



**National Endowment  
for Democracy**

*Supporting freedom around the world*

**Strategy Document**  
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# Executive Summary

IT HAS BEEN MORE THAN 20 YEARS SINCE the establishment of the National Endowment for Democracy (NED) as a nongovernmental grant-making organization whose mission is to serve as a support system for democracy activists and advocates everywhere. The four institutes embedded in the core of NED's work—the American Center for International Labor Solidarity (ACILS), the Center for International Private Enterprise (CIPE), the International Republican Institute (IRI), and the National Democratic Institute (NDI)—represent sectors critical to the development of democracy.

NED's work rests upon a number of fundamental principles: that democracy grows from within societies and cannot be exported; that it includes, in addition to free and fair elections, a strong civil society and accountable institutions that can provide effective governance and protect fundamental rights; that democratization is a long-term process; that democracy assistance is not an exercise in top-down social engineering but a way to assist people fighting for increased human rights and democratic participation; that nongovernmental institutions such as the Endowment are best placed to aid grassroots groups; and that while promoting democracy is not exclusively an American enterprise, NED's work advances America's national interest.

The current period presents the Endowment with a new and, in many respects, paradoxical set of conditions. On the one hand, democracy and the promotion of democracy are prospering as never before. But in many places, consolidation of new democracies has either stalled or regressed. In addition, autocratic governments, determined to prevent a repetition of the so-called "colored" revolutions in Ukraine and other postcommunist countries, are mounting an attack against democratic groups and the international organizations that assist them.

Still, the power of the democratic idea endures, and NED and its grantees have continued their work of strengthening democrats and democratic

processes. Programmatic objectives during the coming period fit roughly into five categories that offer a coherent conceptual and operational framework for the enormous regional, cultural, and political diversity of the nearly 100 countries where NED is working:

**1. Opening political space in authoritarian countries:** NED will continue to place great emphasis on aiding democrats in authoritarian and closed political systems. In addition to advancing human freedom, transforming dictatorial systems would give encouragement to democrats throughout the world at a time of revived autocratic assertiveness.

In the dictatorships, NED will assist efforts to open political space by supporting human rights advocacy, independent broadcasting, and other means of increasing the free flow of information. In countries that are authoritarian but more integrated internationally, NED should also support projects that take advantage of growing pluralism, economic freedoms and access to the Internet.

NED will attach special importance to supporting democratization in China, not only because of its huge population, expanding economy, and growing geopolitical influence, but also because of its allure as a potential model for authoritarians who hope to marry economic growth with a continued monopoly on political power.

## 2. Aiding democrats and democratic processes in semi-authoritarian countries:

Semi-authoritarian states, which exist in each region where NED works, have a tendency toward instability, reflecting a tension between the state and social forces pressing for more political and economic space and the rule of law. The success of democratic or “colored” revolutions in some of these countries in recent years has triggered a backlash involving a variety of repressive measures, including the targeting of civil society organizations.

NED and its core institutes should not be deterred by these new obstacles. They should continue to assist political parties and independent trade unions, support coalition-building among prodemocracy civil society organizations, build free media, assist efforts to improve the integrity of elections, encourage cross-border assistance, and help grantees gain access to the latest communications technologies. In so doing, grant-making and work methods will need to adapt continuously to the new problems faced by beleaguered democrats.

It is also necessary to mobilize international solidarity with struggling activists in backlash countries. This should include the promotion of a set of core democratic standards that states should observe in their treatment of civil society organizations, human rights defenders, and others working to advance democracy.

## 3. Helping new democracies succeed:

Far too many emerging democracies suffer from weak economic performance, widespread corruption, and an unresponsive political process. One of the strategic priorities of the Endowment in such new democracies over the next five years will be to offer assistance to nongovernmental think tanks, civil society organizations, and networks (including regional networks) that diagnose the scope and causes of ineffective government performance, monitor democratic performance, propose insti-

tutional reforms, and advocate for policies that will improve the quality of citizens’ lives—in short, entities that create bottom-up pressure for clean and effective government.

NED’s institutes, as well as the International Forum for Democratic Studies and its network of research institutes, can also make a vital contribution by helping democratic parties and activists shape a new social agenda that offers imaginative ways to address the pressing needs of poor people in emerging democracies.

## 4. Building democracy after conflict:

In divided and war-torn societies, NED has been able to fund nonviolent and courageous democracy activists, helping them to survive and make their voices heard in the outside world. The creative, relatively small-scale initiatives NED has supported within such countries have often provided useful models that have been later built upon by larger-scale donors.

The Endowment’s goals will be to assist civil society groups to adopt and practice the democratic norms they wish to see in their governments; to encourage greater interaction and cooperation at the provincial and national levels; to promote cross-border collaboration among democracy activists and thinkers from different countries; to explore the potential for traditional groups and religious institutions to serve as democratizing actors; and to encourage dialogue among key power brokers, political parties, and democratically oriented civil society groups leading to agreed ground rules for power-sharing and making public decisions.

## 5. Aiding democracy in the Muslim world:

The Endowment will continue to make the promotion of democracy in the Muslim world a top priority in its global grants program, supporting efforts by indigenous democrats to influence public policy, monitor government agencies, combat corruption, support the rule of law, and strengthen independent media.

In the Middle East and North Africa, NED and its core institutes should continue to support the emerging civil society leaders and groups that have acted as catalysts for reform and have formed the base of popular movements for change. The work of civic groups in the region can complement the training and development of political activists and potential leaders of the liberal democratic political parties of the future, and their supporters and members could provide the base of support and membership for such parties.

