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THE ROLE OF NON-GOVERNMENTAL ORGANIZATIONS IN THE DEVELOPMENT OF DEMOCRACY

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BEFORE THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

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THE ROLE OF NON-GOVERNMENTAL ORGANIZATIONS IN THE DEVELOPMENT OF DEMOCRACY

THURSDAY, JUNE 8, 2006

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 9:36 a.m., in room SD–419, Dirksen Senate Office Building, Hon. Richard G. Lugar (chairman of the committee) presiding.

Present: Senators Lugar, Martinez, Biden, and Sarbanes.

OPENING STATEMENT OF HON. RICHARD LUGAR, U.S. SENATOR FROM INDIANA

The CHAIRMAN. The hearing of the Senate Foreign Relations Committee is called to order. Today the committee will meet to examine the role of nongovernmental organizations, that is NGOs, in the development of democracy. Support for democratic grassroots organizations in many countries around the world has become a centerpiece of America's international outreach.

The American people see this most clearly in the United States Government's efforts to set the foundation for democracy in Iraq and Afghanistan. Less well known is our Nation's broader push for democracy all around the globe. Within the past 3 years, the so-called Rose Revolution in Georgia, the Orange Revolution in Ukraine, and the Tulip Revolution in Kyrgyzstan have opened new space for democracy in those nations, thanks primarily to the efforts of civil society members and organizations.

Unfortunately, the success of these generally peaceful "color revolutions" has prompted a counteroffensive by some authoritarian regimes against prodemocracy groups. A report I commissioned from the National Endowment for Democracy notes, and I quote, "Representatives of democracy assistance NGOs have been harassed, offices closed, and staff expelled. Even more vulnerable are local grantees and project partners who have been threatened, assaulted, prosecuted, imprisoned, and even killed," end of quote from the NED report. The report, entitled "The Backlash Against Democracy Assistance," is being made available to the public today.

[EDITOR'S NOTE.—The report could not be printed in this hearing, but will be retained in the permanent record of the committee.]

A number of governments are tightening the legal constraints against democracy assistance. In January, President Vladimir Putin of Russia signed a controversial new law, imposing height-

ened controls on local and foreign NGOs operating in that country. Governments in Kazakhstan, Tajikistan, Uzbekistan, and Belarus have followed Russia's lead in cracking down on NGO activity.

Outside the former Soviet states, China has tightened its controls against foreign NGOs. And according to the NED report, Egypt and Zimbabwe have done so, as well.

This issue was brought to my personal attention last October when I met with Maria Corina Machado, the founder and executive director of Sumate, an independent democratic civil society group in Venezuela, which monitors the performance of Venezuela's electoral institutions. She has been charged with treason simply for receiving a grant from our own NED.

Unfortunately, authorities in Russia, Venezuela, and other nations have been able to persuade many of their citizens that the work of these NGOs is a form of American interventionism and that opposition to the groups is a reaffirmation of sovereignty. As the NED report states, NGOs today, compared to the situation immediately following 1989, face a new reality, one that is dramatically different. Groups that promote democracy must come to grips with the fact that they are being vilified for allegedly promoting regime change.

American-funded democracy promoters should underscore that democracy is not a singularly American endeavor. The European Union, the U.N. Democracy Fund, and NED-like initiatives sponsored by Germany, Taiwan, Poland, Slovakia, the Czech Republic, and others are part of the democracy-promotion community. American democracy groups should stress that they often work with such organizations and they should cultivate these relationships.

In this environment, where democracy promoters are regularly being accused of crossing the line into domestic partisan politics, they must redouble their efforts to be open and transparent with the host regimes to assure those regimes of their nonpartisan intent. At the same time, when these NGOs come under assault and in pursuit of legitimate activities that are often protected by international agreements, they should be flexible and resourceful in finding ways to continue their work and in marshaling support for expanding the democratic space.

This morning, we are joined by two distinguished panels. First, we welcome Barry Lowenkron, Assistant Secretary of State for the Bureau of Democracy, Human Rights and Labor.

On the second panel, we will hear from Carl Gershman, president of the National Endowment for Democracy; Ambassador Mark Palmer, the current vice chairman of Freedom House; Morton Halperin, director of U.S. Advocacy at the Open Society Institute; and Thomas Carothers, senior associate and director of the Democracy and Rule of Law Project at the Carnegie Endowment for International Peace.

We thank our witnesses for coming to the hearing this morning and we look forward to our discussion with them.

At the time that my distinguished ranking member, Senator Biden, appears, we will recognize him, of course, for an opening statement, if he has one at that time. I am delighted to see Senator Martinez with us today. Do you have any opening comments?

Senator MARTINEZ. No, thank you, Mr. Chairman, only to highlight the importance of the issue and to thank you for holding this important hearing.

Thank you.

The CHAIRMAN. Thank you, Senator.

Mr. Lowenkron, as always, it is good to have you here at the hearing; you are an old friend of the committee. And we appreciate the opportunity, once again, to hear from you this morning and to question you, as the case may be. You may proceed.

STATEMENT OF HON. BARRY F. LOWENKRON, ASSISTANT SECRETARY FOR DEMOCRACY, HUMAN RIGHTS AND LABOR, DEPARTMENT OF STATE, WASHINGTON, DC

Mr. LOWENKRON. Thank you very much, Chairman Lugar. I am particularly grateful for the active interest that you and other members of the committee, Senator Martinez and others, have shown and are showing on the essential role that NGOs can play in defense of freedom and development of democracy worldwide.

President Bush has committed us to seek and support the growth of democratic movements and institutions across the globe. And the work of NGOs is crucial to reaching that goal. If I may, Mr. Chairman, I request that my full testimony be entered into the record.

The CHAIRMAN. It will be entered in the record in full.

Mr. LOWENKRON. Thank you.

When I appeared before this committee, seeking confirmation as Assistant Secretary, I stated that one of my highest priorities would be to protect the work of NGOs. The activities of human rights and democracy NGOs mirror the discussions I had with Secretary Rice on three main areas of democracy promotion.

One, electoral, the right of assembly, free speech, and other elements that constitute representative democracy.

Two, good governance, government that is accountable and willing to accept constraints on power and cede it peacefully.

And three, a flourishing civil society.

There are those in power, however, who do not welcome such NGOs. The work of these NGOs may vary widely. But what they have in common is an independent voice distinct from, and at times in disagreement with, the government's views.

I experience this every day as Assistant Secretary. I often agree with NGOs; at times, I disagree with them. But I never view them as a threat to our democratic way of life. Other governments, however, do feel threatened by NGOs' vital work.

The assessment done by the National Endowment for Democracy captures this growing challenge. States are developing tools to subvert, suppress, and silence NGOs. They impose burdensome registration and tax requirements; charges are vague, enforcement is arbitrary, fostering a climate of self-censorship and fear. And when states find these efforts insufficient, they resort to extra-legal forms of persecution. Often, these regimes justify their actions by accusations of treason, espionage, foreign interference, or terrorism; but the real motivation is political.

From Russia to China to Venezuela, no region has been spared this push-back. Russia's new restrictive NGO law is now in effect. Recently, the Russian Ministry of Justice issued extensive and bur-

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densome regulations, along with dozens of forms for NGOs to complete on their financial and programmatic activities. Foreign NGOs appeared to be singled out for even more extensive reporting requirements.

The Chinese Government studied the role that NGOs played in the "color revolutions" and ordered an investigation into the activities of foreign and domestic NGOs in China. In Venezuela, the leadership of the electoral watchdog, Sumate, awaits trial on charges of conspiracy and treason for accepting a $31,150 grant from the NED for voter education and outreach activities.

I describe other disturbing cases in my written testimony, including Ethiopia, Uzbekistan, Syria, and Egypt.

Mr. Chairman, when NGOs are under siege, freedom and democracy are undermined. How then can we best support and defend the work of NGOs worldwide? We need to push back. We need to defend the defenders of human rights and democracy. Let me suggest seven ways.

First, we need to speak out. We must counter what I call the "NGO legal equivalency" argument that all countries regulate NGO activity in some fashion. There is an enormous difference between giving NGOs the opportunity to register for nontax status and demanding that NGOs register to simply function.

Second, we need to ensure that NGO protection is an integral part of our diplomacy. We must highlight the protection of NGOs in our foreign policy and we must multiply our voices. Time and again, NGOs have told me that their work would be further protected if others would join us. Russian NGOs were heartened that German Chancellor Merkel spoke out in defense of NGOs and met with them while she was in Russia earlier this year.

Third, we must expand the role of regional organizations in protecting NGOs. We are developing and enhancing partnerships with leading regional democracies and working with the European Union and others to support the work of NGOs.

Fourth, we must maximize global opportunities to raise concerns about the treatment of NGOs and to take coordinated action in their defense. We will work with like-minded members of the new U.N. Human Rights Council. NGOs must retain the same access to the new body that they had to its predecessor. The U.N. Democracy Fund will support projects implemented by NGOs. And the time has come to institutionalize the Community of Democracies and to use its members to press for the protection of civil society, including NGOs.

Fifth, we must protect and nurture new organizations that allow NGOs to flourish. We and our G–8 partners, together with countries of the broader Middle East, established the Forum for the Future to advance reforms in the region. At the Bahrain Ministerial Forum last fall, countries agreed to establish a Foundation for the Future to help fund NGO activity. And I am pleased to tell you today that Justice Sandra Day O'Connor has agreed to the be the U.S. representative on the foundation's board.

Sixth, we must ensure that NGOs have the resources they need to carry out their vital work. We, in government, can often provide the needed seed money for democracy promotion programs or assistance to maintain ongoing programs. Here, I would also want to

express my appreciation to the Congress for its support of the Human Rights and Democracy Fund, a program managed by my Bureau. I call it the "venture capital" of democracy promotion, for it gives us the flexibility to support innovative NGO programming targeted at key countries and issues.

Seventh, we should consider elaborating some guiding principles by which we would assess the behavior of other governments toward NGOs and which we will take into account in our bilateral relationships. I would welcome consulting with the Congress on the drafting of these principles. The principles could be distilled from basic commitments to rights enshrined in such documents as the U.N. Universal Declaration of Human Rights and other international documents, including those of the OSCE.

We would encourage the embrace of the principles by other countries, as well. These principles could include: That an individual should be permitted to form, join, and participate in NGOs of his or her choosing and peaceful exercise of freedom of expression and assembly; that any restrictions that may be placed on the exercise of the rights to freedom of expression and assembly must be consistent with international law; that governments will not take actions that prevent NGOs from carrying out their peaceful work without fear of persecution, intimidation, or discrimination; that laws, administrative measures, regulations, and procedures governing or affecting NGOs, should protect, but not impede, the operation of NGOs; and that they should never be established or enforced for politically motivated purposes; that NGOs, like all other elements of a vibrant civil society, should be permitted to seek and receive financial support from domestic, foreign, and international entities. And perhaps the most important principle of all that, whenever NGOs are under siege, it is imperative that democratic nations act to defend their rights.

Mr. Chairman, Senator Martinez, in closing, I want to emphasize the value of your active involvement in the worldwide defense and support of NGOs. Efforts you make to encourage foreign leaders to press these issues would be extraordinarily helpful in advancing the goal we all share—a world of democracy and freedom.

Thank you.

[The prepared statement of Hon. Lowenkron follows:]

PREPARED STATEMENT OF HON. BARRY F. LOWENKRON, ASSISTANT SECRETARY FOR DEMOCRACY, HUMAN RIGHTS AND LABOR, DEPARTMENT OF STATE, WASHINGTON, DC

Chairman Lugar, members of the committee. Thank you for your active interest in the essential role that nongovernmental organizations play in the defense of freedom and the development of democracy across the globe. I welcome this opportunity to highlight the contributions of NGOs, to share with you our concerns about the restrictions that a growing number of governments are placing on NGO activities, and to offer suggestions on how we can protect NGOs' vital work.

I will summarize my prepared remarks, Mr. Chairman, and request that my full testimony be entered into the record.

When I appeared before this committee last September seeking confirmation as the Assistant Secretary for Democracy, Human Rights and Labor, I stated that, if confirmed, one of my highest priorities would be "to consult and partner closely with the many dedicated and capable NGOs working on human rights and democracy." I also pledged to "make every effort to protect the work" of NGOs against efforts by foreign governments to constrain, harass, intimidate, and silence their work."

As Assistant Secretary, I have had the privilege of meeting with many NGOs, both here and abroad, and I have greatly benefited from their information, their insights, and their ideas.

As President Bush stated in his second inaugural address, " . . . it is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world."

The work of NGOs is crucial to reaching that goal.

A WIDE WORLD OF NGOS

The rise of NGOs as international actors, as well as shapers of national policy, is one of the most important trends in international relations. NGOs encompass the entire range of civil society—from lobbying for better health, protection of the environment, and advancement of education for all, to delivering humanitarian relief and securing and protecting basic civil and political rights.

There are NGOs devoted to specific health issues, such as women's health care or HIV/AIDS. I note the tireless effort and good work of the Whitman Walker Clinic here in the Washington metropolitan area. There are also NGOs based thousands of miles away that are battling these same concerns. For example, the Kenya AIDS NGO Consortium is a coalition of some 600 NGOs and religious organizations that deal with AIDS-related activities in Africa. Indeed, the AIDS pandemic has spawned a host of indigenous NGOs in sub-Saharan Africa.

Environmental NGOs in the former Soviet Union and Eastern Europe played a vital role in the political, social, and economic changes of the 1980s. Today, they continue to have an enormous impact in countries across the globe, pushing for governmental transparency and accountability which, in turn, can fuel political reform.

Today, my primary focus will be the so-called political NGOs—those that advocate for human rights and democratic principles and practices. Although they constitute only a small component of the global NGO community, they are the ones that draw the most fire from governments who view them as a threat to their power.

These NGOs build on a legacy of championing human rights through norm-setting and monitoring. They have helped to shape international agreements, instruments, institutions, and human rights mechanisms over decades. NGOs were key to shaping the language of human rights and fundamental freedoms in the United Nations Charter and of the U.N. Universal Declaration on Human Rights itself. These NGOs courageously defend human rights activists, often while risking reprisal themselves.

Together with the increasing worldwide demand for greater personal and political freedom often reflected in the work of these NGOs is the growing recognition that democracy is the form of government that can best meet the demands of citizens for dignity, liberty, and equality.

Today, all across the globe, NGOs are helping to establish and strengthen democracy in three key ways:

- First, NGOs are working to establish awareness of and respect for the right of individuals to exercise freedoms of expression, assembly, and association, which is crucial to participatory democracy.
- Second, NGOs are working to ensure that there is a level playing field upon which candidates for elective office can compete and that the entire elections process is free and fair.
- Third, NGOs are working to build and strengthen the rule of just laws and responsive and accountable institutions of government so that the rights of individuals are protected regardless of which persons or parties may be in office at any given time.

These efforts by NGOs mirror the discussions I have had with Secretary Rice on democracy promotion in which she outlined the three main areas that inform our democracy activities: Electoral—the right of assembly, free speech, and all other elements that constitute representative democracy; the importance of good governance—a government by the people that is accountable, transparent, and willing to accept constraints on power and cede it peacefully; and a flourishing civil society. NGOs play a vital role in all three areas.

U.S.-based NGOs such as the National Endowment for Democracy, the Center for International Private Enterprise, the American Center for International Labor Solidarity, the National Democratic Institute for International Affairs, the International Republican Institute, IFES and Freedom House actively promote democracy across the globe. This type of activity is not unique to the United States. The German political Stiftungen served as models for the creation of the NED family in the 1980s. The British Westminster Foundation is a leader in democracy promotion. The Danes promote worker solidarity and labor rights. The Czech Aide to People in Need actively supports human rights. All of these efforts are conducted openly and transparently and are consistent with international standards and practices.

THE PUSH-BACK

Not surprisingly, there are those in power who do not welcome NGOs and other agents of peaceful, democratic change. After all, the work of NGOs may vary widely, but what they all have in common is enabling individuals to come together to create an independent voice distinct from, and at times in disagreement with, the government's views.

Mr. Chairman, I experience this every day as Assistant Secretary when I meet with NGOs who want to discuss the U.S. Government's human rights record here and abroad. I often agree with NGOs. At times, I disagree with them. But I never view them as a threat to our democratic way of life. Indeed, their contribution to our debate on America's role in the world can only strengthen our democratic ideals at home and advance them abroad.

Other governments, however, feel threatened by their work.

In many countries, we see disturbing attempts to intimidate NGOs and restrict or shut them down. The recent assessment of the National Endowment for Democracy captures this growing challenge. The conclusions are sobering. States are developing and using tools to subvert, suppress, and silence these organizations. They invoke or create restrictive laws and regulations. They impose burdensome registration and tax requirements. Charges are vague, such as "disturbing social order," and implementation and enforcement are arbitrary, fostering a climate of self censorship and fear. Governments play favorites, deeming NGOs "good" or "bad," and they treat them accordingly. NGOs deemed "good" are often ones created by governments themselves—Government Organized NGOs or "GONGOs." The Tunisian Government established a GONGO staffed by members of its intelligence service to attend conferences and monitor what is being said about the government. China sends GONGOs to U.N. NGO functions to defend China's human rights policies.

When states find that their efforts to pass or apply restrictive laws and regulations against NGOs are not enough, they resort to extralegal forms of intimidation or persecution.

Often these regimes justify their actions by accusations of treason, espionage, subversion, foreign interference, or terrorism. These are rationalizations; the real motivation is political. This is not about defending their citizens from harm—this is about protecting positions of power.

From Russia to China, Zimbabwe to Venezuela, no region has been spared this push-back. Mr. Chairman, we can point to individual cases unique to each country. A key impetus for the recent crackdown has been reaction by many rulers to the "color revolutions" of 2003–2005. They believed that the popular pressure for change was instigated and directed from abroad through U.S. and other foreign support for NGOs on the ground. They have not grasped that the "color revolutions" were examples of citizens standing up for their right to free elections and demanding accountability when election results did not reflect the clear will of the people because of manipulation.

During my trip to Moscow in early January, the deep suspicion that Western states had manipulated election outcomes was evident from my discussions with officials and lawmakers. Our promotion of democracy is seen as part of a zero-sum game of geopolitical influence. I emphasized to my Russian interlocutors that they were fundamentally mistaken about what happened in Ukraine and Georgia, that our NGO funding and activities there were transparent, fully in keeping with the Organization for Security and Cooperation in Europe's and other international norms, and designed to help ensure that elections are free and fair, not to pick winners and losers.

After he had signed the restrictive new NGO law in January, Russian President Putin acknowledged that NGOs can and do contribute to the well-being of society, but he added that their financing must be transparent and efforts to control them by "foreign puppeteers" would not be tolerated.

The new Russian law has the potential to cripple the vital work of many NGOs, including foreign NGOs there to support the local NGOs, and could retard Russia's democratic development. The new law is now in effect. Recently, the Russian Ministry of Justice issued extensive implementing regulations along with dozens of forms for NGOs to complete. These detailed reporting requirements on NGOs' financial and programmatic activities allow for broad review and oversight by Russian officials that could go beyond international norms. The authorities have wide discretion to implement the law. The authorities can request various documents and information or attend any NGO event to verify that an organization's activities comply with the goals expressed in its founding documents. Foreign NGOs appear to be singled out for even more extensive reporting requirements, including quarterly financial reports and annual reporting on planned activities, subject to review by authori-

ties. Officials could order a foreign NGO to cease funding a particular program, ban the NGO from transferring funds to certain recipients, or shut it down completely. While we are told such measures would be subject to court approval, this could entail lengthy and expensive litigation that could cripple an NGO.

The Russian government has claimed that the new NGO law is similar to United States and other Western regulations regarding civil society. As a basis for that claim, the Russian Federation's Ministry of Foreign Affairs has posted an unattributed chart on its Web site comparing selected provisions from the new NGO law with the laws of the United States, France, Finland, Israel, and Poland. An NGO called the International Center for Not-for-Profit Law has done a careful analysis of the chart and the laws of the various countries cited and has found the contrary. According to this center of legal expertise, the Russian law is "substantially different from the laws of the selected countries" and is actually "more restrictive," both in terms of the specific provisions of the Russian law and in its cumulative effect.

We continue to urge the Russian Government to implement the new law in a way that facilitates, not hinders, the vital work of NGOs and is in compliance with Russia's international commitments.

Russia is not the only country where NGOs face serious challenges.

In Belarus, the Lukashenko Government increasingly uses tax inspections and new registration requirements to complicate or deny the ability of NGOs, independent media, political parties, and minority and religious organizations to operate legally. All but a handful of human rights NGOs have been deregistered or denied registration. In February, Belarussian KGB spokesman, Valeriy Nadtochayev, stated, "Such political events inside our country as . . . elections attract the attention of foreign secret services, diplomats, and representatives of various nongovernmental organizations and foundations like magnets. All of them are united by a common task involving the collection of biased information about events in our country and the creation of newsbreaks, especially those connected with so-called human rights violations . . . "

The Chinese Government applies burdensome requirements to groups attempting to register as NGOs. They must first find a government agency sponsor before they can register with the Ministry of Civil Affairs. NGOs must have more than 50 individual members—a catch-22 situation since hosting such large gatherings without a license can lead to official persecution. This means that groups that do not have adequate government ties have no hope of meeting legal requirements to register. The financial requirement of $12,000 makes it difficult for many nascent, cash-strapped organizations to register. Moreover, sponsoring agencies and the Ministry of Civil Affairs can refuse applications without cause or recourse.

The government closely scrutinizes NGOs working in areas that might challenge its authority or have implications for social stability, such as groups focused on human rights and discrimination. It is more amenable to groups that it sees as supporting social welfare efforts rather than operating in a political role. In this context, some NGOs are able to develop their own agendas and, in some cases, even undertake limited advocacy roles in public interest areas like women's issues, the environment, health, and consumer rights.

The Chinese Government studied the role that NGOs ostensibly played in the "color revolutions" and ordered an investigation into the activities of both foreign and domestic NGOs in China. The government also established a task force to monitor the activities of NGOs, especially those with links overseas.

In Venezuela, the leadership of the electoral watchdog NGO, Sumate, awaits trial on charges of conspiracy and treason for accepting a $31,150 grant from the NED for voter education and outreach activities consistent with the International Covenant on Civil and Political Rights. While Sumate is the most well known target of harassment by the Venezuelan Government, it is not alone. The government continues to restrict the ability of NGOs to conduct their activities and to cut off sources of international support for their work.

In May 2005, Eritrea issued an NGO Administration Proclamation that imposes taxes on aid, restricts NGOS to relief and rehabilitation work, increases reporting requirements for foreign and local organizations and limits international agencies from directly funding local NGOs. All NGOs must meet demanding annual registration requirements. The few local NGOs that are allowed to register also face new funding barriers. In a televised speech last November, Eritrean President, Isaias Afwerki, stated, "In many cases, spy agencies of big and powerful countries use NGOs as smokescreens." In March 2006, in the midst of a devastating drought, Eritrea expelled the United States-based humanitarian NGO Mercy Corps, the Irish NGO Concern, and the British NGO Accord.

In March 2005, the Ethiopian Government expelled MI, NDI, and IFES shortly after their arrival in advance of the May national legislative and regional council elections. The three organizations had never before been expelled from any country. They had made numerous attempts to register with the government. The government cited "technical difficulties related to their accreditation and registration" as reasons for the expulsions.

Blatantly disregarding the welfare of its people, the concerns of its neighbors, and the call of the United Nations, the regime in Burma has not eased, it has increased, restrictions on U.N. agencies and international NGOs doing humanitarian work in Burma, particularly in ethnic areas. For example, Medecins Sans Frontieres was forced to close its French Section that was responsible for programs in the conflict-ridden Mon and Karen states. As the manager of the French Section put it, "It appears the Burmese authorities do not want anyone to witness the abuses they are committing against their own people."

The cases I mentioned are only a few examples what I call rule by law—of governments seeking to control, restrict, or shut down the work of NGOs by appropriating the language of law and the instruments and institutions of democracy.

When states wield the law as a political weapon or an instrument of repression against NGOs, they rule by law rather than upholding the rule of law. The rule of law acts as a check on state power; it is a system designed to protect the human rights of the individual against the power of the state. In contrast, rule by law can be an abuse of power—the manipulation of the law, the judicial system and other governmental bodies to maintain the power of the rulers over the ruled.

To suppress the work of NGOs, states also employ more blatant forms of persecution.

Since the uprising and violent suppression in Andijan, Uzbekistan, in May 2005, the government has harassed, beaten, and jailed dozens of human rights activists and independent journalists, sentenced numerous people to prison following trials that did not meet international standards, and forced many domestic and international NGOs to close, including Freedom House. Those that continue to operate are severely restricted. Local NGO employees have been convicted of criminal offenses for their work, making it virtually impossible for them to find other jobs.

The Sudanese Government's obstruction of humanitarian assistance and support for civil society has severely hampered relief efforts in Darfur. Domestic and international NGOs and humanitarian organizations are constantly harassed and overburdened with paperwork. The Sudanese Government has expelled international NGO and humanitarian personnel, delayed their visas, and placed restrictions on their travel inside Darfur. Sudanese police and security forces have arrested, threatened, and physically harmed NGO and humanitarian workers. In April 2006, the Sudanese Government expelled the Norwegian Refugee Council from Kalma Camp, the largest internally displaced persons camp in Darfur with over 90,000 internally displaced persons. Prior to its expulsion, the Norwegian Refugee Council had served for 2 years as the Kalma "camp coordinator," in charge of coordinating all humanitarian programs and protection for the camp's residents and serving as a liaison for community leaders, government officials, humanitarian agencies, and African Union peacekeepers. On May 31, the South Darfur State Security Committee approved an agreement allowing the Council to return as camp coordinator. Nevertheless, Sudanese Government obstructionism caused Darfur's largest IDP camp to go without a camp coordinator for 2 months, during which time insecurity and tension rose.

The last remaining civil society discussion group in Syria, the Jamal al-Atassi Forum, has been prevented from meeting for almost a year and many of its members have been arrested or intimidated into silence. The forum is a predominantly secular group encouraging dialog among political parties and civil society to promote reform.

We are concerned that the situation in Egypt for politically active NGOs is deteriorating. For example, last week, Egyptian civil society activists Mohammed el-Sharkawi and Karim Shaer were beaten and arrested for participating in demonstrations in support of the independence of the judiciary. Reportedly, they were subsequently tortured while in custody and denied medical treatment. International democracy NGOs active in Egypt are also facing increasing government pressure.

WHAT WE AND OTHER DEMOCRACIES CAN DO TO DEFEND AND SUPPORT NGOS

Mr. Chairman, in today's world, the problems confronting states are too complex, even for the most powerful states to tackle alone. The contributions of NGOs are crucial in addressing a host of domestic and international challenges. Restricting the political space of NGOs only limits a society's own political and economic growth. A strong nation fosters the development of NGOs and other elements of a vibrant

civil society; a state that tries to control everything from the center becomes brittle. A society that allows broad participation by its citizens in national life is a society that will flourish from the contributions of its own people.

When NGOs are under siege, freedom and democracy are undermined.

How then can we best support and defend the work of NGOs in countries across the globe?

The United States must continue to stand up for what President Bush calls "the nonnegotiable demands of human dignity," and that includes the exercise by individuals of their rights to freedom of expression, association, and assembly through their membership in NGOs.

As we monitor and report on conditions for human rights and democracy in countries worldwide, we in DRL, our posts overseas, and the State Department, generally, must sharpen our focus on the increasing pressures governments are putting on NGOs. We must think creatively about how we might help to open political space for NGOs and create opportunities for NGOs and their governments to exchange views in an honest and constructive manner. We must ensure that a government's treatment of NGOs is an element in our bilateral dialog and that it factors into the decisions we make on developing our bilateral relationships.

Mr. Chairman, we need to defend human rights and democracy promotion. To do so, we need to defend the defenders. In short, we need to push back. Let me suggest seven ways:

- First, we need to speak out.

We must be prepared to counter what I call the NGO "Legal Equivalency" argument made by governments that unduly restrict NGOs, namely that since all countries regulate NGO activity in some fashion, criticism is unwarranted. For example, there is a difference between giving NGOs the opportunity to register for nontax status, and demanding that NGOs register to simply function. Most countries, including ours, only require notification of registration, not permission from authorities, in order to operate as a formal, legal entity.

We must not succumb to arguments that the prime reason that governments which impose burdensome registration and other reporting requirements on NGOs is to combat terrorism or other criminal behavior. All governments have a responsibility to protect their populations from acts of terrorism and crime, and it is of course appropriate to subject NGOs to the same laws and requirements generally applicable to all individuals and organizations. At the end of day, however, a burdensome registration and reporting process is unlikely to sway determined terrorist organizations, but very likely to weaken legitimate NGOs.

We must counter false charges that U.S. activities tied to NGOs are led covertly by the United States and other democracies. We must reiterate that our support is out in the open and that thousands of NGOs never even approach our Government. And when they do, it is more likely than not that they are pressing us on our own behavior, or on individual cases, and not soliciting funding.

- Second, we need to ensure that NGO protection is an integral part of our diplomacy.

We must highlight the protection of NGOs as a legitimate issue on our government-to-government agenda. This spring, when Russian Foreign Minister Lavrov came to Washington, Secretary Rice had an extensive discussion with him on our NGO concerns, a discussion in which I participated. The Secretary raises our concerns in her bilateral meetings, as do I and many of my colleagues at the State Department. When I travel, I insist on seeing NGO representatives, as does the Secretary.

We must also continue to multiply our voices. Time and again NGOs have told me that their work would be further protected if others would join us. Russian NGOs were heartened that, just prior to my arrival in Moscow in January, German Chancellor Merkel paid an official visit and not only spoke out in defense of NGOs but met with them to hear first-hand their concerns. In the case of China, my Bureau has taken the initiative to develop a coordinated approach among all members of the so-called Bern process—the process that brings together all countries which have human rights dialogs with China. We meet twice yearly, to exchange lists of political prisoners, to compare best practices, and to monitor Chinese behavior toward NGOs.

- Third, we must expand the role of regional organizations in protecting NGOs.

Acting in defense and support of NGOs on a bilateral basis is essential, but it is not sufficient. NGOs are a global phenomenon; they are facing pressures in countries in every region. I believe that there is greater scope for us to partner with

leading regional democracies and to work with regional organizations to defend and support the work of NGOs.

The OSCE and the European Union have adopted some of the most advanced provisions regarding the role and rights of NGOs, as well as guidelines on how they can interact and participate in OSCE and European Union activities.

In the OSCE context, the role of NGOs in pressing for adherence to democratic standards and practices including monitoring elections remains vital. We will do all we can to ensure that the defense and promotion of human rights and democratic principles remain central to OSCE's mandate.

Every quarter I hold consultations with the European Union on a host of human rights and democracy issues worldwide. These consultations are also a good vehicle to take up the cause of NGO protection.

