News.ge);
- According to the contract with the Ministry of Culture, PIA agency agreed to place specific information among top news for 1 hour and then transfer it to the second category, at most 5 times a month. PIA also agreed to place required news in the second category at most 25 times a month.
- Agencies PIA; GHN, Expressnews.ge, Info 9, according to their contract with the Ministry of Defense, agreed to the following: "Contractor takes the obligation to check with the Public Affairs Department any incoming information regarding defense sphere, before publishing it".

- GHN agency also has a contract with the Ministry of Defense, according to which it has to provide for an interview with any person pointed at by the Ministry. The contract between Tbilisi City Hall and IMP Research Ltd. also envisions monthly preparation and publishing of interviews on important and interesting issues by the agency.

Like the studies from previous years, the 2015 study discovered contracts involving purchase of surveys from online agencies. Ministry of Defense has such contracts with several agencies:

- Contract with News.ge involves taking surveys on relevant issues according to the requirements of the customer. Such agreements are also made in the contracts with Newspress, Topnews.mediamall.ge, Accent.com.ge and Sazogadoeba.ge, as well as the contract between Tbilisi City Hall and IPM Research, though in this latter contract it is not specified which news agency is supposed to take surveys.

It is not specified in the contracts on which issues the surveys are to be taken. MDF requested this information from the Ministry of Defense, but received no response.

### 5.3. INFLUENCE OF GOVERNMENT CONTRACTS ON THE EDITORIAL POLICY OF NEWS AGENCIES

Presented study includes monitoring of the editorial policy of news agencies, the purpose being to establish the following: 1) What is the scale and topics of materials published as a result of financing; 2) Whether the readers have an opportunity to separate financed content from editorial materials; 3) What is the influence of government contracts on the contents of the agencies' reporting.

**Monitoring methodology.** As subjects of the monitoring were chosen the news agencies that received most stable service contracts in 2013–2015 and had most financing in 2015. These are: IPN.ge, PIA.ge, GHN.ge, INFO9.ge and FOR.ge. FOR.ge had less financing than others in 2015, but since, according to its editor Rosi Jghamaia, it is also financed by the Georgian Railroad, which is not reflected in our financial data, this agency was also included as a subject of the monitoring.

**Table 5.2. Government contracts with the 5 news agencies in 2015 and their value**

News agency	Number of government contracts	Total value of government contracts
IPN	59	249 352
PIA	21	80 236
INFO 9	17	66 286
GHN	10	32 578
FOR.ge	6	19 457

The study employed both quantitative and qualitative methods. The quantitative element of the study involved finding what place had official information envisioned by government contracts in the agencies' daily materials, and what was their typology. The qualitative part focused on how the outlets present materials to the readers and whether editorial and financed news are separated from one another. Specific examples of biased reporting are also studied.

To define whether different political opinions are represented in these media platforms, quantitative data of materials published about various political parties and their typology have been analyzed.

Quantitative study includes the period from 16 October 2015 to 1 January 2016 and was conducted from Monday to Friday each week.

## QUANTITATIVE DATA

**IPN.** IPN published the most information among the agencies during the monitored period. From 8997 news more than a half – 4631 – were about the government and its agencies, while 1034 news were dedicated to representatives of political parties, including the ruling party.

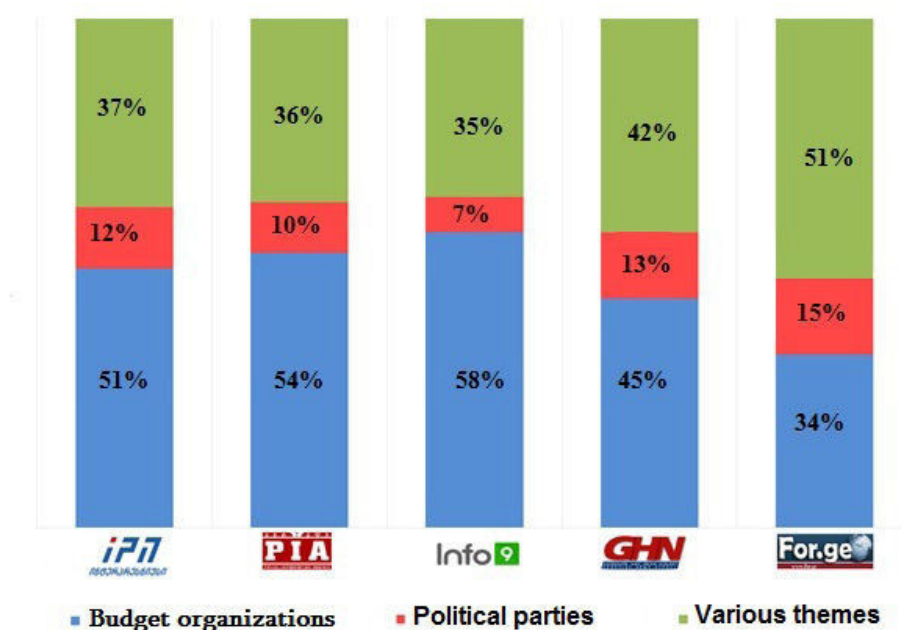
**PIA.** The second in terms of number of news was PIA.ge, which published 5150 news during the monitored period. More than a half of them – 2790 – was dedicated to the government organizations, while about 10% (482) were about political parties.

**INFO 9.** INFO 9 had the largest percentage of materials about government organizations among the news agencies. From 4796 materials, 2786 were about government agencies, while only 324 were about political parties.

**GHN.** GHN dedicated less news to the government organizations compared to other news agencies. From the 4844 news that it published only 2204 (45 %) were about government agencies. GHN published 612 news about political parties.

