2025 DEMOCRACY BRIEFER FOR FUNDERS

What's Happening to European Democracy and What Funders Can Do About It

Philea | Philanthropy Europe Association

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This briefer has been developed for members of the Democracy Network who needed fact-based analysis and anecdotal evidence to support their call for increased funding in this field. The iceberg framework used to structure this briefer was created by the Philea team, blending experience in the politico-social ecosystem with current research and academic expertise on the topic.

This work is not a scientific work, it is not an exhaustive overview of actions, nor does it assume to be the singular golden road to advancing democratic health. It instead offers funders a collection of potential arguments, tools and viewpoints on why and how to fund democracy. Philea values and respects the diversity of views and opinions in its membership, and the various ways in which foundations contribute to pluralistic, just and resilient societies that centre people and planet.

Introduction

The concept of democratic backsliding has sparked heated debates across the global stage. Is it a serious threat, or is it more of a perceived danger? If it is a real phenomenon, what evidence supports its existence and what does this say about its severity? Are some regions more vulnerable, or is no nation truly immune to it? What can philanthropy do to address this issue? If you find yourself pondering any of these questions, you're in the right place.

Our in-depth explainer commissioned by Philea's Democracy Network explores the subtle nature of democratic backsliding and its causes. Our goal isn't to create undue anxiety, but rather to provide a comprehensive understanding of this complex issue, enabling philanthropic organisations to develop appropriate strategies that address the multidimensional challenges democratic backsliding presents. The political developments, both in Europe and globally, highlight not only the challenges but also the opportunities to strengthen and revitalise democratic governance. As Europe faces shifts in its political landscape, there is a growing recognition of the importance of safeguarding democratic values and institutions. This explainer takes an in-depth look at the key indicators of democratic backsliding and root causes driving it, drawing on a wide body of evidence from published research to offer insights into the current state of democracy and opportunities to seize.
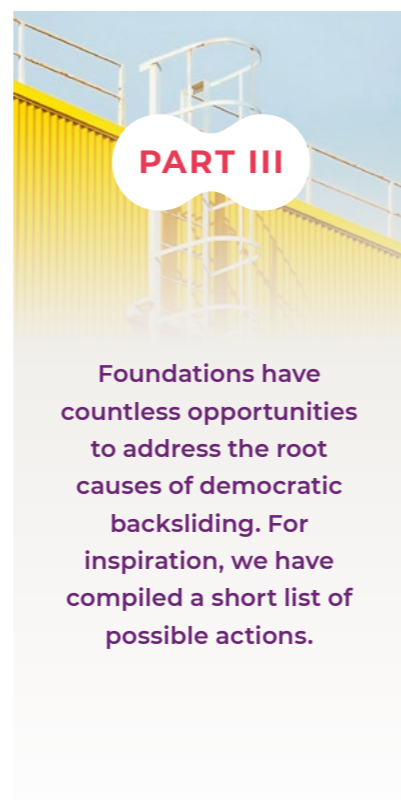
Executive summary

PART I

Democratic backsliding in recent years has been characterised by gradual, often legalistic shifts, rather than overt actions like coups. Europe is seeing worrying declines in electoral integrity, civil liberties and rule of law.

PART II

There are several factors driving democratic backsliding in Europe, but we often focus on the most obvious ones. The Philea team has developed the Democracy Iceberg to help philanthropy tackle root causes instead of just symptoms of democratic decline.

PART III

Foundations have countless opportunities to address the root causes of democratic backsliding. For inspiration, we have compiled a short list of possible actions.

Democratic backsliding in recent years has been characterised by gradual, often legalistic shifts, rather than overt actions like coups. Incumbents subtly undermine institutions while maintaining a façade of legality, which has contributed to a significant yet understated decline in global democracy. The 2024 reports from V-Dem, the Economist Intelligence Unit, International IDEA and Freedom House detect incremental declines in electoral integrity, civil liberties and rule of law that might otherwise go unnoticed.

These worrying developments are happening in Europe as well. Countries long considered democratic strongholds – such as Austria, the Netherlands, Portugal and the UK – are witnessing significant declines, particularly in the rule of law and freedom of the press. The rise of far-right parties in historically stable democracies like Italy, Austria and France further underscores the vulnerability of Europe's democratic fabric. Civil society organisations (CSOs) in several countries, including Bosnia and Herzegovina, Bulgaria, Poland and Slovakia, are facing increasing legal restrictions, often under the guise of transparency or preventing foreign interference.

In 2024, several countries and the European Parliament held elections that will have a significant impact on the future of European democracies. While the European People's Party (EPP) retained its position as the largest group, the rise of Eurosceptic and far-right parties signals a potential shift in the political landscape by 2029. These gains raise concerns about European integration and policy cohesion, as nationalist and anti-EU sentiments challenge traditional norms.

It's hard to ignore the grim reality that these signs often go hand in hand with more insidious forces at play. There are several factors driving democratic backsliding in Europe, but we often focus on the most obvious ones. The problem can be likened to an iceberg: While anti-immigration sentiment is the most visible symptom, the deepest root cause lies in unmet needs.

A call to action

We invite funders to join Philea's Democracy Network, a peer-learning group dedicated to fostering collaboration and knowledge sharing among those committed to defending and innovating democracy (see page 44 for how to join the network, which commissioned this study).

ROOT CAUSES, CATALYSTS AND SYMPTOMS OF DEMOCRATIC BACKSLIDING

Democratic backsliding in Europe is not a monolithic issue. To understand and address this complex interplay of challenges, philanthropy must look beneath the surface. Philea's Democracy Iceberg framework offers a useful lens that maps out root causes driving frustration, catalysts that thrive on this fertile feeding ground to accelerate an anti-democratic agenda, and the resulting symptoms of discontent. While there is no one-to-one causal relation between these drivers and stages (indeed, many of them create an exasperating feedback loop), it is an important reminder for democracy funders to tackle the root causes and not only the symptoms.

1. Unmet needs

Social and economic inequalities are increasingly prevalent in Europe, largely stemming from the 2008/09 financial crisis. Failing neoliberal policies, characterised by austerity measures and reduced public spending, have left critical sectors such as healthcare, education and social services underfunded and struggling to meet citizens' needs. This neglect has resulted in significant gaps in economic security and access to essential services, driving many to seek alternative forms of governance.

2. Unheard emotions

Anger, contempt and anxiety towards government and elites are increasingly common among citizens, driven by the stark contrast in fortunes where some individuals amass wealth while others struggle. Additionally, feelings of isolation and a loss of community exacerbate this discontent, as individuals search for meaning and connection in a rapidly changing society. Together, these emotional currents create a fertile ground for populist sentiments to flourish, appealing to those who feel marginalised and disenfranchised.

3. Systemic failures

Systemic failures represent a cluster of interrelated factors that hinder the essential functions of democracy. To restore faith in these institutions, there is a pressing need for innovative solutions that can revitalise and strengthen the mechanisms of democratic governance.

4. The influence of dark money

Dark money significantly contributes to democratic backsliding by eroding transparency and distorting political equality, allowing wealthy individuals and corporations to exert disproportionate influence over political decisions, suppress dissent through legal intimidation, and manipulate public opinion via misleading propaganda and skewed electoral outcomes in favour of powerful interests.

5. Disinformation

Social media platforms, often prioritising engagement and profit over accuracy, create an environment where sensationalist content thrives, allowing misinformation to spread rapidly. Populist politicians exploit this landscape, using disinformation as a tool to manipulate public sentiment and undermine trust in established institutions.

6. Populism

Given the backdrop of growing socio-economic inequalities, populist leaders successfully tap into public discontent by framing themselves as champions of the common people against a detached establishment. They utilise rhetoric that resonates with those feeling left behind, promising simple solutions to complex problems and fostering a sense of belonging and identity among their supporters.
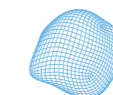
7. Dissatisfaction with democratic performance

Dissatisfaction with democratic performance is increasing in Europe, particularly among the younger generation, who report higher levels of discontent compared to previous cohorts at the same age. This dissatisfaction is closely tied to unemployment and precarious work conditions, leading to a growing sense of frustration where democracy seems unable to deliver effective solutions.

8. Polarisation

Europe is becoming increasingly polarised, and this intense division poses a serious threat to democracy. When polarisation escalates, it undermines the ability to reach consensus on crucial long-term policies needed to tackle pressing challenges like climate change, economic inequality and social cohesion.

9. Anti-immigration sentiment

While Europe generally maintains a positive and stable view towards immigrants, a significant portion of the population supports parties that embrace anti-immigration rhetoric. This trend is concerning, as it not only reflects underlying anxieties but also manifests in periodic outbreaks of violence against immigrant groups. Many centre-left parties struggle to engage effectively with this issue.

PART I

WHAT IS GOING ON WITH OUR DEMOCRACY?

A quick snapshot of the state of democracy in the world

At the beginning of each year, the major democracy indices release their annual reports with updated global democracy rankings. This period, known as "democracy index season," is dominated by four key organisations: the V-Dem Institute, the Economist Intelligence Unit (EIU), the International Institute for Democracy and Electoral Assistance (IDEA) and the Freedom House.[1] All these reports have similar conclusions: Democratic backsliding is happening.

V-Dem Institute

reports a significant regression in global democracy, with 71% of the world's population – 5.7 billion people – now living in autocracies, a sharp increase from 48% just a decade ago. By 2023, democracy levels had dropped to those last seen in 1985, and country-based averages mirror the situation in 1998.

The Economist Intelligence Unit's Democracy Index 2023

shows that global democracy continues to stagnate, with the average score falling to 5.23, its lowest point since the index was established in 2006. Only 8% of the global population now lives in full democracies, reflecting widespread democratic regression.

International IDEA's Global State of Democracy 2023

finds democracy contracting for the sixth consecutive year, with at least one key democratic indicator (e.g., rule of law, freedoms, representation) declining in half of the countries analysed. This marks the longest period of democratic decline since 1975.

Freedom House's Freedom in the World 2024

documents the 18th consecutive year of declining global freedom, with 52 countries experiencing lower scores, largely due to flawed elections and conflicts, affecting 20% of the global population.

1 The current indexes do a good job of capturing core elements such as elections and civil liberties but may overlook crucial factors like economic inequality, digital rights and environmental governance. They also tend to underrepresent informal political participation and "soft" democratic norms, such as trust in institutions, media polarisation and rising populism, which are key to understanding democratic decline, especially in established democracies. Additionally, some scholars argue that these global indexes often fail to account for regional differences and that a new model that adapts to cultural contexts or local challenges could provide more accurate insights into how democracy functions in different parts of the world.

V-Dem VARIETIES OF DEMOCRACY ECONOMIST INTELLIGENCE EIU **Freedom House**

Declining Democracy Ratings
Global Average, 2007 – present

Each index is standardised on a 0-100 scale

- Freedom House Freedom in the World index
- EIU Democracy Index
- V-Dem Electoral Democracy Index

65 — 60 — 55 — 50 — 45

2007   2015   2024

International IDEA

Global State of Democracy 2023
Index Europe Regional Report

% of countires
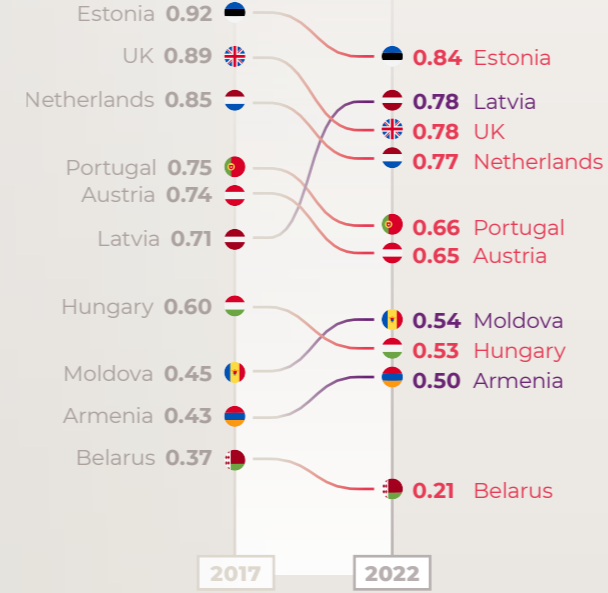

Declining countries

Stable countries

Advancing countries

100% — 80% — 60% — 40% — 20% — 0%

1980   1990   2000   2010   2020

International IDEA

Global State of Democracy 2023
Index Europe Regional Report

Estonia 0.92	0.84 Estonia
UK 0.89	0.78 Latvia
Netherlands 0.85	0.78 UK
	0.77 Netherlands
Portugal 0.75	0.66 Portugal
Austria 0.74	0.65 Austria
Latvia 0.71	
Hungary 0.60	0.54 Moldova
	0.53 Hungary
Moldova 0.45	0.50 Armenia
Armenia 0.43	
Belarus 0.37	0.21 Belarus

2017   2022

Freedom House

Freedom in the World 2024
Regional Snapshot: Europe

Europe Population
634 M+

82%	4%	14%
Free	Partly free	Not free

Highest score		Lowest score	
1	**Finland** 100/100	**Turkey** 33/100	1
2	**Sweden** 99/100	**Bosnia & Herzegovina** 51/100	2
3	**Norway** 99/100	**Serbia** 57/100	3

These four reports agree on, and each issues strong warnings about, the decline of global democracy, with a notable increase in the proportion of the population living under autocratic regimes. This decline has brought us to historical lows, reflecting a persistent trend of regression over the past several years, driven by factors such as violent conflicts, the lasting impacts of the Covid-19 pandemic and electoral manipulations. Fundamental democratic principles, including civil liberties and electoral integrity, are eroding, as evidenced by declines in freedom of expression, assembly and the quality of electoral processes.

Additionally, the reports highlight a weakening of representation due to both acute crises and chronic authoritarianism, leading to increased polarisation and instability. Overall, there is a consensus on the severity of the current state of democracy worldwide, with urgent calls for action to safeguard democratic governance against the encroaching threats of autocratisation and declining freedoms.

Is democracy backsliding in Europe too?

According to Global State of Democracy 2023 Index Europe Regional Report, notable declines were recorded in countries long considered strongholds of democracy, including Austria, Luxembourg, the Netherlands, Portugal, and the United Kingdom. These declines have primarily affected the rule of law and freedom of the press, highlighting the need for constant vigilance to safeguard democratic institutions.