The Endowment should also engage with and support, where possible, serious reformers within the ruling parties as well as moderate Islamists who are advocates of democratic reform. The Islamists should be encouraged to develop a code of conduct for political participation that goes beyond a readiness to participate in elections and to respect their results and includes such principles as the renunciation of violence, acceptance of women's and minority rights, support for internal party democracy, and acceptance of pluralism not just in politics but also in interpreting Islamic law. NED's core institutes can help reformers build platforms that move them away from polarizing Islamist and nationalist ideologies toward a discourse and practice that emphasize a new social agenda that addresses the basic needs of citizens.

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Because of its position as a global, multi-sectoral democracy foundation tied through core relationships with socially representative and broad-based institutes, NED has always been uniquely placed to build international solidarity and to serve as a worldwide hub for democracy practitioners, activists, and intellectuals. NED will seek to build international democratic solidarity by strengthening the World Movement for Democracy; encouraging, through the International Forum for Democratic Studies and the *Journal of Democracy*, quality research on the challenges facing democracy and serving as a global forum for democracy discussion and debate; promoting greater cross-border assistance to democrats in need; and

encouraging established and new democracies to create their own democracy foundations or to provide funding for local NGOs to operate internationally, as many new democracies in Central Europe are already doing. In addition to its own grant support for free media, NED will develop its newly established Center for International Media Assistance, which will bring together a broad range of media experts with the primary objective of enhancing the coherence, effectiveness, and prominence of media assistance within the broader field of democracy promotion.

Although the promotion of democracy has been a consistent goal of previous administrations, it has only recently become a central objective of U.S. foreign policy. NED will give priority to clarifying and enhancing understanding of the relative strengths and weaknesses of governmental versus nongovernmental approaches to democracy assistance. This includes assessing the field of democracy promotion after a period of dramatic expansion and considering areas where possible changes are needed, so that funds are used efficiently and the nongovernmental aspect of the work remains strong and central.

The struggle for democracy needs to be understood as a long-term effort that involves the strengthening of democratic processes, institution building, the development of liberal values and human rights, and cultural and intellectual evolution. Democracy assistance has grown as a field of international activity, but it is now under attack from many quarters, and a reaffirmation of NED's mission has become more important today than ever before.

## Preface

It has been more than twenty years since the establishment of the National Endowment for Democracy (NED) as a nongovernmental grant-making organization and the approval of its first annual congressional appropriation. The Endowment's mission was articulated by President Reagan in his 1982 address before the British Parliament in which he endorsed a bipartisan initiative enabling the free world to lend political, material, and moral support to those struggling for democracy. This idea had its antecedents in developments which had helped to lay the groundwork for bipartisanship, including the longtime international work of the American labor movement, the struggle for civil rights in the U.S., and the emphasis on human rights in the Helsinki Accords and in the Carter Administration's foreign policy.

The Endowment was established in 1983 as an independent organization not constrained by the day-to-day political, security, and economic interests and diplomacy of the U.S. government and therefore able to operate as a credible and consistent support system for advocates of democracy everywhere. NED structure reflects an appreciation of the importance of the party, labor, and business sectors of a democratic system. The four institutes embedded in the core of NED's work—the American Center for International Labor Solidarity (ACILS), the Center for International Private Enterprise (CIPE), the International Republican Institute (IRI) and the National Democratic Institute (NDI)—not only represent sectors critical to the development of democracy but also are able to operate in multilateral nongovernmental forums. In addition, NED funding helps develop and safeguard nongovernmental organizations (NGOs) that foster independent media, human rights, and other essential democratic institutions, values and processes.

The Endowment's grants program, which funds programs in nearly 100 countries, is bolstered by the International Forum for Democratic

Studies, a democracy research center that publishes the *Journal of Democracy* and administers the Reagan-Fascell Fellows Program; and by the World Movement for Democracy, a global hub for democracy networking and solidarity.

NED's work rests upon several fundamental principles:

- Democracy cannot be exported or imposed, and the processes of self-liberation and empowerment central to democratic societies should be led by indigenous populations.
- Although democracy is not possible without free and fair elections, it also involves a free press; a vigorous civil society; free and independent trade unions; an independent judiciary; a division of powers; public accountability; decentralization and effective local governance; effective political parties; accountable and representative parliaments; protection and promotion of the rights of political, ethnic, and other minorities; freedom of conscience, expression, and association; and the right to practice the religion of one's choosing.
- While the end of a dictatorship can provide the opportunity for people to begin the process of building democracy, that process is inevitably a long and difficult one, involving decades of hard work, democratic learning, and the development of values of tolerance and institutions of governance that enable pluralist societies to resolve differences through peaceful means.
- Democracy assistance is not an exercise in top-down social engineering. Rather, it is a means of helping indigenous political, private sector, and social organizations and, above all, the people who take part in them build for themselves a free and open society.
- While governments have an important role to play in promoting democracy and

protecting democracy activists, organizations independent of government—unencumbered by diplomatic, economic, or other competing strategic interests—are best placed to aid grassroots groups struggling to achieve or consolidate democracy.

- Promoting democracy is not solely an American enterprise, but rather a global effort.
- In carrying out its mission of promoting democracy, NED advances the American national interest and embodies America's highest ideals.

