

Transcript:

Hello. My name is Carl Gershman. I'm the founding president of the National Endowment for Democracy (NED), having been elected by the board at the beginning of April of 1984, and serving all the way through the summer of 2021. I was there for over 37 years, and it went from a very small and controversial organization into something very substantial with consensual bipartisan support in the Congress for it, which was not the case in the beginning. Let me just tell that story. It is an interesting story, and I think it has some implications for how our system is functioning or not functioning today.

I want to begin by just noting a little bit of the historical precedence that led to the creation of NED in the early 1980s. As many people know, this was launched by a very important speech that Ronald Reagan gave to the British Parliament on June 8th 1982. It has been called by one of his biographers his greatest speech, the Westminster Address, in which he called for challenging the Soviet Union politically and called for the creation of an organization that would foster democracy, which allowed people freedom as opposed to a totalitarian system, that, he said prophetically, would end up on the ashheap of history.

There were a lot of precedents for this, but I want to mention three that were very important. One was something called the Congress for Cultural Freedom, which was an organization established in 1950, bringing together some of the greatest intellectuals in the world to fight politically against Communism, which at the time in 1950, after the Second World War and the Soviet Union's defeat (allied with the United States, of course) of fascism. was riding high among the world's intellectuals. Some anti-Communist intellectuals like Sidney Hook, Mel Lasky, Arthur Koestler, the novelist James T. Farrell and others came together to fight the political and ideological battle against Communism. It lasted for 17 years, and in its first 8 of those years it was a very significant initiative. They had representatives in 35 different countries. They had a staff of 280 people, which at the time was very large. They supported some 35 journals. They supported major conferences, and it had a very, very high profile in terms of competing politically with Communism. In the 1960s it was revealed that it had been getting money from the CIA, and that created a great crisis. There had already been tensions inside the organization as to how to deal with the Cold War. Eventually, it went out of existence, but it was a very important precedent for the NED, introducing the idea of putting government money into a private operation that was trying to mobilize political support against Communism.

The second precedent was the German political party foundations, called *Stiftungen*. In the late 1970s after the revolution in Portugal, the Carnation Revolution in 1974, and the death of Franco the following year in Spain, the West German political party foundations—in particular the *Friedrich Ebert Stiftung* of the Social Democrats and the *Konrad Adenauer Stiftung* of the Christian Democrats—went into Spain and Portugal, providing assistance to the democratic transitions there. They were supporting in various ways, with training and financial support, the democratic forces which were, in the case of Portugal, threatened by far left forces, and in the case of Spain by the residual elements of the right authoritarian forces. The Germans were successful, which caught the attention of people in the United States.

Finally, there was the role played by the American labor movement, the AFL-CIO. During a period, especially after Vietnam, when the US went into a period of isolationism and there were almost no private organizations working abroad, the AFL-CIO continued to be active supporting free trade unions, especially in competition with the Communist countries where the Soviets were very active in this field, but also in fighting for free trade unions in countries like Chile, [and other] right-wing, authoritarian countries.

As early as 1961, the Agency for International Development started putting money into institutes established by the AFL-CIO for free trade union work - in Latin America there was the American Institute for Free Labor Development, and also the African American Labor Center that was established in 1964, and then in 1968, the Asian American Free Labor Institute. These were historical precedents for the NED.

When you think about it and what each contributed to what became the NED, I believe that the Congress for Cultural Freedom contributed to the idea that democracy, the advance of democracy, was a political and intellectual struggle. It was not a social engineering program where a development group tries to “build” democracy through some form of social engineering. It was more a struggle of ideas and values against anti-democratic ideologies, anti-democratic ideas and political forces—and NED inherited that, which was built into the NED from the very beginning, and remains with it today.

Then there's the German model, the *Stiftungen*. When the Americans came together after Reagan gave that speech at Westminster to try to figure out how to undertake what Reagan was calling for, the only model for this was the *Stiftungen*. They did, therefore, have the idea of creating political party foundations on the basis of the German model.

So the Democrats and the Republicans each established party institutes, an idea that was very controversial at the time since a lot of people in the Congress were very suspicious of giving public money to political institutes associated with the two parties. It was a very, very controversial idea in the beginning, but that idea came from the German model and what they had done successfully on the Iberian Peninsula in Europe.

Finally, since the AFL-CIO was the leading institution doing this type of work, it had to be part of this effort, and I think because the founders of the NED in Congress, Dante Fasell in particular, were always looking for a way to create political balance and we were definitely going to have a labor institute, we needed to balance that with a business institute. Therefore, it's really because of the AFL-CIO and its model that there was a consensus to establish a business institute associated with the Chamber of Commerce called the Center for International Private Enterprise. The AFL-CIO was also important in other way because, and I'll be very frank, I think I became the founding president of the NED because of the support I had from the AFL-CIO and the labor movement, which I had been working with on issues related to international democracy for more than a decade when the idea for NED came around. I had that background. I was bipartisan, a kind of right-wing social democrat on the Scoop Jackson, Hubert Humphrey wing of the large 'D' Democratic Party. In addition, when Reagan gave that speech to the British Parliament, I was working for Ambassador Jeane Kirkpatrick at the UN, so I was actually working for the Reagan Administration. I had a bipartisan identity, and it was because of that, and my labor support, that I was chosen to be the founding president of the NED.