Over the past five years, the number of countries experiencing declines in press freedom has been four times greater than the number of countries showing improvement, with only Armenia and Moldova showing progress. High-performing countries like Germany, the Netherlands and Portugal have faced notable declines, primarily due to increased self-censorship among media outlets. In Germany and Portugal, there are significant concerns about the surveillance of journalists, particularly regarding the confidentiality of their sources. The Netherlands has implemented preventative measures and established agreements with law enforcement to protect journalists. However, experts caution that rising aggression against journalists could still lead to increased self-censorship.

Over the same period, rule of law has declined more often than it has advanced in Europe, affecting both high and mid-range performing countries from 2017 to 2022. In central Europe, progress has been inconsistent: Czechia and Slovenia have each improved significantly, rising 11 places in the rule of law rankings to 23rd and 30th, respectively. Conversely, Hungary and Austria have seen notable declines, falling six and eight places to rank 64th and 36th, respectively.

Azerbaijan, Belarus, Russia and Turkey continue to diverge from democratic norms, performing significantly below the European average across various indicators.

Even when democratic backsliding doesn't lead to dictatorship, it significantly erodes the quality and stability of democratic governance. This process weakens democratic citizenship and hampers citizens' ability to hold leaders accountable through democratic means. Early identification and response to threats are crucial for resisting backsliding: The deeper the erosion, the harder it is to recover.

Freedom House too noted a mixed picture on the state of democracy in Europe. Its latest report acknowledges that while freedom declined in Europe in 2023, more than 80% of European residents still live in free countries. The decline was largely a result of worsening government dysfunction, including growing concerns about official corruption and a lack of transparency.

The report specifically notes that both the EU and the UK are dealing with migration issues by making deals with authoritarian leaders to prevent irregular migration. This includes partnerships with countries like Tunisia and Rwanda, which raises concerns about human rights and ethical implications.

Furthermore, the report also emphasises the significant threats posed by armed conflicts and authoritarianism to global democracy. In Europe, the conflict in Nagorno-Karabakh and its impact on the ethnic Armenian population is highlighted. The EU's dealings with Azerbaijan over natural resources, despite accusations of ethnic cleansing, have drawn criticism, including from members of the European Parliament, for turning a blind eye to human rights violations.

Even where some regions may score well on indices measuring civil liberties and democratic governance, the electoral shifts towards far-right parties in countries like Italy, Austria, France, Germany and the Netherlands underscore a contrasting reality. These developments serve as a stark reminder that democratic norms and freedoms can face significant challenges even in historically stable democracies. The electoral gains of populist and nationalist movements signal a potential divergence from the liberal democratic values that have long defined Europe's political identity, raising critical questions about the future direction of governance and societal cohesion across the continent.

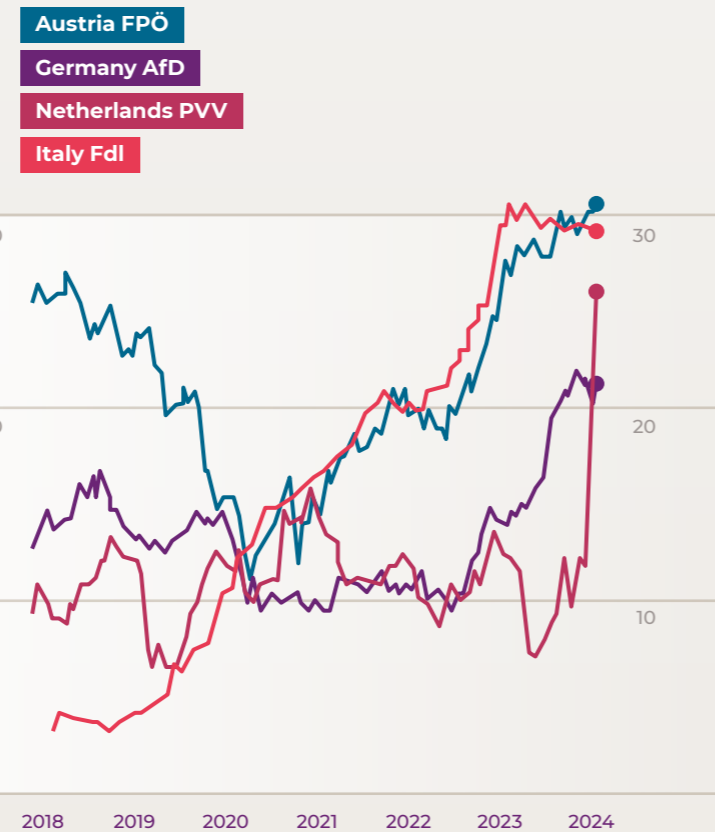## Closing civic space: Is it a cause or an effect?

Deteriorating civic freedoms and declining democracy are closely linked. Restrictions on civic freedoms can lead to democratic decline, and weakened democratic institutions can further erode these freedoms. The closing of civic space can therefore be considered both as an indicator and driver of democratic backsliding.

According to the CIVICUS Monitor, which evaluates global civic space, there has been a decline in civic space in Europe. Since 2019, the number of EU Member States rated as "open" has decreased from 14 to 12, while those rated as "obstructed" have risen from one to three. In the western Balkans, Serbia and Bosnia and Herzegovina are also rated as "obstructed".

Drawing on a horizontal analysis of pan-European developments in civic space and the enabling environment for civil society in the EU for 2023, the European Civic Forum finds that overall, civic freedoms have deteriorated in Europe over the past five years. According to the Civic Space Report 2024, civil society organisations (CSOs) in several Member States continued to face challenges due to existing laws that restrict the right to association. Under the pretext of "transparency", Member States such as Bosnia and Herzegovina, Bulgaria, Poland and Slovakia proposed legislation to address foreign interference, likely stigmatising civil society. At the European level there is concern that the proposed foreign interference directive, part of the Defence of Democracy package, would threaten civil society with administrative burdens and stigmatisation.

Financial Times
Far-right populist parties are polling well in several EU countries

Polling for national parliament elections
(time-weighted moving average, %)

- Austria FPÖ
- Germany AfD
- Netherlands PVV
- Italy Fdl

Source: Europe Elects
FPÖ = Freedom Party
Fdl = Brothers of Italy
AfD = Alternative for Germany
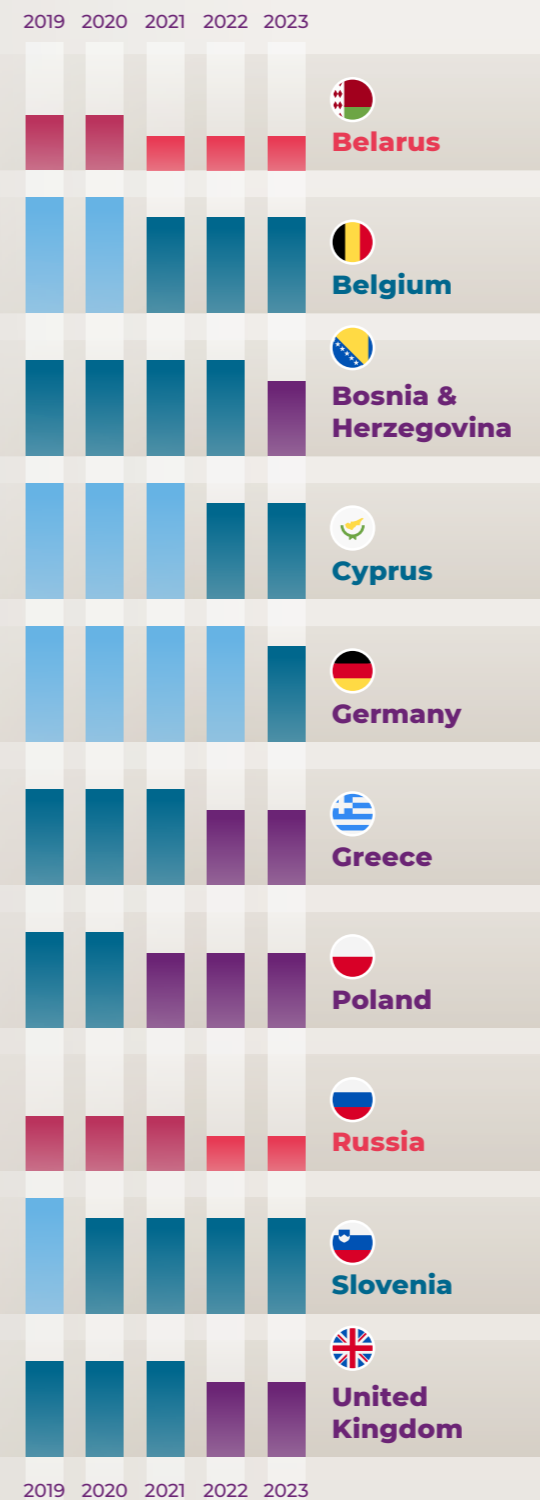PVV = People's Party for Freedom and Democracy

The rise of Italy's new far-right star: Giorgia Meloni

2023 CIVICUS Monitor
Europe: 10 countries downgraded since 2019

- OPEN
- NARROWED
- OBSTRUCTED
- REPRESSED
- CLOSED

These new laws, along with existing restrictive laws, negatively impacted freedom of association in 2023. In France, the "Separatism Law" (Law No. 2021-1109 of 24 August 2021) significantly broadened the grounds for dissolving associations and tightened funding control measures.

Women, LGBTQI+ individuals, refugees, asylum seekers and ethnic and religious minorities continue to face disproportionate attacks both online and offline. Legal harassment and Strategic Lawsuits Against Public Participation (SLAPPs) also continued to drain the resources of civil society and human rights defenders.

Intimidation remains the primary method used in the EU to restrict civic actors, organisations and journalists, with incidents recorded in at least 10 EU countries. It is particularly concerning when civil society representatives and human rights defenders are criminally charged for their advocacy work.

Regarding civic participation, while some Member States experimented with citizens' assemblies, particularly on climate change, authorities also cracked down on climate movements through surveillance, legal harassment and criminalisation in countries such as Austria, France, Germany, Italy, the Netherlands, Serbia and Spain.

In response to escalating violence in Israel and Palestine, at least 12 Member States, including Germany, France and Italy, implemented excessive measures to ban pro-Palestine protests on broad claims of "national security" and "public order". Authorities have addressed these protests with excessive force, including physical violence, tear gas and kettling.

The Youth Progress Index indicates a concerning decline in fundamental freedoms for young people between 2011 and 2022. The average scores for freedom of peaceful assembly and freedom of expression decreased significantly, with OSCE-participating states seeing an average drop of over 8 points in freedom of expression scores, falling from 86.92 in 2011 to 78.41 in 2022.

Europe had a median score of 87.5, showing a slight variability compared to 91.6 in 2011. CSOs, particularly those representing youth, reported facing significant barriers to participation, impacting their ability to advocate for their rights and engage in democratic processes.

The report found a correlation between effective access to justice and youth political participation and emphasises the need for a robust rule of law and the importance of independent political associations in safeguarding youth rights in Europe.

How will the composition of the new European Parliament affect European democracy?

Following the 2024 EU elections, the traditional centre, led by the European People's Party (EPP), maintained its position as the largest group in the European Parliament. The results however, also signal a challenging path ahead. Despite this continuity, the electoral gains made by Eurosceptic and far-right parties represent what some observers see as a "chronicle of a death foretold" for the centre's dominance in future elections, potentially reshaping the political landscape by 2029.

The extensive rise in Eurosceptic and far-right MEPs, signals a significant challenge to traditional political norms and values within the European Parliament. For instance, France's National Rally secured nearly one-third of the votes, while Italy's Brothers of Italy garnered more than a quarter. In eastern Germany, the Alternative for G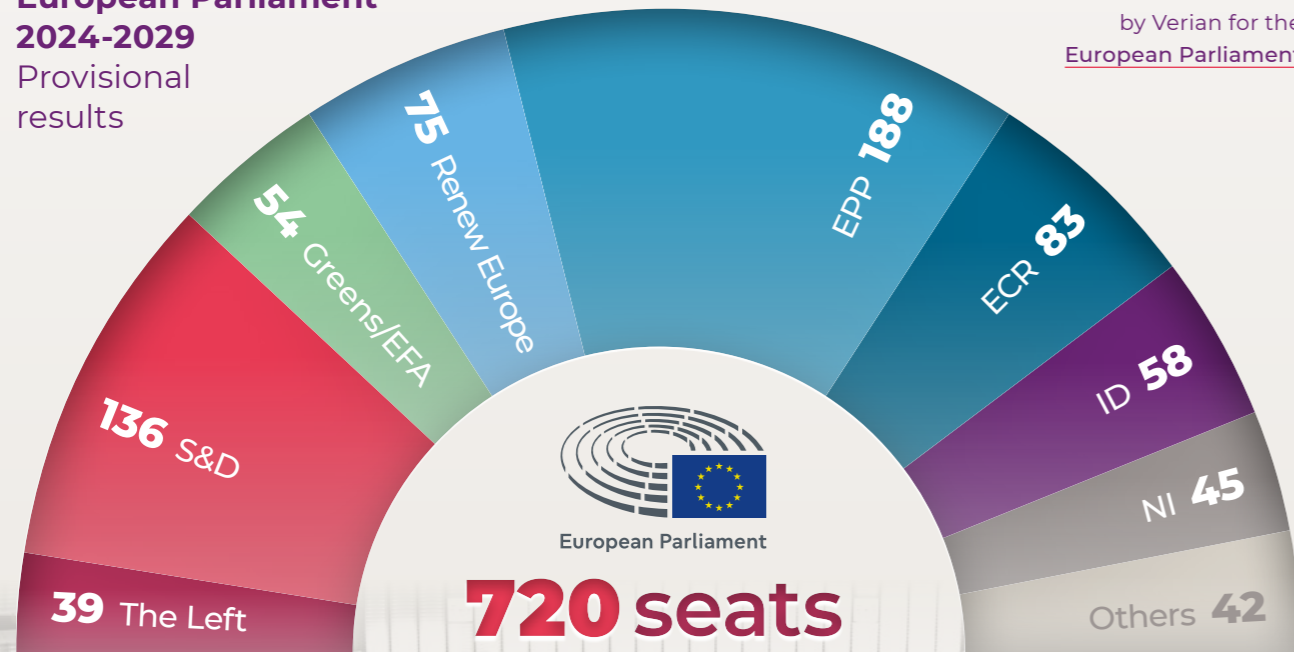ermany party also saw significant support, achieving one-third of the vote in some regions, despite a national average of 16%.

