

National Endowment for Democracy

ANNUAL REPORT 1987

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* Resigned September 1987

Chairman's Message

This, the fourth annual report of the National Endowment for Democracy, describes the activities of an organization which, though still young, is already making a substantial and growing contribution to the most important issue of our time: the struggle of people throughout the world to live in freedom within democratic systems. As the reader will see, the scope of the work being done is truly extraordinary, both in terms of geographical reach and programmatic diversity.

In the course of our work over the past four years, we have discovered a remarkable degree of bipartisan consensus on behalf of the proposition that the United States should actively support those working without violence to promote democracy abroad. The Endowment is the means whereby such support can be provided -- openly, prudently, and in a manner consistent with our country's democratic values and convictions.

It has been a privilege for me, personally, to serve as Chairman of the Endowment's Board of Directors during these four years. I know that I speak for the entire Board when I say how proud we are of what has been accomplished during this period. The fact that so much has been accomplished is due to many variables, and many people. I would particularly like to thank the other members of our Board, the dedicated members of the Endowment's staff, and our exceptionally capable and effective president, Carl Gershman.

I would also be remiss if I neglected to thank the many other individuals outside of the Endowment who have provided key support in the past year. We have been greatly assisted by members of Congress from both parties; members of the U.S. Advisory Commission on Public Diplomacy; representatives of the U.S. Information Agency, the Agency for International Development, and the State Department, among others.

Our deepest thanks are reserved for the individuals who have come to the Endowment for support -- those who are on the frontlines of democratic change in a wide variety of situations throughout the world. They, and the countless millions who, with them, are part of movements for democratic change around the world must play the decisive role in the struggle for democracy and freedom. But they should, and indeed must, receive support and solidarity from the United States, the world's leading democracy.

A highlight of this past year was the Endowment's May conference on "Advancing Democracy: The Challenge Ahead," which brought together an impressive number of these individuals -- leaders of political parties, those working to strengthen free trade unions and free market economies, intellectuals, women's leaders, leaders of democratic movements in non-democratic countries, and some of the foremost heroes of the struggle for human rights.

The conference was organized according to the broad categories which define the Endowment's work: opening closed societies, supporting democratic transitions, strengthening new democracies, sustaining democratic possibilities in countries wracked with conflict and violence and, most broadly, building democratic institutions.

The speakers who addressed these subjects -- from countries as diverse as the Soviet Union and South Africa, Cuba and Chile, Nicaragua and Paraguay, Afghanistan, the Philippines, and many others -- are leaders of democratic movements on the cutting edge of change. It is their efforts we are honored to support and on which we report in the pages that follow.

John Richardson
Chairman of the Board

President's Report

When historians look back upon the 1980's, they are likely to conclude that the most significant global trend of the decade was the resurgence of democracy. To be sure, the decade still has two years to run and democracy may suffer setbacks in that time. But the trend in favor of democracy has been so pronounced and the democratic momentum so strong that the democratic resurgence has already assumed the character of an historic development.

This development is all the more striking since it follows a period of nearly two decades when democracy seemed to be in retreat on almost all fronts. This was the period of the breakdown of democratic systems in many countries of Latin America, the suppression of reform movements in Eastern Europe and the Soviet Union, and the Cultural Revolution in China. It was also a period when a kind of virulent anti-Western nationalism appeared to be ascendant in the Third World. The triumph of such forces in Ethiopia, Indochina, Iran and Nicaragua, among other places, was commonly viewed -- even in the West -- as inevitable, a development the democratic world had to accommodate, not to resist. Thus, the democratic retreat was not just political but ideological as well. It was accompanied by a dramatic loss of belief and confidence in the future.

The turnaround has been dramatic. Democracy, once viewed as an historical relic, now seems like the wave of the future. The revival actually began almost imperceptively in the middle of the last decade with the restoration of democracy in Greece, Portugal, and Spain. From there the trend spread to Latin America where authoritarian military governments have given way to democratically elected civilian governments in Argentina, Bolivia, Brazil, Ecuador, El Salvador, Guatemala, Honduras, Peru, and Uruguay. The consolidation of democracy in the Dominican Republic and the ouster of dictatorships in Grenada and Haiti are also part of this democratic revival. (While the violent disruption of the Haitian elections was a terrible setback to the democratic cause, the determination and courage of the Haitian people -- whom even murderous gangs could not dissuade from voting -- is a moving demonstration of the power of the democratic idea.)

The Peruvian novelist Mario Vargas Llosa has noted an important difference between the current democratization process in Latin America and the democratic wave that ran through the region after World War II. The earlier development, he has pointed out, was largely the result of external pressures and local elites. Today, for the first time, democracy "is being established with clear popular support" and "the antidemocratic alternatives of Marxist revolution or military dictatorship are the monopoly of economic or intellectual elites. The bulk of the populace has expressed overwhelming support for moderate regimes: center-left, center, center-right -- whichever seems to offer the best chance of achieving democracy."

The democratic revival is not limited to Latin America. It is evident in the popular movement for democracy in the Philippines and South Korea, the continued democratic development in Thailand, and the trend toward increased political participation in Taiwan. Even in Africa, where the struggle for survival remains paramount, there have been positive developments: notably in Sudan, where the first free national election in 17 years was held, and in Uganda and Nigeria, where military governments have pledged a return to civilian government. And in South Africa, despite the conditions of violence and polarization, the voices calling for a democratic alternative to apartheid are becoming stronger.

Perhaps the most dramatic development has been the turn away from Marxist absolutism in most of the Communist world. With the exception of the most rigid totalitarian regimes in Cuba, Albania, and North Korea, Communist leaders are awakening to the fact that they must modify the suffocating centralism of their systems if their countries are not to fall farther behind the West economically and technologically. From China to Eastern Europe to the Soviet Union itself, reform is the order of the day. To be sure, the prospects are at best uncertain. The reform process must ultimately come up against the contradiction between the necessity for pluralism and open markets on the one hand, and the systematic requirement to preserve the party's monopoly of power on the other. Nonetheless, the fluidity of the current situation has made possible the emergence of a variety of independent social, cultural, and intellectual tendencies that signal the revival of civil society. This process is most advanced in Poland, where democratic initiatives have been able to build upon the experience of Solidarity's legal existence. But it is

underway in other Communist countries as well and probably cannot be wiped out.

All this signifies a world in which the democratic idea is growing stronger, not weaker, and the existence of democratic systems or incipient democratic forms is becoming more, not less, prevalent. Allowing for the periodic reversals that are part of any complex and turbulent historical process, the movement toward democracy is likely to continue because:

- democratic systems are in the best position to respond in a timely and creative way to the rapidly changing conditions brought on by the accelerating revolution in science and technology;
- the spread of popular democratic culture, with demands for increased political participation, is a by-product of the increased accessibility of information that is part of the communications revolution;
- the popular desire for economic growth and disillusionment with failed statist approaches has revived interest in market solutions to economic problems;
- the spread of economic growth will inevitably produce a more educated and politically active population; and,
- with the sole exception of Islamic fundamentalism, utopian political ideologies are in decline -- most notably Communism, which can no longer mobilize culturally active forces.

A final factor is the new pro-democratic consensus that exists in the West, most notably in the United States. While this consensus breaks down on some issues involving the use of military force or economic sanctions, it brings together diverse political elements that can agree on certain crucial propositions: that democratic governments tend to be friendly to the United States and peaceful in their foreign relations; that they tend more toward political stability and economic prosperity than non-democratic systems; that the growth of democracy serves our national interests; and that to further those interests

we should support those who are struggling to establish democratic systems and defend democratic values.

The National Endowment for Democracy is a product of this consensus. It is also one of the most important means by which the objective of the consensus -- support for democracy around the world -- can be achieved. The following report highlights the successes of the Endowment during its brief existence and describes the programs funded during the last fiscal year. We are proud of what we have been able to accomplish in just a little less than four years and confident that this institution, led by a strong and diverse board, can make a growing contribution to the democratic cause in the years ahead.

We are especially proud and delighted to have been able to work with and support so many courageous and dedicated democrats around the world. Most of these people do not know each other. They come from countries that are geographically dispersed and as politically and culturally diverse as are the peoples of the world. Yet we have been struck not by the differences among them but by what they have in common: an abiding commitment to liberal democracy and the cause of freedom.

It has been said that liberal democracy cannot light fires in men's minds the way utopian ideologies have been known to do. Some have drawn the conclusion from this that democracy is doomed to perish. But while democracy does not incite fanaticism, it does inspire devotion to the values of freedom that are embodied in our own constitution and shared by people around the world. We have seen such devotion amply demonstrated by democratic mass movements and, where such movements are not possible, by courageous dissidents and human rights activists. We are therefore confident that democracy will continue to spread as more and more people throughout the world strive to attain the blessings of freedom.

Program Report

Though still a relatively new organization, the Endowment has developed a worldwide program, one that has begun to fulfill the immense hopes that people in the United States and around the world have placed in this vital initiative. More and more democratic groups have now learned of the Endowment and seek its support. The Endowment has tried to be as responsive as possible to these requests despite the fact that its resources have declined in each of the last three years. This situation has put a premium on prioritizing and planning; more has to be accomplished with less.

The Endowment has refined its planning process, targeting countries and regions for priority consideration and making budget projections by program category. Since this planning can now be based upon an accumulating body of knowledge and experience, it avoids the danger of setting artificial goals.

The Endowment has sought to establish priorities while, at the same time, retaining the capacity to be responsive to promising initiatives from a wide range and variety of non-priority countries. Grant allocations for groups in countries of lesser priority, even if relatively modest, nonetheless serve important purposes. Such small grants represent crucial assistance to struggling democratic groups. Moreover, they help put the Endowment in a position to respond quickly in non-priority situations if new opportunities suddenly develop. Not least, being as responsive as possible to authentic democratic advocates around the world is consistent with the Endowment's global commitment to assist efforts to further democratic development.

The Endowment seeks to balance its desire to sustain and nurture existing projects with its wish to respond to new initiatives. Ideally, Endowment support should encourage groups to become self-sustaining as rapidly as possible, but no simple formula can apply. Some projects will be of a short-term nature, but other programs may require more extended assistance, especially since democratic development is a long-term process. In all

circumstances, the Endowment encourages efforts by its grantees to seek other sources of funding, and where possible it assists in these efforts.

The Endowment funds programs primarily in three major substantive areas: pluralism; democratic governance and political processes; and education, culture and communications.

Pluralism involves the development of strong, independent private-sector institutions, especially trade unions and business associations, and including as well civic and women's organizations, youth groups and cooperatives. Programs in the areas of labor and business are carried out, respectively, through the Free Trade Union Institute (FTUI) and the Center for International Private Enterprise (CIPE).

The program area of Democratic Governance and Political Processes involves, above all, efforts to promote strong, stable political parties that are committed to the democratic process. The National Democratic Institute for International Affairs (NDI) and the National Republican Institute for International Affairs (NRI) carry out such party-building programs. This area also includes programs that promote the rule of law and respect for human rights, encourage dialogue among different sectors of society, and advance solutions to national problems.

The program area of Education, Culture and Communications involves programs that nourish a strong democratic civic culture, including support for publications and other communications media. Also included here are training programs for journalists, the production and dissemination of books and other materials to strengthen popular understanding and intellectual advocacy of democracy, and programs of democratic education.

The Endowment devotes modest funding to research on questions related to democratic development, and to programs that encourage regional and international cooperation in promoting democracy.

Some areas of Endowment programming are better suited to some countries or regions than to others. A broad, multi-faceted program is feasible in Latin America, for example, because the opportunities are great and there

exist numerous possibilities to work with independent unions, business associations, parties and other private institutions as well as to conduct programs in the area of education and culture. But in closed societies, such as those in Eastern Europe and the Soviet Union, the absence of legal independent private institutions inevitably restricts work in the areas of pluralism and democratic governance. Here the preponderance of programs is in the area of education, culture and communications.

Nonetheless, the Endowment's mandate is global and its goal is to offer assistance to all those working peacefully for democracy. This means, necessarily, that Endowment programs are carried on in a wide variety of situations. Programs must be tailored to specific conditions and differing levels of democratic development and opportunity. The Endowment has identified four broad objectives: supporting democratic transitions, strengthening new democracies, opening closed societies, and sustaining democratic possibilities in countries wracked by conflict and violence.

Supporting Democratic Transitions

Endowment programs recognize the diversity of transitional situations. Where the process has not begun, or is in a very early stage (such as in Chile and Paraguay), the programs seek to encourage, assist, and unify all those working for a stable transition. Where there have been transfers of power without clear scenarios for transition, as in Haiti, the Endowment has assisted those who are working to mold a new democratic consensus and to build the infrastructure for a democratic order. Where the transfer has brought to power a government with legitimacy and democratic commitment, as in Argentina and the Philippines, the Endowment supports those working to build and consolidate a new democratic system.