## Introduction

This is the fourth time since 1992 that the Endowment has developed a five-year strategic plan. Each of the three previous Strategy Documents provided an institutional road map for the organization, one that helped NED and its four institutes define both the principal challenges facing them in the period ahead and the priorities on which they hoped to focus. The first Strategy Document, approved in 1992, attempted to refocus the work of NED in the immediate aftermath of the Cold War and to define its comparative advantage as an independent, mission-driven democracy assistance organization at a time when direct government funding in this field was rapidly expanding. The challenge facing the Endowment in 1997, when the second Strategy Document was approved, was how the organization could remain a dynamic and increasingly influential center of democracy assistance and activity at a time of budget austerity and reduced interest in Congress and the general public in international affairs. The third and most recent Strategy Document was adopted in January 2002 in the wake of the shattering events of September 11. The challenge then was to develop

The Endowment's independent bipartisan Board of Directors, comprising leading figures in American political and intellectual life, shares a deep commitment to its mission. NED has received the resolute backing of every Administration since its founding, as well as strong bipartisan support from each Congress. The Endowment's track record of working in partnership with grassroots activists throughout the world is well documented, and it has confirmed the wisdom of a nongovernmental, multi-sectoral approach.

an approach to aiding democracy in the Muslim world even as NED maintained a global program in more than 80 countries, ranging from emerging democracies to harsh dictatorships.

The current period presents the Endowment with a new and, in many respects, paradoxical set of conditions. On the one hand, democracy and the promotion of democracy are prospering as never before. According to the latest Freedom House Survey, the number of countries in the world classified as "free" now totals 90, the highest ever. There are an additional 33 "electoral democracies" (meaning countries that have poor records on human rights and governance but where elections are essentially free and fair and political oppositions have space to function and access to the media), bringing to 123 the total number of countries that can be classified as democracies, unchanged from a high reached in 2006.

The global expansion of democracy has been accompanied by changes in attitude and public policy that have contributed to and reinforced democracy's current success. Today, democracy is the only system that confers legitimacy upon a government, even to the point where it

has become a virtual norm of practice within the international system. Opinion surveys have shown that it also enjoys broad appeal within all of the world's major regions and cultures, in good part because of the instrumental role it plays in empowering and protecting average citizens and promoting human rights, development, and peace. The widespread acceptance of democracy can also be seen in the growth of democracy assistance as a field of international activity undertaken by governments and multilateral bodies such as the United Nations, the Organization of American States, and the European Union, as well as by a wide variety of nongovernmental institutions and democracy foundations like NED. A recent joint declaration by leaders of the United States and Europe recognizing the advance of democracy as "a strategic priority of our age" is an indication of the new importance attached to democracy promotion by the world's leading democracies.

But there is another side to the contemporary reality that is reflected in the stagnation of democratic progress and the poor performance of emerging democracies, as well as in the rise of formidable new threats to democracy and democracy promotion. The robust number of democracies conceals the fact that the "third-wave" expansion of democracy has largely ground to a halt, and that the few transitions that have occurred since the end of the 1990s have been more than counter-balanced by the overthrow or incremental deterioration of democracy in a number of strategically important countries such as Pakistan, Russia, Venezuela, and, most recently, Thailand. Democracy is also seriously at risk in other key countries, most notably Bangladesh and Nigeria.

Elsewhere in the world, progress toward consolidation of new democracies has been disappointingly slow. While Central European democracies are generally consolidated and stable as a result of the European Union accession process, there remains serious public disaffection in many of these countries with corruption, govern-

ment performance, and the failure to deliver on the promise of economic development. Public confidence in democratic actors and institutions is much lower elsewhere in the former communist world, and in much of Latin America and East Asia. In Africa as well, even in countries that have not experienced devastating civil conflict, levels of trust in political institutions are quite low and disenchantment with corruption is widespread.

In addition to the backsliding and loss of democratic momentum and confidence, an attack is being mounted by semi-authoritarian or autocratic governments that wish to preempt and eliminate any possibility of new uprisings similar to the so-called colored revolutions that occurred in Ukraine, Georgia, and other postcommunist countries. Toward this end, and in order to retain their hold on political power, these regimes have resorted to a number of measures to neutralize or suppress internal democratic forces; consolidate effective control over political institutions, the media, civil society, and domestic economic institutions; and block democracy assistance. These measures include the passage of harsh laws sharply restricting the independence of civil society NGOs and their access to international funding; the consolidation of state control over major communications outlets and the harassment of independent journalists and media organizations; the intrusive monitoring and even expulsion of international democracy and human rights organizations; the arrest and persecution of dissident activists, human rights defenders, and opposition politicians; and the establishment and funding of government-controlled NGOs, or GONGOs, and government-sponsored political parties.

Some formalities of democracy are nonetheless observed, such as the conduct of elections and even the tolerance of a degree of opposition political activity, albeit sharply circumscribed. The purpose of elections under these circumstances is not to allow real political competition but rather to ratify and legitimize the existing regime and to ensure that its power is not subjected to any meaningful challenge.



On one level this backlash is a defensive reaction by autocratic regimes that feel threatened by the spread of democracy and the expansion and heightened visibility of democracy assistance as both a policy objective and as a field of programmatic activity. But it has gathered unusual force because it coincides with the rise of a new populism that is feeding off the widespread disenchantment with the performance of emerging democracies, and also with a series of recent developments that have strengthened the hand of the autocrats. These include high oil prices that have enhanced the influence and belligerence of autocratic regimes in Russia, Venezuela, and Iran; gains made by Islamist movements in elections in Palestine and Egypt that have allowed autocrats to pose as the lesser of evils and set back the drive for democracy in the Middle East; and the threat of terrorism that has given autocrats in many countries a new excuse to crack down on dissent.