**FOR.GE.** The least number of materials (3223) during the monitored period was published by For.ge. Most of the news it published (3029) were prepared on the basis of materials of other media outlets. Among them, 1048 were about government agencies, while 480 were about political parties.

Diagram 5.3. Coverage of the activities of government and political parties by the 5 news agencies



### Thematic typology

As can be seen in the table below, in the cases of all news agencies the largest share of the news were dedicated to official meetings, events, visits and press-conferences of the government organizations; next come materials about various government programs, initiatives, services and social programs; followed by comments made regarding various issues; reporting on crimes and incidents; statements and official letters; congratulations, condolences and awards; the least materials concerned meetings with citizens.

It needs to be noted that such materials as statements, official letters and congratulations, condolences and awards, unless they have special informative value, fit the category of purchased news more than issues that constitute daily news and newsworthiness of which should be defined by media outlets independently.

Table 5.3. Typology of coverage of activities of government organizations by the 5 news agencies

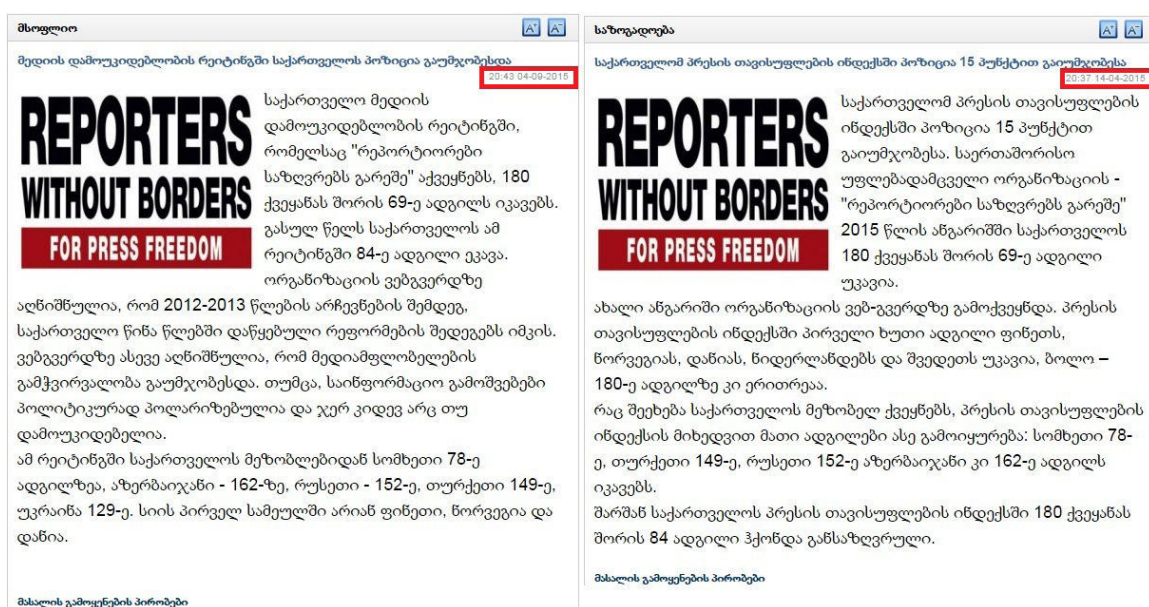
Topics by agency	Meetings/ events/ visits/press-conferences	Government programs/ initiatives/	Comments	Crime/ Incidents	Statements/ official letters consumer information	Congratulations/ condolences/ awards	Meetings with citizens	Other
IPN	2682	777	490	219	200	158	26	79
PIA	1585	552	239	196	90	87	15	26
INFO 9	1593	454	225	200	130	116	29	39
GHN	1328	363	149	133	113	62	21	41
FOR.ge	590	246	140	56	21	19	2	13



Among government agencies, most news published by IPN (488), PIA (339), INFO 9 (320) and FOR.ge (286) was dedicated to the activities of the Prime-Minister and the Government, while news published by GHN – to the Ministry of Defense (255). All five agencies are contractors of both the Government’s administration and the Ministry of Defense.

## The Case of Manipulation

Suspension of two political talk shows on Imedi TV on August 29, 2015 and another talk show on public television on September 4 after its host got married the leader of one of the opposition political parties triggered severe criticism from a group of civil society organizations. Officials responded with remarks about Georgia’s improved rankings in the Press Freedom Index. On September 4, PM Irakli Garibashvili also made remarks about suspension of talk shows and focused on the improved media environment. Just on September 4<sup>48</sup>, IPN covered the story about the World Press Freedom Index released by Reporters Without Borders seven months ago as the latest news. The original material disseminated on February 12, 2015<sup>49</sup>, when the Press Freedom Index was released, is still available in the agency’s archives. Reporters Without Borders releases the World Press Freedom Index at the beginning of each year.



## Tendentious Selection of Headlines

Ownership dispute over Rustavi 2 TV was discussed by local and international organizations from the angle of media freedom in the country; they also focused on the government’s role in this

<sup>48</sup> Georgia’s position in media independence rankings has improved, Interpressnews, September 4, 2015. <http://www.interpressnews.ge/ge/msofli/344201-mediis-damoukideblobis-reitingshi-saqarthvelos-pozicia-gaumjobesda.html?ar=A>

<sup>49</sup> Reporters Without Borders – The situation has improved in Georgia in terms of media freedom, Interpressnews, February 12, 2015 <http://www.interpressnews.ge/ge/politika/316728-qreportiorebi-sazghvrebs-garesheq-saqarthveloshi-mediis-thavisuflebis-kuthkhith-vithareba-gaumjobesda.html?ar=A>



process. When reporting on the interview of U.S. Ambassador to Georgia, Ian Kelly with Rezonansi newspaper, news agencies wrote headlines but neglected the context of the interview and focused on the government's non-interference; in case of IPN, this opinion was offered in the affirmative form:

IPN	PIA	GHN
Ian Kelly supposes that Georgian government does not exert pressure on media <sup>50</sup>	We do not think that the government is engaged in exerting pressure on media <sup>51</sup>	Ian Kelly: We do not think that the government is engaged in exerting pressure on media <sup>52</sup>

### Unilateral Campaign-Style Publications on For.ge

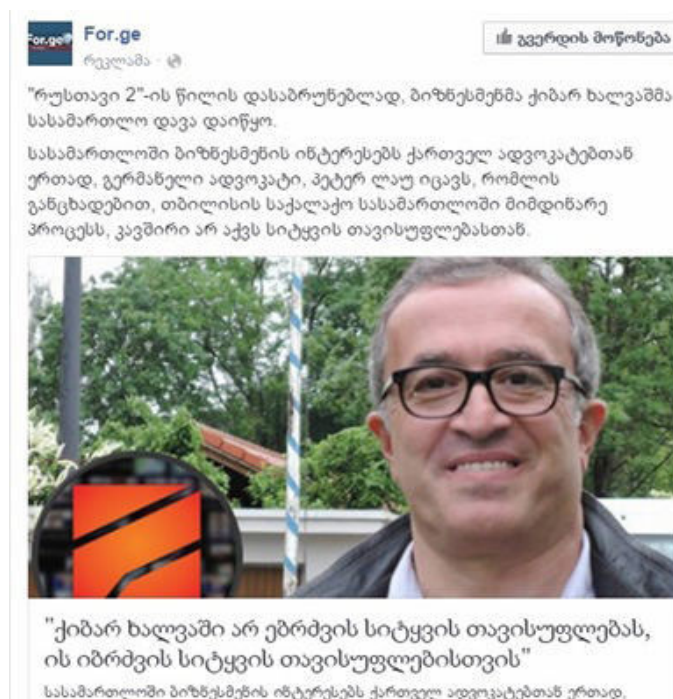
During the period of monitoring, For.ge news agency prepared a number of materials against Rustavi 2 TV, which reflected the position of only one side – plaintiff Kibar Khalvashi that actually had a campaign nature. Some materials were posted on Facebook as paid ads. Below there are the headlines of some publications:

For.ge	Headlines
	Pressure that is exerted on Judge Urtmelidze is exerted on all judges.
	What does it mean not to make a tough decision? Does Margvelashvili know what kind of decision is made by the judge?
	Nika Gvaramia blackmails the court.
	A millionaire (!?) director of Rustavi 2 asks the society for help.
	Kibar Khalvashi does not fight against freedom of speech. He fights for freedom of speech.
	Georgian media in a “national” tie, i.e. oppressors in the robe of the oppressed.

<sup>50</sup> <http://bit.ly/1UmVx3j>

<sup>51</sup> [http://pia.ge/show\\_news.php?id=61135&lang=geo](http://pia.ge/show_news.php?id=61135&lang=geo)

<sup>52</sup> <http://bit.ly/25lk0lv>



#### 5.4. CONTENT FINANCED BY POLITICAL PARTIES

During the content monitoring of media we found cases when several news agencies systematically published copied information from the official website of the same party without any changes and without reference. Despite the fact that our study concerns government organizations, we dedicated special part to the parties and surveyed the parties that we assumed used paid services of news agencies. The survey showed that 7 parties use paid services of IPN, 2 parties – of PIA, and 1 party – of GHN.

Table 5.4. The parties that purchased paid services of news agencies

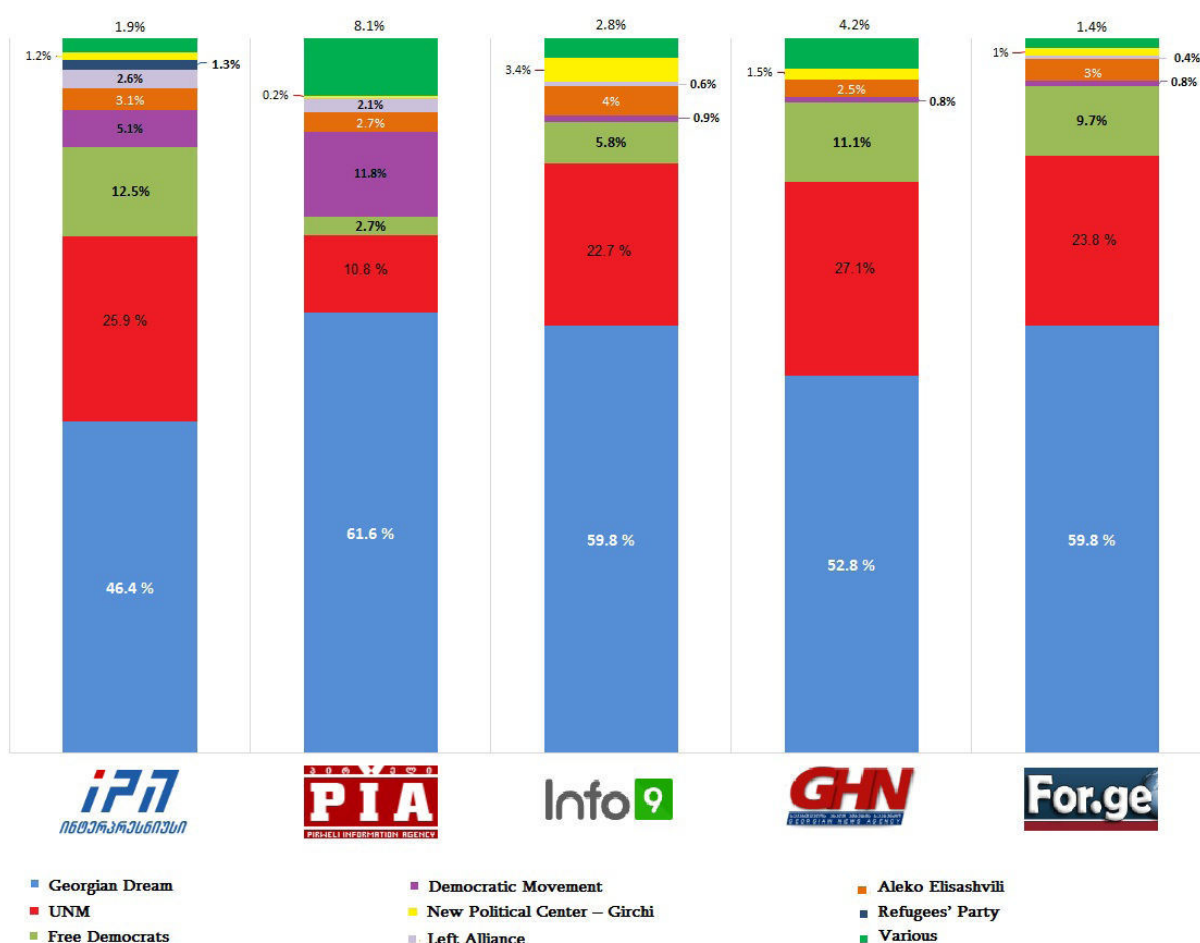
Parties	IPN	PIA	INFO 9	GHN	FOR.ge
Georgian Dream <sup>53</sup> / Republicans	✓				
Georgian Dream / Conservatives	✓				
National Movement	✓				
Democratic Movement	✓	✓			
Free Democrats	✓	✓		✓	
The Left Alliance	✓				
Refugees' Party	✓				

