National Endowment for Democracy

Annual Report
1985

NATIONAL ENDOWMENT FOR DEMOCRACY

ANNUAL REPORT 1985

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CHAIRMAN'S MESSAGE

It is a special pleasure to introduce, on behalf of the Board of Directors of the National Endowment for Democracy, this, our second Annual Report. It has been an exciting and satisfying year during which the Endowment made significant progress in building the private-sector capability for strengthening democratic values and institutions worldwide.

Though the Endowment has been in existence for less than two years, we are already beginning to see the fruits of our labors. We are proud of our accomplishments and enthusiastic about the promise of the Endowment's years to come. Each of us has worked hard to make this important new program a success. The Board of the Endowment -- representative of the broad bipartisan consensus which exists in the U.S. in support of democracy -- carefully considers each project funded. This year we have been privileged to welcome two distinguished new members: Henry A. Kissinger and Walter F. Mondale. Each brings a wealth of experience and wisdom to our deliberations, and we are honored by their decision to join us in committing their time and energies to the work of the Endowment.

Ours is a delicate and challenging assignment. As a private, nonprofit organization utilizing funds appropriated by the federal government, we have a special obligation to operate openly and account fully for programs and funds.

Through its grants, the Endowment seeks to respond sensitively to the needs of the private citizens and organizations who are working peacefully for self-rule in a multiplicity of cultures and circumstances. We do not take our responsibilities lightly.

Under the very able leadership of Carl Gershman, the Endowment's president, the staff has worked in cooperation with a broad array of organizations to establish a wide-ranging and innovative series of programs. The number of thoughtful and creative proposals which the Endowment has received and the enthusiasm with which Board and staff have confronted all challenges are extremely encouraging. The vast talents and energies which have already been mobilized by the Endowment's work on behalf of democratic values and institutions around the world, better than anything else confirm our belief that we have indeed begun to make a difference.

In the following pages you will find a detailed review of the Endowment's accomplishments in the past year. We trust our work will continue to give hope and support to those around the world who are working for a just and democratic future.

John Richardson
Chairman

PRESIDENT'S REPORT

This Annual Report covers the National Endowment for Democracy's first full year of activity. It not only lists the grants made in fiscal year 1985, but also highlights some of the activities funded in FY 84 and carried out during the last year by Endowment grantees. These highlights demonstrate that the Endowment has made an impressive start toward meeting the high expectations that attended its creation in November 1983. Although the fruits of many of the Endowment's efforts will only be realized over the long term, the pages which follow demonstrate some notable and visible successes which have already been achieved.

The Endowment's program priorities, as set by the Board, follow the general purposes established in the Endowment's Articles of Incorporation and the National Endowment for Democracy Act which was enacted by the U.S. Congress in November 1983 to authorize congressional funding for the Endowment. The guidelines set forth in the Endowment's Statement of Principles and Objectives, adopted by the Board of Directors on December 4, 1984, further define program priorities and project categories. In recognition of the important role of labor and business in strengthening pluralism and democracy, the authorizing legislation mandated a special relationship for the Endowment with the AFL-CIO's Free Trade Union Institute and the U.S. Chamber-affiliated Center for International Private Enterprise. The legislation established specific funding levels for those two groups within the Endowment's total authorization of $31.3 million. In fiscal year 1985, despite the fact that the Endowment's total appropriation was only $18.5 million, the Endowment was required to comply with those earmarked levels and award a total of $16.3 million for the work of labor and business. Fiscal year 1985 budget allocations, therefore, were less evenly distributed than they would have been had the full authorized amount been appropriated.

In fiscal year 1985, the program was also significantly affected by a congressional prohibition against funding the National Democratic Institute for International Affairs (NDI) and the National Republican Institute for International Affairs (NRI). This prohibition sharply restricted the Endowment's ability to assist democratic political processes abroad. Nonetheless, NDI and NRI were able to continue programs initiated with FY 84 funds, highlights of which are included in this report. We are extremely pleased that, for fiscal year 1986, Congress has recognized the importance of their role and lifted the funding prohibition. The creative initiatives that were undertaken by the party institutes reflect the need for their participation in the Endowment's overall effort to strengthen democratic institutions abroad.

That effort, as the Endowment showed during its first year of operation, has the potential to become a vital source of hope and support for democrats everywhere. As an organization devoted solely to the promotion of democracy, the Endowment serves as a focal point for pro-democratic efforts and as a magnet for individuals and groups around the world committed to the democratic cause. As a private bipartisan organization, the Endowment's programs enjoy a credibility abroad that U.S. government programs may sometimes lack.

The Endowment's bipartisan character reinforces its commitment to work in a nonpartisan and consistent manner to promote democracy abroad. In essence, the Endowment's objective is to strengthen the processes of democracy, not to influence them in any particular direction, and to demonstrate a commitment to democracy in different countries irrespective of their ideological coloration.

Another tenet of Endowment policy -- contained in the Board's Statement of Principles and Objectives -- is that its "assistance must be responsive to local needs and seek to encourage -- but not to control -- indigenous efforts to build free and independent institutions." There is no ready-made blueprint which describes how democracy can be strengthened in particular countries. The programs which the Endowment supports -- and scores of others which are in the preparatory stage -- are products of the struggles, needs and ingenuity of varied individuals and organizations. Moreover, the Endowment has been especially interested in assisting those who are already actively pursuing democratic ends -- whose democratic activism, in other words, is <u>assisted</u> by support from the Endowment, not contingent upon it.

The role of indigenous democratic groups in the struggle for democracy is indispensable. Genuine and devoted democrats are found throughout the world. Often they are working under difficult conditions, competing against well-funded totalitarian rivals, and in need of financial and moral support. The National Endowment for Democracy is an instrument to provide such support, publicly and proudly, on behalf of the people of the United States.

Today such support is being provided by the Endowment to democrats in countries as diverse as Chile and Nicaragua, Poland and South Africa, Afghanistan and Guatemala -- and in a host of other countries around the world.

The Endowment recognizes that these situations differ in important ways. Again, to quote from the Statement of Principles and Objectives, the programs supported by the Endowment not only must take account "of cultural and economic diversity, but must also be suited to the particular state of democratic development that obtains in different countries." In some cases the goal might be the stabilization and institutionalization of democracy; in others, the promotion of a stable transition to democracy. In closed societies, the Endowment may only be able to encourage whatever

possibilities exist for independent thought, expression, and cultural activity.

But the effort must be made -- consistently, prudently, with determination and conviction.

It is no secret that the Endowment has encountered some skepticism during its initial phase. This is not surprising. An effort as complex and as difficult as the promotion of democracy in foreign cultures should not be undertaken with unrealistic expectations. To the degree that the skepticism is born of a healthy awareness of the many pitfalls and obstacles that might complicate this effort, it is all to the good.

But if such skepticism is not coupled with democratic conviction and a readiness to take prudent risks on behalf of democratic values, then it will only feed an attitude of passivity and resignation in the face of the historic challenge to democracy worldwide. Jean-Francois Revel has written that democracies are inherently unable to meet this challenge -- that they lack the political will possessed by their opponents and are thus doomed to perish. The Endowment, and especially the valiant struggles of those we seek to support, provide powerful evidence to counter this pessimistic assessment.

On December 16, 1983, President Reagan stated that the creation of the Endowment represented the realization of his hope that "America could make clear to those who cherish democracy throughout the world that we mean what we say." Apart from the concrete financial support it provides to democrats abroad, the Endowment serves a vital symbolic function. It sends a message to friend and foe alike that the United States not only cares deeply about the success of democracy in the world, but is prepared to assist those who are struggling on its behalf. That message is being received, with dismay by our foes, and with delight by our friends. The former watch the Endowment closely and attack it bitterly; the latter eagerly seek out the Endowment. In increasing numbers, democrats from all over the world are submitting excellent proposals to the Endowment for programs to promote democracy in their own countries.

If the Endowment is successful, it could help resolve one of the most difficult dilemmas facing the United States in the world -- the absence of a democratic alternative to authoritarianism. In her recently published book, Nicaragua: Revolution in the Family, Shirley Christian concludes her long, even-handed, and painful account of U.S. failures in Nicaragua with the following admonition: "Only by promoting democratic political development on a long-term basis can the United States hope to avoid the hard choices between sending troops and accepting a regime that overtly opposes its interests."

For too long the United States has abandoned the field of political competition to its adversaries. Our democratic friends could expect little from us, and we in turn would express dismay over the weakness of democratic forces and the absence of a strong democratic alternative to communism.

We can change this, but it will take time, effort and resources. Our work has only begun.

HIGHLIGHTS

In the last two operating years, the Endowment has funded over forty proposals, many of which involved more than one project. What follows is a sampling of activities which have taken place in the last year -- in some cases activities which were carried out with fiscal year 1984 funds. The Endowment's mandate is a global one and we have worked diligently in the last year to develop relationships with democrats the world over. To date, however, the bulk of our support has gone to grantees in Latin America. This is due, in large part, to the fact that our fellow Americans to the south have been first to become acquainted with the Endowment and its work; they have sought our help and we have been honored to assist in appropriate ways. We have also been actively supporting democrats in Africa, Asia and Europe.

ENDOWMENT SUPPORT FOR PROGRAMS IN LATIN AMERICA

The Endowment made several grants to organizations in Guatemala deeply committed to the democratic transition in that country.

The National Republican Institute for International Affairs (NRI), working with the Supreme Electoral Tribunal, the five largest political parties, and various academic institutions, helped design and conduct the first comprehensive national survey of public opinion in Guatemala. The survey, perhaps most notable because it was conducted in Indian languages as well as Spanish, sought to identify the extent and causes of voter cynicism and to suggest specific responses to this form of disengagement from the system. NRI and the Guatemalans who worked on the survey were particularly impressed by the near-universal enthusiasm among respondents to the very concept of survey research. Indeed, in many areas data collection teams were greeted with great appreciation for the effort involved in seeking the opinions of the citizenry. The survey received wide distribution in Guatemala and was judged to have significantly reinforced the democratic aspirations of the Guatemalan people.

The Free Trade Union Institute (FTUI) supported voter education and mobilization efforts of the Confederation de Unidad Sindical de Guatemala (CUSG) prior to the 1984 Constituent Assembly elections as well as for the November 1985 Presidential election. Among the activities organized by the CUSG were political education courses for union leaders and activists, seminars explaining election procedures for union members, and mobilization drives to encourage a high level of participation among workers. An indication of the success of this FTUI-supported program is the fact that an estimated 80 percent of organized workers voted in the 1984 Constituent Assembly elections and a similarly high proportion voted in the Presidential elections the following year.