The OAS has formal structures for NGO participation and Secretary General Insulza has said that he seeks greater engagement by civil society organizations. Last month, I held a roundtable with a diverse group of NGOs from Latin America. The NGOs were in Washington to attend an OAS ministerial. We intend to build on that dialog through the OAS and among the NGOs themselves as they press for implementation of the OAS Democratic Charter.

NGO engagement with the African Union remains limited. However, prior to the African Union Heads of State Summit July 1–2 in Banjul, the Australian Union will host a Civil Society Forum and a Women's Forum. Later this year I hope to travel to Addis Ababa to meet with the Australian Union and place protection of NGOs on our agenda.

ASEAN has formal guidelines for NGO participation in its activities. To date, the NGOs affiliated with ASEAN do not tend to have a democracy or human rights focus, but operate in other fields such as business and medicine. ASEAN's recent steps to press the regime in Burma is an encouraging sign that countries in the region are beginning to recognize that the protection of human rights, and of human rights defenders, is a legitimate issue, and not one to be dismissed as interference in the sovereignty of its neighbors. We will encourage ASEAN to take further steps on this path.

- Fourth, we must maximize global opportunities to raise concerns about the treatment of NGOs and take coordinated action in their defense.

We will work to that end with like-minded members of the new U.N. Human Rights Council. I would note that in negotiating the creation of the Council, the United States successfully insisted that NGOs must retain the same access to the new body that they had to its predecessor.

The U.N. Democracy Fund, proposed by President Bush in September 2004 and launched in September 2005, is another important instrument for supporting NGOs. The Fund will support projects implemented by NGOs as well as governmental and multilateral entities. Recognizing the important contributions that NGOs make, the designers of the Democracy Fund ensured that 2 of the 17 members of the fund's advisory board are NGO representatives. To date, 19 countries have contributed or pledged approximately $50 million to this voluntary fund. The United States has contributed $17.9 million to date, and the President's budget has requested an additional $10 million to support the fund in fiscal year 2007. We have successfully pushed for the fund to focus on support for NGOs and other elements of civil society in states transitioning to democracy, complementing existing U.N. programs on free and fair elections and the rule of law.

The Community of Democracies and the collective action of its members can be an important focal point within the international community and international organizations in helping sustain and protect NGOs across the globe. The time has come to institutionalize the community itself, and to use its members to press for fundamental freedoms, including with regard to the protection of NGOs.

- Fifth, we must protect and nurture new organizations that allow NGOs to flourish.

Here, let me single out the Middle East. The Forum for the Future was established in the summer of 2004 at the G–8 Summit in Sea Island, Georgia. In partnership with the countries of the broader Middle East and North Africa, the Forum seeks to advance political, economic, and educational reforms in the region. From its inception, we have pressed for inclusion of NGOs indigenous to the Middle East. At the first meeting of the Forum in Rabat, in December 2004, there were five NGOs. By the time I accompanied Secretary Rice to the second meeting, held in Bahrain a year later, the 5 had grown to 40. At the conference, leaders of these NGOs participated, pressing an agenda of political reform, economic opportunity, educational advancement, and gender equality.

Among those serving on this civil society delegation in Bahrain were representatives from the Democracy Assistance Dialogue (DAD)—a dialog led by Italy, Turkey, and Yemen, as well as three NGOS from each country. The DAD presented the outcomes of discussions and debates held over the course of the year between civil society leaders and their government counterparts. The growing DAD network includes hundreds of civil society leaders from the region. The level and depth of civil society participation at the forum was historic and positive, and has set an important precedent for genuine dialog and partnership between civil society and governments on reform issues.

At Bahrain, all the participating countries agreed to establish a Foundation for the Future to help fund NGO activity. We did not agree on a Bahrain declaration of principles, however, because a number of countries wanted to include in that declaration language to constrain NGOs. In the end, the United Kingdom as G–8 cosponsor that year, supported by us and others—walked away from the declaration. Our reason was simple: We could not cripple in the afternoon what we had created in the morning. I applaud the host of the next forum, Jordan, for its unwavering commitment to a continued robust role for NGOs. We are already acting in concert with the Jordanian Government and others to ensure that the NGO presence grows for the meeting this December.

- Sixth, we must ensure that NGOs have the resources they need to carry out their vital work.

Many NGOs look to a variety of funding sources, both government and private, to ensure a diverse support base. Many of them never approach the U.S. Government for any funding at all.

A number of private, grant-making foundations specialize in supporting the work of other nongovernmental organizations, and here I cite the MacArthur Foundation, the Ford Foundation, the Open Society Institute, and other well-known foundations. Organizations such as the independent, nonprofit Pew Charitable Trusts, the International Crisis Group, the Carnegie Endowment for International Peace and its Moscow Center often fund or produce reports on topics which contribute to public policy discourse on the development of civil society, conflict prevention and management, and other goals compatible with advancing freedom and democracy. We must continue to encourage more private sector support.

We, in government, can often provide the needed seed money for democracy promotion programs, or assistance to maintain ongoing programs. This is a dynamic process that adjusts to new demands, shifting priorities, and different emphases. We must continue to seek out innovative solutions that merit our support, for example, programs that monitor and publicize attacks on NGOs, much as the MacArthur Foundation, has funded the Berkman Center at Harvard University to monitor worldwide constraints on Internet freedom.

I also want to express my appreciation to the Congress for its support of the Human Rights and Democracy Fund, a program managed by my Bureau. I call it the "venture capital" of democracy promotion for it gives us the flexibility to support innovative programming by NGOs targeted at key countries and issues. We are able to make hundreds of grants a year to organizations around the world addressing vital democracy and human rights issues.

All free nations have a stake in the strengthening of civil societies and the spread of democratic government worldwide, and we welcome and encourage contributions from other donor countries and institutions in support of the work of NGOs.

- Seventh, we should consider elaborating some guiding principles by which we, as a country, would assess the behavior of other governments toward NGOs, and which we would take into account in our bilateral relationships.

I would welcome consulting with Congress on the drafting of these principles. I would envision a short list of principles—no more than a page. They would be user-friendly in nonlegalistic language. The principles would proceed from the premise that NGOs, as elements of a vibrant civil society, are essential to the development and success of free societies and that they play a vital role in ensuring accountable, democratic government. The principles should pass the "reasonableness test" in any open society. We would pledge our own adherence to the principles and we would of course encourage their embrace by other countries as well.

I do not see these principles as being duplicative of other efforts. The best word is still the plainspoken word, and in plainspoken words, these principles would distill the basic commitments to the rights to freedom of expression, association, and assembly enshrined in such documents as: the U.N. Universal Declaration on Human Rights and other international documents such as the International Covenant on Civil and Political Rights, relevant International Labor Organization Conventions, the Helsinki Final Act, and subsequent OSCE Copenhagen and Moscow

documents, and the European Convention on Human Rights and relevant documents of the Council of Europe.

Among the possible principles we could elaborate could be:

- That an individual should be permitted to form, join, and participate in NGOs of his or her choosing in peaceful exercise of his or her rights to freedom of expression and assembly.
- That any restrictions which may be placed on the exercise of the rights to freedom of expression and assembly must be consistent with international law.
- That governments will not take actions that prevent NGOs from carrying out their peaceful work without fear of persecution, intimidation, or discrimination.
- That laws, administrative measures, regulations, and procedures governing or affecting NGOs should protect—not impede—their operation, and that they should never be established or enforced for politically motivated purposes.
- That NGOs, like all other elements of a vibrant civil society, should be permitted to seek and receive financial support from domestic, foreign, and international entities.
- And, perhaps the most important principle of all, that whenever NGOs are under siege, it is imperative that democratic nations act to defend their rights.

Mr. Chairman, members of the committee, in closing I cannot emphasize enough the value of the continued active involvement of this committee and of other Members of Congress in the worldwide defense and support of the work of NGOs. It greatly strengthens my hand when I meet with foreign officials, to know that I have your strong bipartisan backing. It is profoundly important that you continue to demonstrate your support for NGOs and raise concerns about their treatment to foreign governments. And any efforts you could make to encourage your counterparts in the legislatures of other democracies to press these issues and to work in concert on them would be extraordinarily helpful.

As President Bush has said, "Freedom, by its nature, must be chosen, and defended by citizens, and sustained by the rule of law and the protection of minorities . . . America will not impose our own style of government on the unwilling. Our goal, instead, is to help others find their own voice, attain their own freedom, and make their own way."

By America's leadership in supporting and defending the work of NGOs, that is exactly what we are doing—helping men and women across the globe shape their own destinies in freedom, and by so doing, helping to build a safer, better world for us all.

Thank you.

The CHAIRMAN. Well, thank you very much, Secretary Lowenkron.

I want to commence a round of questions. We will have a 10-minute limit in our first round. And I would like to begin by asking a broad question. How does the Department of State monitor the effectiveness of NGO promotion programs? Can you give us some idea of what you believe are the criteria for success based upon this administration's objectives in conducting democracy-promotion programs? How do you measure that overall success? What part do NGOs play in this or, ideally, what part should they play?

Mr. LOWENKRON. Mr. Chairman, we measure it in two ways. First, when we select the NGOs that we fund, which is generally through an open competition, our tendency is to favor those NGOs that have counterparts in host countries. We want to fund work on the ground. So, there is a tendency for funding a more active agenda, more active work on the part of NGOs.

We also get quarterly reports from many of these NGOs. It is a constant give and take. So, we measure when we launch these programs and when we review these programs.

In terms of the output at the end of the day, we take a look at such issues as is civil society now growing in countries where it had not been. So, for example, working with NDI, have we been able to establish a string, a web of local NGOs throughout Iraq or with other NGOs in Afghanistan? We look at electoral results, not

in terms of who won or who lost, because we are not here to pick winners or losers. But in terms of—is there a level playing field, are there sufficient observers of elections, is the press free, is it free from intimidation? These are standards that we can measure, working closing not only with the NGOs but certainly with our embassies overseas.

The CHAIRMAN. You have touched upon this but can you describe what the extent of democracy assistance may be from other international donors, other countries, or other international organizations? To what extent are the efforts of the United States supplemented in the international community?

Mr. LOWENKRON. Let me say that I have been heartened by the fact that every year more of our allies, as well as regional organizations that we partner with, are willing to partner with us and to advance democracy promotion. Let me give you several examples.

India joined with the United States. The Indian Prime Minister and our President both made significant contributions at the launching of the U.N. Democracy Fund earlier last year—I believe it was in September of 2005.

I have quarterly meetings, video conferences with my counterparts in the European Union. And in it, we actually do a whole tour of global issues, human rights, and democracy concerns in every continent. And we discuss our strategies, we discuss our commitments, we discuss the resources that we put out in the field.

We have cooperated very closely with the European Union to try to deal with a reprehensible state of affairs in Belarus. That is another example.

We also work very closely to encourage cooperation across the globe among nongovernmental organizations. So, for example, the nongovernmental organizations that were instrumental in the success of the Community of Democracies meeting in Santiago, Chile, are now working with NGOs in Mali in order to help them as they host the Community of Democracies meeting in 2007.

So, we have a whole range of cooperative efforts, two in particular that I am excited about. One is that we are beginning to develop relationships with NGOs through the OAS. The OAS General Secretary wants to see the OAS bring Latin American NGOs more into the mainstream of democracy promotion. I have met with these individuals and I am going to develop a very good relationship, not only with the groups, but we will also work through the OAS.

And second, we also want to develop a strategic relationship with the African Union, which is now taking steps on issues of governments and democracy in the African continent.

The CHAIRMAN. I know that the assistance programs are spread among various accounts in the State Department, as well as the USAID, and grants specifically to groups such as the National Endowment for Democracy, the ASEAN Foundation. How much money is the United States spending governmentally? Can you get your arms around that with a democracy programs total? And to what extent are all of these accounts coordinated in your Branch or somewhere else in our Government?

Mr. LOWENKRON. Well, in the aggregate, Senator, the total is roughly $1.4 billion in democracy promotion.

The CHAIRMAN. Each year.

Mr. LOWENKRON. Yes. Well, this is the current level.

The CHAIRMAN. Current level.

Mr. LOWENKRON. The trends have been going up. This year, we are programming roughly $90 million to support the work of nongovernmental organizations, excluding the money that we administer for programs in Iraq. About $600 million—$650 million comes from USAID, and the rest from various programs like the Middle East Partnership Initiative and the Freedom Support Act.

In terms of getting our arms around it below the aggregate number, this was central to the Secretary of State's decision to bring together the various elements of democracy promotion and development under the structure under Ambassador Tobias. The Secretary's view—I have had a number of conversations with her—is that we need to ensure that when democracy funds go to any country, any region, we need to know how they are allocated in terms of electoral issues, in support of NGOs, in terms of governments, as well as development issues. I want a comprehensive look because we have to make sure that we maximize the return on our investment in democracy promotion.

The CHAIRMAN. Obviously, in instances where the governments unfriendly to the United States are involved, your reaction might be one course, but how do you handle in a friendly, even-handed way the approach to democracy when you are dealing with autocratic governments that are friendly to our country? This is constantly before us in one form or another and has been for decades. But in the current situation, what is your general view of how to move in those cases?

Mr. LOWENKRON. Thank you for asking that question. When I started with the Government at the U.S. Information Agency, the bureau that I now head had just been created. And these issues have been with us, as you said, for decades. My view is clear that we have a voice and a vote at the table on all foreign policy issues; the Secretary has ensured that. I meet with her on a regular basis.

When we come to the table, we come with our concerns about human rights issues, democracy concerns. Others come with the other elements to the table. So, for example, there are issues of combating the spread of weapons of mass destruction. There are issues involving terrorism. There are regional issues in the context of dealing with Iran or the Israeli-Palestinian issue. All of these have to be factored into the equation as we proceed.

At times, there will be a focus more on one part of the foreign policy than the other. But the Secretary of State has made it clear we need to speak out, we need to be active, we need to support the human rights defendants.

The one issue that we have been heavily involved in is Egypt. It is clear that there is a movement in Egypt, a good movement, that is showing progress on economic reform but not on political reform. And as we are pushing, as we are supporting the nongovernmental organizations in Egypt, as we are trying to create open space, there is push-back from President Mubarak.

What we need to do is to continue our conversations with President Mubarak while, at the same time, reaching out and protecting nongovernmental organizations. And this is replicated with other

countries, as well. It is a constant debate, a tug of war—from in the State Department, as well as in the administration. I could cite other examples, as well.

The CHAIRMAN. Well, one other example that you mentioned—Egypt was current—would be Pakistan. We have had meetings with our Foreign Relations Committee members with President Musharraf during his visits. Clearly, his situation is one in which there is not a great base of constituent support without getting into all the details with Pakistan.

Whether one is looking at the military or President Musharraf or whoever else, a broad number of Pakistanis maybe are not given an opportunity to vote for any of the above. Yet at the same time, President Musharraf would argue with, I am sure, the President of the United States, or with our Secretary of State, or with us in the committee, that we do not understand security dilemmas, or how tenuous sometimes just control, everyone's control, may be at a time when NATO allies are working close by in Afghanistan. We certainly have great hopes for continuity of civil government in Pakistan itself.

How do you begin work with a case like that one?

Mr. LOWENKRON. What we do is not accept the either/or argument that some people want to—that we hear from some foreign leaders and officials. So, it means that even as we work with the Pakistani Government in the war on terror, even as we work with them, along with India, to develop new relations on the subcontinent, we also have to focus on democracy promotion. And I would put it in kind of five broad categories.

First, it is the issue of governance. It is working with President Musharraf to try to open up the political arena so that you can have the evolution of governmental institutions, which still are weak.

Second, I think we need to work with the political parties. You are absolutely right that the political parties themselves have been in a tug of war with each other and with President Musharraf. But we need to work with them even at the grassroots level, to try to look at new leadership, emerging leadership. This is not going to happen overnight but we need to be able to foster political party development in Pakistan.

Third, we need to focus on the elections that are coming up in 2007. We need to work as hard as we can to ensure that those elections are credible, that they meet our standards for fair elections.

Fourth, we need to ensure that NGOs can operate in Pakistan, so they can support the electoral process, as well as the government's process.

And fifth, we need to recognize that the issue of governments and the issue of democracy cannot be pursued unless there is also an opening economically, as well. You cannot have economic reform in Pakistan without political reform; they have to go hand in hand.

So, it is a difficult road but it is a multilayered approach that we need to pursue. We cannot focus solely on one of those elements.

The CHAIRMAN. Thank you.

Senator Martinez, do you have questions of our witness?

Senator MARTINEZ. Thank you, Mr. Chairman.

I wonder if you can touch on the issue of—I was very interested in knowing that you are working with the OAS in the Latin American region. I am very concerned about, of course, the ever-decreasing space in the supposedly democratic-elected Government of Venezuela and the work of Sumate, which the chairman pointed out has been so important but also so under siege.

And I am just wondering how—if you could outline for us, perhaps, what the challenges are that you face in a situation like Venezuela where, under the aura of a democratic election, a government functions increasingly autocratically. And of course, there are elections upcoming this year. So, it is also of interest to me whether or not there is anything we can effectively do to assist the electoral process to ensure that it is a fair and open electoral process.

Mr. LOWENKRON. Senator, Venezuela is an example, as the Secretary has put it, of a country where you can win democratically but you don't govern democratically. When you go region to region, country to country, there are different challenges. That is the challenge in Venezuela, the erosion of liberties, the evisceration of the free press, the weakening of the judiciary, and, of course, Sumate and others who are being hounded by the Venezuelan Government for trying to exercise their basic freedoms.

We need to respond in several ways. I think first we need to stand by Sumate and we need to stand by these NGOs. The fact that a trial date has not been set does not mean that they are out of the woods. And even if at the end of the day the charges are dropped, there is no indication they will be, but even if they are dropped, the fact of the matter is that Chavez wins if NGOs have to spend all their time, their energy, and resources defending themselves as opposed to defending the rights of the Venezuelan people.

Second, we need to work with our allies and we need to work with the OAS. I have been heartened by the fact that over the last several months, a number of countries in Latin America, Brazil, and others, have now spoken up, spoken up against what Chavez is doing. And it is not just the issue of whether or not we should expropriate businesses. It is the issue of whether Latin America wants to turn the clock back 30 years and engage in Chavez's definition of Bolivarian democracy, or whether Latin American wants to continue in the trajectory, the positive trajectory that we have had in the last 20 years.

They are pushing back and we need to work with them. We need to support those voices and we also need to work with the OAS. And there is a democratic charter that was signed by the OAS members. And what the OAS General Secretary Insulza wants to do now is to ensure that governments live up to that charter and that NGOs play a role in defense of that charter.

I would just note in passing that the Venezuelan Government has tried to undermine the ability of NGOs to even register to work in the OAS context. So, I see it both in terms of supporting the NGOs through our own NGOs but also working with OAS and other countries.

Senator MARTINEZ. Well, to that point, I appreciate your answer. It was very complete and confirms, you know, what I perceived to be the situation there. But at the same time, I wonder if not here, then how could we ever be successful in terms of highlighting the

need for there to be a fair and open election? I understand the election is in December. If, in fact, there is an electoral commission that is rigged, as it appears there is, is there a possibility that through the work of NGOs, through the work of, frankly, your portfolio at the State Department, that we can create a conscience in the region and the world that this election must be fair and open to all comers, and that there must be not only the opportunity to go cast a ballot and that—that ballot was fairly counted, but also in the lead-up to the election that there be the opportunity for there to be free expression, for there to be the opportunity to organize political parties and to, you know—with opposition people rallying around one candidate, which is a good thing.

I would also point out, by the way, that turning the clock back 30 years apparently was rejected by the people of Peru this week, you know.

Mr. LOWENKRON. Absolutely.

Senator MARTINEZ. And I do believe that interference as now-President-elect Garcia pointed out, imperialism does not always come from just one big country to the north but it can come from neighbors.

Mr. LOWENKRON. Absolutely.

Senator MARTINEZ. Anyway, if you could comment on the upcoming election, specifically, and what we might be able to do to uphold the charter of the OAS on democracy, but also the very specific yearning ones have to have an opportunity to participate in a fair and open process.

Mr. LOWENKRON. Senator, I appreciate that question because it is not just in the context of Venezuela. But every day we get questions about, well, was not this election free and fair. And there are two elements in a free and fair election. It is not just what happens on election day. It is what happens in the run up to the election. Can you compete on a level playing field, which we do not have in Venezuela.

What we, our allies, and the NGOs need to do now is focus on terms, and continue to focus on the electoral commission. We need to focus on whether the opposition party, or the opposition candidate, or the opposition in general, can get access to media? Can they campaign short of—without violence, without intimidation, without harassment, without lawsuits? Can they have a clear playing field, a level playing field?

The Venezuelan Government had a rigged election for their senate, about 15 percent of the vote. And now they have an upper chamber. This is the kind of phony democratic practice that they have, which is then supposed to be presented to the world to say: See, we had an honest election.

So, we need to highlight it every single step of the way because, at the end of the day, if it is an uneven playing field, and at the end of the day Chavez and his party, if they do win, that was not a free and fair election.

Senator MARTINEZ. There are other countries in which the political system does not even permit the opportunity for dissent. I think it is located in this study or this—and I presume it might be appropriate to ask about this. But in those entities where the democracy assistance and independent NGOs are effectively prohib-

ited, I guess that is how they are described, what opportunity do we have? And I know in places like Cuba and Zimbabwe, that perhaps we already do work with some existing NGOs that seek to further the space that may be available to dissident movements. What can you tell us about those situations?

Mr. LOWENKRON. Well, if I could just briefly focus on three examples.

First in Cuba—in Cuba we have our mission. Our mission is contact with the members—with the family members of those dissidents who are still in prison from the crackdown in 2003. And we will make it clear—clear to the Cuban authorities—that we will continue to reach out and to provide support to the family members. We will also engage in a dialog with others who want to step forward and who want to press for their basic rights in Cuba.

We will also partner with other countries, the Czechs, for example. The Czech Republic has done great work reaching out to the Cuban dissident community. Several of them were even expelled by Castro. So, we need to focus on it in terms of our mission and in terms of our close allies and partners. And we need to keep this front and center.

I, for one, do not believe that we can just wait it out, wait for some sort of ultimate change, for the biological clock to solve this problem, because I am concerned for the fate of those roughly 60 leaders of the dissident community that are still in prison.

Let me give you another example; that is in Burma. We support programs in Burma, in the refugee camps in northern Thailand with the Burmese community. We provide them assistance. They are also a valuable conduit for information that comes out of Burma.

We also work with the United Nations. I just met with Secretary General Annan's special envoy, Gambari, who just came back and, to our relief, actually got to see Aung San Suu Ky. But the fact of the matter is that they extended her house arrest and they are nowhere nearer to starting a national reconciliation and dialog that we need.

We used our mission in Burma, but we used our programming outside of Burma. And we also work with the regional countries, with the ASEAN members, and also with the European Union to try to have an effective unified voice against the Burmese regime.

And just briefly, the third example is Uzbekistan, where virtually all the NGOs were thrown out. What we do is we try to set up a regional base outside of Uzbekistan to try to coordinate the efforts to help those that are in prison in Uzbekistan itself.

Senator MARTINEZ. Thank you very much.

Mr. LOWENKRON. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Martinez.

We have been joined by our distinguished ranking member, Senator Biden. And I will call upon him for his opening statement.

Senator BIDEN. Mr. Chairman, I will just go to questions, if I may, and ask unanimous consent for my statement to be entered in the record.

The CHAIRMAN. It will be placed in the record in full.

Senator BIDEN. Mr. Secretary, I apologize for not being here for your statement. Let me ask you a couple questions as rapidly as I can.

You are Secretary of Democracy, Human Rights and Labor. Prior to the fall of the wall, American labor unions played a major role, particularly in Poland. How do we promote labor rights in various countries we are engaged with now? And to what extent is there a coordination with and/or conversations with the AFL–CIO's efforts along these lines?

Mr. LOWENKRON. Senator, I do not believe you can have democracy unless you have a voice for labor. And we work with the Solidarity Center. In my view, the labor had a great success story. And there is a great story in Central and Eastern Europe. We need to replicate that elsewhere around the globe. We need to replicate that in Africa, in Latin America, in parts of Asia. We will ensure funding for the Solidarity Center and labor-related programs.

My Deputy Assistant Secretary, Jeff Krilla, is in Geneva now with Secretary Chow, to talk about labor issues in the U.N. context. I think there is a lot of work we need to do in the context of labor but also in the context of having labor officers tackle corporate social responsibility, as well.

Senator BIDEN. But how much encouragement is there? I do not hear much about the trade union movement being promoted in the countries you mentioned. Maybe you could tell me what tools you are using. Do you feel part of the responsibility of your is office to promote the growth of trade unions in the countries in question? And if so, what are you doing to do it? What tools are you using?

Mr. LOWENKRON. Well, when I mentioned labor, it was in the context of the right of the force to organization themselves as fully independent trade unions. And it is in that context that we fund programs in parts of the world to focus on creating, nurturing, and sustaining labor union movements.

Senator BIDEN. Well, to the extent you can submit for the record those programs that——

Mr. LOWENKRON. Yes, sir.

Senator BIDEN [continuing]. You are funding specifically to accommodate that. We have a whole lot of assistance programs that are spread across a number of accounts—the State Department, USAID, Departments of Defense and Justice, as well as through funding grants to organizations like the National Endowment for Democracy and the ASEAN Foundation. Is there a need for improvement in the coordination of these various programs?

I think you have a pretty tough job. No one seems to be in charge in the sense of much coordination. That is not a criticism, but an observation.

Would we get more bang for the buck if the programs were more coordinated? Or maybe there is more coordination than I think. Could you speak to that?

Mr. LOWENKRON. Yes. Yes, Senator. We need to get more bang for the buck. Early on, we had a conversation with the Secretary of State about how democracy is defined and how funds are allocated for democracy. I had the same conversation with USAID and also with my counterparts within the State Department, Freedom Support Act, and the Middle East Partnership Initiative. And it is

in that context that the Secretary has decided on this reorganization to create a structure that brings USAID, State, and all the various components of State together so we can better coordinate our efforts.

Each one of these organizations—they have comparative advantages but there also are overlaps among them. And the way we have done that in the past is we have developed democracy strategies. I have sat down with my counterparts in the regional bureaus, with the National Security Council, with USAID, to develop democracy strategies.

Senator BIDEN. Is there democracy strategy in Latin America and the Caribbean? From 2005 to 2007, political and economic instability in Latin America has been particularly high in countries such as Haiti, Ecuador, Bolivia, and Peru. And yet, during this same period, we have cut funding from $215 million to $135 million. Is that part of the strategy?

Mr. LOWENKRON. Senator, I do not have the exact figures that go to each of the countries in Latin America.

Senator BIDEN. I have the exact figures for the region.

Mr. LOWENKRON. Pardon?

Senator BIDEN. I have the exact figures for the region. It is down from $215 million to $135 million. Is that part of your strategy, to spend less?

Mr. LOWENKRON. No. Part of our strategy is to spend more effectively and in a more coordinated fashion.

Senator BIDEN. Do you think that is happening?

Mr. LOWENKRON. I do not have the specifics on USAIDs budgeting plans, but with fiscal year 2006 funds, my Bureau is committed to spend no less than $6 million on democracy and human rights initiatives in countries such as Bolivia, Ecuador, Guatemala, Peru, Haiti, Venezuela, Nicaragua, and Cuba. Last year, we spent $300,000 in the region. Thus, while we realize this as a beginning, my Bureau has increased our human rights and democracy programming in the region.

Senator BIDEN. Well, maybe you could submit for the record, what justification there is for cutting money for any country in that region. Pick any one country in the entire region that is covered by the $135 million—show me how spending less there has done more. OK? That would be a good thing.

With regard to Iran, this administration has requested $75 million for democracy programs in Iran for fiscal year 2006, in the emergency supplemental, which is currently in conference. How do you plan to identify these partners inside of Iran? And how are you going to go about assessing—and I think you should do this—the capacity for this? And has the executive order, which currently bans democracy-building activities in Iran been withdrawn? Has the President withdrawn that executive order?

Mr. LOWENKRON. Well, in terms of how we go about the issue of spending democracy money—and I take it your question is there—are there organizations out there? Is there——

Senator BIDEN. In Iran.

Mr. LOWENKRON [continuing]. In Iran.

Senator BIDEN. Yes.

Mr. LOWENKRON. What we do is, when we submit a statement of interest, when we publicize a statement of interest for nongovernmental organizations to compete, they come in with proposals in which they have counterparts in Iran, either individuals or organizations, in Iran. And it is in that context that we fund these programs.

Senator BIDEN. Are they going to be funded? Has the executive order been withdrawn?

Mr. LOWENKRON. Senator, we funded $3 million in democracy promotion activity last year.

Senator BIDEN. That is not my question. I know we did. My question is that you needed a general license to permit American nongovernmental organizations to financially support a broad range of civil society, cultural, human rights, democracy building. Has that ban been lifted?

Mr. LOWENKRON. I am sorry. My apologies. You are talking about the OFAC license.

Senator BIDEN. Yes.

Mr. LOWENKRON. Yes.

Senator BIDEN. That ban is lifted.

Mr. LOWENKRON. Yes. We are now—we have——

Senator BIDEN. Good.

Mr. LOWENKRON [continuing]. We have issued statements of interest and we are now taking proposals in from NGOs; then we can proceed.

Senator BIDEN. Let me shift to Mongolia. Mongolia has been heralded by many as a success story of democratic development. As you know, there is endemic corruption in the country, which prevents Mongolia from qualifying for participation in the Millennium Challenge Account. And the institutions of democratic governments remain pretty weak.

Now, the administration cut funding for democracy programs there, which are different than the millennium challenge account, from $10 million to $7.5 million. Is that because they could not be effectively spent or can you tell me the reason for that cut?

Mr. LOWENKRON. Senator, I am going to have to take that question for the record.

Senator BIDEN. OK. I would appreciate your answer in writing, if you would.

Mr. LOWENKRON. Yes.

[The written information submitted by Mr. Lowenkron follows:]

Question. Mongolia has been heralded by many as a success story of democratic development. Yet, endemic corruption continues to prevent Mongolia from qualifying for participation in the Millennium Challenge Account, and the institutions of democratic and governance programs remain very weak. The administration reduced support for democracy and governance programs from $10 million in FY–04 to $7.5 million in FY–05. The same amount was requested in FY–06. Why are we reducing United States funding for democracy programs in Mongolia at this pivotal moment in its political development?

Answer. Currently, all United States economic assistance to Mongolia is distributed by USAID, which has identified two priorities: Private sector-led economic growth and more effective and accountable governance. Over the past 3 years, good governance assistance has remained constant at $2.7 million. The decrease in USAID funding from $10 million to $7.5 million can be attributed to a decline in economic growth assistance from $7.22 million to $4.8 million in FY–06.

Mongolia's Millennium Challenge Account (MCA) proposal is also currently under review. To address Mongolia's worsening performance on corruption, the Millennium

Challenge Corporation (MCC) has officially notified Mongolia that passage of anticorruption legislation is a prerequisite for signing a compact. MCC had underscored the importance of fighting corruption and strengthening the rule of law as essential to the success of any MCA program in promoting economic growth and reducing poverty. If Mongolian authorities are responsive in enacting anticorruption legislation, Mongolia also stands to gain aid through the Millennium Challenge Account.