In addition, China, in its quest for resources to sustain its growing economy, is providing support to undemocratic regimes not just in neighboring Burma and North Korea but also in countries like Zimbabwe, Sudan, and Uzbekistan. Flexing its new political power, China has also joined Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan in the Shanghai Cooperation Organization (SCO). Launched as a trade and security-based multilateral initiative, the SCO is increasingly promoting a distinctly authoritarian agenda and retarding efforts to promote democracy in Central Asia.

While the pushback against democracy is stronger and more aggressive than in the past, its force should not be exaggerated. Nor should the many strengths of the world's democracies and the global democracy movement—or the vulnerabilities of the autocrats—be underestimated. The enduring power of the democratic idea can be seen in the fact that even many autocracies covet the image of being democratic and go to great lengths to affirm their democratic legitimacy. Regardless of the adjective these governments attach to their “democracy”—whether it is “sovereign” in Russia, or “Bolivarian” in Venezuela, or “Islamic” in Iran, or “socialist political” in China—they cannot escape the contradictions inherent in their desire to be part of the global economy and to reap the benefits of modern technology, which they must do to satisfy an increasingly demanding and politically conscious population, while simultaneously trying to maintain a monopoly of power.

The challenge facing democratic movements and organizations under attack will be to maintain themselves by strengthening their outreach and capabilities and awaiting the opportunities for democratic openings, which will inevitably come. NED and its grantees should quietly press ahead, building democratic linkages and solidarity throughout the world; carefully seizing the initiative when new opportunities present themselves for democratic gains in dictatorial or semi-authoritarian countries; and looking for small victories, which will lead eventually to larger ones, in countries struggling to construct or consolidate democratic institutions. On this basis we look to the future with confidence and determination.

# A Global Grants Program

The Endowment's current global strategy for democracy builds upon the 2002 Strategy Document that set forth five broad program categories—opening dictatorial systems, democratizing semi-authoritarian countries, consolidating new democracies, healing war-torn countries, and aiding democracy in the Muslim world. These categories offer a coherent conceptual and operational framework that takes full account of the enormous regional, cultural, and political diversity of the nearly one hundred countries where NED is working. They are as relevant today as they were in 2002, which is why the new strategy maintains these categories, even as it has renamed and refined them in ways that highlight critical new challenges.

## Opening political space in authoritarian countries:

NED will continue to place great emphasis on opening political space in authoritarian and closed political systems. Achieving the transformation of dictatorships, in addition to advancing human freedom, would give encouragement to democrats throughout the world at a time of revived autocratic assertiveness.

Support for the free flow of information and for defending the basic human rights of those who speak out is a vital form of international assistance for those struggling for freedom in the face of severe repression. In the most closed societies, where the population is isolated from the world, and discussion of social and political questions is suppressed, NED's experience and approach make it uniquely positioned to harness the fundamental power of truth-telling.

In countries such as North Korea, Burma, Syria, Libya, Saudi Arabia, and Turkmenistan, NED will assist efforts to open political space by supporting human rights advocacy, independent broadcasting, and other means of increasing the

free flow of information. NED should continue to support Cuban human rights and democracy groups in combining old and new technologies to form internally-based networks of independent workers, journalists, private sector groups, and political and civil society activists, now poised to take advantage of new opportunities created by the passing of the Castro era.

The enhancement of communications potential made possible by the spread of Internet publications and forums offers great scope for overcoming and bypassing systems of censorship and tight political control. More broadly, the globalization of commerce and communications has brought an unprecedented degree of openness to a number of authoritarian systems. In countries such as China and Vietnam, which are partially integrated into the international system but still authoritarian, NED should support not only the core work of defending human rights and freedom of information (human dignity and truth telling) but also projects that take advantage of growing pluralism, economic freedoms, and freedom of movement.

NED will attach special importance to supporting democratization in China, not only because of its huge population, expanding economy, and growing geopolitical influence, but also for its allure as a potential model for authoritarians who hope to marry material prosperity and the benefits of economic openness and international trade with a continued monopoly on political power.

Chinese citizens continue to demand good governance and representation of diverse interests and views in society. The rising anger of dispossessed citizens protesting corruption and abuse of power has prompted some small steps toward increasing government responsiveness and accountability. But a wide range of ordinary citizens, as well as some elites, recognize that true accountability is impossible to achieve within the context of authoritarianism. They are increasingly speaking out to demand change: villagers who are victims of land seizures and forced abortions, workers

suffering abysmal enforcement of safety protections, entrepreneurs who are beholden to corrupt officials, scholar-activists who cannot criticize the system or offer proposals for basic reforms, and people in all spheres who are alarmed by the massive and unchecked degradation of the environment. Moreover, a small, nascent, but determined swath of independent civil society—an array of organizations, think tanks, informal media, and other groups in the public sphere—is now gradually establishing itself in China, a development that deserves unstinting international assistance.

To assist democrats in authoritarian countries, and taking into account the particular political and cultural circumstances in each country, NED will support a variety of initiatives in the following areas:

- the free flow of information, including the use of new communications technologies and the development of cross-border collaboration;
- the defense of human rights and the provision, where possible, of legal assistance to civil society activists at risk of arrest and persecution;
- the emerging civil society, consisting of groups self-organized to address issues of common and public concern, ranging from providing social welfare to defending minority religions and property rights, from organizing workers to advocating policy and political reforms in such areas as public health, corruption, the environment, economic reform, and women's rights;
- the private sector, including support to individuals and organizations committed to democracy and working to strengthen collaboration between business and civil society;
- in multi-ethnic societies, where the issue of democracy is overlaid with questions of self-governance, forums for members of both minority and majority ethnicities are needed to discuss common principles that respect key requirements of democratic practice, including questions of representation, minority rights, equality, and the peaceful resolution of conflict; as are discussions and studies of concepts such as federalism, autonomy, self-determination, and the relationship of national and ethnic identity to issues of sovereignty, self-governance, and democracy.

