

# Funding of Public Service Media in Germany

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## Abstract

This article provides an overview of the current state of public service media (PSM) funding in Germany, which is primarily supported by a household levy, supplemented by advertising, sponsorship and so-called 'other income'. Germany is an interesting case owing to the complexities and challenges associated with funding PSM in a country with a federal structure. As such, insights into PSM funding in Germany and the debates surrounding it can benefit not only academics, but also policy makers, media professionals and others with an interest in PSM funding.

**Keywords:** public service broadcasting, public service media, public funding, licence fee, household levy, Germany

IN THE EVER-EVOLVING landscapes of broadcasting and media, the funding of public service broadcasters (PSBs)—public service media (PSM), as they are called in the digital age—remains a topic of great importance in Germany and beyond. A 2021 European Broadcasting Union (EBU) analysis of sixty-four PSM organisations across forty-seven countries revealed that 77 per cent of PSM funding within the EBU area was derived from public sources such as a licence fee (for example, Italy, Ireland or the UK), state budget (for example, Spain, Denmark or Norway) or funds outside the state budget (for example, Finland or Sweden). Instead, commercial income such as advertising accounted only for 19 per cent of the budget, with a further 4 per cent from other sources.<sup>1</sup> The EBU overview does not distinguish between licence fee and household levy independent of device-ownership. Countries which have replaced their licence fee with a household levy include Austria, Germany and Switzerland.<sup>2</sup>

The rationale behind funding from public sources is that PSM should serve the public interest by serving the communication/broadcasting needs of citizens and society, while maintaining as much independence as possible.<sup>3</sup> However, evolving technologies, changes in media markets and political pressures have sparked ongoing discussions in many countries about how best to fund these institutions and still maintain their protection from political or commercial interference.

This article provides an overview of the current state of PSM funding in Germany. It opens with a general description, followed by an explanation of the funding process. The third section describes ongoing debates surrounding PSM funding from the perspective of various stakeholders and concludes with an analysis of the future of PSM both in Germany and elsewhere.

<sup>1</sup>EBU Media Intelligence Service, *Funding of Public Service Media: Public Version*, 2023, p. 21; [https://www.ebu.ch/files/live/sites/ebu/files/Publications/MIS/login\\_only/funding/EBU-MIS-Funding\\_of\\_PSM\\_2022\\_Public.pdf](https://www.ebu.ch/files/live/sites/ebu/files/Publications/MIS/login_only/funding/EBU-MIS-Funding_of_PSM_2022_Public.pdf)

<sup>2</sup>Neuer ORF-Beitrag ab 2024, [oesterreich.gv.at](https://www.oesterreich.gv.at/nachrichten/allgemein/ORF-Beitrag.html), 20.12.2023; <https://www.oesterreich.gv.at/nachrichten/allgemein/ORF-Beitrag.html>; Informationen für Bürgerinnen und Bürger, *ARD ZDF Deutschlandradio Beitragsservice*, no date; [https://www.rundfunkbeitrag.de/buergerinnen\\_und\\_buerger/informationen/index\\_ger.html](https://www.rundfunkbeitrag.de/buergerinnen_und_buerger/informationen/index_ger.html); Abgabe für Radio und Fernsehen, *Bundesamt für Kommunikation BAKOM*, 01.01.2021; <https://www.bakom.admin.ch/bakom/de/home/elektronische-medien/abgabe-fur-radio-und-fernsehen.html#:~:text=Privathaushalte%20zahlen%20seit%20dem%201,2021%20670%20Franken%20im%20Jahr>

[informationen/index\\_ger.html](https://www.bakom.admin.ch/bakom/de/home/elektronische-medien/abgabe-fur-radio-und-fernsehen.html#:~:text=Privathaushalte%20zahlen%20seit%20dem%201,2021%20670%20Franken%20im%20Jahr); Abgabe für Radio und Fernsehen, *Bundesamt für Kommunikation BAKOM*, 01.01.2021; <https://www.bakom.admin.ch/bakom/de/home/elektronische-medien/abgabe-fur-radio-und-fernsehen.html#:~:text=Privathaushalte%20zahlen%20seit%20dem%201,2021%20670%20Franken%20im%20Jahr>

<sup>3</sup>G. Mazzone, 'Public service broadcasting', in T. P. Vos, F. Hanusch, D. Dimitrakopoulou, M. Geertsema-Sligh and A. Sehl, eds., *International Encyclopedia of Journalism Studies*, vol. 3, Hoboken NJ, Wiley-Blackwell, 2019, pp. 1317–1323, at p. 1322.