Mongolia's transformation from authoritarian communism to democratic governance is a remarkable ongoing success story. But this transition is far from complete, and many development challenges remain. Despite achieving peaceful and constitutional transitions of power between governments since the early 1990s, holding elections that are largely free and fair, and recording impressive 6–10 percent GDP growth rates over the past few years, Mongolia's continued democratic and economic successes hinge on its ability to manage a series of "good governance" issues, including establishment of greater accountability, transparency, and anticorruption measures.

Senior Mongolian officials have also expressed concerns about cuts in economic assistance levels for Mongolia. We will continue working actively with Mongolian officials to develop a balanced assistance program, and given our concerns of corruption, our funding level over the past 2 years reflects a sustained commitment to helping Mongolia's democratic development.

Senator BIDEN. And Kazakhstan. Vice President Cheney expressed "admiration for all that's been accomplished here in Kazakhstan," yet we think it has one of the worst records on all counts. Does the Vice President speak for the administration? And is this the position the administration, one of admiration with regard to that country?

Mr. LOWENKRON. Senator, my work on democracy promotion is in the context of sitting with the Secretary of State, working with the Secretary of State. So, I can address it in that context.

Senator BIDEN. That would be helpful.

Mr. LOWENKRON. And in that context, the question that the Secretary always asks me is not is the country bad or good. Tell me about the trajectory. And even if it is weak, is it slowly heading in the right direction? Or is it not heading in the right direction? Are there backsliding countries?

Kazakhstan is very much still in this picture. In August of last year, the good news is that there was a constitutional council in August of last year that determined that legislation passed by the parliament to restrict NGOs was unconstitutional. And in September of last year, President Nazarbayev said, "I do not object to that ruling and that ruling will stand."

They have taken tentative steps on political reform but there is still a long way to go. The picture throughout Central Asia is a mixed picture. Better than Kyrgyzstan, a lot worse than Uzbekistan.

Senator BIDEN. Thank you very much.

[The prepared statement of Senator Biden follows:]

PREPARED STATEMENT OF HON. JOSEPH R. BIDEN, JR., U.S. SENATOR FROM DELAWARE

Mr. Chairman, thank you for calling this hearing to examine our efforts to promote democracy around the world, and the role of nongovernmental organizations as our partners in this effort.

In his second inaugural address, the President spoke eloquently about the need to advance democracy. And in our struggle against terrorism, and in promoting security and stability, the administration is right: Democracy is our most powerful weapon.

But I am concerned that we are not getting it right.

Fairly or not, the administration has created the impression around the world that it believes democracy can be imposed by force. And it has created the perception that it equates democracy with elections.

We have to recognize that democracy can't be imposed by force from the outside. Instead we should work with moderates from the inside, and over the long haul.

And we must understand that an election does not a democracy make.

In the Middle East, Islamist groups have made huge strides—Hamas in the Palestinian territories, the Muslim Brotherhood in Egypt, religious parties in Iraq, Hezbollah in Lebanon. Holding elections without doing the hard work of building democratic institutions may leave us less, not more, secure.

A democracy must rest on the foundation of a strong civil society—on building the institutions of democracy: Political parties, effective government, independent media and judicial systems, nongovernmental organizations, and civil society. Yes, elections are important, but so is support for things like grassroots governance, human rights, and education for girls. We must put more emphasis on this necessary, comprehensive approach.

A case in point is Iraq. President Bush has spoken of Iraq being a "beacon of freedom" in the Middle East. But unfortunately—and inexplicably—he has not put his money where his mouth is. Last summer, this committee heard from both the International Republican Institute and the National Democratic Institute that their critical programs in Iraq were in jeopardy—precisely as Iraqi negotiators were burning the midnight oil to hash out their constitution—if they did not receive additional funding. Senators Lugar, Kennedy, and I managed to get each of the institutes an additional $28 million through appropriations last year—and we are working to increase the funding by $104 million in the Emergency Supplemental. But the situation of these groups remains extremely precarious.

I realize that many of our nongovernmental partners recognize the need for a comprehensive approach—and it is because of their good work, dedication, and courage that we have seen many of the gains that we have. I will be interested in learning more this morning about their efforts.

But our aid programs in places like Egypt and Pakistan, for example, have lagged in supporting democratic institution building. And Latin America and the Caribbean have experienced a significant decrease in democracy assistance funding—nearly 66 percent since 2005—even as political and economic instability has increased.

So, the question in my mind is, "What more do we need to do?" Or, perhaps more appropriately, "What do we need to do more effectively?"

Again, I thank the chairman for calling this hearing today. I look forward to a productive and helpful exchange on how we can work together on this critical issue.

The CHAIRMAN. Thank you, Senator Biden.

Secretary Lowenkron, let me just pick up that last question-and-answer situation. I remember 20 years ago, in this committee, a hearing that we had that was a question with regard to the Philippines. And we were simply exploring, as we are today, a number of situations. There were two very vital players in the State Department. Mr. Wolfowitz and Mr. Armitage came before the committee and were, I thought, passionate in their thoughts about potential developments in the Philippines, views that were not necessarily shared by then-President Ferdinand Marcos and his Government at the time.

Now, one difference between discussing the Philippines at that point and, say, Uzbekistan today, or central Asian countries, as you have said, is that at least in the Philippines, there appeared to be some tradition, or structure, or institutions that were important, if you were going to have a so-called free and fair election. It might not occur, in any event, but at least there was a context in which it was conceivable. Under the best of the circumstances, it might occur.

Whereas, in some of the instances that we have been discussing this morning, there does not appear to be that kind of institutional structure. This has led some critics of democracy movements to suggest that the United States is preoccupied with having elec-

tions, which may, in certain contexts, simply be very polarizing affairs. Some have characterized, for example, the elections in Iraq in that way, leaving aside the overall strategy that may be involved there. They have said that it does in fact define who is a Shiite, who is a Sunni, who is a Kurd. It does not necessarily lead to institution building, in which the Iraqi Government now is moving ardently to try to see the context or maybe even to have some revisions of the constitution.

In the case, for example, of Iran, some have pointed out that the current president did come through an election. But they also, of course, point out that the mullah not only screens the numbers of candidates but eliminated almost everybody who had been participating in a democratic way in the previous legislature.

So even after you press for freedom for elections, it is not really clear in some cases what you have. And that seems to me to be an important development in the last 20 years, as those who have opposed democracy have become more sophisticated. Maybe that is not the correct word. There simply were not institutional frameworks there that looked toward law as we know it, or human rights, or equal rights, or what have you.

In this context, what are you doing in your Department as you survey the scene of the predicament of democracy beyond the talk of having free and fair elections; that is, try and provide the ballot paper, the registration process, all the rest that are rudiments of this? What do you do with regard to the context in which these ballots might be occurring?

Mr. LOWENKRON. Well, Senator, if I can make several points. First, what we do in my Bureau and also working with the Secretary and my colleagues in the Department is that we do focus on elections but we also focus on governance. As the Secretary has put it, what happens the day after an election is just as important as what happens before the election.

But we also need to work on civil society. We have to ensure that the roots that were established can kind of open it—open up the system—particularly in a system where they did not have such practices in the past, to try to make it more fertile so democracy could take root and elections can proceed apace. That is for elections and democracy promotion. As I tell people who work for me, this is uneven. We are going to have setbacks. Some states will backslide. Some states will exploit their victories, such as what happened in Venezuela.

But we cannot be deterred. We have to focus on governance issues. And we have to focus on civil society.

If I may, I would like to make one point about getting the soil ready for democracy. And I will be brief.

When President Bush pressed for reform, for change, in the greater Middle East, we developed a proposal to establish this forum for the future in the Middle East that I mentioned in my statement. We, with our G–8 partners and with several countries in the countries in the region, we were told this was never going to have any effect. At worst, you have Iraq in slow motion. These regimes would collapse and this is not a part of the world that has ever exercised these kinds of basic rights.

In December of 2004, at the first meeting of the forum, there were only five NGO leaders in Rabat. When I accompanied Secretary Rice to Bahrain last year, there were more than 40. And so you are now having the centers of a civil society building in the Middle East. And the Jordanian Government, which is going to host the next one in December, has pledged to actually not only increase the number but the quality and the influence of NGOs to kind of flesh out civil society.

So, it cannot just be about elections all the time, I agree.

The CHAIRMAN. Let me just ask one more question. Recently, at an Aspen Institute conference in which Members of Congress were discussing democracy in Iran, Iraq, Pakistan, Afghanistan, that part of the world, there was testimony from some on the Iranian picture. They are getting fairly good reception of Radio Free Europe coming out of Prague. And that was an interesting thought. Their feeling was essentially that the public diplomacy efforts, which the United States has been involved in, were sometimes heard in the country, and that there is not that degree of repression in which signals are not ever found or heard. The remnants of the program in Prague seemed to have a great deal more resonance.

I raise this question because, as a part of the building of the background, the institutions, and the framework for free and fair elections, the whole public diplomacy effort seems to me to be extremely important and one in which we regularly have testimony before this committee. Things are not going particularly well, although those trying to do them ardently and passionately point out how difficult it is and the strains that they are under.

What is your own take on this? This is obviously a side issue for you, and I think probably an important one. And maybe you are engaged in your department in some public diplomacy of your own.

Mr. LOWENKRON. Well, two things. First of all, I do think Radio Farda through RFE, I think, is doing a terrific job. And it is my understanding that we want to explore as many avenues as possible, because we have not had eyes or ears or footprints in Iran for a quarter of a century.

In terms of public diplomacy, I tell everybody in my staff that we can debate democracy promotion among ourselves and we know that it is elections, civil society, and governance. But unless we go out and talk about it, unless we talk about the relationships we are forging with key allies and institutions, nobody is going to hear about it.

And what will exist out of the press is what I fear is kind of a caricature that the United States in a simple-minded fashion runs around and says, I want an election tomorrow, and that is it. There is no thought out strategy. There is no effort to develop the basis or the foundations of it. And there is more that needs to be done, absolutely.

The CHAIRMAN. Well, we thank you very much for your testimony today and for your responses to our questions. We look forward to working with you, because it is an area obviously in which the committee shares your passion and interest. We appreciate your coming.

Mr. LOWENKRON. Thank you, Mr. Chairman.

The CHAIRMAN. Let me just ask Senator Biden, do you have——

Senator BIDEN. No, no. I just wanted to express my thanks, as well. I think you have done a good job there. You are devoted to this effort, and you have been straightforward about it, and I appreciate that.

As clarification, I may not have asked the question correctly about general licenses versus specific licenses. I know of no general license that has been issued but maybe there has been, from Treasury. My staff will clarify that question with you. I do not want to hold you up now.

Mr. LOWENKRON. Thank you, Senator. I will get back to you on that and all the other questions.

Senator BIDEN. Thank you.

The CHAIRMAN. Thank you.

The Chair would like to call now our second panel of distinguished witnesses. These will include Mr. Carl Gershman, president of the National Endowment for Democracy; the Honorable Mark Palmer, vice-chairman of Freedom House; Dr. Morton Halperin, director of U.S. Advocacy, Open Society Institute; and Mr. Thomas Carothers, senior associate and director of the Democracy and Rule of Law Project, Carnegie Endowment for International Peace.

The CHAIRMAN. Gentlemen, we appreciate your coming today. I want to make just one general announcement for the benefit of the members and staff and audience. It is likely that we will have a rollcall vote on the floor of the Senate at about 10:45, which is 10 minutes from now, plus or minus minutes as the case may be. When that happens, we will have a short recess of the committee so that all members can hear the full testimony of each of you, who will be in the process of giving testimony, I suspect, at that point. And we will return then to make certain we hear the full testimony and have questions afterwards.

Second, I would like, before I call upon Carl Gershman, to recognize again the extraordinary report that has just been issued by the National Endowment for Democracy and that is being made public, as has been mentioned before, today. This report came in large part at the request of our committee for NED to delve into many of the issues that we have been discussing already here this morning and that you will discuss, I am certain, in your testimony.

So, we appreciate the work of NED, specifically, in providing this report not only to us but to the general public. We will find it extremely useful as a framework for this debate for further initiatives.

At this point, it is my privilege to call upon Carl Gershman, with the thought that I had served for 9 years on the board of NED, and admired his leadership in that period, as well as subsequently. We are delighted to have you here this morning.

Let me just say each of you will have opening statements. Your full statements will be made a part of the record. And I will ask you to proceed with summaries, hopefully within the 10-minute period each, if that is reasonable.

Carl.

STATEMENT OF CARL GERSHMAN, PRESIDENT, NATIONAL ENDOWMENT FOR DEMOCRACY, WASHINGTON, DC

Mr. GERSHMAN. Good morning, Mr. Chairman. It is great to see you again. And I want to reiterate the sentiments you expressed. It was a great pleasure for us to have had you on the board for 9 years. We miss you. Although I must say I really do not miss the fact that you used to go on the floor periodically every year to defend our budget. And the fact that you do not have to do that every year now is also something that we welcome.

And it is great to see Senator Biden and also to note that two of your colleagues on the committee, Senator Sarbanes, is now a very active member of the NED board, and Senator Coleman is a new member of the NED board. And we welcome them.

I also want to take this opportunity just to thank once again, as mentioned in the report, the International Center for Not-for-Profit Law for its assistance in preparing this report. The report notes that we are dealing with a new environment today. And I might note that today is the 24th anniversary of President Reagan's address at Westminster, where he launched this whole effort.

In that time, a great deal has changed; there has obviously been a great expansion of democracy. But now, partly as a result of that expansion, we are dealing with a new problem. Many of the countries where old dictatorships fell but have not really successfully made the transition to democracy—we call them hybrid regimes—now have kind of a mixture of autocratic elements that has spaces for civil society and political opposition parties to operate.

In some of the cases, such as Yugoslavia in 2000, and Georgia in 2003, Ukraine in 2004, independent groups rightly use those spaces to expand their opportunities and to achieve breakthroughs. And that is one of the reasons we are faced with this problem today, as you noted in your introductory remarks.

So, I want to begin by saying that I think the problem we are dealing with today is an inevitable problem. We have long faced the problem of dictatorships, which block any kind of assistance to NGOs or even the ability of NGOs to exist. What we have today is a struggle that exists in many of these countries. And I am reminded of the statement that President Lincoln made when he was campaigning and debating Senator Stephen Douglas, where he said that no government can permanently be half-slave and half-free; it will have to be one way or the other. And the governments will seek to maximiize their power and people who want freedom will seek to enlarge political space.

And that is an inevitable struggle. And I think that is what we are dealing with in this report and in this hearing.

The methods by which these hybrid regimes or semi-autocratic governments seek to control civil society are becoming more sophisticated. And we spell it out in the report: The registration requirements, the restrictions on political activities, the interference in NGOs' internal affairs, the establishment of fake NGOs, GONGOs, the restrictions on foreign funding, the harassment of individual activists.

I have just returned from Russia where I was meeting with many of the activists, and they explained to me that the laws sometimes are vague and require the NGOs to negotiate with rep-

resentatives in the president's office for their very survival. So, it gives the government the opportunity to control these groups.

Senator Martinez was asking about Venezuela. Just yesterday, a law modeled on the Russian law was introduced in the Venezuelan parliament, and is being debated today, as we speak, in the Venezuelan parliament. And this law, again, establishes mandatory registration requirements, which could be used in the same way that the Russians plan to use the registration process there. There is a new enforcement body. The NGOs will be interfered with in their internal affairs. And the law will be applied selectively. This is the great fear that people have.

Another recent development is that a body established in Ukraine, the Bahrain Institute for Political Development, required NDI to clear its contacts with local groups with that body. And they refused to do that and were restricted in that way, and NDI was forced to leave the country. So, this is a fairly expanding problem.

But I want to keep it in perspective and to note that we are dealing here with maybe 20 or 25 countries that exist in this hybrid category. Many of these governments are defensive. They feel they have to restrict political participation in this way. Otherwise, they feel they will not be able to survive; and the activists are resilient.

The response to this problem needs to take place at three different levels: The tactical level, which is the response undertaken by NGOs, by newspapers, by independent parties, by trade unions, at the grassroots level; the response of the international assistance organizations, such as NDI and IRI and our other two institutes, labor and business; and finally, the response at the level of the NED, the funding agencies which seek to directly assist these NGOs. It is different in every case.

And I would just like to note that even in a country like Belarus, where you have onerous legislation that has been passed, it has not stopped the ability of NGOs to function, nor has it prevented the NED or its institutes from assisting democrats in Belarus. The groups continue to operate, even though they do not have registration. And until now, at least, nobody has been arrested for doing that.

The borders of the country are relatively open. And so, the ability of groups in other countries to provide assistance to democrats in Belarus is possible and is taking place. Newspapers are publishing in exile. The Internet is used very, very actively. And so, a very active democratic movement continues to exist, even in a country like Belarus, which is much worse than Russia is today. So, I think in that sense, the situation needs to be put in context.

The way these new laws affect the international NGOs requires them in many cases to engage in their own kind of diplomacy when they are on the ground in countries, to explain who they are, to engage with broad political forces, including political forces that might be part of the ruling establishment. Sometimes, where it is not possible for them to function in countries like in Belarus, they leave, but they function from outside. IRI is functioning in Belarus from an outside office and NDI from an office in Kiev.

I just want to underline that it is possible, even in the tougher situations, to try to continue to be active here. And the NED, in

part because the NED is a nongovernmental entity, which can operate flexibly, it can continue to provide funding, sometimes directly to NGOs still in Belarus, but sometimes through intermediaries based in exile.

I should note, Mr. Chairman, we have a board meeting tomorrow. There are 283 proposals in this board book for tomorrow's meeting. The work is expanding. There are many proposals in this book, in Zimbabwe, in China, in Belarus, in Russia, in Venezuela, in Egypt; all of the countries that are discussed in this report.

So in no way—I want to underline this—in no way are these restrictions stopping us, but more importantly, are they stopping the Democrats on the ground who, as I say, are resilient and are prepared to take risks to continue to fight for democracy.

Finally, Mr. Chairman, the report also speaks about the response that has to take place at what we call the political level and the normative level. On the political level what we urge is that, in addition to the funding of these activities, that the United States and Congress treat democracy work the way you have treated human rights work in the past, where you have protected people and you have linked our relations with countries to the readiness of these countries to permit NGOs to function. And also, for institutions like our party institutes, and other institutes, and the NED to provide assistance; in other words, to permit democracy assistance.

In this respect, I want to call attention to the G–8 meeting that is taking place next month in St. Petersburg. And to note that before the G–8 meeting in Moscow on July 11 and 12, the NGOs and the democratic civil society and political groups will be meeting in Moscow to try to rally support for their cause. And they are inviting international participants. And Members of the Congress will be invited, as well as from the other G–8 countries and other countries in Europe and elsewhere.

And we hope that this can become not only a rallying point for the Democrats in Russia, but also an opportunity to engage with Russian Democrats and to establish a long-term strategy for assisting. This is one of the things that I heard most repeatedly from Democrats when I was in Russia. They do not want just a statement here. They do not want to be forgotten after the G–8. They need support in a steady way, in every way that we can provide it.

I might note that President Putin has spoken about making the ruble convertible. He is obviously very interested in the way Russia can enlarge its economy, possibly become part of the World Trade Organization. And this gives us leverage in that situation to try to protect the NGOs. And we have to try to look for that kind of leverage in every situation.

And finally, Mr. Chairman, we speak about the need for action at the normative level. And what that means is that we think it is important for the international community to accept democracy assistance, the kind of assistance that is provided by the community of institutions that the Congress supports, private foundations in Europe and elsewhere, as you noted, that this is part of the international assistance today. And its violation should be seen as a violation of an international norm. And we urge the Community of Democracies to take hold of this issue, to approve democracy as-

sistance as a norm of international activity, and to carry that norm and support for that norm into the United Nations and into the regional bodies to have it accepted by the international community.

In closing, I just want to note something that Ludmilla Alexyva, the head of Moscow Helsinki Group, said in Moscow on May 12, the 30th anniversary of the Moscow Helsinki Group's establishment in 1976. She said, "Times are tough today. But let us remember that back then we were just 11 people with a typewriter. And look what happened." And I think we have to keep that perspective as we move forward.

Thank you.

[The prepared statement of Mr. Gershman follows:]

PREPARED STATEMENT OF CARL GERSHMAN, PRESIDENT, NATIONAL ENDOWMENT FOR DEMOCRACY, WASHINGTON, DC

Chairman Lugar, ranking member Biden, and members of the committee. Let me begin by expressing my appreciation to the committee for the opportunity to address you on such a vital matter, and particularly to thank each of you for your commitment to the mission of the National Endowment for Democracy and for your strong support for our program over the years. Mr. Chairman, you made a personal commitment to the Endowment through your exemplary service to the NED board during the 1990s, and we are delighted that Senator Sarbanes has continued in that tradition of active involvement in our work. We should note that Senator Coleman has become the newest member of our board and we very much look forward to his contribution in the years ahead.

Today I want to address a serious issue that is the subject of a report that NED is releasing today. The report is entitled, "The Backlash Against Democracy Assistance," and it was written in response to the concerns raised by Senator Lugar in a letter to us last November about reports of the growing efforts of foreign governments to impede U.S. programs for democracy assistance.

My testimony presents, in part, a distillation of the report's main findings. Senator Lugar's letter expressed particular concern about restrictions on democracy assistance in such countries as Belarus, Uzbekistan, Egypt, Zimbabwe, Venezuela, and China. Subsequent developments, including legislation in Russia that imposes new restrictions on nongovernmental organizations, have further highlighted this disturbing trend.

THE CHANGING ENVIRONMENT

Since the inception of the National Endowment for Democracy, the environment for democracy promotion work has changed profoundly. Most developments have been positive, justifying the NED's mission, validating its approaches, and facilitating continuing work in the field. These changes include:

- A dramatic increase in the number of viable democracies, providing regional partners and improving access to previously closed states, particularly in the former Soviet bloc;
- The collapse of any viable alternative to democracy as a legitimate political order;
- A robust bipartisan consensus within the United States on the desirability and effectiveness of democracy assistance through nongovernmental efforts;
- The expansion and increasing international acceptance of democracy assistance; and
- The growing cooperation among democracies in providing such assistance.

Yet certain adverse factors have arisen which, while not threatening to reverse the democratic trend, do present challenges to democracy assistance. These include:

- The emergence of semi-authoritarian hybrid regimes characterized by superficially democratic processes that disguise and help legitimate authoritarian rule;
- The emergence of new actors and agencies committed to undermining, countering, and reversing democratic progress; and
- New restrictive measures of a legal and extra-legal nature, specifically directed against democracy promotion groups.

The efforts of foreign governments to impede democracy assistance—from legal constraints on NGOs to extra-legal forms of harassment—have intensified and now

seriously impede democracy assistance in a number of states. This backlash is particularly pronounced in the former Soviet states of Eurasia as well as in China, Venezuela, Egypt, and Zimbabwe. Representatives of democracy assistance NGOs have been harassed, offices closed, and staff expelled. Even more vulnerable are local grantees and project partners who have been threatened, assaulted, prosecuted, and imprisoned.

In addition to impeding democracy assistance efforts, regimes are adopting proactive approaches, channeling funds to antidemocratic forces and using fake NGOs to frustrate genuine democratization. All of this has had a "chilling effect" on democracy assistance, intimidating some groups, and making it more difficult for them to receive and utilize international assistance and solidarity. These actions seriously threaten the ability of Democrats abroad, operating peacefully and openly, to continue to work with U.S. organizations that receive congressional funding in order to carry out their mandate.

Despite these disturbing developments, which in some cases are prompting practitioners in the field to revert to methods used in closed societies during the 1980s, democracy assistance NGOs are today active in more countries than ever before. The new climate has actually validated the mission and the nongovernmental structure of the NED "family," which has proven its ability to work effectively in sensitive and repressive political climates.

Democracy assistance NGOs have long been active within a diverse range of states—from closed societies to fragile or emerging democracies—for which the strategies, operating procedures, and funding arrangements honed over more than 20 years remain relevant and effective. The NED family, in particular, has extensive experience of channeling assistance to dissidents, labor unions, human rights activists, and other advocates for democratic change within repressive societies.

THREATS TO DEMOCRACY ASSISTANCE: CONTEXT AND CHARACTER

Repressive regimes have always sought to prohibit, frustrate, or undermine the activities of democratic and civil society groups and individual activists. Under the totalitarian regimes of the 20th century, political repression took extreme forms, including the mass arrest, incarceration, and physical liquidation of opponents.

More recently, however, the "color revolutions" in Serbia, Georgia, Ukraine, and arguably, Kyrgyzstan, have demonstrably alarmed authoritarian governments, alerting them to the precariousness of their hybrid, pseudodemocratic regimes. The scenario of popular protests, mobilized through opposition groups and NGOs, pressuring ruling elites to surrender state power, had a chastening effect and prompted a reassessment of strategies and "political technologies" required to maintain authoritarian rule.

It is pertinent here to raise the issue of the association of democracy assistance with regime change, a position taken by honest, if impatient, advocates of democracy, as well as by more malicious critics. This misleading equation has been taken up by authoritarian rulers to deny the legitimacy of democracy assistance and to portray these efforts as an instrument of foreign policy designed to undermine U.S. adversaries.

NED's position has always been that regime change and democracy assistance are not synonymous. Democracy assistance does not actively promote domestic policy agendas or champion opposition forces. Achieving democracy is the purpose of democracy assistance groups' efforts, and the fall or removal of a nondemocratic regime does not automatically produce democracy as an outcome. The replacement of Batista by Castro or the Shah by Khomeini makes that clear.

Democracy assistance focuses not on determining short-term or partisan outcomes in the sense of changing regimes or backing certain parties or candidates in elections. The outcomes we work toward are those of strengthening democracy, safeguarding human rights, and enhancing democratic institutions, practices, and culture. So our objective is not regime change per se. To be sure, ending a dictatorship can provide the space and opportunity for people to build democracy, but that is a long-term and arduous task, entailing a process of work, learning, and the cultivation of civic values and institutions of governance that enable pluralist societies to resolve differences through peaceful means.

Ukraine's Orange Revolution serves as a powerful reminder that democracy promotion is a process, not an event. NED and its institutes actively invested resources in sustaining democratic and civil society groups for 15 years prior to the democratic breakthrough, demonstrating the need for a long-term approach. In addition, such breakthroughs confirm the benefits of a "venture capital" approach whereby "seed funding" is provided to democratic and civil society groups in countries and contexts that initially appear unpromising for democratic change.

Still, it is important to note that the offensive against democratization, and particularly against forms of internationally-funded democracy assistance, predates the color revolutions.

Ominously, there is growing evidence of collusion and collaboration on the part of authoritarian regimes seeking to undermine democracy assistance and independent civil society groups. We see this in the marked similarity between legislation restricting NGO activity and the sharing of Internet monitoring and censorship technologies.

In this regard, we draw the committee's attention to the Shanghai Cooperation Organization (SCO), comprising Russia, China, Kyrgyzstan, Kazakhstan, Uzbekistan, and Tajikistan. This organization is emerging as the core of what has been called an "authoritarian internationale"—an axis of antidemocratic regimes—across Eurasia. We note with particular concern that at its forthcoming summit on June 15, in Shanghai, the organization is expected to embrace the Islamic Republic of Iran as a new member.

Disturbing countertrends and tendencies have emerged in part as a reaction to the success of democracy promotion in general and, in some cases, to the efficacy of the modus operandi of the NED and its institutes, in particular. While such adverse factors do not threaten a reversal of the historic trend towards democracy, they do represent serious setbacks in specific countries and regions, particularly in the former Soviet Union.

LEGAL AND EXTRA-LEGAL MEASURES

Of course, governments may legitimately seek to regulate foreign funding of domestic political actors and/or to regulate NGOs. Most democracies have regulations governing and, to some extent, restricting foreign funding and interference in domestic political affairs. But they exist in a context of genuine political pluralism and institutional checks and balances. Nor, of course, are they designed to suffocate or impede relatively young and still-fragile civil society organizations.

Our report details the legal restrictions being imposed on democracy assistance NGOs, drawing heavily on research undertaken by the International Center for Not-for-Profit Law,[1] for which we are especially grateful. In practice, of course, legal constraints are supplemented and reinforced by extra-legal sanctions, ranging from surveillance and harassment to expulsion of democracy assistance NGOs.

Democracy assistance groups have experienced the following legal and extra-legal constraints:

1. Restrictions on the right to associate and freedom to form NGOs: In China and Vietnam, NGO operations are strictly monitored and controlled, and subject to arbitrary interference by the authorities.

2. Impediments to registration and denial of legal status: In Belarus,NGOs have waited over a year only to be denied registration without explanation. Russia's NGO law requires foreign and—de facto—domestic NGOs to reregister with a state agency which will examine their activities before determining whether they can continue operations.

3. Restrictions on foreign funding and domestic financing: In Venezuela, the Chavez regime is prosecuting civil society activists from Sumate, a voter education NGO, on charges of "conspiracy" resulting from a NED grant to promote education on electoral rights prior to the 2004 recall referendum.

4. Ongoing threats through use of discretionary power: Some regimes, as in Egypt, retain discretionary powers to shut down civil society groups, keeping NGOs in a political limbo in which they are apparently tolerated but remain vulnerable to arbitrary termination.

5. Restrictions on political activities: Governments consistently equate democracy assistance with oppositional activity, "regime change" or political subversion. Zimbabwe denies registration to groups receiving foreign funding for "promotion and protection of human rights and political governance issues."

6. Arbitrary interference in NGO internal affairs: In China, civil society groups are frequently impeded and harassed by bureaucratic red tape, visits by the tax inspectorate, and other below-the-radar tactics.

7. Establishment of "parallel" organizations or ersatz NGOs: Repressive governments have sought to undermine the NGO sector by establishing captive NGOs, or Government-Organized NGOs (GONGOs), as in Tunisia, where state-sponsored GONGOs monitor the activities of independent NGOs.

[1] For further details of ICNL's distinctive and pioneering work on these issues, go to http://www.icnl.org/.

8. Harassment, prosecution, and deportation of civil society activists: Individuals engaged in certain NGO activities can be held criminally liable and fined or imprisoned. In Uzbekistan, approximately 200 domestic nonprofit organizations have been closed.

IMPLICATIONS FOR DEMOCRACY ASSISTANCE GROUPS

The impact of the above measures on democracy assistance is, to use a phrase frequently used by respondents, one of a "chilling effect," with some democratic activists and groups deterred and intimidated from engaging with United States, European, and other sources of democracy assistance and solidarity. While programs often continue in the face of repressive actions, partners and grantees nevertheless become more cautious, circumspect, and wary of adopting a high profile. In some countries, for example, NED grantees have asked program officers not to visit them for fear of drawing the attention of the authorities. In other instances, prospective program partners or grantees have suggested that while they need external assistance and are willing to work with or accept grants from democracy promotion groups, the risks are too great to do so.

