

Democracy is a European Public Good

Considerations for the next EU budget

Discussion Paper

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This paper is part of the broader efforts of Liberties to ensure that the EU safeguards democracy in the years ahead. Despite growing threats, democracy is not considered a top priority for the EU anymore, superseded by the competitiveness and security agenda. And while the EU introduced valuable new initiatives with the European Democracy Action Plan during the last mandate, it has not sufficiently adapted its democracy support approach to the realities on the ground.

To make sure the EU keeps up to speed, this paper proposes reframing democracy as a European Public Good – a foundational pillar that underpins every EU policy field – and argues that it deserves a much more central role in EU priorities and funding programmes. As this is a fairly new approach, the aim of this paper is to open a conversation with decision-makers and other relevant stakeholders to refine the concept and test its feasibility – in the next EU budget and beyond.

Executive Summary

Europe faces mounting threats to democracy, from internal democratic backsliding in several EU member states to external pressures such as foreign interference, disinformation, and election manipulation. To meet these challenges, the EU must move beyond incremental reforms and fundamentally rethink its approach to protecting and strengthening democracy.

In recent years, the EU has taken important steps, including the European Democracy Action Plan and the establishment of the rule of law conditionality mechanism. Yet progress remains fragmented, implementation inconsistent, and financial support for democracy actors limited. As a result, the EU's democracy agenda still falls short of providing the coherent, strategic framework needed to safeguard democratic resilience across the Union.

This discussion paper argues for a more ambitious shift: the EU should start treating democracy as a *European Public Good*. Viewing democracy as a shared public infrastructure would unlock new opportunities for strategic investment and improve policy coherence. It would allow the EU to mainstream democracy support throughout its instruments and significantly expand dedicated funding in the next Multiannual Financial Framework (MFF).

Most importantly, framing democracy as a European Public Good would enable the EU to protect and strengthen the institutions, processes, and civic actors that underpin democratic life, recognising them as strategic assets vital to Europe's long-term security, prosperity, and social cohesion.

1. Introduction

Democracy is under growing threat across the globe. In Europe, a stark decline can be observed in the last few years, with particularly worrying situations in several EU member states. The data paint a worrying picture. V-Dem's *2025 Democracy Report* shows a steady rise across the globe in the number of countries classified as autocracies or experiencing notable democratic decline, including EU member states such as Slovakia and Slovenia.¹ The Economist Intelligence Unit's latest *Democracy Index 2024* highlights further deterioration in Eastern Europe, with Romania downgraded from a "flawed democracy" to a "hybrid regime" and France slipping from "full democracy" to "flawed democracy."² Freedom House's *Freedom in the World 2025* report likewise documents the erosion of independent institutions, increasing political interference in the judiciary, and ongoing attacks on media freedom in Hungary, Poland, and Malta.³

Recent political developments have only reinforced these trends. Far-right parties are in government positions in at least five government coalitions across the EU.⁴ Civil society and the media face mounting structural challenges:

U.S. institutional and philanthropic funding has receded, intensifying pressure on civic actors; media pluralism continues to erode due to unsustainable business models, state capture by governments, and acquisitions by politically motivated investors. At the same time, foreign interference and electoral manipulation are increasing, with not only Russia and China but also actors in the United States showing support for far-right movements and figures.

Democracy – including the rule of law and fundamental rights – continues to be treated as a given, rather than a living system requiring active investment and renewal.

The erosion of democratic standards and the mainstreaming of authoritarian actors highlight the urgent need not only to reactively defend democratic principles but also to proactively modernise and reform democratic practice. Despite clear evidence of how swiftly democratic backsliding can occur – as seen in Hungary, or currently in the United States – the EU's approach remains largely unchanged.

Democracy – including the rule of law and fundamental rights – continues to be treated as

1 V-Dem Institute, '[Democracy Report 2025: 25 Years of Autocratization – Democracy Trumped?](#)', 2025

2 The Economist intelligence Unit, '[Democracy Index 2024: What's wrong with representative democracy?](#)', 2025

3 Yana Gorokhovskaia, Cathryn Grothe, '[Freedom in the World 2025: The Uphill Battle to Safeguard Rights](#)', Freedom House, 2025

4 While the definition of who belongs to the far-right varies from country to country, parties on the far-right of the spectrum are in government in Hungary, Italy, Sweden, Finland and Czechia and in the Netherlands (before the new elections in October 2025). Poland has a far-right President, which blocks legislative attempts of the current government to re-establish democratic principles in Poland, such as the independence of the judiciary.

a given, rather than a living system requiring active investment and renewal. In light of the scale of these threats, this policy brief argues that the European Commission should begin treating democracy as a *European Public good*. It then explores what such a shift in approach would mean in practice, including the implications for the next EU budget.