## Structure of PSM in Germany

After World War II, PSBs were established in West Germany as part of democratisation efforts. They adopted the British model of a broadcasting system which was funded by a licence fee and designed to operate independently from government.<sup>4</sup> In East Germany, PSM were only established after reunification. In 1992, the former state radio and television stations of the German Democratic Republic were dissolved or transferred and integrated into the PSM system of the Federal Republic.<sup>5</sup>

Germany's PSM landscape reflects the federal structure of the country. Today, it consists of the Arbeitsgemeinschaft der öffentlich-rechtlichen Rundfunkanstalten der Bundesrepublik Deutschland (ARD), a consortium of nine regional PSM organisations, Zweites Deutsches Fernsehen (ZDF), a national television PSM organisation, and Deutschlandradio, a national radio PSM organisation. ARD, ZDF and Deutschlandradio offer around twenty television channels and over eighty radio stations (both in 2022).<sup>6</sup> Unlike private sector television and radio stations, PSM rely primarily on a household levy supplemented by advertising, sponsorship and so-called 'other income' (for example, from programme exploitation or cost reimbursements).<sup>7</sup> Although Deutsche Welle (DW) also operates as a PSM organisation, it is an exception because it is funded through taxation and has a mission to engage in public diplomacy on behalf of Germany abroad,<sup>8</sup> along the lines of the BBC World Service.

<sup>4</sup>H. Pürer, *Medien in Deutschland: Presse—Rundfunk—Online*. Konstanz and München, UVK, 2015, p. 109.

<sup>5</sup>*Ibid.*, pp. 117–120.

<sup>6</sup>Fernsehnutzung, *Kommission zur Ermittlung der Konzentration im Medienbereich (KEK)*, n.d.; <https://www.kek-online.de/medienkonzentration/mediennutzung/fernsehnutzung/>; Arbeitsgemeinschaft Media-Analyse (agma), MA 2022, *Audio II: Methodensteckbrief zur Berichterstattung*, 2022, p. 15; [https://www.ard-media.de/fileadmin/user\\_upload/Downloads/Forschung/Radioforschung/ma\\_2022\\_Audio\\_II\\_-\\_Methodensteckbrief.pdf](https://www.ard-media.de/fileadmin/user_upload/Downloads/Forschung/Radioforschung/ma_2022_Audio_II_-_Methodensteckbrief.pdf)

<sup>7</sup>Kommission zur Ermittlung des Finanzbedarfs der Rundfunkanstalten (KEF), 23. *Bericht*, 2022, pp. 224–286; [https://kef-online.de/fileadmin/kef/Dateien/Berichte/Import/23\\_Bericht.pdf](https://kef-online.de/fileadmin/kef/Dateien/Berichte/Import/23_Bericht.pdf)

Since the 1980s, Germany has had a two-part broadcasting system that includes public service and privately owned programming. The legal basis for private sector channels was established by the Federal Constitutional Court in 1981, which found that granting licences for private sector channels was feasible thanks to advancements in satellite and cable broadcasting technologies, thus resolving the issue of limited available frequencies. In 1984, the precursors of today's private sector channels, Sat.1 and RTL, began broadcasting.<sup>9</sup>

In this dual system, the Interstate Media Treaty governs the PSM's mission of contributing to the development of informed individual and public opinion and the democratic, social and cultural needs of society. They are obligated to cover events across all important aspects of life and to provide content that offers education, information, advice and entertainment. To fulfil this mandate, they must adhere to specific programming principles; for instance, they are required to maintain objectivity, impartiality, a variety of viewpoints and a balanced approach.<sup>10</sup>

## Funding of PSM

The monthly household levy imposed on each household in Germany to fund PSM is €18.36 (as of January 2024)—compared to £13.25 per month for the UK licence fee. In 2022, total revenues amounted to approximately €8.57 billion, paid by around 46 million accounts.<sup>11</sup> Recipients of social or unemployment benefits, among others, are generally exempted from this requirement. Furthermore, people with a specific status, such as those with disabilities, pay a reduced amount. In 2022, around 6 per cent of households had an exemption and 1 per cent paid a reduced fee of €6.12 per

<sup>8</sup>Pürer, *Medien in Deutschland*, pp. 116–117.