The Endowment also funded two programs of the Centro de Estudios Politicos (CEDEP), an organization established by Guatemalan professionals and businessmen deeply committed to a democratic transition in their country and anxious to provide a nonpartisan political forum where politicians and emerging political groups could find a neutral ground to discuss public issues. Founded in Guatemala City in 1983, CEDEP has carried out a series of meetings on constitutional, legal, economic and foreign policy issues, and has published a modest quarterly journal. Through its initial programs CEDEP has gained a reputation for commitment, impartiality and dedication to democratic principles.

Endowment support to CEDEP has been administered by Caribbean Central America Action (C/CAA), a Washington-based nonprofit organization. The first grant, awarded in 1984, enabled CEDEP to expand its activities in three major areas: training courses in the contemporary history and politics of Guatemala; research on means of promoting democracy and solving social and economic problems in Guatemala; and additional forums for discussion between political and private sector leaders.

CEDEP was encouraged to do this work by all major Guatemalan pro-democratic political parties, and some of CEDEP's research and policy recommendations, particularly those relating to the country's democratic evolution and the electoral process, were implemented by the Government of Guatemala. A relationship of mutual respect and close cooperation has been established with the private sector, and CEDEP has made a significant contribution to the reconciliation efforts among Guatemalan political parties.

A second grant was awarded to CEDEP in 1985 for projects related to the November elections. With this support CEDEP mounted a highly effective nonpartisan get-out-the-vote campaign utilizing radio, television and the press, as well as posters and pamphlets, urging the participation of the Guatemalan population in the November 1985 general elections. In a series of television spots, each specially designed to appeal to a different sector of the Guatemalan public -- students and rural youth, Catholics, Evangelicals, women, the Indian population -- the public was urged to participate in the election, and information on registration and balloting procedures was provided. The effectiveness of CEDEP's get-out-the-vote messages was measured in a survey which indicated that an impressive cross-section of the general population had seen or heard the spots and most believed the get-out-the-vote campaign would motivate voters and encourage the undecideds.

In the December 1984 elections in Grenada, a large voter turnout was considered essential to the restoration of democracy in that country. The fact that more than 80 percent of the eligible population participated is a tribute to the Grenadan people's desire for democracy. Two Endowment grantees supported nonpartisan voter education and mobilization programs in Grenada prior to the elections.

The National Republican Institute for International Affairs (NRI) undertook a two-phase project. NRI supported the efforts of a broad-based group, the Grenada Civic Awareness Organization (GCAO), in an urgent voter education campaign designed to increase citizen understanding of and participation in the general election of December 1984. With NRI support and assistance, GCAO -- a nonprofit civic group composed of individuals from the business, educational, religious and professional sectors -- produced and distributed

pamphlets on civil rights and responsibilities; sponsored public meetings and seminars; and produced radio programs. A measure of the success of GCAO's efforts is the overwhelming respect and acceptance accorded the group within Grenadan society. Important business, religious, and academic leaders in the community refer regularly to the work of the group and GCAO has also attracted international attention -- which may, in fact, lead to other sources of support. NRI is continuing to assist a 2-part civic education program carried out by GCAO.

Another aspect of NRI's work in Grenada involves support for the New National Party (NNP) in party-building efforts it has undertaken. The NRI grant provides funds to assist in the establishment of a truly national party structure for the NNP as well as the refinement of NNP's public communication efforts.

The Free Trade Union Institute (FTUI) also supported a nonpartisan voter mobilization project in Grenada. Working with the Grenadan Committee of Trade Unionists for Civic Awareness (CTUCA), the voter turnout drive involved the production and distribution of posters, pens, bumper stickers, as well as public service radio announcements encouraging Grenadans to vote. The Free Trade Union Institute developed good relations with CTUCA and plans to continue to support political development and public education programs in Grenada.

On the Caribbean island of Dominica, the Endowment has assisted in the establishment of the Committee for Progress in Democracy (Dominica), a nonpartisan center for democratic political education among youth.

With the assistance of Caribbean Central America Action (C/CAA), the center is developing a democratic training program for social studies teachers and providing new texts, curricula, lesson plans and other materials. In addition, the center is preparing radio spots in English and patois to promote national awareness and citizenship. A third component involves the production of video programs on various aspects of "democracy in action" to be shown on national television and in classrooms.

To encourage political involvement throughout the island, youth leaders are being identified in each village to receive assistance from the center in organizing youth citizen awareness groups. Groups from a number of other islands in the English-speaking Caribbean have expressed interest in adapting the program for their use.

The YMCA of Panama, with support from the International Division, YMCA of the USA, has begun a pilot project to provide a laboratory experience in political leadership and the political process for high school students in Panama. Assisted by a NED grant, some 500 secondary school youth in Panama are meeting in student clubs to study how legislation is written, implemented and enforced. The project, endorsed by the Panamanian Ministry of Education, culminated in a mock legislature modeled after that of the Panamanian government. The program is based on the successful Youth in Government Program of the U.S. YMCAs, with appropriate adaptations to the government and society of Panama.

Impressed with the progress of this program, YMCA Panama hopes to expand it throughout the country; and YMCA observers from two other Latin countries have also requested assistance to duplicate the program in their countries.

A free and independent press is a guardian of democratic values and an essential institution in a democratic society. In Nicaragua, La Prensa -- the only major independent daily newspaper and a powerful voice for democracy during the period of Somoza -- has been subjected to extensive censorship by the Sandinista government. At times, up to 80 percent of the articles for an issue of the paper have been rejected by the official censors. Even under these conditions La Prensa has continued to publish. But the Sandinista government, by selectively imposing harsh foreign exchange currency restrictions, has made it impossible for La Prensa to import basic printing supplies necessary for publication. The Endowment, through a grant to the U.S. organization PRODEMCA, provided $100,000 for the purchase and shipment of these materials. In one instance, a shipment of printer's ink reached Managua just as the newspaper's own supply had been completely exhausted.

As a result of the Endowment grant, other U.S. organizations have become interested in assisting La Prensa. For example, this summer, Americares, a private relief organization, obtained and organized the shipment of more than 200 tons of newsprint to La Prensa.

Despite severe harassment, constant government surveillance, and the suspension of such human rights as freedom of expression, freedom of assembly, freedom of the press, and the right to strike, the Confederation de Unificacion Sindical (CUS), Nicaragua's embattled democratic labor federation, continues to receive support from the Free Trade Union Institute (FTUI).

The CUS has played a critical role in defending the rights of workers and in mobilizing and organizing the democratic forces committed to peaceful change in Nicaragua. In the summer of 1985, the CUS held a Labor Day demonstration which attracted over 1,500 participants. Although the rally was broken up by the Sandinista

police, it indicated that the independent labor movement in Nicaragua has by no means been subdued.

Support to the CUS has enabled it to continue publishing a monthly magazine, Solidaridad. Assistance to the Nicaraguan Permanent Commission on Human Rights has helped that organization in providing aid to victims of Sandinista repression and in documenting human rights abuses. In the current context of intensified repression, the work of the CUS and the Human Rights Commission is vital to the survival of democratic forces in Nicaragua.

In 1985 CIPE began a program in Nicaragua that subsequently was enlarged to include the other Central American Republics. CIPE funds, granted to the Pan American Development Foundation (PADF), enabled that organization to provide support to the Nicaraguan Development Foundation for the purpose of studying the situation facing the small and micro-business sector since the advent of the Sandinista government. A report was issued entitled Nicaragua: The Informal Sector in Transition. Among the findings were that:

- micro-entrepreneurs need to be made more aware of their own identity as part of the private sector;
- business organizations must be made more responsive to the needs of micro-entrepreneurs; and
- linkages from small businesses to voluntary, representative business organizations and foundations must be built to promote their full participation in economic and public policy affairs.

As a result, CIPE sponsored a follow-up study of the conditions of the informal sector elsewhere in Central America. Upon completion of that study, the business organizations of Central America assembled to consider the findings in a four-day leadership forum. This forum, held in Honduras in October 1985, brought together 48 representatives of Central American business organizations and national development foundations. Based on their deliberations, the business leaders designed a comprehensive action plan to generate new economic growth and political stability through small business development.

The joint PADF-Nicaraguan Development Foundation project will continue to serve as a focus for united action and advocacy on behalf of small business in Central America.

Libro Libre is a private, nonprofit association based in Costa Rica whose goal is to disseminate democratic thought and culture throughout Central America. Assisted by the Endowment through the American Institute for Free Labor Development (AIFLD), Libro Libre publishes books and pamphlets and organizes lectures and seminars

promoting a better understanding of issues such as human rights, social responsibility, political pluralism and the relationship between government and society.

In its first year of operation, Libro Libre published twenty volumes on a variety of themes, ranging from democratic theory to questions relating to the present conflict in Central America. In cooperation with the New York-based Freedom House (whose Endowment-supported program, Exchange, has been circulating current articles on democratic topics to intellectuals in developing countries), Libro Libre has begun to publish a magazine entitled Intercambio.

Writing in the San Jose daily La Prensa Libre (August 24, 1985), columnist Alberto F. Camas commented that Libro Libre's defense of "the parliamentary and pluralistic democratic values of political liberalism" is a welcome antidote to "a kind of crushing invasion of Marxist works" that has taken place in Central America during the past two decades. "It is very difficult indeed," he wrote, "to find a book on the history of Central America, or on the sociology or economics or politics of the region, whose positions are based on a different order." Now, at last, Libro Libre offers an alternative -- "a categorical affirmation," in the words of the columnist, "of democracy as a liberating and tolerant system."

The Free Trade Union Institute supported a program of "National Encounters" in the Dominican Republic in 1984-1985. Working with the Confederation of Dominican Workers (CNTD), the program helped initiate a national discussion on alternatives to the government's economic policies -- policies which had caused violent demonstrations and threatened the stability of the Dominican Republic's democratic system. The discussions, funded through AIFLD, brought together labor, civic, church and political leaders at critical points throughout the year. While the dialogues did not, of course, eliminate all differences between the government and Dominican workers, they were instrumental in protecting democracy by keeping the conflict over economic policy off the streets and in the conference rooms. The program has won great credibility in the Dominican Republic and, at the same time, deepened the participants' commitment to the democratic belief in peaceful protest and debate.

In Chile, a country where the collection of union dues is forbidden by law, FTUI assistance to the Central Democratico de Trabajadores (CDT) has helped it become the principal voice of free trade unions in the nation. The CDT was assisted in establishing a presence in most of Chile's urban centers; it has improved its publication capabilities and has shown a substantial increase in membership. In the last year, the CDT has increased its membership significantly and tripled the circulation of its news bulletin to 10,000. With FTUI support the CDT has enhanced its national

presence through a network of regional offices which provide legal, administrative, and other assistance to affiliates.