<sup>53</sup> According to the head of the press service of the parliamentary majority Greta Tsitsava, the Georgian Dream coalition partly used the parliamentary package, and partly – additional paid service.

As can be seen on the diagram below, coverage of political parties is not dependant only on purchased services and there are in the quantitative data those parties and politicians that do not use such services. For instance, New Political Center – Girchi and independent member of Tbilisi City Council Aleko Elisashvili, whom we treated separately due to his activities during the monitored period, are covered by all five news agencies. At the same time, purchased services still influence quantitative data, for instance The Left Alliance (2,6%) and Refugees’ Party (1,3%), which use paid services of IPN, are covered by this agency more than Girchi (1,2%) which is, unlike them, represented in Parliament. At the same time, the Refugees’ Party is covered only by IPN, while The Left Alliance – only by IPN and PIA.

All five agencies dedicated most of their coverage to the ruling Georgian Dream coalition; the National Movement was second in coverage by all these outlets except PIA. In the case of PIA, second after the Georgian Dream was the Democratic Movement (11,8%). The Democratic Movement was most covered, besides PIA, by IPN (5,1%), whose service the said party had purchased. The remaining 3 news agencies gave the Democratic Movement relatively less coverage (0,8-0,9%). In the category of other political parties are included both qualified and unqualified parties: Patriots Alliance, Labour Party, New Rights, Free Georgia, Georgian Group and others. These parties were summarily most covered by PIA (8,1%).

Diagram 5.4. Coverage of political parties by the 5 news agencies



## 5.5. FORMS OF PLACEMENT OF FUNDED INFORMATION

There are no clear standards in online media to separate advertising from editorial content. The practices used in this respect are quite diverse.

The monitoring has revealed that only two materials<sup>54</sup> published by IPN news agency had a symbol NS – news from subscribers, and three materials – an advertisement symbol R<sup>55</sup>; the materials funded by the political parties were published by IPN and other news agencies without any symbols at all. The comparison of placement of identical topics in various media outlets has shown that the material, which was published by Netgazeti with an R symbol, was published by IPN, PIA and Info 9 as an editorial, without any symbols at all:

Agency	IPN	PIA	INFO 9	Netgazeti
Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia	Large IDP families will receive apartments in Tbilisi <sup>56</sup>	Minister Sozar Subari visited a large IDP family <sup>57</sup>	Sozar Subari visited those large families, who will receive apartments in Tbilisi <sup>58</sup>	Sozar Subari visits a 12-member IDP family <sup>59</sup> R

From the beginning of 2016, only IPN increased a share of materials published with a NS symbol. However, the monitoring has revealed that such rule does not always work. For example, the material covering the meetings of the head of Saburtalo district municipality with local population was published with a NS symbol in one case and as an editorial, in another. In the both cases, the head of municipality (Gamgebeli) was presented in a positive context in the headlines.

### NS – news from subscribers

Beka Mikautadze inspected road rehabilitation works at Shartava Street”<sup>60</sup>

### Without a symbol of funding

Saburtalo Gamgebeli met with locals to discuss their problems”<sup>61</sup>

<sup>54</sup> The world premiere of Anna’s Life by Nino Basilia will be held at Goteborg Film Festival on November 10, 2015. <http://bit.ly/2133uj0>

Newly established Origin – Georgia will take care of identifying new geographical indications in the regions, December 14, 2015. <http://bit.ly/1t1wCfj>

<sup>55</sup> Giorgi Samanishvili: “Vintage 2015” was remarkable in many ways, October 10, 2015. <http://bit.ly/1TRE0AV>  
New stage of developing a historical resort of Bakuriani begins, December 25, 2015. <http://bit.ly/1X6VHlw>  
New perspectives of Carriage Building Company – Government’s initiative to encourage Local production, December 25, 2015, <http://bit.ly/28fmJLx>  
<http://www.interpressnews.ge/ge/sazogadoeba/349851-giorgi-samanishvili-qqrthveli-2015q-gamorceuli-iyobevri-thvalsazisith.html>