2. The EU's current approach to democracy

The EU's approach to democracy is anchored in its identity as a *Union of values*. Democracy, the rule of law, human rights, freedom, human dignity, and equality are enshrined in Article 2 of the Treaty on European Union (TEU) and in the Charter of Fundamental Rights. In theory, these values guide every policy area, from internal governance to external action and enlargement.⁵

In theory, democracy is seen both as an intrinsic goal and as the framework underpinning the EU's legitimacy. This is regularly part of political speeches and policy documents, such as the European Commission's 2025 foresight

report, which recognises democracy as a key area of action and even as a "common good".⁶

In practice, democratic backsliding has taken hold in several member states. Countries like Poland and Hungary have openly flouted EU values yet continued to receive substantial EU funding and wield decision-making power in the Council. Hungary even held the EU Council Presidency in the second half of 2024, despite failing to meet the Copenhagen criteria for EU membership.⁷

The EU's response to this democratic backsliding – both at national and EU level – has been slow, fragmented, and largely ineffective.

The EU's political system is also increasingly affected by these trends. For instance, the *Qatargate* scandal in 2022 has undermined the credibility of the European Parliament. The EU's migration policy, and in particular *Frontex*, has a very questionable track record in terms of human rights.⁸ The EU's response to this democratic backsliding – both at national and EU level – has been slow, fragmented,

5 In addition to guiding, these values are binding legal requirements for the EU. This was reiterated by the Advocate General Ćapeta's opinion of the European Court of Justice on [Case C-769/22, Commission v Hungary](#) ('Values of the European Union').

6 European Commission, '[Foresight Report 2025: Resilience 2.0: Empowering the EU to thrive amid turbulence and uncertainty](#)', 2025

7 Cynthia Kroet, '[Hungary's EU membership would be rejected today: former NATO chief](#)', POLITICO Europe, 2016

8 Human Rights Watch, '[Frontex Failing to Protect People at EU Borders](#)', Report, 2021; Statewatch, '[Frontex accused of failing to prevent pushbacks and child rights violations in the Balkans](#)', 2025

and largely ineffective.⁹ Mechanisms designed to safeguard democracy have yielded minimal impact.

Although Hungary's democratic decline began in 2010, it took until 2021 for the European People's Party (EPP) to expel Fidesz from its ranks. The conditionality mechanism, introduced in 2021, has only been applied twice, and only after more than a year's delay in adopting the regulation.¹⁰ Article 7 procedures against Hungary and Poland (until the latter was revoked in 2024) have achieved little, hamstrung by unanimity rules and the reluctance of successive Council presidencies to act. The reality is that sanctions for undermining the rule of law and democracy in the EU remain negligible.¹¹

Democracy remains politically sensitive within the EU's multi-level governance structure.

The EU's inability to effectively safeguard democracy is rooted in several factors. First, democracy remains politically sensitive within

the EU's multi-level governance structure, with sharp disagreements over how far the Union should 'interfere' in national affairs. This caution has allowed authoritarian-leaning leaders like Viktor Orbán to frame EU action as an assault on sovereignty – a narrative that resonates with the populist playbook. While EU Treaties and Court of Justice of the EU (CJEU) rulings clearly establish the primacy of EU law, uncertainty about competences and enforcement still limits decisive action.