Endowment programs are supporting the process of democratic transition in:

-- the Philippines, where the Endowment, through its four core grantees (FTUI, CIPE, NDI, and NRI), and also in cooperation with the YMCA, has made a vital contribution to the process of democratic transition before, during, and

after the momentous events of February 1986. In the period leading up to and including these events, this support involved large-scale FTUI assistance to the democratic labor movement, which was under attack from both left and right, and the organization by NDI and NRI of an international observer delegation to the February 1986 elections, which helped turn the tide of opinion in favor of respecting the democratically expressed will of the Filipino people;

-- Guatemala, where the Endowment supported the efforts of a group of Guatemalan professionals and businessmen to develop a nonpartisan political forum where politicians and emerging political groups could find a neutral ground to discuss political issues. The Endowment also made a significant contribution to the 1985 Guatemalan elections by encouraging voter participation through a nonpartisan get-out-the-vote campaign;

-- Haiti, where support has been given to an emerging free trade union movement, to five business associations, and for the establishment of a center to promote research, civic education and democratic cooperation, and for a program of electoral assistance;

-- Chile, where urgently needed support is being given to a broad group of political and social forces working for a peaceful transition to democracy;

-- Paraguay, where assistance is being given to labor, business, and intellectual organizations that are working for democratic change, and to Radio Nanduti, which is struggling against severe government harassment to remain the only genuinely independent communications medium in the country;

-- Guyana, where Endowment assistance has made possible the establishment of the Stabroek News, the first independent newspaper since 1971.

Strengthening New Democracies

In new or fragile democracies, the goal of the Endowment is to assist those who are working to build the infrastructure of democracy. This involves helping to build strong independent private-sector institutions, especially trade unions and business associations, as well as civic and women's organizations, youth groups, and cooperatives. It also entails supporting efforts to promote strong, stable political parties that are committed to the democratic process, and programs that promote the rule of law, respect for human rights, dialogue among different sectors of society to advance solutions to national problems, and a strong democratic civic culture.

Endowment programs are strengthening new democracies in:

-- the Philippines, where the consolidation of new democratic gains is being assisted by efforts of the Asian-American Free Labor Institute, with assistance provided through FTUI, to strengthen the free trade union movement, of CIPE to assist the development of regional chambers of commerce to enable them to take a more active part in the political process, of the YMCA to promote democratic civic education for high school youth, and of the Friends of Namfrel in America to sponsor a two-day conference of women sectorial leaders;

-- Argentina, where the Endowment has made possible the rapid expansion of a major women's program of civic education, Conciencia, as well as an NDI-sponsored multi-party discussion of ways to strengthen the Argentine legislature, and a range of initiatives to encourage non-statist solutions to economic problems;

-- Peru, where the Institute for Liberty and Democracy, with CIPE support, is promoting the economic rights and political participation of the small entrepreneurs who make up the vast informal sector; and

-- Dominica, where NRI and the Committee for Progress in Democracy are promoting democratic education of youth.

Opening Closed Societies

One of the Endowment's most challenging goals is to encourage a process of opening closed societies where independent institutions are prohibited or severely restricted. The immediate objective is to enlarge whatever possibilities exist for independent thought, expression and cultural activity. This can be accomplished by supporting efforts to further the freer flow of information to and from the people of such countries, by making available outside sources of information and ideas, and by assisting in the publication and dissemination of independent scholarly or artistic works produced within. A panel of experts that convened in December 1986 to review Endowment programs in Eastern Europe and the Soviet Union concluded that the launching of this work is as significant today as was the founding of Radio Free Europe and Radio Liberty in the 1950's.

Among the countries where the Endowment is working to "open" closed societies are:

-- Poland, where FTUI is supporting Solidarity, and where assistance is being given to the Committee for Independent Culture and to other groups struggling within the framework of a totalitarian system to establish the independent institutions of civil society;

-- Czechoslovakia and Hungary, where support is being provided to strengthen independent cultural and intellectual movements;

-- the Soviet Union, where the Endowment, taking advantage of the communications revolution that is affecting the closed societies of the entire Soviet bloc, is promoting the free flow of information and ideas, religious freedom, and respect for human rights;

-- China, where the magazine The Chinese Intellectual has established a bridge between the reformers and the democratic world; and

-- Cuba, where those struggling for human rights are now receiving the solidarity of a broad international coalition of committees organized by Armando Valladares, the distinguished Cuban poet and former prisoner of conscience.

Countries in Crisis: Sustaining Democratic Possibilities

Perhaps the most difficult area of all is the Endowment's work to sustain democratic possibilities in countries wracked by conflict and violence. Here the goals are to strengthen the possibility of democracy as a solution to pressing problems and to support those who are working to build a commitment to democratic values and goals. Whether democracy is seen as an alternative to violent conflict or as the kind of system that must be built once the violence subsides, the objective is to assert the relevance of democracy in a variety of different and critical situations. These include:

- South Africa, where support is being given to lawyers, business groups, journalists, church leaders, and community groups working for human rights and for a democratic alternative to apartheid;

- Afghanistan, where the Cultural Council of the Afghan Resistance has revived in liberated parts of the country the education system destroyed by the Soviet occupation forces;

- Northern Ireland, where NDI is helping the efforts of the Social Democratic and Labour Party to find a peaceful and democratic solution to the communal conflict; and

- Nicaragua, where support has been given to the CUS labor federation, the newspaper La Prensa, and others, including political parties, within the non-violent democratic civic opposition.

The Endowment program, taken as a whole, represents an initial attempt to address comprehensively the democratic challenge in the world today. It is not limited to a particular region, and it is bound by no political orientation other than a commitment to respond creatively, practically, and with solidarity to authentic efforts to defend and promote democratic values. The Endowment does not have any blueprint for democratic change. Rather, it believes that democracy will grow out of the sustained efforts of the people -- men and women, adults and youth, workers, peasants, employers, political leaders,

professionals, intellectuals and many others -- to determine their own destinies in freedom and peace. The Endowment cannot and should not direct this process. It can only assist it. By so doing it represents a concrete expression of the sympathies that the American people have for all those who are struggling for freedom.

The following is a regional presentation of the Endowment's FY 1987 programs.

AFRICA

Democratic gains in Africa have not been as dramatic as in other regions. Nonetheless, Sudan has held its first free national election in over seventeen years, and the military governments in Uganda and Nigeria have pledged to return to civilian government within the next four to five years. Elsewhere in Africa, progress was visible in the efforts of a number of countries to strengthen market forces in the economy. Multi-party democracy was maintained in Botswana, Senegal, and the Gambia.

In 1987, Endowment programs in Africa continued to stress building such pluralist institutions as free trade unions, business associations, a free press, and independent civic organizations as a basis for the eventual development of democratic political institutions.

The country of greatest priority for the Endowment in Africa was South Africa. Despite the terrible racial conflict there -- in fact, because of it -- efforts continued to strengthen those groups in the black and white communities who are committed to the peaceful dismantling of apartheid and its replacement by a democratic system that allows all to participate fairly. The Endowment has begun programs to develop black consumer groups and cooperatives, support the activities of community groups working to reduce violence and encourage peaceful change, and aid intellectual and informational efforts to promote understanding of democracy and dialogue among anti-apartheid groups seeking alternatives to violence.

African Programs Funded in FY 1987

BOTSWANA

THE NEWSPAPER TRUST OF BOTSWANA (NTB), for a training program for newspaper staff in Botswana and to assist The Reporter, the only truly independent weekly in Botswana. The paper has a readership in excess of 13,000 and covers development issues and other stories of national interest in addition to news and feature articles. It has built a solid reputation among urban-based policymakers and is the most popular paper in the rural centers of Botswana as well. The NTB was established in 1983 to promote and oversee the full establishment, development and advancement of independent newspapers and other media in the region.

\$30,000

NIGER

FREE TRADE UNION INSTITUTE (FTUI), to continue technical assistance from the African-American Labor Center to the Union Syndicale des Travailleurs du Niger (USTN) in an effort to develop a pilot land-use program. In 1985, the Niger government donated two parcels of land to the USTN to resettle unemployed urban workers. The project consists of constructing irrigation systems, fences, and buildings as well as planting and harvesting crops. Its goal is the development of a self-sustaining community based on cooperation and democratic pluralism.

\$65,000

SOUTH AFRICA

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), for expansion of the Get Ahead Foundation's work to encourage the participation of black South Africans in a free enterprise-oriented informal economy. A branch office will be established in the Durban area by two members of the community who have been chosen by the local leaders and trained at the Soweto and Cape Town branch offices. They will travel to the various black

townships in the area and identify black South Africans to assist in starting businesses through a small loan program. The Get Ahead Foundation, a 100% black-owned, non-profit company, depends on the local community to publicize the program, provide support and mobilize people and organizations.

\$41,600

UNITED STATES-SOUTH AFRICA LEADERSHIP EXCHANGE PROGRAM (USSALEP), to enable the Institute for a Democratic Alternative for South Africa (IDASA) to sponsor a national conference entitled, "A Democratic Alternative for South Africa." Established in November 1986, IDASA is a nonpartisan research center which seeks to improve communication and understanding between the country's white and black communities. The May 1987 conference supported by this grant focused on the relation of democracy to various aspects of life in South Africa. It was just one activity in IDASA's overall program to provide a nationwide basis on which solutions to South Africa's problems can be found -- through workshops, seminars, conferences, research and information dissemination.

\$25,000

Funding of the following programs in South Africa was made possible by a grant from the Agency for International Development (AID).

FREE TRADE UNION INSTITUTE (FTUI), to enable the Center for Foreign Policy Options, a California based non-profit organization, the African-American Labor Center (AALC), and the Afro-Asian Institute of Histadrut in Israel (AAI) to continue their community development program for black South Africans. Three groups of South African blacks will travel to Israel for month-long training programs in community development designed by the AAI. Participants are recruited from a cross section of black community institutions -- trade unions, women's groups, church organizations, educational institutions (secondary and university), social welfare agencies, and youth groups from various geographical areas of South Africa. The program is

divided into three sections: examination of the role of community institutions in building democracy; specific institutions; and the application of specific themes discussed to an independently designed project. Approximately 70 students have graduated from this program since its inception in April 1986.

\$300,000

FREEDOM HOUSE, to enable the South African weekly newspaper City Press to continue publishing a bi-weekly series on "How Democracy Works" in the paper's supplement Prospects. The series explores the principles and concepts of democracy and how they can be applied to a multiracial society in South Africa; it also examines how other democratic societies function and their effectiveness in maintaining freedom of expression, movement and opportunity. City Press is the largest circulation newspaper in black South Africa, and the third largest weekend paper. The Prospects supplement has been in publication since August 1985, highlighting personal career advancement and business opportunities for blacks.

\$38,500

UNITED STATES-SOUTH AFRICA LEADERSHIP EXCHANGE PROGRAM (USSALEP), to assist the Black Consumers Union (BCU), based in the Johannesburg area, to expand nationally its program of educating black consumers to avoid continued exploitation in the marketplace. FY 1986 assistance enabled the BCU to conduct activities which included launching the "Sechaba Sizwe Co-operative" and sponsoring a conference for approximately 100 participants from the consumer and private business sectors as part of an effort to increase support for the initiative. Continued support enables the BCU to develop its infrastructure and continue its efforts to build a strong national cooperative organization.

\$35,000

UNITED STATES-SOUTH AFRICA LEADERSHIP EXCHANGE PROGRAM

(USSALEP), to assist the Institute for a Democratic Alternative for South Africa (IDASA), an organization dedicated to the creation of a viable democratic state in South Africa. The grant will support a planning session and major conference on democratic educational reforms in South Africa. It will also partially support the infrastructure needed to carry out IDASA's overall program of research, regional and local meetings and workshops on such issues as democracy, the church, youth, business and labor. By focusing attention on regional and national issues which require united efforts on an inter-racial basis, IDASA hopes to stimulate debate on democratic alternatives for South Africa and to foster the growth of democratic opinion.

\$100,000

UNITED STATES-SOUTH AFRICA LEADERSHIP EXCHANGE PROGRAM

(USSALEP), to allow LAMLA, an inter-racial, inter-denominational conciliation and mediation group in the Western Cape, to prepare trainers and conduct workshops in conflict management. LAMLA conducts its programs on two levels: a grassroots program aimed at supporting specific communities through workshops, counseling and group social therapy; and a second level aimed at various leadership groups, including such disparate elements as squatter leaders, union officials, youth leaders, clergymen and teachers.

\$65,000

SUDAN

FREE TRADE UNION INSTITUTE (FTUI), to enable the African-American Labor Center to assist in the publication of the Sudan Times, an English-language newspaper in Sudan. Since its establishment in 1985, the paper's daily circulation has increased from 5,000 to over 17,000. The paper has a broad readership in the country because its coverage transcends local influences and factionalism. The Sudan Times is regarded by foreign wire services and the independent Arabic-language newspapers as a reliable and authentic source of information about the country.