<sup>9</sup>*Ibid.*, p. 126.

<sup>10</sup>*Medienstaatsvertrag (MStV) in der Fassung des Vierten Staatsvertrags zur Änderung medienrechtlicher Staatsverträge (Vierter Medienänderungsstaatsvertrag)*, 2024, s. 26, paras 1–2; [https://www.die-medienanstalten.de/fileadmin/user\\_upload/Rechtsgrundlagen/Gesetze\\_Staatsvertraege/Medienstaatsvertrag\\_MStV.pdf](https://www.die-medienanstalten.de/fileadmin/user_upload/Rechtsgrundlagen/Gesetze_Staatsvertraege/Medienstaatsvertrag_MStV.pdf)

<sup>11</sup>ARD ZDF Deutschlandradio Beitragsservice/G. Goić (responsible editor), *Jahresbericht 2022, 2023*, pp. 9–11; [https://www.rundfunkbeitrag.de/e175/e8480/Jahresbericht\\_2022.pdf](https://www.rundfunkbeitrag.de/e175/e8480/Jahresbericht_2022.pdf)

month.<sup>12</sup> People with multiple residences can apply for an exemption for their other residence(s).<sup>13</sup> Specific rules and rates apply to business premises, hotel and guest rooms, vacation homes and motor vehicles not exclusively used for domestic purposes.<sup>14</sup>

This household fee system has been in effect since 2013. Previously, a licence fee was charged based on the number and type of broadcasting devices owned—similar to the current model in the UK. The transition to the household fee came about following a PSM funding review conducted in 2010 by former constitutional judge Paul Kirchhof on behalf of ARD, ZDF and Deutschlandradio. Kirchhof argued that a fee based on device ownership was no longer justified owing to technological advancements.<sup>15</sup> Since then, every household has been obliged to contribute to PSM, regardless of whether they own a radio, television or computer. Furthermore, the fee does not vary according to the number of residents in the household. The name of the contribution service, which is responsible for fee collection and account management, was changed from *Gebühreneinzugszentrale* (GEZ) to *ARD ZDF Deutschlandradio Beitragsservice* when the system changed. The introduction of the household fee did not initially change the fee, which remained at €17.98. In 2015, it was reduced for the first time to €17.50, before being increased to €18.36 in 2021.<sup>16</sup>

The fee amount is established through a multistep process. In the initial phase, the PSM organisations assess their financial needs for a specific period and communicate these requirements to the Commission to Determine Financial Requirements (KEF—Kommission

zur Ermittlung des Finanzbedarfs der Rundfunkanstalten). KEF then issues a report evaluating whether the financial requirements are justified and, if so, whether an increase or decrease in contributions is warranted. In this context, KEF is obliged to involve the PSM organisations in reviewing and determining the overall financial requirements, so before the final KEF report is submitted, PSM organisations have the opportunity to comment. Based on KEF's recommendations, state premiers decide on the specific contribution for the next four years. The agreement of all sixteen state parliaments is required to finalise this decision.<sup>17</sup> All deviations from the proposed amount must be legally justified and are only possible within the framework of the exceptions defined by the Federal Constitutional Court, which oversees the freedom of broadcasting. This includes, for example, a consideration of the appropriate financial burden on households, but excludes programmatic and media policy concerns.<sup>18</sup>

The broadcasting fee funds both PSM organisations and the media authorities which control private sector broadcasting in the states. Total revenues are distributed among the individual ARD organisation, ZDF, Deutschlandradio and the media authorities. The ARD distribution is based on the number of contributors residing and/or operating in the states of each regional PSM organisation. In 2022, the ARD organisations received around €5.96 billion, ZDF received €2.18 billion, Deutschlandradio received €250 million and the media authorities received €161 million.<sup>19</sup> In addition, ARD ZDF Deutschlandradio Beitragsservice received around €178 million to manage the collection of the broadcasting fee.<sup>20</sup>

<sup>12</sup>Ibid., pp. 14–16.

<sup>13</sup>Ibid., p. 15.

<sup>14</sup>Ibid., pp. 11–13.