Second, responsibility for defending democracy is scattered across institutions. The Council has remained reluctant to engage; the Commission has held back to avoid clashes with member states whose votes are needed in other areas, even if it has launched a few infringement procedures. The Court of Justice of the European Union has been the most proactive actor through infringement proceedings, while the European Parliament played a central role in triggering the Article 7 procedure against Hungary in 2018. However, since the 2024 elections, the political balance has shifted. Around 25% of MEPs belong to far-right parties, and the European People's Party

9 Sonja Priebe, 'The Commission's Approach to Rule of Law Backsliding: Managing Instead of Enforcing Democratic Values?', *JCMS: Journal of Common Market Studies*, Wiley, Hoboken, NJ, Vol. 60, Iss. 6, pp. 1684-1700, 2022; Laurent Pech, Dimitri Kochenov, 'Strengthening the Rule of Law Within the European Union: Diagnoses, Recommendations, and What to Avoid', Reconnect Policy Brief, 2019

10 Zselyke Csaky, 'Freezing EU funds: An effective tool to enforce the rule of law?', Centre for European Reform, 2025

11 The EU considers democracy, the rule of law and fundamental rights as separate items, which has led to separate responses to threats in these three areas rather than a comprehensive assessment and response. The annual rule of law report also considers only certain aspects of democracy, and still excludes criteria such as political rights, elections integrity and party pluralism.

has explored collaboration with the European Conservatives and Reformists (ECR), which includes Poland's Law and Justice Party. There continues to be a lack of an inter-institutional framework for the rule of law cycle – each institution continues to have its own, largely disconnected processes.

Democracy is increasingly treated as a bargaining chip for other policy areas.

Third, democracy is increasingly treated as a bargaining chip for other policy areas. In December 2023, Orbán lifted his veto on a €50 billion Ukraine support package as the Commission released €10 billion in cohesion funds – officially linked to judicial reform in Hungary. Similarly, the Commission was discussing unblocking €500 million for Orbán in autumn 2025, just as the Council was planning the EU's 19th sanctions package against Russia.¹² The rule of law is increasingly seen as just another negotiable item on the agenda of decision-makers in the Council, for now mostly to 'buy out' Hungary's veto on Ukraine. This is fundamentally opposed to the conception of EU values as foundational for European cooperation in the first place and puts at risk the legitimacy of the EU.

Fourth, the EU's political priorities have shifted since the 2024 elections. Defence and competitiveness now dominate the agenda. Democracy is increasingly framed through a geopolitical lens, with an emphasis on countering foreign interference and disinformation, rather than strengthening the rule of law, human rights, and democratic practice within member states. However, the EU needs to ensure that it tackles democratic backsliding in a systemic way, not only as an external threat but also as a domestic challenge.

Despite the speed at which democratic institutions can be dismantled, the EU has not fundamentally changed its approach to democracy as an EU value that remains static and self-evident, rather than as a fragile system requiring active investment. While the frameworks have evolved in the past year – for instance, with the Democracy Action Plan and with the recently published European Democracy Shield – these initiatives have not fundamentally questioned how the EU frames and approaches democratic challenges.

Democracies outperform autocracies in virtually every domain: public services, economic growth, stability and security, civil liberties and quality of life.

12 Sandor Zsiros, 'EU to release €545 million of frozen funds goods for Hungary prompting worry among MEPs', Euronews, 2025. At the date of publication, there has been no confirmation that the funds have been unblocked, while the 19th sanctions package against Russia has been passed in the European Council on 23 October 2025. However, Orbán has since travelled to the US and achieved to get a one-year exemption of US sanctions to buy Russian oil, directly negotiated with President Trump.

Yet studies show that democracies outperform autocracies in virtually every domain: public services, economic growth, stability and security, civil liberties and quality of life.¹³ Recognising democracy's foundational role in all policy fields is crucial. On top of considering democracy a foundational value, the EU should start understanding democracy as a core policy pillar, deserving sustained political commitment and adequate funding.

3. Democracy is a European public good

The EU should start treating democracy as a *European Public Good*.¹⁴ Traditionally, the debate around public good has been confined to the national setting and has slowly expanded to include European and global levels, although often lacking concrete actions outside the nation-state.

A public good is something that everyone in society can access freely – one person's use does not diminish another's (non-rivalry), and no one can be excluded from it (non-excludability). Classic examples include defence, clean air, or public broadcasting: they benefit all, regardless of individual contributions. Public goods form the backbone of fair and resilient societies. They are essential for social welfare,

economic development, and equal opportunities, and they sustain stability and accountability in a democratic political system.

Public goods face one fundamental challenge: *free-riding*. Because no one can be excluded from their benefits, individuals or private entities have little incentive to contribute to their costs, leading to market failure. This is why public goods, from energy networks to healthcare systems, must be financed collectively, through taxation and redistribution, to guarantee fair access and sustainability.