### **Aiding democrats and democratic processes in semi-authoritarian countries:**

Semi-authoritarian states exist in each region where NED works—estimates suggest there are some 45–60 such regimes—and can be characterized broadly by the following traits: a highly centralized and often personalized executive with a weak legislature and limited space for opposition activity; a large informal business sector; a government-controlled judiciary, unable to ensure compliance with the rule of law on issues ranging from property rights to basic human rights; media that are mostly controlled by the state or its allies, but with some struggling independent outlets; and an electoral system that exhibits the outward signs of an authentic democratic institution, but which in practice is manipulated by the state.

Such regimes generally have a fairly well established but struggling third sector, where NGOs such as human rights groups, analytical centers, private sector advocacy groups, and some independent media are able to operate—albeit with difficulty—but cannot empower citizens to influence their rulers to pursue peaceful political change. Because they are usually the most independent groups in an otherwise controlled society, NGOs in semi-authoritarian states are generally on the front lines of opposition to the ruling regime and come under constant pressure. Semi-authoritarian states are mostly open

enough for international democracy assistance organizations to be able to operate and for the indigenous third sector to receive funds from international donors.

Semi-authoritarian systems have a tendency toward instability, reflecting a tension between the state and social forces pressing for more political and economic space and the rule of law. This tension has sharpened in recent years. In some countries, the clash between the semi-authoritarian regime and the prodemocratic forces of civil society have led to a “breakthrough,” generally at the time of an election, that has brought the democratic opposition to power—as in Slovakia (1998), Serbia (2000), Georgia (2003) and Ukraine (2004).

The success of these democratic or “colored” revolutions, as they have come to be known, has triggered a “backlash” in many semi-authoritarian states. The leaders of these regimes have not only stepped up repressive measures but have also devised new methods to prevent challenges to their authority, including cracking down on independent NGOs and on the support they receive internationally. In countries such as Russia, Venezuela, Belarus, Egypt, and Zimbabwe, the increased repression of civil society organizations is a key aspect of this new anti-democracy backlash.

In working to promote democratization in semi-authoritarian countries, it is important that NED and its institutes:

- assist NGOs, political parties, and independent trade unions in their efforts to preserve and broaden political space for civil society and advocate for better conditions for people’s lives;
- support efforts to create broad coalitions and collaboration among pro-democracy civil society organizations, and help them to include opposition political parties;

- work to expand the outreach and professionalism of independent media;
- assist efforts to improve the integrity of elections, including support for citizens’ monitoring groups, exit polls, and complaint procedures in response to violations, the purpose of these efforts being to support not specific outcomes but rather a democratic process; and
- encourage cross-border assistance within regions to strengthen democratic cooperation and solidarity, share relevant experiences, and build on local momentum for change, especially from countries where a democratic breakthrough has already taken place.

To address these new challenges in the period ahead, NED and its core institutes must keep their methods of working up-to-date by being sensitive and responding to the new problems faced by beleaguered democrats. In countries where there has been significant backsliding on democracy, strategies and operating procedures developed over more than 20 years of work in a diverse range of situations, including closed societies, remain relevant. Flexible grant arrangements must continue to be tailored to assist grantees under pressure. As in the past, NED must help its grantees have access to the latest communications technologies, enabling them to make creative use of the Internet, email, and text-messaging, even as they continue to make use of older methods of communication such as video and CD technology and risograph printers.

Democrats in semi-authoritarian countries should also be supported by efforts to build solidarity at the international level. Working in close cooperation with the World Movement for Democracy, NED will seek to mobilize support among democracy and human rights NGOs as well as civil society agencies and activists from other fields, including parliamentarians, diplomats, trade unionists, journalists, entrepreneurs, and members of professional associations.

This international network, linking leaders in democratic states with beleaguered democrats, will elaborate and promote a set of core democratic standards that states should observe in their treatment of civil society organizations, human rights defenders, and others working to advance democracy. It will also establish the intellectual and political rationale for a proactive international defense of democracy activists and organizations, including the issuing of a report affirming the principle of democracy promotion prepared under the auspices of the World Movement for Democracy and endorsed by a group of internationally renowned democrats.

The network should promote democracy assistance as a normative practice within the evolving international system of transnational bodies, grassroots NGOs, and sovereign states. It should encourage the Community of Democracies to reaffirm and further elaborate its founding Warsaw Declaration, which endorsed democracy promotion, and to seek approval for the Declaration from democratic governments and parliaments around the world, as well as by regional bodies and global institutions, including the United Nations.

**Helping new democracies succeed:** Over the last three decades, democracy has made historic gains, yet far too many new democracies have not fulfilled their citizens' hopes for effective governance, effective economic institutions, and improved living standards. The third-wave democracies that are struggling along, unstable or unconsolidated, share several factors in common: the performance of democratic institutions has been disappointing, structures of horizontal accountability are weak and ineffective, and yet the press is relatively free to report scandals regarding the abuse of power and public resources. Thus, the public perceives that corruption is rampant, politicians care only for themselves, political parties do not represent the citizenry, and the political system is not responsive. When economic performance disappoints as well, alienation and disenchantment intensify.

