

RUSH!

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THE NATIONAL ENDOWMENT FOR DEMOCRACY: A PRUDENT INVESTMENT IN THE FUTURE

The National Endowment for Democracy (NED), the leading American organization promoting democracy throughout the world, is in danger of being gutted. On August 1, the Senate Appropriations Committee eliminated all funding for the NED after the House voted in favor of the Clinton Administration's entire budget request of \$30 million. The NED's future now is in the hands of the full Senate, which has an opportunity to restore funding for NED when it takes up the Commerce, Justice, and State Department appropriations bill in the next few days.

The Senate Appropriations Committee's action against the NED is shortsighted. The NED is a valuable weapon in the international war of ideas. It advances American national interests by promoting the development of stable democracies friendly to the U.S. in strategically important parts of the world. The U.S. cannot afford to discard such an effective instrument of foreign policy at a time when American interests and values are under sustained ideological attack from a wide variety of anti-democratic forces around the world. The NED deserves the full funding already approved by the House.

NED Is Still Needed. The National Endowment for Democracy is a nonprofit grantmaking institution created in 1983 to strengthen democratic institutions and foster democratic values around the world. It is not an official U.S. government agency, although it does receive federal funds. The NED supports nongovernmental groups in 90 countries. It funds democratic activists through direct grants, or works through American grant recipients, including four "core" institutions: the Center for International Private Enterprise, the Free Trade Union Institute, the International Republican Institute, and the National Democratic Institute for International Affairs.

The NED has played an important role in providing aid to democratic movements in the former Soviet bloc, China, Cuba, Iran, Iraq, Nicaragua, Vietnam, and elsewhere. It has provided material support to grass root organizations to help emerging democracies assemble the building blocks necessary to sustain a stable democratic system: representative political parties, a free-market economy, independent trade unions, and a free press. The NED's timely support has served as a lifeline to dedicated democratic reformers battling a wide variety of anti-American dictatorships. For example, the NED has aided Lech Walesa's Solidarity movement in Poland, Harry Wu's human rights efforts in China, and independent media outlets in the former Yugoslavia. Russian political activists affiliated with the NED also played a major role in President Boris Yeltsin's successful re-election campaign against the reinvigorated Communist Party earlier this year.

The principal argument cited by the NED's critics is that the NED is no longer needed because the Cold War has ended. But the promotion of democracy is an American interest that transcends the Cold War. The Reagan Administration's creation of the NED was not a cynical tactic for undermining U.S. adversaries, but a reflection of the core American values of liberty, democracy, and free enterprise. Ronald Reagan correctly perceived that the U.S. needed to address the Soviet ideological challenge as well as the Soviet military threat. The NED was a cost-effective way to encourage captive nations to liberate themselves without committing the U.S. to a prohibi-

tively risky and costly military crusade to free them from communism. While there is no monolithic security threat or ideological challenge to the U.S. at the present time, supporting democratic forces abroad remains both a moral and a practical imperative.

Soviet communism has collapsed, but communist regimes continue to dominate China, Cuba, North Korea, and Vietnam. And ex-communists masquerading as nationalists still control several of the Soviet successor states. Moreover, new-style communist parties have sprung up to compete with pro-Western democrats in recent elections inside the old Soviet bloc. Communists have been voted back into power in Hungary, Lithuania, and Poland. Despite the wishful thinking of the “end of history” triumphalists, democracy is not the inevitable outcome of the political evolution of post-communist societies. In the words of former Lithuanian President Vytautas Landsbergis, who was defeated by ex-communists in Lithuania’s 1994 elections, “There is no guarantee that democracy will flower in the soil that was polluted for fifty years by communism.”

The NED’s job is far from finished. Despite the considerable progress made in recent years, two-fifths of the world’s people continue to live under authoritarian rule. While communism has collapsed in many countries, democracy will take many years to become firmly rooted. Economic problems, international conflicts, and the growth of political, ethnic, national, and social tensions could trigger backlashes against democratic reforms. Embryonic democracies remain vulnerable not only to communists, but to military coups, fundamentalist politico-religious movements, and authoritarian parties. Both the Russian Bolsheviks and the German Nazis seized power after their countries undertook failed democratic experiments.

Promoting Democracy Furthers U.S. National Interests. The U.S. has a stake in the promotion of democracy and the rule of law. Western-style democratic governments are the least likely to threaten American interests. Their political pluralism and focus on commercial activities tend to encourage international stability. In the past, democracies rarely have fought wars with other democracies. Therefore, consolidating democracy in formerly hostile states, such as Russia, helps to enhance America’s long-term security. Democratic reforms also facilitate free-market reforms that lead to international trade and investment opportunities.

Funding the NED is a prudent investment because it is far less expensive to aid friendly democrats than it is to defend against hostile dictatorships. By contributing \$30 million of democratic “venture capital” to the NED, the U.S. government could forestall the need to spend billions of dollars for defense in the future—for example, in the event Russia reverted to a hostile dictatorship. The NED’s aid to grass-roots organizations also is more cost-effective than direct government-to-government aid, which often is siphoned off by foreign or American bureaucrats. The NED is not a big government bureaucracy. It has the flexibility to channel aid to effective grass-roots organizations for short-term projects that can be adjusted quickly to adapt to changing political conditions.

The NED’s strong track record led the seven immediate past Secretaries of State to support continued funding in a joint letter to congressional leaders in September 1995. The case for funding the NED remains a compelling one. As House Speaker Newt Gingrich (R-GA) has noted, the NED “represents the American people’s bipartisan commitment to a world in which the principles of democracy prevail.” Slashing NED funding would signal to a world hungry for American leadership that the U.S. is withdrawing from active engagement in international affairs. This not only could demoralize reformers who have taken heavy personal risks to advance the cause of democracy, but could give encouragement to anti-democratic regimes and movements.

Although the Cold War has ended, the global war of ideas continues to rage. American interests and ideals remain threatened by deeply entrenched communist regimes, neocommunists, aggressive dictatorships, radical nationalists, and Islamic fundamentalists. Given this reality, the U.S. cannot afford to surrender the ideological battlefield to these enemies of a free and open society. The National Endowment for Democracy deserves continued funding as a prudent investment for safeguarding the future.

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