The CDT has held three conferences for more than 700 participants on the transition to democracy. In addition, it has launched a nationwide petition campaign to support the recently signed National Accord. This campaign began in September with the placing of two full-page ads in national weeklies, daily radio spots on three national radio networks, and three public rallies in major population centers.

With Endowment support, the U.S. Overseas Cooperative Development Committee (OCDC), carried out a pilot project in Chile. As part of an examination of how cooperatives can advance the democratic process, a group of Chilean cooperative leaders visited their counterparts in the U.S. to learn how the American cooperative movement works to advance its interests in the political arena.

Through a series of consultations in Chile with the Ministers of the Interior and Economics, leaders from across the political spectrum, union officials, and Chilean cooperative leaders, OCDC worked to identify the legal and organizational constraints to the development of independent, democratic cooperatives in Chile. As a follow-up to their consultations and at the request of the Ministry of Economics, the U.S. cooperative delegation provided a memorandum of observations and recommendations for ways in which cooperatives can overcome their problems in Chile.

Prior to the 1983 Presidential elections in Argentina, a group of professional women committed to democracy for their country established a nonpartisan women's organization dedicated to providing civic and democratic education to Argentine voters. The Endowment awarded a grant in 1984 to this organization, Conciencia, to assist with the expansion of its programs, especially to areas outside Buenos Aires. An American women's organization, the Overseas Education Fund (OEF), administered the grant and provided technical assistance in the organizational techniques needed for Conciencia's growth.

Conciencia has developed new training courses for trainers and volunteers, and has increased the number of chapters, trainers, and courses for the public. As part of its effort to reach all sectors of the public, Conciencia has adapted its Citizen Awareness Course for university and high school students. It has also trained volunteers to enable the organization to conduct more courses in the home (reaching 729 individuals during a 4-month period) as well as in more traditional civic forums. In preparation for the November 3, 1985 National Assembly elections, Conciencia produced and distributed 12,000 copies of a brochure, "Conciencia, You and the Elections," coordinated a series of classes on "Legislative

Renewal," participated in a major Argentine television program, "Living Well," and sponsored a weekly one-hour television program in October.

The Argentine Government, recognizing Conciencia's important role in the consolidation of democracy, arranged for free television time for the organization's public service announcements. Groups from other Latin American countries, impressed by Conciencia's work, have approached the organization on how they might initiate similar efforts.

While Colombia has a long tradition of democratic government, the system has suffered from a high rate of voter apathy and abstention. The National Republican Institute for International Affairs (NRI) has been working with one of Colombia's leading political foundations, Fundacion Estudios Para El Desarrollo, to conduct a study of Colombian voting patterns -- in particular, an examination of the large abstention rate among Colombian rural voters.

The results of this study will be used to design a program aimed at addressing the causes of limited voter participation. Further technical assistance programs will be undertaken to encourage greater electoral participation as a means of contributing to the stability of Colombia's democratic system, at a time of increasing challenge from the guerrilla insurgency.

In Peru, CIPE support has gone to the Institute for Liberty and Democracy (ILD) to carry out a program of advocacy on behalf of small and micro-businesses comprising what has become known as the informal sector.

Informal economies result from a complex environment in which traditional oligarchic business communities on the one hand, and governments on the other hand, effectively monopolize economic and political rights, denying these to a large segment of the population. This economically vital but legally disenfranchised group is a reservoir of individual initiative and private enterprise, but its livelihood and existence are constantly under threat. The project goal is to protect the economic rights and increase the political participation of the members of the informal sector.

Based on the results of ILD's work, the Peruvian government has already agreed to curtail the use of administrative rule-making and adopt a new format that would allow for more popular participation.

ILD is serving as a model which has application elsewhere in the hemisphere and worldwide. Organizations in Argentina, Brazil, Colombia, the Dominican Republic, El Salvador and Venezuela are beginning to pursue similar activities in cooperation with the ILD.

In May the National Democratic Institute for International Affairs (NDI) convened a working conference of South American and U.S. democratic party leaders to examine the critical issues affecting democracy in the region. Thirty political party leaders attended the conference representing Argentina, Bolivia, Brazil, Colombia, Ecuador, Peru, Uruguay and Venezuela, as well as the democratic opposition from Chile and Paraguay.

The conferees addressed five agenda items: the impact of internal and external economic and political pressures on democratic institutions; how political parties and party institutes might provide civic education and constituent services, and assist responsibly in democratic participation and mobilization; the role of social institutions -- armed forces, organized labor, media, the church, business and trade associations -- in developing and sustaining democratic systems; the role of judicial processes and constitutional protections in maintaining democracy; and how the various democratic political parties in the region might assist each other in supporting democracy, especially where it does not yet exist.

The conference was instrumental in setting the stage for NDI's future program activities in the hemisphere. Indeed, a number of parties brought bilateral project proposals for NDI's consideration.

One of the most significant outcomes of the conference was the unity which emerged among previously competitive groups. The conference was attended by seven members of the Chilean democratic opposition. Ranging from left to right on the democratic spectrum, they found that, despite their ideological differences, they were united in their desire to see Chile return to democracy. This desire subsequently resulted in the signing of the historic National Accord, marking the first official collaboration of the entire range of democratic opposition groups within the country.

During 1985, the Center for International Private Enterprise (CIPE) developed its first program specifically designed to teach business association executives how to improve their communications skills in order to play a more dynamic role in the economic and social progress of their countries.

In cooperation with the International Organization of Employers (IOE), CIPE organized a one-week workshop to train staff executives and directors of employers' organizations from seventeen Latin American countries in techniques of media communications.

The workshop, which took place October 1-4, 1985, in Santo Domingo, Dominican Republic, was a collaborative effort: the IOE organized and designed the project; professionals from the Confederation of Spanish Employers' Organizations, an IOE member

federation, conducted the training sessions, and the Dominican Employers' Confederation hosted the event. The program was designed to address regional communications needs and problems, basic principles of business-media relations, and the development of internal and external media strategies.

In another region-wide program, the Free Trade Union Institute (FTUI), working through the American Institute for Free Labor Development (AIFLD), provided material assistance to exiled trade union victims of repression from Nicaragua, Chile and Paraguay.

Over the course of the year, 300 families of Nicaraguan trade union exiles received assistance to help maintain themselves in exile, primarily in Costa Rica. Assistance also was provided to Unidad, a monthly publication which has played an important role as a source of information within the Nicaraguan exile community. Unidad publishes and distributes reports abroad on developments in Nicaragua that cannot be reported on within that country due to Sandinista censorship. Several families of trade unionists sentenced to internal exile in remote parts of Chile are also being provided with material assistance. In addition, Paraguayan labor leaders, blacklisted for their trade union activity, are receiving food, clothing and medicine for themselves and their families. The program has contributed to alleviating the economic distress of courageous men and women engaged in the fight for worker rights. Such assistance is both a necessary expression of international labor solidarity and an indication that union activists are not alone in their struggle for freedom. It also sustains and helps maintain contact with individuals who are future leaders in their countries when democracy emerges.

ENDOWMENT SUPPORT FOR PROGRAMS IN EUROPE

The support and recognition which democratic activists in closed societies receive within the democracies can often provide protection that is crucial to their ability to survive and function. Enhancing such support and recognition is thus an important goal of the Endowment.

Toward that end, Endowment funds went to support the Fifth International Sakharov Hearings held in London on April 10-11, 1985. The conference, which was addressed by prominent Western spokesmen for human rights as well as exiled Soviet Bloc dissidents, reviewed changes in Soviet internal policies during the period of the Helsinki Process (1975-85), particularly changes in the law, policy toward dissent, treatment of religious and national minorities and Helsinki monitoring groups, censorship, radio jamming, and the right of immigration.

The Endowment has also supported the Madrid-based European Coalition for Human Rights in Cuba, an effort led by Armando Valladares, who achieved international fame as a poet during his 22 years of incarceration in Cuba and, subsequently, as a critic of Castro's human rights abuses.

The Coalition, which now has branches in France, Spain, Sweden, Norway and Switzerland, has circulated thousands of booklets pertaining to the human rights situation in Cuba among parliamentarians of all parties as well as to newspapers, radio stations, universities, foundations and human rights organizations. It has also published books written by present and former Cuban political prisoners. Its activities have been broadly covered in the European press and its work has been endorsed by Amnesty International, the International Committee on Human Rights and the International Confederation of Free Trade Unions.

The Free Trade Union Institute has supported a two-part program with the Force Ouvriere (FO) in France -- a union with which the AFL-CIO has an historic relationship dating back to just after World War II. FTUI support has gone for a program promoting democratic education on human and labor rights issues and for assistance to trade union exiles residing in France.

Contributing to strengthening FO's structure and membership indirectly, the democratic education component has been carried out by FO staff operating within specific occupational sectors and geographic regions. Training has been offered to local union activists.

A major aspect of the FTUI-supported FO program is assistance to trade union exiles who have escaped repression in Poland, Afghanistan, Chile and other countries. This support, both moral and financial, has been administered by FO's International Center for Trade Union Exiles.

In Eastern Europe, Poland has been a high priority for the Endowment. Through the Free Trade Union Institute (FTUI), support is provided for the collection and translation of Solidarity's underground publications and their distribution to Western trade unions and human rights organizations. In addition to this external support, FTUI assists the Brussels-based Solidarity Office Abroad in its efforts to provide direct assistance to the Solidarity trade union movement inside Poland. In large measure, this assistance supports the outlawed union's communications activities which include many different periodicals appearing in the underground and reaching an audience of millions. The Polish independent press has enabled the union to communicate effectively with its members, thus breaking the government's monopoly of information.

In addition to FTUI support to Solidarity, Endowment funds support many small independent publishing houses in Poland. As reported in a Washington Post article by Jackson Diehl, September 27, 1985, "...Poland's underground press has become a cultural explosion that has effectively ended the state's monopoly on information in a communist country."

The Endowment has also provided support to the Polish Legal Defense Fund, a coalition group which assists political prisoners and those who are persecuted by the Polish authorities because of their work for democratic values. The fund also maintains an archive and publishes reports on human rights abuses in Poland.

The Committee for Independent Culture, which conducts a broad range of independent cultural activities in Poland, has also received Endowment funds. Its activities include publications, exhibitions, film production and support for independent creative artists in Poland.

Through such programs, the Endowment is assisting those dedicated to strengthening Polish civil society, a precondition for the emergence of free and democratic institutions in that country.

The Institute of Economic Studies (IEE) in Madrid, Spain, concerned about the bias against private enterprise in school curricula, is using assistance from the Center for International Private Enterprise (CIPE) to analyze the Spanish education system from a business perspective.