Yet these instances are relatively rare and practitioners in the field are not encountering obstacles qualitatively different from challenges previously experienced (and generally overcome) in closed or authoritarian societies. What does seem to be different and problematic is, first, the emergence of a twilight zone of uncertainty in which programs are prone to arbitrary interference or cancellation; and, second, the growing prevalence of low-intensity harassment, including arbitrary tax inspections, onerous reporting requirements, and ostentatious surveillance by security services.

The new repressive climate in certain states has, in fact, highlighted the benefits of nongovernmental and civil society-based approaches. Maintaining and highlighting independence from government, such initiatives demonstrate that democracy promotion is generally most effective when undertaken by nongovernmental organizations, particularly in regions such as the Middle East and Central Asia where official United States support is sometimes shunned.

Unlike official government agencies often constrained by diplomatic or security considerations, democracy promotion NGOs, operating openly but largely below the radar screen, are able to avoid compromising the integrity and efficacy of programs. Groups like the NED are able to engage and fund unlicensed organizations that tend to undertake cutting edge programs but cannot ordinarily access official funds. Democracy promotion NGOs are not constrained by the diplomatic considerations that affect governmental initiatives.

Nongovernmental groups have a greater facility in adapting flexibly and swiftly to deteriorating or repressive conditions. When democracy assistance aid is primarily channeled through official conduits, using bilateral agreements, its impact and effectiveness are blunted. In some regimes, governmental programs' reliance on the approval of host-country authorities virtually guarantees such programs will be compromised.

Indeed, the consensus on the desirability and legitimacy of democracy promotion and civil society-oriented approaches in particular now extends beyond the United States. The advantages of a nongovernmental approach are informing and inspiring current efforts to restructure the European Union's work in this field, while leading members of the European Parliament have been campaigning for a "European NED."

THE RESPONSE OF DEMOCRACY ASSISTANCE GROUPS

Democracy assistance groups have in some circumstances been forced to change their modus operandi and adapt practices they have previously employed in formerly or currently closed societies. Such efforts include financing in partnership with non-American groups, running trainings and other programs in adjacent territories, and channeling support through exile groups.

Different contexts demand different responses, but democracy assistance NGOs have always worked within a diverse range of situations and states—closed societies, authoritarian and semiauthoritarian or hybrid regimes, and fragile or emerging democracies—for which the strategies, operating procedures, and funding arrangements honed over more than 20 years remain relevant and effective.

The NED has extensive experience of channeling aid and assistance to dissidents, labor unions, intellectual and civic groups, and other agencies for democratic change. Many of these initiatives take advantage of the Internet and other forms of communication that were unavailable to democratic activists in the communist bloc only two decades ago.

New technologies and forms of communication, including the Internet, e-mail, cellular and satellite phone technologies, have dramatically improved the provision of information and facilitated innovative funding of Democrats in closed, authoritarian or backsliding societies. They have enhanced contacts and coordination between actors—democracy promotion groups, donors, funders, grantees, and project partners. Thus, while new restrictions undoubtedly impede or at least complicate the provision of democracy assistance, in other respects conditions have actually improved.

Democracy assistance groups have also been innovative in response to new challenges, including:

- Improving communication and coordination between civil society groups in the field, and developing common responses and strategies in the face of new restrictions;
- Engaging reform-minded elements within state bureaucracies in hybrid or semiauthoritarian regimes where backsliding is an ever-present possibility;
- Engaging activists from new democracies to work in countries where their personal experience has great resonance, generalizes best practice, and helps puncture the myth that democracy promotion is an attempt by the United States to impose democracy; and
- Promoting multilateral approaches that help reduce the "Made in USA" profile of democracy assistance and also leverage additional resources.

SUGGESTED RESPONSES FOR CONGRESSIONAL ACTION

It is worth recalling that the backlash against democracy promotion inadvertently acts as a reminder that this is not an uncontested field or a one-way process and that it is the success of our efforts that has prompted the current reaction. Yet the evidence of democracy assistance groups' resourcefulness and adaptability, allied with the remarkable resilience and application of grassroots democratic activists, provide strong grounds for cautious optimism that these challenges will be overcome. In this process, the support of the U.S. Congress will be a significant factor.

Consequently, in response to the new backlash, Congress should:

- Ensure that adequate funds for democracy assistance are appropriated, and be wary of rewarding regimes for ostensibly democratic but cosmetic change;
- Urge the administration to issue with other members of the G–8, a memorandum raising concerns over Russia's democratic retrenchment;
- Promote a rigorous policy of linkage, by associating a state's treatment of Democrats and civil society groups to the political and economic dimensions of interstate relations, including: tightening eligibility criteria for membership of international associations of democracies; and making foreign assistance and trade benefits conditional on democratic performance; and
- Encourage the administration, working through the Community of Democracies, to gain acceptance of democracy promotion as a normative practice within the international system. The Community in turn should reaffirm and further elaborate its founding Warsaw Declaration, which endorsed democracy promotion, and to seek approval for the Declaration from governments, parliaments, regional forums, and global institutions, including the United Nations.

Thank you.

The CHAIRMAN. Well, thank you very much for that historical perspective. You mentioned 24 years ago and President Reagan's administration. The audience does not understand the NDI, the National Democratic Institute; the IRI, the International Republican Institute; and the Chamber of Commerce and Labor components. Senator Biden asked very appropriately about the labor component today in terms of your current administration's work. All four of these are contributing in a remarkable way and are learning a great deal from each other during the process.

It is a pleasure now to recognize another gentleman whom I had the privilege of sitting next to at the board meetings of that entity for quite a long while. This followed a distinguished diplomatic career that he had commenced a long time ago.

It is a real privilege to have you again, Mark, before our committee today. Would you please proceed?

STATEMENT OF HON. MARK PALMER, VICE-CHAIRMAN, FREEDOM HOUSE, WASHINGTON, DC

Mr. PALMER. Thank you, Senator. And thank you and Senator Biden for holding this hearing. You are both long-time supporters of democracy promotion and I want to thank you for that.

In my view, our NGOs operate in two different universes, one in which the dictator is still in power and the other in which he has been ousted. And different strategies and tactics flow from those two different situations.

I wanted this morning—and my testimony focuses on what to do while the dictators are still in power, because in my view that is the most difficult, most challenging, most important situation that our NGOs face and paradoxically, in my view, receives fewer, historically at least, has received fewer resources, less boldness, less imagination, not only by our NGOs but by many administrations.

We have now an immense body of knowledge about how to oust dictators peacefully. Freedom House, my organization, recently published a study, "How Freedom Is Won," which covers 67 different transitions. And it states, and I want to quote, "that far more often than is generally understood, the change agent is broad-based, nonviolent civic resistance, which employs tactics such as boycotts, mass protests, blockades, strikes, and civil disobedience to delegitimize authoritarian rules and erode their sources of support, including the loyalty of their armed defenders."

Top down reform by dictators is, in my view, infrequent. It is an exception. There are virtually no cases of a dictator remaining in power and becoming a Democrat. I would like to be corrected about that but I do not know of many, if any, cases of that.

Generally, dictators need to be and have been forced out. And the key question is, what kind of force is used? And the conclusion of Freedom House's study, and I think probably all four of us would agree, is that when nonviolent force is used, it works in the sense both that you have been able to get rid of dictators through nonviolent force. And most importantly, what comes afterwards is, in accordance with the findings of this study, a democratic, durable, peaceful regime. Whereas when force has been used, most often you find a new regime emerge which itself is based on the use of force and is not democratic.

In my view, facilitating the creation of such national movements should be the primary objective of our NGOs in this field. Unfortunately, our NGOs and their governmental and private funders have not made a priority of funding groups that are focused on nonviolent resistance or on activist youth groups that have provided much of the courage and dynamism of successful struggles.

In my view, at least 50 percent of democracy funding should be directed to the world's remaining 45 dictatorships. These are the real problem for the United States. They are our strategic enemies. In almost all cases, they are behind all of the problems that we face in the world.

So, I wanted quickly to go through an action agenda of things that I think we could do, because I think the best response to what Carl has very well outlined in terms of the current situation in many of these countries, which is a kind of reaction, the best de-

fense is a good offense, in my judgment. And I think we need bold new proposals, new initiatives to meet these challenges.

First, communication is a tremendously important tool. It is the key to building noncooperation and the organization of such broad coalitions for those inside a dictatorship, to realize that they are not alone. For example, in China, where we know there were 87,000 major protests last year, according to official statistics, if you could link up those who are protesting, the farmers and the workers, those who are against corruption, those who want independent trade unions, farmer organizations, leading democratic lawyers, intellectuals, and students, if you could link them altogether through communications, we would have the beginning of a national movement to get the Communists out and have the Democrats in.

I want to quickly say there are three ways that I think that could be done. First, the Internet, as we know, is now an extraordinary tool. The dictators, of course, know that and are trying to block it, including cooperating among themselves. Hu Jintao is now working with a Supreme Leader Kharmenei in Iran to block the use of the Internet.

What I think would be possible would be a massive effort against what is called the Great Firewall of China, the massive, now global, Internet project. Some of my Chinese-American friends in the last few years have developed some very good software and techniques to defeat this censorship. And they have proposed to your colleagues here on the Hill and to the administration an NGO global Internet freedom consortium with funding of $50 million a year, which I strongly support. They have demonstrated in action that they can defeat this firewall. The BBG is now using their services with regard to the Iranian firewall. I think this needs major effort given the scale of the effort on the other side where you have 50,000, at least 50,000, Chinese Government-hired people censoring the Internet. We need an equally massive effort on our side to ensure a free Internet.

Second, I strongly feel that there is a role for independent media. Most of our NGO funding is focused on training. But what really matters is actually having independent media; particularly, I would say, having independent radio and television stations, but other forms of independence, as well. For example, it would be really wonderful if the young Iranian students movement had their own voice, their own radio station. Well, they do not. And Radio Farda is no substitute.

A representative of Radio Farda was quoted in the Washington Post this week as saying, and I quote, "that the topic of 'should the mullahs be overthrown' is an unacceptable topic for Radio Farda." Well, if Radio Farda cannot talk about it, at least the Iranian students should be able to talk about what is most on the minds of at least 70 to 80 percent of the Iranian people who do not accept a theocratic dictatorship in their country and want to find peaceful ways of getting rid of it. We ought to be able to help them talk about that among themselves.

So, I propose an independent TV and radio fund be established with its own independent board to ensure that the stations adhere to international broadcasting standards and promote nonviolent

transitions to democracy. I think a fund of $100 million a year could be well spent.

Third, in the communications field, telephones and cell phones offer an extraordinary underutilized and understudied way of promoting democracy inside dictatorships. My Chinese-American friends, for example, have the phone numbers of 500,000 Chinese who work in jails, torturing prisoners, who work in the regime repressing democratic movements, and are able to actually call them.

But we need a democracy technology fund to really develop this field; that is, for example, to develop some new technologies, the use of mass text messaging devices to call people to and manage demonstrations, to do the equivalent of what now has created immense excitement in the Middle East. The equivalent of the American Idol shows are now on Middle Eastern television. And people are able, through their cell phones and text messaging, to vote for their idols, their singers and dancers that they want to support.

In the digital era, we can disintermediate the dictators by organizing direct referenda, even elections, through cell phones and other technologies.

Now, let me move away from communications and say that another area on my own action agenda would be very much enhanced support for students. Students really are the moving force from Indonesia to Hungary. When I was there in Budapest, it was very clear it was the students really more than anyone else who were behind change.

And I do not think, as I look at NGO programs, I do not see enough money going to students. I really think that is an underutilized resource. And I really believe that we need—and some students at Indiana University in your own State have organized something called Students for Global Democracy. I really believe that if we could get the world's democratic universities together, the students of those universities together, and give them the money to in turn help student movements inside Iran, China, Burma, Saudi Arabia, and elsewhere, that that could make an immense difference. And I think $50 million would be well spent in that regard.

The next item on my agenda, Mr. Chairman, is the ADVANCE Democracy Act, which is supported by a number of your colleagues here in the Senate and passed the House last year. And it would turn my old institution, the State Department, into a real fighting, freedom house kind of place. It would make of our embassies a real asset, an ally for NGOs inside these 45 dictatorships.

It would transform our diplomacy permanently. I think this administration is very sympathetic to what you and Senator Biden believe in. But who knows what will come next? We are a nation, unfortunately, of flavors. And I do not know what the flavor will be 3 years from now. There has been a countermovement against democracy support. I think we need the ADVANCE Democracy Act to make permanent certain changes in the way our diplomacy is conducted. And specifically, we need plans for each of the 45 dictatorships, which this act would require, working with NGOs to develop these plans to bring about permanent change.

Next on my own list would be Sullivan Principles for Democracy. We do not think normally of our corporations as NGOs, but they

are often the most powerful nongovernmental presence of the democracies inside these dictatorships. I think that our key NGOs, NED and others, ought to sit down with you here in the Congress, with the executive branch, and with other key democratic governments and key corporate leaders, to establish a business community for democracy and to develop a code similar to the Sullivan Principles which would require of our corporations that they support democracy in China and elsewhere.

For example, it would be entirely possible for the huge number of companies financed from outside China by democratic country origin companies to allow trade unions. Senator Biden, you talked about the importance of trade unions. I could not agree more. In Serbia, in Poland, in many places, workers are the key change agent, along with students. And in China now, the workers are showing a real serious interest in defending their rights. These 87,000 demonstrations last year are an extraordinary thing.

So, if our companies in China would begin to allow labor organizing inside their premises, that would make a huge difference. And I think that is something that we ought to support.

Let me finally say, Mr. Chairman, that it was exactly 25 years ago this year that a small group of us here in Washington began meeting—Dante Fascell and Lane Kirkland and others. And that led to the creation of our new democracy institutions, as you mentioned, and to the speech that President Reagan gave that I spent a lot of time working on.

I think we are now at a moment when we need a similar burst of thought and creation. Because we have been at this for 25 years, it is time to appoint an independent body. And the ADVANCE Democracy Act proposes that a democracy promotion human rights advisory board be established. And I think Secretary Rice is working on this, that a body be established of independent people to look at how we are spending this $1.4 billion, ask ourselves some really basic, zero-based questions. Is the money going to the right place or not? Do we need more? Which I personally think we do.

In sum, what should our priorities be over the next 25 years, with the goal of making dictators an extinct species, which I think is entirely doable if we put our minds to it.

Thank you.

The CHAIRMAN. Well, thank you very much.

[The prepared statement of Hon. Palmer follows:]

PREPARED STATEMENT OF HON. MARK PALMER, VICE-CHAIRMAN, FREEDOM HOUSE, WASHINGTON, DC

Achieving a 100 percent democratic world is possible over the next quarter century—but only with radical strengthening of our primary frontline fighters for freedom.

We can build upon our nongovernmental organizations' strong base of experience and success. From Freedom House rallying the democratic world against fascism beginning in 1940, to the League of Women's Voters building democracy in post-World War II Europe and Japan, through the German political party stiftungen's contributions to Portugal and Spain's breakthroughs to democracy in the 1970s, to America's own new democracy promotion institutions' contributions beginning in the early 1980s, NGOs have assisted a massive expansion in freedom. Over the 33 years of its annual Freedom in the World survey, Freedom House finds that the percentage of not-free countries has been cut in half.

Our NGOs have been essential players in many, but by no means all of these breakthroughs. I can attest firsthand to the critical role which the AFL–CIO played

in building and bolstering solidarity in Poland and the National Democratic Institute played in training fellow Democrats in the living room of the Ambassador's residence in a still-communist Hungary. From my days marching in the civil rights movement here, to a foreign service career focused on and in dictatorships, to many years on the boards of the National Endowment for Democracy, Freedom House, the Council for a Community of Democracies, to work with innumerable Chinese, Saudi, Libyan, and other democracy groups, to researching and writing a book about how to achieve universal democracy, and over a decade as an investor in emerging markets, what have I learned about NGOs in the promotion of democracy?

NGOs operate in two different universes—where the dictator is still in power, and where he has been ousted. Different strategies and tactics should flow from this fact.

Let us focus on the stage of dictatorship as it is, in my view, by far the most important and challenging, but paradoxically has had and has less NGO resources, imagination, and boldness. And to the extent NGOs are active on dictatorships the vocabulary is often wrong.

We have an immense body of knowledge now about how dictators leave power and durable democracy ensues. A recent Freedom House study, "How Freedom Is Won," covers 67 transitions and finds that "far more often than is generally understood, the change agent is broad-based, nonviolent civic resistance—which employs tactics such as boycotts, mass protests, blockades, strikes, and civil disobedience to delegitimate authoritarian rulers and erode their sources of support, including the loyalty of their armed defenders." Top down reform by dictators is the infrequent exception; there are virtually no cases of a dictator becoming a Democrat and remaining in power. Generally, dictators have been and need to be forced out. As the study also finds, there is a clear relationship between the type of force used and durable democracy emerging. Violence engenders successor governments based on violent repression of their people. Broad-based coalitions committed to the strategic use of nonviolent force have been the best avenue for freedom's march.

Facilitating the creation of such national movements should be the primary objective of our NGOs. Unfortunately, our NGOs and their governmental and private funders, have not made a priority of funding groups that are focused on nonviolent resistance or on activist youth groups that have provided much of the courage and dynamism of successful struggles.

In general, the priority for funding of our NGOs has been for countries which already have ousted the dictator. While there has been some progress in recent years, the disparities remain striking. Programs for China, with over 60 percent of the world's people still living under a dictator, are the most striking with around 1 percent of USG democracy funding, and a hunk of that agreed to with the Chinese authorities as has also been the case with Egypt, Pakistan, and some other key dictatorships. The cause of promoting real political progress in Saudi Arabia gets virtually no funding. North Korea was getting virtually none until Congress pushed through a specific act, which has been true of other not-free countries, as well. Our foundations, corporations, and other private donors are even more reluctant to fund democracy programs for dictatorships. Yet, the most fundamental challenges to American national interests all emanate from the world's remaining dictatorships—from weapons of mass destruction, to regional instability, to energy dependence, to harboring and funding terrorists.

At least 50 percent of democracy funding should be directed to the world's remaining 45 dictatorships. Some have long argued that the repressive conditions inside dictatorships make more programs and spending impossible. This stems from a congenital and breathtaking lack of imagination and boldness. Our NGOs did over $30 million of programming in Serbia helping a broad-based coalition of particularly younger Serbs to oust Milosevic peacefully. We should have programs and funding of similar or larger scale for each of the remaining dictatorships. As conditions in each of them vary, we will need to consult with local Democrats to tailor make each national program. But here are some of the tools which will help.

COMMUNICATIONS

The key to building the will for noncooperation and the organization of a coalition is for those inside a dictatorship to realize they are not alone, to facilitate communications among them and with their allies outside. In China, for example, if those who conducted some 87,000 major protests last year, those who want to organize independent trade unions, farmers organizations, and leading democratic lawyers, intellectuals and students could be linked together, and they could synchronize their actions on a national basis.

- The Internet provides an extraordinary new means for such just such communication. Dictators have recognized that fact and are repressing its use—individually and increasingly collectively—for example, Chinese Communist, Hu Jintao, is now helping Iran's Supreme Leader Khamenei. The Saudi's Abdullah has long allowed just one Internet pipe into that country. Fortunately, American NGOs, particularly Chinese-Americans Ph.D.s in computer sciences, have developed ways and are having success in defeating the Great Firewall of China. The BBG recently recognized their success on China and has started working with them on Iran. But a much larger, global program is required. These same Chinese-Americans have proposed a Global Internet Freedom project which is scalable and can be applied to any dictatorship. To defeat the massive efforts on the other side, including in the case of China—over 50,000 censors—we should fund this United States NGO Global Internet Freedom Consortium project with $50 million per annum.
- The U.S. Government-run radios and television make important contributions in this struggle, but there is a huge unmet opportunity in independent radio and television. Our NGO funding for media is overwhelmingly for training. Imagine the credibility and influence if Iran's national student movement had its own radio, and therefore voice. Similarly, an open radio broadcasting platform for North Korea, produced by Koreans for Koreans, could have a huge impact. The "Washington Post" this week quoted a Radio Farda representative saying that "should the mullahs be overthrown" would be an unacceptable topic for Farda. But a nonviolent overthrow is precisely the main topic on the minds of a majority of Iranians. I propose an Independent TV and Radio Fund be established, with its own board, to ensure that stations receiving support adhere to international broadcasting standards and promote nonviolent transitions to democracy. Such a fund could easily and wisely spend $100 million per year.
- Telephones, including cell phones, are another major and largely underexplored and supported means for communications and organization within dictatorships and with the outside world. For example, one American NGO has proposed a massive program of calling the personal and official phones of those persecuting people in China to explain that what they are doing is morally wrong and that they will be held accountable when the rule of law and democracy arrives. This group states that it has over 500,000 such phone numbers and success with its limited resources in talking with some people. I believe a Democracy Technology Fund devoted to uses and programs for existing technologies like cell phones and developing new technologies (mass text messaging devices to call people to and manage demonstrations) for communications among democrats could wisely spend another $50 million per annum. Immense excitement and "voter" participation in American Idol clones on a Middle Eastern television show that popular referenda can be done via cell phones and text messaging. The digital world can disintermediate the dictators by organizing direct referenda, even elections.

STUDENTS

From Indonesia to Hungary, and more recently from Serbia, to Ukraine and Nepal, students and young people have been at the forefront of a majority of peaceful ousters of dictators over the past four decades. Those who founded Students for Global Democracy at Indiana University recognized that students outside dictatorships can help. For students from democratic countries to show solidarity by visiting their colleagues inside dictatorships, and—where they are willing to take the risks to join in demonstrations, sit-ins, and other nonviolent actions, could make a massive difference—just as northern students like me gave encouragement to those on the front line in the South during our own civil rights struggle, merely by our presence. Training by young people experienced in nonviolent conflict for those inside is increasingly taking place but is still underfunded. And funding, direct or indirect, of student and youth groups committed to action is even more grossly underfunded. We need a special Students for Global Democracy Fund which would be run by student and youth leaders from democratic universities and groups across the democratic world—who would give direct financial assistance to their colleagues inside the not-free countries. The middle-aged, both inside our existing NGOs and within governments, somehow are not comfortable aiding students and youth. Another $50 million per year would be money very well spent.

ADVANCE DEMOCRACY ACT

As a Chinese dissident said last month to President Bush, the U.S. Embassy in Beijing should be more welcoming to Chinese Democrats. The Act would require the

State Department and our embassies to meet and work with local Democrats and NGOs to develop long-term strategies for harnessing U.S. Government resources to promote democracies in each not-free country. Inside all 45 dictatorships there are upwards of 100 embassies of democratic countries. Beginning with American embassies, they should be key partners for local and foreign NGOs. The ADVANCE Democracy Act, which was passed by the House last year with broad bipartisan support and is now before the Senate, would transform our embassies into freedom houses and our ambassadors and other diplomats into active, trained supporters of nonviolent campaigns for democracy. Unfortunately, in too many cases, embassies—and the larger United States foreign policy apparatus—are not playing the role they should. In the case of Uzbekistan, for instance, while the U.S. Government should be praised for calling for an international inquiry into the events in Andijian, they have been strangely silent on following through with targeted sanctions aimed at key supporters of the regime. Most of the NGOs active in the country have been kicked out, and the U.S. Government has yet to authorize a continuation of efforts of Freedom House, ABA, Internews, and others, to provide a lifeline to human rights defenders and other activists within the country. Indeed, the latest USAID strategy for the entire Central Asia region makes no mention of a need to provide support to frontline human rights defenders in any country in Central Asia at all in the future. On the other hand, our Interest Section in Cuba and Embassy in Zimbabwe are showing some of the creative methods that can be applied. The Act also provides the Community of Democracies the ability to become an alliance of democratic actors, not just talkers, and provides funding for its affiliated NGO—the International Center for Democratic Transition, which was established to transfer the experience of successful transitions to those still under repression.

TIME AND SPACE

Dictators are far more vulnerable than most recognize. Their ouster is virtually never predicted by the world's cognoscenti and sometimes happens with breathtaking speed. But often building the individual will and national coalition to oust one takes time and experiences setbacks. Once they are ousted, the most dramatic improvements in freedom tend to come quickly in the successful transitions, but time is often required for real consolidation. NGOs and their supporters therefore need programs which persevere, sometimes over a decade and more, on either side of the ouster. Similarly, they need space, to be as present inside as possible. We should establish and maintain a diplomatic presence inside every dictatorship, including Tehran and Pyongyang, to assist local and our own NGOs. Our goal should be to open, not further close off these repressed societies and to do so through every form of exchange. By not dealing with them in this brief testimony, I do not mean to underestimate the critical importance of many traditional NGO programs designed to open these countries and build civil society. Over time and with expanding space, we should move from general assistance to civil society forces, to targeted assistance focused on education and training in civic nonviolent resistance, to assistance for cohesive civic coalitions through which such resistance is expressed. And when the ouster occurs, we should not abandon our democracy programs too soon, as we are on the verge of doing in Serbia.

SULLIVAN PRINCIPLES FOR DEMOCRACY

We do not think of our corporations as NGOs, but they are often the most powerful nongovernmental presence of the democracies inside dictatorships. I propose that key human rights and democracy NGOs and key democratic governments meet with leading businessmen to formulate a code of conduct for businesses inside dictatorships, and establish a Business Community for Democracy to work with the Community of Democracy and its NGO partners to enforce the code. The Universal Declaration of Human Rights provides a good basis for such a code. For example, the Declaration provides workers the right to organize independent unions and our companies could and should allow labor organizing within their factories and other enterprises inside dictatorships. Organized workers, with students, have been the most powerful agents of change in numerous successful nonviolent campaigns. Trade unions are critical NGOs. It would be appropriate for all S & P listed companies to contribute $250,000 each to a Global Democracy Fund to ensure the BDC has real clout, with companies contributing to censorship and other problems like Google, CISCO, and Microsoft contributing substantially more. There would be "safety in numbers" for each of these companies vis-a-vis their Chinese and other dictator hosts.

It has been precisely 25 years since a small group met here in Washington to conceive and push through major new democracy promotion organizations: NED, CIPE,

IRI, NDI, as well as the AFL–CIO's already existing programs. As one of those present at that moment of creation and active in this field since then, I think the time has come for another moment of creation and another push. Immense progress has been made and with another quarter century's effort we could finish the job. The House and Senate sponsors of the ADVANCE Democracy Act propose that a Democracy Promotion and Human Rights Advisory Board be established to review and make recommendations regarding the overall United States strategy for promoting democracy and human rights. We need an independent, in-depth, zero-based look at what works and what our priorities should be for the future.

The administration states that we are now spending $1.4 billion on democracy promotion. While that is certainly a substantial increase over previous years, why are the sorts of initiatives I have outlined not receiving serious or any funding? Why do NGO programs focused on dictatorships get well under 50 percent of the money? Is $1.4 billion insufficient? Do our priorities need fixing? Do we need to support new NGOs and should some of the existing ones lose their funding? Painful as some of these choices may be, the task is of such fundamental strategic importance to the United States and the entire world that we should not shrink from basic questions.

At the same time, we should not allow the complexities of Afghanistan and Iraq to obscure the successes of nonviolent democracy promotion or to sap our will to persevere. Making dictators an extinct species has been and can be done without firing a shot in almost all situations. A world without dictators would be peaceful, prosperous, and just. Surely that goal is worth sustained commitment and substantial funding by the American people for their NGOs—the heirs of Mahatma Gandhi, Martin Luther King, and Lech Walesa in this noble struggle.

The CHAIRMAN. On that ringing high note, we will take a recess for about 10 minutes while Senators vote. And then we will return for Dr. Halperin's testimony.

Senator BIDEN. Mr. Chairman, I want to apologize in advance to the panel. I have agreed to meet with a group of democratic leaders relating to a matter on the floor. And I am not sure I will be back before the panel is over. That was supposed to take place after the first vote but it may not. If it does not, I will be back. I apologize if I do not get back.

[Recess: 11:03 a.m. to 11:18 a.m.]

The CHAIRMAN. The committee will come to order again. Thank you.

We will proceed now to the testimony of Dr. Halperin. It is a pleasure, as always, to have you before the committee, sir, and we look forward to your words today.

STATEMENT OF DR. MORTON H. HALPERIN, DIRECTOR OF U.S. ADVOCACY, OPEN SOCIETY INSTITUTE, EXECUTIVE DIRECTOR, OPEN SOCIETY POLICY CENTER, WASHINGTON, DC

Dr. HALPERIN. Thank you very much, Mr. Chairman. I appreciate the opportunity to appear again before this committee, in this case to discuss the role of NGOs in helping individuals and governments to get on the path to democracy and to remain on that path. And I want to say I agree with the previous witness that helping countries get on that path is very important. But I guess I would give equal emphasis to helping countries stay on that path. I think that is an equally difficult and important challenge.

And the Open Society Institute and its related entities, often referred to collectively as the Soros Foundation Network after its founder and patron, George Soros, plays, I think, a unique role in that process. And I appreciate the opportunity to have a few minutes to discuss that here with the committee.

In more than 20 years that the network has functioned, it has adopted some principles which we think explain why it has been

effective and which we think are worth emulation by other groups. And in my prepared statement, I provided some specific examples of how those principles work.

The network has been in operation since 1984. And over that period of time, it has spent approximately $5 billion in over 70 countries in the support of development of open societies. Almost all of that work is done through local foundations operating in the country where the network is functioning.

As a fundamental principle, we rely on the judgment of local boards and staff that decide what should be done and who carry on the activities. The network does not impose a strategy but gives grants to local foundations after evaluating the locally-developed strategy and then provides programmatic and technical assistance, in addition to financial support. We think this distinctive way of operating is in fact the key to the successes that we have.

A second general principle is that we operate in a strictly nonpartisan manner. We are not in the business of favoring one political party, faction, or candidate over another. And we do not advocate for "regime change." In the few instances in which the network has been involved in election-related activities, it is to promote an honest and level playing field. Our elections activities are transparent. And information is disseminated openly, not to ensure any particular outcome, but to try to provide an equal opportunity for all. And that was the case in Ukraine recently, a matter which has received a lot of attention, not only in Ukraine but in Russia and other countries in the region.

A third principle is that we operate independent of the U.S. Government and any other government. It is not our mission to implement the policies of any government. Like many donors, however, there are times when we support the efforts of government to promote reforms in their own countries, particularly in the earliest stages of the transition to democracy. Such is the case now in Liberia, where the Soros Network is working very closely with the United Nations Development Fund to provide assistance in various ways to the new democratically elected Government of Nigeria.

Throughout the network's history, there has been numerous instances where U.S. Government democracy assistance has complemented OSI's efforts to promote an open society. And at various times and in various places, the Soros Foundation Network has cofunded initiatives with the U.S. Government and other governments in such areas as civil society development, public health, and education. Bosnia is a good example of where we have been working with local governments and other governments over a long period of time; and where we think it is solely yielding results in consolidating democracy in that country.