As I said, NED was a very controversial idea. The party institutes were just one reason it was very controversial. The four institutes were seen by people in the Congress as special interests. There were people on the right who didn't like the idea of having a labor institute. There were people on the left who saw the whole thing as a Ronald Reagan anti-communist crusade and a kind of neoconservative initiative. It was very controversial for these reasons and at the end of May 1984, when we were just getting started, the House of Representatives voted to zero-out the NED's budget. When it went over to the Senate, we came very close—just 5 votes—to losing. If we had lost in the Senate, the idea would have been killed.

But we survived. and it was a long, long battle to build a consensus for this organization. One of the interesting controversies we had was in 1986. There was a big political scandal at the time called the Iran-Contra affair, when people associated with the Reagan Administration, especially a fellow named Ollie North, were accused of

channeling money from Iran to the Contras in Nicaragua. For a lot of complicated reasons, there were some people, including a reporter for the *New York Times*, who tried to drag us into this controversy.

What happened was that when Reagan proposed the idea of creating some institution to support democracy, there were two ways to go. One was a governmental organization and the other was a non-governmental one. The governmental idea was called Project Democracy, and it got shot down when the head of the USIA presented the Project Democracy idea in testimony to the Senate Foreign Relations Committee, and it was not a successful testimony. Charles Percy, the Chair of the Committee, then tried to run away from the idea because he was up for reelection in Illinois, and basically the Project Democracy was shelved. At the same time, there was a bipartisan group called the Democracy Program, working on the House side with Congressman Dante Fascell, which put together a plan for what became the National Endowment for Democracy with the idea of having these four Institutes and a bipartisan non-governmental grant-making organization. That's what got created, and it then went forward as I've described.

But when the Iran-Contra affair happened in 1986, the main person who was pushing it was, this fellow Ollie North, used the shelved Project Democracy as the way to get the money to the Contras in Nicaragua. People then saw some relationship between the Democracy Program and Project Democracy, so the *New York Times* went with a lead front page article saying that the NED was the overt side of a covert operation called Project Democracy. We had a very difficult time clearing this up. Two of our board members ran an op-ed in *The Washington Post* called "The Good Project Democracy," and there were editorials in the *Post*, *The New York Times* and elsewhere trying to explain this.

This was in 1987 when we were already supporting a lot of terrific groups. I thought, you know, we really have to tell our story to Washington. So we decided to organize our first international conference in April of 1987, when we brought all our key grantees to Washington to talk about what they were doing. The conference was an enormous success, and the people we brought together were associated with what Samuel Huntington later called the Third Wave of Democratization. In other words, there were democratic transitions happening almost everywhere - in Latin America, in the Philippines, South Korea and Pakistan. Then, in 1989, you had the fall of all the Communist governments in Eastern Europe, and eventually the regime in the Soviet Union collapsed. This was the Third Wave of Democratization. We were not creating

that wave, but we were associated with it. A lot of the people active in that field, especially the solidarity movement in Poland and some of the dissident groups in Czechoslovakia, were being supported by the NED, and it was beginning to give credibility to the NED idea, which was still controversial.

I want to mention my testimony at the time, in March 1990, before Senator Joseph Biden and the Senate Foreign Relations Committee. Senator Biden, now President Biden, had a subcommittee on Europe, and I testified before his subcommittee. Biden made some remarkable statements in the course of that testimony. He was one of our initial opponents and he said in the testimony, and this is a direct quote from now President Biden: “In 1990 I didn't support your outfit,” he said. “I want to say to you on the record that I was wrong, and you were right. I thought NED was just a boondoggle, namely, something corrupt for the political parties and a way for American business and labor to also participate in the junkets.” They thought we wouldn't be conducting serious programs to support democracy, but just sending people on junkets around the world for political reasons, giving them favors. He said, “I want the record to note that is what I thought.” Biden said, “and I was wrong.” He added, and this is actually rather interesting, “Every one of the dissident groups from Central Europe, the Central European dissidents, every one of them that have come through the Senate Foreign Relations Committee, which I chair the Senate Foreign Relations European Subcommittee, have almost uniformly praised your organization, and they have asked for more assistance quickly in the upcoming election cycle in Central Europe.” Toward that end Biden said, “I've introduced some legislation to give an infusion of 10 million dollars quickly into your organization for the purpose of being able to aid this effort.”

Biden was one of really many members in the House and the Senate who turned around on this issue during the initial period of NED, when we were proving ourselves. Some of them included Senators like Pete Domenici, Nancy Kassenbaum, Frank Murkowski from New Jersey, William Roth from Delaware, and Warren Rudman from New Hampshire—he was a very important opponent who became a very significant friend—Alan Simpson from Wyoming, Malcolm Wallop from Wyoming, and Bill Bradley from New Jersey. Then in the House there were others like Lee Hamilton, who chaired the House Foreign Affairs Committee, Ted Weiss, a Liberal from New York, Dave Bonier, a strong, liberal from the state of Washington, Jim Inhofe from Oklahoma, who later became a senator. This was all very significant - the NED was proving itself, and it was developing bipartisan support.