The program coincides with a major effort now underway in Spain to reform the education system. IEE is concerned that unless the views of the business community are represented, the resulting education system will not reflect a balanced view of the private enterprise system and its role as a positive and essential force for growth, development, and modernization.

By introducing a business/economic viewpoint to the reform debate, IEE hopes that young Spaniards will be better prepared to face the economic and technological challenges of the twenty-first century.

Aware of the need to strengthen its organizational structure, constituency outreach and goal-setting mechanisms, the Social Democratic and Labour Party (SDLP) of Northern Ireland approached the National Democratic Institute for International Affairs (NDI) for technical assistance. In consultation with SDLP party leaders, NDI developed a program to strengthen the SDLP by helping it create an institute for party-building and education development activities.

The program included meetings with members of the U.S. Congress, and an intensive training session on basic aspects of party organization. Participants examined topics such as management, issue development, budgeting and fundraising, media training, membership development and constituent service delivery.

The final three days of the workshop focused on long-term planning for the SDLP's development. The participants worked out a two-year party organization plan and discussed how to set goals and deadlines, allocate and maximize resources, and monitor and adjust the plan as necessary. Participants indicated that the workshop was a highly worthwhile and rewarding experience.

As a result of this project, the SDLP will develop a party institute enabling it to strengthen its efforts to promote a peaceful resolution to the Northern Ireland crisis. At the same time, the institute will allow the SDLP to become more fully involved in the democratic process, to reach out to larger constituencies, and to develop a more comprehensive outlook for the future. NDI plans to continue to work closely with SDLP party leaders in ongoing training efforts to ensure the institute's success.

In Portugal, the Free Trade Union Institute (FTUI) has provided support for the Uniao Geral de Trabalhadores (UGT), the country's major democratic labor federation, which faces stiff competition from the communist Intersindical. In addition to support at the national level, the activity of union offices and staff was supported at the regional level, enabling the UGT to enhance its presence throughout the country. The regional offices provided assistance in organizing democratic education activities and provided legal assistance to local union affiliates and union members.

The organizing effort showed particular success in the following sectors: banking, agriculture, chemical, metal, mining and fishing. The program has also registered sustained representation gains among shipyard workers and among hotel, food and tourism workers, where the communist unions were dominant. An important component of the institution-building effort was a program of democratic education for union shop stewards and the rank-and-file.

Also in Portugal, the National Republican Institute for International Affairs (NRI) is supporting a comprehensive study of the history, current operations, and future of the revolutionary communist movement in Portugal. The study, conducted by the Associao Para a Cooperacao e Desenvolvimente Social (ACDS), a leading conservative political institute, examines the role of the Communist Party in the 1974 revolution and communist involvement in electoral activity since that time. A principal theme of NRI programming is the creation of a body of research and documentation on communist political strategy to illuminate the similarities of the challenges democrats face in many countries where they are confronted with well organized and financed communist movements. The study resulting from this project, which will be available for translation and distribution by NRI, will contribute to this overall effort.

ENDOWMENT SUPPORT FOR PROGRAMS IN ASIA

As the Afghans continue their struggle for independence, efforts are underway with NED assistance to prepare a new generation to build a democratic future for that country after military action has ended. The needs are vast. For example, the nationwide education system that had been developed only recently in Afghanistan has virtually disappeared. Schools have been destroyed or abandoned, and a generation of Afghans is coming of age largely illiterate and without formal education. From the government-controlled areas, thousands of Afghan youngsters have been sent to the Soviet Union for study.

To help remedy this situation, NED has awarded a grant to the American Friends of Afghanistan to assist the Cultural Council of the Afghan Resistance to reopen educational centers and establish literacy programs in areas controlled by the resistance. Over 30 textbooks, originally prepared by The Teachers College of Columbia University for the Afghan government in the 1960s, have been updated and reprinted for distribution within Afghanistan. Sites for schools and literacy programs in Afghanistan have been selected and teachers are being trained. Talks have been held with local resistance commanders to ensure their cooperation. Afghans are also being taught to use video cameras to document efforts of the resistance to reestablish the country's independence and the effect of the war on the populace.

In a related project, a NED grant to the Afghanistan Relief Committee has assisted in reopening elementary schools in parts of the Mazar-i-Shariff region controlled by the resistance. This assistance is being monitored on site by Medecins sans Frontieres (Doctors Without Borders), a French organization which sends international teams of medical personnel to areas of the world where victims of wars and natural disasters have been deprived of medical care.

The Free Trade Union Institute (FTUI) has provided significant assistance to the democratic trade union movement in the Philippines, helping to strengthen the role of the democratic center in the context of a deteriorating political and economic situation.

The Trade Union Congress of the Philippines (TUCP) and the National Congress of Farmers Organizations (NCFO) have undertaken NED-funded programs which have trained and assisted over 100,000 workers and peasants thus far. Support is going to over 100 projects in a variety of areas; among the most important are:

NEWSPAPERS/MASS MEDIA: The TUCP and NCFO have been assisted in launching or upgrading seven publications espousing democracy. Assistance has also enabled the TUCP and NCFO to expand the use of radio programs and commentaries, to publish pamphlets on key issues, and to prepare videotapes used in training activists and leaders. This media effort has not been without cost. Two trade union broadcasters were murdered by their anti-democratic opponents.

WORKER ORGANIZATION: In a year which saw severe economic decline and increased unemployment, the TUCP not only maintained its membership, but increased it by over 8,000 members. Funds supported organizing drives in hundreds of workplaces throughout the country as well as education workshops, the distribution of publications, and health and credit services.

RURAL PROGRAMS: A major focus of the rural effort has been the creation of coalitions with civic and church organizations to promote the interests of peasants and farmers. Fifteen seminars dealing with cooperatives and trade unionism have been conducted, as have a number of social awareness seminars which brought together union leaders, civic activists and government representatives. Not least, more than 82,000 additional rural workers were organized during the year.

The concrete results of these varied forms of assistance have strengthened the TUCP/NCFO coalition. Participation of the TUCP and NCFO in the National Movement for Free Elections (NAMFREL), a widely respected nonpartisan organization, has also been an important development which places the trade unions in the mainstream of the movement for democratic change.

The Chinese Intellectual, a Chinese language quarterly magazine launched with National Endowment for Democracy support in 1984, is dedicated to promoting open discussion of democratic values and institutions and to providing a forum for continuing exchange on issues of importance to the future of China. The magazine is published in New York City by a group of writers and scholars from the People's Republic of China. The Editor-in-Chief, Liang Heng, is the author of the widely acclaimed book Son of the Revolution, which recounts his experiences growing up in China during the period of the Cultural Revolution. The Editorial Board of The Chinese Intellectual is composed of distinguished American and Chinese scholars teaching at leading U.S. universities, including sinologists John K. Fairbank and Andrew Nathan, philosopher Sidney Hook, and social scientists Irving Louis Horowitz and Seymour Martin Lipset. The contributors to The Chinese Intellectual, most of whom are scholars from major universities and institutions in the West and China, offer a high level of scholarly debate. Articles in the magazine deal not only with historical, philosophical, literary and artistic matters, but also with political questions of direct interest to Chinese policy-makers.

The original target audience of The Chinese Intellectual was the more than 10,000 students from mainland China studying in the West, but it has also had remarkable success in gaining acceptance and reaching influential readers within China itself. Although many of the magazine's articles could not be published in China, it has been permitted to send several thousand copies of the most recent issues of The Chinese Intellectual to the PRC. Institutions such as libraries, universities and policy institutes in China are now permitted to subscribe to the magazine. Among its contributors and most enthusiastic readers are individuals primarily responsible for the current reforms in the People's Republic of China.

With additional assistance from the Endowment in FY 1985, the editors of The Chinese Intellectual have taken new steps to expand their audience and influence in the People's Republic. The magazine now has a representative in Beijing and is opening an office there. It hopes to send as many as 10,000 copies of future issues to China. In addition, the editors plan to engage in related intellectual activities in China, including holding conferences on topics discussed in the magazine.

With FTUI assistance, an American trade union presence has been established in the South Pacific with a view toward helping unions and related institutions organize training programs and strengthen their infrastructure. The importance of this new presence is underlined by the increased activity by the communist World Federation of Trade Unions in the region.

A FTUI-supported office of the Asian-American Free Labor Institute (AAFLI) has been functioning for a year in Suva, Fiji. The office coordinates and sponsors projects in six South Pacific countries. Among the projects which were supported in the last year are: 1) occupational safety and health seminars for 15 Fijian trade unions; 2) the donation of a small library of U.S. labor publications to a Fijian government workers union; 3) assistance to Western Samoan unions for headquarters staffing, office equipment, and research; 4) assistance to the Vanuatu Trade Union Congress and the Kiribati Trade Union Congress for research and publications staff and office equipment; 5) travel grants for local union leaders to attend training courses in Israel on Cooperation, Development, and Labor Studies; 6) two week-long publications and media seminars for Papua New Guinea trade unions; 7) leadership training for teachers; and 8) region-wide cooperative seminars.

ENDOWMENT SUPPORT FOR PROGRAMS IN AFRICA

In July of 1985, the National Democratic Institute for International Affairs (NDI) and the Socialist Party of Senegal co-sponsored an historic gathering of 36 political party leaders from 16 African nations for an "International Conference on Democracy in Africa."

The conference addressed the economic and political issues which have a bearing on democratic development in Africa. Key issues explored included the role of parties in mobilizing people to become active participants in democracy, particularly in countries with little or no history of civic participation; the role of dissent within one-party and multi-party states; and the strains caused by international debt and the encroachment of the Sahelian desert.

The participants engaged in frank discussion and, despite major ideological differences, a remarkable consensus emerged. This was reflected in a unanimous declaration supporting human rights and democratic development issued at the conclusion of the conference. The African leaders and NDI identified specific strategies for advancing democratic values and pluralistic traditions which are shared by the peoples of the United States and Africa. Perhaps most importantly, relationships between NDI participants and African leaders were enhanced and new working partnerships formed.

The Endowment has funded several programs in Africa specifically aimed at strengthening private voluntary women's organizations. One such grant was awarded in 1985 to the National Council of Negro Women, Inc. (NCNW) for projects in Botswana, Lesotho, Swaziland and Guinea. The overall objective of the NCNW program is to train women leaders in democratic principles, organization building, constituency outreach, private sector development, and advising their respective governments on the needs of women.

In Guinea, where the one-party dictatorship of Sekou Toure was recently replaced by a military government, the previous party-affiliated national women's organization had been disbanded. At the request of the Guinean women, NCNW is assisting them in reconstructing a national women's organization on a nongovernmental basis.