\$40,000

UGANDA

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to assist the Federation of Uganda Employers (FUE), a non-profit, non-governmental business organization, to rebuild as a business institution. Founded in 1958, the operations and membership of the FUE were drastically reduced as a result of the inconsistent economic and social policies of the eight governments in power during the 1970's. CIPE will provide technical assistance in designing and implementing a revitalization plan and developing a small business training program.

\$21,100

REGIONAL

FREE TRADE UNION INSTITUTE (FTUI), to assist the regional office of the African-American Labor Center (AALC) in Abidjan, Cote d'Ivoire, to administer projects in West African countries as well as provide technical assistance to the regional Organization of Trade Unions of West Africa.

\$134,809

FREE TRADE UNION INSTITUTE (FTUI), to enable the African-American Labor Center (AALC) and Force Ouvriere (FO) jointly to assist democratic elements in the labor movements of the Ivory Coast, Guinea, Cameroon, Burkina Faso, Gabon, Mali, Chad, Niger, Zaire and Mauritania. Activities include workers' education programs; specialized seminars in the areas of collective bargaining, safety and health, national economic policy, and women's issues; and the provision of technical advice and material assistance to various union organizations.

\$81,000

FREE TRADE UNION INSTITUTE (FTUI), through the African-American Labor Center, to assist various trade union programs in Africa. These include support to the Labour Management Development Center (LARMDEC), an education/research institution of democratic trade unionists in Nigeria; the Zambia Congress of Trade Unions (ZCTU) to conduct cooperative and credit union programs; the National Organization of Trade Unions (NOTU) in Uganda to reestablish education programs on a regional level; and the Trade Union Congress (TUC) in Ghana to conduct specialized seminars on national economic policy.

\$45,200

FREE TRADE UNION INSTITUTE (FTUI), to provide support through the African-American Labor Center for Regional Trade Union Federation Activity. The Southern Africa Trade Union Coordinating Council (SATUCC) will continue its programs of education and publication and focus on creating a women's wing within the organization. The Organization of Trade Unions of West Africa (OTUWA) will conduct regional workshops and publish economic reports of trends in the region. The Organisation des Travailleurs de l'Afrique Centrale (OTAC) will focus on the establishment of its headquarters in Kinshasa, Zaire, and the organizational tasks involved in strengthening members' affiliation. Each federation will send representatives to international meetings and conferences to ensure that the views of workers in the region are effectively represented.

\$130,000

FREE TRADE UNION INSTITUTE (FTUI), so that the African-American Labor Center may conduct two senior trade union leadership seminars, one for participants from Anglophone Africa and one for participants from Francophone Africa, at the George Meany Center for Labor Studies in the United States. Participants will engage in three weeks of intensive study, including courses in comparative industrial relations, collective bargaining, safety and health, and international economics. In addition they will be exposed to day-to-day operations, including visiting local trade unions and other U.S. organizations. The AALC will

also develop a set of trade union courses focusing on such areas as finances, grievance handling, and communications, to be used in worker education programs at the rank-and-file/shop steward and intermediate levels.

\$149,060

ASIA

Democracy has been advancing in Asia, a trend exemplified most dramatically by the transition to democracy in the Philippines in 1986. As the Philippine government seeks to establish a new constitutional framework for stable, pluralist democracy, it faces awesome challenges in reviving the economy and ending the Communist guerrilla insurgency.

Other positive developments in the region include the progress toward a democratic transition in Korea, the continuation of democratic development in Thailand, and the organization of an opposition party in Taiwan and its participation in the recent elections there. Not least, of course, is the continuing process of reform in China.

Endowment programs in Asia seek to encourage democratic development in these countries, concentrating above all on assisting democratic unions, business associations, political parties, youth organizations and other groups in the Philippines. In addition, in Pakistan, where martial law has been lifted and there are new possibilities for political activity, Endowment programs focus on cooperation with democratic unions and business associations.

The Endowment continued efforts to strengthen democratic unions in the islands of the South Pacific. In South Asia and the Near East, it supported democratic educational and informational activity in Afghanistan; assisted democratic publishing and educational activities in Turkey; and provided support to democratic educational programs in India. It also assisted efforts to defend human rights in Vietnam.

Asian Programs Funded in FY 1987

AFGHANISTAN

AFGHANISTAN RELIEF COMMITTEE, to support two Afghan publications projects: the Writers Union of Free Afghanistan (WUFA), a group of intellectuals who publish a quarterly journal both in English and in Pashto/Dari and who translate books and articles about the Soviet system for distribution inside Afghanistan; and the Afghan Information Centre, which publishes a monthly English-language bulletin reporting on events inside Afghanistan.

\$45,000

AMERICAN FRIENDS OF AFGHANISTAN (AFA), to continue support for the Cultural Council of the Afghan Resistance (CCAR) based in Islamabad, Pakistan, in its efforts to provide educational opportunities for Afghans living in areas controlled by the Afghan resistance, and to help maintain independent Afghan culture. Supported by FY 1985 and 1986 Endowment grants, CCAR revised and reprinted large numbers of elementary school textbooks and established 37 primary schools inside Afghanistan. (Support for these schools has now been taken over by the AID-funded Humanitarian Cross-Border Education Project.) FY 1987 funds will enable CCAR to continue the following activities: 1) production of audio cassettes for distribution inside Afghanistan; 2) maintenance of its documentation center in Islamabad; 3) publication of a quarterly magazine; and 4) public opinion surveys.

\$150,000

INDIA

THE JAMES F. BYRNES INTERNATIONAL CENTER OF THE UNIVERSITY OF SOUTH CAROLINA, to enable the Leslie Sawhny Programme (LSP) of Bombay, India to continue its program of training in the processes of participatory democracy. FY 1985 and FY 1986 grants enabled the LSP to execute training programs in citizenship, political

organization and the principles of democracy for current and potential leaders in Indian civic and political life. A series of seminars on topical issues was also held for opinion-makers and civic leaders. The benefits of the training programs have a multiplier effect, as participants often return to their homes and conduct similar activities. LSP expects to conduct sixty training camps in the next year, including fifteen follow-up camps for alumni.

\$33,000

PAKISTAN

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to conduct a training pilot program for the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), an organization established in 1960 as a coordinator of the various trade and industry associations in Pakistan. A core curriculum for volunteer leaders of business organizations will be developed. The project will be tested on thirty volunteer leaders recruited by the FPCCI from business associations and chambers of commerce throughout Pakistan. The curriculum will be revised and developed into a model program that can be adapted for use in other countries to aid in the evolution of regional organization management.

\$28,600

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to conduct a seminar/workshop on Business and Economic Journalism with the Press Foundation of Asia (PFA) for the Press Institute of Pakistan (PIP). Eighteen journalists who currently cover business and economic issues in Pakistan will attend the two week seminar/workshop. Training materials will be designed for use at the sessions and a Handbook for Pakistani Journalists will be assembled for future training sessions. Regular dialogue between the press and various business groups will be held following the workshop to ensure continuity of the program and to intensify the focus on key policy concerns affecting private enterprise. PFA was formally organized in the late 1960s by a group of Asian publishers and editors who wanted to assist journalists in responding to challenges the Asian press faced in the changing

political and social environment. PFA assisted PIP in February 1986 to help fill an education gap and provide formal training in journalism on a continuing basis.

\$53,200

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS (NDIIA), to conduct a party building program in Pakistan. An international survey team will observe the Pakistani local elections scheduled for the fall of 1987. Information gathered at this time on the administrative, legal and political aspects of the Pakistani electoral system will provide the basis for planning a seminar in 1988 on the development of democratic institutions, particularly political parties, in Pakistan.

\$53,145

PEOPLE'S REPUBLIC OF CHINA

The CHINA PERSPECTIVE, INC. for continued publication of The Chinese Intellectual (TCI) and the establishment of two "intellectual centers" in China. Launched with Endowment support in FY 1984 and assisted with subsequent grants in FY 1985 and FY 1986, TCI is a Chinese-language quarterly journal dedicated to promoting open discussion of democratic values and institutions and of issues important to China's future. Building upon the magazine's remarkable success in gaining acceptance within China, China Perspective will open centers in Beijing and Shanghai to serve as forums for meetings and discussions of political ideas.

\$130,000

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to cosponsor with the All China Federation of Industry and Commerce (ACFIC) a four-day training seminar designed to upgrade the management of ACFIC and its 960 affiliates at the province, city and county level. This will be an initial step in the formation of a long-term program modeled on CIPE's Institutes for Organization Management. ACFIC is a non-governmental

organization formed in 1953 to promote economic development and relationships with foreign business organizations. Its membership is comprised of former industrialists, representatives of state-owned enterprises, joint ventures, corporations, and self-employed workers' associations and individuals who are interested in encouraging private sector growth.

\$13,560

THE PHILIPPINES

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to provide technical assistance for the Philippine Chamber of Commerce and Industry (PCCI) and the Employers' Confederation of the Philippines (ECOP). Assistance to the PCCI is for the professional development of regional chambers of commerce and business advocacy programs, an ongoing project initiated in 1986. A similar program will be designed with the ECOP to improve its staff's skills and ability to carry out business advocacy programs. Programs addressing urgent and sensitive labor/management issues which could be implemented jointly by the two organizations will also be researched. The PCCI, established in 1978 to act as the spokesman for business, and the ECOP, started as the result of the PCCI's committee on management/labor relations, work closely together to educate small business managers about the responsibilities of employers to workers and labor laws.

\$50,000

FREE TRADE UNION INSTITUTE (FTUI), through the Asian-American Free Labor Institute (AAFLI), to strengthen the Trade Union Congress of the Philippines (TUCP) and its urban and rural affiliated unions. A media relations and communications program focuses on the preparation of press releases, position papers, newsletters, newspapers, magazines, press conferences and interviews. Activities under Voter Awareness and Civic Action Campaigns concentrate on research, writing, public speaking, and publicity on important issues. Training on democratic ideology as well as technical organizational skills is provided for rural and industrial workers. A number of special services

are also offered to union members, including education programs, workshops on new technologies, and health care in poor areas. AAFLI's assistance will enable the TUCP to continue to develop and propose constructive policies that contribute to national democratic development and workers' welfare.

\$475,000

FRIENDS OF NAMFREL IN AMERICA (FON), to sponsor a two-day conference of women sectorial leaders in the Philippines for the purpose of organizing a national nonpartisan women's civic movement. FON is a nonprofit, nonpartisan organization established to increase U.S. citizen awareness of political developments in the Philippines and to assist NAMFREL (National Movement for Free Elections) in strengthening democratic electoral processes in that country. A conference planned for January 1988 will bring together women leaders to discuss the role of women in strengthening democratic values, practices and institutions. The conferees will design activities and an organizational structure to achieve their objectives. More than 100 Filipino women leaders are expected at the conference -- representing the business, academic, religious, labor, civic, professional and urban poor sectors.

\$32,693

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS (NDIIA), to complete a study of the development of electoral processes in the 1986 and 1987 Philippine elections. An international team will observe the May 11 parliamentary elections and January 1988 local elections. The team's findings will be incorporated into data previously collected by NDI on the development of electoral processes in the Philippines. The study will be distributed by members of the international delegation to representatives of political and non-governmental organizations interested in learning how Filipino institutions have developed in order to discern what could apply in their own countries.

\$135,450

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS (NDIIA), to design a course with the Evelio B. Javier Foundation for new members of the Philippine Legislature and their key staff personnel. The course will be structured around three topics: the legislative process, office organization, and typical issues to be faced in the sessions. Key congressional, party and academic Filipinos will be consulted in the design of the course and formulation of the training materials.

\$57,080

SOUTH KOREA

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS (NDIIA), to sponsor with Korean party leaders of both the ruling Democratic Justice Party and the chief opposition Reunification Democratic Party an observer team for the December 1987 presidential elections. NDIIA will also carry out follow-up activities, which may include a seminar in Seoul focusing on the role of political parties in the democratic transition process.

\$109,582

VIETNAM

FREE TRADE UNION INSTITUTE (FTUI), to assist Que Me, a Paris-based human rights organization and publishing house. Research is conducted on violations of trade union and human rights abuses in Vietnam and printed in a monthly information bulletin. The bulletin -- in English and French -- is widely circulated in Vietnam and the West. It includes news from Vietnam and Indochina, news on the international situation and its relation to Vietnam, critical analysis of the policies and ideology of the Vietnamese Communist party, reports on the human rights struggle in Vietnam, and dissident literature. Created in 1975 by a group of Vietnamese exiles in Paris, Que Me seeks to unite and coordinate the activities of the Vietnamese community overseas, preserve Vietnamese culture and promote closer links between the cultures of Vietnam and the West.