<sup>15</sup>P. Kirchhof, *Gutachten über die Finanzierung des öffentlich-rechtlichen Rundfunks*, Heidelberg, 2010, pp. 78–85; <https://www.swr.de/unternehmen/organisation/gutachten-zur-rundfunkfinanzierung-100.pdf>

<sup>16</sup>Entwicklung der Rundfunkfinanzierung, *Kommission zur Ermittlung des Finanzbedarfs der Rundfunkanstalten* (KEF), n.d.; <https://kef-online.de/de/service/entwicklung-der-rundfunkfinanzierung/#~:text=Nach%20Einführung%20des%20Fernsehens%20im,folgt%20Gebührenanpassungen%20in%20kürzeren%20Abständen>

<sup>17</sup>Solidarmodell, *ARD ZDF Deutschlandradio Beitragsservice*, n.d.; [https://www.rundfunkbeitrag.de/der\\_rundfunkbeitrag/solidarmodell/index\\_ges.html](https://www.rundfunkbeitrag.de/der_rundfunkbeitrag/solidarmodell/index_ges.html)

<sup>18</sup>Bundesverfassungsgericht, *Beschluss des Ersten Senats vom 20. Juli 2021—1 BoR 2756/20, 2775/20 und 2777/20—Staatsvertrag Rundfunkfinanzierung*, sentence 97; [https://www.bundesverfassungsgericht.de/SharedDocs/Entscheidungen/DE/2021/07/rs20210720\\_1bvr275620.html](https://www.bundesverfassungsgericht.de/SharedDocs/Entscheidungen/DE/2021/07/rs20210720_1bvr275620.html)

<sup>19</sup>ARD ZDF Deutschlandradio Beitragsservice/G. Goić (responsible editor), *Jahresbericht 2022, 2023*, pp. 9–10; [https://www.rundfunkbeitrag.de/e175/e8480/Jahresbericht\\_2022.pdf](https://www.rundfunkbeitrag.de/e175/e8480/Jahresbericht_2022.pdf)

<sup>20</sup>Ibid., p. 7.

At the end of 2022, nearly 93 per cent of the contribution accounts were in credit; about 7 per cent were in arrears.<sup>21</sup>

PSM organisations derive the majority of their income from the household levy. In 2022, 85 per cent of the ARD organisation's income came from the household levy. In contrast, net advertising and sponsorship sales accounted for 6 per cent of total revenue; 9 per cent was attributable to so-called 'other income'.<sup>22</sup>

## PSM funding debates

Recent public debates in several European countries have shown that public funding of PSM is no longer taken for granted and is a matter of controversy. Although the household levy is mandatory in Germany, only a few studies which might provide important insights into PSM and public funding have addressed willingness to pay or identified factors that drive this willingness. One study found that in Germany, attitudes towards the fee, as well as satisfaction with PSM were significant predictors of willingness to pay.<sup>23</sup> Another study examined willingness to pay and found that the perceived general informational quality of PSM, the assumed influence of state or government on PSM, willingness to pay for other media and political interest were significant predictors. The assumed influence of state and government on PSM negatively impacted willingness to pay, while the other predictors had a positive effect.<sup>24</sup>

In Germany, as in many other European countries, the evolving technological landscape, changes in media markets and political pressures have sparked ongoing debates about how to fund PSM. A common debate revolves around the 'crowding out' argument

within the private sector media. This argument posits that PSM, being publicly funded, creates negative market effects for private sector media by starving them or preventing them from entering markets in the first place, for example, by reducing their audiences, thus advertising revenues, or willingness to pay for their products. However, there is little empirical evidence to substantiate this claim.<sup>25</sup>

For more than ten years, there have been intense debates in Germany about whether digital offerings by PSM are taking on too much of the character of print media and interfering with competition through their public funding. In 2011, eight publishers filed a lawsuit against ARD because they felt that its then-version of the Tagesschau app, which accompanied the most-watched news programme on public service television, too closely resembled a newspaper. After protracted legal wrangling, a court decision in 2016 determined that the Tagesschau app bore excessive similarity to print media on a sample day in 2011 owing to its inclusion of an extensive amount of text.<sup>26</sup> Consequently, the ruling mandated that PSM should place greater emphasis on audio and video content. Since then, 'press-like offerings' from PSM have been prohibited. However, the lack of a clear definition of 'press-like' has repeatedly led to conflicts. In 2019, the Federal Association of Digital Publishers and Newspaper Publishers (BDZV) and ARD established a joint arbitration board to resolve conflicts. However, it was not until 2022 that the arbitration board was asked to come together to negotiate two cases.<sup>27</sup>

<sup>25</sup>P. Barwise and R. Picard, *What If There Were No BBC Television? The Net Impact on UK Viewers*, Oxford, Reuters Institute for the Study of Journalism, 2014; A. Sehl, R. Fletcher and R. G. Picard, 'Crowding out: is there evidence that public service media harm markets? A cross-national comparative analysis of commercial television and online news providers', *European Journal of Communication*, vol. 35, no. 4, 2020, pp. 389–409.