The last general principle I mention is that we believe that private, nongovernmental funding directed at local groups is always an essential element of democracy building. Government funding, especially from major powers such as the United States, is most likely to be effective if it comes through entities like the National Endowment for Humanities and its related institutions, rather than from governments directly. However, government funding given to American and local NGOs can play an important role. But when the U.S. Government is providing such assistance, we believe

it must pay careful heed to what we are hearing from the local NGOs in a particular country.

In Egypt, for example, the message is very clear. Local NGOs desperately want assistance, including assistance from the U.S. Government, because they think that assists them in establishing their legitimacy and their ability to struggle for democracy. In Iran, on the other hand, I think we are hearing the opposite from those struggling for democracy in that country—that any hint that they are associated with the United States, and particularly with the perceived policy of regime change, is the kiss of death for those NGOs. And I think in those circumstances we should do things like the radio broadcasts that have been discussed, but we should be careful not to taint NGOs, who are signaling that they need to show a separation from the United States.

And we think, as I have said, that we need to be prepared to stay for the long haul, that a single election does not democracy make, even two elections. And our work in Bulgaria, as well as many other countries, shows that an extended participation, building up open society institutions, youth groups, other kinds of advocacy groups, is important to the process.

And equally important is what has been discussed so far by the other people who have testified; that is, support for NGOs. OSI itself is often subject to attack in various countries. We have had our foundations closed in a few countries and have moved them just out of reach of those dictators, as the endowment. We have also worked with the U.S. Government and with other NGOs to try to fight against these laws in Russia and other countries; and to try to fight for their women in application and have provided assistance to NGOs struggling to maintain themselves.

I also want to express my support for the position that the administration witness indicated support for, and that is to make sure that in the new Human Rights Council, NGOs have the same right of access as they had in the old commission. I cannot help but note that the U.S. Government would be in a better position to endorse and support that position, if it had stood for election to the Human Rights Council. But it is not too late for the administration to appoint a special high-level ambassador to attend those talks and to lead the fight at those talks, as an observer nation, to maintain the role of NGOs in that process.

Mr. Chairman, I appreciate all that you and this committee have done to support democracy promotion and particularly the work of NGOs. And I would be pleased to respond to questions.

Thank you.

[The prepared statement of Dr. Halperin follows:]

PREPARED STATEMENT OF DR. MORTON H. HALPERIN, DIRECTOR OF U.S. ADVOCACY, OPEN SOCIETY INSTITUTE, EXECUTIVE DIRECTOR, OPEN SOCIETY POLICY CENTER, WASHINGTON, DC

I much appreciate this opportunity to appear before this distinguished committee to participate in your consideration of how nongovernmental organizations (NGOs) can help individuals and governments get on the path to democracy and remain on that path. The Open Society Institute and its related entities, often referred to collectively as the Soros Foundations Network, after its founder and patron George Soros, plays a unique role in this process. I and my colleagues very much welcome this opportunity to explain our approach and to provide some examples of what we have done in the more than 20 years that the Network has functioned. I want to

lay out some general principles and then to illustrate how the Foundations Network works by describing briefly our efforts in a few specific countries.

The Soros Foundations Network has been in operation since 1984. In the last decade alone, the Network has expended approximately $5 billion in over 70 countries to support the development of open societies. Most of our work is done through local foundations in the countries in which the Network is operating. As a fundamental principle, we rely on the judgments of local boards and staff that decide what should be done and who carries out the activities. The Network does not impose a strategy but grants funds to local foundations after evaluating strategies developed locally and provides programmatic and technical assistance in addition to financial support. We think that this distinctive way of operating is the key to the success of our efforts.

A second general principle is that the Network operates in a strictly nonpartisan manner. We are not in the business of favoring one political party, faction, or candidate over another, and we do not provide support for "regime change." In the few instances in which the Network has engaged in election-related activity, it is to promote an honest and level playing field. Our efforts in the elections area are related to transparency and information dissemination, not to ensure any particular outcome. I will describe one such set of efforts in Ukraine in 2004, shortly.

A third principle is that the Network operates independently of the United States Government and of any other government. It is not our mission to implement the policy of any government. Like many donors, however, there are times when we have supported the efforts of governments to promote reform in their own countries, particularly in the earliest stages of the transition to democracy. Such is the case in Liberia, where we have teamed with the United Nations to create a Capacity Building Fund to support the reform efforts of President Sirleaf. I will discuss this ongoing effort, as well.

Throughout the Network's history, there have been numerous instances where U.S. Government democracy assistance has complemented OSI's efforts to promote an open society. At various times and in various places, the Soros Foundations Network has co-funded initiatives with the U.S. Government and other governments in areas such as civil society development, public health, and education. Bosnia, where we have been working with the local governments and other governments over a long period, is one example where this cooperation is yielding results, as I shall discuss.

Our ability to work effectively with the U.S. Government has varied over time. At the current moment, perceived association with the U.S. Government is not always helpful. The last general principle I will mention is that we believe that private, nongovernmental funding directed to local groups is always an essential element of democracy building. Government funding, especially from a major power such as the United States, is most likely to be effective if it comes through entities like the National Endowment for Democracies and its associated institutes rather than from the government directly. However, government funds given to support American and local NGOs can also play an important role.

I would be pleased in the question period to elaborate further on these general principles and to explain in more detail how the Soros Foundations Network operates. However, I would like to use my remaining time to illustrate our operational approach by focusing on a few specific cases. These reports are very different in style precisely because they reflect, as does all our work, direct input from the local Soros Foundation. I thought this was a useful way to underscore our conviction that local leaders must be allowed to speak for themselves and to present the challenges and opportunities as they see them.

UKRAINE

Because of its nonpartisan mandate and concrete programmatic orientation, the International Renaissance Foundation (IRF, the Kyiv-based Soros body in Ukraine) viewed the recent elections as more of a means than an end. The elections were considered a significant institutional milestone, to be sure, but one which presented a challenge to be sure that IRF remained faithful to its key priorities. Those efforts focused on election-monitoring (most notably via an exit poll that they helped spearhead with other donors), voter education, public opinion analysis and regional debates, and guarantees of voter rights.

2004 Presidential election

The IRF supported complex programming during the presidential contest of 2004. Needless to say, the funded projects did not seek to support a particular candidate, but worked to create an environment conducive to compliance with Ukrainian elec-

toral law, respect of voters' rights, and open access to information. A few key examples of their work:

- Monitoring election financing: Identifying the total cost of the candidates' campaigns, the distribution of federal electoral funds, and the transparency and accountability of both;
- Monitoring media coverage of the election period;
- Supporting NGO coalitions, working on voter rights and civic engagement; and
- Supporting exit polls (widely viewed to be the crucial impetus for the mobilization of the Orange electorate in protesting the election's falsified results).

2006 Parliamentary election

During the March 2006 parliamentary elections the IRF supported many of the same initiatives as discussed above, including key exit polls which provided laudably accurate results. In light of the increased power of Ukraine's parliament due to constitutional reform, the foundation focused on enhancing the quality and availability of information and analyses of party platforms so that voters could make, as the IRF called it, a "deliberate choice." Amid this effort, Ukrainian NGOs were provided with support to enable them to study campaign promises and party political records on concrete issues and to distribute the findings to the media and on the Internet. Public forums were held all over Ukraine about the results, with journalists, experts, and average citizens participating. IRF also supported a series of round tables, debates, and interviews with leading politicians that were broadcast on television and the radio. Not only did this effort improve the quality of information provided to Ukrainian citizens, it also set a higher standard for public scrutiny of political choices. Correspondingly, the initiative encouraged Ukrainian politicians to establish a political culture characterized by competing public policies, programs and individuals, rather than vague populist pledges.

Other International Renaissance Foundation activities

The areas focused upon by the foundation during the recent electoral period—freedom of expression, transparency and accountability, and human rights work, broadly defined—are those in which the foundation has had a long-term interest and which constitute the core of Network-supported activities. The IRF also supports projects and programs which foster the development of civil society and promote the rule of law and the independence of mass media. For instance, the IRF has provided funding to diversify information sources for civil society, democratize education and public health, and protect minority rights.

A major advocate for transparency in Ukraine, IRF is a model of transparency itself, openly conducting tenders for its funding and informing the public regularly of its activities through press conferences, bulletins, and Internet publications.

Several key examples of the IRF's current work include:

- Supporting legal aid and creating a pilot network of legal aid centers (in most parts of the former Soviet Union, a formal system of legal aid is absent);
- Supporting publication of a seminal report on the state of human rights in Ukraine, prepared by a network of Ukrainian human rights organizations;
- Supporting public access to government information through information requests to various public bodies and legal action against those bodies which refuse to release requested material (In part, due to this effort, the Ministry of Justice recently affirmed that the widespread practice of secret decrees was illegal.); and
- Supporting a pilot testing initiative in 33 universities to eliminate the rampant corruption inherent in entrance examinations.

BULGARIA

The Open Society Institute has been the primary private funder of NGOs in Bulgaria for the last 16 years and has consistently promoted the fundamental values and processes of liberal democracy. These programs demonstrate the importance of a long-term commitment to help institutionalize key elements of democracy over time and to create the needed civil society components.

The foundation has played a decisive role in creating and maintaining the infrastructure of Bulgaria's civil society. It has founded more than 20 NGOs and has provided support to more than 50 others. These organizations constitute the most active segment of Bulgaria's civic sector and include watchdog groups, think tanks, grassroots NGOs, and educational institutions such as the American University in Bulgaria.

Among the keys achievements of the foundation are the following:

- Opening the world for a generation of students, academics, and intellectuals through scholarships, exchange programs, and fellowships; close to 4,000 individual grants have been awarded, many of them to opinion-leaders and decision-makers in Bulgaria;
- Filling voids in Bulgaria's public life with books, publications, and information resources; the translation program single-handedly made available the basics of philosophy, sociology, political science, anthropology (more than 200 titles), subjects that had been "closed" by the communist regime;
- Dramatically improving the civic awareness and skills of NGO practitioners, civil servants, and politicians at the central and local levels;
- Calling attention to the plight of the country's Roma citizens and supported a broad program of advocacy, self-help, and social service to that community; OSI also initiated the Decade of Roma Inclusion (with the World Bank as partner), which led the Bulgarian Government to adopt an $800 million 10-year program for improving housing conditions for the Roma minority;
- Initiating public debates on issues previously left off the agenda, such as access to justice, the rights of people with mental, intellectual, and physical disabilities, and palliative care; and
- Introducing innovative approaches to social problems piloted in other countries, such as community policing, diversity management in local government and minority community centers. Many of these were later institutionalized within government agencies.

Here are some specifics on a few key programs:

Human rights

OSI has been a major architect of the human rights infrastructure in Bulgaria. It helped create and maintain a network of human rights NGOs, which produced the first voices promoting radical reforms to the old totalitarian system. Through public awareness raising and strategic litigation, these organizations have brought about a sea-change in Bulgaria's public sphere, including the adoption of modern regulations on antidiscrimination and access to public information.

Rule of Law

OSI has promoted equal access to justice for all citizens. The foundation initiated the first research studies on this issue, advocated for the new law on Legal Aid (adopted in 2005), and supported a network of NGOs providing free legal advice to vulnerable social groups. It also supported public interest lawsuits on a variety of issues. OSI has established a number of legal clinics and helped design national standards for clinical legal education. Much of this work has been done in partnership with USAID-funded programs (specifically ABA–CEELI) and the European Union.

Media

During the first 7 years of Bulgaria's transition to democracy, OSI promoted the development of independent media by providing funding, training, and expertise to reporters and editors. These efforts included the development of a code of ethics and support for investigative journalism. In 1998, the foundation established the Media Development Center, which is dedicated to the development of a professional journalist community in the country. OSI continues to support diversity in media by helping Roma journalists break into mainstream news outlets.

BOSNIA AND HERZEGOVINA 1992–2006

The Soros Foundation Network activities in Bosnia and Herzegovina illustrates the diverse roles which the Network plays in responding to threats and opportunities and in empowering a local population to seek its own path to democracy.

Work began during the siege of Sarajevo begun in November 1992. In December 1992, a $50 million gift by George Soros was given to UNHCR for redistribution to international NGOs to address the desperate humanitarian situation. The intent was not only to help alleviate the suffering of those in need of humanitarian assistance; the foundation also hoped to attract international humanitarian NGOs to work in Bosnia and Herzegovina and, through their presence, provide international witnesses who would speak out against the war crimes and crimes against humanity committed in connection with the policies of ethnic cleansing. Among the projects funded in Sarajevo through the Soros humanitarian fund was one which established a new water system; another that connected 60 percent of the homes to natural gas for heating and cooking purposes; another that brought seeds to Sarajevo to permit residents to grow vegetables on terraces and in gardens; and another, kept secret during the war so as not to endanger those involved with it, that increased the elec-

tricity supply to Sarajevo by 30 percent to ensure uninterrupted operation for hospitals, the central bakery, the TV station, the Presidency, and other facilities necessary for the survival of the city.

Humanitarian assistance activities during this period of necessity focused on bare survival in times of war. Foundation projects included donations of equipment and supplies, medical facilities, food aid, and clothing for the most badly affected groups; establishment of e-mail links in many institutions, scholarships, computer courses in Zenica, Mostar, and Sarajevo, pen-pal project with Sarajevo children, solar lamps to academics and intellectuals, hospitals, and morgues, and an open phone line so relatives and friends from around the world could call in.

From 1995–1999, with the relative normalization of the situation following the Dayton Peace Accords, the focus moved to building civil society and institutions from the remains of the war. A new local board was appointed from people all over Bosnia and Herzegovina (not only Sarajevo, now that people could travel). Opening of a branch office in Banja Luka brought new challenges of working within Republika Srpska, new media, new NGOs, more projects to fight nationalism and the high influence of Milosevic and Karadzic. Among the new programs:

- Priority shifted to education and cultural programs involving young people (anti-brain-drain);
- Creating highly specialized centers for media, law, contemporary art, management, and information technology; children education centers;
- Publishing program supported together by the foundation and modern Bosnia and Herzegovina literature, as well as authors in social and natural sciences;
- Over $8 million supporting independent media (print and electronic) on the premise that there can be no democracy without free media ensuring a truly autonomous space for open public dialog on key social and political issues; and
- Other programs included debate and library programs, as well as thousand of grants given to high school and university students, journalists and scientists, professors, musicians, writers, economists, painters, actors and directors, persons with disabilities, doctors, engineers, IT specialists, and linguists.

Beginning in 2000, the foundation began to focus on a limited number of areas identified as priorities on the road toward open society. The current approach is the determination to work on long-term projects with clear targets which would contribute to a systemic change in the society. An important element of the new approach is various forms of partnership and cofinancing with other international organizations/agencies. Priorities have been selected on the basis of an assessment of the relative significance of the subject matter for the democratization process.

The priorities are youth and long-term education reform, promoting rule of law and good governance, and protecting minorities and other vulnerable groups. The foundation prioritized youth since they can serve as advocates of a better and more open society, and long-term education reform programs, since they use "top-down" and "bottom-up" approaches equally, thus improving both levels at the same time. The impact is felt at the system level in its institutions and at the local level in the schools themselves.

The second priority—building an open society through the promotion of the rule of law and principles of good governance—is the focus of the law program and the local governance program. The law program is dedicated to creating an ambience that would lead toward the rule of law, in general, as well as human rights protection and improvements in knowledge and skills of those who are supposed to be the pillars of the rule of law in society. Promoting a culture of transparency and accountability among local authorities and strengthening democratic values through civic participation in decision making is at the core of the local governance program.

The third priority concerns minorities and other vulnerable groups. The Roma Program tries to bridge the gap that still divides the Roma and the rest of society, through capacity building in Roma associations, inclusion of Roma children into the education system, as well as protection and support to Roma culture and ethnic identity. Although statistically they are not a minority, women qualify as a "vulnerable group" on the basis of their position in society. The women's program promotes upgrading women's human rights, equality, and empowerment, while also focusing on combating violence against women.

In 2000, the foundation undertook a huge research project called "Developing the New Policies of International Support in Bosnia and Herzegovina—Lessons (Not) Learned," that ended with an international conference and publication of a book.

In 2005, the foundation conducted a democracy assessment project which aimed to provide systematic evidence of the actual state of the democracy in Bosnia and Herzegovina. Based on the International Institute for Democracy and Electoral Assistance's methodology, the assessment represents the first-time research done by

local people and not international organizations; by identifying weaknesses of current political practice, the assessment also provides a platform for an already established NGO coalition, supported together by the foundation and USAID, that pursues the promotion of "issue-based" instead of "ethnic-based" voting as the country approaches general elections in October 2006. This assessment also created the base for a further, continuous engagement of the foundation in the monitoring of democratic development in the country.

INDONESIA

While Suharto was in power, the Network assisted media in Indonesia by supporting publications under attack by the regime and by connecting radio stations across the archipelago and enabling them to form a network, known as 68H, capable of broadcasting national newscasts. Our support was provided through the Media Development Loan Fund which was established by OSI in the mid-1990s, and is now an independent organization that OSI continues to support. At the outset, the radio network in Indonesia provided connections by Internet to about 150 stations; today, it continues to operate with about 300 member stations connected by satellite. We are currently supporting 68H by providing funds to radio stations damaged by the recent earthquake. Now, the Open Society Institute's primary grantee in Indonesia is Yayasan Tifa, one of the largest grant-giving indigenous foundations in the country. Soon after the fall of Suharto, OSI brought together a group of Indonesian public intellectuals, NGO leaders, and other like-minded persons to formally launch a foundation that would promote open society values. OSI was the sole funder for the first years; now Tifa has been able to attract other funds, though OSI is still the main funder.

Through this foundation, OSI supports programs in the areas of human rights, local governance, media, conflict prevention, pluralism, and access to justice in the most populous Muslim country in the world. In each programmatic area, Tifa begins the process of defining its strategy by consulting with NGOs and civil society organizations about what the local communities and individuals feel are the issues of greatest concern and need. The foundation, staffed completely by local Indonesians, develops its program and grant-making strategies from this initial feedback. The grant decisions are then made by a combination of recommendations by program officers to Tifa's senior administration and members of the board of directors, who are also all Indonesians.

Two of the priorities of OSI in Indonesia have been support for the peace process in Aceh and support to local media.

Revitalizing and Supporting Civil Society in Aceh 2005–2006

Tifa made a number of grants to help civil society respond after the tsunami. These included:

- A meeting of civil society groups in Aceh—140 members of civil society and donor institutions met to discuss priorities and strategy;
- A meeting of religious leaders—600 religious leaders from Aceh and surrounding districts met and wrote a letter of recommended actions to government officials;
- Providing grants to rebuild structure of NGOs effected by the tsunami;
- Partnering with women's organizations to help them foster a stronger role for women in the post-conflict society through providing model quality programming for their community; and
- Supporting advocacy NGOs that focus on budget monitoring and corruption watch.

Tifa also developed a Conflict Prevention: Early Warning System (EWS) based on the view expressed by interim Tifa executive director, Budi Santoso, that, "If conflict prevention is done by strengthening communal rights of local people and enlightening them to democratic values, we believe that they can work for preventing conflict."

The EWS teams in Aceh, Ambon, and West Kalimantan organize networks of local people (multi-stakeholder network, both at the village and district level) to analyze the situation on the ground to better forecast the potential of conflict or tension in their area. They are also trained to analyze the potential of using local capacity to settle conflicts.

Tifa and EWS Jakarta are working to rebuild the Aceh EWS post-tsunami. They will begin by developing baseline data and conflict mapping and then reorganize the network or organizations committed to EWS. There have been several NGOs that have voiced their commitment to EWS; Tifa feels it is important to support.

The post-tsunami peace agreement is fragile and facing a most difficult time with the reintegration of the Indonesian military and separatist movements' members back into the community. There are many unresolved issues, including alleged unequal compensation that appears to favor the ex-separatists versus their victims. Meanwhile, reconciliation is an urgent need. Tifa is supporting the ulemas (religious leaders) to make a community reconciliation plan by consulting all of the conflicting parties, including the government, military, police, and ex-separatist members. The perpetrators are being asked for forgiveness before the community with a promise to make peace, in a local ritual called "pesijeu." This locally organized peace and reconciliation effort has been attempted in several areas, such as Aceh Utara, Aceh Barat Daya, and Aceh Besar. Tifa has worked with religious organizations in Aceh, namely Rabitha Taliban, HUDA, and Insafuddin, to bring about this peace and reconciliation effort.

Independent media

A second major area of Tifa's work is supporting independent media. Among the key activities:

- In 2005, Tifa supported nine local media organizations.
- Most support goes to community radios outside of Jakarta to help the grassroots stay better informed.
- The long-term goal is to help the community radio stations draft legislation that will regulate and support the use of community radio as part of the community development process.
- Example: COMBINE Research Institute of Yogyakarta helps communication between grassroots and mainstream through activists and advocates who use radio and multiple forms of media.

LIBERIA IN TRANSITION

After a quarter century of war, corruption, state failure, and massive human rights abuses, Liberia is taking the difficult but necessary first steps toward reform. The new President, the first female elected to the post on the African continent, is motivating international actors, West African states, and Liberia's citizens for participation in a package of needed and possible reforms. Prospects for Liberia's future appear positive at the moment. Failure would undoubtedly contribute to regional instability, a proliferation of mercenaries, further exploitation of Liberia's natural resources and a return to war. The present juncture, where a fair and democratic electoral process has culminated in prospects for development rather than for ethnic-based conflict, is a rare and catalytic opportunity to help forge a beacon of stability in an otherwise tense regional context.

The unique architecture of the Open Society Network provides a readily accessible and locally informed means to support and help sustain transition in Liberia. A combination of local representation and expertise and international policy experience ensures a locally owned process for capacity building and sustainable reform in the country. In addition, thematic expertise in the network in such areas as public heath, revenue transparency, and independent media increases the depth and breadth of Open Society engagement.

The distinctive and multilayered architecture helps to prioritize and amplify Liberian voices. The Open Society Initiative for West Africa (OSIWA), a regional foundation of the Soros foundation network supported nongovernmental and community-based organization in Liberia during the turbulent years of war. OSIWA held a consultative meeting in Monrovia in March 2006 to reengage with partners, listen to the needs of local communities, and deepen its commitment to Liberia. The OSIWA delegation visited the newly established Truth and Reconciliation Commission, legislators, government ministries, and international agencies such as the United Nations Mission in Liberia. The visit offered a means to develop a calibrated strategy of engagement centered on the core value of entrenching local solutions to local challenges.

The following examples illustrate the range and characteristics of the strategy:

An urgent need for accountability, justice and reconciliation—requires an accessible Truth and Reconciliation Commission. OSIWA provided a grant to the Commission, thereby allowing activities to begin while it raises funds regionally and internationally. Network offices in Washington, New York, and Brussels complement the grant by coordinating fundraising tours and visits with the Diaspora for commissioners.

Responding to a need for amalgamation among civil society actors and ethics training to avoid corruption in the sector—OSIWA programs are working with civil society actors on coalition building and will create a forum for civil society organiza-

tions to meet counterparts in neighboring countries such as Sierra Leone to share best practices. Support to civil society not only provides opportunities to grow a new tier of civil society leaders, but also ensures the development of watchdogs that are a critical element of open and democratic space.

Capacity building is an essential element of reconstruction.—OSIWA and the Open Society Institute (OSI) in New York support the UNDP-administered Liberia Emergency Capacity Building Support Project. The project provides support to the Government in its efforts to attract Liberian experts to manage key public service positions and to initiate a series of major reforms needed to transform and restore the twin attributes of efficiency and integrity to the Liberian public service. Additionally, OSI supports the Center for Global Development which is assisting Liberians in a project to implement an economic strategy and partner coordination mechanism, and assisting with IMF and World Bank negotiations.

Reforms are of course impossible without the requisite funding. Lost revenue from corrupt extractive industries in the past drained the Liberia economy.—OSI provides funds to the International Senior Lawyer's Project to support their review of the Firestone and Mittal Steel contracts on behalf of the Government of Liberia.

Raising the living standards of a deeply impoverished populace will assist in peace building and alleviate suffering.—OSIWA and the Network Public Health Program are jointly funding programs to map the legal framework for HIV/AIDS and supporting projects for communities to heal from massive gender-based violence, a hallmark of the war years.

Education can counter the ignorance that fuels ethnic-based rivalries.—The war largely destroyed infrastructure including schools. OSI therefore supports the Liberia Educational Trust, which makes small- and medium-sized grants to Liberian community-based organizations to rebuild schools, provide scholarships, distribute teaching materials, develop teachers' capacity, and support accelerated learning programs for older war-affected youth.

Independent media offers a valuable tool for social dialog.—OSIWA has just launched West African Democracy Radio, an outfit linking community stations in the Mano River Union (Liberia, Guinea, and Sierra Leone). The radio is the first of its kind and allows sharing among and within communities engaged in peace building.

Local, national, regional, and international advocacy is an essential ingredient in motivating support for all reform activities.—OSIWA and OSI representative offices in New York, Washington, DC, and Brussels have joined forces to raise the profile of Liberian voices among the diverse actors assisting the country.

In conclusion, OSI, particularly OSIWA, holds firm to the belief that democratization is a participatory process that must involve indigenous voices, not generic solutions provided by outsiders who lack local knowledge and often do not involve the populations they claim to serve. The multilayered and multidimensional input provided by the Open Society Network enshrines local ownership and local capacity building necessary to affect positive change.

CLOSING REMARKS

These words, Mr. Chairman, accurately reflect the view, not only of OSIWA as it relates to Liberia, but of the network as a whole as it seeks to support civil society struggling to establish and maintain democratic regimes.

I want to close by expressing the appreciation of the Network for all that you, Mr. Chairman, and this committee do to promote respect for human rights and to help people struggle for democracy. We are grateful for the opportunity to describe what the Soros Network does and what its philosophy is and to participate in this important discussion.

I would be pleased to answer your questions and to provide any additional information that members of the committee might wish to have made part of this record.

Thank you.

The CHAIRMAN. Well, thank you very much for your testimony and for your thoughtful comments about our committee. We appreciate that.

Mr. Carothers, would you proceed with your testimony?

STATEMENT OF THOMAS CAROTHERS, SENIOR ASSOCIATE AND DIRECTOR OF THE DEMOCRACY AND RULE OF LAW PROJECT, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE, WASHINGTON, DC

Mr. CAROTHERS. Thank you very much, Mr. Chairman. I appreciate the opportunity to testify at this hearing. And I also want to thank you personally for your deep and sustained interest in democracy promotion over the years.

The subject of democracy promotion has in recent years moved to the center stage of American foreign policy as a result of the heightened awareness of the strong connections between the advance of democracy in the world and vital U.S. national interests. The U.S. Government is devoting greater resources today than ever before to the task of supporting democracy abroad.

Nongovernmental organizations play a crucial role in implementing many U.S. democracy assistance programs. Yet many organizations involved in the democracy field are encountering significant obstacles and difficulties in the current international context. Understanding these new challenges and their causes is crucial to improving the effectiveness of democracy promotion efforts, both governmental and nongovernmental alike.

As the chairman has indicated in his opening statement, resistance to and measures opposing democracy aid are multiplying in the world. This is not just occurring in governments or in countries where the governments are hostile to the United States. Perhaps the leading proponent of such measures is a government which is one of our G–8 partners, the Government of Russia.

In part, these actions are due, as the chairman mentioned in his opening statement, as a reaction to the color revolutions that have occurred in different countries in recent years. But I think the picture is more complicated than that and it is important that we understand the full range of causes that are at work.

In addition to the color revolutions, we also have to note the fact that the Bush administration's emphasis on the Iraq war as the leading edge of its democracy promotion policy in the Middle East has closely associated democracy promotion with the assertion of American military power and security interests. With the United States intervention in Iraq unfortunately viewed as illegitimate in most parts of the world, the legitimacy of the general concept of democracy promotion has suffered accordingly.

Although these two developments, the color revolutions and the Iraq war, are essentially unconnected, their simultaneous or relatively simultaneous occurrence has caused many people in the world, as well as many authoritarian and semi-authoritarian governments, to take a new and much harder look at U.S. democracy promotion activities on their territory.

Second, the status of the United States as a symbol of democracy and human rights in the world has been greatly damaged by the abuses committed by the United States military and intelligence personnel in Iraq, in Afghanistan, at Guantanamo Bay, and elsewhere. And our reputation as a promoter of democracy and a symbol of democracy has also been hurt by other elements of the war on terrorism, including the secret rendition of foreign terrorism suspects to countries that regularly practice torture, reliable re-

ports of covert prisons in Europe, governmental eavesdropping without court warrants within the United States, and so forth.

Unfortunately, U.S. abuses empower foreign leaders to say to U.S. democracy promoters who are trying to get them to conform to standards of human rights and democracy: Who are you to tell us what to do in this regard?

Third, I also have to note the high price of oil and gas is bolstering the position that many nondemocratic governments around the world, especially in the former Soviet Union, and the Middle East, but also in Africa and Latin America. Almost all oil-rich states outside Europe and North America are autocratic. And the surge of oil and gas revenues that they are enjoying are strengthening their hand at home.

Moreover, some of these governments, particularly in Russia, Iran, and Venezuela, are taking advantage of this revenue windfall to fund their own cross-border political work. They are passing money to political allies or favorites to help influence the domestic politics of nearby countries in ways they hope will be favorable to their own interests. This challenging new context creates a number of imperatives, both for nongovernmental organizations and the U.S. Government alike.

Quickly, with respect to nongovernment organizations, I think first these organizations, whether funded by the U.S. Government or in some cases privately funded, must adjust to operating in a context of heightened suspicion about democracy promotion generally and United States-funded efforts, in particular. In some cases, this means choosing between the path of greater secrecy or less transparency on the one hand and more openness. And I have watched some of the democracy promotion organization face this choice. And I think it is very important that these organizations try to communicate more fully and effectively with citizens in host countries about what they do and why they do it and not take the path of secrecy.

Misunderstanding about the nature of democracy aid is very common in recipient countries. And many democracy promotion organizations have not taken serious steps to change that situation.

Second, it means that democracy promotion groups need to refine their strategies for pushing back against push-back. Now in some cases, this means pushing back hard and publicly against measures to block democracy aid. In other cases, such sort of active push-back will only fuel national sentiments and be counterproductive. Figuring out the right approach in different situations is difficult but crucial.

Third, U.S. democracy promotion organizations, as they develop their strategies and tactics for pushing back, have to be reasonable and realistic about what sort of access they expect in host countries. The United States and all other established democracies do put some limits on the political activities of foreign organizations operating within their borders. Expecting other governments to allow greater access to foreign organizations not allowed by the United States in the political realm is unrealistic, especially in situations of tense relations between the United States and the country in question.

With respect to the U.S. Government and its response to this challenging context, I would emphasize five things. First, the U.S. Government must not make the mistake of confusing regime change with democracy promotion. Regime change policies in which the U.S. Government seeks to oust foreign governments it views as hostile to U.S. interests, whether through military force or diplomatic and economic pressure, fail to gain international legitimacy. And they contaminate democracy promotion when they are presented as such.