\$9,667

A subsequent grant to QUE ME, for the publication and circulation within Vietnam of its Vietnamese-language magazine entitled Que Me. The magazine, which is published monthly, contains articles on topics relevant to the struggle for democracy. Its contents include news from Vietnam, news on the international situation and its relation to Vietnam, critical analysis of the politics and ideology of the Vietnamese Communist party, reports on the human rights struggle in Vietnam, and dissident literature.

\$25,000

INSTITUTE FOR DEMOCRACY IN VIETNAM, to publish and distribute within Vietnam the writings of Vietnamese dissidents and other literature that supports the principles of freedom and democracy. The Vietnamese Gulag, by the emigre author Doan Van Toai, will be published in Vietnamese for circulation inside Vietnam. A Vietnamese-language quarterly journal edited by Mr. Toai will also be produced, which will cover Vietnamese politics and culture as well as developments in other Communist countries and in the West. The Institute for Democracy in Vietnam is a recently established non-profit organization which seeks to provide the Vietnamese people with accurate information on issues and events taking place in their country and around the world.

\$40,000

REGIONAL

FREE TRADE UNION INSTITUTE (FTUI), through the Asian-American Free Labor Institute (AAFLI), to support activities of International Trade Secretariats (ITS) in Asia and the South Pacific in bringing together U.S. trade unionists and their Asian counterparts. Assistance is used to sponsor Asian and Pacific unionists at international congresses and conferences of their respective unions; provide humanitarian assistance and emergency relief to union members; and conduct appropriate ITS labor education programs.

\$100,000

FREE TRADE UNION INSTITUTE (FTUI), to enable AAFLI to contribute to the strengthening of the role of unions as democratic institutions in Fiji, Kiribati, Papua New Guinea, the Solomon Islands, Vanuatu, and Western Samoa. Specific in-country projects include support for union research programs and publications; provision of office and audio-visual equipment; sponsorship of training programs for union officers in such areas as grievance handling, occupational safety, and health; and support for the development of credit unions and consumer cooperatives. Follow-up seminars to the March 1986 regional seminar "The Role of Unions in a Democratic Society" will be held in several countries.

\$265,000

FREE TRADE UNION INSTITUTE (FTUI), to enable AAFLI to work with the ASEAN Trade Union Council as well as selected unions in Taiwan, Lebanon and Pakistan. In Taiwan, assistance will enable the Chinese Federation of Labor to continue its work in updating union structures and improving the country's labor laws, as well as in conducting a series of seminars. Representatives will visit Nepal and Lebanon to design programs on occupational safety and health and to improve union publications. Programs to strengthen the working relationship of the All-Pakistan Federation of Labor (APFOL), the All-Pakistan Federation of Trade Unions (APFTU) and the Pakistan National Federation of Trade Unions (PNFTU) will also be continued.

\$161,909

EUROPE: EAST AND WEST

One of the most important democratic developments in the world has been the growth in Poland, five years after the declaration of martial law and the effort to crush Solidarity, of a vast array of independent social and cultural activities designed to strengthen civil society. A panel of experts convened in December 1986 to review Endowment programs in Eastern Europe and the Soviet Union noted that while the decline of Communist legitimacy is more advanced in Poland than in the rest of the region, the same tendencies are evident in parts of Eastern Europe and, to a lesser extent, in the Soviet Union as well. These include ideological decay and economic stagnation, and the growth of independent forms of intellectual and cultural expression. Moreover, the revolution in communications technology has now spread to the region, and independent groups are using VCRs and computers in creative ways to break the regimes' monopoly on information.

Poland remained the country of highest priority for the Endowment in this region, given the scope of the work that is possible there in support of Solidarity and independent cultural organizations and the potential significance of developments in Poland for the rest of the region. The Endowment maintained its level of programming in Czechoslovakia and Hungary, supported a new initiative in Romania, and continued to assist Russian-language journals and other programs to encourage independent intellectual and cultural expression in the Soviet Union.

While democracy is well established in most of Western Europe, it was only during the 1970's that it was restored in Spain, Portugal, and Greece. Democracy now appears secure in these countries, but democratic groups continue to be challenged by powerful and well-funded anti-democratic rivals. This is especially the case in Portugal where the Communists remain a dominant force in the labor movement. The Endowment therefore continued to devote a modest portion of its resources to strengthening democratic unions, business associations and other democratic groups in Western Europe.

European Programs Funded in FY 1987

CZECHOSLOVAKIA

CHARTER SEVENTY-SEVEN FOUNDATION of Stockholm, Sweden, to assist its program of technical assistance to encourage free speech and communication in Czechoslovakia. The Foundation, which supports freedom of thought and creativity in Czechoslovakia, is named after the movement established in Prague in 1977 to request that the Czechoslovak government respect the basic human rights guaranteed in the country's constitution and reaffirmed in the Helsinki Accords.

\$20,000

The CZECHOSLOVAK SOCIETY OF ARTS AND SCIENCES, to assist three organizations which support independent publishing, cultural and scholarly activities in Czechoslovakia. The Documentation Center for the Promotion of Independent Czechoslovak Literature in Scheinfeld, West Germany, maintains an archive of samizdat literature and provides assistance to scholars and writers in Czechoslovakia engaged in independent creative activity. The Jan Hus Educational Foundation and the Jan Palach Information Research Trust (JPIRT), both in London, England, facilitate the free flow of information and scholarly material to Czechoslovakia.

\$110,000

A second grant to the CZECHOSLOVAK SOCIETY OF ARTS AND SCIENCES, provides supplemental support to the Jan Hus Educational Foundation. The Foundation is establishing a communications system among independent groups in Czechoslovakia, Hungary and Poland to facilitate the transfer of books, publishing materials and letters from country to country. A meeting is planned to bring together samizdat editors from these countries to share their experiences. Assistance will also be provided to a London-based Support Group for the Jazz Section, a unit of the Czechoslovak Musicians' Union which serves as a voice for the alternative culture in Czechoslovakia. Regular visits will be made to

Czechoslovakia to advise the Jazz Section on legal issues and provide moral and material support, and the Jazz Section's banned bulletin will be published in the West for distribution inside Czechoslovakia.

\$15,800

FREE TRADE UNION INSTITUTE (FTUI), to support the publication and distribution within Czechoslovakia of Pravo Lidu, a journal produced by POL-Verlag, an organization of Czechoslovak democratic and trade union leaders now in exile in West Germany.

\$7,500

THE SLOVAK RESEARCH AND STUDIES CENTER of Elmhurst, N.Y., to expand its Slovak-language publication, Nasy Snahy (Our Trends). This bimonthly covers political, economic and cultural issues and is distributed in Slovakia, the eastern part of Czechoslovakia. Established in 1964, the periodical deals with problems of recent Slovak history, emphasizing the need to safeguard and strengthen the interaction of the Czech and Slovak nations in their common state, and to encourage and support democratic forces in East Central Europe.

\$10,000

GREECE

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to enable the International Organization of Employers (IOE) of Geneva, Switzerland to work with the National Council of Free Enterprise (NCFE) in Athens, Greece on a program to foster private enterprise initiatives in Greece. The program consists of issue analysis, regional conferences, and the sponsorship of the Second Pan-Hellenic Conference on Private Initiative in November 1987. NCFE was created in 1984 to promote the concept of private initiative in Greece, and its counts over 7,000 members from all regions of Greece.

\$150,000

HUNGARY

FREEDOM HOUSE of New York, N.Y., to assist the Hungarian Cultural Centre to continue its work in support of democracy and independent activities in Hungary. Established in 1986 in London, England, the Centre operates an information bureau for collecting and distributing information from and to Hungary; publishing and distributing newsletters, political, and literary writings, audio-visual cassettes, and art works produced by Hungarian authors and artists; and coordinating activities of democratic groups in Hungary and other East European countries. A samizdat library has also been created for the collection, duplication and distribution in Hungary and other East European countries of works produced by Hungarian samizdat publishers.

\$16,500

NORTHERN IRELAND

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS (NDI), to assist the training and development of the Social Democratic Group Limited (SDGL) which was first established with FY 1986 NDI assistance. The SDGL, affiliated with the Social Democratic and Labour Party of Northern Ireland, seeks to facilitate the development of expertise in the democratic processes of constituency-building, issues formulation and civic education.

\$30,000

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS (NDI), to co-sponsor with the Social Democratic Group Limited (SDGL) a third training seminar for the Social Democratic and Labour Party in August 1987. Workshop topics emphasized planning and organizational strategy, communications, issue research, constituency development and civic education. A video for broader training application was also produced from this seminar.

\$55,850

POLAND

The FREE TRADE UNION INSTITUTE (FTUI), for support of the independent trade union movement in Poland. Funds are provided to the Brussels-based Coordinating Office of Solidarnosc Abroad and to others to disseminate information in the West on trade union rights in Poland and assist union activities inside Poland. Support is also provided for the New York-based Committee in Support of Solidarity to translate and publish material on worker and human rights-related issues from the underground Solidarity press.

\$412,750

FREEDOM HOUSE of New York, N.Y., to assist two publications distributed in Eastern Europe to continue and expand their operations. ANEKS, a London publishing house, publishes a Polish-language political quarterly, Aneks, and distributes it to intellectuals and students in Poland. Uncensored Poland News Bulletin, a London biweekly published by the Information Centre for Polish Affairs, provides documents and first-hand reports on events in Poland for use by the media, scholars and researchers throughout the world.

\$55,000

INSTITUTE FOR DEMOCRACY IN EASTERN EUROPE (IDEE), of New York, N.Y., to continue its activities in support of democracy in Eastern Europe through assistance to independent publishing houses and self-education and human rights groups in Poland. In 1985, the independent publishing houses established a Fund for Independent Publishing, consisting of representatives of both the major and smaller houses, and overseen by an independent board in Poland. Endowment assistance provides the consortium with funds for equipment, supplies and personnel costs for the publishing houses.

\$116,000

The INTERNATIONAL RESCUE COMMITTEE, INC. of New York, N.Y., to administer funds appropriated by the U.S. Congress through the Agency for International Development to assist the independent Polish trade union Solidarity in maintaining a social fund established to provide medical assistance and related services to workers and their families. Funds will be used to purchase medical supplies and equipment, including ambulances, ultrasonographs and medicines for the treatment of heart disease and cancer; to support the SOS Coordination Pologne, a Paris-based committee that provides health treatment for Poles; and to establish health care and social services for children of members of Solidarity.

\$1,000,000

The POLISH AMERICAN CONGRESS CHARITABLE FOUNDATION of Chicago, IL., to administer five projects supporting the democratic movement in Poland. The first program provides material assistance (food, medicine and clothing) to political prisoners in Poland and their families. While most political prisoners were amnestied in 1986, the Polish authorities continue to attempt to curb independent activities through such tactics as demanding fines three times higher than the activists' salaries, and threatening short-term imprisonment and loss of jobs and apartments. Support is provided for the independent Committees for Education, Culture and Science (OKNO) which encourage and support activities independent of the government, reflecting the true national culture and spirit of the Polish people. Assistance is provided for the Polish Helsinki Watch Committee, an independent group in Poland which monitors violations of the Helsinki Accords and issues reports on human rights violations in Poland. The POLCUL Foundation, established in Paris in 1980, makes awards to Polish citizens to help sustain their work in defense of human rights and independent culture. The awards are intended both as recognition of achievements and as needed monetary assistance for recipients in Poland. Funds are also provided to the Polish-language quarterly Literary Notebooks (Zeszyty Literackie), a highly respected Polish intellectual and literary journal published in Paris and distributed within Poland.

\$245,000

A second grant to the POLISH AMERICAN CONGRESS CHARITABLE FOUNDATION, to assist independent film producers in Poland to produce new video films and to acquire existing films for reproduction on video cassettes to be shown by independent organizations throughout Poland.

\$50,000

The SOLIDARITY ENDOWMENT of Washington, D.C., to provide funding to the Independent Polish Agency (IPA) of Lund, Sweden for its broad program of technical support for the independent press in Poland. IPA sends to Poland publications, photographs, audio and videotapes and other publishing materials and equipment from the West.

\$42,000

PORTUGAL

FREE TRADE UNION INSTITUTE (FTUI), to enable the Uniao Geral de Trabalhadores (UGT) to maintain organizational and educational staff activities for national and regional staff. A training department for educational seminars and workshops on such topics as trade union organization, labor legislation, economic issues, health and social insurance and concepts of workers' rights will also be partially supported for the UGT and its constituent unions. The UGT is the principal pro-Western democratic federation in Portugal with a growing and varied membership among workers -- ranging from white collar workers in the public sector to agricultural workers to blue collar workers in heavy industry.

\$361,250

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS (NRIIA), to enable the Associacao para a Cooperacao e Desenvolvimento Social (ACDS) to continue the third phase of a three year research project, "The Methodology of Communism and other Anti-Democratic Forces in Portugal." This project combines an extensive variety of studies and seminars, conducted by academic and professional members of ACDS, on the

methods and tactics used by totalitarian forces in local, regional, and global contexts. The program's overall objective is to strengthen -- through a future program of popular education -- the cohesive forces of the population against totalitarian ideologies present in Portugal. The ACDS, established in 1984, is a private and independent public policy research institution concerned with the defense of Western values and Portuguese cultural traditions.

