

Democracy was more embattled in the world during 2006 than in any year since NED was founded more than two decades ago. By saying that democracy was—and is—embattled, I do not mean to suggest that the historic gains made during the third wave of democratization and its aftermath in the 1990s have been reversed, or that the forces pressing to defend and expand democracy are defeated or demoralized. To be sure, there have been notable setbacks, including the Thai coup of September 2006 and the severe backsliding in Russia and Venezuela. But the number of countries classified as liberal or electoral democracies in the Freedom House survey is still at an all-time high; and groups pressing at the grassroots for greater democratic participation, accountable government, access to information, human rights, and the rule of law are as active as ever and continue to receive practical and political support from the international community. Still, democracy is encountering resistance on many fronts today, to the point where its forward progress has been blunted, even if the gains of the past three decades have not been undone.



During 2006, NED and its grantees responded to this resistance with an eye toward regaining the forward momentum for democratic progress. The work done during the year provides a foundation for meeting the enormous challenges that lie ahead. Each of these challenges reflects a critical aspect of the new resistance to the advance of democracy. There are five that deserve special attention:

The first is to counter the mounting effort by autocratic governments in many postcommunist and developing countries—among them Russia, Belarus, Uzbekistan, Venezuela, Egypt, and Zimbabwe—to control and repress organizations working for democracy and to prevent them from receiving international assistance. The phenomenon has been called “the backlash” since it has arisen in reaction to democratic breakthroughs in Ukraine, Georgia, and other countries,

as well as to the growing volume and prominence of democracy assistance coming from the United States and Europe. In 2006, NED prepared a report for the Senate Foreign Relations Committee on the backlash, and it helped organize a meeting during the General Assembly of the United Nations at which 23 heads of state were able to have a dialogue with NGO activists from six backlash countries. Most importantly, NED kept open the channels of support to democracy activists fighting to preserve political space and the right to receive international assistance, and it is working in cooperation with the World Movement for Democracy to mount an international campaign in defense of civil society and democratic freedoms.

The second challenge is to sustain and steadily advance a coherent and practical strategy for aiding democracy in the Middle East. No one should underestimate the difficulty or the complexity of this challenge. Until just a few years ago, the Middle East was the one region of the world seemingly untouched by the third wave of democratization. The common view in policy and academic circles in the West was that democracy in the explosive Middle East was neither feasible nor desirable: Arab culture was incompatible with democratic politics and values, and the effort to promote democracy would only destabilize friendly autocracies whose support was needed to resolve the Israel-Palestine conflict and to preserve secure access to oil. This view was challenged in the wake of 9/11, when democracy promotion in the Middle East briefly rose to the top of the policy agenda in the United States and even Europe. But with the success in elections of Hamas in Palestine and the Muslim Brotherhood in Egypt, the war in Lebanon, and the devastating sectarian violence in Iraq, the old realism has returned with a vengeance. But for NED the agenda in the Middle East remains unchanged: quietly working to strengthen civil society organizations and independent media, helping liberal political activists increase their outreach to the wider society, and engaging with moderate Islamists to encourage their evolution in the direction of political pragmatism and cultural pluralism. While this is inevitably a long-term process, positive progress can already

be seen in the growth of human rights and women's organizations, the outspokenness of independent journalists, and in such political developments during the last year as the presidential elections in Yemen and the parliamentary elections in Kuwait. The challenge for NED will be to press quietly ahead, taking advantage of all political openings and building relationships of trust and solidarity with democrats throughout the region.

The third challenge is to continue NED's monumental work of aiding those struggling for freedom in closed and authoritarian societies. The opportunities for breakthroughs in this area should not be underestimated. The Burmese dictatorship is internationally isolated and continues to have less legitimacy than the woman it holds captive, Nobel Laureate Aung San Suu Kyi. In the post-Castro era, which is fast approaching, the Cuban dictatorship will be under increased pressure to open political space to opposition groups and to end its isolation from the international economy. North Korea is a failed system, humiliated by its proximity to a successful Korean society next door and terrified that the seepage into the closed country of truthful information about the world outside will stir the captive population to rebellion. And then there is China with its huge population increasingly and demonstratively outraged over the massive corruption and environmental degradation associated with the country's economic expansion. NED's support to dissidents in these and other dictatorial systems is like giving "rope to a drowning man," which is the way an activist in liberated Romania described an independent journal that was produced with a small NED grant. Providing such help sends a powerful moral message about the universality of the struggle for freedom and will continue to be an essential part of NED's mission.

The fourth challenge is to help emerging democracies fulfill their peoples' hope that democracy will bring clean government and a better life. Regrettably, the performance of new democratic governments is frequently far below the expectations of the people who elected them. Corruption is often rampant, and when it is, elected leaders are seen as either complicit

in the abuse of power or unable to stop it and therefore feckless and incompetent. There are many training programs funded by established democracies and international financial institutions that try to improve government performance, but they rarely address the core issue, which is the absence of political will to fight corruption and hold leaders to account. It is here that NED programs can make a difference by supporting “bottom-up” pressure on government by civil society and independent media to expose corruption, reform governmental institutions, and educate the public about the need for ethical standards in government and vigilant monitoring of elected leaders. At stake is not just the credibility of democratic government but its very survival, for if people are cynical about democracy, they will become susceptible to demagogic appeals by autocratic populists.

The fifth and final challenge facing NED has to do with advocacy more than with programs. It is to reaffirm NED’s mission and explain it to the Congress and the general public, which often cannot distinguish NED’s work from highly charged political issues that dominate the public discourse on international democracy. Iraq is obviously one such issue, with democracy promotion being frequently mistaken for the idea that democracy can be imposed by force. But the Iraq conflict is not the only source of misunderstanding. It is often said, for example, that electoral competition threatens peace by precipitating violent conflict, or that it undermines liberal values by giving illiberal forces a pathway to power and legitimacy. Accompanying the backlash against democracy is yet another argument, this one advanced by autocrats, that democracy promotion violates state sovereignty and is merely a U.S. or Western instrument for regime change. These arguments have to be countered, and NED has started to do that through its *Journal of Democracy* and other outreach activities. But it is also necessary to explain how NED’s mission and its approach to democracy promotion rests on the idea that democracy is a universal value. Throughout the world there are people who don’t see democracy as a problem

but as a way to realize their vision of a good society. NED’s mission is to connect with such people and to help them advance their vision in practical ways—by defending human and minority rights; by strengthening free media; by encouraging the participation and empowerment of women, youth, and marginalized groups; by building political parties, trade unions, and business associations as bedrock institutions of a free and pluralist society; and by educating the people in the practice and philosophy of democracy.

From its earliest days, NED has said that democracy cannot be exported, let alone imposed, but must come from within; and that like a plant, it will take time to grow. We have also said that ours is a supporting role. The main actors are local people on the ground in societies throughout the world. The critical issue is whether they deserve the kind of practical help NED can give, whether it be training, funding, or political solidarity; and whether such help should be financed out of taxpayer funds. This Annual Report tells the exciting story of how people in every culture and region of the world are working courageously for freedom, and receiving help in their efforts from the mainstream of American society. This is a story, ironically, that is not as widely known in this country as it is abroad. This is an imbalance that we should now try to correct. I am convinced that there are many Americans who hunger today for the kind of positive message that is contained in this story, a message that is consistent with America’s fundamental values and highest national interests. It’s a story that we need to tell, with proper humility, for it is one in which Americans can take great pride.



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