

THIS IS THE NATIONAL ENDOWMENT for Democracy's 25th Annual Report, marking an important milestone in the history of the organization. It is an opportunity to reflect on how far NED has come as an institution in these 25 years, how much the field of democracy promotion has grown during that time, and not least, how dramatically democracy has expanded and the world has changed during this relatively brief period of history. It is also a time to reflect on the difficult challenges that lie ahead.

Comparing the 2008 Annual Report to NED's very first report covering its work in 1984, one is naturally struck by how much NED has grown and developed in 25 years. The number of grants described in that first report was 21 compared to 1,277 in the current report, an increase of more than sixty times, and of course there have been other profound changes as well. The first report made no mention of any NED events or democracy promotion activities—the World Movement for Democracy (WMD), for example, or the Reagan-Fascell Democracy Fellows Program, or the *Journal of Democracy*—that have become such an important part of the Endowment today and are described so fully in the 2008 report.

But more striking than the changes is how much continuity there has been. The basic structure of NED's grant-making to its four core institutes (representing labor, business, and the two major U.S. political parties) and to civil-society NGOs was already firmly established in the first year, along with the grants program's global scope and cutting-edge character and its very powerful emphasis on supporting dissident movements fighting dictatorships. Among those 21 start-up grants was sup-

port to the Solidarity movement in Poland and to projects aiding Andrei Sakharov and other dissidents in the Soviet Union; to a new Chinese-language journal of democratic ideas and an international campaign for human rights in Cuba; to the Institute for Liberty and Democracy in Peru for pioneering work with the informal sector and to the Conciencia women's civic-education group in Argentina; and to a new center in Guatemala that provided a neutral ground for public discussion in a deeply divided country undergoing democratization—an institutional model applicable in many other countries just beginning or soon to begin a process of democratic transition.

NED's strength lies in the power of the democratic idea and in its close relationship to democratic movements and organizations around the world. With that relationship firmly established and buttressed by trust and common belief, NED is well positioned to help democracy advance as much in the next 25 years as it did—beyond all expectations—in the last.

Also included was a grant for a major study of democracy in 26 developing countries under the direction of Seymour Martin Lipset and Larry Diamond, a project that laid the foundation for what would later become the *Journal of Democracy* and NED's research center, the International Forum for Democratic Studies. Still another grant to the Committee for a Community of Democracies anticipated by a decade-and-a-half the establishment

of both the non-governmental WMD and the inter-governmental Community of Democracies.

What was distinctive about the 1984 report was the breadth of NED's programmatic agenda—it pledged to provide support in fragile new democracies, in countries undergoing difficult transitions, and in dictatorships as well—and the boldness and determination with which it projected a new vision for aiding democrats around the world. NED, the report proclaimed, would help “those who keep alive the flame of freedom in closed societies,” and it would also become a catalyst “to foster a sense of common identity and purpose among democratic groups” around the world. Both those pledges have been fulfilled.

A change that is not reflected in the annual reports but that has had the most profound consequences for NED has been the transformation in the way the work of democracy promotion is viewed and funded. When NED was founded, its mission was intensely controversial in the U.S. Congress and in parts of the media, leading to regular votes in the House and Senate on whether NED should be funded at all.

Internationally, aside from the work of the West German political foundations, democracy promotion as a field of work was virtually non-existent.

All that has now changed. Broad bipartisan support for NED in the Congress has been steady now for years, but NED's funding now represents less than ten percent of what the U.S. spends on democracy promotion through the U.S. Agency for International Development and the Department of State. Private foundations like the Open Society Institute have also entered the field in a significant way. In Europe, many other countries have established political foundations of their own and also provide democracy aid through their development agencies, with the Visegrad four of Central Europe (Poland, the Czech Republic, Slovakia, and Hungary) bringing new energy and vision to the task. Even the East Asian democracies of Taiwan and South Korea have established democracy foundations. In addition, multilateral bodies like the European Union and the United Nations Development Program now provide democracy assistance, mostly to governments to help them improve their performance and account-

ability in the delivery of public services, and there is also a new United Nations Democracy Fund to aid NGOs.