\$98,000

ROMANIA

FOREIGN POLICY RESEARCH INSTITUTE of Philadelphia, PA., to publish a new Romanian-language cultural quarterly, Agora, written for readers in Romania. Edited by a group of prominent Romanian emigres, the journal will focus on the current intellectual and cultural scene in that country and draw on samizdat writings from Romania as well as works by Romanian emigres.

\$35,000

SPAIN

FREE TRADE UNION INSTITUTE (FTUI), to support the democratic education program of the Basque Federation of Workers (ELA/STV). This program involves training in basic union skills and democratic education for trade union staff and shop stewards of the largest democratic trade union organization in the Basque region of Spain. Topics covered include workers' rights, relationships between unions and government, economic policy and industrial development.

\$119,680

SOVIET UNION

The AMERICAN FRIENDS OF FREE SPEECH ABROAD of Washington, D.C., to assist the Russian-language literary journal Syntaxis, edited and published in Paris by Andrei Sinyavsky. In its nine years of publication, Syntaxis

has established a reputation both in the East and the West for incisive social, cultural and historical commentary on the Soviet Union. In response to the ferment in the Soviet Union over glasnost (openness) and perestroika (restructuring), the editors are now working to reach their audience of Soviet professionals with a message that will introduce democratic values into the current Soviet debate.

\$25,000

The CENTER FOR DEMOCRACY, a New York-based organization which draws on the experience of a worldwide network of Soviet emigres, to conduct programs to encourage democracy in the Soviet Union. Information regarding the human rights situation in the USSR is collected and processed into an information bank for Western scholars, editors of newsletters, foundations and human rights and professional organizations that follow events in the Soviet Union. A Fund for Freedom provides material help to prisoners of conscience and their families in the Soviet Union.

\$125,000

A second grant to the CENTER FOR DEMOCRACY, to translate and publish in English three issues of the Information Bulletin Glasnost, an independent journal edited in Moscow by a group of Soviet human rights activists. Though not granted official permission to publish, the journal addresses a broad range of economic, social and environmental issues brought into the realm of public discussion by Mikhail Gorbachev's policy of glasnost (openness). In addition, the magazine provides a forum for people with a wide variety of opinions and contains political, cultural and religious writings of a kind not seen in above-ground publications in the Soviet Union since the early 1920's.

\$15,000

CHALIDZE PUBLICATIONS, INC. of Benson, VT., to publish and distribute two issues of the Russian-language journal Internal Contradictions in the USSR. The journal presents its readers in the Soviet Union with a broad

range of democratic thought. Its publisher and editor is Valery Chalidze, a Soviet emigre who is a noted author and human rights activist.

\$15,000

The COMMITTEE FOR THE ABSORPTION OF SOVIET EMIGREES (C.A.S.E.), of Jersey City, N.J., to assist the Freedom of Communication Project (FOC). This support enables the FOC to continue its efforts to improve postal communications between the Soviet Union and the West by preparing reports on Soviet violations of international postal regulations; publishing a second Russian edition of Advice to Mailers, which offers advice on how to mail from the Soviet Union; publishing the quarterly information bulletin Mail to the USSR (in English and in Russian), which advises how best to mail to the USSR; and publishing a handbook, Advice to Mailers, in English. FOC also conducts test mailings to the Soviet Union and surveys mailers in the United States to determine the nature and the extent of Soviet efforts to interfere with communications between citizens of both countries.

\$40,000

FREEDOM HOUSE of New York, N.Y., to assist Atheneum Press, a Russian-language publishing house in Paris, France, in publishing the series Minuvsheye (The Past, A Historical Almanac) and books on cultural life in Russia and the Soviet Union from 1910 to the present. Minuvsheye is a collection of scholarly articles from the Soviet Union which reflect the independent and unofficial research conducted there by established scholars writing under pseudonyms. Atheneum's publications provide accurate and objective coverage of Soviet culture, history, literature, religion, politics and science.

\$55,000

INSTITUTE FOR DEMOCRACY IN EASTERN EUROPE (IDEE) of New York, N.Y., to publish Lithuanian and Serbo-Croat editions of The Road to Solidarity, a collection of articles and documents on the rise of the Solidarity

movement in Poland. Approximately 2,000 copies will be published in each language and distributed in Lithuania, where people share with the Poles a common history, religion, culture and views on human rights, and in Yugoslavia, where recent strikes and protests by workers indicate that they share similar objectives to those of the Solidarity movement. With previous NED funding, the book was published in Russian, Ukrainian, and Czech editions, and distributed in the Soviet Union and Czechoslovakia.

\$23,000

The INTERPARLIAMENTARY GROUP FOR HUMAN RIGHTS IN THE SOVIET UNION (IPG), of Washington, D.C., to sponsor the second annual IPG Leadership Conference in West Berlin. IPG is a voluntary association of more than 600 parliamentarians from Western Europe and other countries. It seeks to build Western and neutral country unity in support of the Helsinki human rights accords and to bring pressure on the Soviet government to abide by the commitments it made in signing them.

\$40,000

PROBLEMS OF EASTERN EUROPE, INC. of Maspeth, N.Y., to publish the third book by Soviet dissident Anatoly Marchenko, To Live Like Everyone, in its original Russian for distribution in the Soviet Union. Marchenko died on December 8, 1986 in a Soviet prison despite worldwide protests for his release.

\$8,250

TIME AND WE PUBLISHING HOUSE, INC. of Leonia, N.J., to publish Time and We, a Russian-language bi-monthly journal on politics, culture, history and religion. The editors, in an effort to reach a wider readership in the Soviet Union, plan to incorporate the following into future issues: interviews with Soviet citizens on Gorbachev's reforms and their attitudes toward the United States; articles by experts on Soviet studies; and Soviet samizdat materials by new authors.

\$25,000

REGIONAL

FREE TRADE UNION INSTITUTE (FTUI), to assist the Institut d'Histoire Sociale, a French-based think-tank on labor and international affairs issues, in publishing Etudes Sociales et Syndicales (Social and Labor Studies). This monthly magazine examines international labor issues and trade union affairs inside France and focuses on the activities of Communist-dominated trade unions and international worker rights. The Institute is the largest private French repository of documents on Communism, the Soviet Union, and Russian revolutionary history. It publishes a wide range of periodicals, conducts research and sponsors various colloquia.

\$7,187

FREE TRADE UNION INSTITUTE (FTUI), to assist U.S. trade union cooperation with International Trade Secretariats in the teaching profession and the health-care fields.

\$30,000

KESTON COLLEGE, USA, to assist Keston College of Keston, England, in expanding its work of encouraging religious freedom, freedom of expression, and other human rights in closed societies. Keston College conducts research on freedom of religion in the Soviet Union and Eastern Europe and publicizes cases of persecution through its publications.

\$50,000

PROBLEMS OF EASTERN EUROPE, based in Maspeth, N.Y., for the continued publication of this Russian-language quarterly which analyzes current developments in the Communist countries of Eastern Europe, with particular emphasis on the experiences of dissidents and democratic reformers. It is published by emigre scholars and writers for an audience composed primarily of political elites in the Soviet Union, Eastern Europe and China.

\$25,000

LATIN AMERICA AND THE CARIBBEAN

The opportunity for the Endowment to make a decisive contribution at this time to the development of democracy abroad is nowhere greater than in Latin America and the Caribbean. Just a decade ago, the region was dominated by authoritarian military governments which claimed to be the best guarantors of peace, stability and prosperity. Now, such regimes have given way to democratically elected civilian governments in no less than nine countries: Argentina, Bolivia, Brazil, Ecuador, El Salvador, Guatemala, Honduras, Peru and Uruguay. During the same period, democracy advanced in the Dominican Republic, Belize attained independence as a democratic state, and dictatorships were ousted in Grenada and Haiti. There have been exceptions to the general democratic trend, most notably in Cuba and Nicaragua on the anti-democratic left and in Chile and Paraguay on the anti-democratic right. But even in these countries, with the possible exception of Cuba, the pressures for change have been growing.

In the new democracies, the Endowment's objective has been to assist in the consolidation of democratic gains. Activities, primarily in the areas of pluralism and democratic governance, include programs that advance market-oriented thinking and policies, programs in political development with parties and legislators, union-building efforts, and civic education efforts designed to encourage popular understanding of and participation in the democratic process.

In Nicaragua, Haiti, Chile and Paraguay the objective has been to assist those groups working for a stable and successful transition to democratic government. Programs in these countries have been accorded a high priority in the Endowment's work, as have programs to defend human rights in Cuba.

The island states of the Caribbean, whose fragile economies and small size make them vulnerable to attempts to reverse the democratic trend, have also been an important area of Endowment programming.

Programs Funded in FY 1987

ARGENTINA

AMERICAN COUNCIL OF YOUNG POLITICAL LEADERS (ACYPL), to assist the Fundacion Universitaria del Rio de la Plata (FURP) in its leadership training program. A two-week program will bring regional Argentine youth leaders to Buenos Aires to examine Argentina's federal structure in depth and meet with key leaders in the areas of labor, business, education, politics, diplomacy, and the media. FURP is a non-profit, private institution created in 1970 by a group of Argentine university graduates to educate young community leaders in democratic values.

\$30,000

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to expand the series of "Why Not Try Freedom?" seminars sponsored by the Centro de Estudios sobre la Libertad (CESL). CESL will conduct seminars in each of 12 Argentine cities with approximately 100 participants per event. In an effort to generate broad public support for private sector options to statism, the seminars will focus on the advantages of private property, individual freedom and limited government as the basis of a free market economy. CESL began a systematic expansion of its program outside of Buenos Aires with a 1986 CIPE grant and the support of local co-sponsors.

\$56,085

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS (NRIIA), to assist the Instituto de la Economia Social de Mercado in Buenos Aires, Argentina. Seminars and training programs on democratic theory, voter education, research, party organization, media and communications will be developed to encourage greater post-election participation of Argentine conservatives in the country's political life. The Instituto, a private, non-profit organization affiliated with the Union del Centro Democratico party, includes members from other conservative groups throughout the country.

\$110,000

The OVERSEAS EDUCATION FUND (OEF), to assist the ongoing activities of Conciencia, a nonpartisan, private organization in Argentina established by women to promote citizen participation in the democratic process. Previous Endowment grants in FY 1984 and FY 1986 provided the assistance necessary for Conciencia to develop into a well-established and effective organization devoted to the consolidation of Argentine democracy. FY 87 activities will include opening new chapters; strengthening the organizational and administrative structure; expanding the existing communications and public education program; developing and printing training and promotional aids; sponsoring discussions with various candidates for the 1987 national, provincial and municipal elections; and implementing educational workshops and seminars.

\$140,739

BOLIVIA

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS (NRIIA), to assist the Fundacion Boliviana para la Capacitacion Democratica (FUNDEMOS), a private, nonprofit public policy research institution located in La Paz. FUNDEMOS is devoted to the democratic development of Bolivia and the application of free market solutions to the country's economic development problems. It will expand its series of educational seminars focusing on the definition of parliamentary democracy and its applicability to Bolivia. The program is directed at labor leaders, entrepreneurial groups, civic leaders and students.

\$108,000

BRAZIL

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to enable the Confederacao das Associacoes Comerciais (CACB) to plan and hold two government relations seminars. A day-long seminar will be held in Brasilia to examine the function and purpose of government relations and lobbying. The participants will include government officials, legislators and their staffs, and

the senior staff of principal Brazilian business organizations. The second seminar will be a three-day event in Rio de Janeiro concentrating on lobbying techniques for approximately 300-400 business executives recruited from CACB's national membership. CACB, founded 150 years ago, is the umbrella organization for 26 state federations of commercial associations. It is Brazil's principal business organization, representing 1.5 million members.

\$65,620

FREE TRADE UNION INSTITUTE (FTUI), to provide assistance through the American Institute for Free Labor Development (AIFLD) to the Confederacao Generalao do Trabalho (CGT) in its nationwide affiliation campaign designed to build an effective national labor confederation. Support will also enable the Instituto Cultural do Trabalho (ICT) to aid union organizations with infrastructure development. Leadership training courses are offered in different cities by CGT representatives and by headquarters' personnel of the ICT.

\$140,000

CHILE

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to assist the Union Social de Empresarios y Ejecutivos Cristianos (USEC). A document developed in 1979 by USEC will be reprinted to serve as the focus of three seminars in the cities of Concepcion, Valparaiso and Antofagasta promoting public understanding of the importance of private enterprise. In cooperation with the Centro de Estudios del Desarrollo (CED), six position papers on management-labor relations will be drafted and used in discussions and workshops in an effort to create an atmosphere of mutual confidence and cooperation between management and labor leaders. USEC was founded in 1948 by executives concerned with the private sector's role in society.