The debate around *European Public Goods* (EPGs) has gained renewed momentum in recent years. The concept refers to “*policies, services, or infrastructures whose overall value to EU citizens is greater when provided at the European level than at the national one, due to economies of scale, spillovers, or shared strategic interests.*”¹⁵ Classic public goods criteria still apply, but the definition has broadened to include sectors under-supplied without joint action, such as the Schengen Area, climate policy, or digital regulation. These are collective assets that require European-level investment and coordination.

Joint public goods have always been central to European integration.

13 Peter Dizikes, ‘Study: Democracy fosters economic growth’, MIT News Office, 2019; V-Dem Institute, ‘The Case for Democracy: Does Democracy Cause Economic Growth, Stability, and Work for the Poor?’, 2021; Democracies score better than autocracies on the [UN Human Development Index](#).

14 Democracy is and should be considered a global public good, similarly to the climate. The reference to a ‘European’ Public Good is due to the EU’s own mention of democracy as a foundational pillar in its Treaties.

15 European University Institute, ‘Public spending at EU level: European public goods in perspective’, 2025

Joint public goods have always been central to European integration. The European Coal and Steel Community, established in 1951, built the foundation of shared prosperity through common infrastructure. Railways, power grids, and industrial networks were the backbone of the European Union.¹⁶ More recently, President Macron revived the idea in his 2017 Sorbonne speech, arguing that certain common goods – from security and migration to digital transition and climate action – demand coordinated financing at the EU level. Today, as global challenges transcend borders, democracy should be recognised as the most vital European public good: the framework that makes all others possible.

Democracy is the foundation for every other EU policy priority. Without it, the EU will not be able to pursue security and defence objectives, as the question would be what does the EU want to ‘defend’, if not free democratic societies. The EU will also not be able to bolster competitiveness without democratic foundations, as European social market economies are thriving based on stable democratic political systems, ensuring regulatory certainty for businesses and consumers.

Just like bridges deteriorate when neglected, democracies erode when their core infrastructure – institutions, processes, civil society, and media – is left underfunded and unprotected.

Despite growing attention to the concept of *European public goods*, democracy has not yet been framed through this lens – but it should. If the EU is to promote collective benefits such as peace, prosperity and high living standards, which extend beyond national borders, it needs to ensure that the preconditions for these other public goods are given – hence the legitimate role of the EU to support democratic infrastructure. Just like bridges deteriorate when neglected, democracies erode when their core infrastructure – institutions, processes, civil society, and media – is left underfunded and unprotected.

Democracy is built on both physical and immaterial foundations. Telecommunications networks ensure access to trusted information, public spaces ensure freedom of association and expression, education systems need spaces that promote critical thinking and civic engagement, and free elections need ballot boxes and polling stations. All these aspects of democracy also require intangible structures – critical thinking and pedagogical values in education systems, as well as legal frameworks and transparency mechanisms in election processes.

Viewed through this lens, EU investment in democracy is strikingly limited. While large portions of the next Multiannual Financial Framework (MFF) are dedicated to agriculture, defence, and competitiveness, democracy remains largely underfunded.

16 Patrice Schneider, ‘Public Interest Media as an Infrastructure’, Medium 2025

If the EU is serious about protecting its democratic foundations, it must treat democracy not as an afterthought, but as essential infrastructure – a shared public good that requires sustained investment, collective ownership, and long-term vision.

The Commission's proposal reserves roughly 25–30% of the EU budget – over €300 billion – for agricultural subsidies alone.¹⁷ In contrast, the planned *AgoraEU* programme, which supports culture, democratic participation and civic engagement, represents roughly 0.2% of the entire EU budget.¹⁸ If the EU is serious about protecting its democratic foundations, it must treat democracy not as an afterthought, but as essential infrastructure – a shared public good that requires sustained investment, collective ownership, and long-term vision.

4. Defining democracy as a shared infrastructure

Viewing democracy as a *European Public Good* means elevating democracy as a common resource that benefits all citizens – a system requiring joint investment and long-term protection. Until now, there was an assumption that democracy would somehow be maintained

without the proactive efforts of decision-makers, which turned out to be a fallacy.

