

PRESS RELEASE

05. February 2025

France: How Re-election Concerns Influence the Funding of Civil Society Organizations

- **EPOS Economic Research Center publishes new paper**

Bonn, Mannheim, 05.02.2025 – **In France, civil society organizations receive most of their funding from politicians. Yet, new economic research provides evidence that the funding decisions are influenced by electoral considerations: Politicians grant larger amounts to organizations whose members could support a political ally at risk of losing her seat in an upcoming local election. Such organizations receive up to 40 percent more financial support each year compared to those in opposition-controlled municipalities. These are findings of the new discussion paper “Organized voters: Elections and public funding of nonprofits” published by the EPOS Economic Research Center at the Universities of Bonn and Mannheim.**

“French government politicians have scope for discretion to decide about public funding for civil society organizations,” says Camille Urvoy from the EPOS Economic Research Center. “This scope is problematic as it opens the door to public funding being conditioned on organization members supporting politicians in office. I see a real threat to the independence of organizations. This could lead to an uneven representation of interests in public French debates.”

It is the role of civil society organizations to foster public debates and to hold politicians accountable, says Urvoy. Yet, organizations may self-censor or avoid criticizing politicians to safeguard access to funding under present rules.

Funding for rallying members’ support

Drawing on a rich dataset covering 10 years of funding data, Urvoy demonstrates that government politicians provide significantly higher funding to civil society organizations in their own political camp. This difference is even larger when local elections are nearing and margins are narrow: Some organizations receive 40 percent more financial support each year compared to others in opposition-controlled municipalities.

The research concludes that politicians use funding decisions to signal to organizations and their members that their concerns will be prioritized, particularly when electoral competition is fierce, and organization members may support other candidates. “The strategy appears to be aimed at rallying support from organizations’ members, who are often highly active voters,” says Urvoy. “Yet, organizations appear to benefit from additional funding only if the candidate they support is elected. This may give them incentives to moderate any criticism they may have of the politicians granting them funds, thereby undermining their democratic role.”

Other mechanisms for funding NGOs

A look at other countries shows that there are no single, commonly agreed-on criteria to decide which organizations deserve public funding. Some discretion of elected officials seems inevitable, since there is no objective measure of organizations’ value. “Other funding systems, such as tax incentives for private giving or firms’ donations, also have their drawbacks,” says Urvoy. “In any case, a good mechanism for funding civil society organizations needs to ensure that they can contribute to a pluralistic democratic debate without any strings attached. In France, a first step in this direction would be to transparently disclose the amounts granted to organizations in a way that is easily accessible to the public.”

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The presented discussion paper is published in the American Economic Review. Access the full discussion paper here: <https://www.aeaweb.org/articles?id=10.1257/aer.20230056>

It is a publication without peer review of the Collaborative Research Center Transregio 224 EPoS.

Access the full discussion paper here: <https://www.crctr224.de/research/discussion-papers/archive/dp601>

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The Collaborative Research Center (CRC) Transregio 224 EPoS

Established in 2018, [the Collaborative Research Center Transregio 224 EPoS](https://www.crctr224.de), a cooperation of the universities Bonn and Mannheim, is a long-term research institution funded by the German Research Foundation (Deutsche Forschungsgemeinschaft, DFG). EPoS addresses three key societal challenges: how to promote equality of opportunity; how to regulate markets in light of the internationalization and digitalization of economic activity; and how to safeguard the stability of the financial system.

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