<sup>26</sup>F. Bräutigam, 'Tagesschau-App war 2011 "presseähnlich": Was bedeutet das Urteil zur Tagesschau-App?', *tagesschau*, 30 September 2016; <https://www.tagesschau.de/inland/tagesschau-app-urteil-101.html>

<sup>27</sup>S. Fries and P. Behme, 'Verlage vs. Öffentlich-Rechtliche: Der lange Streit um die Presseähnlichkeit', *Deutschlandfunk*, 21 September 2022; <https://www.deutschlandfunk.de/streit-um-presseaehnlichkeit-100.html>

<sup>21</sup>Ibid., p. 19.

<sup>22</sup>Finanzen der ARD—Einnahmen und Ausgaben, *Die ARD*, n.d.; <https://www.ard.de/finanzen-der-ard/finanzen-der-ard-einnahmen-und-ausgaben-100/#>

<sup>23</sup>M. Grammel and J. Gründl, 'Willingness to pay for public service media', in N. Gonsler, ed., *Der öffentliche (Mehr-)Wert von Medien*, Wiesbaden, Springer, 2018, pp. 109–127, at p. 121.

<sup>24</sup>A. Sehl, 'Public service media and public funding: a three-country study of willingness to pay versus perceived dispensability', *European Journal of Communication*, vol. 38, no. 6, 2023, pp. 608–624, at p. 617.

It is also important to note that PSM in Germany can launch online-only offerings, which must go through a specific approval process. This process, known as the three-stage test, is similar to the public value test used in the UK and other countries.<sup>28</sup> The first stage examines whether the offering meets the democratic, social and cultural needs of society. The second stage explores the extent to which the offering contributes to journalistic competition, that is, whether it competes with other media, especially private sector media. The third stage focusses on how much financial support is needed and determines whether that amount is appropriate.<sup>29</sup>

Debates in several countries involve questions regarding the legitimacy of PSM. These arguments stem from a liberal perspective or a populist viewpoint. The election of the right-wing populist Alternative für Deutschland (AfD) party to the German Bundestag in 2017 presented a unique challenge for German PSM. AfD labelled PSM as state broadcaster (*‘Staatsfunk’*), accusing them of distorting their party’s perspectives and stifling discussions on immigration. AfD simultaneously advocated for reducing PSM by eliminating the broadcasting fee.<sup>30</sup> This aligns with the lower level of trust that people on the political right have in German PSM compared to supporters of the centre or political left.<sup>31</sup> Similarly, the liberal Freie Demokratische Partei (FDP) passed a resolution at its 2021 party convention that called for reductions in the broadcasting fee and the number of public service radio and television channels.<sup>32</sup>

<sup>28</sup>R. Collins, ‘The BBC and “public value”’, *Medien & Kommunikationswissenschaft*, vol. 55, no. 2, 2007, pp. 164–184.

<sup>29</sup>*Medienstaatsvertrag (MStV) in der Fassung des Vierten Staatsvertrags zur Änderung medienrechtlicher Staatsverträge (Vierter Medienänderungsstaatsvertrag)*, 2024, s. 32, para. 4; [https://www.die-medienanstalten.de/fileadmin/user\\_upload/Rechtsgrundlagen/Gesetze\\_Staatsvertraege/Medienstaatsvertrag\\_MStV.pdf](https://www.die-medienanstalten.de/fileadmin/user_upload/Rechtsgrundlagen/Gesetze_Staatsvertraege/Medienstaatsvertrag_MStV.pdf)

<sup>30</sup>A. Sehl, F. M. Simon and R. Schroeder, ‘The populist campaigns against European public service media: hot air or existential threat?’, *International Communication Gazette*, vol. 84, no. 1, 2022, pp. 3–23, at pp. 13–14.