The danger of such confusion is especially high today with regard to Iran. It is extremely difficult and potentially counterproductive for the United States to try to carry out democracy promotion activities in Iran if the underlying motivation is regime change.

Second, the United States must get its house in order with regard to violations by U.S. military and intelligence personnel of the rights of foreign detainees and prisoners abroad. The repeated tendency of the Bush administration to downplay serious abuses by U.S. personnel, to fail to pursue responsibility up the chain of command, and to not take clear steps at the top to make sure there is no ambiguity about the impermissibility of torture by U.S. personnel must be reversed if U.S. democracy promotion efforts are to operate from a base of significant credibility in the world.

Third, the Bush administration must steer clear of its growing habit of taking sides in foreign elections, whether through statements of preference about electoral outcomes by United States ambassadors, as has occurred in several Latin American countries in recent years, or aid programs which are designed to make the incumbent party look good against a challenger that the United States disfavors, as occurred prior to the recent Palestinian elections.

Fourth, the Bush administration must reduce the glaring double standard in democracy promotion in which unfriendly nondemocracies are singled out for pointed attention to their political failings, while those nondemocracies that are helpful to the United States, economically or in security terms, get close to a free pass. To give just one recent example, the weak United States response to the manipulated 2005 elections in both Kazakhstan and Azerbaijan undercut the United States assertion of democratic principles in Belarus.

Finally, and in closing, the U.S. Government must give greater emphasis and prominence to efforts to work in partnership with European governments and international organizations on democracy promotion. Although the United States is a leading actor in democracy promotion, it is only one of many in what has become a widely populated field. Portraying the United States as a city on the hill or having a uniquely special calling for democracy promotion sends the incorrect and unhelpful message to the world that democracy promotion is all about the assertion of the United States and its interests, rather than something that nearly all established democracies are concerned with and involved in.

If a freedom agenda is to be effective, it must not be a solely U.S. agenda but a global one.

Thank you very much.

[The prepared statement of Mr. Carothers follows:]

PREPARED STATEMENT OF THOMAS CAROTHERS, SENIOR ASSOCIATE AND DIRECTOR OF THE DEMOCRACY AND RULE OF LAW PROJECT, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE, WASHINGTON, DC

Thank you for the opportunity to testify at this hearing. The subject of democracy promotion has in recent years moved to the center stage of U.S. foreign policy as a result of the heightened awareness of the strong connections between the state of democracy in the world and vital U.S. national interests. The U.S. Government is devoting greater resources than ever before to the task of supporting democracy abroad. Nongovernmental organizations (NGOs) play a crucial role in implementing U.S. democracy assistance programs. Many organizations involved in the democracy field are encountering significant obstacles and difficulties in the current international context, some of which are the result of problematic U.S. policies and some of which are the result of causes outside the control of the United States. Understanding these new challenges and their causes is crucial to improving the effectiveness of all democracy promotion efforts, governmental and nongovernmental alike.

THE CHALLENGING INTERNATIONAL CONTEXT

Democracy promotion is never easy. In the past several years, however, a number of events and trends have rendered the overall context for democracy promotion unusually challenging.

First, suspicion about and resistance to U.S. democracy promotion activities in developing countries and postcommunist countries is at an all-time high. Democracy building work has long been greeted with skepticism abroad by persons unsure about the true motivations of democracy promoters and wary of what sometimes appears to them as foreign-sponsored political interference. But a combination of two different developments in the past several years has greatly increased such negative attitudes around the world:

- The Bush administration's emphasis on the Iraq war as the leading wedge of its democracy promotion policy in the Middle East has closely associated democracy promotion with the assertion of American military power and security interests. With the United States intervention in Iraq viewed as illegitimate in most parts of the world, the legitimacy of the general concept of democracy promotion has suffered accordingly.
- The recent "color revolutions" in Georgia, Ukraine, and Kyrgyzstan have also contributed to growing global unease about democracy promotion. The dramatic, inspiring political breakthroughs in these countries were an important advance for democracy. Yet, as accounts of U.S. support for key civic and political opposition groups in these countries spread, so too did the incorrect but seductive idea that the United States was the shadowy guiding hand behind those events.

Although these two developments—the Iraq war and the color revolutions—were unconnected, their coincidence has caused many authoritarian and semi-authoritarian governments to take a new, much harder look at U.S. democracy promotion activities on their territory. Many governments have started actively pushing back against democracy assistance, arguing that blocking such programs is necessary to defend their national security against what they portray as a United States bent on carrying out regime change against governments it does not like.

Although this new pushback against democracy promotion is occurring in many places, including Asia, Africa, and Latin America, the most concerted resistance is coming from Russia. Russian President Vladimir Putin has mounted a major campaign against Western democracy promotion, not only taking a series of punitive measures to limit the activities of Western democracy groups in Russia but also encouraging neighboring governments, especially those in Central Asia, to do the same. Nondemocratic governments have often put up obstacles to democracy promotion. This is the first time since the cold war, however, that a major government has made such a systematic and public campaign against democracy aid and worked across borders to enlist other governments in the cause. The fact that the campaign is originating not from a hostile government but from one of the United States's G–8 partners is especially significant.

Second, the high price of oil and gas is bolstering the position of many nondemocratic governments around the world, especially in the former Soviet Union and the Middle East, but also in Africa and Latin America. Almost all oil-rich states outside Europe and North America are autocratic; the surge of oil and gas revenues they are currently enjoying is helping strengthen their hand at home. Moreover, some of these governments, particularly those in Russia, Iran, and Venezuela, are taking advantage of this revenue windfall to fund their own cross-border political work. They are passing money to political allies or favorites to help influence the domestic

politics of nearby countries in ways they hope will be favorable to their own interests. More than almost any other single factor, a significantly lower price of oil would be a tremendous boost to the fortunes of democracy abroad.

Third, again for the first time since the end of the cold war, democracy no longer enjoys an unchallenged place on the international scene as the only political system viewed as successful and credible. China's continued economic success has elevated the "strong-hand" political approach to managing economic development as an attractive model in many parts of the developing world. Authoritarian leaders in the Middle East, Asia, and elsewhere justify their repressive tactics by citing the Chinese example. Citizens in some countries with poor development records show a willingness to sacrifice some of their freedoms for the possibility of better economic development. Although Russia's recent economic growth is substantially due to high energy prices, President Putin has received much of the credit for it, bolstering his popularity and contributing to the growing appeal of the strong-hand political model.

Fourth, the status of the United States as a symbol of democracy and as a leading promoter of democracy has been greatly damaged by the abuses committed by U.S. military and intelligence personnel in Iraq, Afghanistan, Guantanamo Bay, and elsewhere, as well as by other elements of the war on terrorism, such as the secret rendition of foreign terrorism suspects to countries that regularly practice torture, reliable reports of covert prisons in Europe, and governmental eavesdropping without court warrants within the United States. The damage to America's image has been enormous, a fact that is plainly and painfully obvious to anyone who is internationally aware, either abroad or at home, but which the administration refuses to acknowledge. The widespread perception that the war on terrorism entails the frequent violation of individuals' rights by the U.S. Government sharply contradicts President Bush's efforts to tell the world that liberty is the best antidote for terrorism.

Fifth, a narrower development, but one that goes to the heart of the United States push for democracy abroad, is the success of Islamist groups in two recent elections in the Middle East, in Egypt, and the Palestinian territories. The surprisingly strong showing of Egypt's Muslim Brotherhood and the victory of Hamas reopened old debates about whether democratization in the Middle East might actually be harmful to American interests by allowing Islamists parties or groups to come to power. Some commentators and some quiet voices in the U.S. Government have reacted by urging the administration to retreat from its embrace of a democracy agenda for the Middle East. The United States now faces some very hard choices about whether to sacrifice its commitment to democracy for the sake of opposing political forces it believes are dangerous to U.S. interests.

The fact that the international context for U.S. democracy promotion work has become more difficult does not mean that the United States should give up trying to support democracy's advance in the world. But it does mean that U.S. democracy promotion actors, nongovernmental and governmental alike, must take adaptive steps.

IMPERATIVES FOR NONGOVERNMENTAL ORGANIZATIONS ENGAGED IN DEMOCRACY PROMOTION

U.S. nongovernmental organizations engaged in democracy promotion should do several things to respond to this unusually challenging international environment for their work.

First, they must adjust to operating in contexts of heightened suspicion about democracy promotion generally and about U.S.-funded efforts, specifically. This means they need to communicate more fully and effectively with citizens in host countries about what they do and why they do it. Misunderstanding about the nature of democracy aid is very common in recipient countries and many democracy promotion organizations have not taken serious steps to change that situation. Rather than assuming that most people will be neutral or favorably inclined toward democracy promotion work, as many democracy promoters seem to do, they need to proceed from the assumption that many people, both political elites and ordinary citizens, will start with a negative view of any U.S. organization working on democracy issues.

It also means that democracy promotion groups need to refine strategies for pushing back against pushback. In some cases, pushing back hard and publicly against measures to block outside democracy aid will be the right approach. In other cases, it will only fuel nationalist sentiments and be counterproductive. Figuring out what is the right approach in different situations is difficult but crucial. Also critical is knowing when to push for broader diplomatic support from the U.S. Government against resistant host governments. The recent United States effort to counteract

the Kremlin's proposal to prohibit Western organizations from operating representative offices in Russia was successful but had the quality of an improvised campaign rather than one drawing upon a well-planned response strategy to democracy pushback. Furthermore, as they develop their strategies and tactics for pushing back, U.S. democracy groups need to be reasonable and realistic about what sort of access they expect to get in host countries. The United States and all other established democracies put limits on the political activities of foreign organizations operating within their borders. Expecting other governments to allow greater access to foreign organizations than that allowed by the United States is unrealistic, especially in situations of tense relations between the United States and the country in question.

Second, U.S. democracy promotion groups must focus attention on the fact that they can no longer assume a majority of citizens in countries where they work believe that democracy is necessarily the best possible political system. Dissatisfaction with the social and economic performance of new democratic systems is rife in the developing world. The growing attractiveness of the "strong-hand" model in many places means that democracy promoters must think about how to engage citizens in host countries in fundamental debates about the strengths and weaknesses of competing systems. Simplistic civic educational efforts extolling the virtues of democracy are inadequate; more sophisticated efforts that explore the complexities of the issues at stake are needed, especially efforts that seek to reach youth.

Third, given the sensitivities in many societies about U.S. Government intentions with respect to democracy and political change, U.S. nongovernmental organizations must take advantage of their organizational (though often not financial) independence from the U.S. Government to reach out to political actors in other societies who may be important parts of potential democratic processes but are wary of close contact with the U.S. Government. A good example in this regard are moderate Islamist parties and groups in the Middle East and parts of South and Southeast Asia. Such parties and groups often have a crucial role to play in political life but prefer to keep their distance from the U.S. Government. U.S. nongovernmental organizations can establish important lines of communication with such groups, helping expose them to democratic practices and norms as well as increasing understanding in both directions about intentions and outlooks. They may be able to do the same with populist movements and leaders in other parts of the world, especially Latin America and Central and Southeastern Europe.

IMPERATIVES FOR THE U.S. GOVERNMENT

Although this hearing is focused on the democracy-promotion role of publicly and privately funded NGOs, the role of the U.S. Government in democracy promotion is so crucial, and has in recent years been so troubled, that I feel impelled to note, at least briefly, several imperatives for the U.S. Government as well.

First, the U.S. Government must not make the mistake of confusing regime change with democracy promotion. Regime change policies, in which the U.S. Government seeks to oust foreign governments it views as hostile to U.S. interests, whether through military force or diplomatic and economic pressure, fail to gain international legitimacy and contaminate democracy promotion when they are presented as democracy promotion efforts.

Second, the United States must get its house in order with regard to violations by U.S. military and intelligence personnel of the rights of foreign detainees and prisoners abroad. The repeated tendency of the Bush administration to downplay serious abuses by U.S. personnel, to fail to pursue responsibility up the chain of command, and to not take clear steps at the top to make sure there is no ambiguity about the impermissibility of torture by U.S. personnel must be reversed if U.S. democracy promotion efforts are to operate from any base of significant credibility.

Third, the Bush administration must steer clear of its growing habit of taking sides in foreign elections, whether through statements of preference about electoral outcomes by U.S. ambassadors (as has occurred in several Latin American countries) or aid programs which are designed to make the incumbent party look good against a challenger the United States happens to disfavor (as occurred prior to the recent Palestinian elections).

Fourth, the Bush administration must reduce the glaring double standard in democracy promotion in which unfriendly nondemocracies are singled out for pointed attention to their political failings while those nondemocracies that are helpful to U.S. economic and security interests get a free pass. The weak United States response to the manipulated 2005 elections in both Kazakhstan and Azerbaijan, for example, undercuts the United States assertion of democratic principles in Belarus. The same kinds of disparities also hurt U.S. democracy policies in the Middle East.

Perfect consistency in democracy-related policies is not possible given the varying mix of U.S national interests in different parts of the world. Yet, at least some effort to push harder on friendly autocratic regimes that are undermining democratic reforms is necessary to give credibility to forceful U.S. criticisms of unfriendly autocratic regimes.

Fifth, the U.S. Government must give greater emphasis and prominence to efforts to work in partnership with European governments and international organizations on democracy promotion. Although the United States is a leading actor in democracy promotion, it is only one of many in what has become a very widely populated field. Portraying the United States as a "city on a hill" or having a uniquely special calling for democracy promotion sends the incorrect and unhelpful message to the world that democracy promotion is all about the assertion of U.S. power and interests rather than something that nearly all established democracies are concerned with and involved in. If a "freedom agenda" is to be effective it must not be a U.S. agenda but a global one.

The CHAIRMAN. Well, thank you very much, Mr. Carothers, for your testimony.

I will proceed to a round of questions. We will have 10 minutes each.

Let me start by asking you, Mr. Gershman; you mentioned that at the board meeting of NED tomorrow there will be 283 proposals. Characterize: Where do these proposals come from, and what kind of proposals are they? In other words, what do they propose to do? Can you give some idea? There is a huge number of groups that is apparently interested in promoting democracy in some fashion. Who are these people?

Mr. GERSHMAN. Thank you, Mr. Chairman. It gives me also an opportunity to brief Senator Sarbanes on the meeting tomorrow, since he will be there.

The CHAIRMAN. Try to get him up to speed for the agenda.

Mr. GERSHMAN. Right. I have not had a chance of speaking with him before the meeting.

The proposals that the NED supports are of two kinds. Some of them are programs of the four institutes, and they are all over the world in all of the major regions, which is to say East Asia, both Southeast and Northeast Asia. South Asia is now treated as a separate region. We did not do that when you were on the board. Also Africa and Latin America, Central Europe with a special focus on the Balkan region, the former Soviet Union, which involves the Caucasus and Russia, Ukraine, Belarus, as well as Central Asia, and then, of course, the vastly growing area, which is really the main change since you were on the board, Senator, which is the Middle East.

And so, the institutes come in for funding for these proposals. You know, it is the things that they really cannot get government money to do, if they want to go to the State Department or AID or other places. But then we have a vast aspect of the NED program, which are independent, indigenous NGOs. Many of them operate—some of them in Burma or in North Korea or operating in exile in Cuba. Obviously many of them operating, as I mentioned in Belarus, without registration. But wherever they exist and want the support, they come to us, they come for support.

A lot has been said about Iran this morning. But let me just note one of the proposals in the book on Iran—very interesting, given all the sensitivities that have been expressed this morning. It is a Web site that has been established here by two daughters of an Iranian Democrat, who was assassinated in 1991, in memoriam to

their father. It is really a memorial Web site, which documents the executions of 9,000 people by the Islamic regime starting in 1979. And it is a Web site which people in Iran can write in to provide new information. And they have had over a million hits on it already. It was just opened in January. And it is becoming a substitute for a truth and reconciliation process in Iran. And this is an Iranian initiative and I think it is a very important one.

But there are many initiatives of this kind that seek to take advantage of whatever available space that exists. The independent libraries movement in Cuba, independent workers, newspapers and NGOs focusing on human rights in Belarus, many groups in Russia which are focusing on all the problems that we are aware of there. Many groups in Venezuela, as worried as they are about this new law that I mentioned this morning, they are not hesitating to come to the NED for support and want to mobilize support in Latin America, obviously, to defend their right to receive such support. And the OAS and the Inter-American Commission on Human Rights are very sympathetic to the NGOs in Venezuela, and we need to work with them.

So, it is global and it is in all these different areas of not just the work that the institutes do, but independent media, human rights, civic education, conflict resolution, groups that are working on all of these different areas depending on the situation.

And let me maybe just say one more word. The NED, in thinking about the world, divides up the countries in which we are active into four different categories. I understood the topic for this morning's hearing to be really on the category of semiauthoritarian, what we call hybrid regimes. That is really what we are talking about. But also in the category of countries where the NED is active are the countries that Mark Palmer talked about, the dictatorships, but also then what we might call emerging democracies. And then, finally, countries that have been through terrible conflict, and where they really had all of the institutions, and the state structures destroyed, and where you really need a process of rebuilding after conflict, where it is state building, as well as NGOs and civil society trying to do their share.

And that is really a fourth and very, very difficult category of country, countries, like Liberia, and Sierra Leone, and Congo, Sudan, Afghanistan, Iraq in the Balkan region, and so forth. This is another very important category of country. But in order to understand what needs to be done, it is important to disaggregate these different situations.

The CHAIRMAN. Well, I appreciate your response because it shows the vibrancy of people throughout the world who are interested——

Mr. GERSHMAN. Absolutely.

The CHAIRMAN [continuing]. And who come to the NED board to try to gain some substance, some backing for a variety of proposals, including, for instance, the Web site you suggested of the two ladies in Iran, and all sorts of indigenous forces quite apart from the labor unions, the Chamber of Commerce, the Republicans, the Democrats.

Part of the genius of that whole idea was that these would all be combined. And it is good to know that they are vibrant after 25 years; likewise, they are proposing consistently new approaches.

But I appreciate that answer because it illuminates for our public record the degree and the scope of responses.

I wanted to pick up on that a little bit with you, Ambassador Palmer, because you had some thoughts about the Internet. For example, you mentioned that the Chinese reportedly have 50,000 persons attempting to censor the Internet and that there is some affinity between this and Iranian authorities, maybe others in between.

Now without, you know, going into all the nitty gritty of this, it would be fascinating if we could, but how effective are these new ideas of software or Web sites that somehow get around the 50,000 people in China or however many there are in Iran? What degree of confidence do you or anybody else have at Freedom House in the efficacy of this business?

Mr. PALMER. Well, I am pleased to report, Senator, that the Dutch foreign ministry has some confidence in the ability to get around it. And they funded a Freedom House project for Iran precisely to do this, to get around—I think they gave us $900,000. So——

The CHAIRMAN. The Dutch foreign ministry?

Mr. PALMER. Yes. Isn't that interesting, an American NGO getting funding from a European government? The answer is not simple. That is, you cannot just do one thing to defeat the great China wall, firewall, or what the Iranian thugs are doing. You have to work at it every day. You have to change e-mail addresses all the time. You have to keep switching servers. It requires manpower but it can be done.

My Chinese-American—Ph.D. in computer engineering from Princeton and MIT—friends who have been without any compensation, spending the last several years doing exactly this report extraordinary success in people being able to get around. And part of the theory behind the project that I mentioned, for large-scale financing, is to create a kind of firewall outside the country through which Chinese, or Iranian, or Saudi, or other Internet users could go so that the regime could not trace them. Once they got through the firewall, they would not know where they had gone. That is, were they using Google, normal Google, or what were they doing? They would be free on the other side of this new firewall to operate the way a normal human being should be free to operate on the Internet.

So, we believe that with adequate resources and with the brains that exist here and abroad, because many Chinese and Iranians—Iran has the second largest number of users of blogs in the world. It is an extraordinarily active Internet-using country. And China will shortly be the largest Internet user in the world—larger than the United States. It is just about to pass the United States on the Internet front.

And there are many smart people inside each of these countries, working away at the same thing and succeeding to extraordinary degrees. But it does require manpower and some money. And if we could do it on a larger scale, we really could assure Internet freedom globally.

The CHAIRMAN. Just following up on another aspect of this, you talked about the TV and radio work that might be done by Iranian students. How does that happen anywhere in the world, or how could it happen?

Mr. PALMER. Well, it does not cost, fortunately, a huge amount of money to have a student radio station. The particular situation of Iran would mean that the station would have to broadcast from outside Iran. But it could get much of its information from inside Iran. There is still enough porousness that a lot of the programming could come from inside.

We estimate that for $2.5 million a year, you could do a hell of a student radio station. Just to cite an example, the Swedish aid agency funded a talk radio station in Iraq, which is the No. 1 radio in Iraq. It is called Radio Dijla and it is open to everybody. Everybody can get on it. And that is why it is the most popular radio station in Iraq today.

We think that we could do something similar on the Iranian side with an offshore radio station run by the student movement.

The CHAIRMAN. Well, thank you very much.

Senator Sarbanes.

Senator SARBANES. Thank you very much, Mr. Chairman. I want to thank the panel. And I also want to thank the NED for the report that they have submitted in response to the chairman's inquiry.

I would like to put this question: How important is it for the NGOs that are engaged in democracy encouragement to be perceived as not carrying out a governmental policy?

Mr. GERSHMAN. The question is the U.S. governmental policy or their own government?

Senator SARBANES. I guess in this context, the U.S. Government.

Mr. GERSHMAN. Well, I think it is critically important, critically important.

Senator SARBANES. Do the others agree with that?

Dr. HALPERIN. Yes. I think absolutely they have to be seen as functioning for themselves and I think have to design their own plan, which will be effective in their own country.

Mr. PALMER. I am not sure I agree with that. I think it is very important that the U.S. Government be seen to be its own democratizing agent, radical democratizing agent. And for NGOs to work closely with our embassies, for example, my experience, and I have been on both sides, both working as a diplomat and working on the NGO side, I think on the whole is a good thing. But as Tom mentioned, and I agree with him, the Iraq situation has complicated our image as a government and made it sometimes more difficult.

But I would rather see a partnership rather than, you know, we have to stay away from each other; that is, embassies stay away from our NGOs.

Senator SARBANES. Mr. Carothers.

Mr. CAROTHERS. It is a very good question and I appreciate it, Senator Sarbanes. I think how we use the term NGOs here, and know it often is perceived in the world are very different. Some of these nongovernmental organizations like the U.S. party institutes are funded by the State Department, USAID, and the National Endowment for Democracy. So when they go to another country, in

some cases they are carrying out a State Department policy in the country in which the State Department has made some money available for that. Sometimes they are operating with a great degree of freedom that comes from having NED money. And sometimes they are carrying out a USAID-sponsored initiative.

How are the people in that country supposed to get it clear? It is not always clear to the people in that country. And so if, say, NDI is training different political parties in Morocco and the Islamist party wonders who are you and why are you doing this, it is probably a complicated answer. It may be that USAID decided that NDI should be training Moroccan political parties. Maybe it is a special grant from the State Department. Maybe it is a grant from the National Endowment for Democracy.

In general, I think these organizations are more effective if there is a certain amount of space between them and the U.S. Government. And they can say we are acting on the basis of our own prodemocracy agenda. Yes, we are funded by the Government but we are not carrying out specific policies at the direction of the State Department or USAID. We have a certain amount of independence that allows us to make choices about whom to work with and what to do that are based on our own agenda and not the U.S. Government's.

Senator SARBANES. Three of the four of you, at least, think that it is important to have some room in between the government and the NGO. My next question is: Has the perception changed with respect to democracy promotion so that these NGOs are increasingly seen as an agent of the U.S. Government?

Mr. GERSHMAN. Senator, let me just clarify one point. First of all, in relation to what Mark Palmer said—I was not saying that the United States should not be seen as supporting democracy. But they should be seen as supporting, if they are supporting it, authentic Democrats who are supporting their own agenda and not implementing a U.S. agenda. That was my only point.

Similarly, I think that it is very important to distinguish different kinds of NGOs. In my testimony this morning, I said that the laws that are being adopted by the governments are affecting indigenous NGOs and newspapers and parties and trade unions. It even affects them differently but it affects them on one level. And then you have, I think, what Tom Carothers was just referring to, which was the U.S. democracy assistance implementers, like NDI and IRI, that operate in country. And then you have an institution like the NED, which is an independent, nongovernmental grantmaking institution.

In all of these cases, I think the independence is important. I think it was very wise to take the NED out of the U.S. Government so it could have that kind of independence. I do think, getting at your question, that when the United States makes democracy promotion so central to its foreign policy objectives and to its national security, it will be seen by some people as if this is implementing a U.S. objective, even though we were there long before, and we are going to be there hopefully long after this particular period passes. And we must be seen as following a consistent, long-term democracy agenda and not to have any other agendas. I think our credibility is at stake in doing that. I think we have established a good

track record of credibility. But inevitably, in the current situation, you are going to have this problem.

I will just say one other thing, though. The governments that will use arguments that Tom Carothers spelled out, many of these governments are looking for pretexts to oppose what we do. They are going to be attacking the U.S. Government for its policies. And it may be more difficult to respond, given the current circumstances.

One issue that Tom did not mention, which they use in the Middle East and other Muslim countries, is the threat of Islamism. And you have many dictators that will say that—that is the problem and that is why we want to oppose democracy.

I think these are pretext. I think there are fundamental problems that we are facing which will be there, you know, regardless of some of the political issues that these governments may raise, which is the basic desire on the part of these semiautocratic governments to hold on to power and to resist any effort from below which might challenge that power.

But I think the answer to your question is yes, it probably is more of a problem today in terms of associations with U.S. policy than it was before, precisely because this U.S. policy has made democracy promotion such a central objective.

Senator SARBANES. Does anyone else want to add anything to that?

Mr. CAROTHERS. I would. I think you put your finger on the central point, which is the following. Currently, the U.S. Government would like to make democracy promotion central to American foreign policy. Yet it is doing so at a time at which America's credibility as a democracy promoter, both due to the war in Iraq and due to American actions on the war on terrorism, I believe is at an historic low. There is a central contradiction there.

If American democracy promotion organizations are held too close to the U.S. Government, they are going to be contaminated by that contradiction. I think some space is important. And I think that there are differences between operating, let us say, NED funding than operating with State Department funding. The greater the independence they have at this current juncture, the greater they are going to be able to stay away from the accusation that they are simply carrying out the policy of the government whose democracy credentials are suspect in many parts of the world.

Senator SARBANES. Did you want to add anything?

Dr. HALPERIN. Just let me say I think the—I agree with all of that. I think this additional point, which I think was actually made before, that because our policy is selective, that is, we seem to press governments that we do not like about their democracy policies and shy away from criticizing countries that we do like, even when we do start down that path; and I think Egypt is the clearest case. You know, the President said, I think correctly, that the policy of many different administrations since the end of World War II to support dictatorships in that region had to be seen as a failed policy and our policy was now going to be to support a transition to democracy.

And then Egyptians, I think partly responding to that, tried to organize and participate in the election. The Egyptian Government

did not permit that. And the U.S. Government turned a blind eye to that and suggested it was satisfied. And I think all of those elements of being tougher with our enemies than with our friends, promising and encouraging people to come out and then, in effect, not supporting them. All of those, I think, undercuts the effectiveness of a democracy policy.

Senator SARBANES. Do you think to be perceived as consistent, we have to have a program in every country? Suppose we significantly reduce the list and said we can only do a few things, and so we will focus on a few countries and get away from doing something everywhere, which then raises some of these related questions that you have now talked about. Or does the pressure to demonstrate consistency require that there be a position and a program in every country?

Dr. HALPERIN. If I could start, Senator, I do not think we need a program in every country. I think my view is we ought to be consistent, again in what President Bush has said, to make it clear that we have aspirations to see democracy established in every country on the globe, but that we recognize that that has to be a largely indigenous effort of the people in each country, and that we will try to provide support to the degree, (A) that our resources permit it; and (B) to the degree that the people in that country working for democracy want our support.

And taking those two elements in account, I think we can have very different policies in different countries and still be consistent with our basic principles.

Senator SARBANES. Mark, you wanted to speak to that?

Mr. PALMER. I think we should have a program in every country. It is possible. The intelligence community, the academic community, the journalistic community, everybody has failed consistently to predict any single democratic transition from a dictator to democracy. I do not know of any exception to that. We totally miss every prediction.

What does that mean in this context? Well, to me what it means is that you simply do not know which of these many countries—let us say there are 100 countries still out there that are still either not free or very partially part-free. You do not know which one is coming next. You know they are coming but you do not know which. And you do not know where, therefore, some extra effort could make a difference to the local people who are trying to have a breakthrough.

So, I would say that at a minimum, we need to be present in all 45 dictatorships, not-free countries using Freedom House's definition of not-free. And then beyond that, I think—and I take the point that Mort made earlier—that it is not enough to just get the dictators out. You have to stay the course. And I think very often you have to stay the course for a full decade, sometimes maybe longer. Democracy does not, as we know in this country, always come very fast.

So, I would say that particularly in key countries in transition, after the dictator has gone, like Serbia today, we should stay the course. We at Freedom House are very concerned that the U.S. Government is cutting back its funding for democracy promotion in Serbia. And I think personally that is a mistake. It is too soon in

Serbia. And that would be the case, I think, in a number of other critical situations.

Mr. GERSHMAN. Senator, I think in responding to your question, it is just very important to distinguish between what the Government does and what can be done through institutions like the National Endowment for Democracy. And the Government is—and this is one of the reasons why we were taken out of the Government again. The Government is going to have many different kinds of interests, security interests, economic interests, and so forth. And it is going to pursue those interests with some governments that are not democratic. That is inevitable.

And should it be pushing for democracy? How should it push for democracy in those situations? The Government will have to decide what it can do. But we know what our job is and our job is to be engaged in those countries, supporting democratic forces, democratic movements, regardless of whether they are friendly tyrants or unfriendly tyrants. We have to have a consistent approach.

And in a certain sense, the establishment of an institution like the NED allows our country to walk and chew gum at the same time. It can do what governments have to do. It can do more than what governments generally do, when it has ambassadors like Mark Palmer and a country like Hungary. But also, it has the capacity, independent of the government, to pursue a consistent approach to supporting democratic forces in the world.

Mr. CAROTHERS. If I could comment. I think the perception and the reality of inconsistency comes much more from American diplomatic statements and stances than it does from whether or not we have programs in particular countries or not. When the United States President or the Secretary of State singles out a list of countries and says these are the six or eight greatest tyrannies in the world, and those countries happen to only be countries that are unfriendly to the United States, whereas other countries, which are equally or in some cases more tyrannical, like Saudi Arabia, are not on that list, people in the world see and are facing a reality of inconsistency and double standards.

And so the perception of double standards comes much more at the diplomatic level. When critical statements are made about Belarus, but then soft-pedal statements are made about Kazakhstan, people in the world watch that and say the explanation is obvious. Where there is oil, you soft pedal. Where there is no oil, you come down hard. How else can we understand this?