This shift towards more nationalist and anti-EU sentiments among voters raises concerns about the future trajectory of European integration and policy cohesion. The weakening performance of green and liberal groups further complicates the policy landscape, potentially hindering ambitious initiatives like the Green Deal. Moreover, the prospect of coalition-building in a fragmented parliament, where alliances may include parties with divergent views on issues like immigration and environmental policy, suggests a challenging path ahead for consensus-building. Far-right government leaders have the ability to impede the EU's operations, yet often lack alignment, especially concerning international politics like the war in Ukraine. Thus, their ability to consistently reach compromises among themselves remains uncertain.

The 2024 Hungarian presidency of the Council of the European Union was marked by slogans like "Make Europe Great Again" and raised significant concerns for European democracy. Viktor Orbán's government, known for eroding democratic values and press freedoms in Hungary, entered the presidency amidst criticism for obstructing EU decisions, including military aid to Ukraine and sanctions against Russia. Orbán's tactics, which included veto threats and demands for financial concessions, reflect a strategy to assert national sovereignty while challenging EU norms. Orbán leveraged the presidency for personal and national political goals, gaining influence within the far-right Patriots group in the European Parliament and bringing increased visibility to anti-EU sentiments.

These developments highlight the urgent need for European leaders to address deepening societal divisions and reinforce democratic institutions. With trust in democracy and EU institutions at stake, the EU faces a critical juncture in safeguarding democratic principles, rule of law, and fundamental rights amidst rising populist influence.

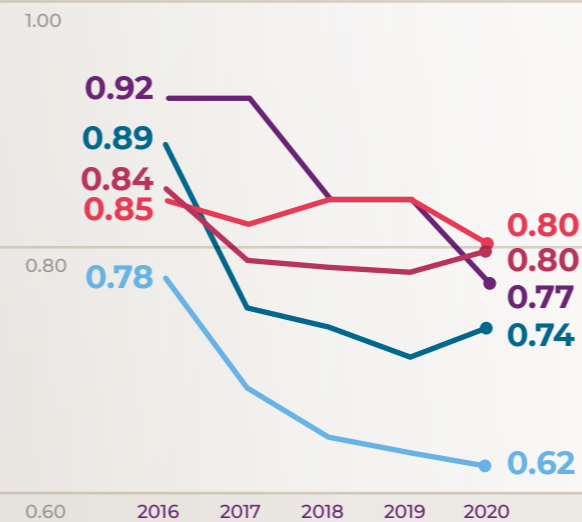## Why does the US presidential election matter for Europe?

While discussing the state of democracy in Europe, it may be important to briefly examine the current situation in the United States (US), as its developments have significant implications for Europe. For the first time in 2021, the US was identified as a country experiencing a decline in democratic quality, despite maintaining strong overall democratic performance across various indicators.

This decline is significant for Europe due to the deep interconnection between its political, economic and security interests, and those of the US. A stable and democratic US is crucial for maintaining a unified front in promoting global democracy and human rights.

The EU's recently adopted strategic agenda for 2024-2029 reflects a notable shift towards enhancing security and autonomy in global defence strategies. This pivot is particularly influenced by the re-election of Donald Trump, whose approach to foreign policy and critical stance on NATO heighten European anxieties about the reliability of US security guarantees. His transactional priorities and admiration for autocratic leaders further amplify concerns about the broader erosion of democratic values within Europe and waning power of international cooperation and dialogue to avoid conflict. The EU's proactive focus on bolstering its own defence capabilities aims to prepare for scenarios where US commitments to European security may falter. However, this intensified security emphasis also raises concerns within Europe regarding the preservation of democratic rights and freedoms. As Europe strengthens its security apparatus, there is a crucial need to navigate the delicate balance between ensuring national security and upholding democratic values, particularly in light of potential challenges under more autocratic-leaning global leadership scenarios.

European Parliament 2024-2029
Provisional results

- **75** Renew Europe
- **54** Greens/EFA
- **188** EPP
- **83** ECR
- **58** ID
- **45** NI
- **42** Others
- **136** S&D
- **39** The Left

European Parliament

720 seats

Democratic backsliding
in the United States

- Media Integrity
- Judicial Independence
- Freedom of Association and Assembly
- Freedom of Expression
- Effective Parliament

1.00

0.92
0.89
0.84
0.85

0.80

0.80
0.80
0.77
0.74

0.78

0.62

0.60

2016 2017 2018 2019 2020

What's next?

In the next section, we will explore the underlying drivers of this democratic shift to be able to address the root causes of the backsliding and reimagine democracy itself. By critically examining these dynamics, we seek to help philanthropic organisations chart a course toward a more resilient and inclusive democratic framework that can address the challenges of our time and uphold fundamental rights and values.
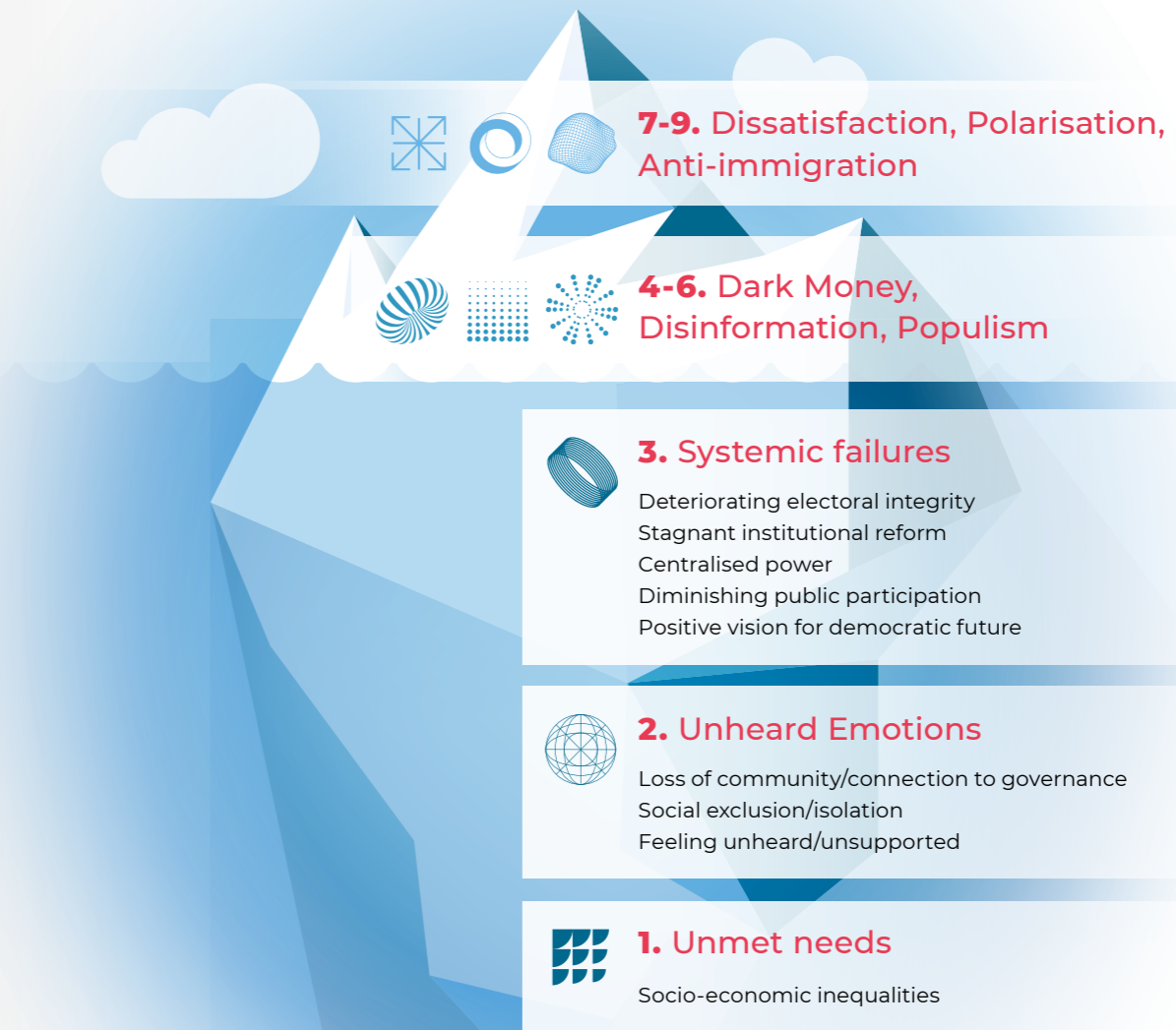
PART II

WHAT IS DRIVING DEMOCRATIC BACK-SLIDING?

The literature on democracy offers different interpretations of what drives democratic backsliding (See a systematic review of the literature). In this section, we share a selection of root causes, catalysts and symptoms. This quick overview aims to convey the message that the solutions to problems we are addressing need not only defend democracy but must also innovate it. Democracy is not only under threat; it is also facing scrutiny regarding its effectiveness in meeting societal expectations and uniting people in working towards the common good.

You know the image of an iceberg - while the tip is visible above the water, the vast majority lies hidden beneath the surface. Instead of beginning with the familiar signs at the top, we'll start from the depths below. These deeper, more complex causes, often left unattended form the foundation of our iceberg and play a crucial role in shaping the landscape of democracy.

7-9. Dissatisfaction, Polarisation, Anti-immigration

4-6. Dark Money, Disinformation, Populism

3. Systemic failures

Deteriorating electoral integrity
Stagnant institutional reform
Centralised power
Diminishing public participation
Positive vision for democratic future

2. Unheard Emotions

Loss of community/connection to governance
Social exclusion/isolation
Feeling unheard/unsupported

1. Unmet needs
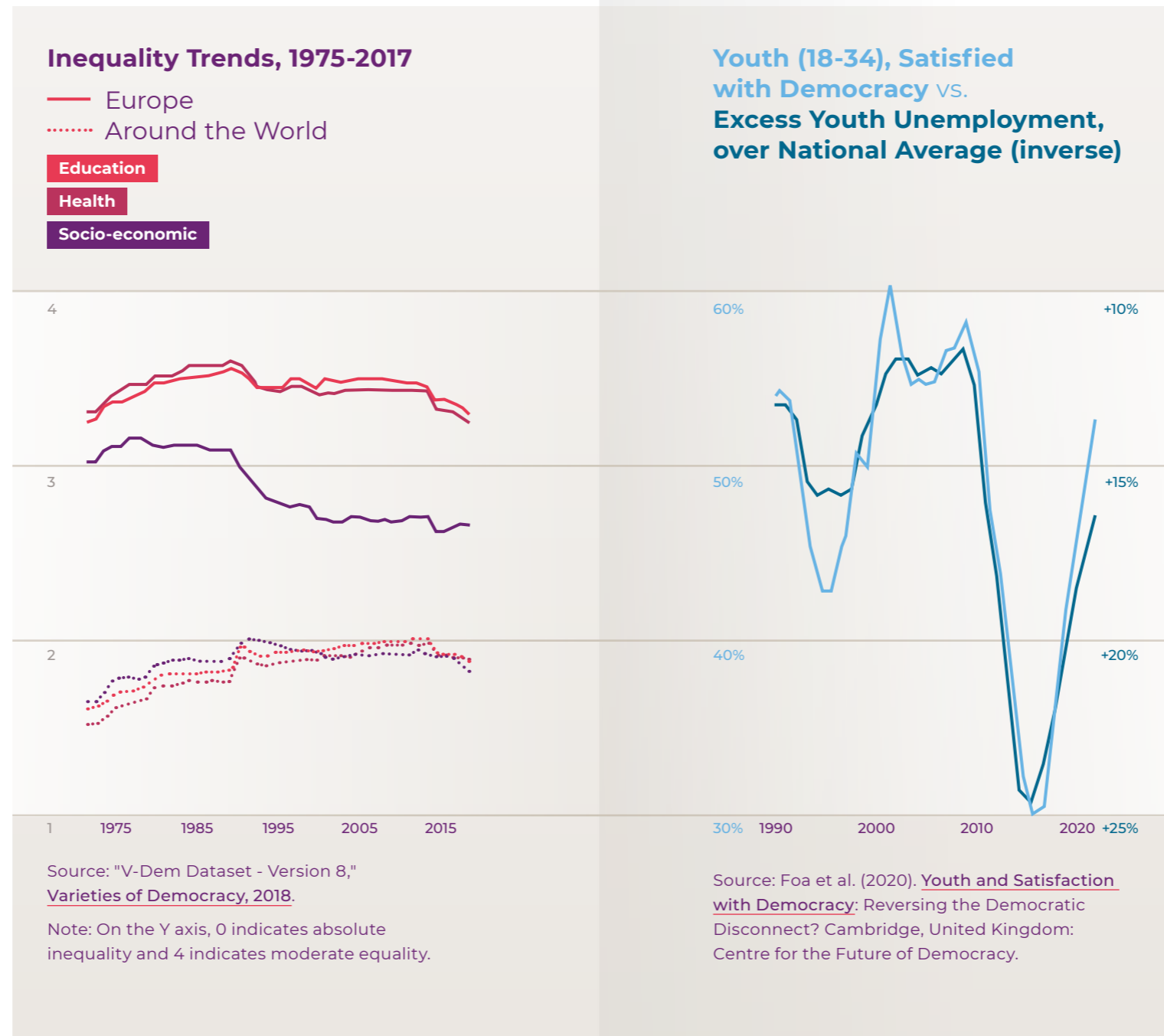
Socio-economic inequalities

Unmet needs

It may be quite obvious that unmet needs deepen dissatisfaction with democratic processes. When basic survival concerns predominate, broader societal issues that are not immediately connected to people's daily lives take a back seat. Yet, despite this obvious connection, we don't pay sufficient attention to these issues. This subsection will explore how socio-economic inequalities manifest today across various geographies and social groups throughout Europe; how they are related to democratic participation; and what the causes are behind them.

Increasing socio-economic inequalities in Europe

The EU, the world's second-largest economy, takes pride in its egalitarian ideals and progressive social model, often viewing significant inequalities as issues limited to other world regions. However, this perspective overlooks the harsh reality that various forms of inequality exist within Europe, ranging from gender and employment pay gaps, to intergenerational disparities and rural–urban differences; and they are increasingly widening.

