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Mr. Chairman, I appreciate the opportunity to make this presentation on behalf of the National Democratic Institute for International Affairs.

NDI is one of two institutes funded by the National Endowment for Democracy engaged in political development work. Our Board of Directors is fully autonomous and is the final arbiter of the programs for which we seek funding from the National Endowment for Democracy or from other grant-making organizations.

The NDI Board represents a wide spectrum of views on the conduct of U.S. foreign policy. What unites us is the firm belief that our nation and institute can help encourage pluralism and democracy in the world. As an institute, we have scrupulously avoided taking policy positions that do not relate to our specific development projects.

NDI has worked closely with the National Republican Institute (NRI) in projects ranging from election observing in

the Philippines to political training of Latin American party leaders. In addition, representatives of our counterpart Republican Institute are frequently invited to participate in our projects.

The National Democratic and Republican Institutes were established in 1983 as nonprofit organizations and are legally prohibited from engaging in partisan activity. We cannot and do not receive funding from any partisan organization. Moreover, the law separates the Institutes from the two political parties and prohibits officers of the DNC and RNC from serving on our Boards. Finally, the Institutes are subject to GAO as well as USIA audits which serve to verify our compliance with these requirements as well as other procedural controls over the expenditure of government funds.

Both Institutes provide concrete support to political institutions abroad in their efforts to promote, maintain, and strengthen the democratic process. In so doing, the Institutes serve the highest interest of the United States -- to bring about a more stable world environment by fostering democracy and promoting human rights.

We recognize that endowment funding for the two political development Institutes has been a subject of debate in Congress. Some members have expressed concern about interference in the elections of other democratic countries. Others have argued that the Institutes would organize frivolous or overtly partisan events.

Many of these charges were made before the Institutes were established and prior to any evaluation of our projects. We firmly believe that an objective review of the institutes' policies, procedures and accomplishments will not only allay these concerns, but will demonstrate our constructive contribution to the development of democracy.

The two Institutes have not asked Congress for specifically earmarked funds; rather, we have simply asked to be eligible to receive National Endowment for Democracy grants just as any other organization engaged in democratic development work. We appreciate the support we have received from this subcommittee in seeking that limited but important objective here in the Congress.

THE IMPORTANCE OF POLITICAL DEVELOPMENT

We in the United States often underestimate the importance of political parties in a democratic system. Our system

provides opportunities for attaining elective office that are not exclusively dependent on a party hierarchy. In addition, the presence of other strong democratic institutions such as a free press and labor and business organizations diminishes the role of the party.

Political parties in the developing world exercise far more influence over the daily lives of their citizens than do our two American parties. Political parties everywhere articulate policy priorities; in the Third World, however, they are also expected to provide many services which, in our country, are undertaken, at least in part, by other institutions. These include grassroots constituent services, civic education and even public administration. If party organizations in the developing world fail to fulfill their special role equitably, the people quickly lose faith in the governing process itself. Ultimately then, the strength of these political parties determines the success of democracy.

NDI'S OBJECTIVES

NDI strongly believes in a non-partisan approach. Accordingly, the Institute has sought wherever possible to promote democratic values among all parties in a democratic spectrum.

Whether we are working with Social Democrats, Liberals, Christian Democrats or Conservatives, we eschew identification or association with a party's political ideology. We make it clear that our relationship does not in any way constitute an endorsement of policy positions. Rather, the relationship signifies NDI's determination that the foreign party or institution is working to promote democracy and that its success as a viable institution is integral to the success of the system itself.

While many democratic parties have requested our support, NDI has concentrated its projects in new democracies, societies in conflict and nondemocratic countries with strong democratic movements. Given our limited funds, we feel that working in these three situations enables us to make an important contribution both in consolidating existing democracies and in nurturing peaceful transitions to democracy.

In countries that have recently emerged from long periods of dictatorship, such as Argentina, Brazil and Uruguay, the need for institution-building is crucial if the new democratic system is to function smoothly. Parties that have been outlawed for years need help in organizing themselves to perform their role. In addition, many ruling parties have requested help in the governance area as they seek to rebuild.

the machinery of democratic government.