In Botswana, Lesotho and Swaziland, NCNW is working with the major national women's organizations to develop training programs which promote and enhance democratic procedures and activities.

Here, the programs include training in leadership development, organizing cooperatives and marketing strategies, and the establishment of twinning agreements between the NCNW and national women's organizations of the four countries.

The Endowment has recently approved a planning grant for a program called "Project South Africa" which seeks to encourage peaceful and democratic change in that country. The project, designed by Bayard Rustin of the A. Philip Randolph Educational Fund, is designed to identify and assist South African organizations dedicated to a non-violent strategy to eliminate apartheid and to achieve democracy. Among the South African organizations already identified are trade unions, churches and church groups, human rights and voluntary agencies, educational associations and many others. Project South Africa hopes to facilitate direct contact between such groups and Americans dedicated to providing material and moral support to their efforts.

The Randolph Educational Fund has enlisted the support of prominent South Africans -- black, white, colored and Indian -- who will serve as advisors to evaluate and recommend projects to an American counterpart committee, which in turn will identify American organizations to work with and support the South African groups.

CIPE support is enabling the Zimbabwe National Chamber of Commerce (ZNCC) to strengthen its position as a national business voice on policy issues through a program designed to expand membership and chamber programs throughout the country. Building a broad membership base and introducing chamber programs that are of direct benefit to the many small businesses and entrepreneurs outside the large metropolitan areas greatly enhances the strength and influence of the private sector. This is vitally important in countries like Zimbabwe where private enterprise faces strident challenges from the government and where a cohesive business association presence must be developed beyond the capital city if economic rights are to be effectively defended.

Free Trade Union Institute (FTUI) support, through the African American Labor Center (AALC), assists the Confederation Syndicale du Tchad (CST) in promoting democratic values and pluralism in a state which is suffering from the ravages of civil war and drought. The CST also faces the challenge of a rival Libyan-backed federation, UNATRAT, in its efforts to build a trade union movement. Two basic leadership courses have been provided for the union and a vehicle has been purchased, enabling CST leaders to meet members more frequently.

ENDOWMENT SUPPORT FOR MULTIREGIONAL PROGRAMS

The Center for International Private Enterprise (CIPE) has conducted an extensive review of available literature and found that little information exists on the status of voluntary business associations, their needs, and their contributions to fostering democratic development and economic growth. To date, no central source has existed for the collection or dissemination of basic information on topics such as private enterprise economics; the relationship between open market, private enterprise systems and pluralistic development; and the nature and operation of business associations throughout the world. CIPE, through its Clearinghouse/Research program, is working to fill this gap.

One of CIPE's first Clearinghouse activities was a series of regional business organization surveys to identify the current status of major business associations in East Asia, the Caribbean, Central America, and South America. This activity will be continued until all regions are covered and will subsequently be updated through periodic contacts with regional directors.

In addition to the survey process, CIPE has identified and collected literature and information on foreign business associations, public policy organizations, and private enterprise education programs. These materials, and other data relating to foreign organizations and their programs, are made available to organizations identified by CIPE.

To disseminate the results of its programs, CIPE constructs case studies and summaries of model programs that are distributed through its contact network. An example is the CIPE grant awarded to ACCION International/AITEC to produce Spanish and English versions of an audiovisual presentation on the political and economic importance of the informal sector in Latin America. The production combines ACCION's expertise in dealing with small and micro-entrepreneurs in the region with the observations of participants at the CIPE-sponsored conference on informal sectors held at Cocoyoc, Morales, Mexico in May 1985, as well as with data generated by the Institute for Liberty and Democracy of Lima, Peru.

The presentation explains the origins of informal sectors of the economy, and recommends a four-part strategy of deregulation and tax reform, realigned bank policies, training and organization, and linkage of the formal and informal sectors.

Since 1984 CIPE has initiated efforts to share the education, training resources, and knowledge gained from 65 years of operation of the U.S. Chamber of Commerce's Institutes for Organization Management. The Institutes are multi-level university-based training programs for staff executives of private-sector voluntary

organizations including chambers of commerce, employer federations and various trade and professional groups.

In two years, CIPE support has brought 64 participants from 33 countries to the United States where they have shared their training experience with their American colleagues, and gained new skills and an appreciation for the potential of their organizations. A sampling of countries from which participants have come includes Bangladesh, Belize, Brazil, Colombia, Egypt, Greece, Grenada, India, Kenya, Pakistan, People's Republic of China, Philippines, Portugal, Thailand, and Zimbabwe. The response to the program has been overwhelmingly positive.

Some of the Institute participants were chosen on the basis of their ability to assist in replication of the program in their own regions and countries. The first of these planned regional Institutes was held in August 1985, when 27 business association executives from 15 Latin American countries attended a regional one-week Spanish language Institute in San Jose, Costa Rica. In addition, the Spanish Employers' Confederation held its own Institute program in September with a small grant and extensive technical support from CIPE.

Continuing a program funded in fiscal year 1984, the National Democratic Institute for International Affairs (NDI) held a series of three workshops in Nairobi this summer at the NGO forum which preceded the third official UN Conference on Women. The workshops were designed to address the specific concerns of women as decision makers and active participants in the political process. Over 250 women representing every region of the world participated.

The first workshop, entitled "Women in Decision Making: Changing Public Policy," attracted over 60 women whose backgrounds ranged from community organizers to elected public officials. NDI Board member Arvonne Fraser and Program Director Vivian Derryck co-chaired the session. Panelists included Maria Rosa de Martini, president of Conciencia, a women's civic education organization in Argentina, and Joan Lester, Member of Parliament and former Minister of Health in the UK.

NDI's second workshop focused on women in national government. The workshop was co-sponsored by NDI, the African American Institute, and the three female members of the Kenyan Parliament. Mrs. Coretta Scott King gave the opening address, which stressed the particular strengths of women in the political process.

The third and final workshop brought together leaders of women's organizations from around the world to discuss the organization of women's groups and their role as a political training ground for women. The discussion prompted numerous questions and substantive debate among the more than 75 participants. Workshop participants

were particularly interested in issues such as leadership, organizational development, recruitment, and training.

This series of workshops at the historic Nairobi Forum '85 introduced NDI to female political leaders of all regions and will serve as a sound basis for future programming throughout the world.

In early May the National Republican Institute for International Affairs (NRI) sponsored a highly successful conference which focused detailed attention on practical political strategies to defend democratic institutions and practices against totalitarian subversion. Fifty panelists from around the world participated in a number of workshops, five of which were devoted to specific issues involving the principal institutions of democratic pluralism: business, the free press, freedom of religion, political parties, and education. Other workshops examined the successful development or failure of democracy in countries such as Nicaragua, Portugal, Chile and Grenada. The conference, convened in the belief that common strategies for resisting threats to democracy are lacking throughout the world, succeeded in strengthening a spirit of unity and cooperation among the democratic activists who participated. The conference proceedings are currently being prepared for distribution.

The Free Trade Union Institute (FTUI) has supported research and documentation on trade union and human rights issues. This material is used for publicity campaigns against repressive governments and for trade union rights cases brought before the International Labor Organization. FTUI has coordinated research on trade union rights violations in South Korea, Romania, Nicaragua, Suriname, Guatemala, and Haiti; it has also supported research on Soviet use of slave labor. FTUI support to human rights groups has been used to document Polish violations of trade union rights as well as to translate and disseminate reports and studies of Polish human rights groups.

One important FTUI project is a "labor rights watch" program focusing on Latin America and the Caribbean. At its center is the Inter-American Committee on Human and Trade Union Rights. Established in May 1985, the Committee investigates, documents and publicizes violations of basic human and trade union rights throughout the hemisphere.

The Committee includes prominent Latin American trade union leaders and is presided over by the former head of the Panamanian Federation of Workers. In less than half a year of activity, the Committee has established a reporting system and has dispatched fact-finding missions to investigate alleged violations. The Committee's activities in the last year have focused on Chile, Guatemala, Haiti, Nicaragua, Paraguay and Suriname. In addition,

strong representations were made on behalf of kidnapped trade unionists in Guatemala, jailed labor leaders in Chile, and on working conditions in the Haitian sugar industry. The Committee has also made preparations for a speaking tour by Solidarity leader Jerzy Milewski, which will take him to Brazil, Venezuela, Argentina, and Peru. Similar monitoring committees are planned for the Asian and African regions.

With NED support the Columbia University Law School has established international internships in human rights law to promote individual rights and freedoms which are essential to the functioning of democratic institutions. At Columbia, young lawyers from Ethiopia, Hungary, the Philippines and Uganda are studying the relationship between constitutional law and democratic social change. During the summer months, Columbia law students are interning with human rights law firms in foreign countries including Argentina, Chile, India, the Philippines and South Africa.

The Committees for a Community of Democracies (CCD), with chapters in four U.S. cities and nine countries abroad, is a private, non-governmental organization dedicated to improving international cooperation among democratic countries. Supported by an FY 1984 Endowment grant, CCD held an international meeting at Wingspread in April 1985 to launch a program for building a new association of democratic countries as a basis for strengthening democracy worldwide. The meeting opened with an address by Congressman Lee Hamilton, and messages of endorsement were received from President Reagan and Portuguese Prime Minister Soares.

Thirty-six conference participants from 26 First and Third World countries constituted themselves into an International Committee for a Community of Democracies and issued three principal recommendations:

1) The establishment of an Association of Democracies at the intergovernmental level.

2) The formation of a consultative group of democracies at the United Nations and other international organizations, as appropriate.

3) The establishment of an International Institute for Democracy.

In order to achieve these goals, it was agreed that "a conference of parliamentarians and other influential persons from all practicing democracies be convened as soon as possible to consider these and similar proposals with a view to recommending action by their governments." Such a conference is now planned for 1987, and CCD is currently working on activities designed to provide the necessary preparations for its success.

At Wingspread, Samuel de Palma of the U.S., former Assistant Secretary of State for International Organizations, was designated as interim chair of the International CCD; 13 vice chairs were also named, including parliamentarians from Fiji, Israel, Australia, West Germany, Jamaica, and former Foreign Minister Sir Harold Walter of Mauritius.

NATIONAL ENDOWMENT FOR DEMOCRACY
Regional Listing of Programs Funded in FY 1985

AFRICAN PROGRAMS

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE PROGRAMS

- ZIMBABWE NATIONAL CHAMBER OF COMMERCE, (ZNCC), to strengthen the membership base and branch office activities of the ZNCC through the expansion of a training and education program aimed principally at rural businessmen and women.