According to Eurostat, in 2023, 94.6 million people in the EU were at risk of poverty or social exclusion: This was equivalent to 21.4 % of the EU population. Women, young adults aged 18-24 years, people with low levels of education and unemployed people were, on average, more likely to be at risk of poverty or social exclusion than other groups within the EU. This suggests a broader societal failure to ensure that all individuals have the means to achieve a decent standard of living and participate fully in society.

The V-Dem data shows that by 2017, many European countries experienced significant declines in education-al and health equality, particularly in comparison to the rest of the world, with these declines becoming more pronounced from the mid-1980s onwards. For instance, in countries like Bulgaria, Romania, Slovakia, Spain and Sweden, educational equality has markedly decreased due to extensive market-oriented reforms.

These reforms have created elite educational establishments and decentralised responsibilities to municipalities ill-equipped to manage them, thus further widening the gap.

Similarly, health inequality has worsened in countries such as Hungary, Lithuania, Macedonia, Poland, Romania, Slovenia and Spain. These disparities undermine citizens' ability to exercise their basic political rights, as inadequate healthcare provision limits their participation in the democratic process.

The most severe declines, however, are in income equality. Wealthy individuals hold significantly more political power than poorer citizens, a trend that has worsened in countries like Albania, Czechia, Norway, Romania, Slovenia and Spain.

This concentration of power among the richest 10% erodes the political influence of average and low-income citizens, leading to a loss of trust in democratic institutions.

Relationship between inequalities and dissatisfaction with democratic performance

There is a clear correlation between rising inequalities and growing dissatisfaction with democratic performance. At the individual level, people who experience social and economic exclusion are often marginalised economically, politically and socially and lack access to networks, resources and opportunities that facilitate engagement in civic activities, ultimately diminishing their voices in the decision-making processes that affect their lives.

At country level, nations with increased inequalities often see significant declines in their liberal democracy scores or face growing populist and nationalist movements. For example, Poland and Hungary have seen dramatic increases in socio-economic inequalities, coupled with substantial drops in their democratic ratings and the rise of autocratic leaders like Viktor Orbán.

In Sweden, the sharp increase in support for the right-wing extremist party Sweden Democrats is linked to a relatively steep rise in inequalities. This trend suggests that as average Europeans feel increasingly disconnected from the wealthy, their trust in democracy wanes and populist-nationalist leaders gain traction.

Higher youth unemployment rates and increasing wealth inequality are linked to rising dissatisfaction, both in absolute terms and relative to older generations, highlighting a widening gap in perceptions of democratic effectiveness between current and previous generations. In countries like Spain, Italy and Greece, where economic prospects have been bleak, young people express higher levels of dissatisfaction with how democracy functions. This economic anxiety is compounded by fears of future instability, with many young Europeans doubting whether their generation will enjoy the same economic opportunities as their parents.

Inequality Trends, 1975-2017

Source: "V-Dem Dataset - Version 8," Varieties of Democracy, 2018.

Note: On the Y axis, 0 indicates absolute inequality and 4 indicates moderate equality.

Youth (18-34), Satisfied with Democracy vs. **Excess Youth Unemployment, over National Average (inverse)**

Source: Foa et al. (2020). Youth and Satisfaction with Democracy: Reversing the Democratic Disconnect? Cambridge, United Kingdom: Centre for the Future of Democracy.

Underlying causes of socio-economic inequalities

Why are socio-economic inequalities increasing in Europe? The factors contributing to this increasing inequality are numerous, encompassing globalisation, digital gap, taxation policies, economic crises, neoliberal policies and reduced social spending.

Historically, European societies moved toward greater equality, fostering a sense of democratic progression and political efficacy among citizens. Inequality decreased between 1930 and 1975 due to unique historical events including the world wars and the Great Depression, which destroyed significant amounts of wealth, particularly among the elite. During the mid-20th century, policies aimed at redistributing wealth temporarily reduced inequality. Since the mid-1980s however, economic inequality in Europe has been steadily increasing.

The 2008-9 financial crisis exposed and deepened existing structural imbalances, leaving a lasting impact on both economic stability and democratic engagement. Compounded by subsequent austerity measures, it severely weakened social systems and widened income disparities. Countries like Italy, Greece, Spain and Portugal, particularly hard-hit by the recession and debt crisis, saw rising poverty, reduced social mobility, a wider earnings gap between the working and upper-middle class and increased social polarisation. As austerity-driven budget cuts eroded social protections, inequalities between and within nations grew, reversing earlier trends of income convergence across Europe. Vulnerable populations bore the brunt, with health inequities and unemployment disproportionately affecting lower-income groups.

The Covid-19 pandemic exposed and, in many cases, also exacerbated existing social inequalities across Europe. In the wake of the pandemic the recent cost-of-living crisis, income inequalities have become more apparent in many areas: between men and women; between rich and poor; between young and old; and between rural and urban areas. Despite signs of economic recovery in pre-Covid years, the legacy of the crisis persists, with many economies still grappling with the consequences of high public deficits, youth unemployment and entrenched inequality. This period highlighted the need for stronger social protections and more equitable economic policies, which were largely overlooked in the rush to stabilise financial markets.

ECONOMIC INEQUALITY INCREASE

Beyond the impacts of such crises, what underlying problems are preventing the European economy from working for people anymore?

In European societies of the 21st century, the profits generated from investments, such as dividends, interest and rents, grow faster than the overall economy. This leads to wealth accumulating more quickly for those who already own capital, increasing the gap between the wealthy and the rest of the population. In such a scenario, wealth tends to become increasingly concentrated in the hands of a few, exacerbating economic inequality and potentially leading to social and economic instability. According to some scholars, the world is now returning to a form of "patrimonial capitalism", where inherited wealth plays a dominant role in the economy, threatening to create oligarchies.

Market-oriented reforms in education and health sectors also lead to greater divergences in the quality and accessibility of social services. The commodification of education has resulted in a two-tier system where the affluent access better educational resources, perpetuating cycles of inequality. Similarly, austerity measures in healthcare have led to deteriorating public health outcomes, particularly among the most vulnerable populations.

Neoliberal policies, often characterised by fiscal discipline, austerity and the privatisation of social welfare, have not delivered the promised economic benefits for many. Instead, they have exacerbated economic disparities and created powerful networks based on corruption and clientelism, resulting in the concentration of wealth among the elite, undermining the middle class and increasing societal tensions.

Neoliberalism is less of an economic theory and more of a political agenda aimed at redistributing power. While the term "neoliberalism" implies a focus on freedom, this agenda has mainly benefited certain groups at the expense of others.

At its core, neoliberalism is about rewriting the rules in ways that favour certain interests, especially those of corporations and financial elites. Although it promotes the idea of free markets and competition, it operates under the assumption that power doesn't exist in the market. This belief has allowed concentrated centres of power, particularly in the financial sector, to grow unchecked. These rule changes have significantly impacted the distribution of wealth and power in society.

The failure of neoliberal reforms to address the needs and concerns of the broader population has left a vacuum that illiberal parties have been quick to exploit. These parties often leverage populist rhetoric to gain support, promising to address the grievances of those left behind by neoliberal policies. Populist movements have tapped into economic anxieties and cultural backlash, framing themselves as the true representatives of "the people" against a corrupt and disconnected elite.

The predominant approach to social inclusion within EU policies has emphasised employability and education as key dimensions of exclusion. While these aspects are undoubtedly important, this individual-centric perspective has overshadowed broader systemic factors, such as economic inequality, discrimination and regional disparities, that perpetuate social exclusion.

Unheard emotions

In a world where rationality rules, who needs to bother with those annoying feelings? After all, emotions are just ephemeral impulses. Why waste time analysing something so intangible when we have solid, concrete data on institutions and policies? Who cares if people feel disillusioned, fearful, or resentful towards democracy? Surely, that won't manifest in their voting behaviour or their trust in democratic institutions?

In reality, emotions do matter a lot in democratic processes. Recent research shows that emotion, rather than reason, significantly shapes how individuals perceive their political environment, influences their decision-making, and ultimately determines their engagement with democratic norms and institutions. Discontent, distrust and disillusionment can lead to voter apathy, polarisation and susceptibility to populist rhetoric. Ignoring these emotional currents risks ignoring the pulse of democracy itself.

According to the Pew Research Center's recent survey, people are increasingly dissatisfied with democratic processes due to a perceived disconnect between elected officials and the citizens, with many feeling that their views are unrepresented by traditional political parties. Seventy-four percent believe that elected officials do not care about the opinions of people like them. In every surveyed country, individuals who perceive this disconnect are less satisfied with democracy. Forty-two percent of respondents feel that no political party in their country represents their views. Many think that the inclusion of more women, individuals from poor backgrounds and young adults in elected positions would lead to better policies.

This sentiment is echoed in the IDEA's Perceptions of Democracy survey, which highlights a global trend of declining confidence in democratic institutions. Many respondents, particularly from self-identified minorities and low-income groups, reported feeling marginalised by political processes.

In addition to feelings of exclusion, a sense of loneliness and loss of community influences social trust, prosocial behaviours, political participation and preference. Loss of community refers to the gradual erosion of local social bonds and collective identity within neighbourhoods and towns, driven largely by societal changes such as urbanisation, economic shifts favouring centralisation, and technological advancements that diminish face-to-face interactions. This weakens the social fabric that traditionally provided mutual support, shared values and a sense of belonging among residents. When communities weaken, the local support structures and collective voices that advocate for citizens' needs also diminish. This leads to individuals feeling isolated and powerless, as their concerns are less likely to be addressed by distant, centralised authorities.

As people feel increasingly unheard and marginalised in political processes, their trust in mainstream political systems erodes. Individuals seek alternative means to reclaim their sense of agency and belonging and turn to political movements that promise to address their sense of alienation, often through simplistic narratives and exclusionary rhetoric. This is a place where populist leaders are very successful. They rally frustrated social groups, whose voices are often unheard, to join forces and challenge the establishment.

The empirical evidence proves that weak social belonging is associated with an increased probability to vote for populist parties, but this applies to populist parties on the political right, not on the left. Recent research conducted across 15 European countries surveyed over 8,000 individuals to investigate predictors of populist attitudes, focusing notably on emotional factors alongside traditional socio-economic and socio-cultural variables. They measured emotions such as anger, contempt and anxiety towards government and elites, as well as perceptions of future threats. They found that negative emotions significantly outperformed socio-economic and socio-cultural factors in predicting populist attitudes. But how do populists tap into these negative emotions?

When individuals feel economic insecurity, cultural alienation, or a sense of disconnection from traditional political parties, they can become susceptible to the emotional appeals of populism. Leaders capitalise on these vulnerabilities by stoking fears of economic decline, portraying immigrants or elites as threats to national identity, and fostering resentment towards established institutions. They use a compelling narrative of reclaiming lost glory or restoring a perceived sense of fairness, promising decisive action and a return to simpler times. For many voters experiencing these emotions, supporting a populist party feels like a way to regain control and voice their frustrations against perceived injustices.

Moreover, the perception of relative deprivation and economic injustice creates a lot of voter anger and often translates into support for populist parties. Individuals see themselves struggling financially while others thrive which creates a lot of frustration and resentment. This perception is not solely about absolute poverty but rather about the gap between what individuals feel they deserve and what they perceive others in society are receiving.
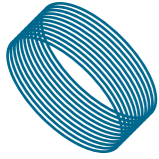
This feeling intensified during global crises like the Ukraine war and the Covid-19 pandemic, which led to soaring energy and food prices, putting immense pressure on household budgets. The contrast between ordinary citizens' financial struggles and the record profits reported by companies in the food and energy sectors exacerbates this anger, as it appears that the system is rigged against the average person. A 2023 study by Oxfam further highlights the troubling relationship between growing income inequality and declining trust in society. As the wealth gap widens, with the richest 1% amassing nearly two-thirds of new wealth since 2020 – an alarming trend that accelerated during the pandemic – any ordinary citizens feel increasingly disenfranchised. This disparity breeds disillusionment with societal institutions and a sense that the system is rigged in favour of the wealthy.

Populist parties capitalise on this discontent by positioning themselves as defenders of the ordinary citizen against a corrupt elite, which includes large corporations and sometimes government institutions perceived as enabling corporate profiteering. This argument resonates with many because it taps into a widespread belief that these elites control all the levers of power, shaping policies, influencing markets and dominating the political landscape in ways that leave ordinary citizens marginalised and lead to decisions that prioritise the interests of elites over the needs of the general population.

Emotions and instincts increasingly dominate public discourse and decision-making in the digital age, challenging the primacy of facts and reason. Rather than lamenting the decline of rationality, societies should adapt to this new reality by fostering greater empathy and understanding of emotional dynamics in public discourse.

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Systemic failures

Citizens' dissatisfaction and disengagement with democratic processes can be attributed to a range of systemic problems, highlighting why democracy, as it currently operates, is failing to meet its fundamental objectives. The polycrisis of overlapping economic, social and environmental challenges, alongside the emergence of new axes of political competition, has led to the decline of traditional social democratic parties, diminishing their ability to represent broad sections of the public. Ineffective decision-making and governance structures, coupled with the professionalisation and marketisation of political parties, have further distanced political institutions from citizens.

The technocratisation and depoliticisation of politics, alongside flaws in electoral systems, have resulted in unequal representation and declining voter turnout. In addition, citizens' trust in democracy is eroding due to the deterioration of the rule of law, political integrity and increased corruption, as well as the centralisation of power among elites. The EU itself faces a persistent democratic deficit, where stagnant institutional reforms have failed to address these mounting concerns.

This subsection will explore each of these factors, drawing on a literature review of reports that cite the most frequent systemic failures of democracy.

Polycrisis and the new axis of political competition

Representative democracy is increasingly viewed as part of a broader "polycrisis", a term coined by European Commission President Juncker, describing multiple, interconnected crises that collectively challenge the efficacy and legitimacy of democratic systems. In the last decade, Europe has navigated through five major crises: the economic crisis, security issues, the public health crisis, the climate crisis, and migration according to a public opinion poll conducted by the European Council on Foreign Relations. Different crises dominate the concerns of different demographic groups and countries, leading to fragmented political priorities. In this landscape, traditional left-right divides are less predictive of electoral behaviour.