Still, in the 1990s - in 1993 - we lost another vote in the House, and the reasons were twofold. First of all, the Cold War was over by 1993 and a lot of people said, "We don't need this anymore." Also, after 1989 and the revolutions in Central Europe, a lot of people in our government thought that democracy support was no longer politically sensitive and therefore an agency like the USAID could become involved. So again, who needs the NED anymore?

I remember when the famous political sociologist Seymour Martin Lipset was at one of the award dinners we had at the international conferences which we started in 1987. In 1995 we were honoring human rights leaders from Russia, the successor country to the Soviet Union; from Rwanda, where there had been a genocide in 1994; and from Mexico, which had gone through a big democratic transition in 1994. Lipset was deeply moved by what he saw, and he wrote a newspaper article addressing himself to the Congress, saying that the struggle for democracy did not begin with the Cold War and the struggle against communism. There were democratic leaders like Louis Kossuth from Hungary and Mazzini from Italy, who came to the United States in the 1840s and 50s because we were the model for democracy, for the future. The United States, in other words, was supporting democracy before the 1917 revolution in Russia that created the Soviet Union. The struggle continued after the fall of Communism, Lipset said, since in every country there is a party for liberty and a party for dictatorship, and the party for liberty is a kind of pro-American party, and the party for dictatorship is an anti-American party. There's a struggle, and so the NED is still needed.

We still had great difficulties in the Congress. We had a strategy paper in the 1990s when we said that we have to find a way to advance in a bold way during a period of austerity. The budget at the time was about 30 million dollars, more than half of which went to the four institutes.

We had to do more with less, and so we started conducting our own activities which were important to the mission of the organization. One of these was the creation of the *Journal of Democracy*, which really has a worldwide audience right now. The second was the creation of the World Movement for Democracy, a global network of activists. We created a fellows program. We created a free media program to promote the idea of the importance of supporting media freedom because we did not have a media institute among the 4 institutes. We also came up with the idea of encouraging other countries like the United Kingdom, Canada, Japan, and Taiwan to create their own institutions for promoting democracy, so we would have partners.

We expanded the work of the NED during this very difficult period. Then 9/11 happened in September of 2001, and that has been called the end of the vacation from history. In the 1990s people had the illusion that history had ended, meaning that the difficult struggles over freedom and over values in the world would no longer take place. But with 9/11, history returned. The budget of NED, when 9/11 happened in 2001, was 30 million dollars a year. In the next 18 years, until 2019, the budget increased by 10 times from 30 million dollars to 300 million. It was actually over 300 million dollars when I left it, because there were additional special funds coming to NED for particular countries. In addition to the \$300m annual appropriation, the NED budget was about 320 million dollars. So the NED went from being a very small, almost marginal operation to being a very central organization, which people consider to be America's flagship program for the promotion of democracy.

The problems, of course, did not end after 9/11. For example, the Orange Revolution in Ukraine in 2004 triggered what we call the backlash against democracy assistance, where Russia and then other countries like China, Venezuela, and so many others started attacking the idea of democracy promotion as if this was illegitimate, even though it was transparent and was operating within the framework of international law. But they attacked it and started threatening the groups receiving the funds with punishment if they worked with NED. So, it was a very, very dangerous period, starting in around 2005, and 2006, when what Larry Diamond has called the Democracy Recession began. Since then, democracy, according to Freedom House, has declined for 18 consecutive years in terms of the level of political freedom and civil liberties in countries around the world. They trace this, and freedom has declined steadily for 18 straight years. You also now have the rise of illiberal populism and the election of Donald Trump, who has opposed the idea that the United States should somehow be associated with fostering democracy.

We are at a very uncertain moment for democracy promotion. But maybe some of the lessons I've talked about, and how we handled ourselves in terms of trying to be bipartisan, in terms of reaching out and being transparent, offer a way forward for the future. Let me suggest in conclusion that you think about the way the NED developed over the years from a new and very controversial idea, which had to prove itself to the Congress and win over people who were skeptics of this idea. It was a new idea, and many Members of Congress couldn't understand how it would work, aside from giving political trips to people, junkets, which many thought was ridiculous. We did prove ourselves, and eventually Congress came to embrace this idea, and it was the Congress

during the first presidency of Trump that doubled our budget because they understood what it was, and they thought that this was something the United States needed to do.

As we go forward in the future, we have to continue to keep in mind the need for bipartisanship, the need for transparency, and the need really to identify the mission of the NED with the people around the world who are struggling for freedom and democracy with enormous courage. They haven't given up. This is not a good period for democracy, but they haven't given up in what I called in the beginning the struggle for democracy. This is not some program of social engineering but is fundamentally a political struggle. The NED is still identified with these heroes of democracy around the world. I think because of that, even though the period right now is very difficult, that the NED will survive and continue to do the work that it does. Thank you.