In conflict situations, such as Northern Ireland, parties tend to organize along religious, ethnic or geographic lines. As a result, the competition of ideas and policies found in a normal democratic environment is absent. Parties seeking to break down the causes of strife and return the nation to political normalcy merit external support in their effort to establish a new framework for democratic discourse.

In nondemocratic nations undergoing transition, the political extremes tend to feed on one another. The democratic center, pressured by extremist forces wanting to fragment it, can lose legitimacy over time. As has occurred in Chile and South Korea, democratic political parties often form coalitions in these situations to pressure for peaceful political change and to protect themselves from extinction. In these cases, external support is essential; the democratic center must be preserved if it is to play a role in leading the transition back to democracy.

In each of these three situations, we work with individual political leaders who understand that social and economic development thrive in a stable political environment -- an environment in which the citizenry is able to participate in the nation's decision-making process. They understand that a healthy competition between political parties is the best way

to encourage public participation and achieve national objectives.

Our involvement with party organizations or other institutions occurs only if we are invited to participate. We insist that both the relationship and the program activity be made fully public. Most importantly, to safeguard the integrity of our efforts, NDI will not engage in election-specific work which could be construed as partisan. This policy has helped underscore NDI's commitment to enhance and maintain democratic systems rather than promote candidates or particular party platforms.

NDI does not presume to instruct political leaders on how to strengthen their democratic system. Such an approach would inevitably fail to consider political and cultural nuances. Our policy is to respond to requests for assistance where we are able to share relevant experiences.

ACTIVITIES AND PROGRAMS

Mr. Chairman, we have placed major emphasis on our work in the field of governance. Democracy is not only defined by its adherence to the principles of human rights; it must also provide mechanisms to allow for adequate debate and

consideration of public policy issues. Democracy suffers, for example, when a legislative system is weak or when governmental institutions do not interrelate smoothly. NDI has responded to the requests of both ruling and opposition political parties which desire to improve the structures and processes of their governmental systems.

A second major program area for the Institute has been broadly described as "party-building". It is not enough to promote democratic values. We must also share the critical tools that help to make a democratic system function effectively. To fulfill its role, a political party must learn the rudimentary skills of organization, communications and constituent contact. NDI has conducted numerous training seminars in these vital areas of political development.

The Institute engages in such fundamental democracy-strengthening activities as civic education programs. In countries that have recently emerged from years of military rule, the political parties have as much interest in educating the citizenry, and thereby strengthening the fragile democracy, as they have in winning elections. Teaching citizens their rights and responsibilities in a democratic system is essential to the success of a fledgling democracy.

We have also developed expertise in reviewing electoral systems and in monitoring elections as a result of our experience in the Philippines. Several parties have asked us to study the electoral codes of their countries and to recommend improvements. Clearly, elections must be free and fair if people are to have faith in the system. Our activities in this area are totally impartial and nonpartisan.

A review of some of our past and ongoing program activities demonstrates how NDI has implemented its policy objectives. Foreign leaders, State Department officials, and members of Congress who have participated in our projects can attest to the success of our work.

--Working with the National Republican Institute, NDI organized the international observer delegation to the Philippine election. Our pivotal role was recognized by Secretary of State George Shultz who said that the Institutes' "excellent and highly professional work contributed to public understanding of what occurred during the election and helped preserve democracy in the Philippines."

Mariano Quesada, the former Secretary-General of the widely respected National Citizens Movement for Free Elections (NAMFREL) in the Philippines asserted that NDI and NRI were "instrumental in providing credibility to the election process and to the work of NAMFREL."

--Responding to requests from the Brazilian Congress, NDI sponsored two weeks of intensive workshops in Washington and Albany, New York on the United States' budget process. Seven Brazilian legislators and senior staff from the Senate and the Chamber of Deputies studied the American budget process with an array of U.S. state and federal officials. They concluded that aspects of our system will have immediate relevance and applicability to Brazilian efforts to create a congressional budget system after 21 years of military rule.

A participant in our workshop, Senator Joas Lobo, described the relevance of NDI's initiative in the following way: "During the years of dictatorial rule in Brazil, the keys to the coffer were thrown away. We came to your country, a country with strong democratic principles, to help us to find new keys so that we may throw open the coffer once more."