Much of the challenge of improving government performance and accountability and combating corruption must fall to official bilateral and multilateral development assistance programs. However, there is a distinctive and urgent role for NED to play in helping civil society in troubled democracies respond to these common challenges in the following ways:

- to diagnose the scope and causes of the ineffective performance of democratic institutions;
- to monitor the functioning of particular democratic institutions;
- to propose reforms of governmental institutions or the creation of new institutions, check and control the abuse of power, empower the private sector, strengthen the rule of law, increase the transparency and accountability of government, enhance government responsiveness to citizen interests, and so diminish the confidence gap between the politicians and the public;
- to strengthen the role of political parties, business groups, trade unions, and legislatures in articulating the public interest and developing laws and policies responsive to it;
- to build civic coalitions to advocate for a reform agenda;
- to educate the public at all levels about the needs for commitment to ethical standards, respect for law, and citizen involvement and vigilance, if good governance is to be achieved; and
- to develop knowledge and techniques needed to address issues, to advocate for policies and services that improve the quality of citizens' lives, and to monitor policy implementation.

One of the strategic priorities of NED over the next five years will be to offer assistance to nongovernmental think tanks, civil society organizations, and networks (including regional networks) that perform these essential functions in emerging and challenged democracies. The civil society organizations may include groups that are monitoring the conduct of government and advocating for institutional reforms to enhance transparency and accountability, as well as transnational networks that are identifying and sharing best country practices, including those working to make democratic government deliver better living conditions for its citizens. NED will also consider support for African civil society organizations working to pressure intergovernmental bodies to adopt serious mechanisms for identifying and improving deficiencies of governance.

The goal will be for NED to leverage its limited resources to support those civil society organizations and networks that are on the cutting edge of the struggle to improve the quality of governance through institutional reform in new and challenged democracies, and to encourage the emergence of models of positive reform efforts that can diffuse to other countries in similar circumstances.

NED also has an important role to play at the level of knowledge and ideas. Working with the Network of Democracy Research Institutes, the International Forum for Democratic Studies will strive to identify common problems of poor democratic performance, institutional reforms that show promise of improving governance, and political strategies for winning the adoption of reforms.

NED's institutes, as well as the International Forum and its network of research institutes, can also make a vital contribution in helping democratic parties and activists shape a new social agenda, one that offers imaginative ways to address the pressing needs of poor people in emerging democracies. In societies with very

large numbers of people who are impoverished and excluded, it has often been populists and Islamists, more so than democrats, who have found a way to speak to the needs of the poor, though they often exploit grievances more than they offer real answers to people's needs for employment, health care, education, and social protection. Recognizing the central importance of this social dimension, the International Forum and the NED family as a whole will highlight successful programs that respond creatively and effectively to the real needs of the poor and encourage the formulation of new ideas for reform.

**Building democracy after conflict:** Democratization efforts in post-conflict countries face special problems that vary in complexity and depth depending on the degree to which governance structures, as well as the social, political, and economic fabric, have been displaced or distorted by conflict. The conflict's duration, breadth, and intensity; the extent of external involvement; and the amount of destruction of physical infrastructure are all likely indicators of the difficulties posed for democratization and peace.

The Endowment has at times played a unique role in such situations by funding groups in countries that cannot be reached by donors that require an in-country presence or the acquiescence of the target country's government. That has meant that in conflict-prone environments, or even in war zones, NED has been able to fund small pockets of moderate, nonviolent, prodemocracy actors. This has served to help such elements survive and to make their voices heard in the outside world, increasing the awareness of grassroots moderates often drowned out by combatants.

Where NED has been engaged with democracy efforts prior to a peace agreement, it has found itself especially well-positioned in post-conflict situations to help prodemocracy actors assert their interests and those of the citizens with whom they interact. Through its grantees, NED

has learned that traditional or locally developed structures, not typically associated with Western notions of democratic institutions, can often adapt more rapidly and effectively to democratic decision-making, problem-solving, education, and conflict resolution than formal governing structures, which often cannot reach many parts of the country. NED's separation from government has enabled it to support creative, relatively small-scale initiatives within a conflict and post-conflict framework, and has thereby provided useful examples that have often been later built upon by larger-scale governmental resources. NED is also able to provide resources to organizations and initiatives whose independence from government, including the U.S., may be of critical importance to their own credibility or ability to function.

The Endowment will support democratically oriented groups and help them adapt their approaches as their country moves from conflict to peace-building and democratization by:

- encouraging and assisting civil society groups (including media, labor unions, business, political parties, human rights, and think tanks) to adopt and practice the very democratic norms they wish to see in their governments, including internal and external transparency, tolerance, civil discourse, professionalism, and building depth in their organizations;
- encouraging and facilitating greater communication and interaction (through the growing use of the Internet and cellular phones) among prodemocracy civil society groups in countries where conflict has heretofore kept groups isolated from each other;
- promoting cross-border collaboration among democracy activists and thinkers, especially where conflict has been fueled or sustained by cross-border actors. This should include collaboration in pressuring and advising regional and global intergovernmental groupings to adopt and implement

democratic norms and approaches to solving regional conflict;

- continuing to explore the potential for those traditional or religious institutions that are embedded in their communities, and which have local legitimacy, to serve as democratizing actors, fostering reconciliation and inter-group cooperation and exploring how they could play a constructive role in establishing more formal democratic governing institutions for the longer term; and
- encouraging the emergence of a social contract between the governing and the governed, even as transition frameworks and the political exercises intended to give legitimacy to power arrangements unfold, as a way to push forward political processes as peace building exercises rather than polarizing events. This would include supporting dialogue between the key power brokers, political parties, and democratically oriented civil society groups leading to agreed ground rules for power-sharing and making public decisions.