\$19,500

DELPHI RESEARCH ASSOCIATES, to assist the Fundacion para la Accion Vecinal y Comunitaria (AVEC), in providing organizational support and technical assistance to democratically-oriented community leaders in slum districts and squatter settlements in major Chilean urban zones. AVEC plans to hold meetings nationwide with democratic leaders of poblaciones (poor urban communities); organize work sessions to examine specific problems confronting democratic organizations; conduct coordination meetings among democratic grassroots leaders of poblaciones from the major urban areas to discuss critical national issues; develop day-long training courses in democratic development and organizational management for the leaders; and provide material assistance in urgent situations to grassroots community organizations throughout Chile.

\$66,000

DELPHI RESEARCH ASSOCIATES, to assist the Centro de Desarrollo Juvenil (CDJ) youth development center with its project of Democratic Education and Training for Chilean Youth. CDJ educates and trains youth leaders from various sectors in the principles of democracy through seminars, conferences, and research with the intent that each individual trained will reach an additional 15-30 young people over a two-year period. Formerly known as ISTRA, CDJ has contributed to the process of transition to democracy through its education campaign.

\$50,000

FREE TRADE UNION INSTITUTE (FTUI), to provide institutional support through the American Institute for Free Labor Development to the Central Democratica de Trabajadores (CDT), the embattled Chilean democratic trade union federation. The program supports trade union organizing throughout Chile and sponsors seminars in democratic education and trade union skills. The CDT is also conducting a range of educational, publicity and organizational activities in support of the transition to democracy.

\$80,000

THE JAMES F. BYRNES INTERNATIONAL CENTER OF THE UNIVERSITY OF SOUTH CAROLINA, to assist the Centro de Estudios del Desarrollo (CED) and the Facultad Latinoamericana de Ciencias Sociales (FLACSO) in their efforts to support the goal of free and open elections in Chile. These efforts include encouraging voter registration and teaching election monitoring skills. In addition, a publicity campaign will be carried out, conveying the importance of registration and voting, and CED and FLACSO will monitor public opinion through polling.

\$154,000

FREEDOM HOUSE, to support Editorial Andante, a small publishing house in Santiago, in the production of books that promote the spread of democratic values. This grant will support the writing, editing, and publication of five books representing a wide range of democratic viewpoints in Chile. Written by well-known young politicians, the books will focus on the best methods for promoting a stable democratic future for this country.

\$40,150

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS (NDIIA), to conduct a two-phase project to assist Chile's Movement for Free Elections (MFE). The first phase will be a survey mission to examine the organizational needs of the MFE and the electoral codes and registration procedures being implemented by the government. Based on the recommendations of the survey team, the second phase will be a workshop with the MFE on organizational techniques, media skills and fundraising.

\$110,172

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS (NRIIA), to assist the Centro de Estudios Publicos (CEP) in coordinating a conference on political and economic policy development in the context of a democratic transition. Preceding the conference, key elements of the Chilean market economy will be

analyzed, and a questionnaire will be prepared and submitted to the major opposition parties. At the conference there will be a discussion of the results of the questionnaire, which it is hoped will encourage the political parties to focus on their present and future roles in the economic development of Chile.

\$110,000

COLOMBIA

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to assist the Fundacion para el Desarrollo Integral (FDI) in conducting an analysis of informal sector activity in the Cauca Valley. The study's purpose is to determine the size of the informal sector, its impact on the economy, the regulatory climate that motivates formal businesses to join the informal sector, and the benefits businesses enjoy from operating informally. The research results will be used to develop policy recommendations to eliminate the barriers that keep businesses out of the formal sector. FDI was established in 1969 by private and public sector representatives interested in promoting economic and social development of the Cauca Valley.

\$16,950

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS (NRIIA), to assist the Fundacion Simon Bolivar to establish an Inter-American Forum. The Forum will serve as a clearinghouse for exchanges among the moderate and conservative democratic parties throughout Latin America on topics related to communications, organization, public opinion surveys and telephone banks, and as a public policy institution to disseminate information on foreign policy issues of interest to all parties throughout the hemisphere. The Fundacion is affiliated with the Colombian Conservative Party, whose in-kind contributions will match NRIIA assistance.

\$40,000

RESOURCES FOR ACTION, INC. (RFA), to assist Conciencia, a private, non-partisan women's organization established in May 1987 to provide democratic civic education in Colombia. NED funds will enable Conciencia to strengthen its internal structure; create a documentation and information center on democracy; develop democratic training and leadership programs; design a mass media campaign to enhance citizen awareness of civic responsibility and participation; coordinate activities with other organizations; and launch a membership campaign.

\$29,861

COSTA RICA

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS (NDIIA), to convene a seminar in San Jose, Costa Rica, as Phase II of its program on democracies in regions in crisis. Phase I examined the institutions and practices that have helped sustain Israeli democracy. This seminar will examine democratization in the Central American region, with a specific focus on the Costa Rican democratic experience. The Costa Rican model is particularly relevant given the internal and external pressures on Costa Rica that have been created by the current Central American situation. NDIIA's long-term goal is to develop a general model for analyzing successful democracies in regions of crisis.

\$76,432

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS (NRIIA), to provide assistance to the Asociacion para la Defensa de la Libertad y Democracia en Costa Rica (ADLD), a moderate political and educational foundation based in San Jose. The ADLD will continue its program of civic education, public opinion and survey polls, research, and publication of the magazine Fragua. It is also undertaking a major communications and publications campaign designed to increase support for democracy and free market development, targeted particularly at Costa Rican youth.

\$100,000

CUBA

CUBAN AMERICAN NATIONAL AMERICAN FOUNDATION, to assist the International Coalition for Human Rights in Cuba, directed by Armando Valladares, to expand their network of citizen committees which gather and disseminate information about human rights violations in Cuba. Previous Endowment grants in FY 1984 and FY 1986 enabled Mr. Valladares to establish committees in Europe and Latin America that broadly publicize human rights violations in Cuba and contribute greatly to bringing international public opinion to bear on that country, with a view toward increasing pressures for liberalization inside. Activities with FY 87 assistance include conferences and meetings where former Cuban political prisoners recount their experiences; the enlistment of the media, intellectuals, labor and religious leaders and human rights activists to correct the false image of the human rights situation in Cuba; and publication of books by Cuban political prisoners, including those still incarcerated who are able to smuggle out manuscripts.

\$110,000

DOMINICA

CARIBBEAN/CENTRAL AMERICAN ACTION, to assist the Committee for Progress in Democracy (CPD) in Dominica to continue a nonpartisan education-for-democracy program for Eastern Caribbean youth. A permanent center for democratic political education was established with an FY 1985 grant to coordinate the development of educational materials, radio and television programs, videotapes, and citizen awareness groups to further the understanding of and participation in democratic processes. FY 1987 funds will enable CPD to continue its program of teaching democratic principles, values, and skills to youth in Dominica.

\$80,000

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS (NRIIA), to assist the Freedom in Democracy Committee of Dominica in conducting a Democracy Awareness Campaign. Established in late 1986, the Freedom in Democracy Committee is a non-profit association composed of businessmen, educators, and political activists who came together to provide a structure for a national civic education campaign. Educational and audio-visual materials and seminars for youth, business people, women and students, will emphasize democratic development through community service.

\$90,500

DOMINICAN REPUBLIC

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to assist the Centro de Orientacion Economica (COE) in Santo Domingo to continue and expand its economic advisory program for Dominican legislators initiated with a 1986 CIPE grant. The COE will complete 25 written analyses of proposed economic legislation and distribute 400 copies of each to senators, congressmen, congressional staff and library, newspaper and media outlets, business associations, labor unions, professional associations, universities, government departments and think tanks in the Dominican Republic. COE is an independent, non-profit Dominican research association founded in August 1985 to influence public opinion and decision-making, particularly on economic issues, and to contribute to the country's development.

\$113,000

DELPHI RESEARCH ASSOCIATES, to provide continued assistance to the Asociacion Dominicana de Mujeres Votantes (ADMV). NED support in FY 1986 helped ADMV become an established entity, widely recognized as a nonpartisan organization working to strengthen the democratic process in the Dominican Republic. FY 1987 funds will enable ADMV to continue development and expansion of its civic education program; to provide material and technical assistance to each of its branches established in the twenty-nine provinces; and to serve as an information and documentation center on

democratic principles in order to promote the study of women's participation in the country's democratic development.

\$40,000

EL SALVADOR

PATRONATO PRO-INTEGRACION DE LA MUJER AL DESARROLLO, (PIMUDE), (Foundation for the Integration and Development of Women), to strengthen its ongoing democratic education work and broaden its activities to a wider audience, particularly on the secondary school level. PIMUDE will conduct two three-day teacher training seminars on "Education for Democracy"; distribute printed materials on the methods and practices of a democratic system; publish a series of books, pamphlets, bulletins and brochures on the goals and ideals of democracy; and promote citizen participation through conferences, lectures and selected media. PIMUDE is a private, nonpartisan women's organization based in El Salvador. It was originally established to promote the educational development and social, economic and legal welfare of women in Salvadoran society.

\$10,647

GUATEMALA

The ROOSEVELT CENTER FOR AMERICAN POLICY STUDIES, to assist the Asociacion de Investigacion y Estudios Sociales (ASIES), to hold its fourth "Seminar on National Reality." This two-day meeting of some 500 representatives of diverse sectors of Guatemalan society will focus on the economic and sociopolitical problems confronting Guatemala in its second year of the democratization process, and present alternative policies for addressing them. Created in 1979, ASIES is a private, nonpartisan organization devoted to research, discussion and analysis of national issues.

\$16,000

GUYANA

INTERGRAPH CORPORATION, to provide continued assistance to Stabroek News, an independent newspaper in Guyana established in 1986 with Endowment support. The primary challenge facing the paper has been overcoming the severe foreign exchange constraints and lack of printing equipment and supplies in Guyana. Previously, the newspaper was written in Guyana, sent to the facilities of the Trinidad Express in Port-au-Spain, Trinidad for printing, and then returned to Guyana for distribution. Recently, Guyana Publications Limited has been able to raise funds and purchase a press, camera, platemaker and other equipment. The government of Guyana has indicated it cannot make sufficient foreign currency available for the importation of newsprint; therefore, NED's FY 1987 grant will be used for that purpose.

\$30,000

HAITI

AMERICA'S DEVELOPMENT FOUNDATION (ADF), to enable the Haitian International Institute for Research and Development (IHRED), to continue its basic program, the "Forum for Democracy and Development." The program consists of a series of colloquia that bring together representatives of diverse democratic sectors in Haiti to address issues fundamental to the future of Haitian democracy. IHRED was established in the wake of Duvalier's fall in February 1986 and has served as a neutral forum for dialogue on efforts to achieve a successful transition to democracy in Haiti.

\$110,000

FREE TRADE UNION INSTITUTE (FTUI), to provide technical and financial assistance through the American Institute for Free Labor Development to the Federation of Trade Union Workers (FOS) in Haiti. FY 1987 assistance will continue the initiatives begun in FY 1986 to develop a department for training and education on the role of the labor movement in an open society. Emphasis will be on union-organizing activities to increase membership and on get-out-the-vote campaigns. Seminars

and conferences will be used to train new members on general topics such as democratic unions and grievance handling. Funds will also go to publish educational materials and for the services of short term local consultants with technical expertise.

\$75,000

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

(NDIIA), to convene a workshop of Haitian party leaders and mid-level party officials for an in-depth workshop on party-building, in June 1987 in Haiti. The seminar covered four topics: party structure and organization; issue formulation; fund-raising; and constituency-building. Haitian participants included representatives from "The Group of Ten," a centrist grouping that meets periodically under the auspices of the Haitian International Institute for Research & Development; the eight parties registered and certified with the Ministry of Justice under the Political Parties decree; and other parties that demonstrated both an ability to gather a constituency and adhere to internal democratic practices.

\$52,347

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

(NDIIA), to convene an international team to observe the presidential/legislative elections in Haiti scheduled for November 29, 1987. Thirty delegation members participated from Venezuela, Canada, Costa Rica, Senegal, the Philippines, Botswana, Northern Ireland, Jamaica and the U.S. The group was divided into 6 teams to observe the election process in Cap Haitien, Jeremie, Jacmel, Hensch, LesCayes and Port-au-Prince. The delegation issued a statement following the cancellation of the elections detailing the incidences of violence the group witnessed and calling for solidarity with the people of Haiti who truly desire democracy and freedom.