Defining democracy as a *European Public Good* also requires defining what falls within its shared, collective remit. European 'democratic infrastructure' can be understood in both narrow and broad terms. In its narrowest sense, it encompasses EU institutions and decision-making processes, along with the baseline conditions that sustain the single market, such as respect for the rule of law. In its broader sense, it includes all the elements necessary to keep democracies in the EU healthy and resilient – from national elections that shape the composition of the Council to the public sphere that informs EU citizens during elections, and even socio-economic conditions, given that inequality strongly influences political participation.¹⁹

Some parts of democracy are *material infrastructure*: the telecommunications networks that enable media to function; the public venues that host associations, libraries, and citizens' assemblies; and spaces for deliberation and civic exchange. Others are *immaterial goods*, such as public interest information, free and fair elections, civil society, civil liberties, and the rule of law. Access to high-quality

17 Johannes Lindner, Eulalia Rubio, Romy Hansum, 'Ripe for Reform – What's in the EU Budget Proposal and What Should Come Next', 2025; European Cultural Foundation, 'Proposed €8.6 Billion for Culture and Democracy in the Next EU budget', 2025

18 There are further funds available for democracy in the EU budget, for instance under Horizon Europe and Erasmus+, although these are not specifically dedicated to democracy.

19 Armin Schäfer and Hanna Schwander, 'Don't Play If You Can't Win': Does Economic Inequality Undermine Political Equality?' *European Political Science Review* 11, no. 3, 2019, pp. 395–413.

education, healthcare, and social protection should also be viewed as part of the democratic infrastructure, as they allow citizens to participate fully in public life.

Among these elements, *public interest information* stands out as a core pillar. The digital revolution has privatised large parts of our public sphere, subordinating democratic discourse to the profit-driven logic of tech platforms. This monopolisation threatens pluralism, transparency, and citizens' ability to engage with reliable information. To counter this, the EU must invest decisively in digital infrastructures that serve the public interest, including alternative platforms that prioritise civic over commercial goals, and enforce robust regulation of tech giants. This should include limiting disinformation, hate speech, radicalisation, and foreign electoral interference.

To counter this, the EU must invest decisively in digital infrastructures that serve the public interest.

Investing in public interest information means ensuring open and equal access to knowledge, freedom of expression, and the existence of strong, independent media across EU member states. It entails taking a variety of initiatives, such as expanding reliable internet access in rural areas, ensuring democratic social media rules, including transparency on algorithm and content moderation, supporting investigative journalism, and building trustworthy digital infrastructure, such as open government data systems and participatory online platforms.

A second pillar of democratic infrastructure is *public knowledge*. Democracy depends on informed citizens capable of critical thinking and active participation. This requires accessible and inclusive education, from civic and digital literacy in schools to continuous learning opportunities for adults. It also demands sustained funding for universities, libraries, and public knowledge platforms, such as Wikipedia, that provide accurate, publicly accessible information.

These are only two examples, which are not more or less important than other aspects of democracy as a *European Public Good*. Robust democratic infrastructure also includes institutional safeguards and civil conditions: free and fair elections, an independent judiciary and adequately funded oversight institutions, inclusive civic participation, and a vibrant civil society. Economic measures, such as guaranteed access to essential services or even basic income schemes, can also strengthen democracy by enabling all citizens, including those in vulnerable groups, to participate fully in political and civic life.

Democracy, in short, is made up of both physical and intangible infrastructures that must be actively maintained. Recognising and financing these interconnected elements as a *European Public Good* would mark a crucial step towards building more resilient democracies across the EU.

5. Opportunities and risks of the new approach

Recognising democracy as a *European Public Good* brings both opportunities and risks. The most significant advantage lies in the shift of perspective it would create. Rather than treating democracy as a static value with limited policy leverage, this approach would position it as a foundational pillar of EU policymaking – one that justifies greater investment and links democratic principles to core policy fields such as the single market, eurozone, and cohesion policy.

Without investing in *democratic infrastructure*, the EU cannot effectively fulfil its broader functions. This reframing would allow democracy to move from a politically sensitive, low-salience topic, mostly viewed as an obstacle to policymaking in the current political environment, to a policy area recognised as essential to all others.

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It would also enable a more systematic approach to the EU's democracy agenda. In the past, democracy, human rights, and the rule of

law have often been treated separately, resulting in fragmented action and an incomplete understanding of how democratic backsliding occurs. A public good perspective would help the EU connect these dots and respond comprehensively to the systemic nature of democratic decline.