<sup>56</sup> <http://bit.ly/22Jhz6w>

<sup>57</sup> [http://pia.ge/show\\_news.php?id=54867&lang=geo](http://pia.ge/show_news.php?id=54867&lang=geo)

<sup>58</sup> <http://bit.ly/28fqLn4>

<sup>59</sup> <http://netgazeti.ge/news/73530/>

<sup>60</sup> <http://bit.ly/1RVw27F>

<sup>61</sup> <http://bit.ly/1PAvBVM>

No NS symbol is attached to the information financed by political parties, which sometimes repeats the same material and headline posted on the party's official website. For example:

IPN	PIA	Website of Democratic Movement
Nino Burjanadze: What is happening around Rustavi 2 TV is a demonstration of Georgian Dream's weakness <sup>62</sup>	What is happening around Rustavi 2 TV is a demonstration of Georgian Dream's weakness <sup>63</sup>	Nino Burjanadze: What is happening around Rustavi 2 TV is a demonstration of Georgian Dream's weakness <sup>64</sup>

From the beginning of 2016, some party-financed materials published by IPM, for example that of IDPs' Party, have a NS symbol; the material financed by the Democratic Movement party notes that the material has been provided by the press office; the material provided by the United National Movement differs from the version posted on the party's website.

Lela Bagdavadze, editor of IPN, said in the interview that the materials from subscribers are also prepared by the journalists from the news agency and they meet the agency's standards, according to which the news should not contain the elements of black PR, obscenity, discredit, insult and calls for violence.

PIA Director Dimitri Tikaradze explains that no matter whether or not they have any contracts with budgetary organizations, if a topic is interesting, it is covered and the factor of contracts has no effect on the degree of the agency's criticism.

Rozi Jgamaia, editor of For.ge, says that the materials prepared in frames of contracts are put in the category of "news." It is inadmissible for their editorial policy to publish Russian propagandistic materials.

Editor of GHN, Gocha Mirtskhulava explains that editorial content is not separated from the materials put "in frames of information service". However, the text mentions which particular agency they are referring to. Moreover, they do not refrain from publishing materials that are critical towards their clients. It is inadmissible for GHN's editorial policy to write about privacy issues as well as to allocate space to pro-Russian politicians.

The editorial board of Info 9 refused to give either written or face-to-face interviews. So, the report does not contain any information about their editorial policy. Below there is an example revealed in the process of monitoring, when the financed article was posted on the website without an advertising symbol. In particular:

<sup>62</sup> <http://bit.ly/1PeMOi6>

<sup>63</sup> <http://bit.ly/22JZ4Pn>

<sup>64</sup> <http://bit.ly/1RVETpG>

On November 12, 2015<sup>65</sup>, Info 9 news agency published information with a headline “China Southern Airlines Holds Presentation on New Tbilisi-Urumqi Flight”. The material, which involved the opinions voiced by the heads of marketing departments of Georgian Civil Aviation Agency and China Southern Airlines, had no advertising symbol. According to the contract signed between the Economy Ministry’s United Airports of Georgia and Info 9, as well as a delivery receipt dated November 30, 2015, the material posted on the news agency’s website on November 12 was ordered by the United Airports of Georgia.

### Prohibition of the Use of Administrative Resources in Pre-election Period

The Election Code of Georgia prohibits the abuse of administrative resources in support or against any political party, candidate for election subject or election subject in the period of pre-election agitation and campaign. Subparagraph “b” of Paragraph 1 of Article 48 of the Code prohibits the use of means of communication, information services and other kinds of equipment designated for the bodies of state authority and local self-government, as well as organizations funded from the Georgian state budget (except for political parties).

According to the above provision, the use of information service, designated for a public institution, for electoral aims is prohibited. Where media information service is not used for public interest but serves aims of a concrete political party, election subject, the use of such service will be deemed the abuse of administrative resources even in case when the contract on the provision of such service has been signed before the start of the pre-election period.

According to Paragraph 6 of Article 49 of the Election Code, in the course of pre-election campaign, production of such agitation, video- or audio materials, creation of the website or its part, through funds allocated from state/local budget, in which/where any election subject/political party or a number assigned to him/her/it during elections is reflected, and/or which comprise materials in support/against any election subject/political party shall be prohibited. Utilization of an election subject/political party or a number assigned to him/her/it during elections in public service announcement in the course of the same period through funds allocated by state/local self-government unit budget shall be prohibited.

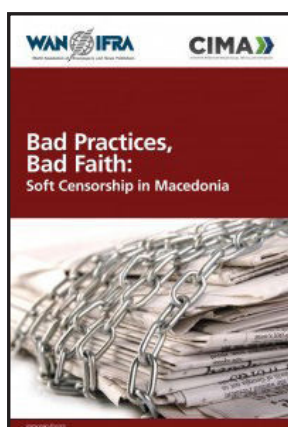
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<sup>65</sup> <http://www.info9.ge/ekonomika/biznrsi/133018>

## Appendix 1. SOFT CENSORSHIP CASE STUDY BY COUNTRIES

According to the reports by the World Association of Newspapers and News Publishers (WAN-IFRA)

### Macedonia<sup>66</sup>



A principal challenge to independent journalism is the symbiotic relationship between the ruling party and many media outlets and their owners in Macedonia, according to the WAN-IFRA report. Government-friendly outlets are bolstered by various means, particularly non-transparent allocation of advertising and other official funds, generating an environment where partisan political and business interests set media agendas and directly shape reporting.