\$34,565

MEXICO

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to assist the Confederacion Patronal de la Republica Mexicana (COPARMEX) to continue its EMPRESA program, a Spanish-language education program that teaches the basic economic principles of profit, productivity and competition by focusing on the role of private enterprise in society and entrepreneurship. Under a 1984 CIPE grant, COPARMEX signed an agreement with CONALEP, a vocational and technical school system, to include the EMPRESA course in its curriculum. FY 1987 assistance will enable COPARMEX to increase the number of courses it teaches in CONALEP from about 300 to over 800. Cooperative agreements with other educational institutions will be negotiated. In addition, COPARMEX will continue to present the course through its 53 chapters nationwide to trade unionists, journalists and employees. Established in 1929, COPARMEX is the largest completely voluntary business organization in Mexico, representing over 34,000 member businesses.

\$94,418

NICARAGUA

FREE TRADE UNION INSTITUTE (FTUI), to support the Confederacion de Unificacion Sindical (CUS) in Nicaragua in maintaining its independence in an increasingly hostile environment. The CUS has managed to survive only by demonstrating that it is apolitical -- dedicated strictly to the application of democratic trade union principles to achieve gains for the worker. While viewed with the deepest suspicion by the Sandinistas, the CUS has also avoided open identification with the regime's armed opposition, thus denying the Sandinista government a pretext to disband the union. It has also earned the sympathy and support of the world community of independent trade unionism.

\$150,000

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS (NDIIA), to conduct a four-day workshop on "Democratic Alternatives for Nicaragua" for the Nicaraguan civic opposition in cooperation with the Liberal

International and the Fundacion Libertad y Progreso. Leaders from Nicaragua's opposition political parties were brought together with an international group of party-building and organizational specialists from Latin America, Europe and the U.S. in Madrid, Spain. The workshop provided training in organizational strategy and tactical planning for the nonviolent civic opposition.

\$121,360

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

(NDIIA), to cosponsor with the Liberal International and the Foundation for Liberty and Progress a follow-up to the Madrid conference for six Nicaraguan opposition parties. This October 1987 conference in Managua, "Promoting Peace and Democracy," provided an international forum to detail the requirements necessary to achieve real political and social reforms. Leaders of the Nicaraguan civic opposition were brought together with representatives from the United States, Europe, Venezuela and other Central American countries to formulate organizational strategies and tactical planning as they begin basic preparations for possible participation in future local elections.

\$63,397

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS

(NRIIA), to develop civic education projects with two educational institutes affiliated with the Conservative Party of Nicaragua. Courses will be offered in job skill development, integrated with a curriculum on democratic principles. Working within the constraints of a closed political system, this project seeks to provide an outlet for democratic pluralism and participation.

\$100,000

SOUTHERN LEGAL ASSISTANCE, INC., to assist the 22nd of January Movement of the Mothers of Political Prisoners to increase public awareness within Nicaragua and

abroad of the plight of those incarcerated for allegedly violating the country's security laws, and to provide improved legal services and material assistance to the families of Nicaraguan detainees.

\$20,000

PANAMA

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to assist the Asociacion Panamena de Ejecutivos de Empresa (APEDE) in conducting a public opinion poll to gauge how free enterprise, businessmen and private sector organizations are perceived in Panama. In addition, EMPRESA, a Spanish-language education program that teaches the basic economic principles of profit, productivity and competition, will be redesigned for use in Panama. APEDE is a private, non-profit organization founded in 1958 for the purpose of promoting sound management practices and a belief in democratic principles among its members.

\$58,800

YMCA OF THE USA - INTERNATIONAL DIVISION, to continue and expand the Youth in Civic Development Project in Panama. The program, begun in 1984 with Endowment support, is designed to train urban and rural youth in democratic political leadership through the study of the Panamanian constitution, parliamentary procedures, and the formal and informal structures of government. The three-part program involves local and regional assemblies, and culminates in a youth legislative assembly in Panama City where participants apply the knowledge and skills learned throughout the year. FY 1987 funds will be used to increase the number of Youth Civic Clubs from 26 to 35, train 900 additional students in democratic political leadership, and expand ties with other non-governmental organizations.

\$40,000

PARAGUAY

FREEDOM HOUSE, to enable Radio Nanduti of Asuncion, Paraguay to conduct democratically-oriented forums with emphasis on active audience participation in Radio Nanduti's 300-seat auditorium. Though the station's AM transmission capabilities were suspended on January 14, 1987 in response to government pressures, panel discussions on critical issues in Paraguayan political life continue to be held. The success of the forums in Asuncion has encouraged Radio Nanduti to extend them to the provinces; programs are currently planned for eight additional cities. Proceedings of the forums held to date are being published in a series of three volumes both in Spanish and Guarani, Paraguay's indigenous language. In addition, an extensive press file has been created as a method of disseminating national news. The file serves as a resource on significant developments in Paraguayan political, social and economic life for both national and international news media.

\$121,880

PERU

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to assist the Instituto Libertad y Democracia (ILD) of Lima, Peru, in its continued research and advocacy project promoting open economic systems. A private sector think tank established in 1980, ILD has developed a program advocating deregulation, simplification of rule-making, and access to the political system. El Otro Sendero (The Other Path), the book written by the staff of ILD in 1986, will be drawn upon to design popular presentations to be disseminated through various channels. ILD will continue to inform the public of new regulations and national economic issues by preparing cost-benefit analyses; producing periodic publications and radio programs; and initiating a newspaper format for airing grievances and complaints as well as offering solutions. These materials will enable ILD to extend its services to other groups encouraging democratic lawmaking both in Peru and Latin America.

\$120,000

The COUNCIL OF THE AMERICAS, to assist the Instituto del Sur para la Cooperacion Democratica, a nonpartisan Peruvian institute devoted to the promotion of democratic values and to strengthening democratic institutions through research, conference and publication programs. The Institute will continue publication of its bi-monthly magazine, Posible, one of the only democratically oriented magazines of its kind in Peru. Launched with an FY 1986 Endowment grant, the magazine has become an outstanding vehicle for the discussion of democratic ideas in Peru.

\$65,780

COUNCIL OF THE AMERICAS, to assist the Centro Peruano de Estudios Internacionales (CEPEI), a private, nonpartisan research center in Lima. CEPEI will conduct a series of seminars and publish related papers on the role of the military in a democratic Peru. These efforts will promote a dialogue between civilian and military perspectives on security relationships with Peru's neighbors, the foreign debt crisis, the impact of narcotics trafficking, and the effect of terrorism and subversion on Peruvian democracy.

\$33,000

URUGUAY

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to assist the Centro Nacional para la Empresa Privada (CENAEP) in Montevideo to train thirty-nine instructors to teach the EMPRESA program. The instructors will conduct EMPRESA courses at centers of the Business Confederation of Uruguay (CEDU) and local high schools. It is expected that the courses will reach approximately 4,000 individuals. CENAEP was founded in May 1986 to promote the free enterprise system in Uruguay and represent the private sector on economic issues in public policy formation. CENAEP is launching this program at the request of the CEDU, and the two organizations are working together on its implementation.

\$15,000

REGIONAL

CARIBBEAN PUBLISHING AND BROADCASTING ASSOCIATION (CPBA) in Barbados, to continue its year-round counseling program for Caribbean media. CPBA provides on-site, in-plant training and advisory services for journalists and broadcasters associated with newspapers and radio stations of the smaller Caribbean islands, including Grenada, St. Vincent, St. Lucia, Guyana, Dominica, St. Kitts, Montserrat and Antigua. In addition, CPBA is working to establish an information-sharing network among newspaper libraries. Its FY 1986 program provided extensive assistance to the Catholic Standard and Stabroek News of Guyana, and The Vincentian of St. Vincent.

\$40,000

FREE TRADE UNION INSTITUTE (FTUI), to assist U.S. trade union cooperation with affiliated International Trade Secretariats in educational activities in Latin America and the Caribbean. Two national health care education conferences will be sponsored by the Service Employees International Union with democratic labor unions in the English-speaking Caribbean and northern South America. Four vocational training sessions are planned by the International Union of Bricklayers and Allied Craftsmen (BAC) for Central America.

\$140,000

FREE TRADE UNION INSTITUTE (FTUI), to sponsor continued U.S.-Latin American exchanges of labor leader delegations administered by the American Institute for Free Labor Development (AIFLD) to strengthen fraternal relationships through discussions of specific inter-American political, economic and social problems. Participants in the exchanges disseminate their experiences to union members, government representatives and other decision-makers.

\$148,375

FREE TRADE UNION INSTITUTE (FTUI), to provide assistance through AIFLD to nonpartisan committees on political education in the democratic labor federations in Guatemala, Honduras, Panama and the Dominican Republic. The program is comprised of educational conferences, training seminars and public forums to raise the consciousness of union members on political participation. Several thousand local members will also be informed over the course of the year on how unions can maintain member interest in political education.

\$228,856

FREE TRADE UNION INSTITUTE (FTUI), to provide trade unionists in Latin America and the Caribbean with an in-depth orientation in modern political ideologies, familiarity with economic trends and basic training materials for rank-and-file education programs. Training materials in political and economic theories will be prepared and updated for use in the training seminars administered by AIFLD.

\$88,000

FREE TRADE UNION INSTITUTE (FTUI), to enable AIFLD to continue assisting the Labor Watch Program conducted by the Inter-American Committee on Human and Trade Union Rights (CIDHS). CIDHS monitors the status of human and trade union rights in Latin America and the Caribbean. In little over a year, CIDHS has established itself in the international human rights community as a credible, authoritative body keeping a close check on individual rights. A bi-monthly Information Bulletin is published which presents the human rights situation not only in countries which are most blatant in their violation of citizens' rights, such as Chile, Nicaragua, Paraguay and Haiti, but also in democracies such as Brazil, Bolivia, Colombia, the Dominican Republic, El Salvador, Guatemala and Mexico.

\$40,000

FREEDOM HOUSE, to assist the Asociacion de Libro Libre in Costa Rica to continue and expand its program of dissemination of democratic thought in Central America. In two and one half years (with FTUI assistance in FY 1984 and Endowment support in FY 1986), Libro Libre has been able to increase its publication rate to three to four books a month on such topics as human rights, political philosophy and Latin American history. Endowment support will also be used to establish through Libro Libre a Center of Central American Research and Information (CINCO) that will engage in research, analysis and the development of strategies for stable democracy in Central America.

\$308,000

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS (NRIIA), to enable the Caribbean Democrat Union (CDU) to continue holding seminars to promote democratic values, political development and participation, and institution-building in the Caribbean. In 1987, the CDU is particularly interested in the transfer of technology in the area of public opinion analysis and sampling. A monthly newsletter is published and distributed to all member parties, youth groups and Members of Parliament. The CDU will also participate in activities of the International Democrat Union and other outreach programs in the Caribbean.

\$171,500

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS (NRIIA), to conduct follow-up activities to the NRIIA 1986 Political Activists Training Program. Seminars and training workshops on issues concerning modern political technology will be held throughout the Caribbean and Latin America for participants selected from a variety of public policy, civic and political institutions. Regional meetings will focus on such topics as politics and the use of the media, survey research and polling techniques, political participation, and issues development. These activities will allow for the further development of topics and techniques analyzed in the program's first stage.

\$150,000

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS

(NRIIA), to form a Central American Academy in cooperation with several international political foundations, regional political parties and institutes. This academy will serve as a learning and teaching center for emerging democracies in the region. Support grants will be given to the Association for the Defense of Costa Rican Liberty and Democracy, a political institute affiliated with the Movimiento Accion Solidaria (MAS) in Guatemala, and an institute of the National Party in Honduras to conduct training seminars for domestic political actors and promote cooperation between like-minded parties.

\$75,000

OVERSEAS EDUCATION FUND (OEF), for supplemental support to the Argentine women's organization Conciencia for its "South American Meeting on Civic Education and Participation." Although it was originally designed for participants from only six South American countries -- Argentina, Brazil, Uruguay, Peru, Bolivia and Chile -- the announcement of the conference prompted a tremendous response, increasing the number of countries to 16. The additional countries represented were Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, the Dominican Republic, Paraguay, Spain and Venezuela. The conference, held in October 1987 in Buenos Aires, focused on strategies aimed at establishing and consolidating Latin American women's organizations devoted to providing civic education and promoting citizen participation in the political life of their respective countries.

\$20,634

MULTIREGIONAL

A number of Endowment programs are multiregional. These may include efforts to establish contacts among democratic advocates from different regions, a publication that reaches beyond a single region, a study of democratic development, a women's conference, or a global human rights program. Such programs represent an important means to encourage international cooperation in the building and strengthening of democracy. Through such efforts, the Endowment hopes to foster a sense of common identity and purpose among democratic groups and societies.

Multiregional Programs Funded in FY 1987

STANFORD UNIVERSITY, on behalf of Professors Seymour Martin Lipset and Larry Diamond, to make possible a wider and more effective distribution of Democracy in Developing Countries. In FY 1984, the Endowment funded this four-volume comparative examination of factors contributing to the success or failure of democratic government in twenty-seven developing countries. Preliminary findings of the study have been presented at various forums, including the World Congress of Sociology in New Delhi in August 1986, the American Political Science Association's annual meeting in September 1986, and the Endowment's May 1987 conference on "The Challenge of Democracy," resulting in considerable discussion among scholars, as well as business, labor and government leaders.