  $135,165

- STELLASCOPE DEVELOPMENT SERVICES LTD., Nairobi, Kenya, to research and organize a seminar to analyze the policy implications of the Kenyan informal market as it functions at domestic and transnational levels.

  $40,240

FREE TRADE UNION INSTITUTE PROGRAMS

- SOUTH AFRICA PROGRAM, assistance to Frontlash, a youth organization affiliated with the AFL-CIO, for a program designed to build cooperation between democratic student and youth groups in the U.S. and South Africa.

  $86,028

- ARABIC-SPEAKING AFRICA, a regional training effort, with an emphasis on organization. The program takes advantage of improved relations between U.S. labor and Egypt, which in turn has set the stage for expanded relationships with trade unions in Sudan, Somalia and Djibouti. The effort also includes assistance to trade union exiles.

  $232,000

- ELECTORAL PROCESSES PROJECT, to provide material assistance and expertise to help unions throughout Africa, through a conference of African trade union legislators and trade union leaders, to exchange views on and evaluate strategies for voter education and mobilization. A special focus of the project in 1985 was voter education and mobilization in Liberia.

  $234,000

- ENGLISH-SPEAKING AFRICA PROGRAM, to train and provide institution-building support for democratic trade unionists in Nigeria, Ghana, Sierra Leone, and The Gambia.

$195,000

- EXCHANGES, to improve basic trade union skills and strengthen links between African labor leaders and their U.S. counterparts. To date, trade unionists from Egypt, Kenya, Uganda, Chad, Zimbabwe and Mauritius have participated in the exchange program.

$70,000

- FRANCOPHONE AFRICA, a regional effort based in the Ivory Coast to provide institution-building and organizing support for trade unions in Guinea, Senegal, Cameroon, the Ivory Coast, Burkina Faso, Niger, Chad, and Mali.

$230,000

- NIGER, a program supporting the Niger trade union movement, in an effort to develop a pilot land-use program to provide work for the unemployed.

$250,000

- PAN-AFRICAN EFFORT, a program of assistance for Africa-wide organizing and education, with an emphasis on strengthening individual labor organizations and trade union centers.

$200,000

- SOUTHERN AFRICA, a regional program, with a major focus on South Africa, to provide legal support to South African unions facing repression and legal harassment; to aid in the training of qualified black union lawyers and help to cover union legal expenses; and to conduct a series of fact-finding trips to assess the state of trade unions and trade union freedoms and to identify pro-democratic unionists in the region.

$130,000

- TRADE UNION NEWS SERVICE, to establish an African news service on human rights and trade union rights violations in the region and to fund a publication in English, French, and Arabic.

$70,000

- EDUCATION PROGRAM FOR AFRICAN TRADE UNIONISTS, two four-week seminars held at the George Meany Center in the U.S., for top-level African trade unionists, conducted by American trade

union and academic experts on democratic theory, trade union issues, and economic development.

$160,000

NATIONAL ENDOWMENT FOR DEMOCRACY DISCRETIONARY PROGRAMS

- A. PHILIP RANDOLPH EDUCATIONAL FUND, to enable "Project South Africa" to develop projects designed to bring about peaceful, democratic change in South Africa.

$15,000

- ASSOCIATION FOR EDUCATION IN JOURNALISM AND MASS COMMUNICATION, (AEJMC), for an exploratory program to assess the potential role of regional bodies in providing training, information and other resources to African journalism educators.

$25,000

- THE NATIONAL COUNCIL OF NEGRO WOMEN, INC., (NCNW), for a one year project to train women leaders in Guinea, Botswana, Swaziland, and Lesotho in democratic principles, organization building, constituency outreach, private sector development and communicating women's concerns to government.

$155,830

- THE PHELPS-STOKES FUND, to convene a series of three day-long meetings of African professionals to discuss the ways in which programs for the revitalization of African nongovernmental organizations might contribute to the strengthening of pluralistic values.

$10,000

ASIAN PROGRAMS

FREE TRADE UNION INSTITUTE PROGRAMS

- ASEAN TRADE UNION COUNCIL, to strengthen and encourage the growth of the ASEAN Trade Union Council (ATUC) -- a regional grouping of unions from Singapore, Malaysia, Indonesia, Thailand, the Philippines, and Brunei.

$86,000

- CYPRUS, support for organizing and democratic education activities, including assistance for a labor and education center

run by the Greek Cypriot Workers' Confederation (SEK) and for Turk-sen, the Turkish Cypriot trade union federation.

$75,000

- EXCHANGES, to allow U.S. labor leaders from specific sectors to meet their counterpart unions in Asia and share sector-specific information and policy concerns. Support is also provided for a conference on trade union rights in Asia.

$275,000

- INTERNATIONAL TRADE UNION ORGANIZATIONS, to use the mechanism of such bodies as the ICFTU to work with the Asian and Pacific Regional Organization and the ASEAN Trade Union Congress in strengthening democratic "union-to-union" programs through international trade secretariats. U.S. unions provide assistance and skills training to their Asian counterparts in the following sectors: teachers, textile workers, garment workers, transport workers, clerical employees and metal workers.

$120,000

- JORDAN, a program designed to establish the basis for cooperation with representatives of the Jordanian trade union movement.

$75,000

- LABOR WATCH PROGRAM, to monitor human and trade union rights in Asia. A specialized advisory service to assist those coping with the repression of trade unions will be established. In addition fellowships will be established for Asian academics to conduct research on human rights issues, assistance will be provided to victims of repression, media efforts will be launched to expose the denial of trade union rights, and a study of Vietnamese workers rights violations will be included.

$135,000

- PAKISTAN, education on labor law reform, the functioning of labor courts, comparative industrial relations, and union organizing and membership services. The program also assists the three national federations in conducting provincial-level basic union training for federation leaders and local seminars for plant-level officers.

$265,000

- THE PHILIPPINES, a wide-ranging program of assistance to urban and rural workers in the democratic trade union movement of the Philippines that centers on support for labor organizers, labor educators, health-care specialists, and agricultural experts. The program includes 1) basic membership service; 2) training programs; 3) basic health and occupational safety assistance to urban and rural workers; 4) the editing and publication of democratic union newspapers, and radio programming; 5) assistance and counseling for farmers.

  $1,100,000

- REGIONAL TRAINING PROJECT, to support a program of forums, conferences, and individual study of labor law and industrial relations, affiliate services, leadership training, etc. in Malaysia, Hong Kong, Nepal, the Philippines, and the Republic of China.

  $283,000

- SOUTH PACIFIC ASIAN-AMERICAN FREE LABOR INSTITUTE, an office in Fiji to organize seminars on trade union issues and democratic values; assist regional unions in establishing functioning offices; assist in the development of publications and in the provision of basic membership services; and provide assistance to enable democratic trade unionists in this widely dispersed jurisdiction to meet and coordinate activities.

  $370,000

NATIONAL ENDOWMENT FOR DEMOCRACY DISCRETIONARY PROGRAMS

- AMERICAN FRIENDS OF AFGHANISTAN, for a pilot project to provide educational opportunities for Afghans living in areas controlled by the Afghan Resistance.

  $180,845

- The JAMES F. BYRNES INTERNATIONAL CENTER of the University of South Carolina, for the Leslie Sawhny Programme of training in democracy in India

  $30,000

- THE CHINA PERSPECTIVE, INC., to carry out editorial work for The Chinese Intellectual and related activities in China

  $45,000

EUROPEAN PROGRAMS

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE PROGRAMS

- CONFEDERACION ESPANOLA DE ORGANIZACIONES EMPRESARIALES, (CEOE), Madrid, Spain, to organize and conduct a professional development program course designed to improve the managerial skills of executives of Spanish employers' organizations. This is a replication of the U.S. Chamber's Institute program.

  $36,686

FREE TRADE UNION INSTITUTE PROGRAMS

- BASQUE FEDERATION OF WORKERS (ELA-STV) of Spain, to support organizing efforts and democratic education for shop stewards, the automation of information and publishing activities, and also an education program for 330 teachers' union leaders and activists in democratic values and union related skills.

  $259,687

- CZECHOSLOVAKIA, for the publication and distribution within Czechoslovakia of Pravo Lidu, a journal of exiled Czechoslovak democratic and trade union leaders, dealing in part with worker issues, trade union rights, and democratic ideals.

  $30,000

- FRANCE, for union-building and assistance to exiles and immigrants through the Force Ouvriere (FO), the largest non-communist trade union federation.

  $500,000

- FRANCE, support to the Union Nationale Inter-universitaire (UNI) for a program of education and publications to promote democratic values in schools and universities.

  $300,000

- INSTITUT SINO-SOVIETIQUE, support for a Paris-based think tank to conduct research on Soviet and Chinese trade union and human rights issues.

  $71,000

- INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS, Belgium, for upgrading data collection and communications related to trade unions and human rights.

  $25,500

- MINEWORKERS INTERNATIONAL FEDERATION, Belgium, to bring African mineworkers union leaders to Brussels to meet with their democratic counterparts from the U.S. and Europe in a project aimed at strengthening ties and developing programs of support and cooperation.

  $10,000

- POLAND, support for the New York-based Committee in Support of Solidarity for translation and publication of documents on workers' and human rights. Support is also provided for individual Polish exiles in Europe and for the Coordinating Office of Solidarnosc Abroad, the Brussels-based external representative of the Solidarity movement in Poland, to collect detailed information on the state of the Solidarity trade union movement in Poland and to enable Solidarity to communicate with its members inside Poland.

  $540,000

- PORTUGAL, institution-building assistance to the Brotherhood of Railway and Airline Clerks, and support for sectoral organizing and membership services for the major democratic Portuguese labor federation, the Uniao Geral de Trabalhadores.

  $594,909

- QUE ME, support for a France-based publication of democratic Vietnamese exiles, and research and publications on trade union rights and human rights violations.

  $53,000

- SOVIET LABOUR REVIEW, United Kingdom, for basic research and publications on Soviet labor law, trade union and worker rights, and socioeconomic trends.

  $70,000

- SPAIN, assistance to a democratic Spanish teachers' union, provided through the American Federation of Teachers, for a series of courses in democratic values and union skills.

  $12,000

- LEAGUE FOR INDUSTRIAL DEMOCRACY, United States, for a study on the interrelationship between democratic trade unions and political parties, with special emphasis on socialist and social democratic parties, to examine their attitudes toward U.S. labor, foreign-policy, economic issues, etc.

  $75,000

- EXCHANGES, to enable democratic trade union leaders from the International Confederation of Free Trade Unions and European labor leaders active in support of democratic unions the world over to meet with their U.S. counterparts on common trade union concerns.

  $86,005

- RESEARCH AND PUBLICATIONS, a FTUI research and publication program on key human and trade union rights issues.