Treating democracy as a public good would give the EU a legitimate policy framework to support greater political and social inclusion across member states.

In practical terms, this new approach aligns well with the EU's institutional logic. The Union primarily operates through two policy tools – regulation and budget allocation. Framing democracy as a *European public good* integrates it more naturally into both. It reframes democracy as an area for strategic, long-term investment rather than merely compliance with the rule of law conditionality mechanism or support for civil society, culture and media. It also allows democracy to be embedded within wider priorities such as competitiveness and defence.

Furthermore, this perspective would allow the EU to address structural challenges which has been left aside as not part of the rather narrow definition of democracy, but that are increasingly problematic for democracies across the EU. For instance, rising economic inequality limits citizens' ability to participate in politics on an equal footing, yet EU-level measures to

address this remain minimal.²⁰ While national initiatives like France's proposed 'Zucman tax'²¹ aim to reduce social disparities, the EU's competences and its political appetite in this field have been very limited.²² Treating democracy as a public good would give the EU a legitimate policy framework to support greater political and social inclusion across member states.

Democratic infrastructure should be recognised as part of the EU's security and defence strategy.

The same logic applies to the digital sphere. The digital transformation has reshaped Europe's democratic landscape – privatising much of the public sphere, destabilising media ecosystems, and concentrating information power in the hands of a few large technology companies. Despite the scale of this challenge, EU investment in media pluralism, digital literacy,

and democratic safeguards remains limited. Viewing democracy through an infrastructure lens would expand the EU's capacity to regulate big tech effectively and to treat the public communication environment as shared infrastructure – as essential to European democracy as rail networks or electricity grids are to the single market.²³

Equally, democratic infrastructure should be recognised as part of the EU's security and defence strategy. Civil infrastructure – public institutions, decision-making processes, civil society, and information systems – is integral to Europe's collective security. Integrating democracy into defence spending would strengthen the EU's ability to counter state capture and authoritarian influence within the EU. Given that democratic backsliding creates spill-over effects across member states and disrupts the functioning of the single market, this is a challenge the EU cannot afford to leave to national actors alone.²⁴

20 Aina Gallego, "Unequal Political Participation in Europe", *International Journal of Sociology* 37, no. 4, pp. 10–25, 2007

21 Romain Imbach, Julien Lemaigren and Lara Pino Lerro, "Zucman tax: What the proposed wealth tax would mean for France", *Le Monde*, 2025

22 The initial objective of cohesion policy was to create convergence in the EU's single market, which aims towards regional equality. The European Pillar of Social Rights, introduced in 2017, also has the objective of reducing inequalities. However, due to the limited competences of the EU in the field of social policies and the lacking political will to move forward a 'Social Europe', these efforts have been fairly limited in the past years.

23 This is also in line with President Macron's recent words during a speech on 3 October 2025 for German Unity Day: 'We have been incredibly naive in entrusting our democratic debate to [American or Chinese] social networks, whose interests are not at all the survival or proper functioning of our democracies.'

24 Michael Blauberger and Ulrich Sedelmeier, "Sanctioning Democratic Backsliding in the European Union: Transnational Salience, Negative Intergovernmental Spillover, and Policy Change", *Journal of European Public Policy* 32 (2): 365–91, 2024

This conceptual shift, however, is not without its risks. The first is to *reduce democracy to mere infrastructure*, stripping it of its normative meaning. Democracy must remain, above all, a core value, as enshrined in the Treaties, forming the basis of EU legitimacy and policymaking. The goal is not to replace this foundational understanding, but to complement it by recognising democracy as a policy field requiring investment, reform, and ongoing renewal.

The second risk is *depoliticisation*. Treating democracy as a public good could inadvertently transform a political ideal into a technocratic or economic issue. Yet democracy is inherently participatory, plural, and often contested. These qualities must be preserved, not contained by this new approach. The focus on structures and investment should therefore go hand in hand with democratic debate, citizen participation, and accountability – and a renewed focus of the EU on public engagement with its citizens. Proper governance mechanisms – transparent, inclusive, and participatory – should ensure that the concept of democracy as a European public good enhances, rather than diminishes, the quality of Europe’s democratic life.