\$13,200

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to assist the Center for Leadership Development (CLD) with its Institutes for Organization Management International Education programs. Training programs are conducted for key staff executives of private sector voluntary organizations on such topics as developing management skills and technical expertise;

designing voluntary business organization programs; building national business federations and regional cooperation; and promoting the concept of professional voluntary organization management. CLD will plan and operate a third year of the Latin American Institute which 70 participants are expected to attend. The South Asian Institute will continue for a second year, graduating its first class. A faculty training program will also be conducted at the University of Delaware in Newark to prepare the faculty to adapt their materials to the needs of the South Asian Institute participants.

\$447,038

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), for an international conference on the Informal Sector held in October in Washington, D.C. The objectives of the conference were to motivate the international participants to (1) replicate informal sector advocacy programs, adapted for local conditions, in a broad number of countries in Latin America, Africa, and Asia, and (2) leverage funding and support available from developed nations' aid programs, multilateral and international institutions, and, most importantly, from developing nations themselves for the maintenance of such programs. The conference was attended by over two hundred participants representing 37 countries. Proceedings of the conference will be published and a long-term CIPE program for policy dialogue among participants and others in the developing countries will be designed and maintained.

\$100,000

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE), to produce a videotape presentation on CIPE's work in both English and Spanish with the Blackwell Corporation. Four projects, demonstrating CIPE's objectives of promoting private enterprise and democratic development abroad, will be highlighted: the Institute for Liberty and Democracy in Peru, the Center for Studies in Economics and Education in Mexico, the Center for Economic Orientation in the Dominican Republic, and the Philippine Chamber of Commerce and Industry. The videotape will seek to encourage replication of these model programs throughout the developing world,

identify obstacles or barriers to success and methods used to overcome them, and inform and educate CIPE's audiences and potential partners.

\$25,138

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE) to monitor and evaluate the progress and results of CIPE grants and to develop new projects with potential grantees. These funds assist CIPE in developing detailed, well-formulated projects, maintaining proper control over grant funds, and evaluating the results of sponsored activities. In monitoring and evaluating programs, CIPE relies on on-site evaluations, financial audits, and an in-house resource of information on the development of private enterprise and business organizations throughout the world.

\$92,191

COMMITTEES FOR A COMMUNITY OF DEMOCRACIES (CCD), to nurture and expand the ranks of national CCD citizen groups and to prepare for a major All-Democracies Conference in 1988. CCD has been engaged in an ongoing effort aimed at building a new intergovernmental association of democratic countries as a basis for strengthening democracy worldwide. Supported by an FY 1984 Endowment grant, CCD launched its program by convening an international meeting with representatives from 26 countries in April 1985. It followed up in 1986 with a series of regional seminars in Africa, Latin America and the Asia and Pacific region (the latter supported by an FY 1986 Endowment grant). These regional conferences were designed to extend CCD's network of supporting citizen groups and to bring its ideas to the attention of regional opinion leaders.

\$50,000

FREEDOM HOUSE, to continue and expand the Exchange program, a network of democratic opinion-leaders in both the developing and the developed world launched in 1984 with NED support. This network consists of over 370 individuals in more than 50 countries around the world who circulate materials from the Exchange mailings and

share with others on the circuit the best short writings on democratic themes that they discover.

\$110,000

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

(NDIIA), to enhance program development and enable NDIIA to implement more efficiently its program of political development. NDIIA evaluates grant requests and designs projects according to one of its four types of programs: party-building workshops; election systems and election observation teams; civic education programs; and research and conferences.

\$100,000

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS

(NRIIA), to continue its research and program development efforts. Activities will include supporting academic inquiries into the fundamental issues of democratic development; sponsoring seminars, symposiums, and meetings on issues of democratic development in the developing world outside of Latin America and the Caribbean; and publishing texts and translations which provide a basic understanding of democratic principles. General support is also given to program design activities of the NRIIA in its efforts to expand programming activities.

\$84,240

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AUDITORS' OPINION

National Endowment for Democracy:

We have examined the balance sheets of National Endowment for Democracy as of September 30, 1987 and 1986 and the related statements of revenues and expenses and changes in fund balance and of changes in financial position for the years then ended. Our examinations were 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, 1987 and 1986 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Deloitte Haskins + Sells

December 2, 1987

NATIONAL ENDOWMENT FOR DEMOCRACY

BALANCE SHEETS, SEPTEMBER 30, 1987 AND 1986

	<u>NOTES</u>	<u>1987</u>	<u>1986</u>
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash		\$ 30,714	\$ 339,522
Grants receivable (including restricted grants: 1987, \$1,668,904; 1986, \$211,866)	1,2,4,6	11,792,430	12,878,215
Prepaid and other assets		<u>29,006</u>	<u>29,016</u>
Total current assets		11,852,150	13,246,753
PROPERTY, NET	2,3	<u>215,824</u>	<u>60,135</u>
TOTAL		<u>\$12,067,974</u>	<u>\$13,306,888</u>
<u>LIABILITIES AND FUND BALANCE</u>			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities		\$ 101,865	\$ 75,214
Grants payable	1,2,5	10,039,511	12,968,828
Deferred grant revenue	6	1,614,318	211,866
Current obligations under capital lease and notes payable	8	<u>24,788</u>	<u>3,285</u>
Total current liabilities		<u>11,780,482</u>	<u>13,259,193</u>
CAPITAL LEASE AND NOTES PAYABLE OBLIGATION - long-term portion	8	<u>88,214</u>	<u>9,395</u>
FUND BALANCE		<u>199,278</u>	<u>38,300</u>
TOTAL		<u>\$12,067,974</u>	<u>\$13,306,888</u>

See notes to financial statements.

NATIONAL ENDOWMENT FOR DEMOCRACY

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED SEPTEMBER 30, 1987 AND 1986

	<u>NOTES</u>	<u>1987</u>	<u>1986</u>
<u>REVENUES</u>			
Grant revenue	1,2	\$15,208,640	\$17,226,000
Contributions		<u>99,050</u>	<u>3,600</u>
Total revenues		<u>15,307,690</u>	<u>17,229,600</u>
<u>EXPENSES</u>			
Program grants	1,2	13,901,599	16,308,236
Salaries, wages and benefits	10	697,807	584,001
Professional fees		80,633	89,481
Occupancy		101,436	69,500
Consultants		58,390	60,911
Communications		111,211	51,630
Travel and transportation		82,417	30,805
Supplies and equipment		25,286	26,362
Insurance		28,068	19,661
Depreciation and amortization	2	27,460	17,013
Conference and meetings		28,039	7,172
Other		<u>4,366</u>	<u>649</u>
Total expenses		<u>15,146,712</u>	<u>17,265,421</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES		160,978	(35,821)
FUND BALANCE, BEGINNING OF YEAR		<u>38,300</u>	<u>74,121</u>
FUND BALANCE, END OF YEAR		<u>\$ 199,278</u>	<u>\$ 38,300</u>

See notes to financial statements.

NATIONAL ENDOWMENT FOR DEMOCRACY

STATEMENTS OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 1987 AND 1986

	<u>1987</u>	<u>1986</u>
SOURCES (USES) OF FUNDS:		
Excess (deficiency) of revenues over expenses	\$ 160,978	\$ (35,821)
Items not requiring funds during current period		
Depreciation and amortization	<u>27,460</u>	<u>17,013</u>
Total provided (used) by operations	<u>188,438</u>	<u>(18,808)</u>
Other sources:		
Decrease in grants receivable	1,085,785	2,476,923
Decrease in prepaid and other assets	10	4,350
Increase in accounts payable and accrued liabilities	26,651	19,025
Increase in grants payable		
Increase in deferred grant revenue	1,402,452	211,866
Increase in capital lease obligation	<u>110,219</u>	
Total	<u>2,813,555</u>	<u>2,693,356</u>
USES OF FUNDS:		
Decrease in grants payable	2,929,317	2,360,303
Payments on capital lease obligation and notes payable	9,331	2,912
Purchase of property	<u>183,715</u>	<u>21,412</u>
Total	<u>3,122,363</u>	<u>2,384,627</u>
INCREASE (DECREASE) IN CASH	(308,808)	308,729
CASH, BEGINNING OF YEAR	<u>339,522</u>	<u>30,793</u>
CASH, END OF YEAR	<u>\$ 30,714</u>	<u>\$ 339,522</u>

See notes to financial statements.

NATIONAL ENDOWMENT FOR DEMOCRACY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 1987 AND 1986

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 to a grant awarded by the United States Information Agency (USIA-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 of accounting. The Endowment reports to the U.S. Government on the basis of obligations incurred and cash expenditures made.

Revenue Recognition - Grants received from government agencies specify the periods in which monies are to be expended. Revenues from government grants are recognized as earned in the year in which the granting organization 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 committing funds to the grantee.

Property and Equipment - Property and equipment are carried at cost and are depreciated or amortized on 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 are recorded. As the Endowment draws on its letter of credit drawn on the Agency and payments are made to the grantee, the receivable and payable accounts are decreased accordingly.

3. PROPERTY

Property less accumulated depreciation and amortization as of September 30, 1987 and 1986, is as follows:

	<u>1987</u>	<u>1986</u>
Furniture and equipment	\$160,186	\$68,231
Equipment under capital lease	<u>109,164</u>	<u>17,970</u>
Total	269,350	86,201
Less accumulated depreciation and amortization	<u>53,526</u>	<u>26,066</u>
Property, net	<u>\$215,824</u>	<u>\$60,135</u>

4. GRANTS RECEIVABLE

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

The Endowment collects U.S. Government funds by presenting payment vouchers against such letters of credit when it disburses cash for program grants and administrative costs. The Endowment requests cash to fund its operations as needed.

5. 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.

6. DEFERRED GRANT REVENUE

The following summarizes the changes in deferred grant revenue for the years ended September 31, 1987 and 1986:

	<u>1987</u>	<u>1986</u>
Balances, beginning of year	\$ 211,866	
Additions:		
Agency for International Development	<u>1,605,000</u>	<u>\$211,866</u>
Deductions:		
Obligations	202,548	
Balances, end of year	<u>\$1,614,318</u>	<u>\$211,866</u>

On September 29, 1987, the Endowment was awarded an additional \$605,000 by the Agency for International Development (AID). AID has restricted the use of the funds to provide support for a program to build Democratic Institutions in South Africa. In addition, on September 24, 1987, AID also granted the Endowment \$1,000,000 for support of the Independent Polish trade union "Solidarity". The revenue from these grants are recognized to the extent of valid obligations in accordance with the purpose set forth in the grant agreements. Any unobligated funds will be deferred until obligated. As of September 30, 1987 no obligations had been incurred under these grants.

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 leases and purchase agreements of equipment as of September 30, 1987 are as follows:

Year ending September 30

1988	\$39,498
1989	31,948
1990	25,007
1991	20,649
1992	20,649
Thereafter	<u>20,649</u>
Total minimum lease payments	158,400
Less amounts representing interest	<u>(45,398)</u>
Total obligations under capital lease	113,002
Less current portion of obligations	<u>(24,788)</u>
Long-term obligations	<u>\$ 88,214</u>

9. INCOME TAXES

The Endowment is exempt from federal 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. RETIREMENT PLAN

The Endowment has a defined contribution annuity plan for all its employees under which the Endowment contributes a percentage of eligible employees' annual earnings to individually owned tax-deferred annuity contracts. The Endowment's contribution to the plan is based on 10% of an eligible employee's annual earnings. Costs of the plan for the years ended September 30, 1987 and 1986 approximated \$41,900 and \$40,700, respectively.

National Endowment for Democracy

Staff and Consultants

Carl Gershman, President
Louise A. Siffin, Special Assistant to the President
Diane M. Bettge, Director of Public Affairs
Tess Condor, Secretary to the President
Jodi Longo, Receptionist

Marc F. Plattner, Director of Program
Barbara E. Haig, Deputy Director of Program
Adelina Reyes-Gavilan, Program Officer
Kate Kauffman, Program Officer
Nadia Diuk, Program Officer
Luis Aguilar, Consultant, Latin America
Steven MacDonald, Consultant, Africa
Deborah I. Tyczenski, Program Administrator
Linda Petchock, Program Assistant
Carrington Cunningham, Program Secretary
Michele Cox, Program Secretary

Joseph Cooper, Jr., Comptroller
Bonnie L. Brandon, Grants Officer
Diane Merchant, Internal Auditor
Rosa Canales, Accountant
Kae Guthrie, Assistant to the Comptroller
Eve Cage, Finance Secretary

Corporation Counsel

Ross, Dixon and Masback

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 since 1984. 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 contact:

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