

**F**OR THE NATIONAL ENDOWMENT FOR Democracy, 2009 was a year of significant transition in two respects. First, the momentous election of Barack Obama has transformed the larger political context in which NED operates, with the new Administration's altered course in foreign policy introducing changes in the U.S. approach to democracy assistance that will inevitably affect the Endowment. This political sea change has coincided with a process of restructuring at NED, which will increase our capacity to effectively manage a growing workload that has already expanded fourfold during the past decade. While our restructuring is not related in any way to the changes in the political landscape, the process having started well before the 2008 election, it nonetheless will help NED adjust to the new period and take advantage of any new opportunities that might present themselves.

What these opportunities may be is not yet clear. President Obama took office following a period of more than a quarter of a century when the work of democracy promotion steadily expanded, starting with President Ronald Reagan's Westminster Address in 1982 and the founding of NED the following year, and culminating with President George W. Bush's Second Inaugural Address and the elevation of democracy promotion to a central place in U.S. foreign policy. For a number of reasons, President Obama seems to have stepped back from this expansive vision. For one thing, upon assuming office he faced an extraordinary number of urgent problems that demanded immediate and priority attention — the worst economic crisis since the Great Depression, grave security threats in Iran and Afghanistan, a swelling domestic agenda topped by an all-out effort to pass major health reform, and a massive budget deficit. He and his advisers have

also raised substantive questions about the effectiveness of a high profile and assertive approach to democracy assistance, suggesting that a mix of projecting a more positive image of the U.S. to the world, engaging more with adversaries, and quietly encouraging and cooperating with democratic friends would produce better results.

*For one thing, some of the nastiest regimes in the world face their own severe internal crises and are extremely vulnerable to opposition pressures from below.*

We're still some way from seeing how this new approach will play out, but in several respects there is reason for cautious optimism. In the first place, the President has made repeated declarations — in Prague, Cairo, Moscow, Accra, at the United Nations, and most recently in Oslo when he accepted the Nobel Peace Prize — affirming his Administration's commitment to universal democratic principles. Second,

his emphasis on developing multi-lateral approaches to meeting international challenges is consistent with NED's commitment to building global solidarity and cooperation through cross-border democracy assistance and the many activist networks associated with the World Movement for Democracy. And third, the President went on record during the campaign preferring NED's non-governmental approach to aiding "courageous democrats abroad" to "direct financial assistance from the U.S.," which he said could be tainted by "perceptions of questionable or ulterior motives."

What's still missing, but could yet develop, is a comprehensive approach to democracy assistance that combines the kind of direct aid given by NED and other independent institutions with stepped up political and diplomatic support by the U.S. and other democratic governments to defend activists on the front lines and pressure repressive regimes to observe international democratic norms. Such support is especially needed at the present time when authoritarian and semi-authoritarian rulers have

mounted a systematic assault on democracy groups that is intended to control or prohibit their activities and to sever their links with international assistance networks. The need for such support is repeatedly emphasized by grassroots activists, who feel that financial and technical democracy assistance, important as it is, cannot achieve its goals unless it is complemented by international pressure to protect activists and expand political space.

Building a genuinely multi-lateral approach to countering the threats that civil society faces in so many countries today has the potential to produce real gains, despite what might appear to be a rather bleak outlook for democratic progress. It's true that the anti-democracy backlash presents a formidable challenge, and the declines in freedom reported in the 2009 Freedom House survey are certainly disturbing. But this does not tell the whole story.

For one thing, some of the nastiest regimes in the world face their own severe internal crises and are extremely vulnerable to opposition pressures from below. Iran is the most obvious case, for the Green Revolution that broke out following the fraudulent elections of June 12 has shown real staying power, despite violent repression. Cuba is another vulnerable dictatorship, with an aging and ideologically exhausted leadership, a failed economy, and a growing grassroots opposition movement of young people, women, workers and intellectuals, as well as the marginalized Afro-Cubans who comprise a majority of the population. And then there's North Korea, the most brittle of all dictatorships, where the recent currency exchange intended to destroy the emerging markets, on which most people depend



for survival, and to restore total regime control of the society will widen the cleavage between the elite and the people, deepen the failure of the economy, increase the suffering of the population and, according to an analysis by the Korean Institute for National Reunification, possibly “lead to an historic turning point where conscious resistance against the regime becomes stronger.”

Moreover, on a global scale the democratic camp shows far more resilience than the disparate array of anti-democratic rivals whose muscle-flexing often betrays a deep insecurity. China, for example, is a growing and increasingly assertive economic power, yet thoughtful Chinese worry about the rigidity of the system, its inability to ameliorate economic and social tensions, and its knee-jerk repression of peaceful dissent, as in the imprisonment of intellectual Liu Xiaobo for the “crime” of authoring a charter of democratic rights and principles. In the long run, democratic India shows far more confidence and

represents a much more adaptable and sustainable model of development than authoritarian China.

Russia is another assertive autocracy, rich with minerals and anxious to restore hegemony over its neighbors, but suffering from a truly existential crisis. Its economy is dysfunctional, corruption is rampant, and its population is contracting by some 800,000 people a year owing to low birth rates, widespread alcoholism, and a wave of infectious diseases such as HIV-AIDS and tuberculosis. The European Union may suffer from “enlargement fatigue” and NATO from a crisis of identity and mission, but the transatlantic community of democratic nations