Instead, the focus has shifted to how parties address specific crises. For example, right-wing parties gain support from those most concerned about immigration, while left-wing and Green parties attract voters focused on climate change.

Hence traditional political debates centred on economic governance have given way to more contentious issues involving identity, culture and societal values. This shift has fostered a fertile ground for populist movements, which exploit dissatisfaction with established parties' ability to address these new dimensions effectively. Populist parties have capitalised on issues like immigration, European integration and cultural preservation to attract support from disillusioned voters. This trend has not only undermined the electoral dominance of long-standing mainstream parties but also intensified divisions within party systems, exacerbating polarisation along both cultural and economic lines. As such, the traditional stability of party landscapes in Europe has been disrupted, reshaping the dynamics of political competition and challenging the democratic norms and institutions that have traditionally governed these systems.

Decline of social democratic parties

According to one theory, social democratic parties have increasingly converged with mainstream right-wing parties in policy and governance. This convergence, often observed in coalition governments where social democrats serve as junior partners, has led to a loss of distinctiveness and ideological clarity among voters. Moreover, the decline in union membership further weakens social democratic electoral support. Union members historically formed a crucial base for social democratic parties due to their alignment on issues related to workers' rights and economic equality. However, as union density declines, so does the electoral influence of these organisations in supporting social democratic agendas.

Ineffective decision-making and governance structures

Addressing pressing issues requires finding the appropriate level for decision-making and innovative governance structures. Nevertheless, political representatives are often unable to make difficult choices, leading to a gulf between public concerns (such as purchasing power, corruption, migration and climate change) and governmental actions. Democratic governments often struggle to act swiftly and decisively due to bureaucratic hurdles, lengthy coalition negotiations, slow decision-making processes and political deadlock. This makes it difficult to tackle urgent issues like climate change and economic inequality head-on.

Professionalisation and marketisation of political parties

The evolution of political parties into professional election-oriented machines has also significantly weakened their role as representatives of their constituencies. Modern political parties are heavily influenced by political marketing and private-interest lobbying. This shift has led parties to focus more on electoral success than on genuinely representing the interests of their voters. As a result, political parties have distanced themselves from the electorate and aligned more closely with powerful interest groups.

Technocratisation and depoliticisation of politics

Decision-making is increasingly concentrated in the hands of experts and technocrats. Political issues are managed through administrative or technical means rather than through democratic debate and consultation. When crisis management relies heavily on technocratic processes, leaving democratic processes on the sideline, backlash occurs as populist movements gain traction by challenging expert-driven policies and advocating for direct popular sovereignty.

For instance, depoliticisation and technocratisation in climate change adaptation policies are evident in the simplification of complex socio-environmental issues into technical challenges addressable by expert-led initiatives. Depoliticisation entails the neglect of political aspects such as power dynamics and social inequalities, thereby obscuring broader societal implications and political debates surrounding climate adaptation efforts. Concurrently, technocratisation emphasises the adoption of standardised procedures and metrics to gauge effectiveness, often favouring economic and efficiency criteria at the expense of social and environmental justice considerations.

PERSISTENT DEMOCRATIC FAILURE

Outdated electoral systems and unequal representation
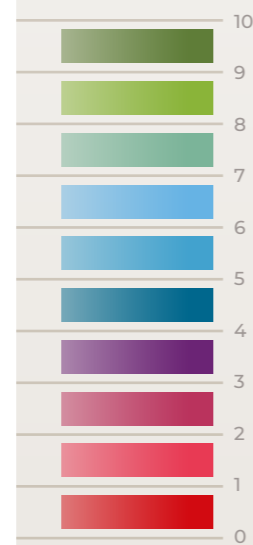
The electoral systems in some European countries face significant internal challenges that undermine their integrity and fairness. A major issue is the excessive influence exerted by ruling parties over state resources and media, creating an unfair electoral environment where opposition parties struggle to compete on equal footing. This dominance often leads to situations where elections are technically free but not fair, with reports of voter fraud, illegal transportation of voters across borders, tampering with voter logs and instances of ballot manipulation. Such practices, exemplified in countries like Turkey, Hungary and Poland, not only distort election outcomes but also erode public trust in democratic processes. Despite occasional international scrutiny by bodies like the Organization for Security and Co-operation in Europe, these issues receive insufficient attention domestically and internationally.

We all complain that public participation in the political process is alarmingly low, with declining voter turnout and political engagement particularly among younger populations. The reality, however, is that it is not always easy to vote. The exercise of voting rights in national parliamentary elections across European countries faces several significant obstacles. Legal and constitutional barriers vary among countries, with some requiring separate voter registration processes that may be complex or not well communicated, particularly to non-nationals or citizens residing in another Member State. Practical obstacles include physical barriers for disabled voters in polling stations, lack of accessible information about electoral processes in different languages, and inadequate provisions for visually impaired voters, such as non-adapted ballot papers. While the legal framework guarantees the right to vote, the practical implementation of the process often falls short in ensuring universal and equitable access to electoral processes across the EU.

Moreover, the issue of electoral thresholds in European democracies systematically excludes millions of voters from political representation. These thresholds, designed to limit minoritarian options, disproportionately favour larger parties and hinder the diversity of political voices in parliaments. For instance, in Slovakia, Slovenia and France, significant percentages of votes were invalidated due to high thresholds. Hence, in representative democracies, the promise of equal representation often falls short. Despite regular elections and democratic frameworks, certain social groups consistently receive better representation than others. For instance, young people

Political participation
index 2023

Based on the expert estimates and index by the Economist Intelligence Unit (2006-2023), this data captures the extent to which citizens can and do participate in politics. Higher values indicate more participation.

Data source: Economist Intelligence Unit (2006-2023)
OurWorldInData.org/democracy

under 30 make up less than 2% of members of parliaments globally, which negatively impacts youth representation and political responsiveness to youth interests, and highlights the need for youth quotas.

The varied democratic systems across Europe, from majoritarian to consensual democracies, face unique challenges dealing with these matters. Majoritarian democracies, such as the UK, often struggle with issues of inclusivity and representation, as the concentration of power marginalises minority voices. On the other hand, consensual democracies, like those in Belgium and Switzerland, face difficulties in decision-making and maintaining cohesion due to their need for broad agreement among diverse groups.

Decreasing voter turnout

Data compiled from the national election records of 31 European countries dating back to 1918, demonstrate the long-term decline in voter turnout and the increase in non-voters as a dominant trend in modern European politics. Voter turnouts across Europe are at their lowest since suffrage rights were extended. Historically, around 80-85% of the electorate voted between the Second

World War and the early 1980s. Currently, turnout has fallen to just under 65% with non-voters becoming the largest voter block since the early 2000s. Non-voting often stems from disillusionment, protest and feelings of distance from democracy and elites.

Voter turnouts in eastern European countries, which were high following the fall of Communism, are now among the lowest on the continent, with high abstention rates possibly due to disillusionment with the old elites who retained power.

Younger generations are less likely to vote compared to those born post-Second World War in the UK where the gap in voter turnout between older and younger generations is particularly stark at about 35 percentage points. Factors such as changing citizenship norms; the evolving relationship between youth and politics; and inadequate political socialisation contribute to this decline. Furthermore, structural barriers, including unequal representation; outdated voting systems; and a lack of youth-targeted political incentives exacerbate the problem. Many European countries still lack automatic voter registration, e-voting and up-to-date electoral rolls,

which make participation less accessible to young people. Different age thresholds for voting and candidacy , as well as the potential effects of election dates (e.g. during the class period), potentially reduce youth turnout.

The lack of digital tools and platforms

The lack of digital tools and platforms limits citizen participation in democracy, especially youth participation by constraining their ability to engage meaningfully in political processes. While the internet and social media have the potential to enhance youth participation through accessible, low-barrier forms of engagement, such as online petitions and discussions, these platforms are often underused for political purposes. Furthermore, the existing platforms tend to amplify the voices of those already politically active, leading to a digital divide where a majority of youth remain passive consumers rather than active contributors to democratic discourse.

Although young people are actively using social media and technology, this does not necessarily imply they possess the media literacy skills needed for effective political participation. Young people, though more active online compared to older generations, primarily use digital platforms for entertainment and social interaction rather than political engagement. Without more focused digital tools tailored to foster political participation and media literacy, youth will continue to be underrepresented in formal democratic processes.

Corruption and erosion of rule of law

Corruption plays a significant role in undermining the ideal functioning of representative democracy. In 2023, western Europe and the EU experienced a concerning decline in their Corruption Perceptions Index (CPI) scores for the first time in nearly a decade. Despite remaining the top-scoring region globally, the effectiveness of anti-corruption measures was severely undermined by weakening checks and balances within national governments. Political integrity eroded, leading to diminishing public trust in institutions' capacity to tackle corruption effectively.

The CPI highlighted stagnation or deterioration in anti-corruption efforts across more than three-quarters of assessed countries, with significant challenges in maintaining the rule of law. Issues such as political interference in judicial appointments, legislative reforms that concentrate power in the executive, and targeted measures against journalists and whistleblowers further compounded these concerns, emphasising the urgent need for strengthened democratic governance and accountability mechanisms across the region.

Centralisation of power

The challenges of local democratic governance in Europe stem primarily from the tension between centralisation and decentralisation. Centralisation seeks efficiency and uniformity but risks undermining local autonomy and responsiveness, while decentralisation, aimed at enhancing local governance and community engagement, can lead to fragmentation and disparities. Territorial reforms like municipal mergers often provoke resistance due to concerns over identity loss and reduced local representation. Furthermore, the diverse sizes and needs of municipalities – from large cities grappling with social cohesion to rural areas facing depopulation – underscore the need for adaptable governance frameworks. Effective local leadership and civic engagement are critical in bridging these gaps.

The challenges facing local democracy in Europe require redefining governance paradigms in the face of increasing complexity and inequality. Key issues include fostering genuine citizen participation beyond electoral cycles, addressing socio-economic disparities that manifest in marginalised urban areas, and reimagining the concept of the general interest to be more inclusive and responsive to diverse community needs.

Decentralisation extends beyond transferring power from central to local governments. It includes a broader power shift from central governments to the people, judiciary, civil society, media and the economy. We see the centralisation trend especially in central Europe, where populist leaders consolidate political power by diminishing the influence and independence of judicial and other oversight institutions to ensure their unchallenged governance. This trend is occurring as a reaction against perceived overreach by technocratic elites and unelected bodies, which populists argue have disconnected from the true will of the people. The historical legacy of centralisation and weak civic political culture in the region has made it easier for populist leaders to erode checks and balances, presenting themselves as defenders of popular sovereignty against elitism and external control.

Democratic deficit in the EU

Criticism around democratic deficit within the EU refers to the perceived shortcomings in democratic legitimacy and accountability of its institutions. While the European Parliament is directly elected, other key bodies like the European Commission are appointed. The Council, comprising representatives elected through national systems, plays a central role in EU decision-making. As the principal legislative body, it often makes decisions that may overlook critical issues for citizens, as its members tend to prioritise national interests.

Additionally, decision-making in the EU is seen as overly complex and opaque, limiting transparency and citizen engagement. For instance, the recent farmer protests across Europe were triggered by grievances over low food prices, rising input costs and stringent EU regulations – including environmental and trade policies. Farmers blocked roads and drove tractors into major cities to voice their dissatisfaction and anxiety about government's failure to address long-standing agricultural issues and ask for equitable policies. Farmers feel that EU policies are often made without adequate input from the agricultural community, leading to regulations that do not consider local conditions and economic realities.

Critics also argue that EU policies sometimes override national laws, raising concerns about sovereignty and the ability of national governments to adequately represent their citizens' interests. According to some commentators, centralisation in Europe, driven by the eurozone crisis, conflicts with national sovereignty and democracy, driving nationalist resentments and undermining public support for the EU. Efforts to enforce a monetary union and greater economic integration have created financial risks and failed to deliver economic benefits.

Hence the complexity of decision-making, coupled with the supranational nature of EU governance creates a sense of distance between EU institutions and the citizens they are meant to serve. This disconnect fosters Euroscepticism.

Stagnant institutional reform

Societies evolve, economies fluctuate and technology advances. Institutions that once worked well may become outdated or ineffective. Reform ensures that rules and practices keep pace with these changes, fostering adaptability and resilience. To safeguard its integrity, democracy requires ongoing adjustments. This proactive maintenance ensures that democratic institutions remain resilient, effective and inclusive, reflecting the diverse contexts and aspirations of societies they serve.

Institutional reform entails a comprehensive repair of various interconnected components of the democratic system: electoral reforms to enhance representation and voter engagement; legislative reforms to improve transparency and accountability; executive reforms to balance authority and oversight; judicial reforms to ensure independence and efficiency; and party system reforms to focus on internal democracy and accountability. Increasing citizen participation through mechanisms like referendums and citizen assemblies; implementing anti-corruption measures; and decentralising power to regional and local governments are also critical parts.

Despite various attempts at institutional reform across European countries, existing significant gaps impede their effectiveness. Many reforms suffer from poor implementation and weak enforcement, undermining their potential impact. Public trust and engagement, crucial for the success of any reform, are often insufficiently addressed, leading to continued scepticism and disengagement among citizens. Political leaders often undertake reforms that prioritise immediate political gains without considering possible long-term outcomes.
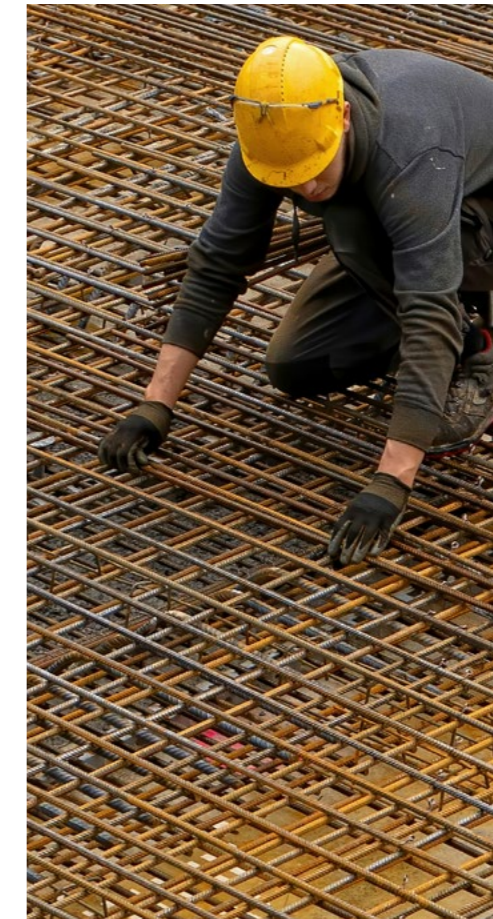
At the EU level, current institutional reforms have not effectively addressed the underlying weaknesses of democracy. Although some progress has been made through EU legislation and initiatives like the European Democracy Action Plan, these measures have had limited impact on national politics. The focus on institutional tweaks, such as regulations on political advertising and conditional funding measures, often treats symptoms rather than causes of democratic malaise. These reforms frequently overlook deeper issues such as rising populism, corruption and the erosion of civic freedoms, which continue to challenge the stability and quality of democratic governance. Additionally, the persistent focus on external threats, while important, detracts from addressing internal democratic deficiencies. A broader and more integrated approach is needed to achieve meaningful democratic renewal across Europe.