**Aiding democracy in the Muslim world:** The challenge of promoting democracy in the Muslim world spans all four program categories described above. Although the fundamental challenges to building democratic states and societies are not specific to the Muslim world, the democratic deficit in the broader Muslim world, particularly in the Arab Middle East, is marked. Moreover, even in new or electoral democracies, extremist Islamist forces opposed to such democratic norms as a respect for religious freedom and women's rights may pose a threat to the consolidation of democracy in the Muslim world.

The Endowment will continue to make the promotion of democracy in the Muslim world a top priority in our global grants program, supporting efforts by indigenous democrats to influence public policy, monitor government agencies, combat corruption, support the rule of law, and

strengthen independent media. While it will work throughout the Muslim world, it will concentrate its resources primarily in the Middle East and North Africa (MENA) region, as well as in Afghanistan and Pakistan.

Political space in the Arab Middle East is dominated by two blocs: authoritarian regimes, whether in the form of autocratic monarchies or stagnant ruling political parties that operate as instruments for the regime in power; and opposition groups that exploit religion to mobilize power and form political constituencies. The reformers within these blocs act largely as individuals and have not consolidated their disparate efforts into effective advocacy actions. Still, as one aspect of its program, NED should look to support serious reformers from within ruling and opposition parties and remain alert to opportunities that arise as political power and priorities shift within parties.

While authoritarian regimes in the region have effectively controlled political participation and exploited anti-Western sentiment to crack down on opposition leaders and movements, liberal opposition groups remain fragmented and have been unsuccessful at expanding their base of support beyond their traditional elite base of intellectuals and professionals. NED and its core institutes should also encourage the development of liberal democratic political parties and actors that occupy the middle ground, as the Endowment has done in other regions over the years. In order for these groups to become genuine players in the political arena, they need to develop new leadership, define a coherent agenda for reform, and identify possible constituencies and avenues for positive impact.

To encourage the development of democratic values across the political spectrum, NED should continue to support the emerging civil society leaders and groups that have acted as catalysts for reform in the MENA region and have formed the base of popular movements for change. The work of civic groups in the region can complement the

training and development of political activists and potential leaders of the liberal democratic political parties of the future, and their supporters and members could provide the base of support and membership for such parties.

Given the absence of liberal secular traditions in the region, Islamist groups and their ideology currently dominate the political space, with an increased influence over chambers of commerce, labor unions, and professional associations. This has allowed regimes in the region to cynically exploit recent electoral gains of Islamist groups by posturing as the last lines of defense against radical political Islamism. Caught between the rise of radical Islamism and the absence of liberal secular traditions, democrats in the region face the difficult challenge of reconciling traditional Muslim values of freedom, justice, and dignity with modern liberal concepts of pluralism, citizenship, and individual rights. In this context, NED should support efforts of democracy-oriented local actors seeking to engage moderate Islamists who are advocates of democratic reform.

The Islamists should be encouraged to develop a code of conduct for political participation that goes beyond a readiness to participate in elections and to respect their results and includes such principles as a commitment to nonviolence, acceptance of women's and minority rights, support for internal party democracy, and acceptance of pluralism not just in politics but also in interpreting Islamic law. Such guarantees would reinforce the long-term positive impact of successive election cycles on the overall democratic development of the region, regardless of who triumphs in the short term.

As important as it is to work with reformers within ruling parties, moderate Islamists, or nascent liberal activists, NED recognizes that these parties will gain only a limited number of followers if they cannot demonstrate an ability to deliver tangible improvements in citizens' daily lives. NED's party, labor, and business core institutes can help reformers build platforms that move them away



from polarizing Islamist and nationalist ideology into a discourse that emphasizes a new social agenda that addresses the basic needs of citizens in the areas of health, education, employment, and economic opportunity. Such an agenda would also strengthen the position of moderates within the political parties as they take the initiative away from the radical ideologues. Only by integrating a new social platform into their political activities will the reformists find a way to break the Islamist and ruling party monopoly over the political discourse in the region and develop a grassroots appeal for political party recruitment.

**Managing NED's Growth:** The Endowment must develop new ways to handle the overwhelming workload involved in funding more than 1,000 programs a year and overseeing thousands of active grants, while maintaining the flexibility, responsiveness, and cutting-edge approach that has been the great strength of NED's grants program in the past. This will involve continuing to systematize the Endowment's management tools and procedures without turning it into a bureaucratic organization.

NED's grantees have contributed to the unique quality of the grants program. By funding grant-

ees who are mission-oriented and who have clear aims and objectives as they work to bring and consolidate democracy in their respective countries, NED has been able to maintain a cutting-edge approach to promoting democracy around the world. The synergy that develops between the Endowment and the grantees in the field helps to enrich the program and often accounts for the high level of effectiveness. NED's core institutes also have also learned to choose partners with an eye to on-the-ground effectiveness, and the complementarity between their programs and NED's direct discretionary grants has helped it fashion a comprehensive and multi-faceted approach to aiding democracy.

NED's multi-sectoral approach to grant making requires a unique method of monitoring and evaluation. The evaluation system employed by NED will continue to evolve over the course of the next five years. In addition to refining existing evaluation systems, the Endowment aims to develop and implement systems that better profile the outcome and impact of its grants. Organizing and disseminating institutional experience and knowledge, specifically lessons learned, will be at the forefront of these efforts.