Senator SARBANES. Mr. Chairman, I see my time is up. Thank you very much.

The CHAIRMAN. Well, thank you very much, Senator Sarbanes.

Let me just pick up on the dialog that just ensued with Senator Sarbanes' question. It would seem to me, although it may be a historic time, inaccurate that, picking up your point, Mr. Gershman, governments sometimes are inconsistent in terms of either their idealism or their practical realities. In other words, they have a problem, day by day, of managing the security of the country and the rest of the world.

And as you gave us the idea of walking and chewing gum at the same time, so there may be a very important role to be played by NGOs—that they are really able to maintain maybe more consist-

ency with regard to the democratic dream, if we know in a sophisticated way how that might be furthered. And sometimes they are going to be at variance with some of the governments that are supporting them and giving them money, or by the context of legislation in which they are involved, and that—that is understood. In other words, it may be that the Secretary of State will not be furious at the NED because you have a program that is running off somewhere, even while the diplomatic corps may have been countenancing some activity which would seem to be very adverse to that.

And I suspect that in the best of all worlds, there would be a purity of truth and justice in all of this, but that has not characterized American diplomacy in any administration I can remember, having heard a good number of people testify before this committee. At this particular stage, I am intrigued by Mr. Halperin's observation, which I think is impractically true, that there may be a difference between the embrace that we give to democratic advocates in Egypt for the moment and those in Iran.

Now, in this Aspen Institute conference I just mentioned in which some of us have been arguing about this type of thing, those arose specifically with regard to those two countries. And the thought that was that however ardently we feel about democracy in Iran, embracing those who are on the firing line, so to speak, out there, it can be deadly for them. They may need to get out of the country rather rapidly.

On the other hand, we have been discussing today, student radio and the Internet, freeing that up and so forth. This is somewhat more of an indirect way of support for persons who may not really want to be embraced by a United States organization. But it is an important point, because there are many arguing in the Congress right now that what we ought to be involved in doing is, in fact, organizing people in Iran, or people outside of Iran, to go to Iran. And at least many people that I listen to, who are very sophisticated, say that just is not a very good idea in this particular instance.

In Egypt, maybe there is a variety of responses that are different, given the context. I am just curious because you, all four of you, deal with these issues every day. Is there this degree of sophistication in the NGO movement? What kind of advice do you give those who are, say, in the diplomatic movement with regard to this? And is there some dialog, whether it be covert, quite apart from overt, so that we all understand each other, because it seems to me very important that we do.

Mr. Halperin, do you have any observations, having sort of intrigued us to begin with, with this Egypt-Iran contrast?

Dr. HALPERIN. Yes, I think people do. Certainly the NGOs understand the difference. And Egypt, you know, is a major recipient of American economic and military assistance. The Egyptian Government is eager not to lose the congressional support for that assistance. And I think that people in Egypt understand the degree to which the government is cracking down, if it is noticed in Washington that the government is cracking down, the government is also going to be able to crack down on those people because it needs the support of the United States Government.

In the case of Iran, the government exists on anti-Americanism. And if we taint the people struggling for democracy, I think we hurt them. And they say that to us. I mean, there are many people who have informal contact with people in Iran. And I think it is the overwhelming majority of the people in that country who want democracy. And they will tell you every statement by us about regime, by the U.S. Government, about regime change and the hint that we are secretly providing money to those people undercuts their efforts and strengthens the dictatorship.

So, you do not have to listen too carefully to hear those clear messages. Now, that does not mean that we should not be doing things about Iran. I think we should be broadcasting. I think we should be supporting the student broadcasters. I think if there are groups in Iran that want money from the National Endowment for Democracy, there should not be a budget constraint on how much money comes.

So, I am not suggesting that there are not things that we cannot do to support Democrats in Iran and other countries in a parallel situation.

The CHAIRMAN. Yes, Carl.

Mr. GERSHMAN. Senator, just first on Iran, what we have heard from many people is that even though the government lives off of anti-Americanism. When people go to Iran, they say that the people are more pro-American than almost any other country in the world. And what they want to hear—they would like to hear some words of support. They would like the United States and Europe and other countries to recognize that they exist and to endorse their aspirations. That can be done. I do not think that is necessarily going to hurt them. And this is what we are hearing from people, which is what they want. Obviously, we will tailor what we do to what is possible in terms of providing assistance.

One other point that I just want to make. When I talked about the different functions of government and nongovernmental organizations, I want to underline that one of the central points in the report that we presented to you is the policy of linkage. And we hope that even where our Government has relatively friendly relations with other countries, that it will use those friendly relations or whatever relations exist to provide support for the kind of work that we do.

And that may very well mean that it cannot do both at the same time. But we need ambassadors. We need a State Department. We need a government, even economic ministers, as I mentioned in my testimony, where Russia right now is going to be looking to the West for economic cooperation, that we will get their attention if we note that democracy and political rights are necessary if a country is going to move into the WTO, if it is going to make its currency convertible and so forth that we need to use all the leverage that we have on these governments to keep the spaces open. And that is a governmental responsibility, as well as a responsibility of private organizations and citizens to speak out.

The CHAIRMAN. Yes. Mark.

Mr. PALMER. I entirely agree with what Carl just said. And let me just take it one step further, that it is really critical for us to be present as a government in Tehran, and I would add in

Pyongyang. In any dictatorship, by definition it is much harder to help create the space and to have a dialog with the people that you most care about if you are not there. When I arrived in Budapest as Ambassador, almost the first thing I did in 1986 was to sit down with the two leading Democrats in the country and ask them what I could do to help them. And I think that is the beginning of wisdom, in answer to your question, of how to avoid doing things that are going to harm young Iranians or young anybody else.

You ask them what they want you to do and what they are comfortable with doing. And if they are comfortable with being associated with you, either in the form of NED, or Freedom House, or the U.S. Government, or whatever, then you do it. If they are not, you do not. But you have to at least be able to talk to them. And right now, we are not even there.

There are 35 Iranian diplomats in this town right now, working in the Pakistani Interests section. There is not a single American in the Swiss Embassy in our Interests section in Tehran. I mean, that is just absolutely ridiculous. And I have met repeatedly the Iranian diplomats who are here in Washington, and they are doing what an embassy should do. They are going around. They are doing public diplomacy. They are having meetings. I just sponsored—I just hosted a dinner for two ayatollahs. And these guys from the embassy from their Interests section were there, doing what I would have—what I did do in Budapest.

I mean, why are we not in Tehran? Why are we not in Pyongyang? I think you agree with that, Senator. But anyway, I just wanted to say as an NGO representative today, it is very, very important for us to be on the scene in these places, never to withdraw, voluntarily at least.

Dr. HALPERIN. Senator, can I just make one point? I want to strongly endorse the comments about the ADVANCE Democracy Act. I think it can play an enormous difference. And I would hope that we could support that and find a way to move it forward.

The CHAIRMAN. Let me just ask, picking up from a comment that Carl Gershman made, just playing the devil's advocate for a moment. Some commentators in Russia would say that although they certainly would not favor what they see to be an authoritarian push by the Putin Government, on the other hand, they appreciate that in approval-disapproval polls of Vladimir Putin, he is doing well in Russia. He does much better than most other Russian leaders presently.

So, we ask: Why is this so? Well, some people would say that he has brought a degree of stability and security to the situation. He has cracked down on robber barons or however one wants to characterize those, who at least ordinary people feel have taken off the assets of the state in abnormal ways, and in sort of a popular way has fought for the populace. Some would even say he has brought back a prestige for Russia that might have been lost in the aftermath of the breakup of the Soviet Union.

So for example, in that particular instance, without prejudging what is going to occur there, presumably somebody else will be elected president of the country in the next election. But at the same time, if he were to run for reelection, many people would say he would be very likely to be reelected in a free and fair election.

He could—much as Ferdinand Marcos as cited before. After we had all these hearings in our committee, President Marcos went on American television in a November talk show, and called a snap election, and challenged everybody to come over and watch it, to observe that he was going to win, and that he was popular, and so forth.

Now, probably, President Putin would not resort to those sorts of situations but, nevertheless, this is a reasonably popular regime. Having said that, why are we concerned about that? And you raise the question, perhaps as the WTO membership is sought or currency convertibility or—these are points of leverage. But then others would argue that, after all, it might be better for Russia, as we have already accepted China into the WTO, to come into the trading atmosphere, that if you are really looking for dialog, openness, people rubbing shoulders, that Russians as a part of this would be healthier than Russians outside of it.

And so, you know, again and again we get into arguments over what are the points of leverage or what are the points of openness. I do not have a strong belief one way or another. I am just raising the fact that it appears to me that some arguments that we have not heard today sort of transpire on this.

You know, getting back to just the Russian case itself, and we raised the WTO and that business, some would say that for years we have been watching the Jackson Vanik Act. We have finally liberated Ukraine from that in the last few months but it was an arduous procedure. That was the single most important element in dialog most of us had with Ukrainian officials in the post-election period with President Yvschenko. You know, it is very difficult to get one of those things on. A lot of people see a lot of leverage in various ways, for whatever cause that may be involved.

And so I ask you, you know, stick with me for a moment, where does leverage lie in these things? Because in the report that NED has given, and you brought some pretty stringent points, when you get to the action steps for Congress, if we enacted all of that simultaneously, we might be accused of being fairly heavy-handed or obtuse or not really opposed to openness and dialog but inhibiting it very substantially.

Can you give some more thinking to that?

Mr. GERSHMAN. Well, I think the point was made in the report that each of these situations has to be addressed on a case-by-case basis. And there will be different points of leverage in every one. And I do not think we are recommending a policy that you would consider to be rash. But we are recommending that where we do have that leverage, we should use it.

There is going to be a meeting in Moscow, July 11 and 12, as I said, called the "other Russia." There is another Russia. I am not suggesting or saying that it represents the majority. Nobody knows that. But it is the "other Russia." It is the democratic Russia. If we have leverage in that situation because of the issues that you mentioned, I think that we should try to use that leverage so that when they implement this NGO law, they do not put these civil society groups out of business. That is what they can do. They have given themselves leverage over them. We have leverage in this situation. I believe we have to, and we should, use that leverage or use the

leverage that Mort talked about in Egypt. I mean, where we have it, we should use it.

On the issue of popularity, I just want to say that in some countries today, that popularity rests on a sea of oil and higher oil prices. When I was just in Russia, I did see all the things you just said about the return of Russia to greatness and so forth. I also saw a country that is in deep trouble over demographics, over many, many serious problems. The long-term future is not necessarily a bright future. And I believe it is in the interest of Russia and it will be good for Russia to really become a more democratic country and to become more integrated into the world. But it is not going to do that if it is allowed to move forward with Putin's economic program while at the same time it crushes political opposition, civil society, and all the other institutions that we associate with democracy.

The CHAIRMAN. Yes. Mark.

Mr. PALMER. I think if we look at the record of broad-scale economic sanctions on the whole, they have not worked very well and that we really need to rethink the whole area of sanctions. What we most want to help the Democrats inside these countries is to open the countries up, to integrate them, to increase the space for personal freedom. Investment and trade help in that regard; it is not the full answer but it helps.

I think we need new sanctions, smart-targeted sanctions at the people who are responsible for the depredations, at the dictator and the people, the support mechanisms around him. And it is possible to design those smart sanctions. We are doing some of them already. The Treasury Department's asset program, I think is great. We have begun to develop a practice of actually bringing these guys to justice with Taylor and Miloscevic.

I personally strongly favor the creation of a "crime of dictatorship" under which we would collect data and eventually indict and try all dictators for violations of basic human rights, which are guaranteed under the Universal Declaration of Human Rights, under their own constitution.

So, I think there are a new set of sanctions that would make a lot more sense than keeping people out of the WTO.

The CHAIRMAN. Thomas.

Dr. HALPERIN. Senator, I agree with that. I think that we need to use our leverage effectively where we have it and not use it in ways that cut access. I think it is not an accident that most of the surviving dictatorships in the world are countries that we imposed an economic embargo on. I think that just does not work.

But I think what we need to do is to work more towards positive incentives for countries to get on the path of democracy and stay on the path of democracy. And I must say participation in the G–8 seems to me should have been one of those. And when we invited the Russians in, it seems to me they were very close to the line. They have long since gone in the other direction. And I think we should have considered, much more carefully, telling the Russians that this was not the moment for them to chair the G–8, after all. ASEAN said that to the Burmese Government. And even the African Union said it, at least temporarily, to Sudan.

So, I think we lost a real opportunity there to send a message. We heard strong support today for the Community of Democracies. I think we ought to be doing more to make that something that countries really want to be a part of and that therefore they will question whether they can participate. And I think linking that to NGO standards is a good idea, in saying to countries: You will not be able to continue to be part of the Community of Democracies if you move against allowing your NGOs to operate.

The Millennium Challenge Corporation is, I think, another program that moves very much in that direction. It says to countries: Substantial American economic assistance requires you to govern justly and to involve your NGOs in the process of designing the program that we are going to support.

So, I think positive incentives to countries, that if you behave as democracies, there is a path to better economic development, to greater participation in the world, is likely to be more effective than broad sanctions.

The CHAIRMAN. Let me just ask this question, because a comment has been made about the importance of dialog with leadership. As you just mentioned, Mr. Halperin or Mr. Palmer, that sanctions, per se, may not work with many situations. It is possible, however, that if we were able to enter into some dialog with countries, even those that are very hostile, there would be some entry. Now, by and large, you are correct in engaging my prejudices in that direction. But it is a legitimate argument.

For the moment, obviously, our Government has decided in the case of Iran—and we have discussed Iran a good bit today—to become more involved, to come up to the table with the European three. Thoughts have been given that Russia and China have been broadly consulted about a common program that we might be able to support, both in those negotiations and perhaps in further United Nations Security Council activity. And that has been characterized as new.

And there are many reports about how Secretary Rice has been persuasive with the President. Only history will tell.

But just to take another more difficult example in North Korea, certainly the Chinese have taken the position that they do not want to see so-called regime change. They do not want to go through the process of many North Koreans heading into China. If there is to be a miserable government, they want it to be in North Korea, to deal with it, even to the point of providing huge resources of food and energy to keep everybody alive.

Younger South Koreans feel about the same way. They do not want to see a violent overthrow. They want to see an evolution, apparently, which makes diplomacy very difficult in the Six Party Talks without there being some more direct engagement with the North Koreans.

And yet this is clearly not a process that is going to necessarily lead to democracy in this particular case. It may be a national security or international security problem dealing with weapons of mass destruction and some movement back into the world community. And therefore, as you make distinctions, Mr. Gershman, of countries that are dictatorships, as opposed to those that are in between or hopeless or so forth, it is probably important to try to

think through where we head, quite apart from how we advise others.

This may be beyond the scope of the NGOs and the democracy movements. To what extent could you make the case that the NGOs, in fact, even if our official diplomats are not involved in direct dialog or communication, serve a very helpful purpose in being involved? It occurs to me there have been many cases in which NGOs have had contacts with governments, not on behalf of our country or anything, but they have sort of kept the conversation alive. They have made suggestions that were helpful. This may lead to world peace or to some equanimity in cases that may have been very, very difficult. And is this still a further item in the case to be made for NGOs and democracy, that there is a diplomatic front?

Yes, Mr. Carothers.

Mr. CAROTHERS. I think it is. A good example of that comes in the Muslim world, where a number of U.S. democracy promotion organizations have been able to develop pretty fruitful contacts and relationships with modern Islamist groups, who are often not comfortable having direct contacts with the U.S. Government or want to keep that to a minimum but do participate in programs.

I was in Indonesia doing some research. And I met with the small Islamist party, which is quite a fundamentalist party there. And they are very hostile to the U.S. Government in various ways. Yet they are participating in U.S. party training programs. I asked them, "Who would you rather have as your closer friend, the International Republican Institute or the Muslim Brotherhood in Egypt?" And they laughed a little bit. And they said, "Well, the International Republic Institute seems to be able to teach us a lot more about how to win an election. So, we enjoy taking part in the training."

And by being included, they did not feel quite as hostile as their instinct is towards the U.S. Government and realized something about the U.S. approach democracy, which is something about tolerance, and tolerance of different points of views, a message they are not getting from other parts of the U.S. Government at this point.

So, I think there is a role for U.S. nongovernmental organizations that have a fair amount of independence from the U.S. Government to go out and make those kind of contacts and facilitate a broader dialog with other societies.

Dr. HALPERIN. Mr. Chairman, in relation to North Korea, I think it is more complicated, because I am favor of the U.S. Government both engaging more with North Korea. I think we ought to negotiate a peace treaty. I think we ought to open an embassy there. And at the same time, I think we ought to speak out more forcefully about the human rights situation in North Korea. It is probably the worst country on earth now. And yet you hear much less about the human rights situation there than you do in other countries.

Congress has spoken a little bit about it. But I think there is more to be done. I think we need to put pressure on them and on the Chinese, who are not honoring their obligations under the Refugee Act to allow refugees from North Korea who come there, be

seen by the U.N., and move to other countries. And we have only begun to take refugees from North Korea.

But I think in terms of NGO contact, certainly third party contact with the government, to try to understand better what it is about is perfectly legitimate and useful but I am really about what might be viewed as contacts with NGOs in North Korea, because I do not think there are any. I do not think that is a country which leaves any space for legitimate NGOs. And therefore, I think we need to be careful that we do not seem to be giving legitimacy to what are, in fact, government entities by having our NGOs have relationships with them.

The CHAIRMAN. That may be so. So, let me just add a footnote. For instance, the World Food Program works in North Korea. Now, this is not a democracy NGO. But my good friend, Jim Morris, as head of that, I know, has made a number of trips there. This has been helpful for my understanding. I learn what he has seen, who he has visited with.

Likewise, we have had staff members from our committee who went with the distinguished group to the Yongbyon facility in North Korea. They were looking at weapons of mass destruction situations. But nevertheless, it was an unusual dialog with some people who are right on the front of one of the major things we are doing. And this appears to me to be important. And this is why I sort of zeroed in a little bit on that.

Granted, they were not talking about democracy or performing in the next election. But if North Korea is the worst case, the question is, how do you open it up at all? Who gets in and begins to talk? This is important.

Yes, Mark.

Mr. PALMER. Armand Hammer, who was my teacher in a way in this field, who was a great scoundrel, he knew more dictators than anybody else I ever met. He knew Lenin and Stalin. He knew King Idris. He knew Qaddafi. I mean, he—Occidental Petroleum and Armand, dealt with everybody.

The CHAIRMAN. Yes.

Mr. PALMER. And Armand said to me about dictators—that they are extremely distrustful and lonely men. They do not trust their own family. They do not trust their security services. They do not trust those who are supposedly part of their regime, whatever it is.

So, I think almost any way that you can get in and talk both to that lonely man, evil man, but any way, to that man and at least as important to those around him, the better it is. Because what we really know now from watching these systems collapse is that they are weak, really weak. And there is every opportunity to implode them, if you can get in their knickers. But you have to get in the knickers. And if it is NGOs that do that, terrific. But in any way that you can get in there and fool around, the better it is.

The CHAIRMAN. Carl.

Mr. GERSHMAN. North Korea—one point I would like to make is that it is a unique situation. It is, as Mort suggested, probably the most closed country in the world. But it also exists across the border from South Korea. And you have a single culture divided by a political system, which I think underlies more clearly than anything else the relative virtues of those systems.

And what makes the situation in North Korea so incredibly unstable, in my view, is that they have imposed a complete information blockade in order to enforce the view, which the regime constantly feeds to the people, that they live in paradise and that across the border people live in hell.

If you can break the information blockade, even in a marginal way—and I think it is happening even with people leaving, refugees, and then going back. And now North Koreans who have left are broadcasting back into North Korea. If you break the information blockade and it becomes clear that everything that the regime has been saying is a complete lie, I think that is a very destabilizing factor. And that is part of the reality. There is nothing we can do to change that because there is no way, under current circumstances, whether you support engagement or whether you support human rights, ultimately that isolation is going to be ended. And that is a very destabilizing thing.

One final point, though, which I think in this case some NGOs, more policy groups than NGOs working on democracy, have been promoting, but some of them are human rights organizations, is to begin to explore the possibility of a Helsinki process for Northeast Asia involving North Korea, so that you can begin to link the security negotiations to the basket three human rights provisions in the way that Helsinki did back in 1975.

I realize that there is, in a sense, a certain contradiction in that, because North Korea is such an insecure regime. But part of the Helsinki process, as we know, had to do with recognition of borders, state-to state relations. This would be part of the package. But it should not be part of the package if it is not linked, in my view, to opening up human contacts. And I think that is possible. And I would hope that the Congress would even consider a way in which a Helsinki process dealing with North Korea can be initiated. I think the administration might even be very interested in that.

The CHAIRMAN. Well, that is a good suggestion along with, once again, reinforcing the communications suggestions that several of you have made today that are really critically important. I suppose that there are cases that are not as extreme as North Korea in all of this. It is very possible that, as some of you have pointed out, there has been greater preoccupation with students, as well as exchanges of all sorts, scholarships, this sort of thing.

One of the things we have been gripped with here in this committee is the problem since 9/11 imposed by Homeland Security or the visa regime or immigration or so forth, in which a number of foreign students coming to the United States have been inhibited in that quest and have gone to other countries instead to pursue their studies.

And furthermore, as opposed to boosting the numbers, we have been doing well just to maintain the numbers or to get back to where we were. That has been particularly true of students from Middle Eastern countries, but sometimes it has been even more difficult for Chinese students and others whom we are discussing today.

Now there are clearly, and I accept the fact, we have heard it vividly from testimony, problems with many young people. Some

are maybe studying to be terrorists and to do us in, in the process. So, I appreciate those who are arguing in terms of our security that we really cannot have just sort of a free coming and going.

On the other hand, there is clearly a case to be made that the students who have come to the United States, whether they like this or not, or whether they imbibe in all of our culture, make a difference upon their return within their home countries. So, I am really hopeful that we can move strongly in that direction, too, as part of the democracy movement. And the NGOs in various ways are extremely important in this aspect, quite apart from the technical work you may be doing in democracies generally.

I think likewise in Russia—and I had a conference not long ago with Mr. Karagonov, who many of you know is a very interesting and sometimes leading intellectual. He was lamenting the fact that the dialog among intellectuals, among persons of very diverse views, has not broken down. It has just almost dissipated entirely, with regard to the United States. Those who are talking about the "other Russia" or the "new Russia" or so forth, they would be like Mr. Karagonov. They are very much involved always in each Russian regime or each iteration of this. And that is true of others who are survivors of the process.

But I have a feeling they are lonely. They are looking for a dialog. They would like to see more visitors and persons such as yourselves and others who come from the NGO community, as well as Members of Congress and others. And it is one of those circumstances in which you cannot do everything at once. Today this is a good opportunity to catalog a list of things to think about, to do in terms of our Government or in terms of our legislative effort or at least our understanding and support of what you are able to do independently with the finances that come from right-thinking people who want to help.

Well, let me thank you again for your interesting testimony and, more importantly, your responses to our questions and the dialog that we have had. We look forward to staying in close touch with all four of you and your organizations. And as you have suggestions, do not wait for the next hearing. Write to me or the committee or our staff, because we are eager to hear and are receptive.

Thank you and the hearing is adjourned.

[Whereupon, at 12:26 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF HUMAN RIGHTS FIRST SUBMITTED FOR THE RECORD

Human Rights First thanks the Foreign Relations Committee for convening this important and timely hearing on the role of nongovernmental organizations in the development of democracy. We are grateful for the opportunity to share with the committee not only our own views, but also the perspectives and experiences of some of our international partners who are human rights leaders in their own countries. This testimony, consistent with our organization's focus and particular concern, centers on the role of local human rights defenders in the promotion of democracy.

Democracy promotion today is championed as a remedy for many of the world's ills—from poverty to war and terrorism—vociferously and eloquently by the Bush administration, and also by an increasing number of the world's governments and multilateral institutions. Human Rights First welcomes this increased international focus on democracy promotion at all levels, recognizing the strong correlation be-

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tween democratic forms of governance and respect for internationally-recognized human rights standards.

At the same time, we are concerned that all too often, authoritarian governments claim to be making progress on building democracy when the reality is that they are masking their authoritarianism with false democratic trappings. Furthermore, as the emergence in several countries of popularly elected governments which nevertheless fail to respect basic human rights reminds us, elections alone do not automatically guarantee improved human rights conditions.

Independent human rights activists therefore have a dual role in their societies: To be both advocates for the essential elements of democratic development and, at the same time, vigilant watchdogs concerning the integrity of any democratic progress that may be claimed to have taken place.

We submit that the primary measure of progress toward democracy must be success in the promotion and protection of human rights. Years of experience have taught us that exactly at the most critical moments of democratic transformation, when accurate reporting about human rights performance is most badly needed, too many governments instead work to stifle independent, often critical, voices.

Human Rights First's mission to protect and promote human rights is rooted in the premise that global security and stability depend on long-term efforts to advance justice, human dignity, and respect for the rule of law in every part of the world. Since our establishment in 1978, Human Rights First has worked in the United States and abroad to support human rights activists who, at great risk to their own liberty and security, fight for basic freedoms and peaceful change in their countries.

It is no accident that in countries in transition from authoritarianism to democracy, the agendas of political reformers and champions of democracy and of human rights activists tend to converge. Indeed, the agenda championed by those fighting autocracy is rooted in human rights—in implementing the basic freedoms of expression, assembly, and association, and more broadly in restoring the rule of law and creating the core institutions of a functioning democracy: A free press, an independent judiciary, and systemic checks on executive power.

Human rights activists share, and also champion, these demands because they are also necessary for ensuring respect for basic human rights. These local human rights defenders inside countries that are undergoing democratic transition or still contending with entrenched and resilient authoritarianism have an essential role to play as independent evaluators and guarantors of democratic progress—and their voices must be protected.

We are reminded again and again that despite the efforts of repressive governments to maintain control over and restrict the activities of these human rights activists, such efforts are ultimately futile because basic human rights standards—the concrete objectives that the activists are striving to implement—exist beyond the scope of control of any single government, and enjoy support from governments and nongovernmental bodies around the world. But in many parts of the world, much more needs to be done to ensure that human rights defenders are protected from retribution for their critical work.

Below, we illustrate several examples of the efforts being made by human rights defenders, and the significant challenges that many of them still face. The examples from the four countries cited represent the kinds of harassment and physical attacks on individuals, and actions against independent human rights organizations, that remain all too common across many parts of the world.

INDONESIA

One of Indonesia's foremost human rights defenders, Munir Said Thalib, died on September 7, 2004, after he was poisoned with arsenic during a flight to the Netherlands. Known throughout Indonesia simply as Munir, this activist was known for his fearless advocacy and careful research on human rights violations. A trial led to the conviction of a pilot named Pollycarpus Budihari Priyanto on December 20, 2005. The judge noted that there was a need to investigate former senior intelligence officials implicated in the murder, but there has been little follow up since the verdict.

One of Munir's greatest impacts came from his refusal to show fear, despite repeated threats and prior attempts on his life. His murder, and the failure to hold those who planned or ordered it responsible, remains a major setback for human rights and democratization in Indonesia.

THAILAND

In a similar case in Thailand, leading Muslim lawyer, Somchai Neelaphaijit, disappeared in March 2004, just days after filing a complaint against the police for tor-

turing several of his clients. His body has never been found. One policeman was sentenced to 4 years in connection with the disappearance, but he was charged only with coercion, not kidnapping or murder. Four others were acquitted due to lack of evidence following a highly inadequate police investigation.

Somchai is one of at least 20 human rights defenders killed in Thailand in the last 5 years. Most were local activists who organized their communities to take on locally powerful figures in conflicts over land, forests, or other natural resources. One local activist, who had survived multiple bullet wounds in one attack and later watched a colleague die as a result of another, told Human Rights First, "This is government by force, not democracy. Defending our rights, we started with a small issue and began to fight, and found big men."

RUSSIA

Over the past year, Russian authorities have stepped up efforts to weaken independent nongovernmental organizations (NGOs) involved in promoting democracy and human rights. On January 10, 2006, President Putin signed a new law regulating the activities of all NGOs operating in Russia. Under this law, government agencies are authorized to deny registration to domestic and foreign organizations—or force them to close down altogether—on loosely defined grounds. Using the vague and sweeping provisions of this law, human rights defenders who have been the target of politically motivated prosecutions or smear campaigns could be prohibited from holding leadership positions or being actively involved with human rights groups.

No single case exemplifies the mounting legal pressures exerted on Russian human rights organizations better than the multifaceted persecution endured by the Russian-Chechen Friendship Society (RCFS). The government campaign to discredit and ultimately close the organization has included the use of tax and administrative challenges and the criminal prosecution of Stanislav Dmitrievsky, the managing director of RCFS, under a counter-extremism law. On February 3, 2006, a court in Nizhny Novgorod convicted Dmitrievsky, who is also editor-in-chief of the newspaper, Pravozaschita, of violating a law intended to combat religious and nationalist extremists who incite hatred and violence against minority groups. The conviction sets a dangerous example for all Russians—including human rights defenders and independent journalists—who exercise their right to question and criticize government policies.

COLOMBIA

A central premise of Colombia's 3-year-old "democratic security policy" is that there is no internal armed conflict, but rather simply a "war against terrorism." As part of the government's "war on terror," hundreds of nonviolent human rights defenders, community leaders, and trade unionists have been arrested and arbitrarily detained, often based solely on the information provided by paid informants. On September 17, 2004, sociologist, Alfredo Correa, was killed by alleged paramilitaries in Baranquilla, Atlantico Department. He had been detained by the security forces in June and released in July after claims that he was a member of the FARC guerrilla group proved unfounded.

On May 24, 2006, 22 individuals on the front lines of the fight for democracy and human rights around the world came together at the third annual Human Rights Defenders Policy Forum cohosted by Human Rights First and the Carter Center. This year's Policy Forum, a 3-day conference in Atlanta followed by 2 days of meetings attended by many of these leading human rights defenders in Washington, focused specifically on the relationship between democracy promotion and respect for human rights. Participants identified the following trends in democracy promotion efforts:

(1) Rather than rejecting democracy outright, many authoritarian governments adopt the language of democracy and human rights for their own purposes. Imitation or "hollow" democracies, where dictators pay lip service to democratic ideals, have allowed autocratic governments to receive the support of the international community, including many democratic states. Authoritarian governments may also create state-sponsored "nongovernmental organizations" to provide the international community with a false sense of the freedom with which civil society operates inside the country. External donors may inadvertently help to create and sustain imitation democratic institutions that consolidate authoritarianism, rather than diminish it.

(2) Authoritarian governments also suggest that "premature" democracy would produce negative effects for the country and delay the transition to meaningful democracy. Western governments accept this self-serving reasoning all too readily and therefore hesitate to push for democratic reforms.

(3) Other factors tend to encourage the international community to overlook undemocratic state practices, such as the exploitation of natural resources, including oil and gas, and strategic partnerships in the "war against terror."

(4) Inconsistent messages in democracy promotion result from these influences. Such double standards undermine the impact of these programs, while fueling cynicism and rising anti-Western and antidemocratic sentiments in authoritarian states.

