Backsliding democracy: navigating political pressure on civil society in the EU

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In April 2025, the European Court of Auditors published a 55-page report on 'Transparency of EU funding granted to NGOs' (Special report 11/2025). It is directed at the European Commission and includes findings that concern the member states, but does not suggest that civil society organisations (CSOs), termed NGOs in the report, may be accused of irregularities or misuse of EU grants. This view is confirmed by Transparency International EU in a <u>comment</u> published on 17 April 2025.

Yet, members of the European Parliament have interpreted the report very differently and have embarked on what has been termed 'a crusade against NGOs', thus attempting to reverse an EU policy of cooperation with civil society that goes back to the 1990s and beyond. In particular, the centre-right EPP wishes to investigate why 'so-called' civil society groups receive grants that they use to support practices and ideas that emanate from the Commission. Perhaps grantmaking has got out of hand, and CSOs should take the criticism seriously and rethink their relationship with governments and public agencies and their policies in regard to applying for and accepting grants. However, it is not civil society that determines the rules of the grantmaking game. These are laid down by the Commission in the case of the EU and by national, regional and local governments. In most cases, they are non-negotiable and very rigid. Grant seekers face excessive bureaucratic hurdles.

One might ask why, at a time when democratic backsliding in EU member states and in the US is arguably the most pressing long-term concern in the public sphere, MEPs should be so insistent on pressing an issue which they usually marginalise. Politicians on the conservative side of the political spectrum have maintained that there is no such thing as civil society, and that NGOs do not have a say in the public sphere, but should stick to providing services at the local level. Political theory in Europe and worldwide has challenged this view for the past 40 years or so, arguing that, on the contrary, civil society is a vital component of deliberative democracy and indeed a prerequisite for a liberal, open society based on human and civil rights, the rule of law and a democratically governed state.

The answer that comes to mind has to do with the nationality and political affiliation of the MEPs who are driving this issue – Monika Hohlmeier, Manfred Weber and others, belong to the German regional Christian Social Union in Bavaria (CSU) party. Arguably, what is currently being served up in Europe has actually been cooked in Germany and may be explained in terms of German domestic politics. For some months, CSOs have been accused of interfering too heavily in politics, exceeding the boundaries of an alleged requirement for political neutrality and violating the conditions set out in the German Fiscal Code (*Abgabenordnung*) for the granting of tax 'privileges'. Indeed, they are said to use state-funded grants to organise protests against the very institutions that provide these funds. The CSU's 2025 election manifesto makes this clear: "All funding of non-governmental organisations (NGOs) by the Federal Government must be reviewed. No state financing of leftist front organisations!" A widely publicised

parliamentary inquiry by the CDU/CSU parliamentary group to the then-incumbent federal government dated 24 February 2025 stated: "In the view of the questioners, the protests against the CDU of Germany constitute deliberate party-political influence immediately prior to the upcoming federal election, which is not covered by charity law."

Even within conservative circles, the allegation of CSOs interfering too heavily in politics remains contentious. That it targets progressive, politically active CSOs is hardly surprising – they often identify political developments earlier and therefore appear more progressive, which does not suit those who seek to conserve the status quo or restore what has been lost. However, the allegation strikes at the heart of civil society's self-conception, which explicitly includes the active shaping of the commonwealth, a role protected by the Constitution. The allegation extends even to religious communities and serves to exclude all but political parties from participating in the political decision-making process. But there can be no doubt: the shaping and formation of political will is not the exclusive domain of political parties. Indeed, the role of a watchdog has been assigned to civil society, as checks and balances within state institutions are no longer functioning effectively.

This watchdog role is contested by political parties. They do not want oversight; they want to be the overseers. So, a political war is being waged at the expense of a third party that has limited ability to defend itself. The attack aligns with other restrictions and accusations seen globally; in Hungary and Russia, 'foreign agents' are accused of political interference; in the US, ideological accusations such as 'woke' or 'DEI' are accompanied by sweeping funding cuts. The current allegations largely affect a relatively small segment of CSOs – those that irritate political parties and the state. This may change if the federal government were to challenge the fundamental principle that non-profit bodies, which do not distribute profits and serve the common good, are treated differently from for-profit companies and individuals for tax purposes.

Recent developments have triggered a notable surge in solidarity within civil society. Its self-understanding as a shared, independent, autonomous and clearly defined arena vital to democratic resilience has grown stronger. Civil society must now decide how to defend itself against attacks and contribute constructively to solutions. It must move beyond mere complaint and develop a joint stance to assert its place in the public sphere – constructively and independently. Some CSOs must re-evaluate their watchdog role and reduce their susceptibility to attack, ensuring they can act from a position of independence in defence of democratic morality.

What is really worrying about all this is another aspect – what we are seeing is that those who are in favour of clamping down on civil society apparently have quite a close relationship with the MAGA community in the US, which in turn entertains sympathetic views about Germany ultra-right wing party AfD. While there is as yet no proof that MAGA influence triggered the attacks at the European and national levels, it does merit particular attention that policies designed in a country that has arguably crossed the threshold to an autocracy might intentionally or unintentionally spill over into Germany and the European Union.

In times like these, the soft power of civil society plays a crucial role in maintaining democracy's resilience as a political and social model. Referring to the political scientist-cum-politician Ralf Dahrendorf, the academic Helmut Anheier asserted: "Organised civil society will have to moderate the transnational conflicts of the early 21st century to counteract the overload of state and market in a globalised world." For this, it needs support – not obstruction.

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¹ Helmut Anheier: Zivilgesellschaft und Krisen – Dahrendorfsche Reflexionen. In: Leviathan, Vol. 40, No. 3/2012, pp. 421f.