  $58,100

NATIONAL ENDOWMENT FOR DEMOCRACY DISCRETIONARY PROGRAMS

- AURORA FOUNDATION, to assist the work of the Polish Legal Defense Fund (in Poland).

  $50,000

- AURORA FOUNDATION, for the publication of one issue of "Zeszyty Literackie" ("Literary Notebooks").

  $6,000

- FREEDOM HOUSE, to assist the Committee for Independent Culture in its support of independent cultural activities in Poland.

  $10,000

- PROBLEMS OF EASTERN EUROPE, INC., to publish two double issues and to translate materials for a third issue of this Russian-language quarterly which deals with pertinent East European political and economic issues.

  $25,000

- TIME AND WE, to assist the publication of three issues of this bi-monthly Russian-language journal.

$25,000

LATIN AMERICAN PROGRAMS

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE PROGRAMS

- INTERNATIONAL ORGANIZATION OF EMPLOYERS, (IOE), Geneva, Switzerland, to organize and conduct a workshop in the Dominican Republic designed to improve Latin American employers' organizations use of modern communication techniques.

$53,510

- INSTITUTO LIBERTAD Y DEMOCRACIA, (ILD), Lima, Peru, to continue advocacy on behalf of the informal business sector within the Peruvian economy through efforts to effect institutional change and deregulation in Peru.

$240,000

- PAN AMERICAN DEVELOPMENT FOUNDATION, (PADF), to analyze the informal business sector in five Central American countries leading to a conference of Central American development organizations. This is a follow-on to a 1984 program focused on Nicaragua.

$56,100

- CAMARA DE LA LIBRE EMPRESA, Guatemala, to present a three day course to Guatemalan and Salvadoran business community leaders, entitled "Understanding Politics," designed to encourage the development of active business participation in the political process.

$40,280

- RESPUESTA FOUNDATION FOR THE DEFENCE OF LIBERTY, Bogota, Colombia, to promote private sector assumption of activities currently carried out by the public sector and foster participation of the Colombian private sector in the national economy and in public policy debates.

$58,228

- ASOCIACION CRISTIANA DE DIREGENTES DE EMPRESA, (ACDE), Montevideo, Uruguay, to educate business executives and the general public on economic options for Uruguay and the role of the private sector in the economic and social development of democracy.

$56,100

- CENTRO DE ESTUDIOS SOBRE LA LIBERTAD, Buenos Aires, Argentina, to sponsor a series of seminars in six Argentine cities on the advantages of private property, individual freedom and limited government as the basis for an open market economy and a pluralist system.

  $34,740

- FUNDACION DEL TUCUMAN, Tucuman, Argentina, to write a high school textbook to improve economic education in Argentina and introduce it to teachers through two seminars in Tucuman and Buenos Aires.

  $17,900

- INSTITUTO COLOMBIANO DE ESTUDIOS SUPERIORES DE INCOLDA, Cali, Colombia, to design and implement a pilot education program for high school students using the EMPRESA kits, to be accompanied by a seminar for elementary school teachers on concepts of creativity, motivation and entrepreneurism, and a national conference on entrepreneurial education in Colombia for university professors.

  $34,760

- INSTITUTO DE ESTUDIOS CONTEMPORANEOS, (IDEC), Buenos Aires, Argentina, for research on the informal sector of Argentina with an emphasis on the effect of government economic policies and inflation on the growth of the informal sector, the Argentine economy in general and political stability.

  $96,000

- ACCION INTERNATIONAL, Washington, D.C., to produce an audiovisual presentation that explores means of promoting the integration of the informal business sector in Latin America into the formal economies of the region. Based, in part, on the ILD and PADF programs.

  $30,740

FREE TRADE UNION INSTITUTE PROGRAMS

- AGRARIAN EDUCATION, support for a regional education program in cooperative education and agricultural skills to be offered by the Centro de Estudios Cooperativos y Laborales para America Latina (CECL), the training organization of Histadrut, Israel's democratic labor federation.

  $80,105

- ARGENTINA, a project for Argentine labor leaders which includes a research component designed to promote democratic values.

  $125,000

- TRADE UNIONS IN BOLIVIA, to assist in the development of a new union education initiative in the tin mining areas of Bolivia.
$60,000

- BRAZIL, support for the Instituto Cultural do Trabalho, an educational and training entity which works with democratic trade union groups, provides educational and organizing seminars, and supports organizing drives. Funds are used for conferences, exchanges, publications dealing with democratic rights and values, human rights manuals and education programs, and training of nonpartisan educators and activists.
$395,000

- CARIBBEAN CONGRESS OF LABOUR, support for a major research project to enable the democratic confederation of Caribbean unions to examine issues of Caribbean political and economic life.
$65,000

- CARIBBEAN POLITICAL EDUCATION COMMITTEES, for political education committees in the Caribbean area.
$105,000

- CHILE, assistance to the regional bureaus of the Central Democratico de Trabajadores, the Chilean democratic trade union federation which, harassed and repressed by Pinochet and challenged by Communist rivals, is forbidden from collecting dues by law. The program supports seminars and training programs throughout the country.
$450,000

- COLOMBIA, a civic education program in cooperation with the Union de Trabajadores de Colombia and the Confederacion de Trabajadores de Colombia, focusing on education in democratic values and research on legislative issues, including a study of proposed changes in the national labor code.
$63,000

- COSTA RICA, sponsorship of a conference on "Democracy, Peace and Central America" with participation of leading civic, labor and government figures from the region.
$75,000

- DOMINICAN REPUBLIC, a program of national seminars on political theory that builds on work of the labor-initiated "forum on economic problems" by establishing a major organizing drive. The organizing drive involves full-time organizers operating out of offices in urban centers.

  $125,000

- EXCHANGES, programs to establish closer links between Latin American and Caribbean trade unionists and their U.S. counterparts, linked to the development of specific skills, education in democratic values and advancing discussion of inter-American political problems.

  $50,000

- ECUADOR, to support a new educational program in "Democratic Political Theory" designed to strengthen democratic ideals within the labor movement. The program, which involves cooperation with local democratically-oriented political scientists to run seminars for union leaders, shop stewards, and activists, has recently focused on teachers' union activities.

  $80,000

- EXILE ASSISTANCE, traditional labor support for embattled and exiled democratic trade union leaders. Focused primarily in Central America and Chile, the program includes medical assistance, loans, and subsistence aid for families.

  $30,000

- GUATEMALA, support for civic and electoral education for the Confederation de Unidad Sindical de Guatemala (CUSG), a major Guatemalan union.

  $100,000

- INTERNATIONAL TRADE SECRETARIAT PROGRAM, to provide secretariats resources to support their country affiliates in civic, educational and trade union rights activities. Money from this program is contributed through individual U.S. trade unions to seven democratic trade secretariats. Funds are used for conferences, exchanges, publications dealing with democratic rights and values, human rights manuals and education programs and training ofnonpartisan educators and activists.

  $410,000

- LIBRO LIBRE, support for a major book and pamphlet publishing and distribution program located in Costa Rica. The effort focuses on literature distribution aimed at trade union leaders, the promotion of democratic and pluralist values through conferences and seminars, and on the relationship between government and society.

  $80,000

- LABOR WATCH PROGRAM, a new organization, the Inter-American Committee on Human and Trade Union Rights, headed by prominent Latin American labor leaders to collect factual information on human and trade union rights violations within the hemisphere.

  $65,000

- MEXICO, funds for the Confederacion de Trabajadores Mexicanos for a grassroots democratic education programs for union activists, including eight week-long national seminars involving hundreds of union activists.

  $100,000

- NICARAGUA, a program to support democratic Nicaraguan trade union federations resisting government control and repression.

  $60,000

- PARAGUAY, support for union organizing and membership services of democratic unions.

  $50,000

- PERU, support for regional union education centers, in cooperation with the Peruvian Workers Confederation (CTP), through which thousands of trade unionists are trained. Special emphasis is placed on education in "Democratic Political Theory" and election laws.

  $130,000

- REGIONAL CIVIC EDUCATION MATERIALS, a major regionwide educational project to develop and print manuals on the role of trade unions in the democratic and political process. Project also identifies existing pro-democratic materials to use for training courses and disseminates such materials.

  $82,000

- REGIONWIDE COURSES ON DEMOCRATIC POLITICAL THEORY, support to maintain a team of lecturers with expertise in democratic political theory and labor economics.

$150,000

- REGIONWIDE ORGANIZING EFFORT, support for a regional program aimed at increasing membership of democratic unions in the hemisphere.

$85,000

- REGIONWIDE POLITICAL EDUCATION COMMITTEES, support for organizing efforts throughout the region for nonpartisan voter education and mobilization.

$660,000

- SURINAME, assistance to the Dutch based Council for Liberation of Suriname for documenting and publicizing violations of human and civil rights in Suriname.

$112,500

- URUGUAY, support for Uruguayan Technical Assistance Centers (ATS) to provide coordinated organizing services and professional advice to democratic unions in Uruguay. Funds support training of lawyers and economic specialists for collective bargaining, provide advice and technical assistance to unions, help in collecting economic statistics, and provide analysis. The project is coordinated with democratic International Trade Secretariat representatives.

$150,000

NATIONAL ENDOWMENT FOR DEMOCRACY DISCRETIONARY PROGRAMS

- The BILDNER CENTER FOR WESTERN HEMISPHERE STUDIES at the Graduate School and University Center, CUNY, to support an international symposium on problems of democracy to be held at the Institute of Political Science of the Catholic University of Chile in July 1986.

$50,000

- CARIBBEAN/CENTRAL AMERICAN ACTION, (CCAA), to design a nonpartisan education-for-democracy program for youth in the Eastern Caribbean, with initial focus on Dominica.

$15,700

- CARIBBEAN/CENTRAL AMERICAN ACTION, (CCAA), to assist the Committee for Progress In Democracy (Dominica) to serve as a permanent center for coordinating and conducting key programs in democratic political education.

  $58,800

- CARIBBEAN/CENTRAL AMERICAN ACTION, (CCAA), to administer two projects to be conducted by the Centro de Estudios Politicos (CEDEP) in conjunction with the Guatemalan elections held November 3, 1985.

  $152,450

- FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA, (PRODEMCA), to assist the independent Nicaraguan newspaper La Prensa through the purchase of desperately needed printing supplies without which the paper would have been forced to stop publication.

  $100,000

- FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA, (PRODEMCA), to assist the establishment of a private nonpartisan center devoted to the study and discussion of democratic ideas and their potential application in Nicaragua, and to assist in translating, publishing and distributing documents concerning the human rights situation in Nicaragua.