<sup>31</sup>A. Schulz, D. A. L. Levy and R. K. Nielsen, *Old, Educated, and Politically Diverse: The Audience of Public Service News*, Oxford, Reuters Institute for the Study of Journalism, 2019, p. 25.

In 2020, Saxony-Anhalt was the only state not to pass a resolution on the First Media Amendment Treaty in its state parliament, which meant that the broadcasting fee could not be increased. As a result, ARD, ZDF and Deutschlandradio filed an appeal with the Federal Constitutional Court. In August 2021, the court announced that Saxony-Anhalt had violated the freedom of broadcasting, which also includes appropriate funding of PSM, by failing to pass the resolution. The constitutional judges upheld the complaint and as a result, the increased broadcasting fee of €18.36 set out in the First Media Amendment Treaty has been in effect since 20 July 2021, until a new adjustment is decided upon by the states.<sup>33</sup> This case highlights the challenges of the process when unanimity is required and not all state premiers and parliaments pass the resolution. Although the federal structure for PSM in Germany provides benefits in terms of regional coverage, challenges can arise during joint decision making among the states. The various regional ARD organisations may also face cooperation challenges when working together.

Furthermore, there was a scandal in 2022 when the former director of the regional PSM organisation Rundfunk Berlin-Brandenburg (RBB) was accused of nepotism, taking personal advantages and being responsible for waste.<sup>34</sup> This has stimulated debate in recent years and led to new proposals for reform beyond the sole issue of funding. For example, in 2019, the Broadcasting Commission of the Länder, which coordinates the media policies of the states, discussed a model whereby the increase in the broadcasting fee would be linked to

<sup>32</sup>Freie Demokraten (FDP), *Das Wahlprogramm der Freien Demokraten zur Bundestageswahl 2021*, 2021, p. 39; [https://www.fdp.de/sites/default/files/2021-06/FDP\\_Programm\\_Bundestagswahl2021\\_1.pdf](https://www.fdp.de/sites/default/files/2021-06/FDP_Programm_Bundestagswahl2021_1.pdf)

<sup>33</sup>Bundesverfassungsgericht, *Beschluss des Ersten Senats vom 20. Juli 2021—1 BvR 2756/20, 2775/20 und 2777/20—Staatsvertrag Rundfunkfinanzierung*, sentences 114–115; [https://www.bundesverfassungsgericht.de/SharedDocs/Entscheidungen/DE/2021/07/rs2010720\\_1bvr275620.html](https://www.bundesverfassungsgericht.de/SharedDocs/Entscheidungen/DE/2021/07/rs2010720_1bvr275620.html)

<sup>34</sup>Der Fall Schlesinger: Öffentlich-Rechtliche in der Kritik, *Deutschlandfunk*, 26 August 2022; <https://www.deutschlandfunk.de/schlesinger-rbb-faq-100.html#lang>

inflation.<sup>35</sup> However, no agreement was reached. Instead, in the Third Media Amendment Treaty, which came into force in July 2023, the Broadcasting Commission addressed more flexible public service programming, redefined the PSM mission statement and strengthened the governing bodies.<sup>36</sup> The Fourth Interstate Media Amendment Treaty, implemented in January 2024, aims to improve transparency, compliance and board supervision and avoid conflicts of interest.<sup>37</sup> Questions of financing were not explicitly covered in these amendments.

Meanwhile, in March 2023, the Broadcasting Commission established a Council for the Future Development of Public Service Broadcasting (Future Council) to suggest recommendations for the future of PSM in Germany. The appointment document of the independent advisory body stated that the proposals should be in line with a stabilisation of contributions.<sup>38</sup> The Future Council published its report containing proposals on mission and offerings, organisation, management culture and funding in January 2024.<sup>39</sup>

Regarding funding, the Future Council considers that the depoliticisation of the determination of financial requirements has been undermined in recent years. It therefore proposes a change in the funding procedure from the current *ex-ante* evaluation by the KEF to an *ex-post facto* evaluation based on the fulfilment of the mandate to incentivise the PSM organisations to fulfil their democratic mission. The PSM organisations would no longer be required to submit their financial requirements to KEF beforehand, but a modified and still independent KEF would assess whether they have fulfilled their mandate every two years. If the KEF determines that the mandate has not been completely fulfilled, the report of the Future Council anticipates potential deductions from financial allocations.<sup>40</sup> In terms of the amount of the contribution, the Future Council proposes a model that combines fulfilment of the mandate and indexation. It assumes that the reforms it proposes will lead to substantial savings in the medium term, but leaves the states to determine whether these savings should lead to a reduction in the broadcasting contribution or be invested in a better fulfilment of the mandate.<sup>41</sup>