The growth of the field of democracy promotion over the past 25 years has been driven by three fundamental changes that have occurred in world politics. The first was the end of the Cold War, which removed the element

of ideological competition with Soviet communism that had fed much of the early political controversy about NED. The second was the Third Wave of democratization that dramatically increased the number of post-authoritarian countries needing help in consolidating new democratic systems. And the third was the terrorist attacks of 9/11 that added a powerful national security rationale to the argument for democracy promotion, grounded in the belief that political and economic reform is the best long-term antidote to jihadist extremism in the Middle East and other regions of the Muslim world. Taken together, these factors explain why democracy

promotion has become an established feature of the international system, and why it is likely to remain that way, despite frequent complaints by autocratic leaders and occasional criticism by some foreign policy "realists."

But the challenges ahead are daunting and diverse. Harsh dictatorships such as those in North Korea, Burma, North Korea, Cuba, and Zimbabwe have demonstrated a ruthless ability to hold onto power despite the suffering and economic devastation they have inflicted on their



respective populations. In semi-closed autocracies like Russia and Egypt, rulers who were alarmed by the “colored revolutions” in Ukraine and other post-communist countries have taken pre-emptive repressive measures against NGOs, political dissidents, and independent media to prevent anything similar from happening in their own countries. In addition to repression, autocrats have also resorted to a variety of stratagems to neutralize internal opposition and international pressure, from populism in Venezuela and nationalism in Iran to the regime’s assertion in China that continued communist rule is the precondition for sustained economic growth. Beyond such concerted resistance by autocrats to democratic progress, there is also the failure of many new democracies to deliver real social and economic gains for the average citizen or to meaningfully reduce corrupt practices by political and economic elites.

This performance deficit of new democracies is an immensely important problem in itself, and it also makes it harder to deal with all the other challenges to democracy. Given the extraordinary inter-connectedness of the contemporary world, the prospect for democracy globally is influenced by how democrats perform locally in countries where they have been given the mandate to rule and to deliver for the people. Their success will enhance the morale of the world democratic movement as well as its ability to mobilize the will and resources to meet the challenges at hand. Conversely, their failure will erode democratic momentum and weaken the appeal of the democratic idea.

To paraphrase John Donne, in today’s world no state is an island unto itself. Individual states will continue to be the main arena in which the battles for democracy will be played out. But the world now has many of the characteristics of a single global polity. Information travels instantly across borders, human rights norms have been internationalized even if they are not universally respected, and citizens in established democracies, through institutions like NED and in many other ways as well, now regularly provide assistance to people in other countries who are fighting for greater democratic rights—

just as in the 1960s American citizens in the Northern states helped the civil rights movement in the South.

I write this message soon after the death of the political scientist Samuel P. Huntington who had a close relationship to NED and whose book, “The Third Wave: Democratization in the Late Twentieth Century,” defined the period of democratic expansion that commenced with the fall of the Portuguese dictatorship in 1974. In a lecture delivered a decade ago on the future of the Third Wave, Huntington urged NED and other private groups to create an international association dedicated to expanding democracy on a global basis, declaring provocatively that “The Comintern is dead. The time for a Demintern has arrived.” The World Movement for Democracy, a worldwide network of democrats initiated by NED in 1999 and detailed in our chairman’s message, is not a “Demintern,” which connotes a high degree of centralization and control, but it is very much the kind of global association that Huntington envisioned. It is an instrument for international democratic solidarity that is perfectly attuned to the increasingly integrated global polity in which we live.

Such solidarity will be the key to democratic progress in the period ahead. The world today is far more complex, unstable, and resistant to democratic change than it was when NED was founded 25 years ago. NED is surely a more seasoned and capable institution than it was in its early years, but that is not the main reason it can look to the future with confidence. NED’s strength lies in the power of the democratic idea and in its close relationship to democratic movements and organizations around the world. With that relationship firmly established and buttressed by trust and common belief, NED is well positioned to help democracy advance as much in the next 25 years as it did—beyond all expectations—in the last.



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