Lack of vision

These challenges are not impossible to tackle, but they require thoughtful consideration and reimagining. There is a pervasive lack of vision for the democratic future, as traditional parties struggle to address the evolving needs and aspirations of a diverse and dynamic electorate. Current European leaders are largely seen as passionless administrators, lacking the boldness and foresight of past figures like Jean Monnet and Willy Brandt. The deficit of proactive, sincere leaders who can effectively address key issues such as poverty, inequality and discrimination, leaves Europe vulnerable to internal and external threats, as well as the divisive tactics of far-right and populist movements.

Influence of dark money

Dark money refers to funds that are used to influence political outcomes while remaining undisclosed, creating a layer of secrecy that complicates accountability and oversight. This financial anonymity allows actors – be they foreign entities or domestic interest groups – to exert influence without revealing their motives or affiliations. As a result, these groups can promote specific agendas, often aligned with anti-democratic or populist sentiments, without fear of public scrutiny.

Financial tactics

FINANCIAL ANONYMITY AND SECRECY

One of the primary tactics of dark money is maintaining anonymity through complex structures including shell companies, offshore accounts and intricate financial networks that obscure the source of funds. By concealing donor identities, these actors evade scrutiny and accountability, allowing them to influence political processes without facing public backlash. Techniques to deliberately obscure financial activities encompass the mixing of legal and illegal funds, a practice commonly referred to as "illicit finance". This enables dark money actors to hide their operations in plain sight, employing coded language in advertisements or using hidden characters on digital platforms to circumvent content moderation. Such methods not only conceal their true intentions but also enable them to operate in a manner that is difficult for regulators to trace.

MONEY LAUNDERING

Dirty money – funds derived from illegal, corrupt or immoral sources – serves as a crucial resource for dark money operations. Sources of dirty money include drug trafficking, human trafficking, smuggling and bribery. These funds are laundered through complex networks involving banks, lawyers and intermediaries, which further obscure their origins. Once "cleaned", this money is used to finance political campaigns, bribe officials and support anti-democratic movements.

Influencing legislative and political processes

COLLUSION BETWEEN DARK MONEY AND POLITICAL/ECONOMIC ELITES

The relationship between dark money and political elites is characterised by mutual benefit, wherein both parties work to maintain the status quo. Economic elites frequently support dark money operations that align with their interests, creating a system that is resistant to democratic reform and accountability.

LOBBYING

By providing financial support to lobbyists, dark money groups can directly shape legislation that aligns with their interests across various sectors, including energy, healthcare and technology. This often involves drafting laws that restrict civil liberties, limit dissent or otherwise serve their agendas, effectively steering public policy away from the interests of ordinary citizens.

CAMPAIGN CONTRIBUTIONS

Substantial financial contributions to political candidates who align with specific interests help foster a network of lawmakers prioritising these agendas. This system often undermines the public interest and dilutes democratic principles, as elected officials may feel beholden to their financial backers rather than their constituents.

TARGETING REGULATORY GAPS

Dark money actors often exploit gaps in regulatory frameworks to operate with impunity. For example, the lack of stringent oversight on political advertising enables misleading campaigns to flourish. By navigating around existing laws, these actors can undermine democratic processes while regulators struggle to catch up.

Public perception and narrative control

NARRATIVE MANIPULATION

Dark money actors frequently engage in influence operations that aim to shape public opinion and political narratives. This can involve funding campaigns that promote anti-democratic sentiments or undermining progressive rights agendas. By controlling the narrative, these actors can sway voter opinions and undermine democratic institutions.

EXPLOITATION OF DIGITAL COMMUNICATION

Social media platforms serve as tools for disseminating misleading information or propaganda funded by dark money. The rapid amplification of targeted messages creates echo chambers that reinforce divisive narratives, ultimately hindering constructive democratic discourse and polarising public opinion.
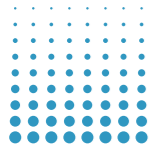
Delegitimising dissent

ASTROTURFING

Creating fake grass-roots movements is a tactic used to simulate public support for initiatives, giving groups a façade of legitimacy. By manufacturing the appearance of widespread backing, they can frame anti-democratic measures as necessary responses to perceived public demand, thereby justifying repressive actions against genuine activists.

PUBLIC RELATIONS CAMPAIGNS

Funding media strategies designed to portray activists as extremists or threats to public safety can significantly shift public perception. This manipulation of the narrative serves to legitimise punitive measures against dissenters and further entrench anti-democratic sentiments within society.

LEGAL ACTION AND THREATS

Employing legal intimidation tactics can effectively discourage participation in protests or acts of civil disobedience. This raises the stakes for activists, fostering a climate of fear that stifles dissent and limits the space for legitimate political expression. Strategic Lawsuits Against Public Participation (SLAPP) are designed to intimidate or silence critics by burdening them with the costs of legal defence, often in response to protests or other forms of public dissent. SLAPP suits aim to chill free speech and discourage activism by creating a fear of legal repercussions.

Disinformation

Have you ever wondered why there is so much disinformation prevalent today and why we believe in it, despite the wealth of scientific knowledge and easily accessible information at our fingertips? The answer lies in how our brains process and prioritise information.

Despite living in an age of unprecedented access to facts and data, our cognitive processes are often swayed by psychological biases. Our brains tend to favour information that aligns with our existing beliefs, is emotionally resonant or provides simple explanations for complex phenomena. This predisposition makes us vulnerable to disinformation that confirms our biases or appeals to our emotions, leading us to believe falsehoods even in the face of contrary evidence.

Is this a problem for democracy? According to EU citizens, it is indeed. In fact, it is seen as one of the most important threats to democracy. In the *2023 Eurobarometer* survey, the most frequently cited threat to democracy among EU citizens was "false and/or misleading information circulating online and offline," selected by 38% of respondents. This was followed by "growing distrust and scepticism towards democratic institutions," chosen by 32%.

Across the EU, online social networks are the most commonly cited media where respondents expect to encounter disinformation or fake news, with 64% of people selecting this option. Additionally, over a third of EU citizens (36%) believe they are likely to come across disinformation or fake news on television. About one-fifth of respondents think they might encounter disinformation in online newspapers and news magazines (22%) or on video hosting websites (21%).

The rise of social media and other digital platforms has transformed how information is disseminated. These technologies have been exploited by populist and authoritarian leaders to spread disinformation, manipulate public opinion and undermine trust in traditional media and democratic institutions, while presenting themselves as the only reliable source of truth, thus consolidating their power.

As disinformation and its use by non-democratic forces are on the rise, the European Parliament has overwhelmingly approved the European Media Freedom Act

(EMFA), a significant piece of legislation aimed at protecting and enhancing media freedom. This move is part of their efforts to ensure accurate information is available to protect our democracy, though concerns remain about the use of spyware to monitor journalists. The Regulation was presented as a response to Orbán, Fico, Janša, Putin and others who aim to turn media into their propaganda tools or spread fake news to destabilise democracies.

Threats to accurate information and media freedom are not solely the result of autocratic regimes. EU countries also have their own issues that limit media freedom and create challenging conditions for journalists. In 2023, the *Liberties Media Freedom* report documented 281 attacks on women journalists and media workers in EU member and candidate countries. Self-censorship is often the consequence of these forms of pressures on journalists. The report also criticised the restricted access to public interest information across several EU countries, including Germany, Hungary, Lithuania and the Netherlands. The dominant trends noted in last year's report – such as significant media ownership concentration, inadequate ownership transparency regulations, and threats to the independence and funding of public service media – persisted in 2023.

Intensified attacks on media matter because there is an intertwined relationship between disinformation and non-free media. The 2023 World Press Freedom Index underscores that in regions where media freedom is compromised, the spread of disinformation is more widespread. When media is not free, it operates under the influence of governmental or powerful interest groups' agendas. Those in power selectively release information, suppress dissenting voices and promote narratives that serve their interests, regardless of their truthfulness. In the absence of diverse and independent media sources, the public is deprived of a broad spectrum of viewpoints and factual reporting, making it more challenging to discern truth from falsehood.

Eurobarometer
In your view, which of the following are the most serious threats to democracy in [COUNTRY]

False and/or misleading information in general circulating online and offline
38%

Growing distrust and scepticism towards democratic institutions
32%

Lack of engagement and interest in politics and elections among regular citizens
26%

Lack of opportunities for citizens to voice their opinions
23%

Propaganda and false/misleading information from a non-democratic foreign source
22%

Covert foreign interference in the politics and economy of (country), including through financing of domestic actors
21%

Lack of media freedom and media diversity
19%

Lack of knowledge among voters about the functioning of democratic process
19%

Lack of integrity of the electoral system
17%

Destabilisation of electoral infrastructure or processes, such as cyber-attacks
9%

Other
3%

None of the above
2%

Don't know
4%

Source: European Commission (December 2023). Eurobarometer: Democracy and Citizenship.

Another underlying problem with disinformation is related to the privatisation of the digital public sphere. Digital platforms have transformed communication from a "one-to-many" model to a "many-to-many" model, where individuals can broadcast directly to vast audiences without traditional gatekeepers, allowing them to give personalised, often self-serving messages (like Trump's tweets) and dominate the public space, making it harder for collective, democratic discourse to develop. Political actors bypass traditional media filters and flood the public sphere with disinformation, undermining its function as a space for rational, collective discourse.

Moreover, these platforms, governed by private companies, prioritise profit over democratic values, commodifying public deliberations by extracting economic value from user data and engagement and curating information through algorithms designed for business objectives rather than democratic norms. This means not only a loss of public control over democratic spaces but also the commercialisation of civic life, where platforms set the boundaries for expression and information.

Some may believe that there is alignment or alliance between populist leaders and digital platforms. While it appears that populist and authoritarian leaders benefit from using social media to spread disinformation, manipulate public opinion and undermine trust in democratic institutions, the root of the problem lies in the algorithms that prioritise engagement over truth. These algorithms, designed to maximise user attention and platform profits, amplify sensational, emotionally charged and divisive content. Populists tap into these dynamics, which allow them to consolidate power.
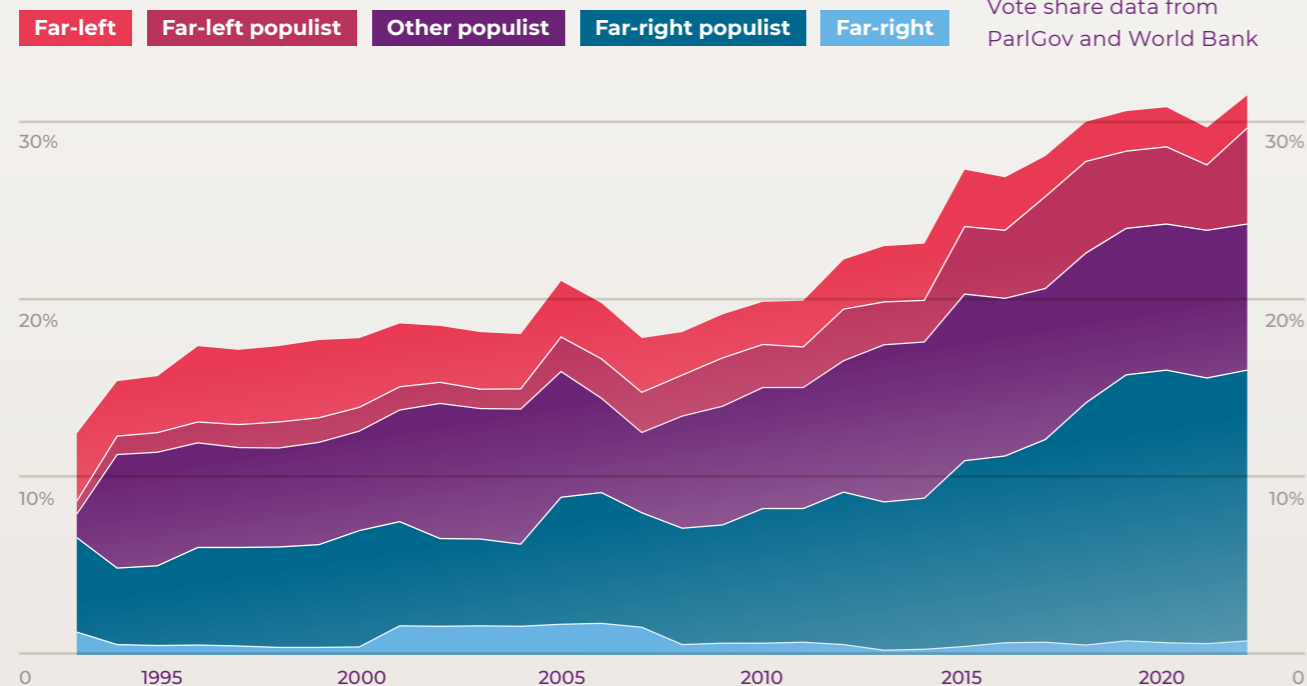
The manipulation of content through advanced technologies, such as Artificial Intelligence (AI), further exacerbates the problem, making it increasingly difficult for the public to access reliable information. AI can influence public debates and policy through deepfakes, and influence operations and addictive social media feeds, challenging regulators and the public alike. AI can be used to create and disseminate disinformation through social bots, which are automated accounts that interact with social media users. These bots can amplify certain political messages and artificially enhance the popularity of political candidates. They have been used in various political contexts, including the 2016 US presidential elections, the Brexit referendum and elections in Germany, Sweden and France. Independent journalism is also critical for real-time reporting on AI's civic disruptions and holding tech companies accountable.