The Association of Journalists published a study regarding the financing of media for the period of October through December 2014. More than EUR 6 million in public funds were invested in six private national TV stations, the MRTV, eight daily newspapers and three weekly magazines, based on the official price lists of all these media outlets from October through December 2014.

According to the Nielsen agency, the largest single recipient of funds from national and local government projects during this period was Kanal 5, which received EUR 1,415,470, followed closely by Alfa TV, which received funds grossing EUR 1,408,698. Most municipal government funds were invested in the newspapers Nova Makedonija, Lajme and Koha. The central government invested most in Koha, followed by Dnevnik and Vecher during this period. Of the weeklies assessed during this period, the central government invested most in Republika. These publications are very rarely critical of official policies.

The governmental campaign allocations are made through intermediary marketing agencies. Some government advertising seems little more than self-promotion, as when some mayors paid for full-colour pages offering 2015 New Year greetings. Local organisations criticized such advertising as lacking any public interest.

<sup>66</sup> World Association of Newspapers and News Publishers, *Bad Practices, Bad Faith: Soft Censorship in Macedonia*, 2015 [http://www.wan-ifra.org/sites/default/files/field\\_article\\_file/Soft%20Censorship%20Macedonia%20Dec%202015.pdf](http://www.wan-ifra.org/sites/default/files/field_article_file/Soft%20Censorship%20Macedonia%20Dec%202015.pdf)



## Montenegro<sup>67</sup>



Media in Montenegro are financed by private sources, mainly paid advertising, and to a lesser extent by state aid, which is nominally regulated by laws and regulations. Funds allocated from the public budget to media are largely spent on advertising by public institutions, as well as on agreements for specific services aimed at better communication with citizens, such as information/public awareness campaigns. In its Montenegro 2013 Progress Report, the European Commission expressed concern about the existence of “state aid and financing through advertising to a number of printed media, which is not paid in accordance to the rules on public procurement and can undermine market competition.” Editor-in-chief of the daily newspaper Dan, Nikola Markovic, said that his paper is unable to obtain any information from the Government of Montenegro on criteria used to select media outlets for their advertisements.

Montenegro does not have specific rules on state funding to media, including advertising. This permits government interference in the work of Montenegrin media through nontransparent and selective allocation of public funds. The lack of rules on advertisement of public institutions enables abuse of public monies for political and personal promotion of state officials. In Montenegro, state aid takes various forms, including direct subsidies and indirect aid such as loan guarantees, debt forgiveness, or tax breaks. A problem in applying these rules are the minimum reporting thresholds—there is no obligation to report and monitor state aid below EUR 10,000, which is why most subsidies to the media escape control or even public notice.

The latest report on the allocation of state aid in Montenegro for 2014 also notes that official bank guarantees issued to the formerly state-owned—and still reliably pro-government—daily Pobjeda for a loan with Société Générale were activated when the newspaper failed to meet its payments.

According to editor-in-chief of the daily Dan, Nikola Markovic, “The examples of dailies Dan and Vijesti are excellent illustrations of how the government selects whom to reward with advertising revenue

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<sup>67</sup> World Association of Newspapers and News Publishers, *Eroding Freedoms: Media and Soft Censorship in Montenegro*, 2015. [http://www.wan-ifra.org/sites/default/files/field\\_article\\_file/Eroding%20Freedoms%20-%20Soft%20Censorship%20in%20Montenegro.pdf](http://www.wan-ifra.org/sites/default/files/field_article_file/Eroding%20Freedoms%20-%20Soft%20Censorship%20in%20Montenegro.pdf)



based on your editorial policy. The Government of Montenegro and its ministries have for a long time justified their decision to allocate most advertising commissions to the daily Pobjeda by the fact that the state owned the paper. Although this was equally detrimental to fair competition, it was perhaps a more or less passable excuse, but the government lost it the moment Pobjeda was privatized. Nevertheless, there has been no decline in the amount of advertising going to Pobjeda.”

Interviews with the editors of several major media outlets in Montenegro identified specific example of withholding of state advertising from the dailies Dan and Vijesti by the State Employment Office (SEO). Most advertisements by public institutions went to the until-recently state-owned daily Pobjeda and to the public service RTCG. The SEO, a public institution, does not place vacancy announcements in in the most widely read Montenegrin dailies. Dan editor Nikola Markovic confirmed this practice. “Our editorial board sent the management of the SEO an offer to publish their vacancy notices with us, given that we were one of the most widely read dailies in the country,” he explained. “The SEO refused, although our offer was by far the cheapest and definitely lower than that of the state-owned daily Pobjeda.”<sup>40</sup> The experience of the web portal Vijesti is similar. “Portal Vijesti has been most seriously affected by denial of state advertising,” said its editor-in-chief, Srdan Kosovic. “For three years, this portal has received no state advertising even though we are convincingly the most visited and most trusted in comparison with all other Internet portals.

## Serbia<sup>68</sup>

Most public funds that reach Serbia’s media are distributed arbitrarily and in a nontransparent manner, without clear and measurable criteria, public procedures, or controls. These funding methods are drastically undermining free competition in the media industry. The most prominent forms of state intervention in the media sector are instrumental in translating financial power of state bodies and organizations into political influence on media content. They effectively function as indirect, soft censorship.