## Acting to Advance Democracy Worldwide

**Building international solidarity:** Because of its position as a global, multi-sectoral democracy foundation tied through core relationships with socially representative and broad-based institutes, NED has always been uniquely placed to build international solidarity and to serve as a

worldwide hub for democracy practitioners, activists, and intellectuals. Such solidarity is especially important at a time when autocratic forces have become more assertive, democratic progress has stalled, and the established democracies are in danger of losing confidence in democracy's purpose and future prospects. NED will seek to build international democratic solidarity by:

- strengthening the World Movement for Democracy, which has established itself as an indispensable center for regional

and global democracy networking as a proactive instrument for mobilizing solidarity with democrats-at-risk and for developing international strategies for advancing democracy and responding to new challenges. Guided by its Steering Committee composed of leading democracy activists from almost 30 countries, the World Movement, as mentioned above, is spearheading an international defense of civil society in the face of the new backlash against NGOs and democracy assistance;

- encouraging quality research on the challenges facing democracy and serving as a global forum for democracy discussion and debate. Through a broad range of research initiatives—the International Forum for Democratic Studies, the *Journal of Democracy*, the Reagan-Fascell Democracy Fellows Program, the annual Seymour Martin Lipset Lecture on Democracy, and the Network of Democracy Research Institutes—NED has become a truly vital center of democratic thought that can rally intellectuals worldwide to defend the democratic idea;
- promoting greater cross-border assistance to democrats in need. While the practice of cross-border assistance was pioneered in Central Europe and continues to be of vital importance in the postcommunist region, especially at a time when governments in Russia, Belarus, and Central Asia are trying to stifle international assistance for local NGOs and opposition movements, its importance is growing in other regions as well. In East Asia, regional support networks are growing and NGOs in South Korea are becoming increasingly involved in North Korean-related issues through human rights advocacy and independent broadcasting. In the Middle East and Africa, NGOs are providing regional media assistance and developing new regional democracy and human rights networks;
- encouraging established and new democracies to create their own democracy foundations or to provide funding for local NGOs to operate internationally, as many new democracies in Central Europe are already doing. NED hopes to work more closely with Australia and Canada as each expands its role in international democracy assistance. It will also continue its efforts to encourage Japan, India, and Chile, among other countries, to develop their own institutions for promoting democracy. Not least, NED will work to strengthen cooperation with partners in Europe, efforts that would be significantly advanced if the proposed initiative to create a new European democracy foundation is successful.

### Supporting independent media:

NED has long recognized the value of free, independent, and effective media to the success of democracy. Self-government cannot be sustained without a press that can, without fear of intimidation, inform citizens of the choices they face and report professionally on the decisions and actions of governments. Independent media played key roles in the liberation of Central and Eastern Europe, and in the developing world media have proven an essential aspect of the struggle for human rights.

The Endowment is currently supporting scores of media-related initiatives through its grants program in countries in every region of the world, helping those on the ground build the infrastructure of a free press. NED grantees are on the cutting edge of helping to create and sustain independent media, from training journalists, teaching desktop publishing skills, promoting community radio, and developing internet-based publications, to creating press associations, publishing books on freedom of the press, monitoring and investigating the harassment of journalists, and getting shortwave and satellite broadcasts into closed societies.

NED's role in supporting independent media will continue to grow in the coming years in part as a result of an initiative it is spearheading to bring together a broad range of media experts with the primary objective of improving the field's quality and visibility. The Center for International Media Assistance, housed at NED with a grant from the Department of State, plans to support the development of a media assistance network of implementers and local practitioners; develop a clearinghouse of information about developments in the field of media assistance and about the state of media more generally; conduct research and evaluation to assess the most effective way to direct spending for media assistance; and identify and encourage U.S. private sector groups that are committed to helping their counterparts abroad.

### **Reaffirming NED's mission:**

Although the promotion of democracy has been a consistent goal of previous administrations, it has become a central objective of U.S. foreign policy, even to the point where the very first sentence of The National Security Strategy approved in March 2006 reads: "It is the policy of the United States to seek and support democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world." The importance attached to the promotion of democracy is a welcome and even inspiring development. But it also makes it more than ever incumbent upon NED to explain and reaffirm its role as an organization independent of government—and representative of broad sectors of American society—with an exclusive focus on the promotion of democracy.

The expansion of the field of democracy promotion, along with its elevation as a policy objective of the U.S. government, has drawn more attention to the work, if not more clarity regarding how this work should be properly understood and how it relates to government policy. In the new situation, the Endowment should be proactive in working with leading figures from the NED family, policy makers within the Administration and from Capitol Hill, and some

independent experts to share ideas and to discuss the key issues and challenges.

Such efforts would seek to give policy makers the benefit of greater exposure to the day-to-day realities of democracy support, while enabling those outside government to gain a better sense of policy options currently under discussion. Priority should be given to clarifying and enhancing understanding of the relative strengths and weaknesses of governmental versus nongovernmental approaches to democracy assistance. This would include assessing the field of democracy promotion after a period of dramatic expansion and thinking about what changes are needed, so that funds are used efficiently and the non-governmental aspect of the work remains strong and central.

The struggle for democracy needs to be understood as a long-term effort, involving the development of democratic processes, institution building, liberal values and human rights, and cultural and intellectual evolution. The effort to build democracy is a process that involves empowering society as well as reforming government. As outsiders, our role is to provide financial, technical, and political support in response to local needs. But building a free and democratic society is ultimately a process of self-liberation and human development that must be undertaken and led by the people themselves. The idea that we, as citizens of a free society, have an obligation to assist people who are struggling for democracy, has always been a core NED belief, along with our belief in their capacity to succeed. With democracy assistance now under attack from many quarters, a reaffirmation of this philosophy and of the Endowment's mission has become more important today than ever before.

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Suite 800  
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