  $200,000

- THE OVERSEAS EDUCATION FUND, (OEF), to work with Uruguayan women to design a program to increase their contribution to national economic efforts and the consolidation of democracy.

  $25,000

MULTIREGIONAL PROJECTS

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE PROGRAMS

- THE INSTITUTES FOR ORGANIZATION MANAGEMENT, supported by a grant from CIPE, the Institutes staff is undertaking the following activities: 1) Organize intensive organization management training for foreign business organization staff executives; 2) conduct similar training programs in San Jose, Costa Rica for Latin American business organization staff executives; 3) prepare monographs on organization management in French; 4) develop Spanish computer software for use by business organizations. (A special course was implemented for representatives from the

Philippine Chamber of Commerce as part of a larger Philippine business advocacy and public opinion program.)

$449,713

FREE TRADE UNION INSTITUTE

- SERVICE EMPLOYEES INTERNATIONAL UNION, support for an international education effort on public and private sector issues in the health care industry.

$40,000

NATIONAL ENDOWMENT FOR DEMOCRACY DISCRETIONARY PROGRAMS

- JAMAICA WORLD RELIEF, to provide planning assistance for the International Conference of Youth and World Youth Festival of Arts held in Jamaica in April 1985 to celebrate the United Nation's International Youth Year.

$106,940

National Endowment for Democracy

Staff and Consultants

Carl Gershman, President
Louise A. Siffin, Special Assistant to the President
Diane M. Bettge, Secretary to the President

Marc F. Plattner, Director of Program
Barbara A. Haig, Deputy Director of Program
Yale Richmond, Program Officer
Luis Aguilar, Consultant, Latin America
Jerry A. Funk, Consultant, Africa
Deborah I. Tyczenski, Grants Management Assistant
Adelina Reyes-Gavilan, Program Assistant

Jeffery A. Hunter, Comptroller
William M. Monroe, Grants Officer
Kae Guthrie, Assistant to the Comptroller

Alexandra Glowacki, Director of Public Affairs
Shirley A. Banks, Receptionist

Corporation Counsel

Ross, Dixon and Masback

Deloitte
Haskins + Sells

NATIONAL ENDOWMENT FOR DEMOCRACY

Financial Statements for the Year Ended September 30, 1985 and Auditors' Opinion

Deloitte
Haskins+Sells

1101 Fifteenth Street, N.W.
Washington, D.C. 20005
(202) 862-3500
TWX 710-822-9289

AUDITORS' OPINION

National Endowment For Democracy:

We have examined the balance sheet of National Endowment For Democracy as of September 30, 1985 and the related statements of revenues and expenses and changes in fund balance and of changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the financial position of National Endowment For Democracy at September 30, 1985 and the results of its operations and the changes in its financial position for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells

November 1, 1985

NATIONAL ENDOWMENT FOR DEMOCRACY

BALANCE SHEET, SEPTEMBER 30, 1985

	NOTES	
ASSETS		
CURRENT ASSETS:		
Cash		$ 30,793
Grants receivable	1,5	15,413,976
Prepaid and other assets		33,366
Total current assets		15,478,135
Property and equipment, Net	4	55,736
TOTAL		$15,533,871
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities		$ 115,027
Grants payable	1,6	15,329,131
Current obligations under capital lease	8	2,912
Total current liabilities		15,447,070
Long-term obligations under capital lease	8	12,680
Fund balance		74,121
TOTAL		$15,533,871

See notes to financial statements.

NATIONAL ENDOWMENT FOR DEMOCRACY

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 1985

	NOTES	
REVENUES		
Grant revenue	1	$18,497,525
Contributions		1,076
Total revenues		18,498,601
EXPENSES		
Program grants	1	17,586,565
Salaries, wages and benefits		503,505
Consultants		46,599
Travel and transportation		35,054
Supplies and equipment		38,097
Occupancy		61,988
Communications		47,309
Conference and meetings		11,887
Insurance		13,435
Professional fees		98,190
Depreciation and amortization		9,053
Other		2,072
Total expenses		18,453,754
EXCESS OF REVENUES OVER EXPENSES		44,847
FUND BALANCE, BEGINNING OF PERIOD		29,274
FUND BALANCE, END OF PERIOD		$ 74,121

See notes to financial statements.

NATIONAL ENDOWMENT FOR DEMOCRACY

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 1985

SOURCES OF FUNDS:	
Excess of revenues over expenses	$ 44,847
Items not requiring funds during current period:	
Depreciation and amortization	9,053
Total funds provided by operations	53,900
Increase in accounts payable and accrued liabilities	72,310
Increase in capital lease obligations	17,970
Increase in grants payable	3,756,366
Total	3,900,546
USES OF FUNDS:	
Increase in prepaid and other assets	4,092
Increase in grants receivable -	3,817,244
Payments on capital lease obligation	2,378
Purchase of property	64,789
Total	3,888,503
INCREASE IN CASH	12,043
CASH - BEGINNING OF PERIOD	18,750
CASH - END OF PERIOD	$ 30,793

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1985

1. ORGANIZATION

The National Endowment for Democracy (the Endowment) is a private not-for-profit corporation headquartered in Washington, D.C. The Endowment was established coincident with a grant awarded by the United States Information Agency (the Agency) as mandated by the National Endowment for Democracy Act (the Act) of the United States Congress. The purpose of the Endowment is to encourage free and democratic institutions throughout the world through activities which promote individual rights and freedoms. The Endowment awards grants to organizations with programs consistent with its objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accrual Accounting - The accounts of the Endowment are maintained and the financial statements have been prepared on the accrual basis. The Endowment reports to the U.S. Government on the basis of obligations and actual expenditures.

Revenue Recognition - Grants received from the Agency specify in which fiscal year the monies are to be expended. Revenues from the Agency grants are recognized as earned in the year in which the Agency indicates the funds are intended for use, provided the Endowment incurs valid obligations which are in accordance with the purposes set forth in the grant agreement.

Program Grants - The Endowment records as expense, the full amount of a program grant at the time an agreement is signed commiting funds to the grantee.

Property and Equipment - Property and equipment are stated at cost and depreciated or amortized by the straight-line method over their estimated service lives or the terms of the lease as applicable, ranging from 3 to 10 years.

Grant Receivable/Payable - At the time a grant agreement is signed, a payable to the grantee and a corresponding receivable from the Agency is recorded. As the Endowment draws on its letter of credit and payments are made to the grantee, the receivable and payable accounts are decreased accordingly.

3. UNITED STATES INFORMATION AGENCY GRANTS

A grant was awarded to the Endowment from the Agency for an amount not to exceed $18,000,000 for the period December 1, 1983 through September 30, 1984. An additional grant of $18,500,000 has been awarded by the Agency for the fiscal year ending September 30, 1985.

The status of all Grants awarded to date is as follows:

	1984	1985	TOTAL
Balances:			
Obligated	$17,943,637	$18,497,525	$36,441,162
Unobligated	56,363	2,475	58,838
TOTAL	$18,000,000	$18,500,000	$36,500,000

Unobligated amounts represent funds which the Endowment is not permitted to utilize for current year programs. The Endowment is currently requesting permission from the Agency to use these funds for future programs. Accordingly, these amounts are included in grants receivable and accounts payable to the Agency at September 30, 1985.

4. PROPERTY AND EQUIPMENT

Property and equipment, stated at cost less accumulated depreciation and amortization as of September 30, 1985, are as follows:

Furniture and Equipment	$46,819
Equipment under capital lease	17,970
	64,789
Less accumulated depreciation and amortization	9,053
Net property and depreciation	$55,736

5. GRANTS RECEIVABLE

Grants receivable from the U.S. Government represent unexpended balances of Federal Reserve Letters of Credit established to fund the Agency grant agreements.

The Endowment is entitled to collect U.S. Government funds by presenting payment vouchers against Federal Reserve Letters of Credit when it makes cash disbursements for program grants and administrative costs. The Endowment requests cash to fund its operations as needed.

6. GRANTS PAYABLE

Grants payable represent the undisbursed balances of funds obligated to the Endowment's grantees. Grantee organizations are entitled to collect grant funds as needed by presenting requests for funds to the Endowment.

7. RELATED PARTIES

The Endowment awards grants to various organizations to be used for programs which the Board of Directors determines are consistent with the purposes of the Act. Some of the organizations which submit proposals and are awarded funds have members of their Board of Directors represented on the Board of Directors of the Endowment.

Article VI, Section V of the Endowment's bylaws provides that any board member who is an officer or director of an organization seeking to receive grants from the Endowment must abstain from considering and voting on such grant. This provision shall not prevent any director from supplying factual information the Board requests.

8. COMMITMENTS

Minimum future payments under capital lease of equipment as of September 30, 1985 are as follows:

Year ending September 30	
1986	$ 4,643
1987	4,643
1988	4,643
1989	4,643
1990	1,543
Total minimum lease payments	20,115
Less amounts representing interest	4,523
Total obligations under capital lease	15,592
Less current portion of obligations	2,912
Long-term obligations	$12,680

9. INCOME TAXES

The Endowment is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a).

10. GRANT ALLOCATIONS

A member of Congress has suggested to the General Accounting Office (GAO) and the Agency that the Board of the Endowment improperly allocated fiscal year 1984 funds to The Free Trade Union Institute (FTUI) and Center for International Private Enterprise (CIPE). Both the Agency and the Endowment disagreed with the Congressman on this matter and contested this assertion before GAO.

The GAO has reviewed the Endowment's subgrant allocations for 1984 and has recommended that no change be made in the 1984 grants. They also recommended that with respect to fiscal 1985 subgrant allocations, the Endowment should ensure that its allocations to FTUI and CIPE are in amounts sufficient to fulfill the requirements of section 503(e) of the National Endowment for Democracy Act. The amounts awarded to FTUI and CIPE in fiscal 1985 were sufficient to fulfill these requirements.

11. RETIREMENT PLAN

During fiscal year 1985, the Endowment established a defined contribution annuity plan for all its employees under which the Endowment contributes a percentage of an eligible employees annual earnings to an individually owned tax-deferred annuity contract. The Endowment's contribution to the plan is based on 10% of an eligible employees annual earnings. Cost of the plan for the year ended September 30, 1985 approximated $38,700.

The National Endowment for Democracy, a private organization incorporated in the District of Columbia, was created in 1983 and has received an annual appropriation from the U.S. Congress. Governed by a bipartisan Board of Directors, the Endowment is a tax-exempt, nonprofit corporation as defined in Section 501(c)(3) of the Internal Revenue Code.

For further information, please write:

Director of Public Affairs
National Endowment for Democracy
1156 15th Street, N.W.
Suite 304
Washington, D.C. 20005

Telephone: (202) 293-9072