6. First ideas for the next EU budget

At present, democracy features in the EU budget through two main channels: *external democracy support* under the Global Europe instrument, and *internal democracy funding* via the AgoraEU programme, which brings together the former ‘Citizens, Equality, Rights and Values’ (CERV) programme, Creative Europe, and media support initiatives. In

addition, the Commission has expanded the rule of law conditionality mechanism across the budget, requiring recipients of EU funds to respect the rule of law and the Charter of Fundamental Rights – at least in theory. In practice, enforcement has been inconsistent, with limited effect on countries that have undergone profound authoritarian shifts.

Safeguarding democracy in the next Multiannual Financial Framework (MFF) is not only a question of principle but an existential one for the future of the EU.

The current budget proposal contains linguistic references to democracy, human rights, and the rule of law scattered across various programmes, but these do not necessarily translate into concrete funding. These include the EU’s flagship research programme, Horizon Europe, the Competitiveness Fund and the National and Regional Partnership Plans (NRPPs), which include cohesion and agricultural funding, as well as the programme for the EU’s external action, Global Europe. In the latter, for example, democracy is listed as part of programmable spending, meaning that no dedicated funding is earmarked in advance. While flexibility is meant to make the EU’s next long-term financial framework more agile and responsive, it also risks turning democracy into a secondary concern. It means there is a risk that democracy will be sacrificed when there are more urgent and short-term policy priorities.

Moreover, greater budgetary flexibility could lead to more powers being decentralised to national and regional authorities. This is a risky

approach when some of these same actors are responsible for democratic backsliding. Hungary's misuse of EU education funds provides a clear example: Erasmus+ and Horizon programmes have been suspended in 21 Hungarian universities due to concerns about political interference, academic freedom, and breaches related to public procurement, corruption, judiciary independence, and the protection of LGBT rights.²⁵

Safeguarding democracy in the next Multiannual Financial Framework (MFF) is therefore not only a question of principle but an existential one for the future of the EU. Authoritarian forces within the EU are openly planning the destruction of the EU 'from within', as outlined by Hungarian and Polish think tanks with the support of the US-based Heritage Foundation.²⁶ The EU has an existential reason to include 'democratic infrastructure' to a much wider extent in the next MFF than is the case now.

The next MFF should move beyond mere *democracy support* and choose to invest in *democratic infrastructure* as a strategic investment. This would reframe democracy spending as an investment with measurable returns – in social cohesion, economic stability, and security – rather than as a marginal expenditure

vulnerable to cuts when other priorities emerge, such as defence or competitiveness.

Concretely, this means that the EU should – as the minimum condition – maintain the dedicated fund for democracy through AgoraEU, which currently amounts to around 0,2% of the next EU budget, but should be increased to 0,5% at least.²⁷ The programmable funding for democracy in the Global Europe Instrument should also be kept, and preferably also earmarked to avoid democracy falls behind other competing priorities.

The EU should additionally integrate democratic infrastructure into both the planned Competitiveness Fund, including the "defence, security, and space" segment, and additional EU defence spending, also outside the MFF, such as the European Peace Facility.

Democracy should not merely be mentioned in the MFF but operationalised effectively in programme design and funding allocation. For instance, within the Competitiveness Fund, the EU should ensure there is sufficient funding for anti-corruption measures, as this negatively affects the single market. This widened approach of democracy as infrastructural investment would recognise that a healthy democratic fabric is a prerequisite for economic

25 Brigida Blasi, '[Horizon Europe: Protecting academic freedom](#)', European Parliamentary Research Service, 2024; Thomas Brent, '[Erasmus ban 'regretful' but MEPs agree the EU must safeguard academic freedom in Hungary](#)', Science Business, 2024

26 Rodrigo Ballester et al., '[The great reset: Restoring member state sovereignty in the European Union](#)', Mathias Corvinus College and Ordo Iuris, 2025

27 Liberties, '[Why the EU Must Invest More in Democracy – Not Just Defence](#)', 2025

competitiveness and social stability – and that a disintegration of the democratic fabric negatively affects the EU's single market, overall economic standing, and has also direct consequences for the EU's 'capacity to act'.

Similarly, democracy funding could be added to defence spending under the Competitiveness Fund. For example, a defined share of defence and security funding could be allocated to democratic resilience measures: protecting public institutions from capture, countering disinformation and foreign interference, and enhancing the capacity of independent bodies such as the European Public Prosecutor's Office (EPPO), the European Court of Auditors, and the EU's anti-fraud office (OLAF).