(5) Authoritarian governments propagate the idea of being a "fortress under siege surrounded by enemies," which enables them to subvert their internal critics from civil society and independent media and to dismiss external criticism of poor human rights conditions as aimed at undermining national interests and sovereignty.

(6) Democratization is seriously undermined when democratic governments that seek to promote democracy and human rights abroad fail to respect human rights in their own practices, such as by condoning torture, secret detention, detention without trial, or other denials of due process.

(7) Elections without attention to long-term, sustainable, institutional human rights safeguards, including civic education, an independent media, enjoyment of basic freedoms of expression and association, and an independent judiciary risk the election of populist leaders who do not respect human rights and who actively undermine democracy once in office.

(8) In many countries, the transition to democracy has been accompanied by economic hardship and a growing gap between the rich and the poor, leading to erosion of public support for democratization. However, poverty is not always caused by a lack of resources, but often linked to poor management of public resources and an absence of democratic control on public goods.

(9) Provision of technical assistance to governments has been meaningless in countries where civil society is being suffocated and in contexts where governments lack the political will to implement human rights reform. The training of journalists in the absence of a free and independent media, or of judges where there is no independent judiciary is ineffective or even counterproductive. Training and other programs should be geared toward the creation of a free media and an independent judiciary as priorities.

(10) Where human rights standards and principles are not enshrined in a constitution and safeguarded by an independent judiciary, nominally democratic structures—such as local and national elective bodies—are passing laws that infringe on the rights of women and minorities.

In short, while free and fair elections undoubtedly offer a sign of hope to many, they alone are not enough. Strengthening of rule of law and democratic institutions, and ensuring a greater focus on implementing and upholding human rights in transitional societies, are necessary to better ensure democratic progress. What is needed most is a renewed commitment to uphold international human rights standards through both bilateral and multilateral channels, long after the headlines and media spotlight on elections have faded.

RECOMMENDATIONS

To address the above concerns, the Policy Forum participants crafted the following recommendations directed at leading democracies and other institutions at the forefront of democracy promotion:

(1) Demonstrate consistency in promoting human rights and fundamental freedoms in each region, applying the same standards across the region yet using different tools in different countries depending on the specific national context, human rights track record, and participation of respective governments in international organizations.

(2) Democratic states should work together—unilateral calls for democracy are less effective. The United States and the European Union have to elaborate detailed, well-conceived, and clear policies aimed at reversing authoritarian developments and deterioration of human rights. Ideally, this should be a common policy implemented by the United States, the European Union, and other leading democracies.

(3) Do not abandon new democracies simply because an election has taken place; rather, continue supporting human rights defenders and work with them to develop independent human rights organizations and to build state institutions that legitimately protect human rights and promote democratic principles. International funding commitments to promote democracy should likewise prioritize long-term, sustainable support for true democratic institutions.

(4) Focus support on promotion of media that is independent of political or commercial influence and provides information on public affairs, governance, and international standards. Access to information is universally cited as one of the most important aspects of a true democracy.

(5) Ensure that indigenous and other disadvantaged or marginalized groups with limited access to democratic institutions and education are included in all democratic processes.

(6) Democratic governments and intergovernmental organizations should demonstrate their strong solidarity with human rights defenders and effectively intervene on all levels in those cases when defenders come under threat from authoritarian regimes. They should increase the visibility of human rights defenders, and engage them in regular dialog as effective monitors of democracy promotion programs.

(7) Governments should stop using security concerns as pretexts to undermine democracy and human rights; such efforts are ultimately counterproductive and self-defeating.

(8) Democratic governments should reaffirm their own commitments to human rights standards, including cooperation with international and regional mechanisms, and call for the same by democratizing states. The U.N. human rights protection system should be reinforced. The newly created Human Rights Council should renew and strengthen the mandates of the special procedures, including special rapporteurs and representatives.

(9) Human rights organizations promote, defend, and sustain democracy. Besides providing resources and aid directly to such organizations, the international community should exact prompt and effective pressure on governments that attempt to restrict NGO human rights activities—including through adoption of legislation—and maximize their opportunities to build strong roots and constituencies of support within their own countries.

(10) Democratic countries should adopt targeted diplomatic and economic sanctions against individual public officials from authoritarian states that are responsible for gross human rights abuses and involved in corruption.

Human Rights First appreciates the interest of the committee in these important issues, and welcomes this opportunity to submit our testimony in writing as part of the hearing record.

PREPARED STATEMENT OF SUMATE SUBMITTED FOR THE RECORD

SUMATE thanks the Foreign Relations Committee for convening this important hearing on the role of nongovernmental organizations in the development of democracy. We are grateful for the opportunity to share with the committee our own views. This testimony centers on the role of NGOs in the promotion of democracy and the challenges that human rights defenders face in their work.

I. INTRODUCTION

SUMATE is a Venezuelan citizens' movement that defends democracy by the permanent exercise of citizens' rights and the demand for faithful observance of the law.

SUMATE has pursued the following activities toward building a culture of democracy in Venezuela:

1. Promote citizens' participation in public affairs.
2. Promote citizens' supervision over governmental administration.
3. Provide support to democratic institutional systems, especially to carry out transparent electoral processes.
4. Broaden awareness of Venezuela and of SUMATE's programs among citizens at international level.
5. Manage aptitudes and resources of the organization to ensure feasibility.

II. THE SITUATION OF HUMAN RIGHTS DEFENDERS ENGAGED IN ACTIVITIES FOR THE PROMOTION, PROTECTION, AND IMPLEMENTATION OF HUMAN RIGHTS AND DEMOCRACY

The human rights instruments enshrine rights and fundamental freedoms that the states must respect, protect, promote, and guarantee for all persons under their jurisdiction, individually and in association with others. The work of human rights defenders is fundamental for the universal implementation of those rights and freedoms, and for the consolidation of democratic institutions.

This vital role of human rights defenders has over the years become more recognized. However, this progress has been achieved at a high price: The defenders themselves have increasingly become targets of attacks and their rights are violated in many countries. Human rights defenders are often subjected to physical attacks, acts of intimidation, and other forms of repression.

In some cases, criminal prosecution and judicial repression are being used to silence human rights defenders and to pressure them into discontinuing their activities. In other cases, laws, regulations, and administrative practices impose lengthy registration procedures or restrictions on the right to obtain funding for human rights activities, particularly from outside the country.[1] Freedoms of speech, association, and assembly are being threatened by these actions. SUMATE firmly believes that the denial of rights, such as freedom of association as well as repressive actions against human rights defenders, has serious implications for the promotion and protection of human rights and democracy.

In this context, it is important to note that the work of human rights defenders has been recognized by several international organizations:

1. The Declaration on the Right and Responsibility of Individuals, Groups and Organs of Society To Promote and Protect Universally Recognized Human Rights and Fundamental Freedoms[2] (hereinafter "the U.N. Declaration") establishes: "Everyone has the right, individually, and in association with others, to promote and to strive for the protection and realization of human rights and fundamental freedoms at the national and international levels."[3] It also provides that:

- Everyone has the right, individually, and in association with others, to participate in peaceful activities against violations of human rights and fundamental freedoms.
- The state shall take all necessary measures to ensure the protection by the competent authorities of everyone, individually, and in association with others, against any violence, threats, retaliation, de facto or de jure adverse discrimination, pressure, or any other arbitrary action as a consequence of his or her legitimate exercise of the rights referred to in the Declaration.
- In this connection, everyone is entitled, individually and in association with others, to be protected effectively under national law in reacting against or opposing, through peaceful means, activities and acts, including those by omission, attributable to states that result in violations of human rights and fundamental freedoms, as well as acts of violence perpetrated by groups or individuals that affect the enjoyment of human rights and fundamental freedoms.[4]

2. The human rights organs of the inter-American system have repeatedly highlighted the importance of the work of those persons who promote and seek the protection and attainment of human rights and fundamental freedoms, as well as the oversight of democratic institutions. These organs have emphasized that:

- "Human rights defenders play a leading role in the process of pursuing the full attainment of the rule of law and the strengthening of democracy"; and
- "Human rights defenders play an irreplaceable role in building a solid and lasting democratic society."[5]

3. On June 15, 2004, the Council of the European Union established the Guidelines on Human Rights Defenders,[6] which underline that individuals, groups, and organs of society all play important parts in furthering the cause of human rights, and support the principles contained in the U.N. Declaration.

However, it must be noted that despite these international mechanisms of protection, in recent years the danger and insecurity human rights defenders face have worsened in many countries.

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[1] Human rights defenders need adequate resources to carry out their activities. They frequently depend on donations from individuals, private foundations, corporations, and governments to conduct their work, but often face extensive government control and arbitrary limitations. Restrictions on receiving funds by human rights organizations have often been imposed as a measure to impede their activities for the protection of human rights. States have often raised this as an issue of national security or sovereignty. But promotion of human rights and fundamental freedoms can hardly be seen as interference in the internal affairs of the state or an infringement of the sovereignty of the state.

[2] General Assembly resolution 53/144.

[3] Article 1.

[4] Article 12.

[5] IACHR, Report on the Situation of Human Rights Defenders in the Americas (OEA/Ser.L/V/II.124 Doc. 5 rev.1, March 2006).

[6] The full text of the Guidelines is available at http://ue.eu.int/uedocs/cmsUpload/GuidelinesDefenders.pdf.

III. PROBLEMS FACED BY THE HUMAN RIGHTS DEFENDERS

1. The use of legal actions against human rights defenders

SUMATE would like to draw particular attention to the situation of human rights defenders in Venezuela, where judicial processes are increasingly being used to punish them and impede their work.

Since 2003, criminal charges have been filed against several Venezuelan human rights and prodemocracy NGOs for having raised and utilized funds from foreign sources. Our case clearly illustrates this point.

On February 15, 2004, the President of Venezuela publicly accused SUMATE of "conspiracy and treason." On March 4, 2004, in clear response to the above accusation, the Sixth National Prosecutor opened an investigation against the most visible members of SUMATE: Its founders—Alejandro Plaz and Maria Corina Machado, and Luis Enrique Palacios and Ricardo Estevez. They were charged with "conspiracy to destroy the country's republican form of government."

The sole basis for this accusation was having sought and obtained funding from the National Endowment for Democracy (NED). Funds from the NED were used exclusively for educational activities such as: Workshops on democratic principles and citizen's rights, and television and radio ads, which were designed to inform the general public on the various mechanisms established in the Bolivarian Constitution for political and civic participation.

Plaz, Machado, Palacios, and Estevez were also charged—under Venezuelan Criminal Code, Article 132—of requesting foreign intervention in Venezuela's domestic political affairs. An unlikely charge given that SUMATE's sole intention was to raise funds to finance the legitimate exercise of constitutionally and internationally recognized citizens' rights and the legal promotion of political participation.

According to the law, Plaz, Machado, Palacios, and Estevez should be tried by a mix court consisting of three (3) people: A judge and two citizens designated randomly (the jurors). Nevertheless, on Nov. 2, 2005, in clear breach of the law, Judge Elias Alvarez ruled that the SUMATE trial would be judged by him—without the participation of jurors.

On February 9, 2006, the Court of Appeals upheld the motion presented by the defense of Maria Carina Machado, against the constitution of the Seventh Trial Court as a unipersonal court. The appeals court found that Judge Alvarez's pretension was inappropriate and it decided as follows:

- It voided the act which constituted the court without jurors.
- It ordered a new call to potential jurors, and if this were not feasible, mandated a new drawing.
- It ordered the case to be sent to a different court.

While the above ruling delayed the case for a few months, the case is set to resume in the very near future as a new judge has now been selected.

The context of the renewed proceeding is likely to be quite different now that the government has introduced—and will likely force passage of—a highly restrictive draft Law on International Cooperation.[7]

2. The use of legislative measures against human rights defenders

In Venezuela, a new draft law regulating NGOs strengthens control over civil society institutions, in particular those that are funded from abroad.

It is our opinion that a number of the provisions in the draft law do not conform to international legal standards governing freedom of association and basic civic liberties. The likely adoption of this restrictive instrument will result in the gross violation of human rights and will have a harmful impact on civil society and democratic practices in Venezuela. Our main areas of concern are as follows:

1.1. The draft law imposes restrictive conditions on civil society institutions in violation of constitutional and international law.—The current draft violates the constitutional precepts related to the freedom of association and citizen's right to participate in public affairs. Articles 52, 62, and 132 of the Venezuelan Constitution provide:

"Article 52: Everyone has the right to assemble for lawful purposes, in accordance with law. The state is obligated to facilitate the exercise of this right."

"Article 62: All citizens have the right to participate freely in public affairs, either directly or through their elected representatives.

"The participation of the people in forming, carrying out, and controlling the management of public affairs is the necessary way of achieving the involvement to ensure their complete development, both individual and collective. It is the obligation

[7] Anteproyecto de Ley de Cooperacion Internacional.

of the state and the duty of society to facilitate the generation of optimum conditions for putting this into practice."

"Article 132: Everyone has a duty to fulfill his or her social responsibilities and participate together in the political, civic, and community life of the country, promoting and protecting human rights as the foundation of democratic coexistence and social peace."

Additionally, SUMATE notes that according to the Inter-American Commission on Human Rights (IACHR), any act that tends to impede the association of human rights defenders, or in any way impedes the purposes for which they have formally associated, is a direct attack on the defense of human rights.[8]

Furthermore, the draft law restricts the right of freedom to association as guaranteed under the International Covenant on Civil and Political Rights (ICCPR). Article 22(1) of the ICCPR states: "Everyone shall have the right to freedom of association with others, including the right to form and join trade unions for the protection of his interest."

In addition to this, it is counter to the U.N. Declaration, which establishes:

"Article 13: Everyone has the right, individually and in association with others, to solicit, receive, and utilize resources for the express purpose or promoting and protecting human rights and fundamental freedoms through peaceful means, in accordance with article 3 of the present Declaration."

1.2. It is not necessary. Venezuela already has a legal framework that governs NGOs activities.—A complete and effective regulatory frame already regulates the activities of Civil Society Organizations, universities, unions, companies, and cooperative organizations. In addition to the standard requirements placed on NGOs to acquire legal status, these organizations will also have to register in a new, integrated registry controlled by the government. Registration would be a precondition to achieve national recognition to be able to perform activities of cooperation to receive funding and to enjoy tax benefits.

1.3. It provides for excessive government intervention in the activities of NGOs. The current draft imposes a wide range of restrictive conditions on the management, operations, and financing of NGOs and will allow authorities to intervene relations at the international level—including funding and activities at the domestic level.—Under the terms of this draft, specifically, as it refers to the creation of the Integrated Registry System, rigorous state control is guaranteed. Far from promoting the civil society, such controls would significantly hamper the participation of citizens in social matters. For instance, given the intent of article two, the national government would have a say on the decisions of NGOs, universities or unions in matters as basic as receiving donations or provisioning of bibliographical material or even the purchase and use of computers. The exchange of information among international entities would also be subject to controls. The issue of invitations for speakers, and the attendance to international forums, would be controlled by the state in those cases in which the resources for these activities come from international cooperation.

1.4. It promotes bureaucracy. The draft law contemplates two governmental agencies to control the NGOs activities.—The first one will be the entity charged with receiving all documentation and incorporation files of the NGOs. NGOs will have to inform this entity on their organization and management, sources, and uses of their resources. This entity would be in a position to audit any aspect of the NGOs operation at any point in time. A second entity would be charged with providing financing for programs, projects, international attendance, and any other activities that the government undertakes in the area of international cooperation. The disbursement of these funds would be according to the priorities set by the government's foreign policy (and its interpretation of "the national interest").

1.5. It is selective in scope. Instead of imposing restrictive conditions on civil society institutions, the Venezuelan National Assembly should regulate the disproportionate use of public monies in other countries.—The awarding of grants for not-for-profit civic projects and activities by foreign donors is a practice commonly accepted throughout the world. Our country, with its deep democratic tradition, should not be an exception. If this source of financing is ultimately banned, it would be impossible for organizations working in the area of human rights to operate. History proves that at this stage of political, social, and economical development, countries such as ours benefit from the constructive involvement of individuals and NGOs focused on the promotion of democratic practices. It is unconscionable to respond to this natural development and expectation with a legislated witch hunt against those seeking greater freedom.

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[8] IACHR, Report on the Situation of Human Rights Defenders in the Americas . . . op.cit . . .

It must be mentioned that it is essential to establish strict rules to ensure the transparency and adequate oversight of the government's discretionary international "cooperation" activities. These unchecked flows need to be brought under better supervision. Here we refer to such things as the $100 million oil donation to Bolivia and Argentina; the oil agreements with Cuba; the donation of heating oil to "the poor people" of the United States or England, the urea shipments to Nicaragua's Sandinista party, and the funding of Bolivarian circles around the world.

IV. TOWARD MORE EFFECTIVE PROTECTION OF HUMAN RIGHTS DEFENDERS

Based on the international standards established by the legal and normative instruments in the field of human rights:

1. SUMATE emphasizes the important role that individuals, nongovernmental organizations, and groups play in the promotion and protection of democracy, human rights, and fundamental freedoms.

2. SUMATE expresses its gravest concern over efforts to suppress democracy promotion activities and demand these actions should cease. Furthermore, any existing legal restrictions in this regard should be expeditiously repealed.[9]

3. SUMATE has identified the following priorities for a strategic approach to the situation and role of human rights defenders:

3.1. Governments must acknowledge the legitimacy and value of the work of human rights defenders.

3.2. In accordance with human rights instruments adopted within the United Nations system, as well as those at the regional level, all members of the international community shall fulfill their obligation to promote and encourage respect for human rights and fundamental freedoms for all without distinction of any kind.

3.3. All countries must adhere to and comply with the relevant international norms and standards, in particular the U.N. Declaration. States must fully implement the principles included in this Declaration through the following actions:

- The adoption of the Declaration by national parliaments;
- The dissemination of human rights information; and
- The implementation of awareness-raising and solidarity campaigns with defenders.

3.4. The international community should exert effective pressure on governments that attempt to restrict NGO activities (including through adoption of legislation). Sufficient attention has not been given to modification of national laws that contradict the principles of international instruments and commitments applicable in the field of human rights.

3.5. The international community should adopt a mechanism of systematic alert on cases of repression against human rights defenders.

3.6. The collaboration between universal and regional mechanisms for the protection of human rights is fundamental for ensuring a coordinated and effective strategy of protection of human rights defenders worldwide.

4. SUMATE would also like to recommend the following actions in support of the aforementioned objectives:

- Condemning threats and attacks against human rights defenders; and
- Maintaining contacts with human rights defenders;
- Attending and observing trials of human rights defenders;
- Providing, as and where appropriate, visible recognition to human rights defenders;
- Assisting in the establishment of networks of human rights defenders at an international level, including by facilitating meetings of human rights defenders;
- Seeking to ensure that human rights defenders can access resources, including financial, from abroad.

SUMATE appreciates the interest of the committee in these important issues, and welcomes this opportunity to submit our testimony in writing as part of the hearing record.

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[9] Legislation in the name of national security, public order, or emergency must not be allowed to silence dissent.

RESPONSES OF BARRY LOWENKRON TO QUESTIONS SUBMITTED BY SENATOR BIDEN

Question. Please clarify your reply regarding the current status of OFAC licensing regulations for the work of United States nongovernmental organizations to financially support a broad range of civil society, cultural, human rights, and democracy-building activities in Iran.

(a) If there is a general license covering nongovernmental organization activities, please describe which organizations are eligible and what activities are permitted.

(b) If there is not general license, please describe the average wait time for non-governmental organizations to obtain specific licenses, the number of license applications received and the number of licenses issued since January 2002. Do you believe the absence of a general license and specific licensing process has prevented NGOs from applying for specific licenses. Does the administration intend to issue a specific license for NGO activity in Iran?

Answer. Under the Office of Foreign Assets Control's (OFAC) Iranian Transactions Regulations, most commercial and financial activities with Iran by United States persons are prohibited absent a license. In order to facilitate democracy-building activities, OFAC issued a license to the Bureau of Democracy, Human Rights and Labor (DRL) and its grantees in July 2005 to cover DRL-funded programs in Iran. Currently, the license is limited to DRL "and U.S. persons receiving grants from DRL." DRL awarded S4 million to six different grantees for programs in Iran; these programs represent the first Department-funded democracy and human rights programs in Iran since 1979.

As the fiscal year 2006 foreign appropriations bill and the fiscal year 2006 supplemental provide funding to the Bureau of Near Eastern Affairs (NEA) and DRL to advance democracy in Iran, in order to facilitate Iran democracy programs, DRL and NEA will ask that OFAC issue a new license to cover activities funded by both NEA and DRL under this program. In addition, the Bureau of Educational and Cultural Affairs (ECA) will ask that OFAC issue a separate license to ECA and its grantees, modeled on the existing DRL license, to cover ECA-sponsored human rights projects, democracy, educational and cultural exchange programs, and other programs aimed at furthering Iranians' appreciation of democratic values and practice through exchange and other activities.

In order to better facilitate non-USG-funded NGOs applying for a license from OFAC to do work in Iran, OFAC will issue a Statement of Licensing policy to be posted on OFAC's Web site. The State Department will also post information on its Web site explaining the process and directing potential applicants to the OFAC Statement of Licensing Policy. OFAC retains records of all license requests. For more specific information regarding licensing processing we would refer you to the Office of Foreign Assets Control.

Question. The administration requested funds in the fiscal year 2006 supplemental for democracy programs in Iran.

(a) How do you plan on identifying partners inside of Iran? How will you assess their capacity and credibility? Is there a way to provide funding without stigmatizing or undermining their work?

(b) What role do you anticipate Iranian exile groups will play in implementing this program? Please identify and describe those Iranian exile groups you have consulted.

Answer. The Department of State will spend the S20 million Democracy Fund to promote human rights and democracy in Iran. The two Bureaus managing these programs, the Bureau of Democracy, Human Rights and Labor (DRL) and the Bureau of Near Eastern Affairs (NEA) will concentrate programming on political party development, labor, civil society, human rights and rule of law. DRL-funded programs administered by my Bureau support respect for freedom of association and speech, and more open and free participation in the political process. Presently, DRL grants funds to established United States NGOs and academic institutions that work with individuals and organizations inside Iran. Projects focus on influential democratic actors and groups, including labor, women, and students. For practical reasons of safety, we are cautious about publicizing our work with governments and activists across the globe to protect human rights. We would, of course, be happy to provide a classified briefing for the committee.

The desire for an active civil society in Iran has not been diminished by the numerous attempts by the Iranian Government to silence human rights and democracy activists. Iranians know that their government may punish them for voicing their views on the Internet or in the newspaper, and yet journalists continue to write provocative pieces that demonstrate tremendous moral courage, and thousands of other Iranians post their thoughts on Web blogs every day. They gather on the streets

to demand better working conditions and equal rights for women although the forceful reaction of the regime's thugs is a bitter reality. Iranians have found ways to endure in a system that strives to deprive them of their legitimate rights—and we are confident that they will also find ways to change that system.

The State Department regularly meets with members of the Iranian diaspora community. We see exile groups as one of many sources of information about Iran and Iranian people, but recognize that many individuals have not been back to Iran since the revolution. Although the funding of exile groups has not been a major focus of these efforts, we are willing to consider qualified proposals submitted by any credible organization.

Question. Russia has been hostile to the use of Organization for Security Cooperation in Europe (OSCE) election monitors in former Soviet republics. Recently, Moscow started financing its own group of election "monitors" who routinely ignore the findings of other international observers and return results that match the Kremlin's desired outcome. The most glaring example of this phenomenon occurred recently following Belarus' so-called elections.

(a) What is the United States doing to preserve the integrity of election monitoring missions mounted by the OSCE and other international bodies?

(b) What can be done to ensure that the findings of legitimate election monitors are not obscured by the claims of politically-motivated observers?

Answer. Russia has used two different approaches to try to undercut the reports of Office of Democratic Institutions and Human Rights (ODIHR) election monitoring missions: Sending separate Commonwealth of Independent States (CIS) monitoring teams to cover elections in some CIS states, for example Ukraine and Belarus, and routinely publicly criticizing ODIHR for alleged bias and methodological flaws—a claim we completely reject. Under the first approach, for instance, the CIS teams issued separate reports proclaiming the first round of the October 2004 Ukrainian Presidential elections and March 2006 Belarusian elections "free and fair," in marked contrast to ODIHR's very critical reports. In addition, Russia has recently decided to participate more actively on ODIHR observation missions, and sent a considerable number of Russian observers to ODIHR missions, including Kazakhstan and Azerbaijan late last year. We welcome Russian participation in ODIHR monitoring missions, because it will help Moscow better understand the methodology and recognize the strengths and impartiality of the process, and that the standards applied are identical in the West as well as CIS countries. However, Russia also clearly hopes to influence, i.e., tone down, ODIHR's criticism of the conduct of elections particularly in CIS states. Russia has used the reports of its own observers as a basis for accusing ODIHR of making biased, predetermined negative politicized evaluations of various elections, and has further argued that ODIHR team evaluations should have no standing in OSCE because they do not represent participating state consensus positions.

The United States, the European Union and other OSCE states publicly, emphatically, and consistently reject such Russian (and other CIS) accusations against DDIHR. We believe that the current methodology of the OSCE, which is the "gold standard" emulated by other international monitors such as those from the European Union, provides objective and unbiased assessments of electoral practices in participating states both east and west of Vienna. If an evaluation is critical, it is because the concrete circumstances of the election required it, and not because of any inherent bias or predetermined conclusion. Critical comments have been made, for example, of some aspects of recent U.S. elections that were assessed by DDIHR.

We believe that ODIHR's methodology itself works to protect against tainting by politically motivated observers within its missions. Its assessments are objective and accurate precisely because ODIHR's missions include large numbers of observers all operating under the same rules that get a statistically meaningful sample. In addition, ODIHR makes every effort to organize its observers into mixed nationality teams, which must reach consensus on their observations, to dilute any politically motivated reports made by individuals or secondees of particular countries. ODIHR has also codified its practice of limiting the total number of participants of a given nationality in an electoral monitoring mission to 10 percent of the overall team's size, preventing any one country from unduly swaying the evaluation of an election mission.

Efforts to make significant changes in how ODIHR conducts election monitoring, in particular how it appoints election mission heads and when and with what focus it issues its evaluations, can only be achieved via an OSCE consensus decision. The United States, joined by a majority of other participating states, has made unambiguously clear that it will reject any proposal that might undermine ODIHR's election-related efforts.

Question. Mongolia has been heralded by many as a success story of democratic development. Yet, endemic corruption continues to prevent Mongolia from qualifying for participation in the Millennium Challenge Account, and the institutions of democratic and governance programs remain very weak. The administration reduced support for democracy and governance programs from $10 million in fiscal year 2004 to $7.5 million in fiscal year 2005. The same amount was requested in fiscal year 2006. Why are we reducing United States funding for democracy programs in Mongolia at this pivotal moment in its political development?

Answer. Currently, all United States economic assistance to Mongolia is distributed by USAID, which has identified two priorities: Private sector-led economic growth and more effective and accountable governance. Over the past 3 years, good governance assistance has remained constant at $2.7 million. The decrease in USAID funding from $10 million to $7.5 million can be attributed to a decline in economic growth assistance from $7.22 million to $4.8 million in fiscal year 2006.

Mongolia's Millennium Challenge Account (MCA) proposal is also currently under review. To address Mongolia's worsening performance on corruption, the Millennium Challenge Corporation (MCC) has officially notified Mongolia that passage of anticorruption legislation is a prerequisite for signing a compact. MCC has underscored the importance of fighting corruption and strengthening the rule of law as essential to the success of any MCA program in promoting economic growth and reducing poverty. If Mongolian authorities are responsive in enacting anticorruption legislation, Mongolia also stands to gain aid through the Millennium Challenge Account.

Mongolia's transformation from authoritarian communism to democratic governance is a remarkable ongoing success story. But this transition is far from complete, and many development challenges remain. Despite achieving peaceful and constitutional transitions of power between governments since the early 1990s, holding elections that are largely free and fair, and recording impressive 6–10 percent GDP growth rates over the past few years, Mongolia's continued democratic and economic success hinges on its ability to manage a series of "good governance" issues, including establishment of greater accountability, transparency, and anticorruption measures.

Senior Mongolian officials have also expressed concerns about cuts in economic assistance levels for Mongolia. We will continue working actively with Mongolian officials to develop a balanced assistance program, and given our concerns of corruption, our funding level over the past 2 years reflects a sustained commitment to helping Mongolia's democratic development.

Question. Please provide information on positions abroad, by post, that were designated as "labor" positions in fiscal year 2004 and are currently so designated (in fiscal year 2006).

Answer. The following positions were designated as "labor officer" in fiscal year 2004: Ankara; Beijing; Berlin; Bridgetown; Canberra; Geneva; Guatemala City; Jakarta; Johannesburg; La Paz; Lagos; London; Mexico City; Nairobi; Ottawa; Paris; Rome; San Salvador; Santiago; Sao Paulo; Tokyo; Tunis; USEU Brussels; and Warsaw.

Officers assigned to some other political or economic positions overseas have labor responsibilities in their portfolios. Some of these positions are "dual designated" as either political/labor or economic/labor, including, for instance, ones in Baghdad, Bangkok, and Hanoi.

All positions designated as "labor officer" in 2004 continue, with the following exceptions:

- Bureau of African Affairs—The Lagos position was abolished in 2004. AF has agreed that a new political position in Abuja will also have labor responsibilities. This is in process.
- Bureau of East Asia and Pacific Affairs—The Tokyo position has been abolished as of July, 2006.
- Bureau of European and Eurasian Affairs—The full-time Berlin labor position will be eliminated in July, 2007. A lower ranking economic position will be designated as having labor responsibilities. The Warsaw position is being eliminated.
- Bureau of Western Hemisphere Affairs—A labor position was established in Brasilia, while the labor position in Sao Paulo was abolished. By virtue of global repositioning, there will be a new political officer position established in Managua. This position will also have labor responsibilities.

Question. Please describe how the Secretary's "transformational diplomacy" initiative will affect labor-designated positions. What is the process for reviewing such positions, and what are the criteria being used?

Answer. Secretary Rice defined the objective of transformational diplomacy this way: "To work with our many partners around the world to build and sustain democratic, well-governed states that will respond to the needs of their people—and conduct themselves responsibly in the international system."

One important way of helping to realize the Secretary's objectives is through repositioning our employees globally to successfully meet the challenges that transformational diplomacy presents. We are expanding the role and function of the current labor officer positions to include a wider range of transformational responsibilities in such areas as human rights, democracy, and other regional and transnational political and economic issues. In many cases, this reflects a continuation of a process that had already begun.

Under the Global Repositioning Initiative, an integral element of the Secretary's vision of transformational diplomacy, the Department is shifting its resources to more effectively and efficiently deal with transformational issues globally. The Department is reviewing the work and location of current labor officer positions. Positions with significant labor responsibilities will continue to be labor-designated assignments for which officers will receive labor training.