--Last fall, NDI participated in a seminar on legislative reform in Buenos Aires with bipartisan representatives of the Argentine Congress. Argentina's two major political parties are well aware of the dangers inherent in a weak legislature. The military has seized power three times in this century, not when the executive was weak, but when the Congress was ineffectual. The Argentine Congress is presently hampered by overlapping committee jurisdictions,

a chronic inability to assemble a quorum on important issues and an electoral system which places party affiliation over the individual.

The NDI delegation reviewed recent reforms by the United States' Congress and discussed the importance of a strong legislature. Only recently, President Raul Alfonsin called for constitutional reform, making NDI's contribution even more relevant. NDI has now been asked to participate in seminars in Buenos Aires and Washington which will contribute to the national debate in Argentina.

--Last month, NDI, along with Venezuela's leading political parties, sponsored a major international conference on "The Transition to Democracy in Chile." All 11 Chilean party leaders who signed the recent National Accord attended the conference together with officials from the major parties of Spain, Uruguay, Argentina and Venezuela. Also present was a representative of NAMFREL from the Philippines.

In their message to the conference, Senate Foreign Relations Committee Chairman, Richard Lugar, and House Foreign Affairs Committee Chairman, Dante Fascell, declared: "The National Accord -- with its appeal for restoration of full civil liberties, legalization of political parties, holding of free and open elections, preservation of a mixed economy, and repudiation of

violence -- represents a major advance toward achieving a genuine transition." Both chairmen strongly endorsed NDI's efforts to strengthen the Accord.

The conference provided a unique opportunity for the representatives of new democracies to share common experiences on the transition process with their Chilean counterparts. More importantly, the conference provided the setting that enabled Chile's coalition of diverse democratic parties to reaffirm its common purpose.

In the words of Sergio Molina, the coordinator of the National Accord: "The seminar nurtured a vital rapprochement within the Chilean delegation, allowed us to familiarize ourselves with the experiences of other countries and finally, to reaffirm that if there is no political reconciliation there will be no transition to democracy."

This development was all the more significant because extremist pressures on both sides had threatened to undermine the National Accord. This project underscored NDI efforts to strengthen the democratic center in nations which are being subjected to pressures from both the right and the left.

--The Institute has developed an ongoing and effective program to strengthen the democratic process in Northern Ireland as envisioned by the new accord between Great Britain and Ireland. By assisting Northern Ireland's Socialist Democratic and Labour Party (SDLP), the only major party committed to strengthening the democratic process through the Anglo-Irish Agreement, NDI is helping the SDLP establish a viable alternative to extremism and terror. The SDLP, a young party which grew out of the civil rights' movement, is seeking to develop the mechanisms of a modern political party and to effectively provide constituent services. With NDI's assistance, the SDLP has formed an independent foundation which will focus on leadership training and research.

--In conjunction with last year's final conference of the United Nation's Decade for Women, NDI conducted a series of workshops in Kenya to explore the underlying causes of limited political participation by women and consider strategies for increasing women's civic awareness and political activity.

More than 300 women attended our workshops, including numerous parliamentarians and party leaders. They shared experiences and offered ideas for encouraging more women to seek political office and to promote the movement toward democracy. In the words of one participant, "NDI

has captured a new spirit among women internationally... Now that the UN Decade for Women is over, we need this type of institutional attention to the role of women in bringing about democratic change and equity within democratic societies."

--The Institute also held a workshop with the New Korea Democratic Party (NKDP) which last year gained nearly 50 percent of the vote (to the government party's 34 percent) running on a platform of constitutional reform, free elections and a peaceful return to democracy. The NKDP is the only party calling for the peaceful democratization of Korea and NDI has, according to the NKDP floor leader, given "major U.S. support to our efforts at a time when our young people are growing increasingly skeptical about the United States' role."

--Last November, NDI, working with the Center for International Private Enterprise, was the first American organization to bring together Caribbean countries in an effort to promote regional integration. The then Prime Minister of Barbados, Bernard St. John, said NDI's "sensitivity to the key issues facing the Caribbean nations has made a contribution to democratic development in our region." The newly-elected Prime Minister, Errol Barrow, also a member of NDI's Philippine observer team, said NDI had "significantly advanced the cause of

democracy by facilitating necessary and timely dialogue between political leaders of the United States and the Caribbean."