The proposals of the Future Council are not legally binding. However, the Broadcasting Commission of the Länder has recently announced that it will ask the KEF for a special report to calculate the efficiency gains of the various proposals, with a view to presenting a reform treaty in the autumn of 2024. The states further declared that they will also review the procedure for setting contributions, taking into account the proposals of the Future Council.<sup>42</sup>

Reforms are also underway within PSM organisations. For instance, the ARD Chairman, Kai Gniffke, has proposed forming ARD competence centres to eliminate replicated structures amongst regional PSM bodies. This is a way of sharing content on topics like health that aren't regionally constrained,

<sup>35</sup>D. Bouhs and C. Stertz, 'Interview mit Heike Raab: Reformen für ARD/ZDF: Bei Index-Modell für Rundfunkbeitrag wieder alles offen', *Medien360G*, n.d.; <https://www.mdr.de/medien360g/medienwissen/interview-heike-raab-104.html>

<sup>36</sup>Dritter Staatsvertrag zur Änderung medienrechtlicher Staatsverträge (Dritter Medienänderungsstaatsvertrag), 2022; [https://rundfunkkommission.rlp.de/fileadmin/rundfunkkommission/Dokumente/Beschluesse/3\\_MAESTV\\_final\\_Druckfassung.pdf](https://rundfunkkommission.rlp.de/fileadmin/rundfunkkommission/Dokumente/Beschluesse/3_MAESTV_final_Druckfassung.pdf)

<sup>37</sup>Vierter Staatsvertrag zur Änderung medienrechtlicher Staatsverträge (Vierter Medienänderungsstaatsvertrag): Entwurf, Beschlussfassung der MPK am 16.03.2023, 2023; [https://rundfunkkommission.rlp.de/fileadmin/rundfunkkommission/Dokumente/4\\_MAESTV\\_MPK-Beschlussfassung.pdf](https://rundfunkkommission.rlp.de/fileadmin/rundfunkkommission/Dokumente/4_MAESTV_MPK-Beschlussfassung.pdf)

<sup>38</sup>Rundfunkkommission der Länder, *Sitzung der Rundfunkkommission am 8. März 2023: Reform ÖRR (Einsetzung Zukunftsrat)*, 2023; [https://rundfunkkommission.rlp.de/fileadmin/rundfunkkommission/Dokumente/Beschluesse/2023-03-08\\_BEschluss\\_RFK\\_TOP\\_1\\_Reform\\_OERR\\_Zukunftsrat.pdf](https://rundfunkkommission.rlp.de/fileadmin/rundfunkkommission/Dokumente/Beschluesse/2023-03-08_BEschluss_RFK_TOP_1_Reform_OERR_Zukunftsrat.pdf)

<sup>39</sup>Rat für die zukünftige Entwicklung des öffentlich-rechtlichen Rundfunks (Zukunftsrat), *Bericht des Rates für die zukünftige Entwicklung des öffentlich-rechtlichen Rundfunks*, 2024; [https://rundfunkkommission.rlp.de/fileadmin/rundfunkkommission/Dokumente/Zukunftsrat/ZR\\_Bericht\\_18.1.2024.pdf](https://rundfunkkommission.rlp.de/fileadmin/rundfunkkommission/Dokumente/Zukunftsrat/ZR_Bericht_18.1.2024.pdf)

<sup>40</sup>*Ibid.*, pp. 31–33.

<sup>41</sup>*Ibid.*, pp. 33–34.