Populism

Everyone talks about populism, yet there seem to be a lot of misconceptions and misunderstandings around the topic. What is populism in the first place? Is it the same thing as authoritarianism? Do populist parties exist only on the right? Are they always anti-democratic?

Vote share of parties by classification
in 31 European countries, weighted by population

Source: Party classification from The Populist 3.0, Vote share data from ParlGov and World Bank

| Far-left | Far-left populist | Other populist | Far-right populist | Far-right |

Cas Mudde defines populism as a thin-centred ideology that considers society to be divided into two antagonistic groups: "the pure people" and "the corrupt elite". He emphasises that populism can be combined with various ideologies, such as nationalism or socialism, but fundamentally revolves around this dichotomy and the idea that politics should represent the general will of the people.

Jan Werner Müller stresses that populism can be found across the political spectrum and is characterised by its focus on a moralistic critique of established institutions and elites, often leading to a rejection of pluralism. Müller emphasises that populism can undermine democratic norms by simplifying complex political issues into a struggle between good and evil, thereby dismissing dissenting voices as illegitimate.

Populist leaders and modern autocrats in Europe often share some characteristics but are not necessarily the same. Populist leaders may still operate within a democratic framework and may not overtly reject democratic ideals, at least initially. They often seek legitimacy through popular support and elections. Populists are often more ideologically flexible, tailoring their policies and rhetoric to the prevailing sentiments of the population. Bakke and Sitter refer to populists as the "EU's Enfants Terribles" and describe their common characteristics as such:

▶ The adoption of nationalist, socially conservative and economically protectionist policies is also common among populists. They exploit crises to strengthen their political position and justify their policy choices. In times of rapid social change, people may cling to nationalistic and traditional values as a source of stability and identity. Populist leaders capitalise on these sentiments by promoting a homogeneous national identity and framing themselves as protectors of cultural values against perceived external threats, such as immigration or foreign influence.

▶ Populist leaders often use rhetoric that targets mainstream political parties and media, accusing them of incompetence and corruption. This approach helps them foster a direct connection with the electorate, positioning themselves as outsiders or challengers to the status quo.

▶ There is often an underlying economic motive where populists engage in rent-seeking behaviours or establish oligarchic structures to benefit economically from political power.

There has been a substantial rise in support for anti-establishment parties, with approximately 32% of Europeans voting for such parties as of 2022. This is a significant increase from around 20% in the early 2000s and 12% in the early 1990s according to the report titled "The Populist Wave and Polarisation in Europe in 2024."

Populist movements, which were initially more common in eastern Europe, have now gained considerable traction in western European countries. Examples include the National Rally in France, Alternative für Deutschland in Germany and the Sweden Democrats. This shift is also evident in the UK, where mainstream parties like the Conservatives have adopted more right-wing stances in response to populist pressures.

Indeed, as projected in the aforementioned report, this rightward shift continued through to European Parliament elections where populist parties made significant gains. Far-right groups, such as the ECR and the Patriots for Europe group – which includes Marine le Pen and her National Rally party from France and Viktor Orbán's party, Fidesz – saw an increase in their parliamentary presence. This surge may impact the balance of power, potentially undermining pro-European and green policy agendas that have been influential in recent years.

Why does populism resonate so much with voters now? Cultural theorists argue that populism arises from cultural backlash against modernity, multiculturalism and the erosion of traditional values. In their book "Cultural Backlash: Trump, Brexit, and Authoritarian Populism," Norris and Inglehart argue that the rise of authoritarian populism is primarily driven by a cultural backlash against progressive social values. They suggest that significant social changes, such as increased gender equality, secularisation and multiculturalism, have alienated traditionalists. This "silent counter-revolution" among those holding conservative values fuels support for populist parties that promise to restore traditional norms and national identity.

On the other hand, political scientists like Yascha Mounk argue that populism often capitalises on cultural identity, framing issues in terms of "us vs. them", and often involving a backlash against perceived cultural changes or threats to traditional values. Cultural identities can include ethnic, national, or religious identities,

which he calls "identity traps". According to Mounk, what is really happening is that much of the dissatisfaction stems from economic issues, but it often manifests as cultural or racial tensions.

Populism resonates with voters today for a variety of reasons, and the factors driving its appeal do not have to be exclusively cultural or economic, they can also be both at the same time.

Dissatisfaction with democratic performance

Let's clarify this from the outset: There's a crucial distinction between faith in democracy as a model and dissatisfaction with its current performance. The good news is that a global majority still values living in a democracy (at least for the time being). However, the bad news is that dissatisfaction with how democracy is functioning is on the rise.

According to the *2022 Alliance of Democracies'* Democracy Perceptions Index (DPI), a survey of over 50,000 respondents from 53 countries, 84% believe having democracy in their country is important. This confidence in democracy is accompanied by a critical awareness, as large majorities identify corruption and inequality as significant threats to democracy, and nearly half of the respondents feel their country is not democratic enough.

Open Society Barometer (2023), a survey conducted with over 36,000 respondents from a representative sample of 30 countries worldwide, has similar conclusions. Its results show that 86% of respondents desire to live in a democracy, while only 20% believe authoritarian regimes can meet citizens' needs. However, authoritarianism holds some appeal, particularly among younger people. Only 57% of 18-35-year-olds believe democracy is the best form of government, compared to 71% of older respondents. This indicates that while global support for democracy remains, it is waning and may diminish further with each successive generation.

Have you heard anyone complaining that young people are either not voting or, when they do, are voting increasingly for far-right parties? Some take it even further and say young individuals are disinterested in politics and are total disappointments. Are they right? Not necessarily, it may be that the older generations are simply not understanding the perspectives and priorities of the current generation. The IDEA Perceptions of Democracy survey underscores that young people are not rejecting democracy per se but are critical of how it is currently practised. They advocate for reforms that would make political systems more inclusive and representative, reflecting a desire to shape a more equitable future.

A Pew Research Center survey conducted from 20 February to 22 May 2023 and involving 30,861 people across 24 countries, revealed notable criticisms of democratic functioning. According to the survey results, a median of 59% of respondents are dissatisfied with the current state of democracy in their countries.

Intergenerational change

- Interwar Generation (b. 1918-1943)
- Baby Boomers (b. 1944-1964)
- Generation X (b. 1965-1980)
- Millenials (b.1981-1996)

Source: Foa et al. (2020). Youth and Satisfaction with Democracy: Reversing the Democratic Disconnect? Cambridge, United Kingdom: Centre for the Future of Democracy.

The Allianz Foundation Next Generations Study Movers of Tomorrow? which surveyed 10,000 young adults across Germany, Greece, Italy, Poland and the UK, found that a significant majority feel disconnected from established political entities. Despite their disillusionment, young Europeans remain eager to engage with democratic processes in meaningful ways. While traditional forms of political participation, such as joining political parties, are less appealing, many young people are keen on more direct forms of engagement, like participating in protests and supporting grass-roots movements.

One might argue that youth across all generations have historically been distrustful of established institutions simply because they're not ''cool''. From this perspective, the current dissatisfaction isn't a crisis. It's just young people being young and dreaming of utopias while rolling their eyes at the boring old political processes. But the reality is that millennials are the most disillusioned generation in living memory.
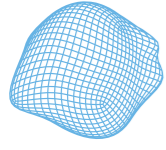
According to the Youth and Satisfaction with Democracy: Reversing the Democratic Disconnect? survey, globally, young people's satisfaction with democracy is declining, particularly when compared to the satisfaction levels of older generations at similar life stages. Significant drops are observed in regions such as Latin America, sub-Saharan Africa and western Europe, as well as in "Anglo-Saxon" democracies like the United Kingdom, Australia and the US.

What cannot be stressed enough is that the story of democratic decline and stagnation is one of supply by political leaders and institutions (what they currently offer and how), not one of popular demand (whether or not citizens value democracy as a governance model in general). The responsibility for weakening democratic systems lies with those in power, who fail to uphold democratic norms and values, rather than with the citizens who continue to support democratic ideals.

People are more supportive of democratic governance when it's working smoothly, and less so when it's not. Empirical studies highlight that people's experiences with democracy greatly influence their support for it. Specifically, exposure to successful democratic institutions that deliver on key public concerns significantly bolsters faith in democracy. When democracies perform well – by ensuring economic prosperity, maintaining low levels of corruption, achieving peace and stability and providing public goods – public support for these democratic regimes is markedly higher.

In contrast, exposure to unsuccessful democracies does not enhance support for democracy and can even erode it. When democracies fail to meet the public's expectations, they risk diminishing the very support that sustains them, potentially leading to a vicious cycle of poor performance and declining public trust. That means we have to make democracy work to achieve more confidence, support and engagement in the democratic model.

Anti-immigration sentiment

In recent years, far-right populist parties in western Europe have gained significant ground, with almost one-third of voters now supporting parties that prominently feature anti-immigration rhetoric. This has led many to believe that anti-immigration sentiment is the primary driver of democratic backsliding. However, the research does not support that claim. Our analysis suggests, this is only the tip of the iceberg. The deeper issues include broader cultural and economic anxieties that these parties successfully exploit, fuelling more complex and systemic threats to democracy.

Far-right populist parties are highly effective at leveraging immigration concerns as a central issue and key tool to recruit voters who feel culturally, economically or socially threatened by increasing diversity and globalisation. The politicisation of immigration by these forces accelerates the rise of illiberal and anti-democratic political movements. A stark example of this was the German response to the 2015 refugee crisis. Chancellor Angela Merkel's initial decision to welcome over a million refugees was met with a surge of anti-immigrant sentiment, giving ground to the growth of the far-right party Alternative für Deutschland (AfD). AfD capitalised on public fears and frustrations, positioning itself as a defender of national identity against perceived threats from immigration.

Progressive and democratic parties – particularly those on the centre-left – have found themselves losing ground, largely because they have been unable to resonate with voters on the issue of immigration and cultural identity in the same way populist parties have. Progressive parties often highlight the benefits of immigration, such as diversity, inclusion and economic contributions, but they sometimes fail to address voters' real concerns about cultural and economic impacts. This can make them seem disconnected from those who feel threatened by immigration. In contrast to the far-right's emotionally charged and simplistic messaging, progressives offer more nuanced, technocratic solutions like improving integration or asylum reforms, which, while practical, may lack emotional resonance with voters seeking straightforward answers.

Progressive parties also approach immigration from a humanitarian perspective, focusing on refugees' rights and moral obligations. While important, this can alienate voters concerned about the immediate effects on jobs or culture. Additionally, left-leaning parties often avoid engaging with cultural and identity issues, fearing accusations of xenophobia, which allows far-right parties to dominate the conversation.

As far-right parties are gaining ground in regions where anti-immigrant sentiments run high, democratic actors face the ethical dilemma of whether to adopt more restrictive immigration policies to gain more votes, risking justice and openness, or to uphold their values and principles. However, democratic actors don't necessarily need to abandon their human rights approach or democratic values to address these concerns. By promoting belonging, reducing inequality and strengthening the rule of law, they can effectively tackle the underlying causes of anti-immigrant sentiment and actively engage in these critical discussions.

Most people hold positive or neutral views toward immigrants according to various studies and Eurobarometer, but even a small segment of society expressing hostility or support for violence can have a disproportionately large impact. For instance, the 2024 attacks in the UK, including the shocking violence that followed the tragic murder of young children at a dance class in Southport, exemplify this dynamic. Many people attended peaceful vigils to mourn, but misinformation spread online suggesting that the perpetrator was a Muslim asylum seeker fuelled a toxic mob that attacked a local mosque, injuring police officers in the process. These flash protests quickly spread to other cities, demonstrating how a small but vocal minority can incite fear and division within the broader community.

Democratic governments cannot afford to ignore this situation. They must actively promote inclusive narratives and counteract misinformation to prevent this minority from shaping societal attitudes and undermining social cohesion.

Polarisation

Polarisation is one of the most visible and immediate signs of democratic backsliding. There are so many public opinion surveys showing that many people feel our societies are more divided now than ever before. But is this just a gut feeling or is there solid evidence to back it up?

Data from the V-Dem Institute, examining 105 polarisation episodes from 1900-2020, show an increasing divide, particularly in the Balkans, eastern and central Europe and southern Europe, while western Europe and the Nordic countries have also seen rises since 2005.

Why is this happening now? Well, it didn't exactly start overnight. It's more like we've been slowly cooking in this stew of division, and we're just now noticing the heat! Europe experienced a significant increase in polarisation during World War II, followed by a period of relatively low levels. However, polarisation began to rise again around 2005, largely fuelled by growing political divisions in eastern and central Europe, southern Europe and the Balkans.
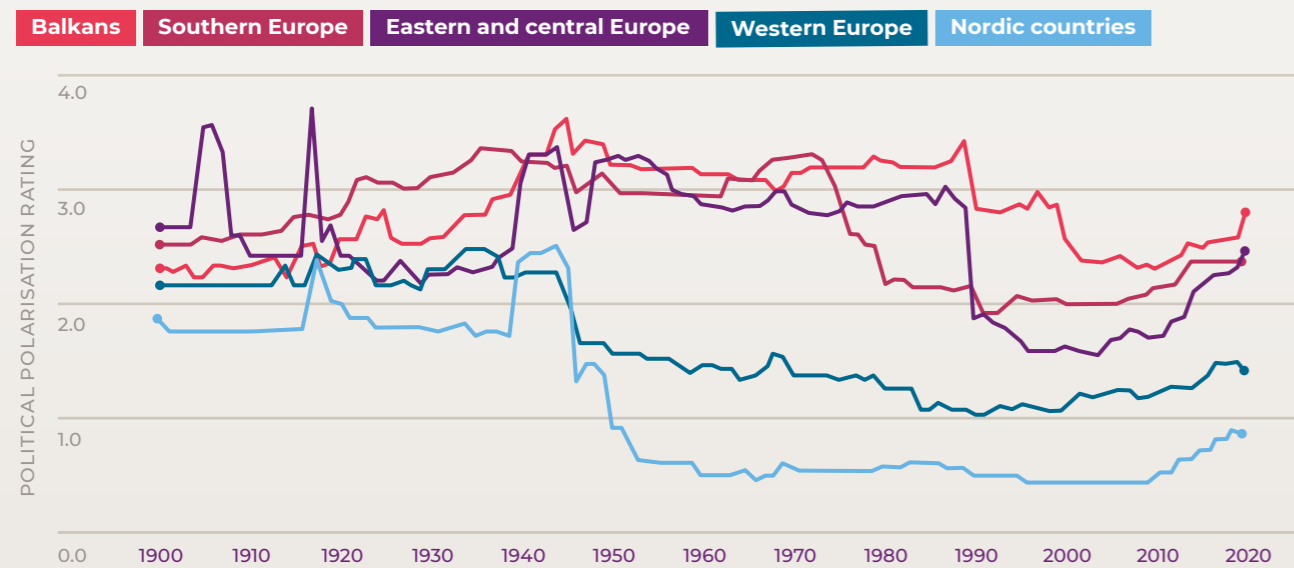
The increasing influence of populist and radical parties on both the left and the right is reshaping the political landscape. These parties often focus on cultural and identity issues, challenging the dominance of traditional mainstream parties. Traditional parties, which were historically aligned along economic lines, are being challenged by new parties that prioritise different sets of issues.