<sup>68</sup> World Association of Newspapers and News Publishers, *Soft Censorship: Strangling Serbia’s Media*, 2015 [http://www.wan-ifra.org/sites/default/files/field\\_article\\_file/SoftCensorship%20Serbia%202015%20update%20final.pdf](http://www.wan-ifra.org/sites/default/files/field_article_file/SoftCensorship%20Serbia%202015%20update%20final.pdf)

According to the ACC report, the biggest advertiser is the state-owned telecommunications company, Telekom Srbija, which spends at least €10 million (about RSD 1 billion) on advertising annually. It has for years ranked high among the 20 top advertisers in the Serbian market, which includes only four other domestic companies. The Ministry of Environmental Protection and Spatial Planning has the second-largest advertising budget. In 2009, it spent €1.5 million (RSD 140 million) on promotional activities, including the Public Service Announcement (PSA) campaign “Let’s Clean Up Serbia,” aimed at evoking support for environmental protection.

The Anti-Corruption Council’s report argues that state bodies expend large sums of money for advertising primarily to buy positive publicity and to boost the image of their activities and their leading officials. While official advertising campaigns might often be ethical and necessary, how contracts are assigned and their provisions can prove problematical. Advertising contracts offered by Serbian state bodies often require media outlets to broadcast or publish interviews with state officials or print as news PR articles on the work of state organs or public enterprises. These are not marked as paid content, and they may mislead the public into believing they are independent, journalistic reporting. Both the Advertising Act and the Code of Conduct of Serbian Journalists prohibit this practice, but neither state advertisers nor journalists seem to refrain from it.

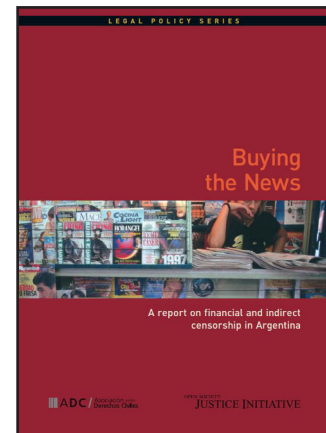
The most favored media outlets are those fully or partially owned by the state. According to a journalistic survey on Serbian ministries’ expenditure in 2010, 10 ministries spent about €440,000 (RSD 45 million) on various media services, of which at least €72,000 (RSD 7.4 million) was for advertising in nine newspapers and magazines. The Politika daily, which is 50 percent state owned and ranks fifth by circulation among dailies, received €44,700 (RSD 4.6 million), 62 percent of the total paid to all nine publications. Publishers of higher-circulation newspapers were awarded only very small contracts: Blic, €3,890 (RSD 400,000), and Novosti and Press, €1,945 (RSD 200,000).

## Discriminatory allocation of advertisements

The Neuquén provincial government has particularly sophisticated tools — funded with taxpayer contributions — to assist in making content-based decisions on the placement of government advertising. The government uses the services of the Neuquén-based Clipping de Medios (Media Clipping), a media-monitoring company owned by Grupo Crear, S.R.L. According to Clipping de Medios’ website, the company is principally a clipping service, and its clients include the Neuquén legislature. According to documentation obtained by our researchers, the government of Neuquén is also a client of this firm, and in the first five months of 2004 paid 49,300 pesos for the firm’s services, which came out of the province’s advertising budget.

According to a journalist at a radio station in the city of Cutral-Có, Neuquén, Clipping de Medios rates the image of various media outlets in the province and this information is then used as the basis for the allocation of public advertising. This journalist told our researchers that when his radio station’s income from government advertising was cut in mid-2004, the owner of his radio station queried a provincial official in charge of government advertising, who told him to approach Clipping de Medios instead. When the owner did so, representatives of the firm told him that his “negative image” made it impossible for him to receive government advertising. When he asked if the problem was that his radio attracted too small an audience, he was told it was rather the way he had handled a March 2004 scandal regarding water shortages in Cutral-Có that implicated the provincial government. A former staff member of Clipping de Medios told our researchers that following this scandal, Clipping de Medios prepared numerous transcripts of radio and television programming in Cutral-Có and sent them to the governor’s office. Reports of this nature typically included exhaustive analyses of each media outlet’s coverage of the issue at hand.

According to the former staff member, as of April 2003 or so, Clipping de Medios began to use a sophisticated system to rate the coverage



<sup>69</sup> Asociación por los Derechos Civiles Open Society Justice Initiative; Buying the News: A Report on Financial and Indirect Censorship in Argentina; 2005

of the provincial government in monitored media, and to produce and analyze transcripts of the radio stations based in Neuquén city. Political and current affairs programs were the most closely monitored. All these reports were sent directly to the governor's office and the Neuquén legislature contracted this service, as well. The former staff member affirmed that Reale-Dalla Torre, one of the advertising agencies contracted by the provincial government to provide advertising-related services, had also used the files created by Clipping de Medios and analyzed the stories that had been run on Channel 7 news in the last months, classifying them as positive and negative. The government of Neuquén refused to comment or provide information regarding these practices. Likewise, despite several attempts, we were unable to obtain comments or information from representatives of Clipping de Medios

### **The allocation of advertisement as a sanctioning measure**

Río Negro: Retaliatory Withdrawal of Lottery Advertising from the Río Negro In April 2002, the Río Negro published a series of articles that implicated Miguel Irigoyen, the head of the Río Negro provincial state-run lottery agency, in alleged bribes and other acts of corruption. In response, the state pursued criminal prosecution of Irigoyen and other government officials for fraud and related crimes. At that time, the Río Negro had a contract for daily publication of lottery results, which was not renewed—although the agency continued to send results to the Río Negro, and the newspaper printed them without charge for approximately six months. The agency then stopped providing the lottery results to the paper, a situation lasted approximately one year.