<sup>42</sup>Rundfunkkommission der Länder, *Klausurtagung der Rundfunkkommission der Länder 25./26. Januar 2024 in Bingen am Rhein: Eckpunkte zur Reform des öffentlich-rechtlichen Rundfunks*, 2024, p. 3; [https://rundfunkkommission.rlp.de/fileadmin/rundfunkkommission/Dokumente/Beschluesse/RFK\\_25.-26-1-24\\_Eckpunkte\\_zur\\_Reform\\_des\\_oeffentlich-rechtlichen\\_Rundfunks.pdf](https://rundfunkkommission.rlp.de/fileadmin/rundfunkkommission/Dokumente/Beschluesse/RFK_25.-26-1-24_Eckpunkte_zur_Reform_des_oeffentlich-rechtlichen_Rundfunks.pdf)

ultimately increasing efficiency. In the context of digital transformation, plans are being implemented for a joint technical infrastructure for regional PSM organisations. Furthermore, there is closer collaboration between ARD and ZDF, which now share each other's content through a joint 'streaming network'.<sup>43</sup>

## Conclusion

PSM in Germany differs from that of other countries owing to its federal structure, with nine regional PSM organisations offering a comprehensive regional radio and television coverage in the states, in addition to the joint national television channel, television-only and radio-only organisations. The household levy, which has funded PSM since 2013, guarantees universal contribution to the funding and is usually updated every four years through a multistep process in which the recommendations of an independent expert commission are central. The suggestions put forth by the commission strive to secure sufficient and cost-effective funding. While this process aims to secure political independence and economical handling of funds, the requirement for unanimity among state premiers and parliaments has sparked a conflict in the recent past. In 2020, the state of Saxony-Anhalt failed to approve the proposal to raise the broadcasting fee. Only a legal case brought by ARD, ZDF and Deutschlandradio to the Federal Constitutional Court resulted in the current funding increase, citing the importance of broadcasting freedom and therefore appropriate funding.

In the current contribution process, for which KEF is due to make recommendations in 2024, the situation could become difficult again, as several state premiers have already made it clear that they will not support an increase.<sup>44</sup> A decision could, therefore, end up before the Federal Constitutional Court again. In this respect, the

Future Council proposed a change in the funding procedure, but its proposal is not binding and the states now have to evaluate them before making any decision on reform.

Beyond Germany, the funding models in several other countries are being or have been revised with the intention of addressing inadequacies stemming from ownership-based models for radio and TV in the digital age and creating long-term funding stability. The different funding models vary, and all have their strengths and weaknesses—usually specific to each national context. For instance, the Nordic countries (Denmark, Finland, Iceland, Norway, Sweden) have moved from a licence fee to a tax-based funding system. However, the systems for tax-based funding for PSM are not all alike: the tax can, for example, be designed as a specific PSM tax or part of general taxation; it can be income-dependent or income-independent; or the tax could be included in the general budget or kept separate from it.<sup>45</sup> The last criterion is important with respect to the independence of PSM, as a separation from the state budget and isolation from direct government influence can provide safeguards for editorial and financial independence.

Although PSM have a comparatively strong position in Germany, in recent years, discussions have flared up in this country—as in many other European countries—about the scope of the PSM mission as well as its structure and level of funding. Politicians and private sector media representatives have been involved in the debates about reforms. Meanwhile, PSM organisations, alongside other parties, are submitting proposals for extensive reforms encompassing aspects such as structure, leadership and governance. The driving forces are comprised of technological advancements, changes within the media market and shifting audience behaviour, but also inefficiencies—especially between regional PSM organisations as well as failure of the PSM to operate appropriately, with the RBB scandal mentioned above.

Before the start of the next contribution period in 2025, the Broadcasting Council is expected to address the question of funding. Meanwhile, more reforms than ever seem to

<sup>43</sup>ARD stellt Weichen für den Reformweg: Jetzt wird es konkret, *Die ARD*, 22 June 2023; <https://www.ard.de/die-ard/06-22-ARD-stellt-Weichen-fuer-den-Reformweg-jetzt-wird-es-konkret-100/>

<sup>44</sup>S. Heuser, "Kann Anfang vom Ende sein": Wie sechs Länder die Erhöhung des Rundfunkbeitrags stoppen können, *Merkur.de*, 21 December 2023; <https://www.merkur.de/politik/soeder-gez-rundfunkbeitrag-kef-erhoehung-haseloff-bayern-sachsen-anhalt-grundversorgungsauftrag-zr-92740998.html>

<sup>45</sup>'The Nordics replace licence fee with public service tax', *Nordicom*, 18 September 2019; <https://www.nordicom.gu.se/en/latest/news/nordics-replace-licence-fee-public-service-tax>

be on the horizon to make PSM an essential institution of democracy for the future.

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