It could also be added to digital transition headings under the Competitiveness Fund. This could help ensure that investments in AI and data infrastructure align with democratic principles and transparency standards. Indeed, digital media literacy and critical thinking skills, as well as sufficient funding for independent media, are going to be the only tools able to counter the spread of misinformation from actors such as Russia.

Democracy as a strategic investment should also be part of the national and regional partnership plans (NRPPs) and, in particular, cohesion policy. Cohesion funds, for instance, could include a dedicated *civic cohesion* strand supporting civil society organisations,

particularly in rural or politically vulnerable regions.²⁸ Similarly, Erasmus+ funding should integrate civic education and digital media literacy more systematically. By doing so, democracy would be *mainstreamed* much more extensively into all EU funding programmes – not just through vague language, but through concrete budget lines and policy instruments.

Lastly, the rule of law conditionality mechanism itself has financial implications that must be managed strategically. If the Commission applies the mechanism impartially and without political interference from the Council, billions of euros could be withheld from Member States violating EU values. These funds should not be redirected through national authorities that contributed to democratic backsliding, but instead channelled to actors within those countries working to restore democratic standards. Redirected funds could, for instance, support election integrity initiatives, independent media, or innovative forms of public participation such as citizens' assemblies across member states.

Embedding *democratic infrastructure* into the EU budget would not only protect democratic governance across Europe but also ensure that the Union's economic and security priorities rest on stable, accountable, and legitimate foundation.

28 Louisa Slavkova, Denitza Vidolova, Danielle Brady, '[Strengthening Civic Cohesion in Europe: Recommendations for an EU policy upgrade](#)', Sofia Platform a and European Policy Centre, 2024

**Overview: Why EU decision-makers should consider democracy
a European Public Good**

- The current EU approach has failed to prevent democratic backsliding. The EU approach to democracy, rule of law and fundamental rights remains fragmented, underfunded and insufficient in view of the threats.
- U.S. funding and democracy support in EU member states is drying up, affecting the civic ecosystem in Europe; at the same time, threats to democracy have increased, making sustained EU funding critical.
- Democracy should be recognised as the foundation for all other EU policy priorities, enabling security, defence, competitiveness, prosperity, and social cohesion.
- Treating democracy as a (*European*) *Public Good* justifies strategic and sustained investment, shifting it from a static value to a fully-fledged policy area, anchored in tangible funding.
- Democratic infrastructure – physical and immaterial – requires collective financing and active maintenance, similar to other European public goods like the Schengen Area or climate policy.
- Public goods, when supplied at the European level, generate spillovers, economies of scale, and collective benefits greater than national provision alone, which also applies to democracy.
- Reframing democracy as a public good enables mainstreaming democracy support across all EU instruments and funding programmes, instead of rhetorical references.
- Elevating democracy as a *European Public Good* allows proactive reform, not mere defensive reaction, against democratic backsliding and authoritarian spillovers.

7. Conclusion

The European Union urgently needs to rethink its approach to democracy. Over the past decade, incremental reforms and fragmented tools have proven insufficient to halt the erosion of democratic norms within the Union and have not been effective in combating foreign interference.

Treating democracy as a *European Public Good* would mark a decisive shift in tune with the challenges faced. This approach recognises democracy not as a static principle, but as a vital infrastructure that underpins all other EU policies. It would bring democracy to the core of EU policymaking, placing it on equal footing with economic and security objectives, and anchoring it in tangible investments, institutional protection, and civic participation.

The added value of this approach for decision-makers is that it moves beyond a perspective in which the EU hesitates to engage with democracy, citing limited powers. Instead, it places foundational values – those that underpin European cooperation – at the centre of EU priorities.

This is why the EU must reimagine democracy as a shared resource requiring constant renewal, investment and dedicated funding. Embedding democratic infrastructure across the next EU budget – in cohesion, competitiveness, defence, digital and innovation funding – would transform democracy from a merely rhetorical and sectoral issue into a foundational pillar of EU policymaking.

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About Liberties

The Civil Liberties Union for Europe

The Civil Liberties Union for Europe (Liberties) is a non-governmental organisation promoting the civil liberties of everyone in the European Union. We are headquartered in Berlin and have a presence in Brussels. Liberties is built on a network of 21 national civil liberties NGOs from across the EU.

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