### **The change in editorial policy caused change in the allocation of advertisement**

Neuquén: Discriminatory Allocation of Advertising to La Mañana de Neuquén and the Schroeder Group The Schroeder group is a significant family-run conglomerate that partially or fully owns important provincial businesses in agriculture, medical services, and wine, as well as several media outlets, including LU5 Radio Neuquén, which attracts the largest audience in the province of Neuquén. According to credible media reports, in March 2003, the Schroeder family purchased the daily La Mañana del Sur and changed its name to La Mañana de Neuquén. According to press reports, the Schroeder family has re-

ceived several sizable loans and contracts from the provincial government, some of which were tainted by allegations that the government provided questionable benefits as part of the transactions. According to government information obtained by our researchers, advertising spending by the Neuquén province in *La Mañana de Neuquén* increased significantly after the paper was sold to the Schroeder group and Juan Carlos Schroeder became its director. In fact, government advertising in that newspaper tripled in 2003 to 1.1 million pesos from the 334,000 pesos received by its previous owners in 2002. The paper received another 574,000 pesos in the first five months of 2004 alone. *La Mañana de Neuquén* is generally and consistently uncritical of the provincial administration. The increase in advertising took place at a time when the Neuquén government withdrew advertising from its main rival, the *Río Negro* (see above), in apparent retaliation for critical coverage. Our own study of advertising trends in Neuquén from June 1 to June 15, 2004, showed that the provincial government published 2,848 cm<sup>2</sup> of advertising in *La Mañana de Neuquén* during that period, as against 30 cm<sup>2</sup> in the *Río Negro*, 30 although the *Río Negro* has at least double the circulation of *La Mañana de Neuquén*. At the same time, as discussed in more detail below, government advertising in the Schroeder group's LU5 *Radio Neuquén* during the same period increased considerably, from 31,400 pesos in 2001 to some 400,000 in 2002 and up to 909,000 in 2003. Despite our requests, neither the Neuquén government nor members of the Schroeder group provided explanations for the exponential increase in government advertising carried by the latter's media outlets, which does not appear to be justified by market or other content-neutral considerations.

### **Córdoba: Discriminatory Allocation of Advertising Among Four Newspapers**

Four leading Córdoba newspapers from May 1 to 31, 2004, revealed that more than 65 percent of the provincial government's advertising went to the two with the smallest circulation by far.

*Comercio y Justicia* is a small paper focused on legal and business issues with an estimated circulation of only 3,800, yet it received 45 percent of government advertising. By comparison, *Hoy Día Córdoba* has a circulation over three times that of *Comercio y Justicia*, yet received only 17 percent of the advertising space, about one-third that received by *Comercio y Justicia*. The largest paper, *La Voz del Interior*, with a circulation 16 times that of *Comercio y Justicia*, received a slim

18 percent of the advertising in question. Rather than being justified by market niche or other technical factors, the privileged treatment of the two smaller papers appears to be the result of considerations of a different nature. In 2001, at a time of severe economic recession, Comercio y Justicia's owners abandoned the paper. Since then, like the Diario de Villa María, it has been run as a cooperative by its workers. And according to the local press union, the provincial government made a tacit agreement, with support from the vice governor, to provide financial subsidies via government advertising contracts in order to sustain this source of employment. While government subsidies for the media are not per se an improper interference with freedom of expression, it is inappropriate and, in this case, far from transparent, to use government advertising as a means of subsidizing a media outlet. The second-largest recipient of government advertising in newspapers was La Mañana de Córdoba (Córdoba Morning), despite having the second lowest circulation, estimated at just about 4,000 copies. At the time, however, its content was generally more favorable to the provincial government than its competitors, according to our researchers. Until it was bought by the owner of the Río Negro in June 2004, La Mañana de Córdoba was owned by the conservative Buenos Aires-based daily *Ámbito Financiero*. According to media expert José Luis Tarrico, La Mañana de Córdoba was "impregnated by its [former] owners with a center-right position. It had a strong alliance with [governor] De la Sota...and was not going to conflict with his government." The government of Córdoba's general secretary for public information failed to respond to written request for information or comment regarding these issues.

### **Neuquén: Government-paid Space Presented as Independent Journalism**

A company called Macrocom produces three television programs *Primer Plano* (First Glance), *El Mirador* (The Observer) and *En Voz Alta* (Out Loud), each of which is shown on the private, Neuquén city-based Channel 7.59 Speaking off the record, one media expert said, "These three programs present all the good things about the government, [and] are consumed in the interior of the province where there is no cable television, and in large parts of the capital, Neuquén, where many people cannot afford cable." A source close to *Primer Plano* told us that of the program's five segments, two were reserved for the provincial government, for whatever interviews or content it desired. En

Voz Alta consists fundamentally of interviews of politicians and government officials from the province of Neuquén, although at times the program addresses issues related to the province of Río Negro. Another source knowledgeable of the administrative details of this program told us in April 2004 that at the time Macrocom advanced Channel 7 20,000 pesos per month for the air time for En Voz Alta and use of the station's infrastructure, and paid another 6,400 and 3,600 pesos per month for Primer Plano and El Mirador, respectively. At the same time, these programs carry a significant amount of government advertising. For example, on June 12, 2004, according to our own calculations, government advertising during En Voz Alta represented 44 percent of the total advertising carried by the program (165 seconds of government advertising vs. 211 seconds of private advertising). Subsequent editions of the same program demonstrated a similar trend. According to our source, the government is charged 50 percent more per second of advertising in these programs than private advertisers. According to the information on government outlays for advertising provided to us, the province of Neuquén made advertising-related payments to Macrocom of 135,400 pesos in 2002, 98,000 pesos in 2003, and 44,500 pesos in the first five months of 2004. Despite repeated attempts, we were unable to obtain any information or comments about these payments or the programs in question from either the secretary general of the interior or the director of public information of the government of Neuquén, or from Macrocom. As a result, it was not determined for what specific advertising services these payments were made.