Social media often gets blamed for reinforcing these divides by creating echo chambers. It is also true that populist leaders strategically deepen polarisation by exploiting societal divisions with "us vs. them" rhetoric. But here are interesting insights provided by a Mercator Forum Migration and Democracy study:

- People on the political left are more polarised than those on the right, particularly on climate change issues.

- Higher levels of polarisation are found among older individuals, those with higher education and income levels and residents of large cities.

Polarisation in Europe Since 1900

| Balkans | Southern Europe | Eastern and central Europe | Western Europe | Nordic countries |

Source: McCoy, J. et al (2022). Reducing Pernicious Polarization: A Comparative Historical Analysis of Depolarization. Carnegie Endowment for International Peace.

This suggests that polarisation isn't simply about one side becoming more hateful. People tend to see themselves as open-minded while viewing the other side as intolerant, discriminatory and even hostile. It prompts us to reflect on ourselves and perhaps learn from these insights by taking a critical look in the mirror.

Does polarisation pose a significant threat to the healthy functioning of our democracies? Political polarisation, when moderate, can indeed reflect a healthy democratic process. It shows that voters are presented with distinct options, allowing for meaningful debates and the representation of diverse viewpoints. It's when polarisation becomes extreme that it starts eroding the middle ground and compromising the ability to reach consensus on crucial issues. According to Open European Dialogue these are the red flags and why they matter:

▸ Polarisation leads to political stalemates and marginalises moderate voices, driving political parties towards extreme positions. This phenomenon, often accompanied by affective polarisation, results in individuals feeling a strong emotional connection to their preferred party, while becoming increasingly detached from others, fostering rigid partisanship. As political identities become more entrenched, polarisation accelerates, creating a cycle where groups distance themselves further from one another.

▸ In highly polarised environments, finding common ground becomes nearly impossible, hindering the creation of broadly supported policies. Issues become resistant to evidence-based policymaking, with partisan beliefs overriding empirical data. Voters are unable to reward or punish policymakers based on performance, as their support is tied to identity rather than policy outcomes. Consequently, policymakers cater to their partisan base's fixed beliefs, reducing their likelihood of adjusting preferences based on new evidence.

▸ This dynamic can lead to arbitrary policymaking driven by partisan support rather than evidence or public interest, resembling governance in authoritarian regimes. Ideological stances defined in opposition to other groups make political cooperation challenging. In parliamentary democracies, polarisation hinders coalition-building, and sustainable policy in critical areas often depends on bipartisan support, which becomes difficult to achieve.

Polarisation isn't always a natural outcome: It is often accelerated by specific actors. These "polarisation entrepreneurs", such as political leaders, media outlets or interest groups, deliberately foster divisions for personal, political or financial gain. A prominent example is the rise of populist leaders across Europe who exploit social and economic grievances to drive wedges between different segments of society. For instance, Viktor Orbán deepens societal divisions to maintain power by using polarising narratives around immigration, LGBTQ+ rights and nationalism.

What's next

Democratic backsliding is driven by a range of interrelated factors. While the most visible issues often demand immediate attention, it is essential to examine and address the deeper, underlying causes. The following section proposes several entry points for philanthropy to tackle the roots of it across various levels. A crucial element of this approach is to adopt an ecosystem perspective, recognising the connections between different spheres of influence and intervention points to ensure a cohesive and impactful strategy for protecting and strengthening democracy.

PART III

OPPOR-TUNITIES FOR PHILAN-THROPY

While there are countless opportunities for philanthropy to engage in the areas outlined in Part II and address the root causes of democratic backsliding, we have compiled a **shortlist of possible actions to provide inspiration.**

ROOT CAUSES

1. Unmet needs

▸ Fund initiatives that provide essential services in underfunded sectors like healthcare and housing, focusing on community-based solutions

▸ Support advocacy groups that campaign for increased public spending, equitable resource distribution and universal basic income.

▸ Invest in projects that develop a new economy prioritising people over profit, supporting local cooperatives, social enterprises and community-driven initiatives that empower citizens and create sustainable livelihoods.

▸ Fund research and advocacy aimed at reshaping economic policies to ensure they are equitable and inclusive, addressing the root causes of social and economic inequalities.

2. Unheard emotions

▸ Support community-building initiatives that foster social cohesion and connection among citizens, such as local forums and dialogue projects, prioritising active listening to address feelings of disenfranchisement and isolation.

▸ Develop/support initiatives and narratives that resonate with people's emotions rather than relying solely on cold facts.

▸ Create safe spaces for open discussions, ensuring that these emotions are acknowledged and integrated into strategy development.

3. Systemic failures

▸ Invest in innovative democratic governance projects that simplify decision-making processes and enhance citizen engagement, directly tackling the bureaucratic inefficiencies that undermine public trust.

▸ Fund training for political parties to improve responsiveness and adaptability to societal changes, addressing the decline of social democratic parties and supporting inclusive political movements.
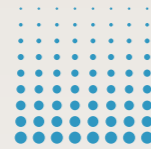
SHORTLIST OF POSSIBLE ACTIONS TO PROVIDE INSPIRATION

CATALYSTS

4. Influence of dark money

▸ Fund transparency initiatives that track financial support for lobbyist activities, enhancing public awareness and accountability to combat the erosion of trust in democratic processes.

▸ Support legal efforts aimed at limiting dark money's influence, ensuring regulatory frameworks are robust enough to enforce transparency in political funding.

▸ Provide support to CSOs and activists in dealing with SLAPPs, helping them to defend against legal intimidation and protect their ability to advocate for democratic integrity.

5. Disinformation

▸ Support service journalism and general information media who are struggling to sustain themselves in times where contentious reporting is prioritised.

▸ Support media literacy programmes that educate citizens on identifying and combating misinformation, addressing the urgent need for critical thinking in the digital age.

▸ Fund initiatives promoting independent journalism and fact checking organisations to hold spreaders of misinformation accountable, tackling the role of social media platforms in spreading false narratives.

6. Populism

▸ Support initiatives that train political candidates in effective communication strategies, focusing on addressing concerns without resorting to inflammatory rhetoric.

▸ Use clear language: Fund organisations or media that focus on presenting complex issues using easily understandable language; relatable illustrative examples; and methods such as infographics, videos and interactive tools that break down problems and solutions in digestible ways.

SHORTLIST OF POSSIBLE ACTIONS TO PROVIDE INSPIRATION
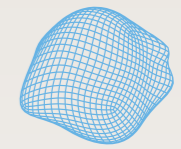
SYMPTOMS

7. Dissatisfaction with democratic performance

▸ Invest in technology-driven projects that create interactive platforms for young people to engage with democratic processes, such as online forums for policy discussions, civic education apps and virtual town halls.

▸ Fund organisations that empower youth to lead their own civic projects, such as community service, advocacy campaigns and local governance simulations.

▸ Fund research initiatives that explore how young people envision democracy, what aspects they feel are functioning poorly and their ideas for reform.

▸ Fund collaborative projects, movements and storytelling initiatives that can help shift public narratives toward a more inclusive and collaborative mindset and the importance of working towards the common good.

8. Polarisation

▸ Fund initiatives promoting cross-party dialogue and consensus-building efforts, addressing the deepening divides in political discourse.

▸ Support community-led projects encouraging interaction between opposing groups to foster understanding and rebuild trust.

▸ Fund non-politicised and local media that help citizens reconnect to their local environments and communities and create a sense of belonging.

9. Anti-immigration sentiment

▸ Fund campaigns promoting positive narratives about immigration and its contributions to society, tackling fears and misconceptions that fuel anti-immigrant sentiments.

▸ Support initiatives facilitating dialogue between immigrant communities and local populations, creating inclusive environments that promote solidarity and belonging for all.

Join us

In light of the current trends indicating a decline in global democracy and the significant role that closing civic space plays in this regression, it is crucial for funders to address these challenges collaboratively.

I t is not a secret that a lot of us are feeling anxious about what last year's elections in Europe and around the world might bring. It's a critical time, and the stakes are high. We have presented the facts and figures to give a snapshot of the state of democracy and the underlying causes of democratic backsliding to show that we need to not only safeguard but also innovate our democracy. We hope these insights help funders to start thinking about more structural and innovative solutions—because our democracies need more than just quick fixes. It's about acting from a place of informed confidence, not fear.

We invite funders to join Philea's Democracy Network, a peer-learning group dedicated to fostering collaboration and knowledge sharing among those committed to enhancing civic space and promoting democratic resilience, and which commissioned this study. Network members access valuable resources, exchange best practices and develop innovative strategies that empower civil society and strengthen democratic institutions.

Learn more about Philea's Democracy Network and how to join.

Annex: Key concepts

What do we mean by backsliding? The umbrella term "democratic backsliding" emerged within the field of political science to describe the decline in the quality of democracy through the debilitation or elimination of democratic institutions, norms and processes by state actors. This decline can happen gradually or abruptly and take various forms, such as democratic erosion, democratic breakdown, and autocratic deepening, depending on the context and specific actions by those in power (Shein et al, 2023).

Democratic erosion refers to the gradual, often subtle, undermining of democratic structures, such as altering judicial appointments to weaken judicial independence, pressuring civil society organisations, or spreading misinformation about political opponents. This process can be difficult to detect as it is often framed as legitimate reform reflecting the will of the electorate, as seen in Hungary (2010-2018) and Brazil (2018-2022).

In contrast, **democratic breakdown** is characterised by rapid and overt dismantling of democratic systems, including actions like shutting down independent media, banning opposition parties and dissolving government branches. This type of backsliding is more visible and severe, exemplified by recent events in Turkey (since 2017) and El Salvador (since 2021).

Finally, **autocratic deepening** occurs in already autocratic contexts where leaders further entrench their power through measures such as using military courts to try civilians, imprisoning journalists and repressing opposition. This consolidation of power makes it harder for democratic resurgence, as observed in Venezuela (since 2013) and Myanmar (since 2021).

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About Philea's Democracy Network

This growing community of foundations working in the field of democracy, or who are interested in doing so, come together for inspiration, discussion and knowledge exchange. The network offers light touch forms of engagement and facilitates collaborative actions around the topic of defending versus developing democracy.

Vision

A strong and thriving democracy in Europe, where philanthropy helps safeguard core democratic values of freedom and cooperation and enhances citizens' abilities to shape and innovate their governance.

Themes

▸ Defending versus developing democracy
▸ Enhancing trust in democratic institutions and bolstering the belief in the value of democracy itself
▸ Core pro-European and democratic values

Activities

CREATING A SAFE SPACE

for foundations already working on democracy to exchange with peers around their vision on the future of democracy and the role of philanthropy.

ACTING AS A REFERENCE POINT

for European philanthropic organisations who are already working in the field or who are interested in doing so but to not know where to start, to share learnings around pathways for funding.

FOSTERING COLLABORATIVE ACTION

in the form of joint projects that complement existing initiatives (e.g. in-depth mappings and analysis of the field, co-funding opportunities, etc.)

COLLABORATING WITH OTHER THEMATIC NETWORKS

to highlight democracy-related topics through the organisation of joint sessions, events and publications in relevant contexts.

Join the Steering Committee

This core group of members collaboratively shapes and implements the work plan, making sure that ambitions and resources align.

CRITERIA TO JOIN

▸ Philea membership
▸ An interest or expertise in democracy
▸ Commitment to contribute human and financial resources

JOIN THE COMMUNITY

Philea members, including national associations, that are known to fund democracy or have indicated an interest in doing so may join this broader community. In practice, these organisations will be part of a mailing list and receive updates on activities of the network directly from the Programme Lead.

Some activities are also open to non-member foundations, NGOs and other relevant stakeholders supporting or interested in democracy issues. This layer will be reached via the general Philea newsletters, the event calendar on the Philea website and via targeted invitations from the Steering Committee and Programme Lead to participate in events as speakers, attendees or to be consulted to provide input or content for online and in-person events.

Steering Committee

▸ Adessium Foundation (Chair)
▸ King Baudouin Foundation
▸ Calala Women's Fund
▸ Luminate
▸ Doc Society
▸ Porticus
▸ Evens Foundation
▸ The Robert Bosch Stiftung GmbH
▸ Fundação Calouste Gulbenkian

Learn more.

About Philea
Philanthropy Europe Association

Our vision is for philanthropy to use its full potential to co-shape and support a pluralistic, just and resilient society that centres people and planet. To achieve this, our mission is to enable, encourage and empower the philanthropic community to build a better today and tomorrow.

We nurture a diverse and inclusive ecosystem of foundations, philanthropic organisations and networks in over 30 countries that work for the common good. With individual and national-level infrastructure organisations as members, we unite over 7500 public-benefit foundations that seek to improve life for people and communities in Europe and around the world.

We galvanise collective action and amplify the voice of European philanthropy. Together we:

▸ Co-create knowledge and learn from effective practices
▸ Collaborate around current and emerging issues
▸ Promote enabling environments for doing good

In all we do, we are committed to enhancing trust, collaboration, transparency, innovation, inclusion and diversity.

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Philea
Philanthropy Europe Association

2025 DEMOCRACY BRIEFER FOR FUNDERS

What's Happening to European Democracy and What Funders Can Do About It

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