--The NDI Conference of African party leaders last year resulted in a declaration that called on the governments of the continent to pursue "the democratic principles on which democratic government is based." The principal daily newspaper in Dakar, Senegal strongly praised the initiative asserting that the declaration "will put its stamp on the history of post-colonial Africa." Abdou Diouf, the President of Senegal and present Chairman of the Organization of African Unity, commended NDI for its "commitment to democracy in Africa."

Future NDI activities include a variety of practical projects in Haiti involving a party organization workshop, a major civic education initiative and the development of an electoral code. The two major parties of Venezuela have requested the Democratic and Republican Institutes to participate in joint training of Latin American political leaders. The Institute also plans a civic education program with the two major political parties in Uruguay, a nation which two years ago returned to a democratic system of government after 12 years of military dictatorship.

CONCLUSION

Mr Chairman, I have sought to clarify the policies, program activity and objectives of the National Democratic Institute. I firmly believe we have the capacity to respond to the diverse needs of institutions trying to overcome a complex set of pressures that inhibit the success of democracy. We have demonstrated the expertise, commitment and integrity to ensure success, all the while avoiding the potential controversies which some of our critics said would inevitably characterize our work.

For years, friends and adversaries of the United States have been active in political development work. The West German parliament alone allocates \$120 million each year to party foundations for political development work in Europe and throughout the Third World. These foundations have acquired a reputation for long-range effectiveness in advancing German interests because they have been able to collaborate with democratic institutes and parties in a variety of countries.

It is not our objective to compete with the democratic development initiatives undertaken by other friendly nations; indeed, we applaud them. But the American experience, traditions and institutions are immediately relevant to many emerging democracies. Judging by the number of requests for

NDI assistance, we are responding to an abiding and growing need.

In the long term, support for the democratic process abroad serves American interests by fostering a more stable world environment. It is a small and economical investment, particularly when compared to other governmental programs whose purpose is to defend United States' interests after international crises have occurred.

NDI's objectives are consonant with those of the National Endowment for Democracy, and accordingly, we believe we should be permitted to seek access to Endowment grants. A prohibition on Endowment funds for the political development institutes would have serious implications abroad where emerging democracies have come to rely on our expertise. As long as NDI and NRI implement worthwhile democratic development programs and maintain rigid standards of conduct, we should not be barred from seeking financial assistance from an organization whose principles and goals are fundamentally aligned with our own.

Mr. Chairman, NDI is proud of the work we have done in places such as Northern Ireland and Chile where people are struggling against tremendous odds to end conflict and to bring about a return to full democratic processes. And we are proud to have worked with leaders in Argentina, Botswana,

Brazil, the Philippines and Uruguay who are now struggling to make democracy work to create better lives for their citizens. In all these countries, the Institute has worked with people who have risked their lives in support of democratic principles we take for granted -- and NDI has made a difference.

If we had nothing to offer these courageous people, they would look elsewhere for support. But they look to the United States and to NDI because we stand for something they admire -- an abiding respect for the principles of human rights and a belief that we will support their aspirations for freedom and justice.

We have just begun to open the door to an exciting era of democratic development beyond our shores. We at NDI want to open that door further, for we believe that viable democratic institutions make for a more stable, less threatening world.

In the short span of NDI's existence, we have worked with past, present and future presidents, prime ministers, legislators and party leaders from many countries. Their praise is heartening, and we do not hesitate to quote them to justify our work.

None of these leaders, however, evoked the emotions experienced by our international observers to the Philippines

early one morning just after that country's controversial election.

The observers arrived at a Manila cathedral at 2:00 a.m. to offer protection to a group of computer operators who had walked off their jobs at the national vote counting center in protest of the fraud. In obvious fear of being arrested, one operator turned to the group and, seeing their observer credentials, said very simply: "Thank you for being here."

Mr. Chairman, we at NDI were privileged to "be there" to help brave Filipinos return their country to democracy. We ask that Congress permit us to continue our work and, perhaps the next time that a nation's people choose democracy over dictatorship, we will be able to say once again: "We made a difference."